

## **Audit & Governance Committee**

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**Date of Meeting:** 11 November 2020

**Report Title:** Annual Governance Statement (AGS) 2019/20

**Senior Officer:** Jane Burns, Executive Director of Corporate Services

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### **1. Report Summary**

- 1.1. The purpose of this report is for the Committee to receive and approve the proposed final Annual Governance Statement 2019/20 for signature by the Leader of the Council and the Chief Executive. Once approved the AGS will accompany the Statement of Accounts and be published on the Council's website.
- 1.2. The Council's assessment of its governance arrangements for 2019/20 has recognised one additional significant governance issue as the challenge to Council governance arising from Covid-19. It also summarises the progress made across the Council in managing issues identified in previous Statements. The proposed final statement for 2019/20 is provided in Appendix 1.

### **2. Recommendation**

- 2.1. That the Committee approves the Annual Governance Statement 2019/20.

### **3. Reasons for Recommendation**

- 3.1. In accordance with the Accounts and Audit Regulations 2015, the Annual Governance statement should be approved by Members of the Council meeting, or by a Committee, at the same time as the Statement of Accounts is approved and no later than 31<sup>st</sup> July. The Audit and Governance Committee has delegated authority to approve the Annual Governance Statement.
- 3.2. The timescales for approval of the AGS and Statement of Accounts have changed in recognition of the impact of the pandemic via The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. This legislation

amended the timescales for the publication of the draft and final statements as follows.

3.2.1. Publication of draft statements (Accounts and AGS) moves from 31st May to 31st August 2020. Audit and Governance Committee received the draft statements at their meeting on 30<sup>th</sup> July 2020.

3.2.2. Publication of final statements (Accounts and AGS) moves from 30th July to 30th November 2020.

#### **4. Other Options Considered**

4.1. Not applicable.

#### **5. Background**

5.1. The Council is required to prepare and publish an Annual Governance Statement (AGS). This requirement was introduced by the revised CIPFA/SOLACE Good Governance Framework (Delivering Good Governance in Local Government) and is necessary to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit England Regulations 2015.

5.2. The purpose of the AGS process is to provide a continuous review of the organisation's governance arrangements to give assurance on the effectiveness on the processes and/or to address identified weaknesses, supporting the continuous improvement of the Authority. This report and Appendix 1 are the results of that review

5.3. The draft AGS was published on the Council's website after the Audit and Governance Committee on 30<sup>th</sup> July 2020. A small number of changes have been made to that draft document, for example, to reflect additional meetings which have occurred since the draft was published. Although the AGS covers 2019/20, it needs to be current to the time of publication and approval, and as such the Council's response to Covid is referred to throughout the AGS and has been updated where needed in preparing the Final.

5.4. Updates on items recognised in previous Annual Governance Statements are included in Section 7. These have been further updated in preparing the final Statement. Section 8 include one new item being recognised as a "Significant Governance Issue" for the Council; the challenge to Council governance arising from Covid-19 is included here. No additional items have been included as significant governance issues in updating the AGS from draft to proposed final following the completion of assurance exercises co-ordinated by Internal Audit and reviewed by the Executive Directors.

- 5.5. A workshop for Members regarding the Annual Governance Statement and the Statement of Accounts has been held.
- 5.6. Once approved and signed, the AGS will be published on the Council's website, along with the Statement of Accounts, for members of the public, Members, Officers and other stakeholders to view. Further progress reports on items recognised in the Annual Governance Statement will be provided to the Audit and Governance Committee as part of its work programme.

## **6. Implications of the Recommendations**

### **6.1. Legal Implications**

- 6.1.1. The Production of the Annual Governance Statement is required by Regulation 6(1) (b) of the Accounts and Audit England Regulations 2015.
- 6.1.2. The preparation and publication of the draft Annual Governance Statement has been carried out in accordance with the guidance produced by the Chartered Institute of Public Finance (CIPFA): "Delivering Good Governance in Local Government (2016)".
- 6.1.3. The timescales for approval of the AGS and Statement of Accounts have changed in recognition of the impact of the pandemic via The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. The draft and final Statements are scheduled to meet the updated deadlines.

### **6.2. Finance Implications**

- 6.2.1. There are no financial implications. The production of the AGS aligns with the production of the Council's Annual Accounts and is published alongside the audited accounts.

### **6.3. Policy Implications**

- 6.3.1. There are no specific policy implications.

### **6.4. Equality Implications**

- 6.4.1. There are no specific equality implications.

### **6.5. Human Resources Implications**

- 6.5.1. There are no specific Human Resources implications.

## **6.6. Risk Management Implications**

6.7. The Authority is required to prepare and publish an Annual Governance Statement to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit England Regulations 2015 and updated by The Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. Failure to do so could result in non-compliance with the requirements of the Regulations

## **6.8. Rural Communities Implications**

6.8.1. There are no direct implications for rural communities.

## **6.9. Implications for Children & Young People/Cared for Children**

6.9.1. There are no direct implications for children and young people.

## **6.10. Public Health Implications**

6.10.1. There are no direct implications for public health.

## **6.11. Climate Change Implications**

6.11.1. There are no direct implications for climate change.

## **7. Ward Members Affected**

7.1. Not applicable

## **8. Consultation & Engagement**

8.1. The draft Annual Governance Statement has been published on the Council's website since the beginning of June 2019.

## **9. Access to Information**

9.1. The proposed final Annual Governance Statement 2018/19 is attached as Appendix A to this report.

## **10. Contact Information**

10.1. Any questions relating to this report should be directed to the following officer:

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