

Audit and Governance Committee

Date of Meeting:	30 September 2021
Report Title:	Draft Annual Governance Statement (AGS) 2020/21
Report of:	Jane Burns, Executive Director Corporate Services
Ward(s) Affected:	All Ward Members as the report provides the Council's Annual Governance Statement.

1. Executive Summary

- 1.1. Each year, Cheshire East Council produces an Annual Governance Statement that explains how it makes decisions, manages its resources, and promotes values and high standards of conduct and behaviour. The review is carried out against the Council's Code of Corporate Governance. The draft Statement, at Appendix A, reflects activity over the 2019/20 financial year, and includes activity up to the date of producing the report. The draft will be further updated to cover activity up to the date of approval of the Council's Statement of Accounts.
- 1.2. The purpose of this report is for the Committee to consider the draft Annual Governance Statement 2020/21.

2. Recommendations

- 2.1. That the Committee:
 - 2.1.1. Considers the draft Annual Governance Statement 2019/20 (Appendix A); and
 - 2.1.2. Notes the final statement will be considered by this Committee by the end of November 2021, prior to its approval and publication on the Council's website.

3. Reasons for Recommendations

- 3.1. In accordance with the Accounts and Audit Regulations 2015, the final Annual Governance Statement would usually be approved by Members of

the Council meeting as a whole, or by a Committee by 31st July. The Audit and Governance Committee has delegated authority to approve the Annual Governance Statement.

- 3.2. In recognition of the ongoing impact of covid-19, the Accounts and Audit (Amendment) Regulations 2021 amended the timescales of the publication of the draft statement from the 31st August to not later than the 30th September 2021, the publication of the final statements remains the 30th November. Following discussion and agreement with the external auditors and taking into account the impact of the pandemic and implementation of the new financial system, it was determined that the Council would operate to these extended deadlines

4. Other Options Considered

- 4.1. Not applicable.

5. Background

- 5.1. There is a strong correlation between effective governance and effective service delivery. Whilst the statement by its nature is only signed off once a year, the process of review is continuous, so as to give assurance on the effectiveness on the processes and/or to address identified weaknesses, supporting the continuous improvement of the Authority.
- 5.2. The drafting of the AGS this year, in line with the guidance from CIPFA recognises the challenges of Covid to the timescale for preparation, and the sources of assurance which would normally be used. In preparing the draft AGS, reliance has been placed on existing reports, which have been referenced throughout the draft. Reports elsewhere on the Committee's September agenda also provide assurance for the Committee.
- 5.3. Sources of assurance for the Committee in considering the draft AGS include the progress updates on items included in the AGS, the annual Internal Audit Opinion (20/21), the Annual Monitoring Officer's reports, and interim reports from Internal Audit and Risk Management.
- 5.4. Whilst assurance of this kind always forms a very significant part of the AGS production, it is also supplemented by the outcome of separate assurance exercises such as the management assurance statements. This is currently ongoing and will be completed before the final AGS is signed off in November. The Statement will be updated as necessary for any issues arising.
- 5.5. Although the AGS covers 2020/21, it needs to be current to the time of publication and approval, and as such includes the move to the committee system of governance.

- 5.6. Updates on items recognised in previous Annual Governance Statements are included in Section 7. These will be further updated before the final Statement. Section 8 includes new items being recognised as “Significant Governance Issues” for the Council; the challenge to Council governance arising from Covid-19 are included here. This will be subject to further update before the Committee considers the final AGS.
- 5.7. A workshop for Members regarding the Annual Governance Statement and the Statement of Accounts will be offered prior to the final AGS being considered by the Committee in November.
- 5.8. Once approved, the AGS will be signed by the Leader and the Chief Executive and the AGS will then be published on the Council’s website, along with the Statement of Accounts by 30th November deadline.

6. Implications

6.1. Legal

- 6.1.1. The production of the Annual Governance Statement is required by Regulation 6(1) (b) of the Accounts and Audit Regulations 2015, which sets out the timescales by which they must be published.
- 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 2021. The draft and final Statements are scheduled to meet the updated deadlines.

6.2. Finance

- 6.2.1. The Internal Audit team is appropriately resourced to comply with statutory and best practice requirements. Resourcing of the Internal Audit team is regularly monitored and reported upon to the CLT and the Audit and Governance Committee

6.3. Policy

- 6.3.1. There are no direct implications for policy.

6.4. Equality

- 6.4.1. There are no direct implications for equality.

6.5. Human Resources

6.5.1. There are no direct implications for human resources.

6.6. Risk Management

6.6.1. 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 2021. Failure to do so could result in non-compliance with the requirements of the Regulations.

6.7. Rural Communities

6.7.1. There are no direct implications for rural communities.

6.8. Children and Young People/Cared for Children

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

6.9. Public Health

6.9.1. There are no direct implications for public health

6.10. Climate Change

6.10.1. There are no direct implications for climate change.

Access to Information	
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Appendices:	Appendix A – Draft Annual Governance Statement 2020/21
Background Papers:	N/A