

Audit & Standards Committee

Draft Annual Governance Statement 2019-20

20 July 2020

1. Recommendation(s)

- 1.1 The Committee endorse the draft Annual Governance Statement at Appendix 1.
- 1.2 Note the revised AGS approval and publication timetable at Appendix 2 and the factors considered when determining any significant governance issues Appendix 3.

2. Executive Summary

- 2.1 The Accounts and Audit Regulations 2015 require the authority to conduct a review, at least once in a year, of the effectiveness of its system of internal control and to prepare an Annual Governance Statement (AGS). As a consequence of the COVID-19 pandemic, an April 2020 amendment to the Accounts & Audit Regulations has altered the statutory timetable for the production and publication of the AGS alongside the Financial Statements (Appendix 2).
- 2.2 We have also followed CIPFA guidance issued in April 2020 to include relevant areas of governance impact arising from the COVID-19 pandemic. These are captured in Section 3 (delivering governance principles) and Section 5 (Governance Issues) of the AGS.
- 2.3 It has been assessed, as a result of the AGS evaluation and assurance gathering process, that there are no significant governance issues or governance failures to report. The Council's key areas of strategic risk are presented as governance challenges in Section 5, along with planned and proposed mitigation.

3. Financial Implications

None

4. Environmental Implications

None

5. Supporting Information

- 5.1 The AGS is produced in accordance with the CIPFA/SOLACE Delivering Good Governance in Local Government: Framework (2016). The Council's local Code of Corporate Governance underpins the AGS and sets out the seven core principles of governance. The AGS should be an open and honest self - assessment of the organisation's performance across all of its activities and against these principles.
- 5.2 The process of reviewing the authority's control environment and gathering assurance about the effectiveness of the system involves a review by an AGS Evaluation Panel, representing Finance, Legal, Policy and Directorate views. This is followed by statutory officer scrutiny.
- 5.3 Assistant Directors have been asked to complete assurance statements confirming their understanding and compliance with the Council's approach to the management of risk and good governance in their services.
- 5.4 Consideration was also given to the results of reviews carried out by external agencies as sources of independent assurance during the year.
- 5.5 The evaluation panel and Statutory Offices do not judge there to be any significant governance issues, applying the criteria set out in Appendix 3, and are assured that the Council has not experienced any significant governance failures during the last year. Section 5 of the AGS outlines strategic risks that are major challenges for the Council and this includes the impact of COVID-19.
- 5.6 The annual governance effectiveness review is also supported by a governance improvement action plan (AGS p.10) that sets out planned governance projects and initiatives as well as actions that are part of the Council's response to, and recovery from, the COVID-19 pandemic.

6. Timescales associated with the decision and next steps

- 6.1 The draft AGS is reported to this meeting of the Committee in accordance with the revised AGS timetable (Appendix 2). The deferred timetable for publication of the AGS allows for initial consideration by the Committee in July and for the draft AGS to be shared for audit and inspection purposes at the end of June, with opportunities to update the draft at each stage. The Final AGS will be presented to Audit & Standards and Cabinet in September to recommend for approval by Full Council in October.

Appendices

1. Appendix 1 Draft 2019-20 Annual Governance Statement
2. Appendix 2 Revised AGS timetable
3. Appendix 3 Determining Significant Governance Issues

Background Papers

None

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Other members: