

AUDIT AND STANDARDS COMMITTEE

16 November 2020

Title: Draft Annual Governance Statement 2019/20	
Open Report	For decision
Wards Affected: None	Key Decision: No
Report Authors: Christopher Martin (Head of Assurance)	Contact Details: Christopher.Martin@lbbd.gov.uk 07870278188
Accountable Director: Fiona Taylor, Acting Chief Executive and Director of Law, Governance and HR	
Summary In accordance with the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, the draft Annual Governance Statement at Appendix 1 has been prepared for presentation to the Audit and Standards Committee for their consideration and approval prior to publication by 30 November 2020.	
Recommendation(s) The Audit and Standards Committee is asked to approve the Annual Governance Statement.	

1 Annual Governance Statement

- 1.1 The Council is required to prepare and publish an Annual Governance Statement (AGS) in accordance with the CIPFA/SOLACE Guidance that is necessary to meet the statutory requirement set out in Regulation 6(1) of the Accounts and Audit Regulations 2015 which requires authority to “conduct a review at least once a year of the effectiveness of its system of internal control” and the findings of the review must be reported to Committee “in accordance with proper practices”.
- 1.2 The Guidance defines proper practices for the form and content of a governance statement that meets the requirement to prepare and publish a statement on internal control in accordance with Regulation 6(1) of the Accounts and Audit Regulations 2015. The AGS must be approved in advance of the Council approving the annual accounts.

2 Legal Implications

Implications completed by: Dr Paul Feild, Senior Governance Solicitor

- 2.1 The Local Audit and Accountability Act 2014 (the ‘2014 Act’) requires that the Council as a relevant body must have its accounts audited. The procedure is set out in the Accounts and Audit Regulations 2015 (the ‘Regulations’). Regulation 9 sets

out a timetable and requires certification by the Council's responsible finance officer of the statement and then consideration by a committee to consider the statement and approve by resolution.

- 2.2 Furthermore Specified relevant local authorities¹ are required under Regulation 6(1) (b) to prepare an Annual Governance Statement ('AGS').

Governance is defined by CIPFA / SOLACE² as:

The arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

and

To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entities' objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.

- 2.3 The Regulations require the AGS be approved by a resolution of a Committee of the Council.
- 2.4 Following approval the Council must publish by 30 November 2020 the AGS as approved and a narrative statement by the Council on its financial performance, and economy, efficiency, and effectiveness in the use of its resources over the financial year.

3 Financial Implications

Implications completed by: Katherine Heffernan, Group Manager – Service

- 3.1 Internal Audit is fully funded as part of the Council's Finance Service. It is a key contribution to the overall management and control of the Council and its stewardship of public money. The recommendations and improvements as a result of its findings will be implemented from within existing resources. There are no further financial implications arising from this report.

4 Other Implications

- 4.1 **Risk Management** – The internal audit activity is risk-based and therefore supports effective risk management across the Council.

Public Background Papers Used in the Preparation of the Report: None

List of appendices:

Appendix 1: Annual Governance Statement 2019/20

¹ See Section 2 and Schedule 2 of the Accounts and Audit Regulations 2015

² CIPFA SOLACE Delivering Good Governance in Local Government Framework 2016 Edition