

**Teignbridge District Council
Audit Scrutiny
24 August 2021
Part 1**

ANNUAL GOVERNANCE STATEMENT 2020-2021

Purpose of Report

To consider the Annual Governance Statement and recommend it to Council for approval.

Recommendation(s)

The Audit Scrutiny Committee RECOMMENDS to Council that the Annual Governance Statement is approved.

Financial Implications

None.

Legal Implications

None. The publication of an Annual Governance Statement is a statutory requirement which the Council is meeting.

Risk Assessment

Not applicable.

Environmental/ Climate Change Implications

The Annual Governance Statement includes an overview of the Council's actions in this respect.

Report Author

Sue Heath – Audit and Information Governance Manager
Tel: 01626 215258 Email: sue.heath@teignbridge.gov.uk

Executive Member

Councillor Richard Keeling – Executive Member for Resources

1. PURPOSE

To present the Annual Governance Statement for members' consideration, prior to recommending it to Council for approval.

2. BACKGROUND

2.1 The preparation and publication of an Annual Governance Statement (AGS) is a mandatory requirement for local government. It describes the processes and procedures in place to enable the Council to carry out its functions and must be included with the Council's Financial Statements.

2.2 "Delivering Good Governance in Local Government" published by the Chartered Institute of Public Finance Accountants (CIPFA) and Society of Local Authority Chief Executives (SOLACE) is cited by CIPFA as the proper practice for production of an AGS.

2.3 The Audit Scrutiny Committee should consider whether the AGS fairly reflects the arrangements within the Council.

3. GOVERNANCE REVIEW

3.1 Existing processes have been compared to the CIPFA / SOLACE framework to determine whether the Council has systems in place to meet the expected governance principles. A and B provide the overarching requirements for acting in the public interest, while the remainder relate to the more detailed processes and achieving outcomes.

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| A | Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law |
| B | Ensuring openness and comprehensive stakeholder engagement |

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|---|---|
| C | Defining outcomes in terms of sustainable economic, social, and environmental benefits |
| D | Determining the interventions necessary to optimise the achievement of the intended outcomes |
| E | Developing the entity's capacity, including the capability of leadership and individuals within it |
| F | Managing risks and performance through robust internal control and strong public financial management |
| G | Implementing good practices in transparency, reporting, and audit to deliver effective accountability |

3.2 The review is also informed by other assurance sources including:

- Internal and external audits, internal audit's annual assurance opinion
- Performance and risk management systems and reports
- Reports from other review functions such as the Ombudsman
- Review of contingent liabilities and legal cases to ascertain whether these were generated by governance weaknesses
- The key systems and processes that regulate, monitor and control the Council's activities
- Assurance Statements completed by the Council's senior managers certifying they have understood their managerial responsibilities and put procedures in place to ensure their service objectives were achieved; legal requirements were met; performance and risks were managed; and budgets were controlled.

3.3 The AGS must reflect the arrangements in place for the 2020-2021 year, but also remain current up until the date it is published. It therefore reflects the effects the Covid pandemic has had on our governance arrangements.

3.4 The draft AGS members are considering today, has been reviewed and approved by the Council's Strategic Leadership Team.

4. CONCLUSION

4.1 The draft AGS is attached at Appendix A. Members are asked to review this and recommend it to Council for approval.

5. MAIN IMPLICATIONS

The implications members need to be aware of are as follows:

5.1 Legal

The Council is meeting its statutory obligation to undertake an internal audit of its systems.

5.2 Resources

The service was delivered within budget.

6. GROUPS CONSULTED

Internally, the Corporate Management and Strategic Leadership Teams, and key officers have been consulted.

7. ENVIRONMENTAL/CLIMATE CHANGE IMPACT

Not applicable.

8. DATE OF IMPLEMENTATION (CONFIRMATION OF DECISION SUBJECT TO CALL-IN)

Not applicable.