

Annual Governance Statement 2020/21

Audit & Scrutiny Committee Thursday, 30 September 2021

Report of: Head of Legal Services & Monitoring Officer

Purpose: For information

Publication status: Open

Wards affected: All

Executive summary:

The Council is required to prepare an Annual Governance Statement ('the Statement'), to be approved in advance of and accompany the annual statement of accounts. The Statement sets out the Council's governance arrangements, describing actions taken for the year April 2020 to March 2021 to improve the Council's governance and identifying further actions which the Council will take in the year 2021/22. The draft statement has been reviewed by the external auditor as part of their fieldwork on the annual accounts: no comments have been received. Best practice requires that the consideration of this Statement should be considered separately from the Statement of Accounts, although both are published together each year.

This report supports the Council's priority of: Building a better Council

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Recommendation to Committee:

That the Committee consider and approve the annual governance statement set out in Appendix A

Reason for recommendation:

To ensure that the Council complies with its statutory duty to adopt an annual governance statement.

1. Introduction and background

- 1.1. Regulation 6(b) of the Accounts and Audit Regulations 2015 requires that local authorities prepare an annual governance statement alongside the statutory annual statement of accounts.
- 1.2. This Committee has the responsibility of approving the Council's Annual Governance Statement ('AGS) each year.
- 1.3. The statement is a formal public report, setting out the extent to which the Council complies with its own code of governance, which should in turn be consistent with the good governance principles in the CIPFA/ SOLACE framework, Delivering good governance in local government (2016).
- 1.4. The Council would usually expect to bring the Statement to committee in July. However due to the additional investigative accounting undertaken by Grant Thornton, further time was required to process the key outcomes of this review, and thus enable the financial elements of this Statement to be as accurate as possible.
- 1.5. Last year's statement was also adopted later than usual, due to the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 extending the deadline for the publication of the 2019/20 annual governance statement from 31st July to 30th November 2020. Consequently, repeating the same steps for the production of this Statement's was not felt to be necessary given the extensive work undertaken for the 2019/20 Statement (including a self-assessment against the CIPFA / SOLACE Framework),¹ and the reduced timings between the adoption of 2019/20 and the 2020/21 Statements.
- 1.6. The Council was required to provide the Statement in draft form to External Audit for review before its finalisation. At the time of writing this report, no comments had been received from External Audit.
- 1.7. The statement, which appears at Appendix A, sets out the Council's governance arrangements, describing actions taken in 2020/21 to improve the Council's governance and identifying further actions which the Council will take in the year 2021/22.

¹ See "Agenda & Minutes of Audit & Scrutiny Committee - Thursday, 26th November, 2020 6.30 pm", Section 204, for last year's Annual Governance Statement: <https://tandridge.moderngov.co.uk/ieListDocuments.aspx?CId=147&MId=900&Ver=4> [Last accessed 08/09/21]. For the "self-assessment", see "Audit & Scrutiny Committee - Tuesday, 29th September, 2020 7.00 pm", Section 139: <https://tandridge.moderngov.co.uk/ieListDocuments.aspx?CId=147&MId=899&Ver=4> [Last accessed 08/09/21].

- 1.8. The AGS, as presented, has taken account of the Executive Leadership Team and Senior Leadership Team's own Statements of Assurance, in which they have reflected on their own view of the governance within their services during 2020/21.
- 1.9. A new approach to tracking the Statement's actions will be taken after this committee cycle, by incorporating outstanding actions into the Council's Corporate Improvement Plan (CIP). The CIP is due for an in-depth update considering recent audits and associated improvements, and also to reflect the Council's current priorities.
- 1.10. 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 its governance arrangements. The audit activity across the Council is also reported to this Committee regularly.

2. Other options considered

- 2.1. The drafting and publication of the Statement is a statutory requirement. The completion of the self-assessment has supported the Council to consider all relevant information.

3. Key implications

3.1. Comments of the Chief Finance Officer

The Chief Finance Officer is completely supportive of the Annual Governance Statement as identified in the attached. There are no direct financial implications.

3.2. Comments of the Head of Legal Services

The Accounts and Audit Regulations 2015 require the Council to produce an AGS. Failure to comply would result in the Council not meeting its statutory requirements.

4. Equality

- 4.1. The draft Annual Governance Statement references the Council's key HR policies and procedures relevant to equalities and diversity. The Statement's action plan includes actions to:
 - i) review the Council's Equality and Diversity Scheme
 - ii) regularly review and revise all HR policies and procedures

5. Climate change

- 5.1. There are no Climate Change implications arising directly from the draft Annual Governance Statement.

6. Appendices

- 6.1. Appendix 'A' - draft Annual Governance Statement

7. Background papers

- 7.1. None.

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