

Annual Governance Statement 2021 - 2022

Audit & Scrutiny Committee Thursday 23rd February 2023

Report of: Head of Legal Services & Monitoring Officer

Purpose: For decision

Publication status: Open

Wards affected: All

Executive summary:

The purpose of this report is for the Committee to receive and approve the proposed final Annual Governance Statement 2021/22('AGS') and the proposed actions that will be undertaken during the coming year to address the issues arising. Once approved the AGS will accompany the Statement of Accounts and be published on the Council's website.

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

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Recommendation to Committee:

1. That the Committee approve the annual governance statement set out in Appendix A for inclusion in the Draft Annual Financial Report 2021/22 which is presented elsewhere on the agenda.
2. That the issues arising and proposed actions identified in Appendix A be noted and that progress against the actions in the AGS be brought back to the Committee as part of a monitoring report.

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. In accordance with the Accounts and Audit Regulations 2015, the AGS should be approved by Members of the Council meeting, or by a Committee, at the same time as the Statement of Accounts is approved.
- 1.2. The AGS for 2021/22 is attached at Appendix A and has been developed based upon the requirements of the Regulations and CIPFA/SOLACE guidance which is still the most current documentation in this area. The AGS includes a draft action plan to ensure that the Council continues to improve its existing governance arrangements.
- 1.3. The action plan attached to the 2020/21 AGS (implemented during 2021/22) has been reviewed by senior management (Extended Management Team) and updated to reflect current progress. Any actions still in progress from the 2020/21 plan have also been included in a separate table.
- 1.4. The annual review of governance arrangements was completed by the Extended Management Team from January to March 2022 and more recently again in January 2023.
- 1.5. The AGS is a valuable means of communication. It enables the Council to explain to its residents, service users, council tax payers and other stakeholders its governance arrangements and how the controls it has in place to manage risks of failure to deliver its outcomes and priorities
- 1.6. The AGS and the Local Code of Good Governance (Appendix A) outlines that the Council has a governance framework in place but that it is continually reviewing procedures to maintain and demonstrate corporate governance. It is supported by risk management and sound systems of internal control which are paramount in the financially constrained circumstances within which the Council operates. The Council can be assured that, during 2021/22, including during the continued response to the global Covid-19 pandemic, the existing or revised governance arrangements have continued to support appropriate governance. Where required, changes to procedures have been agreed by Extended Management Team and changes to the Constitution have been agreed by Full Council.
- 1.7. A report on the Council's current Local Code of Good Governance was brought to this Committee on 22nd March 2022 to reflect the CIPFA/SOLACE framework including any revised principles, guidance and good practice received in the preceding year. A revision of the code will be presented to this Committee in June/ July 2023.
- 1.8. This Committee has delegated authority to approve the Council's AGS each year. In recognition of the importance of the AGS, CIPFA /SOLACE guidance provides for it to be signed off by the Chief Executive and the Leader of the Council following consideration by the Committee.

1.9. Once approved and signed, the AGS will be published on the Council's website, along with the Statement of Accounts, for members of the public, Members, Officers and other stakeholders to view. Further progress reports on items recognised in the Annual Governance Statement will be provided to this Committee as part of its work programme.

2. Other options considered

2.1. The drafting and publication of the Statement is a statutory requirement.

3. Key implications

3.1. Comments of the Chief Finance Officer

There are no direct financial implications. Where further work is required to respond to the issues identified in the AGS, any additional financial resources required to implement identified improvements will be raised separately or through the budget process.

3.2. Comments of the Head of Legal Services

Completion and approval of the AGS is required by Regulation 6(1) (b) of the Accounts and Audit England Regulations 2015. Within the Regulations, and in accordance with defined 'proper practice', there is a mandatory requirement to publish an AGS. The AGS, attached at Appendix A, if approved and signed will form part of the Statement of Accounts. Failure to comply would result in the Council not meeting its statutory requirements.

3.3. Equality

None arising from the content of the report, although officers will need to consider the council's Public Sector Equality Duty and if required complete an Equality Impact Assessment on any specific recommendations or future decisions to be made arising from the action plan

3.4. Climate change

There are no direct climate change implications arising from the Annual Governance Statement.

4. Appendices

Appendix A - Annual Governance Statement and Code of Governance

5. Background papers

None.

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