

AUDIT AND GOVERNANCE COMMITTEE

WEDNESDAY, 8 JUNE 2022

REPORT OF THE CHIEF EXECUTIVE

ANNUAL GOVERNANCE STATEMENT AND 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 (AGS) 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.

CIPFA provided updated guidance in 2020/21 relating to the content and commentary about the impact of the COVID-19 pandemic on governance arrangements, these arrangements were reported as part of the arrangements for the Annual Governance Statement in 2020/21. Additional guidance has been issued and this is contained within **Appendix 3**. This requires that authorities should consider the impact of the COVID-19 pandemic on their governance arrangements and refer to any significant impacts and adaptations in the year. In addition authorities should consider the robustness of arrangements for internal challenge alongside their audit committee arrangements. Local authorities continue to be required to provide the annual governance statement with their statement of accounts.

The proposed Annual Governance Statement for 2021/22 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 2021/22 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 arrangement largely comply with best practice. No areas for improvement were identified.

RESOURCE IMPLICATIONS

None.

LEGAL/RISK IMPLICATIONS BACKGROUND

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.

EQUALITIES IMPLICATION

None.

ENVIRONMENT AND SUSTAINABILITY IMPLICATIONS (INCLUDING CLIMATE CHANGE)

None.

BACKGROUND INFORMATION

None.

REPORT AUTHOR

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LIST OF BACKGROUND PAPERS

None.

APPENDICES

Appendix 1 Annual Governance Statement 2021/22
Appendix 2 Code of Corporate Governance 2021/22
Appendix 3 CIPFA Guidance