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<b>Subject:</b>	<b>ANNUAL GOVERNANCE ASSURANCE STATEMENT 2021/22</b>
<b>Meeting and Date:</b>	<b>Cabinet – 5 September 2022</b> <b>Governance Committee – 29 September 2022</b>
<b>Report of:</b>	<b>Louise May, Head of Governance and HR</b>
<b>Portfolio Holder:</b>	<b>Councillor Chris Vinson, Portfolio Holder for Finance, Governance, Digital and Climate Change</b>
<b>Decision Type:</b>	<b>Non-Key</b>
<b>Classification:</b>	<b>Unrestricted</b>

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**Purpose of the report:** To approve the Annual Governance Assurance Statement 2021/22.

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- Recommendation:**
- (1) Cabinet approves the Annual Governance Assurance Statement and requests that the Leader and the Head of Paid Service sign this statement on behalf of the Council.
  - (2) Governance Committee is asked to accept the Annual Governance Assurance Statement alongside the 2021/22 Statement of Accounts.
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## 1. Summary

- 1.1 Annually, the Council is required to conduct a review of the effectiveness of our system of internal control and also report on the extent to which we comply with our own Local Code of Corporate Governance. This must be conducted in accordance with the Delivering Good Governance in Local Government Framework 2016 Edition and is reported as the Annual Governance Assurance Statement. Cabinet is asked to accept the Annual Governance Assurance Statement for 2021/22, as recommended by the Corporate Management Team and request that the Leader and the Head of Paid Service sign this statement on behalf of the Council.
- 1.2 The Governance Committee is asked to accept the Annual Governance Assurance Statement alongside the 2021/22 Accounts.
- 1.3 The Accounts and Audit (Amendment) Regulations 2021 were introduced by the Government to support the timely completion of local government audits and the ongoing stability of the local audit market. The proposals include extending the published/audited deadline to 30 November 2022 for the 2021/22 statement of accounts, then reverting to 30 September for five years until 2027/28. The Annual Governance Assurance Statement 2021/22 has been produced to align with these revised timescales.

## 2. Introduction and Background

- 2.1 The Accounts and Audit Regulations 2015, require that the Council conducts at least annually, a review of the effectiveness of its system of internal control and also report on the extent to which we comply with our own Local Code of Corporate Governance. The Council's Annual Governance Assurance Statement is prepared to

meet these requirements and will be provided alongside the published Statement of Accounts in accordance with the Accounts and Audit Regulations 2015.

2.2 The statement is to be signed by the Leader of the Council and the Chief Executive, having paid due regard to any matters raised by the Head of Governance and HR and the Monitoring Officer. In particular, they should have particular regard to the opinion of the Head of Governance and HR and the Monitoring Officer on the level of assurance that the governance arrangements can provide and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

2.3 The Annual Governance Assurance Statement for 2021/22 is attached and has been agreed by the Corporate Management Team in August 2022. The statement has been prepared taking into account the following information:

- A detailed review of the Council's performance measured against the Core and Sub Principles as detailed in the Delivering Good Governance in Local Government Framework 2016 Edition.
- The service review work performed by Internal Audit during the year.
- Internal Audit's review of Corporate Governance arrangements.
- Assurance Statements produced by individual Strategic Directors.
- The information gathered as a result of risk assessment and management.
- The annual reports of the Scrutiny and Governance Committees.

2.4 Members will note that there is no action plan provided this year. This has been removed as it is considered to be of limited value, given that other mechanisms of control are in place to ensure compliance with the Council's governance processes. Furthermore, the timing of the action plan no longer correlates with the revised deadlines for the production of the Statement.

### **3. Identification of Options**

3.1 Option 1: Agree the Annual Governance Assurance Statement including the key actions identified, for signature by the Leader and the Head of Paid Service and then for inclusion in the 2021/22 Accounts

3.2 Option 2: Do not agree the Annual Governance Assurance Statement and require further analysis and clarification.

### **4. Evaluation of Options**

4.1 Option 1 is the preferred option, as in preparing the Annual Governance Assurance Statement this fully meets the requirements of the Accounts and Audit Regulations 2015. Delivering Good Governance in Local Government Framework (2016 Edition) states:

*"The preparation and publication of an Annual Governance Statement in accordance with Delivering Good Governance in Local Government: Framework (2016) would fulfil the statutory requirements across the United Kingdom for a local authority to conduct a review at least once in each financial year of the effectiveness of its*

*system of internal control and to include a statement reporting on the review with its Statement of Accounts. In England the Accounts and Audit Regulations 2015 stipulate that the Annual Governance Statement must be "prepared in accordance with proper practices in relation to accounts". Therefore a local authority in England shall provide this statement in accordance with Delivering Good Governance in Local Government: Framework (2016)".*

**5. Resource Implications**

None.

**6. Climate Change and Environmental Implications**

There are no climate change or environmental implications arising from the Annual Governance Assurance Statement for 2021/22.

**7. Corporate Implications**

7.1 Comment from the Section 151 Officer: Accountancy has been consulted and has no further comment (AT).

7.2 Comment from the Solicitor to the Council: The Solicitor to the Council has been consulted in the preparation of this report and has no further comments to make.

7.3 Comment from the Equalities Officer: This report does not specifically highlight any equality implications, however in discharging their duties members are required to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010 <http://www.legislation.gov.uk/ukpga/2010/15/section/149>.

**8. Appendices**

Appendix – Annual Governance Assurance Statement

**9. Background Papers**

Accounts and Audit Regulations 2015

CIPFA Delivering Good Governance in Local Government Framework 2016 Edition

Contact Officer: Louise May, Head of Governance and HR