

**Annual Governance Statement 2018-19**

<b>Final Decision-Maker</b>	Audit Governance and Standards Committee
<b>Lead Head of Service</b>	Angela Woodhouse, Head of Policy, Communications and Governance
<b>Lead Officer and Report Author</b>	Angela Woodhouse, Head of Policy, Communications and Governance
<b>Classification</b>	Public
<b>Wards affected</b>	

**Executive Summary**

Attached at Appendix A is the Annual Governance Statement for 2018-19. The purpose of the Annual Governance Statement is to provide assurance on the Council's governance arrangements.

**Purpose of Report**

Decision

**This report makes the following recommendations to this Committee:**

To approve the Annual Governance Statement for 2018-19.

**Timetable**

<b>Meeting</b>	<b>Date</b>
Corporate Leadership Team	21 May 2019
Audit, Governance and Standards Committee	30 July 2019

# Annual Governance Statement 2018-19

## 1. CROSS-CUTTING ISSUES AND IMPLICATIONS

<b>Issue</b>	<b>Implications</b>	<b>Sign-off</b>
<b>Impact on Corporate Priorities</b>	Effective corporate governance arrangements ensure the council's priorities are understood and delivered	Head of Policy, Communications and Governance
<b>Cross Cutting Objectives</b>	Effective corporate governance arrangements ensure the council's priorities are understood and delivered	Head of Policy, Communications and Governance
<b>Risk Management</b>	Already covered in the risk section	Head of Policy, Communications and Governance
<b>Financial</b>	The action plan may have resource implications. These will be identified as projects come forward.	Section 151 Officer & Finance Team
<b>Staffing</b>	The action plan may have resource implications these will be identified as projects come forward	Head of Policy, Communications and Governance
<b>Legal</b>	<p>Section 6(1) of the Accounts and Audit Regulations 2015 requires all local authorities to:</p> <p>a) conduct a review of the effectiveness of the system of internal control required by regulation 3; and</p> <p>(b) prepare an annual governance statement;</p> <p>Under the Council's Constitution one of the functions of the Committee is to oversee the production of the Council's Annual Governance Statement. The Annual Statement demonstrates measures are in place to ensure good governance arrangements which enable the Council to meet its statutory requirements.</p>	Principal Solicitor, Corporate Governance
<b>Privacy and Data Protection</b>	Data protection is covered in the statement and action will continue into 2019-20	Policy and Information Team
<b>Equalities</b>	Effective corporate governance arrangements include behaving with integrity, demonstrating strong commitment to ethical	Policy & Information Manager

	values, and respecting rule of law as set out in the code of corporate governance.	
<b>Public Health</b>	We recognise that the recommendations will not negatively impact on population health or that of individuals.	Public Health Officer
<b>Crime and Disorder</b>	No implications.	Head of Policy, Communications and Governance
<b>Procurement</b>	No implications.	Head of Policy, Communications and Governance

## 2. INTRODUCTION AND BACKGROUND

- 2.1 Each year the Council reviews its governance arrangements to ensure compliance with the Local Code of Corporate Governance. The purpose of the review is to provide assurance that governance arrangements are adequate and operating effectively and to identify action which is planned to ensure effective governance in the future. The outcome of the review takes the form of an Annual Governance Statement (AGS) prepared on behalf of the Leader of the Council and Chief Executive.
- 2.2 Overall, we can confirm that the council has the appropriate systems and processes in place and we do not consider there are any significant governance issues arising from the review. Whilst we are satisfied the arrangements work well our review has identified actions to ensure good standards of governance are maintained. Updates on the actions will be provided to the Audit Governance and Standards Committee on a six monthly basis and kept under review by the internal Corporate Governance Group.
- 2.3 Areas for Improvement 2019-20

<b>Key improvement area</b>	<b>Lead Officer</b>	<b>To be delivered by</b>
Ensuring sufficient resource to deliver the ambition for embracing growth and enabling infrastructure priority (link to Corporate Risk Register)	Director of Regeneration and Place	1 March 2020
Ensuring there is protection against bribery and corruption.	Monitoring Officer	As identified in Audit report
Capacity to deliver the investment and regeneration	Director of Regeneration and Place	1 March 2020

programme – (link to Corporate Risk Register)	Director of Finance and Business Improvement	
Property Maintenance, Health and Safety Compliance	Director of Finance and Business Improvement	1 March 2020
Governance for Maidstone Property Holdings	Chief Executive	1 March 2020
Contract Management	Director of Finance and Business and Improvement	1 November 2019
Partner Relationships	Chief Executive	1 November 2019

2.4 A number of improvements actions were identified as part of the 2017-18 Annual Governance Statement

The table below shows progress with these actions:

<b>Governance Issue</b>	<b>Update</b>
Develop a clear and consistent strategic narrative with agreed vision and priorities	Strategic Plan Vision, Outcomes and Objectives were agreed in December 2018.  New strategic Plan adopted
Audit Reviews with weak assurance: <ul style="list-style-type: none"> <li>• Accounts receivable (focussed on debt recovery)</li> <li>• Procurement (focussed on small to medium contracts)</li> <li>• Land charges (focussed on controls between partner authorities)</li> </ul>	These audit reviews have now been rated as sound following implementation of agreed remedial action.
Stress Survey	Actions: <ul style="list-style-type: none"> <li>• Presentation of results to Unit Managers and Staff Forum.</li> <li>• Team Talks delivered on the stress survey results and actions and appropriate behaviour.</li> <li>• Training for managers on managing resilience in teams</li> <li>• Well-being week and activities held</li> </ul>
Risks:  Housing Pressures Continue to Increase  Project Failure – failure of significant capital projects of a housing and regeneration nature	CLT receive a monthly update on the service.  Projects approved and managed

Governance Issue	Update
Financial Restrictions	MTFS Adopted
Data Protection Compliance	Action plan has been progressed
Payment Card Industry (PCI) compliance	Project has been completed and council is PCI compliant.

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### **3 AVAILABLE OPTIONS**

- 3.1 The Annual Governance Statement is a requirement of statutory regulations and provides assurance about the Council's governance arrangements.
- 3.2 The Committee can approve the Annual Governance Statement as it has been presented or make amendments as appropriate.

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### **4 PREFERRED OPTION AND REASONS FOR RECOMMENDATIONS**

- 4.1 The Committee is asked to review the Annual Governance Statement and action plan and approve the areas suggested for improvement for 2019-20.

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### **5 RISK**

- 5.1 The Annual Governance Statement considers and gives assurance to the Council's approach to risk management.

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### **6 CONSULTATION RESULTS AND PREVIOUS COMMITTEE FEEDBACK**

- 6.1 Members of Corporate Leadership Team and the Corporate Governance working Group have all been consulted on the council's governance arrangements for 2018-19, the views gathered have been included in the statement.

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### **7 NEXT STEPS: COMMUNICATION AND IMPLEMENTATION OF THE DECISION**

- 7.1 Following the Audit, Governance and Standards Committee's approval the statement will be included in the final statement of accounts and published on the Council's website.

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## **8 REPORT APPENDICES**

The following documents are to be published with this report and form part of the report:

- Appendix A: Annual Governance Statement 2018-19

## **9 BACKGROUND PAPERS**

None.