

AUDIT COMMITTEE

Annual Governance Statement 2021/22

20 July 2022

Report of the Monitoring Officer

PURPOSE OF REPORT

To approve the draft Annual Governance Statement (AGS) for 2021/22 for inclusion in the Annual Statement of Accounts following a review of the Council's governance arrangements.

This report is public

RECOMMENDATIONS

(1) To consider the Annual Governance Statement (AGS) for 2021/2 and be recommended for adoption and for signing by the Chief Executive and the Leader of the Council, subject to any minor non-material changes.

1.0 Introduction

- 1.1 The AGS is a valuable means of communication. It enables an authority to explain to the community, service users, taxpayers and other stakeholders its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes.
- 1.2 In accordance with the Accounts and Audit Regulations 2015 the Council is required to prepare an AGS, which is published alongside the Statement of Accounts.
- 1.3 The Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (SOLACE) jointly issued a Framework and guidance in relation to the AGS; 'Delivering Good Governance in Local Government'. The guidance urges local authorities to prepare a governance statement in order to report publicly on the extent to which they comply with their own code of governance on an annual basis, including how they have monitored effectiveness of their governance arrangements in the year, and on any planned changes in the coming period. The process of preparing the governance statement should itself add value to the corporate governance and internal control framework of an organisation.
- 1.4 The Framework recognises that effective governance is achieved through seven core principles.

- 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 interventions 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; and**
- G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.**

2.0 Proposal Details

- 2.1 The draft AGS for 2021/22 is attached at Appendix A. All key officers and the Head of Internal Audit were given the opportunity to provide information and key evidence to support how the organisation has complied with the principles set out in paragraph 1.4 above during the year.
- 2.2 The timescale to produce the AGS coincides with that for the approval of the audited financial accounts. The AGS must be approved at a meeting of the Council or delegated committee, in this case, the Audit Committee.
- 2.3 The Leader of the Council and the Chief Executive will be asked to sign the AGS certifying that they are aware of the governance issues within the Authority and of the measures that are needed to mitigate them.

3.0 Details of Consultation

- 3.1 Members of the Executive Team and other key officers across the Council have had the opportunity to participate in the formulation of this document.

4.0 Options and options analysis (including risk assessment)

- 4.1 As the production of a draft AGS is a legislative requirement, no alternative options are identified.

5.0 Conclusion

- 5.1 The draft AGS and the results of the review reflect the developments and issues impacting the Council's governance arrangements during the last twelve months. Addressing the significant issues identified in the statement will help ensure the Council maintains and improves its standards of governance in the future.

CONCLUSION OF IMPACT ASSESSMENT
(including Diversity, Human Rights, Community Safety, Sustainability and Rural Proofing)

The report has no direct impact on the above issues.

FINANCIAL IMPLICATIONS

None arising directly from this report.

OTHER RESOURCE IMPLICATIONS, SUCH AS HUMAN Resources, Information Service, Property, Open Spaces:

None arising directly from this report.

SECTION 151 OFFICER'S COMMENTS

The Section 151 Officer has assisted in the authoring of the Annual Governance Statement. The issues highlighted within the AGS are consistent with his understanding of the operation of the Councils governance framework for the year and together with the Leader, Chief Executive and Monitoring Officer he is committed to addressing the matters highlighted.

LEGAL IMPLICATIONS

Legal Services has no further comments to make on this Report

MONITORING OFFICER'S COMMENTS

The Monitoring Officer has authorised this report.

BACKGROUND PAPERS

N/A

Contact Officer: Rephael Walmsley
Telephone: 01524 582021
E-mail: rwalmsley@lancaster.gov.uk
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