

<b>DECISION-MAKER:</b>	Governance Committee
<b>SUBJECT:</b>	Annual Governance Statement 2020-21
<b>DATE OF DECISION:</b>	15 <sup>th</sup> February 2021
<b>REPORT OF:</b>	<b>COUNCILLOR BARNES-ANDREWS CABINET MEMBER FOR FINANCE &amp; INCOME GENERATION</b>

<b><u>CONTACT DETAILS</u></b>			
<b>Executive Director</b>	<b>Title</b>	Finance and Commercialism	
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<b>STATEMENT OF CONFIDENTIALITY</b>	
None	
<b>BRIEF SUMMARY</b>	
<p>In accordance with the Accounts and Audit Regulations the Council is required to conduct a review, at least once a year, of the effectiveness of its system of internal control and to prepare a statement on internal control in accordance with proper practices. The purpose of the Annual Governance Statement ('AGS'), which is published with the Statement of Accounts ('SoA'), is to provide an accurate representation of the corporate governance arrangements in place during the year and to identify or highlight those areas where there are significant gaps or where improvements are required</p>	
<b>RECOMMENDATIONS:</b>	
	(i) To note and approve the assurance gathering process to support the development of the 2020-21 AGS (Appendix 1).
<b>REASONS FOR REPORT RECOMMENDATIONS</b>	
1.	The Governance Committee has responsibility to provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting process and the annual governance statement.
<b>ALTERNATIVE OPTIONS CONSIDERED AND REJECTED</b>	
2.	No alternative options have been considered - the development and publication of an AGS is a requirement under the Accounts and Audit Regulations
<b>DETAIL (Including consultation carried out)</b>	

3.	Regulation 6 (1) of the Accounts and Audit (England) Regulations 2015, as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, requires that the relevant body must conduct a review at least once a year of the effectiveness of its system of internal control and to prepare a statement on internal control in accordance with proper practices.
4.	The purpose of the AGS, which is published with the SoA, is to provide an accurate representation of the corporate governance arrangements in place during the year and to identify or highlight those areas where there are significant gaps or where improvements are required.
5.	The AGS is produced following a review of the Council's governance arrangements. The review requires the systems and processes that comprise the Council's corporate governance arrangements to be brought together and reviewed.
6.	The 'assurance gathering process' to support development of the 2020-21 AGS remains largely unchanged from the previous year. This reflects that it is aligned with good practice and that the council's external auditors, Ernst & Young, review the AGS for completeness of disclosures, consistency with other information from their work, and whether it complies with relevant guidance. They did not identify any areas of concern and this was reflected in their 'Annual Audit Results Report for the year ended 31 March 2020' that was presented to the Governance Committee at the November 2020 meeting.
7.	The key elements of the assurance gathering process comprise completion of the updated 'Assurance Framework' document together with 'Annual Governance - Self Assessment Statements'. Both the documents cover the key processes and systems that comprise the Council's governance arrangements and are intended to identify any areas where improvement or further development is required. In respect of the latter, input will be sought from both Executive Directors and their Heads of Service.
8.	<p>The Council has in place a 'Controls Assurance Management Group' (comprising the Section 151 Officer, Chair of the Governance Committee, Monitoring Officer, Executive Director Business Services and the Chief Internal Auditor) which is responsible for evaluating the assurances and supporting evidence provided, and for drafting the AGS. This reflects CIPFA/Solace guidance which confirms that authorities should nominate an individual or group of individuals within the authority who have appropriate knowledge and expertise and levels of seniority to:</p> <ul style="list-style-type: none"> <li>▪ Consider the extent to which the authority complies with the principles of good governance;</li> <li>▪ Identify systems, processes and documentation that provide evidence of compliance;</li> <li>▪ Identify the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified;</li> <li>▪ Identify issues that have not been addressed in the authority and consider how they should be addressed; and</li> <li>▪ Identify the individuals who would be responsible for undertaking the actions that are required.</li> </ul>
9.	The normal timeline for completing and approving the AGS is 31st July, however last year amended deadlines applied due to coronavirus and the 2019-20 AGS was not signed until end November 2020 which was when the

	Statement of Accounts were signed off by the external auditors. It is anticipated that a revised deadline of end of September 2021 will apply this year in respect of the Statement of Accounts and the AGS however, this is still to be confirmed. This is reflected in the alternative dates that appear in the relevant sections of Appendix 1.
10.	As per Appendix 1, the draft AGS is intended to be presented to the Governance Committee on two occasions for review and approval prior to being forwarded to the Chief Executive and Leader of the Council for signing.
<b>RESOURCE IMPLICATIONS</b>	
<b><u>Capital/Revenue</u></b>	
11.	None
<b><u>Property/Other</u></b>	
12.	None
<b>LEGAL IMPLICATIONS</b>	
<b><u>Statutory power to undertake proposals in the report:</u></b>	
13.	The Accounts and Audit (England) Regulations 2015, as amended by the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 require that the Council must each financial year conduct a review of the effectiveness of the system of internal control and prepare an AGS for approval by a committee or members of the authority. The AGS must be approved in advance of the relevant authority approving the statement of accounts.
<b><u>Other Legal Implications:</u></b>	
14.	None
<b>RISK MANAGEMENT IMPLICATIONS</b>	
15.	The assurance gathering process as detailed in the body of the report together with process and timelines document (Appendix 1) manage the risk in terms of compliance with the Accounts and Audit Regulations.
<b>POLICY FRAMEWORK IMPLICATIONS</b>	
16.	None

<b>KEY DECISION?</b>	<b>No</b>
<b>WARDS/COMMUNITIES AFFECTED:</b>	n/a
<b><u>SUPPORTING DOCUMENTATION</u></b>	
<b>Appendices</b>	
1.	AGS 2020-21: Process and Timelines
<b>Documents In Members' Rooms</b>	
1.	N/A
<b>Equality Impact Assessment</b>	
<b>Do the implications/subject of the report require an Equality and</b>	<b>No</b>

<b>Safety Impact Assessment (ESIA) to be carried out.</b>		
<b>Data Protection Impact Assessment</b>		
<b>Do the implications/subject of the report require a Data Protection Impact Assessment (DPIA) to be carried out.</b>		<b>No</b>
<b>Other Background Documents</b>		
<b>Other Background documents available for inspection at:</b>		
<b>Title of Background Paper(s)</b>	<b>Relevant Paragraph of the Access to Information Procedure Rules / Schedule 12A allowing document to be Exempt/Confidential (if applicable)</b>	
1.		