

Council Report

Audit Committee Meeting – 28th July 2022.

Title

Annual Governance Statement 2021/22.

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)

David Webster, Head of Internal Audit

Tel: 01709 823282 Email: david.webster@rotherham.gov.uk

Simon Dennis, Corporate Improvement and Risk Manager

Tel: 01709 822114 Email: simon.dennis@rotherham.gov.uk

Ward(s) Affected

All wards.

Report Summary

The Council has produced a draft Annual Governance Statement (AGS) for the 2021/22 financial year which was published alongside the Council's Statement of Accounts on 19th July 2022. This report briefly sets out for the Committee the process that was followed to construct this AGS. The full draft AGS is attached to this report as Appendix A.

Recommendations

The Audit Committee is asked to review the draft 2021/22 Annual Governance Statement and raise queries if necessary.

List of Appendices Included

Annual Governance Statement 2021/22.

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 30th November 2021 "Code of Corporate Governance"

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 2021/22

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 Code of Governance. The draft 2021/22 AGS was published on 19th July 2021.
- 1.2 A process to gather assurances and evidence to support the AGS was led by the Corporate Governance Group, chaired by the Strategic Director Finance and Customer Services. The group included the Head of Internal Audit and the Corporate Improvement and Risk Manager.
- 1.3 The assurance and evidence process produced a strong evidence base and enabled the Council to have confidence in the statements that it is making in the AGS. The AGS also includes updates to matters raised in the previous year's AGS. The draft AGS is attached to this report as Appendix A.

2. Process to construct the 2021/22 AGS

- 2.1 In constructing the AGS for 2021/22, the Council has assembled sufficient evidence to support the statements that it has made. To achieve this, each Strategic Director was asked to oversee a self-assessment of governance in their Directorate. This comprised the completion of a self-assessment form based on the Principles and Sub-principles in the Code of Corporate Governance by each Assistant Director as well as a review and update of the detailed issues raised in the 2020/21 AGS. Each Strategic Director was also required to sign a Statement of Assurance which was based on the information arising from their review of current and previous governance issues.
- 2.2 Each Directorate has returned the required Statement of Assurance and supporting documents and the Corporate Governance Group has reviewed the evidence contained in them. Additionally, the group has considered which issues are of sufficient significance to require reporting in the AGS. The group then produced the AGS itself, which was reviewed by the Strategic Director Finance and Customer Services, the Monitoring Officer, the Chief Executive and the Leader.
- 2.3 The AGS outlines the governance arrangements in place throughout the year and how their effectiveness was monitored. The AGS recognises the improvements made in the Council's performance throughout the financial year but also highlights a number of areas for further developments in 2022/23.
- 2.4 Covid-19 continued to have a significant impact at during 2021/22. This is reflected within the AGS, which includes actions taken in response to the pandemic and lockdown.
- 2.5 During the year the Council received two reports from the Local Government and Social Care Ombudsman, who had found fault by the Council. In addition, an inspection of the provision for children with Special Education Needs or Disabilities conducted by Ofsted and the Care Quality Commission resulted in the need for a Written Statement of Action, which was submitted jointly by the Council and the

area's Clinical Commissioning Group. The Council also received an adverse audit report from Homes England regarding compliance with the requirements for grant funding. In addition, the Council was made aware of a Health and Safety Executive formal investigation, the result of which is expected later in the year. All of these are included within the AGS, along with the measures put in place to drive the necessary improvements.

- 2.6 The AGS has been the subject of an Internal Audit review, with the auditor reporting directly to the Strategic Director Finance and Customer Services. The audit gave substantial assurance that the AGS was prepared properly and in compliance with guidance and was an accurate representation of the governance arrangements in RMBC.
- 2.7 The Audit Committee are invited to comment on any aspect of the Annual Governance Statement attached to this report at Appendix A.
- 2.8 The AGS is subject to review by external audit who will check that it is in line with CIPFA requirements and consistent with the Statement of Accounts and their knowledge of the Council.
- 2.9 The final AGS will be presented to the committee alongside the final Statement of Accounts to reflect any issues that emerge between now and then and will take account of any comments made by the Audit Committee and the external auditor.

3. Options considered and recommended proposal

- 3.1 This paper considers the draft AGS for 2021/22. 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 draft AGS has been reviewed by the Strategic Director Finance and Customer Services and the Chief Executive.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Audit Committee is asked to receive this report at its July 2022 meeting.
- 5.2 The Corporate Governance Group will ensure that any issues raised by the Audit Committee or the external auditors, and any emerging issues are addressed and updated as part of the completion of the final AGS for 2021/22.

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*)