

## **REPORT TO AUDIT & GOVERNANCE COMMITTEE**

**Date of Meeting: 22 JULY 2020**

## **REPORT TO COUNCIL**

**Date of Meeting: 13 October 2020**

**Report of: CHIEF FINANCE OFFICER**

**Title: ANNUAL GOVERNANCE STATEMENT – 2019/20**

**Is this a Key Decision?**

No

\* One that affects finances over £1m or significantly affects two or more wards. If this is a key decision then the item must be on the appropriate forward plan of key decisions.

**Is this an Executive or Council Function?**

Council

### **1. What is the report about?**

1.1 The report sets out the Annual Governance Statement that will accompany the Council's Statement of Accounts for 2019/20.

### **2. Recommendations:**

It is recommended that:

2.1 Audit and Governance Committee supports the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2019/20; and

2.2 Council notes and approves the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2019/20.

### **3. Reasons for the recommendation:**

3.1 The Council is required to prepare and publish an Annual Governance Statement by Regulation 4 of the Accounts and Audit (England) Regulations 2011. It reports on the Council's performance against the Code of Corporate Governance. The Code of Corporate Governance was last approved by the Audit and Governance Committee on 11 March 2020.

4. What are the resource implications including non financial resources.

4.1 There are no resource implications contained within the report.

**5. Section 151 Officer comments:**

5.1 The production of the Annual Governance Statement is a statutory requirement, which reviews any significant issues raised in respect of Corporate Governance. Members should not the two new significant issues arising out of the Covid-19 pandemic response and the actions taken to address them.

**6. What are the legal aspects?**

6.1 The Annual Governance Statement complies with Regulation 4 of the Accounts and Audit (England) Regulations 2011.

**7. Monitoring Officer's comments:**

7.1 Corporate Governance is the term used to describe the system by which Local Authorities direct and control their functions and relate to their communities. Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. The Code of Corporate Governance sets out the Governance Framework and illustrates the key documents and processes it has in place to support the delivery of good governance across the Council.

The Code of Corporate Governance sets out the principles of good governance and what arrangements it has in place to ensure that the Council conducts its business in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

**8. Report details:**

8.1 Background

8.1.1 The Code of Corporate Governance, which the Annual Governance Statement reflects, has been updated to reflect the new principles set by CIPFA/SOLACE.

8.2 The Annual Governance Statement should include the following information:

- An acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control);
- An indication of the level of assurance that the systems and processes that comprise the authority's governance arrangements can provide;
- A brief description of the key elements of the governance framework, including reference to group activities where those activities are significant;
- A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of:

- the authority;
- the executive;
- the audit committee/overview and scrutiny function/risk management committee/standards committee (as appropriate)
- internal audit
- other explicit review/assurance mechanisms

- An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.

8.2 The Annual Governance Statement is attached at Appendix A.

**9. How does the decision contribute to the Council's Corporate Plan?**

9.1 This is a statutory requirement and does not contribute directly to the Council's Corporate Plan.

**10. What risks are there and how can they be reduced?**

10.1 There are no direct risks associated with this report

**11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impacts on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation, pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because:

11.4.1 The report does not set policy.

**12. Carbon Footprint (Environmental) Implications:**

12.1 Not applicable

**13. Are there any other options?**

13.1 Not applicable.

**Dave Hodgson, Chief Finance Officer**

Local Government (Access to Information) Act 1972 (as amended)

Background papers used in compiling this report:-

None

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