

REPORT FROM: CHIEF EXECUTIVE

TO: POLICY AND RESOURCES COMMITTEE

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DRAFT ANNUAL GOVERNANCE STATEMENT 2020/21

PURPOSE OF REPORT

The purpose of this report is to seek comments from the Committee on the Council's draft Annual Governance Statement for 2020/21.

RECOMMENDATION

The Committee is recommended to review and comment as appropriate on the draft Annual Governance Statement for 2020/21

REASON FOR RECOMMENDATION

To provide an opportunity for the Committee to comment on the Annual Governance Statement prior to it being signed by the (Interim) Chief Executive and Council Leader and submitted for approval to the Accounts and Audit Committee (together with the draft Statement of Accounts for 2020/21).

ISSUE

Background

1. In compliance with the CIPFA/SOLACE¹ 'Delivering Good Governance' Framework 2016 the Council is required to undertake a review of its governance framework and arrangements and publish an Annual Governance Statement (AGS) as part of its Statement of Accounts.
2. Part 2 of the Accounts and Audit Regulations 2015 also make the production of an AGS a statutory requirement.
3. The purpose of the AGS process is to provide a continuous review of the effectiveness of the Council's Governance Framework so as to give assurance on its effectiveness and/or to produce a management action plan to address any issues highlighted. The process of

¹ Chartered Institute of Public Finance and Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE)

preparing the AGS should add value to the corporate governance and internal control framework of the Council.

4. Corporate ownership of the AGS and its preparation is key. The AGS must be signed by the most senior officer (the Chief Executive) and the most senior Member (the Leader) of the Council. Both must be satisfied that the document is supported by reliable evidence and accurately reflects the Governance Framework and how it has operated in the last financial year. The document is, therefore, about the extent and adequacy of the framework and is not confined to financial issues.
5. A key component of the preparation of the AGS is the assurance gathering process. Evidence on the extent, adequacy and effectiveness of the Governance Framework can be obtained from a range of sources including External Audit, Internal Audit Service, the Council's Performance Management System, the Risk Management process and so on. The diagram at [Appendix A](#) sets out broadly the framework for obtaining assurances to support the preparation of the AGS and the subsequent approval of the document.

Annual Governance Statement 2020/21

6. Work has been underway to obtain the necessary assurances and evidence in support of the AGS which is now presented at [Appendix B](#). This process is nearing completion and at this time the Committee is requested to consider the draft AGS and comment as appropriate.
7. Following this the AGS will be confirmed and signed off by Chief Executive and the Leader and submitted for formal approval to the Accounts and Audit Committee.

IMPLICATIONS

Policy: There are no policy implications arising directly from the contents of this report.

Financial: There are no financial implications arising directly from the contents of this report.

Legal: The review and production of the AGS is a statutory requirement as set out in Part 2 of the Accounts and Audit Regulations 2015.

Risk Management: The preparation of the AGS is part of the Council's risk management arrangements.

Health and Safety: There are no health and safety implications arising directly from the contents of this report.

Sustainability: There are no sustainability implications arising directly from the contents of this report.

Community Safety: There are no community safety issues arising directly from the contents of this report.

Equality and Diversity: There are no equality and diversity issues arising directly from the contents of this report.

APPENDICES

Appendix A – Annual Governance Statement – Framework for Preparation and Approvals

Appendix B – Draft Annual Governance Statement 2020/21

LIST OF BACKGROUND PAPERS

None

Annual Governance Statement – Framework for Preparation and Approval

