

# Agenda Item 8.

<b>TITLE</b>	<b>Annual Governance Statement 2020/21</b>
<b>FOR CONSIDERATION BY</b>	Audit Committee on 2 June 2021
<b>WARD</b>	None Specific
<b>LEAD OFFICER</b>	Chief Executive - Susan Parsonage

## **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:-

- i. Considers the draft 2020/21 AGS, identifying any specific matters which should be brought to the attention of Council or Executive.
- ii. Recommends the 2020/21 AGS to the Leader of the Council and Chief Executive for signature and publication with the council's Statement of Accounts.
- iii. Requests that update reports be provided to the Audit Committee summarising progress in achieving the governance action plan on those areas identified as requiring action in the AGS Improvement Plan.

## **SUMMARY OF REPORT**

This report presents the draft 2020/21 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 2020/21 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 it 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 2020/21 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 2020/21 Statement of Accounts to fulfil the council’s statutory obligations. It is currently planned to present the draft 2020/21 Statement of Accounts to the July 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 funding pressures, particularly in the face of the COVID-19 crisis. It is therefore imperative that Council resources are focused on the vulnerable and on its highest priorities.***

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

### 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>Public Sector Equality Duty</b>
The Equality Act 2010 places a statutory duty on the council to ensure that when considering any new or reviewed strategy, policy, plan, project, service or procedure the impacts on particular groups, including those within the workforce and customer/public groups, have been considered. This report is a non decision-making report providing an overview of the Council's Governance arrangements.

<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

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