

Audit, Risk and Governance Committee
Meeting to be held on Monday, 30 April 2018

Electoral Division affected:
(All Divisions);

The Council's Annual Governance Statement 2017/18 and Code of Corporate Governance

(Appendices 'A' and 'B' refer)

Contact for further information:

Paul Bond, Tel: (01772) 534676, Head of Legal and Democratic Services,

paul.bond@lancashire.gov.uk

Executive Summary

The County Council is required to produce and approve an Annual Governance Statement (AGS) which will be published with its Statement of Accounts for 2017/18.

A draft Annual Governance Statement is presented for the Committee's consideration at Appendix 'A'.

In addition, Full Council in July 2016 approved a new Code of Corporate Governance for the County Council that reflected new CIPFA/Solace guidance. Full Council also agreed that the Code would be reviewed on an annual basis.

Therefore, the Committee is asked to consider the updated Code of Corporate Governance and whether it wishes to make any changes to recommend to Full Council.

The updated Code is presented for the Committee's consideration at Appendix 'B'.

Recommendation

The Committee is recommended to:

(i) consider and approve the Annual Governance Statement at Appendix 'A', for publication with the 2017/18 Statement of Accounts from May 2018;

(ii) note that the Annual Governance Statement will be signed by the Interim Chief Executive and Leader of the Council, and published on the Council's website following the final approval of the Statement of Accounts; and

(iii) consider the updated Code of Corporate Governance and any amendments it wishes to make for recommendation to Full Council for approval.

Background and Advice

Lancashire County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

The Committee is asked to consider and approve the Annual Governance Statement presented at Appendix 'A' to be published with the Council's Statement of Accounts for 2017/18 from May 2018.

The final Annual Governance Statement will be signed by the Interim Chief Executive and Director of Resources and the Leader of the Council and published on the Council's website following the final approval of the Statement of Accounts.

In July 2016, the Full Council approved a new Code of Corporate Governance for the County Council, and agreed that the Code would be reviewed by the County Council every year. The Code is based on new CIPFA and the Society of Local Authority of Chief Executives (SOLACE) best practice guidance, and should articulate and be consistent with the expected standards, principles and values by which Lancashire County Council Officers and Members will operate. There should be clear links between the seven new principles within the Code, and the governance framework of strategies, policies and procedures which underpin it. The Code is also in a format that includes sources of evidence providing clarity for Members, Officers and stakeholders about how the organisation uses the principles of the Code in practice.

Therefore, the Code now presented for approval at Appendix 'B' has been updated, and includes new sources of evidence reflecting the outcome of a recent review of the County Council's governance framework.

Consultations

N/A

Implications:

This item has the following implications, as indicated:

Risk management

Good governance enables an authority to pursue its priorities effectively as well as underpinning those priorities with sound arrangements for control and management of risk. An Authority must ensure that it has a sound system of internal control which includes effective arrangements for the management of risk. Failure to publish an Annual Governance Statement means the County Council would be negligent in its responsibilities for ensuring accountability and the proper conduct of public business.

Legal Implications

The County Council must adopt a Code of Corporate Governance which has been produced to the standards prescribed in the best practice guidance. The best practice guidance is recognised as the CIPFA/SOLACE Framework: Delivering Good Governance in Local Government (2016).

Financial Implications

Good governance can lead to the good stewardship of public money, and ultimately good outcomes for citizens and service users. However, there are costs associated with embedding and continuing good governance practices, and as the Council's organisational structures develop, the costs associated with governance need to be monitored to ensure they remain proportionate.

Local Government (Access to Information) Act 1985

List of Background Papers

Paper	Date	Contact/Service/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A