



Finance and Audit Scrutiny Committee
22 September 2021

Title: Annual Governance Statement 2020/21 Action Plan: Review of Progress

Lead Officer: Richard Barr

Portfolio Holders: Councillors Day and Hales

Public report / Confidential report: Public

Wards of the District directly affected: Not applicable

Contrary to the policy framework: No

Contrary to the budgetary framework: No

Key Decision: No

Included within the Forward Plan: Yes

Equality Impact Assessment Undertaken: Not applicable

Consultation & Community Engagement: Consultation with line management and JMT. None with community.

Final Decision: Yes.

Readability Checked: Yes

Officer/Councillor Approval

Officer Approval	Date	Name
Chief Executive/Deputy Chief Executive	26 Aug 2021	Chris Elliott/Andrew Jones
Head of Service	26 Aug 2021	Mike Snow
CMT	26 Aug 2021	Chris Elliott/Andrew Jones/Bill Hunt
Section 151 Officer	26 Aug 2021	Mike Snow
Monitoring Officer	26 Aug 2021	Andrew Jones
Finance	26 Aug 2021	Mike Snow
Portfolio Holder(s)	8 Sept 2021	Councillors Day and Hales

1 **Summary**

- 1.1 The purpose of this report is for Committee to review the progress that is being made in addressing the 'Significant Governance Issues' facing the Council set out in its Annual Governance Statement 2020/21. The appendix accompanying this report sets out the progress in addressing the Significant Governance Issues.

2 **Recommendations**

- 2.1 That Committee should review the Action Plan set out in the Appendix and confirm whether it is satisfied with the progress being made in addressing the Significant Governance Issues pertaining to the Annual Governance Statement 2020/21.

3 **Reasons for the Recommendations**

- 3.1 To help fulfil Members' responsibility for effective corporate governance within the Council.
- 3.2 To provide assurance to Members that the governance issues identified as part of the compilation of the Annual Governance Statement are being addressed.

4 **Policy Framework**

4.1 **Fit for the Future (FFF)**

- 4.1.1 The Council's FFF Strategy is designed to deliver the Vision for the District of making it a Great Place to Live, Work and Visit. To that end amongst other things the FFF Strategy contains several Key projects.
- 4.1.2 The FFF Strategy has 3 strands, People, Services and Money, and each has an external and internal element to it, the details of which can be found [on the Council's website](#). The table below illustrates the impact of this proposal if any in relation to the Council's FFF Strategy.

4.2 **FFF Strands**

4.2.1 **External impacts of proposal(s)**

People - Health, Homes, Communities

Services - Green, Clean, Safe

Money- Infrastructure, Enterprise, Employment

Although there are no direct policy implications, the Annual Governance Statement is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.2.2 **Internal impacts of the proposal(s)**

People - Effective Staff

Services - Maintain or Improve Services

Money - Firm Financial Footing over the Longer Term

Although there are no direct policy implications, the Annual Governance Statement is an essential part of corporate governance and will be a major factor in shaping the Policy Framework and Council policies.

4.3 **Supporting Strategies**

4.3.1 Each strand of the FFF Strategy has several supporting strategies but description of these is not relevant for the purposes of this report.

4.4 **Changes to Existing Policies**

4.4.1 This section is not applicable.

4.5 **Impact Assessments**

4.5.1 This section is not applicable.

5 **Budgetary Framework**

5.1 Although there are no direct budgetary implications arising from this report, an effective Budgetary Framework is a key element of corporate governance. An effective control framework ensures that the Authority manages its resources and achieves its objectives economically, efficiently, and effectively.

6 **Risks**

6.1 Risk management is an intrinsic element of corporate governance. There are various risks associated with the Significant Governance Issues and with the items not being addressed satisfactorily.

7 **Alternative Options Considered**

7.1 This report is not concerned with recommending a particular option in preference to others, so this section is not applicable.

8 **Corporate Governance in Local Authorities**

8.1 CIPFA/SOLACE emphasise that corporate governance is everyone's business and define it as:

"How the local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local

government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.” CIPFA/SOLACE (Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives)

- 8.2 CIPFA/SOLACE has issued a framework and guidance on delivering good governance in local government. The framework is built on the six core principles set out in the Good Governance Standard for Public Services that were themselves developed from earlier work by Cadbury and Nolan. The principles in relation to local government as set out in the framework are:
- a clear definition of the body’s purpose and focusing on the outcomes for the community and creating and implementing a vision for the local area;
 - members and officers are working together to achieve a common purpose with clearly defined functions and roles;
 - promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
 - taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 - developing the capacity and capability of members and officers to be effective;
 - engaging with local people and other stakeholders to ensure robust public accountability.

Both the Annual Governance Statement and the Council’s Code of Corporate Governance reflect these six themes.

9 **Annual Governance Statement**

- 9.1 The production of an Annual Governance Statement is a statutory requirement for local authorities (Regulation 6 of The Accounts and Audit (England) Regulations 2015).
- 9.2 The CIPFA Financial Advisory Network has published an advisory document entitled “The Annual Governance Statement: Rough Guide for Practitioners”. Its advice is that the Annual Governance Statement is a key corporate document and the most senior member and the most senior officer (Leader and Chief Executive respectively) have joint responsibility as signatories for its accuracy and completeness. It advises that it should be owned by all senior members and officers of the authority and that it is essential that there is buy-in at the top level of the organisation. It advises that the work associated with its production should not be delegated to a single officer.
- 9.3 The Leader and Chief Executive of the Council as signatories to the Annual Governance Statement need to ensure that it accurately reflects the governance framework for which they are responsible. In order to achieve this they will rely on many sources of assurance, such as that from:
- Members of the Council
 - Deputy Chief Executives and Service Area Managers
 - the Responsible Financial Officer

- the Monitoring Officer
- the Audit and Risk Manager
- performance and risk management systems
- third parties, e.g. partnerships
- external audit and other review agencies.

10 **The Significant Governance Issues**

10.1 The governance issues facing the Council have been identified from production of the statutory Annual Governance Statement and are summarised in the Action Plan element of the Annual Governance Statement for 2020/21.

10.2 The appendix accompanying this report sets out the progress in addressing those issues. Progress is reported by the officers leading on them and has been endorsed by the WDC members of the Joint Management Team at a recent meeting.