

# Agenda Item 63.

<b>TITLE</b>	<b>Annual Governance Statement 2020/21 - Update</b>
<b>FOR CONSIDERATION BY</b>	Audit Committee on 30 March 2022
<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**

To note the update on the improvement actions arising from the 2020/21 Annual Governance Statement.

## **SUMMARY OF REPORT**

At its meeting of 2 June 2021, the Audit Committee recommended the signing of the 2020/21 Annual Governance Statement (as part of the 2020/21 Statement of Accounts) and asked that update reports be provided to the Audit Committee summarising progress in achieving the governance action plan on those areas identified as requiring action.

The AGS identified nine improvement actions to the Council's governance arrangements. This update shows that eight of the nine improvement actions have been completed. The improvement actions focused on HR are ongoing and, although there is still much work to do, considerable progress has been made in this area over the past year. Further progress and actions will be monitored and addressed through the 2021/22 Annual Governance Statement improvement plan.

## Background

1. 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).
2. 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.
3. The 2020/21 AGS was produced by the Corporate Leadership Team (CLT) in May 2021 and agreed at Audit Committee on 2 June 2021 prior to inclusion with the 2020/21 Statement of Accounts.

## Analysis of Issues

4. The AGS included nine improvement actions (which also included the additional action of the function of the Audit Committee called for at the 2 June 2021 meeting of the Committee). The action plan is presented at appendix 1 which shows that seven of the eight improvement actions have been closed during 2021/22.
5. With regards to the Human Resources (HR) actions, although there is still much work to do, considerable progress has been made in this area over the past year as part of the HR Improvement Plan which is a significant organisational-wide priority. This includes the formulation and implementation of a new HR target operating model designed to shore up our HR practices and enhance our approach, particularly with regards to organisational development and organisational intelligence. Recruitment to the new model is underway and includes additional capacity to deliver on its objectives, already secured in the MTFP process. Furthermore, considerable work has been progressed on designing our workforce and our working environment of the future under the 'Workplace Reimagined' project. This will include the HR IT investment needed to achieve enhanced Council wide monitoring whilst embracing new hybrid ways of working.

## 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	Yes	Revenue

Next Financial Year (Year 2)	£0	Yes	Revenue
Following Financial Year (Year 3)	£0	Yes	Revenue

<b>Other financial information relevant to the Recommendation/Decision</b>
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.

<b>Cross-Council Implications</b>
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>Climate Emergency – <i>This Council has declared a climate emergency and is committed to playing as full a role as possible – leading by example as well as by exhortation – in achieving a carbon neutral Wokingham Borough by 2030</i></b>
This is an update report which has no direct implications to the Council priority of climate emergency.

<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 Annual Governance Statement 2020/21

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