

REPORT OF **Service Improvement Officer**
To: **Audit & Governance Committee**
Subject: **Draft Annual Governance Statement**
Date: **28th July 2020**

PURPOSE OF REPORT:

To provide an opportunity for Members to comment on the draft 2019/20 Annual Governance Statement.

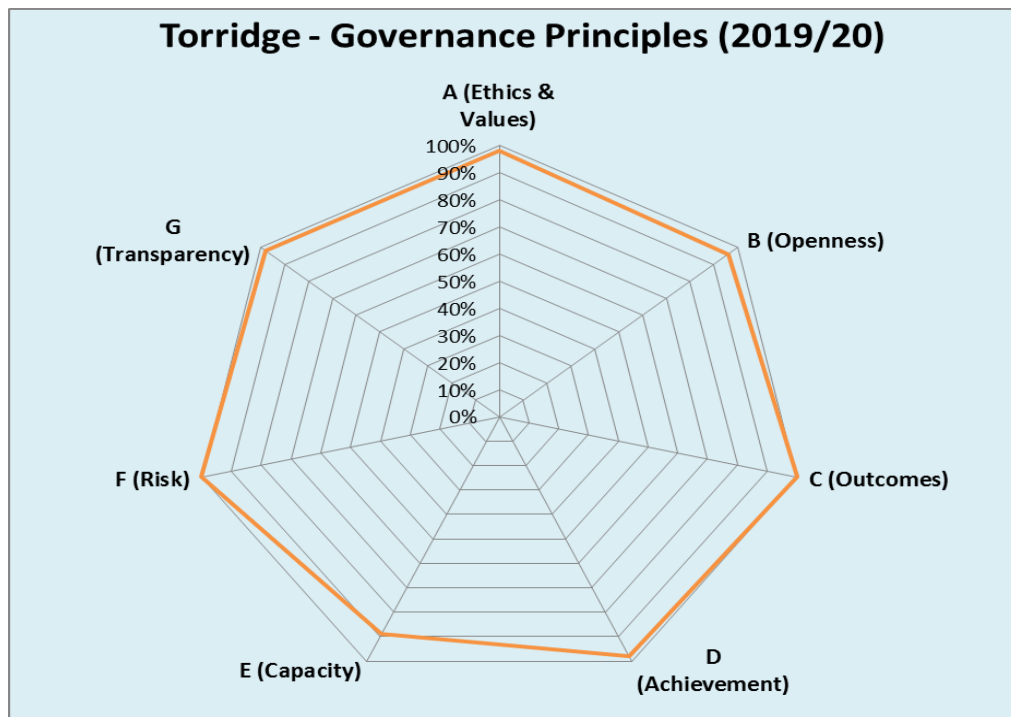
1. INTRODUCTION

Paragraph 6(1) of the Accounts and Audit Regulations (2016) requires the Council to conduct a review at least once a year of the effectiveness of its control environment and to publish this in the Annual Governance Statement.

The Annual Governance Statement refers to a Code of Corporate Governance which was last approved by the Audit & Governance Committee on 21 January 2020.

The Annual Governance Statement should be a holistic assessment of the check and balance arrangements that are in place to ensure that public money is properly spent and compliance with the principles for the conduct of individuals in public life.

The Council's governance arrangements are evidenced by a database providing examples of how we meet the requirements of the 7 core principles defined by CIPFA/SOLICE. The following chart depicts our overall compliance with the principles for 2019/20:



See Appendix A for a summary of these scores.

Members are asked to review and comment on the draft 2019/20 Annual Governance Statement set out at Appendix B. The Annual Governance Statement will be presented for approval to the Audit & Governance Committee on 22nd September 2020.



2. REPORT

The Council's aim is to produce an Annual Governance Statement which complies with published guidelines, is easy to read and is as succinct as possible.

Ideally we would like our Annual Governance Statement to be 'best practise'. In 2019/20 we reviewed a sample of Annual Governance Statements produced by other Local Authorities and we concluded that the format used by Torridge provides a clear, concise, and accessible summary of our governance arrangements.

