

**Derby City Council**

**Update to the Annual Governance Statement  
2015/16**

**Prepared for consideration by the  
Audit and Accounts Committee**

**19 September 2017**

An Annual Governance Statement is required to support the Statement of Accounts for the period 2015/2016.

The Council has provided successive and significantly detailed Interim Annual Governance Statements for consideration by the Audit and Accounts Committee for the year 2015 / 2016 on the following occasions:

28 September 2016;  
30 November 2016;  
29 March 2017.

On 18 July 2017, the Monitoring Officer prepared a report for consideration by the Audit and Accounts Committee advising that, as a result of the significant time lapse and detail already provided, a further iteration of the Interim Annual Governance Statement would not be prepared. The Committee therefore asked for an updating report to be presented to the Audit and Accounts Committee on 19 September 2017, which would act as the final completing element of the Annual Governance Statement for 2015 / 2016.

#### **UPDATES TO THE ANNUAL GOVERNANCE STATEMENT:**

##### **Statutory Recommendation issued pursuant to s24 Local Audit & Accountability Act 2014 by Ernst & Young, External Auditor on 27<sup>th</sup> June 2017**

Within the Statutory Recommendation, Ernst & Young has reported two recommendations; Recommendation One relates to a number of control observations which were initially reported to Audit & Accounts Committee in September 2016; Recommendation Two relates to the inadequate arrangements for the closedown of the financial statements which resulted in the Council being unable to achieve the 30 June 2016 deadline for the publication of the draft financial statements as set out in the CIPFA Code of Practice on Local Authority Accounting.

In response to the Recommendations, the Council devised an Action Plan and the Statutory Recommendations and the Council's Action Plan prepared in response were considered, and accepted by, Full Council on 19 July 2017.

Full Council has asked the Audit and Accounts Committee to monitor and challenge progress made against the Action Plan.

The Audit and Accounts Committee convened an Extra Ordinary meeting on 10 August 2017, solely for the purpose of consideration of the s24 Statutory Recommendations and Action Plan. The meeting was extensive, with Members of the Committee challenging the Interim S151 Officer on progress made against the Action Plan and future actions to be taken, in order to give assurance that the concerns raised by Ernst & Young would not be repeated in future years Statements of Accounts.

### **The Committee has resolved to:**

1. Note the steps necessary to ensure progress and delivery against the Action Plan following the Recommendations made under S24 Local Audit & Accountability Act 2014;
2. Agree that a representative from the Estates team should attend a future meeting of the Audit and Accounts Committee to provide an update on valuation of the property, plant and equipment portfolio;
3. Agree that the work programme for the 2017/18 municipal year be considered at the next meeting of the Audit and Accounts Committee;
4. Agree that any documents to be scrutinised by the Audit and Accounts Committee be received in a timely manner;
5. Agree that the terms of reference be considered at a future meeting of the Audit and Accounts Committee;
6. Request sight of the monthly update report relating to the management of debt write-offs;
7. Request regular updates on the process for role transition, accountability and review / support for individuals new to roles; and
8. Agree that the summary timetable / allocation plan for each statement of accounts should be brought before the Audit and Accounts Committee, going forward.

### **Progress against the recommendations arising from the Public Interest Report issued in June 2016**

- Taxi Licensing:

On 1 July 2017, the Council implemented the new administrative arrangements for Taxi Licensing. The implementation of these new arrangements are being monitored and the Cabinet Member for Finance and Governance has committed to providing an update to Full Council on the new arrangements on or before the expiry of the first 12 month period of implementation.

- Complaints of Alleged Breach of the Members Code of Conduct:

The investigations relating to alleged breaches of the Code of Conduct by Elected Members who sat on the Taxi Licensing Sub Committee meetings highlighted as Case studies within the Public Interest Report have now concluded.

The investigation found that in each of the four cases there had not been a breach of the Code of Conduct and these investigations have been reported to, and endorsed by, the Council's Standards Committee.

The investigations in respect of the outstanding Code of Conduct matters have now been concluded and will be presented to a future meeting of the Standards Committee, subject to the approval of the Chair of the Committee.

Ranjit Banwait  
Leader of the Council

Paul Robinson  
Chief Executive & Head of Paid Service

Paul Hezelgrave  
Chair of Audit & Accounts Committee  
Officer

Janie Berry  
Director of Governance & Monitoring