

REPORT TO: **AUDIT AND STANDARDS COMMITTEE**

DATE: **27 AUGUST 2020**

TITLE: **ANNUAL GOVERNANCE STATEMENT**

LEAD OFFICER: **SIMON FREEMAN, HEAD OF FINANCE AND
DEPUTY TO THE CHIEF EXECUTIVE
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RECOMMENDED THAT:

A The Committee reviews and approves the Council's Annual Governance Statement for 2019/20 (attached as Appendix A to the report).

BACKGROUND

1. Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to conduct, at least annually, a review of the effectiveness of its system of internal control and to approve an Annual Governance Statement (AGS) which is required to accompany the Council's Statement of Accounts.
2. The CIPFA/SOLACE document Delivering Good Governance in Local Government Framework (2016) defines the principles that should underpin the governance of each local government organisation and has been followed in preparing the AGS.
3. The Council must review its systems of internal control and governance annually and assure itself that its internal control environment is effective. Various sources of assurance are relied upon to enable the preparation of the AGS. These include:
 - a) work of the internal auditors
 - b) work carried out by the external auditors
 - c) reports from other review agencies and inspectorates (if applicable).
4. Heads of Service have responsibility for the development and maintenance of the internal control environment. They provide annual declarations which self-assesses the rigour of the control environment within their service. The Internal Audit annual report forms a key element of the review, as does the Council's work on risk and performance management.
5. The AGS covers all significant corporate systems, processes and controls, spanning the whole range of the Council's services, including those designed to ensure that:

- a) the Council's policies are implemented in practice
 - b) high quality services are delivered efficiently and effectively
 - c) the Council's values and ethical standards are met
 - d) laws and regulations are complied with
 - e) required processes are adhered to
 - f) financial statements and other published performance information is accurate and reliable
 - g) human, financial, environmental and other resources are managed efficiently and effectively.
6. The AGS is required to disclose any governance issues which may impact on the Council being able to achieve its corporate objectives. These are set out towards the end of the AGS, together with proposed actions to address these concerns and improve performance.
7. Preparation of the AGS has been managed by the Council's Corporate Governance Group and a draft of the AGS considered by the Senior Management Board. This Corporate Governance Group will continue to monitor the actions set out in the AGS, along with other work that is relevant to governance. This will include, but is not limited to, managing the audit recommendation tracker and reviewing progress with risk and performance management.

CHANGES DUE TO COVID-19

8. The Annual Governance Statement (AGS) is required under the Accounts and Audit Regulations 2015. These regulations also determine the timetable for approval and publication. As a result of pressures on local government from the coronavirus pandemic a new timetable was announced for English authorities. Local authorities will need to sign off their draft accounts by 31 August 2020, instead of 31 May 2020. The draft AGS should be produced at the same time. The date for final publication of the accounts and AGS has also been put back to 30 November in England. This is also the target date for the accounts to be audited, although this is not a statutory requirement.
9. The AGS assesses governance arrangements in place during 2019/20, therefore, the majority of the year was unaffected by coronavirus.

IMPLICATIONS

Environment and Planning (includes Sustainability)

None specific

Author: Andrew Bramidge, Head of Environment and Planning

Finance (includes ICT and Properties and Facilities)

This Statement explains how the Council delivers good governance and reviews the effectiveness of these arrangements.

Author: Simon Freeman, Head of Finance and Deputy to the Chief Executive

Housing

None specific

Author: Andrew Murray, Head of Housing

Community Wellbeing (includes Equalities and Social Inclusion)

None specific

Author: Jane Greer, Head of Community Wellbeing

Governance (includes HR)

Approval of the Annual Governance Statement is required by section 6(2) of the Accounts and Audit (England) Regulations 2015

Author: Simon Hill, Head of Governance

Appendices

Appendix A – Annual Governance Statement 2019/20

Background Papers

Accounts and Audit (England) Regulations 2015

Delivering Good Governance in Local Government Framework (2016)

Glossary of terms/abbreviations used

AGS – Annual Governance Statement