In April 2020 CIPFA provided a briefing note on the 2019/20 Annual Governance Statements – 'Matters to consider as a result of the coronavirus pandemic.' Whilst acknowledging that the majority of 2019/20 was unaffected by the pandemic, there would be an impact from March 2020 onwards, and the Annual Governance Statement needed to include a statement on any impacts on governance. CIPFA also indicated that a 'lessons learned review' should be included as a significant issue identified.

The draft report is attached to this report as Appendix B.

3. IMPLICATIONS

Legal Implications

There is a legal requirement to publish an Annual Governance Statement as part of the approval of the annual statement of accounts.

Financial Implications

There are no financial implications.

Human Resources Implications

None

Sustainability/Biodiversity Implications

N/A

Equality/Diversity

None

Risk Management

Evidence to support the Annual Governance Statement has been and will continue to be reviewed on an ongoing basis. This will include reviews of the Council's governance and risk management arrangements. Any significant areas for improvement will be set out in the action plan.

Compliance with Policies and Strategies

Reviewing the effectiveness of the control environment and reporting on the findings of the review is a key aspect of demonstrating that Torridge District Council has a formal and established response to the Corporate Governance requirements.

Ward Member and Leader Member Views

Chair of Audit & Governance, Councillor Philip Hackett said 'The purpose of the AGS is to confirm that the Council's business is conducted in accordance with the law and proper standards, and that public money allocated to it is safeguarded, properly accounted for, and used economically, efficiently and effectively. This year's AGS demonstrates that this approach has been robustly pursued at Torridge to ensure we have satisfactory outcomes and comply with legislation.'



4. CONCLUSIONS

The Draft Annual Governance Statement is provided for consideration by Members and will be presented for approval in September 2020. It includes an action plan to address any significant weaknesses highlighted by the Senior Managers Service Assurance Statements, the Audit Manager's Opinion, and through the reviews of the AGS evidence database.

5. RECOMMENDATIONS

Members consider the draft Annual Governance Statement and bring forward suggestions for discussion.

SUPPORTING INFORMATION

Consultations:	Governance Manager Statutory Finance Officer Head of Paid Service Monitoring Officer Councillor Philip Hackett DAP Partnership Manager
Contact Officer:	Chris Dobbs, Service Improvement Officer
Background Papers:	Code of Governance 2020 Governance Supporting Database CIPFA Briefing on AGS April 2020



Governance Principles: Scoring summary for 2019/20

Appendix A

		Topic Score	Principle Score (Average)
PRINCIPLE A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law			98%
A.1	Behave with integrity.	100%	
A.2	Demonstrate strong commitment to ethical values	95%	
A.3	Respect the rule of law	100%	
PRINCIPLE B - Ensuring openness and comprehensive stakeholder engagement			96%
B.1	Be Open	100%	
B.2	Engage comprehensively with institutional stakeholders	95%	
B.3	Engage with individual citizens and service users effectively	95%	
PRINCIPLE C - Defining outcomes in terms of sustainable economic, social, and environmental benefits			100%
C.1	Define Outcomes	100%	
C.2	Provide sustainable economic, social and environmental benefits	100%	
PRINCIPLE D - Determining the interventions necessary to optimise the achievement of the intended outcomes			98%
D.1	Determine Interventions	100%	
D.2	Plan interventions	95%	
D.3	Optimise achievement of intended outcomes	100%	
PRINCIPLE E - Developing the entity's capacity, including the capability of its leadership and the individuals within it			89%
E.1	Develop the entity's capacity	80%	
E.2	Develop the capability of the entity's leadership and other individuals	98%	
PRINCIPLE F - Managing risks and performance through robust internal control and strong public financial management			100%
F.1	Manage risk	100%	
F.2	Have strong public financial management	100%	
F.3	Manage performance	100%	
F.4	Have robust internal controls	100%	
F.5	Manage Data	100%	
PRINCIPLE G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability			98%
G.1	Implement good practice in transparency	100%	
G.2	Implement good practices in reporting	100%	
G.3	Provide assurance and effective accountability	95%	
Overall Average Score			97%

