



**Governance & Audit
Committee**

Tuesday, 16th June 2020

Subject: Draft Annual Governance Statement 2019/20.

Report by:

Chief Executive

Contact Officer:

Corporate Governance & Policy Manager &
Deputy Monitoring Officer

Purpose / Summary:

To present the draft Annual Governance Statement for 2019/20, review its content and determine the issues to be contained in the associated action plan

RECOMMENDATION(S): That Members review the Statement and:

- 1. Identify any additional governance related matters for inclusion**
- 2. Review the proposed set of issues that have arisen during the year that are intended to form the Action Plan for 2019/20**

IMPLICATIONS

Legal: The Annual Governance Statement must comply with the Accounts and Audit (England) Regulations 2011

(N.B.) Where there are legal implications the report **MUST** be seen by the MO

Financial: FIN/19/21/TJB

None from this report

Staffing: None

(N.B.) Where there are staffing implications the report **MUST** have a HR Ref

Equality and Diversity including Human Rights: None

Data Protection Implications: None

Climate Related Risks and Opportunities: None

Section 17 Crime and Disorder Considerations: None

Health Implications: None

Title and Location of any Background Papers used in the preparation of this report :

None.

Risk Assessment: None

1 Introduction

- 1.1 The Annual Governance Statement is a formal statement under the Accounts and Audit (England) Regulations 2011, which details the Council's governance arrangements and issues for the previous year as an annual report of governance.
- 1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that we make the best use of all resources.
- 1.3 Assurance of governance arrangements involves a process to test the framework and to gain confidence that it is operating as intended and that we are, "doing the right things, in the right way, for the right people in an open, honest, inclusive and timely manner." (CIPFA 2007)
- 1.4 Ordinarily, the Council is required to produce an Annual Governance Statement for approval by 31st July each year to accompany the Council's Statement of Accounts. However, due to the Covid-19 situation, the timeframe has been extended this year to the end of September 2020.
- 1.5 The Annual Governance Statement includes a summary of the governance framework and identifies those areas where further action is required to achieve greater assurance.

2 Developing the Annual Governance Statement

- 2.1 Sources of information used to develop the Statement include:
 - The development of the framework itself
 - The Combined Assurance Report 2019/20
 - Internal Audit Annual Report
 - Internal Audit "limited assurance" reports
 - The management of strategic and service risks
 - External Audit Annual Audit Letter
 - Complaints and lessons learnt
 - Consultation results
 - Ombudsman investigations
 - Corporate functions assurance statements – Legal, Health & Safety, ICT, Procurement
 - Service Managers – any service or performance issues, including signed assurance that the internal control and governance assurance framework has been upheld, covering:
 - Review of key controls
 - Budget setting and allocation of resources
 - Performance management
 - Risk management
 - Financial and legal implications

3 The Framework

- 3.1 The Governance Framework follows the seven principles of good governance as set out in CIPFA's "Delivering Good Governance in Local Government Framework" (2016 edition) and is formed by the systems and processes, standards, policies and activities through which it accounts to, engages with and leads the community.
- 3.2 Under each of the principles we have identified improvements that have taken place during the year, activity to support the principle, any significant issues and actions that will be undertaken to address any issues or to develop the principles further.
- 3.3 Within the Statement, reference has been made to significant events or issues that have arisen during the year and the findings of any governance related reports. These include the Peer Review, the findings of the Good Governance follow-up audit and the Council's response and recovery from the Covid-19 pandemic to mitigate its effects on governance, resourcing and financial implications and in addition, economic recovery and community support.

4. Draft Annual Governance Statement 2019/20

- 4.1 The draft Statement for 2019/20 accompanies this report. At this stage, Members are asked to review its content and provide feedback.

5. Issues to be Addressed via Associated Action Plan

- 5.1 Any issues that have been identified during the year as requiring attention to ensure more robust governance are raised within the AGS and form an associated action plan. Having reviewed the year and also considered recommendations made within various governance related reports/audits, the following matters are put forward for consideration:

1. Implement Senior Management Restructure
2. The production of the Council's Climate and Sustainability Strategy
3. Address issues arising out of effectiveness of G&A Committee survey
4. Post-Pandemic recovery response & plans
5. Review of the effectiveness and understanding of corporate procurement procedures
6. Maintain oversight and assurance of progress of the Peer Review action plan

- 5.2 These have been considered by Management Team and Members are now requested to determine the appropriateness of these, or any other matters, for referencing within the AGS action plan.

6. Governance & Audit Committee

- 6.1 Feedback and comment from Members will be considered, resulting in a final audited version of the Statement and accompanying action plan presented back to the Committee on 29th September 2020.