

# TEWKESBURY BOROUGH COUNCIL

<b>Report to:</b>	Audit and Governance Committee
<b>Date of Meeting:</b>	15 September 2021
<b>Subject:</b>	Annual Governance Statement 2020/21
<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 2020/21.**

## **Reasons for Recommendation:**

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 (AGS).

## **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). The proposed Annual Governance Statement for 2020/21 can be found at Appendix 1.
- 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 documented governance framework diagram, illustrated on Page 11 of the AGS. The diagram succinctly demonstrates the wide coverage of the Council's governance framework.
- 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 significantly impacted upon the Council's governance framework over the course of the last financial year. The AGS does, therefore, have a thread relating to COVID-19 including a high level overview of the impact. Despite all the challenges in responding to the pandemic, it is the opinion of the Corporate Governance Group that the Council's governance framework remained effective.

## **3.0 TEWKESBURY BOROUGH COUNCIL'S ANNUAL GOVERNANCE STATEMENT 2020/21**

- 3.1** The proposed AGS for 2020/21 is attached at Appendix 1 and identifies six areas of governance that require improvement. The significant areas for improvement are reflected in the table on Page 10 of the AGS with a proposed timescale and lead officer.
- 3.2** As Committee Members are aware, a key source of assurance for the AGS is the work of internal audit. As reported to the Audit and Governance Committee, the team was re-deployed for the whole of 2020/21 to support the administration of business grants. As per the Chief Audit Executive's annual report to Audit and Governance Committee on 21 July 2021 a 'limitation of scope' opinion was given to reflect that no audit work had been undertaken during the year. Given the importance of internal audit's role, the recovery of the team has been included as a significant governance issue.
- 3.3** In lieu of an independent internal audit opinion, a management assurance report is an Agenda item for today's meeting. This should give assurance on how the internal control environment has been managed during the year whilst responding to the pandemic and therefore directly supports the AGS.

## **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:** Appendix 1 – Draft Annual Governance Statement 2020/21