

Item No. 11.	Classification: Open	Date: 17 October 2022	Meeting Name: Audit, Governance and Standards Committee
Report title:		Annual Governance Statement 2021-22	
Ward(s) or groups affected:		All	
From:		Strategic Director of Finance and Governance	

RECOMMENDATION

1. That the audit, governance and standards committee approve the Annual Governance Statement (AGS) 2021-22 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 2021-22 was reviewed by audit, governance and standards committee in July 2022. 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.

KEY ISSUES FOR CONSIDERATION

5. 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.
6. 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.

7. The draft AGS has been circulated to strategic directors. An early draft was considered by the corporate governance panel (CGP) in April 2022 and a final draft agreed by the Panel in August 2022.
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, equalities (including socio-economic) and health impacts

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.

Equalities (including socio-economic) impact statement

11. This report is not considered to contain any proposals that would have a significant equalities impact.

Health impact statement

12. This report is not considered to contain any proposals that would have a significant health impact.

Climate change implications

13. This report is not considered to contain any proposals that would have a significant impact on climate change.

Resource implications

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

Consultation

15. There has been no consultation on this report.

SUPPLEMENTARY ADVICE FROM OTHER OFFICERS

16. None required.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
Financial and Information Governance files	Finance and Governance, Second Floor, Tooley Street	Geraldine Chadwick

APPENDICES

No.	Title
Appendix 1	Annual Governance Statement 2021-22

Audit Trail

Lead Officer	Duncan Whitfield, Strategic Director of Finance and Governance	
Report Author	Geraldine Chadwick, Interim Technical Accountant	
Version	Final	
Dated	5 October 2022	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments included
Director of Law and Democracy	No	N/A
Strategic Director of Finance and Governance	N/A	N/A
Cabinet Member	N/A	N/A
Date final report sent to Constitutional Support Services		