



Date of Meeting	23 July 2020
Portfolio	Councillor Dalaat Ali Cabinet Member for Resources
Report Author	Michael Garraway
Public/Private Document	Public

Annual Governance Statement

Executive Summary

1. The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
 - 1.1 The Annual Governance Statement attached at Appendix 1 explains how the Council has complied with “The Code” and meets the requirements of regulation 6(1) of The Accounts and Audit Regulations 2015 in relation to conducting a review of the effectiveness of the system of internal control and the publication of an annual governance statement.

Recommendation

2. That the Annual Governance Statement 2019/20 be approved.

Reason for Recommendation

3. The Council is required under Regulation 6(1) of the Accounts and Audit Regulations 2015, to produce an Annual Governance Statement to accompany the annual statement of accounts, which must be signed by the Leader of the Council, Chief Executive, Chief Finance Officer (Section 151 Officer) and the Monitoring Officer.

The Audit and Governance Committee is the body which is required to approve the Annual Governance Statement (AGS).

Key Points for Consideration

- 4.1 The purpose of the AGS process is to provide a continuous review of the Council’s internal control and risk management systems, and to provide assurance on their effectiveness and/or to produce a management action plan

to address identified weaknesses areas for improvement in either process. At its most effective, the process of preparing the AGS adds value to the corporate governance and internal control framework of the Council.

4.2 The Council's External Auditor's view is that the arrangements required for gathering assurances for the preparation of the AGS provide an opportunity for Councils to consider the robustness of their governance arrangements. In doing so, Councils need to recognise that this is a corporate issue, affecting everyone in the organisation. It is also important to recognise that the purpose of the AGS is not just to be 'compliant', but also to provide an accurate representation of the arrangements in place during the year and to highlight those areas where improvement is required. This will also demonstrate to stakeholders what those arrangements are.

4.3 **2019/20 Annual Governance Statement Action Plan – Summary of Progress**

The Governance Board has been making significant progress in implementing and overseeing the actions highlighted within the Annual Governance Statement action plan 2018/19, and there has been progress in a number of areas as highlighted in the Annual Governance Statement.

4.4 Following a review of key decisions a number of concerns have arisen in relation to adherence to the key decision making framework. The review highlighted a lack of understanding of the governance arrangements for executive decision making. The action plan has been strengthened to include a comprehensive improvement programme.

4.5 **Alternatives Considered**

No alternatives have been considered.

Costs and Budget Summary

5. No specific financial implications. The production of the AGS aligns with the production of the Annual Accounts and is published alongside the audited accounts.

Risk and Policy Implications

6. The Authority is required to prepare and publish an Annual Governance Statement to meet the statutory requirement set out in Regulation 6 (1) of the Accounts and Audit Regulations 2015. Failure to do so could result in non-compliance with the requirements of the Regulations.

The Annual Government Statement enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

Consultation

7. The Council Governance Board, which oversees the Governance arrangements within the Council and communicates with key managers, has reviewed and considered the Annual Governance Statement.

The Council's Leadership Team has received the report.

Background Papers	Place of Inspection
8. Directors Assurance Statements	Governance Services, 2 nd Floor, Number One Riverside, Smith Street, Rochdale

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