

# **East Herts Council Report**

## **Audit and Governance Committee**

**Date of Meeting:** 28 July 2020

**Report by:** Bob Palmer, Head of Strategic Finance and Property

**Report title:** Annual Governance Statement 2019/20

**Ward(s) affected:** All

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### **Summary**

The Accounts and Audit Regulations 2015 require that all authorities conduct a review of the effectiveness of the system of internal controls and prepare an Annual Governance Statement each year. The Annual Governance Statement must be considered separately from the Statement of Accounts.

### **RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE:**

**(a) That Members review and comment on the draft Annual Governance Statement for 2019/20.**

#### **1.0 Proposal(s)**

1.1 That Members scrutinise and comment on the draft Annual Governance Statement (AGS) for 2019/20.

#### **2.0 Background**

2.1 The Council is responsible for preparing and publishing its Annual Governance Statement in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executive and Senior Managers (SoLACE) framework.

- 2.0 This fulfils the statutory requirement that local authorities review their governance arrangements at least once a year.
- 3.0 The Delivering Good Governance in Local Government Framework requires local authorities to be responsible for ensuring that:
- (a) their business is conducted in accordance with all relevant laws and regulations;
  - (b) public money is safeguarded, properly accounted for and used economically, efficiently and effectively;
  - (c) there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.
- 2.4 The annual governance statement acts as a vehicle for the review of the Council's governance arrangements. The review should be reported both internally within the Council, to the Audit and Governance Committee and externally within the published accounts to provide assurances that:
- (a) Governance arrangements are adequate and operating effectively in practice or;
  - (b) Where reviews of the governance arrangements have revealed gaps, action is planned that will ensure effective governance in the future.
- 2.5 The process of preparing the governance statement should itself add value to the corporate governance and internal controls framework of the Council.
- 2.6 It is important to recognise that the governance statement covers all significant corporate systems, processes and controls for all of the Council's activities.
- 2.7 The draft Annual Governance Statement is attached as Appendix A for Members to review and comment on.

### **3.0 Reason(s)**

3.1 As part of a framework of good governance, it is important that management and Members can demonstrate that governance issues are acted upon and the implementation of recommendations is monitored.

### **4.0 Options**

4.1 Members can suggest amendments or additions to the draft AGS.

### **5.0 Risks**

5.1 The timely implementation of governance recommendations will reduce the risks to the Council.

### **6.0 Implications/Consultations**

6.1 Leadership Team have been consulted on the draft AGS and have provided Managers Assurance Statements confirming that appropriate controls have been in place in their service areas throughout the year.

### **Community Safety**

No

### **Data Protection**

No

### **Equalities**

No

### **Environmental Sustainability**

No

## **Financial**

No

## **Health and Safety**

No

## **Human Resources**

No

## **Human Rights**

No

## **Legal**

The Accounts and Audit Regulations 2015 stipulate that all authorities must conduct a review of the effectiveness of the system of internal controls and prepare an Annual Governance Statement each financial year.

## **Specific Wards**

No

## **7.0 Background papers, appendices and other relevant material**

Appendix A

### **Contact Member**

Councillor Geoff Williamson, Executive Member for Financial Sustainability [geoff.williamson@eastherts.gov.uk](mailto:geoff.williamson@eastherts.gov.uk)

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