

**REPORT TO:** Business Efficiency Board

**DATE:** 23 September 2020

**REPORTING OFFICER:** Strategic Director – Enterprise, Community & Resources

**SUBJECT:** Draft Annual Governance Statement - 2019/20

**PORTFOLIO:** Resources

**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

This reports presents the 2019/20 Draft Annual Governance Statement (AGS). The preparation and publication of an AGS is necessary to meet the statutory requirement set out in regulation 6 of the Accounts and Audit Regulations 2015.

The format of the statement follows the 2016 best practice guidance issued by CIPFA / Society of Local Authority Chief Executives (SOLACE).

## **2.0 RECOMMENDATIONS:**

**The Board is asked to consider and approve the 2019/20 Annual Governance Statement subject to any changes or additions that members feel appropriate.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 The Delivering Good Governance in Local Government: Framework, published by the CIPFA / SOLACE, sets the standard for local authority governance in the UK. The Council's draft AGS for 2019/20 has been developed with reference to this guidance and is attached as an appendix to this report.
- 3.2 The AGS provides an overview of the governance framework in place for 2019/20 and up to the date the financial statements are signed off by the Council's external auditor. A key aspect of the AGS is the identification of any areas where the Council's governance arrangements need to be developed and to provide a commitment to addressing those issues.
- 3.3 Due to COVID-19, the timing for the statutory completion of the AGS has been changed this year as set out in the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020. The final version of the AGS must be approved by 30 November 2020.
- 3.4 The process followed in producing the draft AGS has been the same as in previous years, being led by a group of officers who have key roles in the maintenance and development of the Council's governance framework:
- Strategic Director - Enterprise, Community & Resources
  - Operational Director - Finance
  - Operational Director - Legal & Democratic Services

- Divisional Manager - Audit, Procurement & Operational Finance

- 3.5 In producing the draft AGS consideration has been given to various sources of assurance over the Council's governance arrangements. Consideration has also been given to identifying any areas where these arrangements require further development.
- 3.6 The draft AGS has been reviewed and agreed by Management Team and it was published on the Council's website alongside the Statement of Accounts and Narrative Report on 28 August 2020.
- 3.7 The Council's Constitution delegates the responsibility to review and approve the AGS to the Business Efficiency Board. As such, the final version of the AGS will take into account any feedback from the Board. Once approved, the AGS will be signed by the Council Leader and Chief Executive and published on the Council's website.
- 3.8 The Council's external auditor will review the draft AGS as part of the audit of the Statement of Accounts for 2019/20.

#### **4.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS**

- 4.1 In accordance with the Accounts and Audit Regulations 2015, the Council is required to conduct an annual review of its system of internal control and publish an Annual Governance Statement (AGS) with the annual Statement of Accounts. The process is a key mechanism for ensuring that the Council has an effective system of internal control and governance, and that any areas for development are identified and addressed.
- 4.2 The powers and duties of the Business Efficiency Board include responsibility for considering the Council's corporate governance arrangements and agreeing necessary actions to ensure compliance with best practice. The AGS provides a commitment to address the governance challenges identified by the Council.
- 4.3 There are no direct financial implications arising from this report, although the AGS makes reference to the key financial challenges faced by the Council.

#### **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **5.1 Children and Young People in Halton**

Good governance leads to good management, good performance and good stewardship of public money. It therefore enables the Council to implement its vision in accordance with its values and to engage effectively with its citizens and service users and ensure good outcomes for them.

##### **5.2 Employment, Learning and Skills in Halton**

See 5.1 above

##### **5.3 A Healthy Halton**

See 5.1 above

#### 5.4 **A Safer Halton**

See 5.1 above

#### 5.5 **Halton's Urban Renewal**

See 5.1 above

### 6.0 **RISK ANALYSIS**

- 6.1 The AGS provides assurance that the Council has a sound system of risk management, control and governance. The document provides a public statement of how the Council directs and controls its functions and relates to its community.

### 7.0 **EQUALITY AND DIVERSITY ISSUES**

- 7.1 The Council has to have regard to the elimination of unlawful discrimination and harassment and the promotion of equality under the Equalities Act 2010 and related statutes. Proper governance arrangements will ensure that equality and diversity issues are appropriately addressed.

### 8.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Document	Place of Inspection	Contact
CIPFA / SOLACE – Delivering good governance in Local Government: Framework (2016)	Halton Stadium, Widnes	Merv Murphy
CIPFA / SOLACE - Delivering good governance in Local Government: Guidance note for English authorities (2016)		