

## Interim Annual Governance Statement

Date: 30<sup>th</sup> July 2021

Report of: Chief Officer Financial Services

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in?  Yes  No

Does the report contain confidential or exempt information?  Yes  No

### What is this report about?

#### Including how it contributes to the city's and council's ambitions

- This report presents the draft Interim Annual Governance Statement (AGS).
- This interim AGS is prepared following a review of the effectiveness of the Council's arrangements for Internal Control and will be published alongside the Statement of Accounts when put on deposit.
- The final Annual Governance Statement for 2021 will be returned to the Committee for formal approval prior to in advance of the Committee's approval of the audited Statement of Accounts.

### Recommendations

- a) Members are requested to consider the draft Interim AGS and note that it will be published alongside the Statement of Accounts when put on deposit.

### Why is the proposal being put forward?

- 1 The Council is required to publish the AGS alongside the statement of accounts for a period for the exercise of public rights. During this thirty day period the public can inspect and raise objections or questions in relation to the AGS and Statement of Accounts.

### What impact will this proposal have?

**Wards affected:**

Have ward members been consulted?  Yes  No

- 2 The AGS is a statutory requirement and must be published alongside the council's audited statement of accounts. Publication of the Interim AGS is in line with the statutory procedure and enables a period of public inspection and comment prior to approval of the final AGS by Committee.

- The AGS is required to demonstrate that the Council's arrangements for internal control conform to proper practice. The Principles of Good Governance identified by CIPFA are reflected in the Council's Corporate Governance Code and Framework. The Survey of Internal Control has enabled the council's managers to reflect on their experience of the controls relating to each of the seven principles set out, to identify strengths and weaknesses, and to recommend solutions and draw attention to potential opportunities to improve arrangements. This survey is identified within the interim AGS, and a key action plan will be drawn together following detailed analysis of the results.

### What consultation and engagement has taken place?

- The Interim AGS relies on assurances received by Corporate Governance and Audit Committee during the course of the 2020/21 and 21/22 municipal years.
- Further information has been provided by officers with specialist responsibility for key systems of internal control who have been invited to comment on the draft interim AGS.
- The draft Interim AGS has been shared with Corporate Leadership Team, the Leader of Council and Members of this committee for comment prior to inclusion in this report.

### What are the resource implications?

- Arrangements for the review of internal control and preparation of the AGS are carried out within existing resources.
- The interim AGS confirms that arrangements have been reviewed and that these arrangements are operating effectively to ensure that the council utilises its resources efficiently, effectively and economically in achieving its strategic objectives to ensure that it delivers value for money services to its citizens and communities.

### What are the legal implications?

- The AGS is prepared in accordance with the Accounts and Audit Regulations 2015/234 (the Regulations) and demonstrates that the Council's arrangements for internal control are in line with proper practice as identified in the Delivering Good Governance in Local Government Framework (CIPFA 2016).
- The Council's arrangements are set out in the Corporate Governance Code and Framework which is articulated as a series of commitments in relation to seven principles which align broadly to the CIPFA Good Governance Framework as follows:

CIPFA - 2016		LCC - Corporate Governance Code and Framework	
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	Behave lawfully, with integrity and in the public interest and demonstrate this through our conduct and behaviour.	1
B	Ensuring openness and comprehensive stakeholder engagement	Be open and engage with local communities, service users and our other stakeholders.	2
C	Defining outcomes in terms of sustainable economic, social and environmental benefits	Focus our resources on outcomes and ensure council tax payers and service users receive excellent value for money	3
D	Determining the interventions necessary to optimise the achievement of intended outcomes	Take informed and transparent decisions	5

E	Developing the entity's capacity, including the capability of its leadership and the individuals within it	Develop our capacity and capability to be effective.	7
F	Managing risks and performance through robust internal control and strong public financial management	Ensure that we have robust and effective audit, scrutiny, information governance, risk and financial management controls	6
G	Implementing good practices in transparency, reporting and audit, to deliver effective accountability.	Ensure we have clear responsibilities and arrangements for transparent and effective accountability	4

- 5 The Interim AGS confirms that arrangements have been reviewed and they demonstrate that the Council behaves with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

### What are the key risks and how are they being managed?

- 6 The positive assurances set out in the AGS show that the Council have robust and effective arrangements in place for managing risk and performance.

### Does this proposal support the council's three Key Pillars?

Inclusive Growth       Health and Wellbeing       Climate Emergency

- 7 The interim AGS confirms that arrangements in place enable clear strategic planning which is informed by community engagement and underpins accountable decision making to deliver identified objectives.

### Options, timescales and measuring success

#### a) What other options were considered?

- 8 The Council is required to publish the AGS, so no alternative has been considered.

#### b) How will success be measured?

- 9 Committee will be advised of any issues raised by the public during this period when the AGS is returned to Committee in its final form for approval.

#### c) What is the timetable for implementation?

- 10 The Regulations have been amended by the Accounts and Audit Amendment Regulations 2021/263, providing an altered timetable for the publication of the AGS. Under this amended timetable the Interim AGS must be published before the first working day of August for the period of exercise of public rights.

### Appendices

- 11 A – Interim Annual Governance Statement

### Background papers

- 12 None