

REPORT TO: **AUDIT AND STANDARDS COMMITTEE**

DATE: **16 JUNE 2021**

TITLE: **ANNUAL GOVERNANCE STATEMENT**

LEAD OFFICER: **SIMON FREEMAN, HEAD OF FINANCE**
(01279) 446228

RECOMMENDED THAT:

The Committee reviews and comments on the Council's draft Annual Governance Statement for 2020/21.

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. The AGS also reflects the way the Council has had to adapt its governance arrangements during 2021/22 as a result of the impact of Covid-19.
7. Preparation of the AGS has been managed by the Council's Corporate Governance Group, and a draft of the AGS considered by SMB. The 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.
8. The AGS should be produced at the same time as the draft accounts, and needs to be up to date at the time of publication. A draft AGS is presented to the Committee for their review and comment, however, the final (signed) version will come back to the Committee with the draft accounts. This will ensure it will account for (if appropriate) any significant event that affects the assessment of the Council's governance arrangements that might occur from April 2021 onwards.

IMPLICATIONS

Environment and Planning (includes Sustainability)

None specific

Author: Andrew Bramidge, Head of Environment and Planning

Finance (includes ICT)

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 Regeneration, 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 – Draft Annual Governance Statement 2020/21

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

CIPFA – The Chartered Institute of Public Finance and Accountancy

SOLACE – Society of Local Authority Chief Executives