



**Governance & Audit
Committee**

20th July 2021

Subject: Draft Annual Governance Statement 2020/21

Report by:

Chief Executive

Contact Officer:

Head of Policy, Strategy and Sustainable
Environment/Monitoring Officer

Purpose / Summary:

To present the draft Annual Governance
Statement for 2020/21, 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 2020/21**

IMPLICATIONS

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

Financial : FIN/36/22/TJB

There are 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

NB: Please explain how you have considered the policy's impact on different groups (for example: young people, elderly, ethnic minorities, LGBT community, rural residents, disabled, others).

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 :

*Wherever possible please provide a hyperlink to the background paper/s
If a document is confidential and not for public viewing it should not be listed.*

Risk Assessment : None

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

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, as was the case last year, to the end of September 2021.
- 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 2020/21
 - 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 Additionally this year, reporting bodies are asked to consider the contents of CIPFA Bulletin 06, concerning the impact of the continuing Covid-19 pandemic on governance in local government bodies.
- 3.3 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.
- 3.4 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 audit findings and the Council's on-going response and recovery from the Covid-19 pandemic, to mitigate its effects on governance, resourcing and financial implications and in addition, to support economic recovery and community wellbeing.

4. Draft Annual Governance Statement 2020/21

- 4.1 The draft Statement for 2020/21 accompanies this report. At this stage, Officers 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; taken account of progress against the AGS 2019/20 action plan and also considered recommendations made within various governance related reports/audits, the following matters are put forward for consideration:

1. Living with Covid-19 roadmap#
2. Complete review of corporate procurement procedures#
3. Ensure compliance to meet the standards of the Financial Management Code
4. Produce a Cultural Strategy*
5. Clarify what 'social regeneration' means to the Council, what it will deliver and how to resource it*

Carried forward from the 2019/20 AGS action plan

* Emanating from the Peer review action plan.

5.2 Members are requested to consider these to determine their appropriateness, or any other matters, for referencing within the AGS action plan.

5.3 The draft statement and action plan have been shared with Internal Audit and no concerns have been raised.

6. Governance & Audit Committee Review

6.1 The process of review will culminate in a final draft of the AGS 2020/21 and action plan being presented to the Governance & Audit Committee, along with the Statement of Accounts, in September 2021.

7. Action Required by Committee

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 2020/21