

## Audit Committee – 31 July 2020

<b>Title of paper:</b>	<b>Revised Annual Governance Statement 2018/19</b>	
<b>Director(s)/ Corporate Director(s):</b>	Katherine Kerswell Interim Chief Executive	<b>Wards affected:</b> All
<b>Report author(s) and contact details:</b>	Laura Pattman Strategic Director of Finance	
<b>Other colleagues who have provided input:</b>	Shail Shah Head of Audit & Risk	
<b>Recommendation(s):</b>		
<b>1</b>	To approve the Revised Annual Governance Statement 2018/19 set out at <b>Appendix 1</b> .	

### 1 Reasons for recommendations

- 1.1 This report presents the Annual Governance Statement (AGS) which will be published with the City Council's Revised Statement of Accounts.

### 2 Background

- 2.1 The City Council's governance arrangements aim to ensure that it sets and meets its objectives and responsibilities in a timely, open, inclusive and honest manner. The governance framework comprises the systems, processes, cultures and values by which the Council is directed and controlled, and through which it engages with and leads the community to which it is accountable. Every council and large organisation operates within a similar framework, which brings together an underlying set of legislative requirements, good practice principles and management processes.
- 2.2 The Accounts and Audit Regulations 2015 specify that every financial year the Council must undertake at least once a review of the effectiveness of its internal control and prepare an AGS. The AGS report should cover
- The governance system as it applied during the financial year 2018/19 including group activities.
  - Significant events or developments relating to the governance system that have occurred between the year-end and the date on which the Statement of Accounts is signed by the responsible financial officer.
- 2.3 In order to meet this last requirement, it is good practice to approve the AGS as close to publication of the final Statement of Accounts as possible.
- 2.4 The appendix attached is the revised AGS required to accompany the revised Statement of Accounts updated following completion of the Council's external audit for 2018-19. The Audit Committee has the delegated authority for the formal approval of the AGS in accordance with the requirements of the Accounts and Audit Regulations 2015.
- 2.5 The Executive Board approved and adopted the CIPFA/SOLACE Framework as the City Council's Local Code of Corporate Governance on 20<sup>th</sup> May 2008. The

CIPFA/SOLACE Framework guidance for implementing good governance was updated in 2016 by CIPFA / SOLACE to reflect a revision to the international framework in 2014. The City Council has incorporated this guidance in both the evaluation of its governance arrangements and in the production of its AGS.

2.6 The AGS reflects the governance arrangements operating within the Council and its significant partners.

2.7 Assurance used in compiling the report is derived from several sources:

- Corporate Directors and other key colleagues including the Monitoring Officer, Section 151 Officer and the Head of Internal Audit review the governance arrangements according to their respective responsibilities and give assurance and comment as to its effectiveness.
- A similar exercise is conducted with the Council's significant partners and groups.
- Information obtained from independent external reviews is also used to inform this assurance.
- Further understanding of governance, risk and controls identified through evaluating outcomes, internal and external assurance reports and information provided by key stakeholders including the Council's external auditors has been used to compile the revised report.

2.8 In accordance with the Local Code of Corporate Governance the AGS will be signed by the Leader of the Council, and Chief Executive, and will contain the following information:

- an acknowledgement of responsibility for ensuring that there is a sound system of governance;
- an opinion on the level of assurance that the systems and processes that comprise the Authority's governance arrangements can provide;
- a brief description and assessment of the key element of the governance framework, as it applied during the financial year, including those of significant groups or partners;
- a brief description of the processes undertaken to develop, maintain, and review the governance arrangements, including some comment on the work undertaken by the Council, Executive Board, Committees with governance remits and Internal Audit;
- an outline of the actions taken or proposed to deal with significant governance issues.

2.9 This statement maps the policies, procedures and initiatives the Council has put in place to address the governance issues embodied in its Local Code. Items of note have been included and where relevant events or developments after the end of the financial year.

2.10 An original version of this statement was discussed at this committee on July 29<sup>th</sup> 2019 and an update to items worthy of note was discussed at this committee on 28<sup>th</sup> February 2020. Updates made since that date include an update to issues worthy of note, post balance sheet events and developments, significant issues, revised conclusion of the evaluation of the Authority's governance arrangements, and opinion on the level of assurance provided, and an action plan.

### **3 Background papers other than published works or those disclosing exempt or confidential information**

3.1 None

### **4 Published documents referred to in compiling this report**

- CIPFA/SOLACE - Delivering Good Governance in Local Government Framework, 2016
- Accounts and Audit Regulations 2015
- Executive Board 20 May 2008 – Local Code of Corporate Governance
- Audit Committee Papers February 2019 – Annual Governance Statement - Progress Made To Date On Issues Reported 2017/18 And Process For Producing 2018/19 Statement
- Audit Committee 5 July 2019 – Interim Annual Governance Statement 2018/19
- CIPFA - The Annual Governance Statement for 2019/20: Matters to consider as a result of the coronavirus pandemic (7 April 2020)