

Division(s):

AUDIT AND GOVERNANCE COMMITTEE – 22 JULY 2020

Annual Governance Statement 2019/20

Report by Monitoring Officer

RECOMMENDATION

- 1. The Audit & Governance Committee is RECOMMENDED to approve the Annual Governance Statement 2019/20, subject to the Monitoring Officer making any necessary amendments in the light of comments made by the Committee, after consultation with the Leader of the Council, the Chief Executive and the Section 151 officer.**

Introduction

2. The Audit & Governance Committee has the responsibility of approving the Council's Annual Governance Statement (AGS) each year.
3. Local authorities are required to prepare an AGS to be transparent about their compliance with good governance principles. This includes reporting on how they have monitored and evaluated the effectiveness of their governance arrangements in the previous year and setting out any planned changes in the coming period.
4. This year, the coronavirus pandemic has affected both the timing and the content of the AGS. The timetable to produce the AGS was extended nationally, as confirmed by guidance from CIPFA (The Chartered Institute of Public Finance and Accounting), the body which advises on good governance. CIPFA also advised that while the AGS looks at the year ending in March 2020, it should contain specific reference to the implications of the coronavirus pandemic for our governance.
5. Consequently, the AGS before you today sets out those implications and how the Council has addressed them.

Format of the Annual Governance Statement

6. The format of the Annual Governance Statement (AGS) reflects the good practice guidance from CIPFA, including their new guidance arising from the coronavirus outbreak. The AGS includes:
 - An *opinion* on the Council's governance arrangements from the Council's senior managers and the leader of the Council
 - A review of the *effectiveness* of the Council's governance arrangements
 - A *conclusion* in relation to the effectiveness

- A review of the *action plan* from last year's statement
 - An *action plan for 2020/21*
 - An *annex* summarising our governance framework
7. The AGS has been prepared by the Council's Corporate Governance Assurance Group which is responsible for monitoring the Council's governance arrangements during the year. In preparing the AGS, the Group (of key governance officers) had regards to a set of thematic 'lead statements'. These lead statements are produced by service leads describing the governance in place during the 2019/20 year and highlighting areas of focus for 2020/21. The Corporate Governance Assurance Group then monitors these throughout the year and they are reviewed by the Audit Working Group.
 8. This AGS action plan for 2020/21 highlights certain aspects of governance which the Assurance Group consider requires a particular level of focus this year which might not otherwise be apparent from work regularly reported to the Committee. As such, progress reports on these actions will be reported to the Committee through the year. The AGS is therefore a means of giving the Committee, and the public, visibility on those additional areas.
 9. Other governance and audit activity across the Council will be reported to this Committee (and to the Audit Working Group) through the normal work programmes.

Conclusion

10. Based on the position outlined in the AGS, the 'Opinion' expressed in the AGS is:

"It is our opinion that the Council's governance arrangements in 2019/20 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2020/21. It is our opinion that this has remained the case during the COVID-19 pandemic; and that despite the challenges posed by this, the Council's governance in dealing with the pandemic and our ability to maintain sound governance during the outbreak, has been effective.

11. The Committee is invited to approve the AGS.

Legal Implications

12. The Accounts and Audit Regulations 2015 require councils to undertake an annual review of their governance. The Regulations require that an Annual Governance Statement, prepared to fulfil this requirement, should form part of the Council's Statement of Accounts. The report is therefore coming to the Committee to meet this purpose and that timescale. A version of the AGS therefore needs to be approved at this meeting.
13. The Regulations also state that the Annual Governance Statement should be prepared in accordance with proper practices. Compliance with the CIPFA guidance (*Delivering Good Governance in Local Government: Framework*

(2016)) fulfils this requirement. I confirm that the Statement put forward with this report is compliant with that guidance/framework and with the updated guidance issues by CIPFA to address the coronavirus outbreak.

STEVE JORDEN
Monitoring Officer

Contact Officer: Glenn Watson, Principal Governance Officer
07776 997946