

Somerset West and Taunton Council

Audit and Governance – 26 July 2021

Annual Governance Statement 2020/21

This matter is the responsibility of the Leader of the Council, Cllr Federica Smith-Roberts

Report Author: Amy Tregellas, Governance Manager

1 Executive Summary / Purpose of the Report

- 1.1 To present the Committee with the Annual Governance Statement 2020/21 (Appendix A) and accompanying Action Plan (Appendix B).
- 1.2 Appendix C contains an outturn position on the Action Plan from the 2019/20 Annual Governance Statement.

2 Recommendations

- That the Committee:
- 2.1 Approves the draft Annual Governance Statement and Action Plan (Appendix B) for 2020/21.
 - 2.2 Notes the outturn position for the 2019/20 Action Plan

3 Risk Assessment

- 3.1 Failure to have robust governance arrangements in place could impact on the Council's control environment and ability to operate in an economic, efficient and effective manner. This could lead to recommendations being made by Internal and External Audit.

4 Background and Full details of the Report

- 4.1 The Annual Governance Statement (AGS) is a statutory document which provides assurance on the governance arrangements and control environment within the Council.
- 4.2 The Accounts and Audit Regulations 2015 set out that 'a relevant authority must, each financial year: (a) conduct a review of the effectiveness of the system of internal control; and (b) prepare an annual governance statement
- 4.3 The Statement is prepared in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) guidance titled '*Delivering Good Governance in Local Government: Guidance Notes for English Authorities and Framework.*'
- 4.4 The Statement has also been prepared taking into consideration the contents of the CIPFA Bulletin 06 – Application of the Good Governance Framework for 2020/21, which concerns the impact of the continuing Covid-19 pandemic on governance arrangements.

- 4.5 The Framework defines the principles that should underpin governance as:
- 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 intervention necessary to optimise the achievement of the intended outcomes
 - E. Developing the entity's capacity, including the capability of its leadership and the 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
- 4.6 The Annual Governance Statement includes an Action Plan to address any governance issues identified as a result of the review of the effectiveness of the system of internal control. Details of the Council's Governance Framework is included as part of the Annual Governance Statement (Appendix A).
- 4.7 In order to ensure that the actions are being delivered it is important that the Committee review progress against the Action Plan, and update reports will be brought to the Committee in September and December 2021 and March 2022.
- 4.8 The final version of the Annual Governance Statement will be presented to the Committee at the meeting where the Annual Statement of Accounts are considered – in order to make any amendments following the External Audit process.

5 Links to Corporate Strategy

- 5.1 Having a robust, effective and efficient governance framework in place is a fundamental element of being a 'well managed' council and avoiding recommendations from Internal and External Auditors.

6 Finance / Resource Implications

- 6.1 None arising from this report.

7 Legal Implications

- 7.1 None arising from this report.

Democratic Path:

- **Audit and Governance Committee – Yes**
- **Executive – No**
- **Full Council – No**

Reporting Frequency: Annually

List of Appendices

Appendix A	Annual Governance Statement
Appendix B	Action Plan
Appendix C	Action Plan Outturn position 2019/20

Contact Officers

Name	Amy Tregellas
Direct Dial	0300 304 8000
Email	a.tregellas@somersetwestandtaunton.gov.uk