



Governance Scrutiny Group

Thursday, 24 June 2021

Annual Governance Statement 2020/21

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 in addition to the introduction of CIPFA's (Chartered Institute of Public Finance and Accountancy) Financial Management Code and the Council's self-assessment with regard to the Code.

2. Recommendation

It is RECOMMENDED that the Annual Governance Statement 2020/21 (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 This year there are significant governance issues linked to the risks surrounding Covid-19 (Appendix 1, Section 4), along with corresponding actions. There is a risk that the AGS will change when the Financial Statements are presented to the Governance Group in September, in particular the position with regard to Covid-19.
- 4.6 The final AGS will be reported with the Statement of Accounts which will be approved at the Governance Scrutiny Group (23 September 2021). One change this year is reference to CIPFA's Financial Management Code (recommended to be referenced as part of the AGS in CIPFA Accounting Bulletin 06 2020/21). The Action Plan within the AGS (Appendix 1, Section 4) recommends a review of the Council's self-assessment (by Internal Audit in 2021/22) and if any weaknesses are identified, and agreed, appropriate action will be taken. The Council's self-assessment (undertaken by the Council's Section 151 Officer and reviewed by the Executive Management Team) concludes, in terms of a RAG system, a full 'green' rating. As a Council, we cannot be complacent and will continue to follow good financial practice.

5 Risks and Uncertainties

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 2020/21 (Appendix 1) which incorporates actions for the forthcoming year be reviewed and approved.

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