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<b>REPORT TO:</b>	<b>AUDIT SUB-COMMITTEE (SPECIAL)</b>	<b>AGENDA ITEM: 9</b>
<b>DATE OF MEETING:</b>	<b>28<sup>th</sup> JUNE 2021</b>	<b>CATEGORY: RECOMMENDED</b>
<b>REPORT FROM:</b>	<b>HEAD OF LEGAL and DEMOCRATIC SERVICES</b>	<b>OPEN</b>
<b>MEMBERS' CONTACT POINT:</b>	<b>ARDIP KAUR (01283 595715)</b> <a href="mailto:ardip.kaur@southderbyshire.gov.uk">ardip.kaur@southderbyshire.gov.uk</a>	<b>DOC:</b> h/KS/governance/AGS/2021/AGS committee report
<b>SUBJECT:</b>	<b>DRAFT ANNUAL GOVERNANCE STATEMENT 2020-21</b>	<b>REF:</b>
<b>WARD(S) AFFECTED:</b>	<b>ALL</b>	<b>TERMS OF REFERENCE: AS 04</b>

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## **1.0 Recommendations**

1.1 That the Draft Annual Governance Statement for 2020/21 is approved for Audit.

## **2.0 Purpose of Report**

2.1 To submit the Council's Annual Governance Statement (AGS) for 2020/21 in accordance with the Accounts and Audit Regulations 2003 (as amended).

2.2 This version is currently in Draft and will be subject to updates before and during its review by External Audit, which is due in November 2021. It is expected that a final version for publication will then be presented to the Committee following Audit.

## **3.0 Detail**

### **Background**

3.1 Governance is about how South Derbyshire District Council ensures that it does the right things, in the right way, for the right people in a timely, inclusive, open and accountable manner. As such, it comprises the systems, processes, culture and values by which the Council is directed and controlled and through which it accounts to, engages and leads its local community.

### **Annual Governance Statement (AGS)**

3.2 The AGS is the formal statement that records and publishes a council's governance arrangements; it is a statutory requirement to publish an AGS on an annual basis.

3.3 Guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) states that the production and publication of the AGS, are the final stages of an on-going review of governance and not activities that can be planned and viewed in isolation. Compilation of the AGS involves the Council in:

- reviewing the adequacy of its governance arrangements

- knowing where it needs to improve these arrangements
- communicating to stakeholders how better governance leads to best quality public services

3.4 The proposed AGS as it currently stands for 2020/21 is presented alongside this report. The Statement is overseen by the Council's Monitoring Officer in consultation with the Council's Leadership Team. The AGS has been produced in accordance with the CIPFA guidelines and includes commentary on:

- the governance environment and how this is reviewed to determine its effectiveness; and
- issues of significance that require addressing as part of the review of effectiveness.

### **Compiling the AGS**

3.6 The aim of the AGS is to set out established processes and to reflect on any matters arising during the year. Much of the content of the AGS will already be known and may have been reported and noted elsewhere in other Council report and forums.

3.7 As the governance framework at the Council is relatively well established, the existing AGS is used as the basis of the annual review. The lead officers in compiling and reviewing the AGS are the Council's statutory offices, i.e. the Monitoring and Chief Finance Officers.

3.8 In monitoring the AGS, these officers review policy committee reports and decisions, together with Leadership Team minutes to ensure that any relevant matters are included in the AGS. Any implications arising from internal and external audits are also reviewed.

3.9 Work in other forums such as the Health and Safety Committee, Licensing and Appeals Committee and the Joint Negotiating Group, where potential matters affecting the AGS are reported, are also reviewed. These committees and forums are usually attended by the Monitoring and Chief Finance Officers.

3.10 In addition, investigations that may have been undertaken by the Information Commissioner, Data Protection Registrar and Local Government Ombudsman are also reviewed. Any legal action brought against the Council is also reviewed to determine its impact on the Council's governance arrangements.

3.11 When the draft statement is complete, the Chief Executive, other corporate directors and Heads of Service are consulted and asked to highlight any other matters or to provide additional feedback.

### **Style and Format**

3.12 The previous Statement for 2019/20, was redesigned to make it more streamlined and less technical. This format has been continued for 2020/21. It is explicitly aligned to the Council's Local Code of Corporate Governance which is based on 7 key principles as detailed in the AGS.

- 3.13 The final Statement will be published as a stand-alone document alongside the Council's Annual Accounts and Financial Statements, which are due to be audited in November 2021.

### **Work Plans**

- 3.14 A work plan, considered and approved by the Committee in July 2020, was progressed during 2020/21 to address matters identified to maintain and strengthen the governance environment. These are detailed within the AGS.
- 3.15 The proposed work plan for 2021/22 is also detailed in the AGS. These actions have been identified to maintain robust governance and to ensure arrangements keep abreast of a changing environment. The work programme is summarised in the following table.

<b>Principle</b>	<b>Action</b>
<b>Behaving with Integrity (P1)</b>	To review and update the Member's Code of Conduct.
<b>Demonstrating Ethical Values (P1)</b>	To review outcomes from a staff survey.
<b>Determining Interventions (P4)</b>	An Audit review of compliance with the Financial Management Code.

### **4.0 Financial Implications**

- 4.1 None

### **5.0 Corporate Implications**

- 5.1 Corporate governance affects the whole authority and as part of the process, all members of senior management have been consulted and made aware of its contents. Generally, senior managers are briefed at corporate meetings in respect of governance generally, together with the AGS.
- 5.2 Maintaining good governance underpins delivery of the priorities contained in the Corporate Plan.

### **6.0 Community Implications**

- 6.1 The AGS is designed to act as a public assurance statement that the Council has a sound system of corporate governance, designed to help deliver services in a proper, inclusive, open and accountable manner.

