



## **Governance Scrutiny Group**

**Thursday, 30 June 2022**

**Annual Governance Statement 2021/22**

### **Report of the Director – Finance and Corporate Services**

#### **1. Purpose of report**

- 1.1. In accordance with the Accounts and Audit Regulations 2015, the Council is required to prepare an Annual Governance Statement (AGS). This is published alongside the Council's Statement of Accounts. The Governance Scrutiny Group, by reviewing this Statement, scrutinises the Council's governance arrangements.
- 1.2. As with last year, there are additional references linked to the impact on governance of Covid-19 and to the Financial Management Code which was introduced last year.

#### **2. Recommendation**

It is RECOMMENDED that the Annual Governance Statement 2021/22 (Appendix 1) which incorporates actions for the forthcoming year be reviewed and approved.

#### **3. Reasons for Recommendation**

- 3.1. To conform with best practice in regard to corporate governance and to comply with relevant legislation.

#### **4. Supporting Information**

- 4.1 The Council is required to publish an Annual Governance Statement (see Appendix 1) alongside the Statement of Accounts in accordance with the Accounts and Audit Regulations 2015.
- 4.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) have jointly issued a framework and guidance in relation to the AGS, 'Delivering Good Governance in Local Government (2016 Edition)'. The guidance urges local authorities to prepare a governance statement in order to report publicly on the extent to which they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.
- 4.3 It also recommends that when complying with the guidance, authorities should use it in a way that best reflects their structure, type, functions and

size. The AGS is attached at Appendix 1 and is prepared following the completion of 'Governance Assurance Questionnaires' by senior officers of the Council. The Leader and the Chief Executive are required to sign the AGS and this will accompany the Council's Statement of Accounts.

- 4.4 The AGS reflects the requirements of the updated CIPFA/SOLACE "Delivering good governance in local government framework (2016)". This incorporates the seven principles within the Local Code and are referenced in the relevant sections of the AGS. Other content surrounding, for example, Section 4 'Significant Governance Issues', will inevitably alter as new risks and opportunities arise, and the environment we operate in evolves over time.
- 4.5 The AGS is subject to change when the Financial Statements are presented to the Governance Group in September, as new risks emerge such as the war in Ukraine and the inflation pressures.
- 4.6 The final AGS will be reported with the Statement of Accounts which will be approved at the Governance Scrutiny Group in November 2022. The CIPFA Financial Management Code was introduced last year and included a requirement to undertake a self-assessment and produce an action plan. This has been revisited and a neighbouring authority will be asked to review the Council's self-assessment later this year.

## **5 Risks and Uncertainties**

- 5.1 The process of preparing and reviewing the AGS adds value to the corporate governance and internal control framework of the Council.

## **6 Implications**

### **6.1 Financial Implications**

There are no direct financial implications arising from this report.

### **6.2 Legal Implications**

Compliance with the Accounts and Audit Regulations 2015.

### **6.3 Equalities Implications**

There are no equalities implications contained within the body of this report.

### **6.4 Section 17 of the Crime and Disorder Act 1998 Implications**

There are no Section 17 implications contained within the body of this report.

## 7 Link to Corporate Priorities

Quality of Life	Effective governance enables the Council to achieve all of its Corporate Priorities.
Efficient Services	
Sustainable Growth	
The Environment	

## 8 Recommendations

It is RECOMMENDED that the Annual Governance Statement 2021/22 (Appendix 1) which incorporates actions for the forthcoming year be reviewed and approved.

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<b>Background papers available for Inspection:</b>	Mazars –Annual Report 2020/21 BDO- Annual Report 2020/21
<b>List of appendices:</b>	<b>Appendix 1 – Annual Governance Statement</b>