

## AUDIT & GOVERNANCE COMMITTEE

9<sup>th</sup> June 2021

### REPORT OF THE CHIEF EXECUTIVE

#### ANNUAL GOVERNANCE STATEMENT & CODE OF CORPORATE GOVERNANCE

##### EXEMPT INFORMATION

None.

##### PURPOSE

To submit the refreshed Annual Governance Statement and Code of Corporate Governance for Audit & Governance Committee's approval.

##### RECOMMENDATIONS

That the proposed be approved:

- a) The Annual Governance Statement (for inclusion in the annual statement of accounts) at **Appendix 1**; and
- b) Code of Corporate Governance at **Appendix 2**.

##### EXECUTIVE SUMMARY

The Accounts and Audit Regulations require local authorities conduct an annual review of the effectiveness of their system of internal control and include a statement (Annual Governance Statement) with their published statement of accounts.

The Account & Audit Regulations stipulate that the Annual Governance Statement be prepared in accordance with 'proper practices'. As has been the case in previous years, the CIPFA / SOLACE 'Delivering Good Governance in Local Government: Framework (2016)' has been used as the framework to fulfil this requirement.

For 2020/21, Cipfa guidance has been updated to include, in addition to the normal content of the AGS as detailed in the Framework, commentary about the impact of the Covid-19 pandemic on governance arrangements and should be clear where significant changes have been made. The action plan should identify significant governance issues, whether they are new challenges or actions needed to restore governance arrangements that might have lapsed during the year. No major governance issues have been identified but some key projects have been delayed due to capacity and Covid-19 related pressures. Due to the adjustment to remote working, access to shared systems has been implemented with controlled access to data files in place and revised risk assessments together with acceptance of emailed authorisations and e-signatures.

The proposed Annual Governance Statement for 2020/21 is attached at **Appendix 1**. It should be noted that the Annual Governance Statement only includes significant governance issues, the detail is contained within the Code of Corporate Governance.

The Code of Corporate Governance 2020/21 has been refreshed and is attached as **Appendix 2**. The Code indicates what is expected as per the Framework (what assurance do we want) and what we have in place (what assurance do we get) to ensure that the principles of good governance are met.

This year's review has identified that the Council's governance arrangements largely comply with best practice, with some minor areas for improvement which are detailed in the action plan below:

<b>20/21 Action</b>	<b>Responsibility / Date</b>
Finalisation of Communication Strategy and Social Media Policy	Assistant Director People December 2021
Finalisation of Organisational Development Strategy	Assistant Director People December 2021

#### **RESOURCE IMPLICATIONS**

None

#### **LEGAL/RISK IMPLICATIONS**

Failure to produce an AGS would result in non-compliance with the Accounts and Audit Regulations and a risk that failures in Governance would not be identified and therefore addressed.

#### **SUSTAINABILITY IMPLICATIONS**

None

#### **BACKGROUND INFORMATION**

None

#### **REPORT AUTHOR**

Stefan Garner, Executive Director Finance

#### **LIST OF BACKGROUND PAPERS**

None

#### **APPENDICES**

**Appendix 1 Annual Governance Statement 2020/21**  
**Appendix 2 Code of Corporate Governance 2020/21**  
**Appendix 3 CIPFA Guidance – Application of the Good Governance Framework 2020/21**