



**Report of City Solicitor**

**Report to Corporate Governance and Audit Committee**

**Date: 26<sup>th</sup> July 2019**

**Subject: Annual Governance Statement**

Are specific electoral wards affected? If yes, name(s) of ward(s):	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Has consultation been carried out?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Are there implications for equality and diversity and cohesion and integration?	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Will the decision be open for call-in?	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No
Does the report contain confidential or exempt information? If relevant, access to information procedure rule number: Appendix number:	<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No

**1. Purpose of this report**

1.1 The purpose of this report is to present the Annual Governance Statement (AGS) to the committee for approval.

**2. Background information**

2.1 The Annual Governance Statement is a public statement on the adequacy of the Council's governance arrangements, and, as directed by the Accounts and Audit Regulations 2015, must accompany the statement of accounts.

2.2 The Regulations, specifically Regulation 6 requires authorities to conduct a review at least once a year of the effectiveness of its systems of internal control in accordance with 'proper practices'<sup>1</sup>. These proper practices have been used as the basis for preparing the AGS which appears at Appendix 1.

**3. Main issues**

3.1 This year, as last, the review of effectiveness has been undertaken on an ongoing basis including internal and external audit of our internal control processes, and matters that have been the subject of reports to Corporate Governance and Audit Committee, the Executive Board and other member forums. In addition Directors have reviewed the attached statement and have confirmed that, to the best of their knowledge and belief, all matters of significance have been disclosed.

<sup>1</sup> CIPFA/SOLACE - Delivering Good Governance in Local Government: Framework (2016 Edition)

- 3.2 Members will recall from the June meeting that as a result of requirements contained in Accounts and Audit Regulations 2015 the Authority was under a duty to release a draft Annual Governance Statement to accompany the Accounts when they are placed on deposit. That Interim AGS was signed by both the Council's Section 151 Officer and Monitoring Officer and was available for Member comment at the last meeting of the committee. No comments from the public have arisen.
- 3.3 The Interim AGS has been updated following assurances received by this Committee in June and July and now reflects:
- Receipt of the annual assurance report relating to HR policies and key actions identified by this committee concerning Gifts and Hospitality;
  - Receipt of assurances in respect to Decision Making;
  - Role of the Caldicott Guardian and recommendations concerning peer review of the Leeds' arrangements;
  - Assurances in respect to Risk Management arrangements;
- 3.4 The Statement also reflects:
- The views of the External Auditor;
  - Reports considered by the Executive Board in the intervening period (e.g. the Medium Term Financial Plan, the annual report from the Leeds Safeguarding Children Board, the Annual Health, Safety and Wellbeing Performance and Assurance Report, Equality Progress report 18-19);
- 3.5 The Statement is now presented to committee for approval. Corporate Governance and Audit Committee is asked to agree the attached Annual Governance Statement and authorise the Chair to sign the statement on behalf of the committee.

## **4. Corporate considerations**

### **4.1 Consultation and engagement**

- 4.1.1 The Corporate Leadership Team and Best Council leadership Team have both been consulted on content of the draft Annual Governance Statement, particularly to ensure that there are no omissions or misrepresentations.
- 4.1.2 As a signatory to the Statement the Leader of Council has also been consulted.

### **4.2 Equality and diversity / cohesion and integration**

- 4.2.1 The Annual Governance Statement links to the objectives of the Council Business Plan relating to Equality – specifically that all major decisions needing to evidence that appropriate consideration has been given to equality issues.

### **4.3 Council policies and the Best Council Plan**

- 4.3.1 The Statement has been aligned with the Council's Corporate Governance Code and Framework previously approved by this Committee.

## Climate Emergency

- 4.3.2 This report references the steps taken by the authority in response to the Climate Change Emergency motion at Full Council.

### **4.4 Resources, procurement and value for money**

- 4.4.1 The Annual Governance Statement makes links to the objectives of the Council Business Plan relating to the budget and financial planning and management – specifically that all directorates work within their approved budget and that arrangements ensure the Council maintains revenue reserves.

### **4.5 Legal implications, access to information, and call-in**

- 4.5.1 The Annual Governance Statement is a public statement on the adequacy of the Council's governance arrangements, and as directed by the Accounts and Audit Regulations 2015, must accompany the statement of accounts.
- 4.5.2 The decision to approve the Annual Governance Statement is not a key decision or a decision of the Executive and so is not available for Call-In.

### **4.6 Risk management**

- 4.6.1 The Accounts and Audit Regulations 2015, specifically Regulation 6, requires authorities to conduct a review at least once a year of the effectiveness of its systems of internal control in accordance with proper practices. The system of internal control, including arrangements for the management of risk, assists the Council in effectively exercising its functions.
- 4.6.2 In addition the committee and the Executive Board have received regular reports which demonstrate that there is an on-going process for identifying, evaluating and managing risks.

## **5. Conclusions**

- 5.1 The Annual Governance Statement concludes that key systems are generally operating soundly and, where weaknesses have been identified arrangements are in place to resolve them.

## **6. Recommendations**

- 6.1 Corporate Governance and Audit Committee is asked to agree the attached Annual Governance Statement and authorise the Chair to sign the statement on behalf of the committee.

## **7. Background documents<sup>2</sup>**

- 7.1 None.

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<sup>2</sup> The background documents listed in this section are available to download from the council's website, unless they contain confidential or exempt information. The list of background documents does not include published works.