

Annual Governance Statement 2016/17

Introduction

This is West Somerset District Council's Annual Governance Statement for 2016/17. It provides:

- An *opinion* on the Council's governance arrangements from the Council's Chief Executive and the Leader of the Council
- A review of the *action plan* from last year's statement
- An *action plan for 2017/18*
- A review of the *effectiveness* of the Council's governance arrangements

The Statement will be published on the Council's website and will also form part of the Council's Statement of Accounts. The Annual Governance Statement is required by Regulation 6(1) (b) of the Accounts and Audit (England) Regulations 2015.

Statement of Opinion

It is our opinion that the Council's governance arrangements in 2016/17 were sound and give reasonable assurance in order to achieve the Council's priorities and challenges in 2017/18.

SIGNATURES

Signed on behalf of West Somerset District Council



Penny James
Chief Executive



Cllr Anthony Trollope-Bellew
Leader of the Council

25/9/17

SIGNIFICANT GOVERNANCE ISSUES

Progress in 2016/17

1. This is a review of the progress during 2016/17 on the priorities for that year:

| Actions that were planned for 2016/17 | Progress | Status |
|--|---|--------------------------------|
| Introduce a corporate process for reviewing and documenting decisions regarding the prioritisation of internal audit recommendations. | There is now a process in place and the Corporate Governance are satisfied that in the current climate it is fit for purpose. There is no need for a further review | Completed and Closed |
| Facilitate a self-assessment of the effectiveness of the Corporate Governance Committee (based upon CIPFA guidance 2013) and identify training needs flowing from this. | Audit Committee Training was provided by SWAP in October 2016 and received positive feedback. Good progress made on self-assessment for members but this will need to continue. More training planned to be provided by SWAP in 2017/18 | In Progress and ongoing |
| Undertake a review of the Scrutiny/ Decision-Making Processes within the Council to ensure it is efficient and effective in terms of both officer and member involvement | Following the Council's decision in the summer of 2016 this will be progressed as part of Transformation and the possible new Council implementation. | Completed and closed |

Action Plan for 2017/18

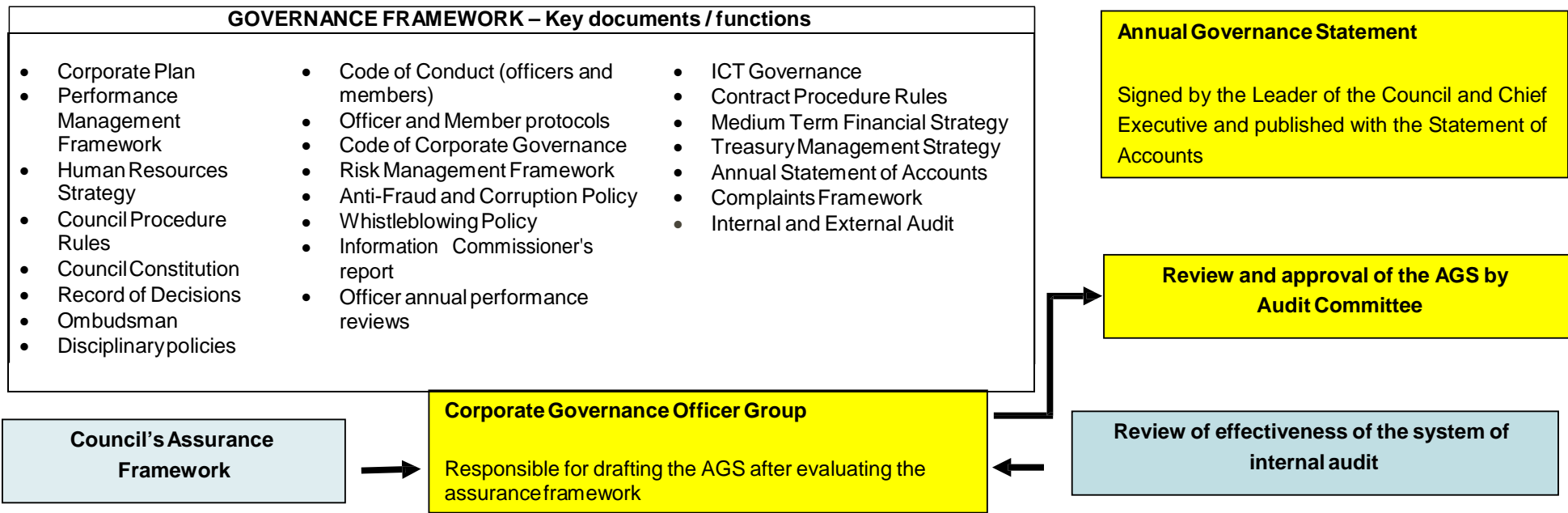
2. This is an Action Plan of particular governance priorities that the Council will address during 2017/18.

| | Action now planned for 2017/18 | Timescale for Completion | Responsible Officer | Monitoring Body |
|---|---|--------------------------|---|------------------------------------|
| 1 | Review our approach to the Risk Management culture. Research and consider risk appetite statements, improving manager's perception of risk and taking into account good practice elsewhere. | March 2018 | AD Corporate Services | Corporate Governance Officer Group |
| 2 | To prepare the Corporate Governance process for Transformation and the possibility of a new Council | March 2018 | AD Strategic Finance and S151 Officer & Assistant Chief Executive | Corporate Governance Officer Group |

Reviewing Our Effectiveness

3. West Somerset District Council has responsibility for conducting, at least annually, a review of its governance framework including the effectiveness of the system of internal control.
4. The review for the 2016/17 statement was carried out on 5th June 2017 by officers of the Corporate Officers Governance Group, made up of the Internal Audit Manager, Section 151 Officer, Monitoring Officer and the Corporate Strategy & Performance Manager.
5. The review of the effectiveness is informed by senior managers within the Council who have responsibility for the development and maintenance of the governance environment, and also by the work of the internal auditors and external auditors
6. The opinion of the Internal Auditors was that overall the control environment was reasonable in 2016/17 (the opinion was also "reasonable" in 2015/16).
7. In its review of effectiveness, the Authority has assessed its overall governance arrangements remain adequate and fit for purpose.
8. Some areas where further improvements could be made have been identified and have been included within the 2017/18 Action Plan which we will seek to address during the 2017/18 financial year.

AGS Process and Sources of Assurance Overview



| Performance Management | Risk Management | Legal and Regulatory Assurance | Member's Assurance | Management Assurance | Other Sources of Assurance | Financial Management | Internal Audit | External Audit |
|------------------------|---------------------------|-----------------------------------|------------------------------|------------------------------------|------------------------------------|-------------------------------------|------------------------------|----------------------------------|
| Corporate Plan | Risk Management Strategy | Monitoring Officer function | Standards Advisory Committee | Performance reviews | Ombudsman Reports | Medium Term Financial Plan | Reporting to Audit Committee | Annual Plan |
| Service Plans | Business Continuity Plans | Solicitor to the Council function | Scrutiny Committees | Corporate Governance Officer Group | Client Monitoring | Revenue and Capital monitoring | Annual Audit Opinion | Reporting to Audit Committee |
| Performance indicators | Insurance policies | Anti-fraud and corruption policy | Corp Governance Committee | Performance reporting | Information Commissioner decisions | Treasury management | Audit Findings | Audit Opinion and VFM conclusion |
| Complaints | Financial Reserves | Anti Bribery Policy | Code of Conduct | Service plans | | Statement of accounts | Audit advice | Statement of accounts work |
| Satisfaction Surveys | | Whistleblowing policy | Declaration of interests | Budget monitoring | | Compliance with codes of accounting | | |