

Council Report

Audit Committee Meeting – 30th November 2021.

Title

Annual Governance Statement 2020/21.

Is this a Key Decision and has it been included on the Forward Plan?

No.

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director, Finance and Customer Services.

Report Author(s)

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Ward(s) Affected

All wards.

Report Summary

On the 29th July 2021 the Audit Committee reviewed the Council's draft Annual Governance Statement (AGS) for the 2020/21 financial year. The draft AGS was published alongside the Council's financial statements. On 30th September the committee reviewed the final AGS, which was similarly published with the Council's financial statements. At that time the external auditors, Grant Thornton, had not concluded their review of the AGS. That review is now complete and a few points have been raised, resulting in minor amendments to the AGS. This paper provides an update on the changes made. The full AGS is attached to this report as Appendix A.

Recommendations

The Audit Committee is asked to

- Agree the final 2020/21 Annual Governance Statement

List of Appendices Included

Annual Governance Statement 2020/21.

Background Papers

"Delivering Good Governance in Local Government", published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) in April 2016.

Audit Committee Report 27th November 2018 "Code of Corporate Governance"

Audit Committee Report 29th July 2021, "Annual Governance Statement".

Audit Report 30th September 2021, "Annual Governance Statement".

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No.

Council Approval Required

No.

Exempt from the Press and Public

No.

Annual Governance Statement 2020/21

1. Background

- 1.1 The Accounts and Audit Regulations require the Council to produce an Annual Governance Statement (AGS) alongside its Statement of Accounts in each financial year. The AGS is a statutory document which explains the processes and procedures in place to enable the Council to carry out its functions effectively. Local Authorities are required to prepare an AGS in order to report publicly on the extent to which they comply with their own Local Code of Governance. The draft 2020/21 AGS was published on 31 July 2021 and the final was published by 30th September 2021.
- 1.2 The AGS is subject to review by the external auditors who have to consider whether it does not comply with the 'delivering good governance in Local Government Framework 2016 Edition' published by CIPFA and SOLACE or is misleading or inconsistent with the information of which they are aware from their audit. They are not required to consider whether the AGS addresses all risks and controls or that risks are satisfactorily addressed by internal controls.
- 1.3 At the time of publication the external auditors, Grant Thornton, had not reviewed the AGS. They have now done so and made suggestions for amendments. Some of the amendments are necessary because although the AGS relates to 2020/21, it has to be up to date at the time of publication. The changes do not relate to significant issues or affect the overall review of governance within the Council.

2. Amendments to the 2020/21 AGS

- 2.1 As a result of the review the following sections of the AGS have been amended:-
 - Para 2.8, the role of the Audit Committee in overseeing financial reporting and the annual governance process
 - 3.2, Principle E, inserted a sentence on where the roles of the Leader, Cabinet, Members and Statutory Officers are published
 - 3.9, confirmed that none of the audit reports highlighted issues that needed to be reported in the AGS.
 - 4.2, updated to show the current position.
 - 4.7, updated after the Government Spending Review
- 2.2 The Committee are invited to note the updates to the Annual Governance Statement attached to this report at Appendix A.
- 2.3 The AGS will be published by 30th November, taking account of any further comments made by the Audit Committee.

3. Options considered and recommended proposal

- 3.1 This paper considers the final AGS for 2020/21. As a result, no specific options have been considered.

4. Consultation on proposal

- 4.1 All Strategic Directors have been asked for their input into the AGS process through the submission of signed Statements of Assurance.

4.2 The final AGS has been reviewed by the Strategic Director Finance and Customer Services and the Chief Executive.

4.3 The final AGS has been reviewed by the external auditors, Grant Thornton.

5. Timetable and Accountability for Implementing this Decision

5.1 The Audit Committee is asked to receive this report at its November 2021 meeting.

5.2 The Corporate Governance Group will ensure that the final AGS is published by 30th November 2021.

6. Financial and Procurement Advice and Implications

6.1 There are no direct financial implications other than the requirement to publish the AGS alongside the Council's Annual Finance Statements. There are no procurement issues.

7. Legal Advice and Implications

7.1 There are no direct legal implications arising from this report, although it is a statutory requirement for an AGS to be published alongside the Council's Financial Statements. This report endeavours to set out how the Council intends to comply with that requirement.

8. Human Resources Advice and Implications

8.1 There are no direct Human Resources implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 Any implications for the Children and Young People's Service and Adults Services are set out in the AGS attached at appendix A.

10. Equalities and Human Rights Advice and Implications

10.1 There are no direct Equalities and Human Rights Implications arising from this report.

11. Implications for Partners

11.1 There are no direct implications for our Partners in this report. The AGS has been constructed following consultation with all Directorates. Individual directorates are responsible for implementing action to respond to weaknesses identified in the AGS

12. Risks and Mitigation

12.1 The AGS is expected to be completed each year to sit alongside the Financial Statements. The risk of failing to produce an AGS has been considered and, although this is a remote risk resources are in place to ensure that a complete and accurate AGS is delivered on time.

13. Accountable Officer(s)

Judith Badger (*Strategic Director of Finance and Customer Services*)