

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

**Date of Meeting: 28 JULY 2021**

## **REPORT TO COUNCIL**

**Date of Meeting: 19 OCTOBER 2021**

**Report of: DIRECTOR FINANCE**

**Title: ANNUAL GOVERNANCE STATEMENT – 2020/21**

### **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 2020/21.

### **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 2020/21; and

2.2 Council notes and approves the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2020/21.

### **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 10 March 2021.

### **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 note the key issues reported for 2020-21.

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

- 6.1 The Annual Governance Statement is required in order to comply with Regulation 4 of the Accounts and Audit (England) Regulations 2011.
- 6.2 Regulation 4 states that the Council is responsible for ensuring that the financial management of the Council is adequate and effective and that the Council has a sound system of internal control which facilitates the effective exercise of the Council's functions and which includes arrangements for the management of risk.
- 6.3 The Council is required to conduct a review at least once a year concerning the effectiveness of its system of internal control and to approve the Annual Governance Statement

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

- 7.1 The Annual Governance Statement is designed to review the Council's system of controls and to ensure that the financial management of the body is adequate and effective.
- 7.2 The Council is responsible for ensuring that its business is conducted in accordance with the law, that standards are maintained and that risk is effectively managed. Public money must be safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure the continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In order to achieve this, the Council is required to put in place proper arrangements for the governance of its affairs with the aim of facilitating the effective exercise of its functions, including arrangements for the management of risk, and these requirements are identified in the Council's Code of Corporate Governance 2020-21. This Code also sets out the systems and processes which have been designed to regulate, monitor and control its activities in order to achieve its vision and objectives in a legally and financially compliant way.
- 7.2 The Council's Code of Corporate Governance is reviewed on an annual basis through the Audit and Governance Committee. Members and senior Council officers are responsible for ensuring that there are proper arrangements for the governance of the Council's affairs and the stewardship of the resources at its disposal. This tasks is specifically managed by the Strategic Management Board (SMB) which comprises the Council's Directors and also includes the key statutory roles of the Chief Executive and Growth Director (The Head of Paid Service), the Chief Finance Officer (section 151 Officer) and the Director for Corporate Services (The Monitoring Officer).
- 7.3 The Audit and Governance Committee is responsible for Risk Management and reviews the Corporate Risk Register (CRR) on a quarterly basis. The Corporate Risk

Register is subject to regular review. SMB are responsible for constant review of risks to the Council and in ensuring that significant risks are recorded in the CRR. Corporate Managers, Service Leads and other Council Managers also monitor risks at an operational level and are required to inform their Directors of any issues so that the Director and SMB can consider whether to record those matters in the CRR.

## **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, Director Finance

Local Government (Access to Information) Act 1972 (as amended)  
Background papers used in compiling this report:-

None

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