

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	4 November 2020
<b>Subject:</b>	Annual Governance Statement 2019/20
<b>Report of:</b>	Corporate Governance Group
<b>Corporate Lead:</b>	Borough Solicitor
<b>Lead Member:</b>	Lead Member for Corporate Governance
<b>Number of Appendices:</b>	One

## **Executive Summary:**

Every Council must ensure that its business is conducted within the law and proper standards, public money is safeguarded and used economically, efficiently and effectively. Governance of the Council is reviewed regularly by the Corporate Governance Group and is formally assessed through an Annual Governance Statement by that Group. The Annual Governance Statement (AGS) is produced in accordance with CIPFA/SOLACE guidance ('Delivering Good Governance in Local Government: Framework 2016').

## **Recommendation:**

**To APPROVE the Annual Governance Statement 2019/20.**

## **Reasons for Recommendation:**

Regulation 6 (1) (a) of the Accounts and Audit Regulations 2015 require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England). Regulation 6 (1) (b) of the Accounts and Audit Regulations 2015 require that for a local authority, the statement is an Annual Governance Statement.

## **Resource Implications:**

None arising directly from the report.

## **Legal Implications:**

Contained in report.

## **Risk Management Implications:**

If the Council does not produce an Annual Governance Statement, then it is not compliant with legislation.

## **Performance Management Follow-up:**

Significant governance issues will be subject to review throughout the year by the Corporate Governance Group and by the Audit and Governance Committee.

**Implications for Biodiversity:**

None.

**1.0 INTRODUCTION/BACKGROUND**

- 1.1** Tewkesbury Borough Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.
- 1.2** Regulation 6(1) (a) of the Accounts and Audit Regulations 2015 (now amended by The Accounts and Audit (Coronavirus) (amendment) Regulations 2020) require an authority to conduct a review at least once in a year of the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts (England). Regulation 6 (1) (b) of the Accounts and Audit Regulations 2015 require that for a local authority, the statement is an Annual Governance Statement. The Annual Governance Statement should normally be approved at the same time as, and certainly no later than, the Statement of Accounts. The Annual Governance Statement has been developed in accordance with 'Delivering Good Governance in Local Government: Framework (2016).
- 1.3** The Good Governance Framework is based on seven principles of corporate governance which are set out below and which are underpinned by supporting principles and requirements:
- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
  - Ensuring openness and comprehensive stakeholder engagement.
  - Defining outcomes in terms of sustainable economic, social and environmental benefits.
  - Determining the interventions necessary to optimise the achievement of the intended outcomes.
  - Developing the entity's capacity, including the capability of its leadership and the individuals within it.
  - Managing the risks and performance through robust internal control and strong public financial management.
  - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

## **2.0 REVIEWING THE GOVERNANCE ARRANGEMENTS**

**2.1** The review is undertaken by the Corporate Governance Group and is based on the sources of assurance that are demonstrated in the diagram (page nine of the Annual Governance Statement). The diagram succinctly demonstrates the wide coverage of the Council's governance framework. The significant areas for improvement are reflected in the Annual Governance Statement and the proposed action and timescale for these to be addressed has also been developed.

**2.2** The statement will be subject to review by the Council's external auditors to give assurance that it has been produced in compliance with guidance and is a fair reflection of the Council's governance arrangements. In relation to COVID-19, this only impacted upon the Council's governance framework over the latter few weeks of the financial year. The Annual Governance Statement does however have a thread relating to COVID-19, in particular the need, at an appropriate time, to undertake a lesson learned review.

**2.3** A key source of assurance for the Annual Governance Statement is the work of internal audit. As the team delivered the bulk of its work within the 2019/20 audit plan then the overall opinion of the internal audit team can be relied upon. As at the date of this report, the majority of internal audit work has been suspended since April 2020. This will impact upon the level of assurance that can be given in next year's statement.

## **3.0 TEWKESBURY BOROUGH COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2019/20**

**3.1** The proposed Annual Governance Statement for 2019/20 is attached at Appendix 1 and identifies four areas of governance that require improvement. These are detailed within the table on the last page of the statement. Progress in implementing the actions stated within the table will be reported at each Audit and Governance Committee meeting.

## **4.0 OTHER OPTIONS CONSIDERED**

**4.1** None.

## **5.0 CONSULTATION**

**5.1** Corporate Governance Group and the Corporate Management Team.

## **6.0 RELEVANT COUNCIL POLICIES/STRATEGIES**

**6.1** Tewkesbury Borough Council's Local Code of Corporate Governance.

## **7.0 RELEVANT GOVERNMENT POLICIES**

**7.1** None.

## **8.0 RESOURCE IMPLICATIONS (Human/Property)**

**8.1** None arising directly from this report.

## **9.0 SUSTAINABILITY IMPLICATIONS (Social/Community Safety/Cultural/ Economic/ Environment)**

**9.1** None.

**10.0 IMPACT UPON (Value For Money/Equalities/E-Government/Human Rights/Health And Safety)**

**10.1** None.

**11.0 RELATED DECISIONS AND ANY OTHER RELEVANT FACTS**

**11.1** None.

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**Background Papers:** Delivering Good Governance in Local Government CIPFA / SOLACE 2016.

Tewkesbury Borough Council's Local Code of Corporate Governance.

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**Appendices:** 1 – Draft Annual Governance Statement 2019/20