

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

Electoral Division affected:  
(All Divisions);

**Annual Governance Statement 2017/18**  
(Appendix 'A' refers)

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

**Recommendation**

The Committee is recommended to approve the Annual Governance Statement at Appendix 'A', for publication with the 2017/18 Statement of Accounts.

**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.

At its meeting on 30 April 2018, the Committee considered a draft AGS. As several amendments to the AGS had been suggested, it was agreed that a final version should be presented to the Committee for consideration at its next meeting on 30 July but that a draft, taking account of the amendments, be published with the Statement of Accounts from May 2018. Following the meeting, the draft AGS was

amended accordingly and circulated to members of the committee for approval before being published as part of the draft Statement of Accounts in May 2018. A comment from the External Auditor has also been incorporated into the final draft.

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

### **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 Chartered Institute of Public Finance and Accountancy/Society of Local Authority Chief Executives 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/Tel
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N/A

Reason for inclusion in Part II, if appropriate

N/A