

# TEIGNBRIDGE DISTRICT COUNCIL

## AUDIT SCRUTINY COMMITTEE

26<sup>TH</sup> AUGUST 2020

<b>Report Title</b>	<b>Annual Governance Statement 2019-2020</b>
<b>Purpose of Report</b>	To consider the Annual Governance Statement and recommend it to full Council for approval.
<b>Recommendation(s)</b>	<b>The Committee RECOMMENDS to Council that the Annual Governance Statement is approved.</b>
<b>Financial Implications</b>	None.
<b>Legal Implications</b>	None. The publication of an Annual Governance Statement is a statutory duty.
<b>Risk Assessment</b>	Not applicable.
<b>Environmental Implications</b>	Not applicable.
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<b>Portfolio Holder</b>	Councillor Connett – Corporate Services

### 1. Background

- 1.1 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.
- 1.2 "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.
- 1.3 The Audit Scrutiny Committee should consider whether the AGS fairly reflects the arrangements within the Council.

## 2. Governance Review

2.1 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.

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

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

2.2 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.

2.3 The AGS must reflect the arrangements in place for the 2019-2020 year, but also remain current up until the date it is published. It therefore reflects the effects of Covid on our arrangements, most notably the significant impact on the Council's finances.

2.4 The draft AGS members are considering today, was reviewed and approved by the Council's Strategic Leadership Team on 8<sup>th</sup> July 2020.

### **3. Conclusion**

3.1 The draft AGS is attached at Appendix A. Members are asked to recommend the AGS to Council for approval.