

<b>TITLE</b>	<b>Annual Governance Statement 2019/20</b>
<b>FOR CONSIDERATION BY</b>	Audit Committee on 29 July 2020
<b>WARD</b>	None Specific
<b>DIRECTOR</b>	Deputy Chief Executive and Director of Resources & Assets - Graham Ebers

## **OUTCOME / BENEFITS TO THE COMMUNITY**

Provides assurance on the Council's governance arrangements including any areas where improvement is required.

## **RECOMMENDATION**

That the Audit Committee notes the report and:-

- a) Considers the draft 2019/20 AGS, identifying any specific matters which should be brought to the attention of Council or Executive.
- b) Recommends the 2019/20 AGS to the Leader of the Council and Chief Executive for signature and publication with the council's Statement of Accounts.
- c) Requests that update reports be provided to the Audit Committee summarising progress in achieving the governance improvement action plan on those areas identified as requiring action in the AGS Improvement Plan.

## **SUMMARY OF REPORT**

This report presents the draft 2019/20 Annual Governance Statement (AGS), including the AGS Improvement Plan, attached as Appendix 1.

It recommends that the Audit Committee considers the content and recommends the 2019/20 AGS to the Leader and Chief Executive for signature and presentation with the Annual Statement of Accounts.

The recommendation is being made to ensure that the Council meets its statutory requirements and those of the Audit Committee's Terms of Reference to be satisfied that the Council has in place appropriate corporate governance systems and controls.

A governance improvement plan is included with the AGS setting out those areas identified as exceptions and therefore requiring attention. It is recommended that the Audit Committee closely monitors progress in implementing these actions and receives an update later in the municipal year.

## **Background**

The annual review of the council's governance framework is required under the Accounts and Audit Regulations 2015 which state that 'A relevant authority must ensure that is has a

sound system of internal control' (Regulation 3) and 'each financial year conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement' (Regulation 10).

The AGS is required to demonstrate that systems and processes are in place to ensure that Council business is conducted lawfully and in accordance with proper standards and to identify areas where compliance could be improved.

The AGS has been produced by the Corporate Leadership Team (CLT). This followed consideration of a number of Management Assurance Statements (MAS) produced by the Council's five Directors, in conjunction with their senior management teams.

## Analysis

The draft AGS and Improvement Plan for 2019/20 are set out in Appendix 1 to this report.

Once recommended by the Audit Committee, the AGS is required to be signed off by the Chief Executive and the Leader of Council and presented with the council's 2019/20 Statement of Accounts to fulfil the council's statutory obligations. It is currently planned to present to the 2019/20 Statement of Accounts to the September meeting of the Audit Committee. The external auditor is then required to comment on the content of the AGS in terms of whether it correctly represents the organisation.

## FINANCIAL IMPLICATIONS OF THE RECOMMENDATION

***The Council faces severe financial challenges over the coming years as a result of the austerity measures implemented by the Government and subsequent reductions to public sector funding. It is estimated that Wokingham Borough Council will be required to make budget reductions in excess of £20m over the next three years and all Executive decisions should be made in this context.***

	How much will it Cost/ (Save)	Is there sufficient funding – if not quantify the Shortfall	Revenue or Capital?
Current Financial Year (Year 1)	£0	Yes	Revenue
Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

### Other financial information relevant to the Recommendation/Decision

Good governance leads to good management, good performance and good stewardship of public money, good public engagement and ultimately good outcomes for residents and service users. However, there are costs associated with embedding and continuing good governance practices, and as the Council's organisational structures develop, the costs associated with governance need to be monitored to ensure they remain proportionate.

### Cross-Council Implications

Achieving good governance impacts all aspects of the Council's services.

<b>Reasons for considering the report in Part 2</b>
Not applicable

<b>List of Background Papers</b>
CIPFA/SOLACE Delivering Good Governance in Local Government – Framework

<b>Contact</b> Andrew Moulton	<b>Service</b> Governance
<b>Telephone No</b> Tel: 07747 777298	<b>Email</b> andrew.moulton@wokingham.gov.uk

This page is intentionally left blank