

AUDIT AND GOVERNANCE COMMITTEE – 2 JUNE 2021

Annual Governance Statement 2020/21

Report by Monitoring Officer

RECOMMENDATION

1. The Audit & Governance Committee is **RECOMMENDED** to approve the Annual Governance Statement 2020/21, 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. During 2021/22, the coronavirus pandemic affected all authorities and the AGS comments upon the extent to which this impacted on the delivery of the Council's governance, both generally and as regards the response to COVID-19 itself. The AGS follows the principles and best practice advocated by CIPFA (The Chartered Institute of Public Finance and Accounting), the body which advises on good governance.
5. CIPFA also advised that the AGS for 2021/22 should make reference to the Council's actions in complying with the FM (Financial Management) Code of Practice.

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 2021/22*
 - 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'.
 8. These lead statements are produced by service leads describing the governance in place during the 2020/21 year and highlighting areas of focus for 2021/22. The Corporate Governance Assurance Group then monitors these throughout the year and they are reviewed by the Audit Working Group. Given the occurrence of the elections this year, it has not been possible for that Group (normally a working party of this Committee) to consider it in advance of the main Committee doing so.
 9. The AGS, as presented, has taken account of Corporate Directors' own Certificates of Assurance, in which they have reflected on their own view of the governance within their services during 2020/21.
 10. This AGS is therefore a distillation of several factors. The 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.
 11. 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

12. 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 2020/21 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2021/22. 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."

13. The Committee is invited to approve the AGS.

Legal Implications

14. 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.

15. 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.

ANITA BRADLEY

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