

<b>Item No.</b> 9.	<b>Classification:</b> Open	<b>Date:</b> 20 September 2021	<b>Meeting Name:</b> Audit, Governance and Standards Committee
<b>Report title:</b>		Annual Governance Statement 2020-21	
<b>Ward(s) or groups affected:</b>		All	
<b>From:</b>		Strategic Director of Finance and Governance	

## **RECOMMENDATION**

1. That the audit, governance and standards committee approve the Annual Governance Statement (AGS) 2020-21 as attached at Appendix 1.

## **BACKGROUND INFORMATION**

2. The Accounts and Audit Regulations 2015 require that the annual governance statement be presented to and approved by an appropriate committee of the council. Under the constitution, the audit, governance and standards committee is the body that formally receives the annual governance statement.
3. The 2015 Regulations require the annual governance statement to accompany the signed and dated accounts and to be approved at the same time as the statement of accounts. The draft annual governance statement for 2020-21 was reviewed by the audit, governance and standards committee in June 2021. Formal approval of the statement is now sought.
4. Following this approval, the annual governance statement should be signed by the most senior member of the council and most senior officer, who are the leader of the council and the chief executive.
5. From March 2020, the council has been impacted by the coronavirus pandemic, issues of assurance are raised in the 'Governance issues' section of the annual governance statement and highlighted in the 'Areas of Significant Change'.

## **KEY ISSUES FOR CONSIDERATION**

6. Every year, each local authority is required by law to conduct a review of the effectiveness of its system of internal control and to publish a statement reporting on the review, the annual governance statement, with its financial statements. The draft statement, this year, has included consideration of the impact on council services of the coronavirus pandemic.

7. The annual governance statement is therefore a mandatory statement that recognises, records and publishes the council's governance arrangements as defined in the CIPFA/SOLACE framework for good governance in local authorities. It reflects how the council conducts its business, both internally and in its dealings with others. Its objective is to provide assurance on the effectiveness of the corporate governance arrangements and to identify significant governance issues requiring management action. The draft AGS has been circulated to strategic directors. It has also been agreed by the corporate governance panel (CGP) in July 2021
  
8. The statement is produced following a review of the council's governance arrangements and system of internal control. The review consists of an evaluation of the council's governance arrangements against the best practice described in the CIPFA guidelines. This includes an assessment of the systems and processes for:
  - establishing the council's principal statutory obligations and organisational objectives and applying the six CIPFA/SOLACE core principles of good governance
  - identifying the principal risks to the achievement of the council's objectives
  - identifying and evaluating key controls to manage the council's principal risks
  - obtaining assurances on the effectiveness of key controls.
  
9. The statement has also been reviewed by Grant Thornton the council's external auditor.

### **Community impact statement**

10. This report and the accompanying annual governance statement are not considered to have a direct impact on local people and communities. However, good governance arrangements are important to the delivery of local services and to the achievement of outcomes.

### **Resource implications**

11. There are no direct resource implications in this report.

### **Consultation**

12. There has been no consultation on this report.

### **SUPPLEMENTARY ADVICE FROM OTHER OFFICERS**

13. None required.

## BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Financial and Information Governance files	Finance and Governance, Second Floor, 160 Tooley Street, SE1 2QH	Geraldine Chadwick Email: Geraldine.Chadwick@southwark.gov.uk

## APPENDICES

No.	Title
Appendix 1	Annual Governance Statement 2020-21

## AUDIT TRAIL

<b>Lead Officer</b>	Duncan Whitfield, Strategic Director of Finance and Governance	
<b>Report Author</b>	Geraldine Chadwick, Interim Technical Accountant	
<b>Version</b>	Final	
<b>Dated</b>	2 September 2021	
<b>Key Decision?</b>	No	
<b>CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER</b>		
<b>Officer Title</b>	<b>Comments Sought</b>	<b>Comments included</b>
Director of Law and Governance	No	N/A
Strategic Director of Finance and Governance	N/A	N/A
<b>Cabinet Member</b>	N/A	N/A
<b>Date final report sent to Constitutional Team</b>		3 September 2021