

Executive Report

Wards affected: n/a

Report of the Director of Strategy

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Annual Governance Statement 2019-20

Executive Summary

The Accounts and Audit Regulations 2015 require the Council to prepare an Annual Governance Statement (AGS) detailing the governance framework and procedures that have operated at the Council during the year, a review of their effectiveness, significant governance issues that have occurred and a statement of assurance. This report outlines the background to the AGS; and sets out in Appendix 1, the AGS for 2019-20. The AGS is underpinned by the Audit and Performance Manager's (as Head of Internal Audit) Annual Opinion Report April 2019 to March 2020, which is set out in Appendix 2.

The draft AGS will be included in the Council's statement of accounts for 2019-20. The AGS concludes that we are a well-run Council with good governance processes in place; however, there have been a number of significant governance issues during the year, which are reported in Appendix 1 section 6.

This report was due to be considered at the meeting scheduled for 26 March 2020, which was cancelled due to the COVID 19 lockdown.

This report will be considered by the Corporate Governance and Standards Committee on 18 June 2020 and any comments/recommendations from that committee will be reported to the Executive at its meeting via the Supplementary Information Sheet.

Recommendation to Committee:

That the Executive considers and approves the Council's Annual Governance Statement for 2019-20, as set out in Appendix 1 to this report and any comments/recommendations received from the Corporate Governance and Standards Committee.

Reason for Recommendation:

To comply with the Accounts and Audit Regulations 2015, the Executive must prepare, approve, and publish an Annual Governance Statement.

Is the report (or part of it) exempt from publication? No

1. Purpose of Report

- 1.1 This report explains the requirement for the Council to prepare an Annual Governance Statement (AGS), which the Executive is asked to approve, and the Leader and Managing Director to sign on behalf of the Council.

2. Strategic Framework

- 2.1 Ensuring long-term financial stability and sound financial governance is a key priority under the 'Your Council' theme within the Corporate Plan.

3. Background

- 3.1 The Council has a responsibility to ensure that it conducts its business in accordance with the law and proper standards, that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
- 3.2 In discharging these overall obligations, the Council is responsible for putting in place appropriate arrangements for the governance of its affairs and ensuring that there is a sound system of internal control that facilitates the effective exercise of its functions and includes arrangements for the management of risk. The overall system of controls across the Council contributes to the effective corporate governance of the organisation.
- 3.3 The Democratic Services and Elections Manager has drafted the statement in consultation with the Director of Resources (Chief Finance Officer), the Head of Internal Audit (Audit and Performance Manager) and Council Solicitor and Monitoring Officer. Officers of the Corporate Governance Group have reviewed the statement. The Managing Director has then reviewed the document and made amendments and additions. Internal Audit, and the Audit and Performance Manager has provided independent assurance over the system of internal control.
- 3.4 Good governance is about getting things right first time by focusing on the things that matter most. It is about:
- demonstrating leadership and respect for the democratic process and the purpose of public bodies making proper, timely, and transparent decisions
 - managing risk and allocating resources effectively
 - knowing your customers and stakeholders
 - being open, honest, and taking responsibility and accountability for your decisions
 - demonstrating high standards of integrity and behaviour both as an individual and as a corporate body.
- 3.5 Good governance is the responsibility of everyone within the organisation and impacts on all the activities of the Council and how we deliver our services.

3.6 The Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) have defined a common governance framework and a set of principles for all public services, called *Delivering Good Governance in Local Government*. During 2016, they issued an update to the framework. The AGS attached at **Appendix 1** follows the 2016 updated framework and the key principles of good governance provided therein.

3.7 As part of the AGS, we have identified a number of significant governance issues that the Council is working on resolving. These are outlined in section 6 of Appendix 1.

4. Financial Implications

4.1 There are no financial implications related to this report

5. Legal Implications

5.1 In order to comply with Regulation 6 of the Accounts and Audit Regulations 2015, the Council must prepare and approve an Annual Governance Statement.

5.2 Regulation 10 of the 2015 Regulations requires the Council to publish the Annual Governance Statement alongside the adopted statement of accounts.

6. Human Resource Implications

6.1 There are no human resource implications to this report.

6.2 We will work with the Communications and PR team on any communications issues that arise.

7. Conclusion

7.1 We are a well-run Council with good governance processes in place. However, we must continue to improve in 2020-21.

8. Background Papers

Delivering Good Governance in Local Government (2016) (CIPFA/SOLACE)

9. Appendices

Appendix 1: Annual Governance Statement 2019-20

Appendix 2: Head of Internal Audit Annual Opinion - April 2019 to March 2020