

Classification: Part 1 – Public

Key Decision: No

Gravesham Borough Council

Report to: Finance & Audit Committee

Date: 21 July 2020

Reporting officer: Sarah Parfitt, Director (Corporate Services)

Subject: Annual Governance Statement: 2019-20

Purpose and summary of report:

To seek approval from Members of the Finance and Audit Committee of the council's Annual Governance Statement for the 2019-20 financial year.

Recommendations:

1. Members note the findings of the review of the council's governance arrangements for 2019-20.
2. Members approve and support the Annual Governance Statement for the 2019-20 financial year.

1. Background

- 1.1 Gravesham Borough Council is responsible for undertaking its business in accordance with the law and proper standards. In doing so, it needs to ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
- 1.2 In discharging this overall responsibility the council has established its Code of Corporate Governance, which sets out a commitment as to how the authority carries out its functions; the procedures, processes and control environment by which it undertakes to deliver its corporate objectives.
- 1.3 Approved by Full Council and adopted into the council's Constitution, the Code of Corporate Governance is designed to be consistent with the principles of the CIPFA/SOLACE Framework; *Delivering Good Governance in Local Government*.
- 1.4 Assessed against the council's adopted Code of Corporate Governance, in compliance with section 6 (1)(a) of the Accounts and Audit Regulations 2015, this Annual Governance Statement (AGS) presents the key themes and findings of an annual review into the effectiveness of the council's governance framework and system of internal control in 2019-20.

- 1.5 In its delivery, GBC has equally demonstrated its compliance with the requirements of section 6 (1)(b) of the Accounts and Audit Regulations 2015 in relation to the presentation of an AGS for the authority in 2019-20.
- 1.6 Following its approval by the Finance and Audit Committee, the AGS is required to be signed by the most senior officer and most senior Member of the authority.

2. Annual review of the council's governance framework: 2019-20

- 2.1 The review of the council's governance framework and system of internal control for 2019-20 was conducted by the Corporate Performance Manager, in consultation with the council's AGS Assurance Group. The review was undertaken in accordance with the principles adopted by the council's Code of Corporate Governance.
- 2.2 As part of this review, assurance of the effective operation of the council's governance arrangements has been sought from a number of sources. All source materials, including the results of the review itself, are itemised at Appendix Two of this report and are available on request to Members of the Committee.
- 2.3 In line with the council's statutory responsibilities, the conclusion to the annual review process for the year ended 31 March 2020 is that the council's governance arrangements are considered to be fit for purpose and in accordance with the authority's governance framework, with no significant areas of concern. Full details of the annual review are presented at Appendix Three.
- 2.4 Members are asked to note the findings of the review of the council's governance arrangements for 2019-20.

3. Annual Governance Statement: 2019-20

- 3.1 The AGS for 2019-20 has therefore been prepared against the findings of the review of governance arrangements. A copy of the statement, including a relevant suite of actions for consideration, is attached at Appendix Four to this report.
- 3.2 Whilst no significant control issues were identified, the review did present some opportunities to further develop and strengthen the council's governance framework and system of internal control in 2020-21. The plan for activity in the coming year is presented in section 14 of the AGS.
- 3.3 Members are requested to approve and support the council's AGS for the 2019-20 financial year.

4. Background Papers

- 4.1 Background papers relating to this report are:
 - *Delivering Good Governance in Local Government*: CIPFA/SOLACE 2016;
 - *Code of Corporate Governance*: Gravesham Borough Council; and
 - Annual review material (Appendix Two): Gravesham Borough Council.
- 4.2 All background papers and relevant source materials, itemised at Appendix two, are available on request via Committee Services in the first instance.

IMPLICATIONS	APPENDIX ONE
<p>Legal</p>	<p>The Accounts and Audit Regulations 2015 place a statutory requirement on local authorities to conduct a review - at least once a year - of the effectiveness of its governance framework and system of internal control and, additionally, to prepare an AGS in accordance with proper practice. Proper practice has been defined as that set out in 'Delivering Good Governance in Local Government', published by CIPFA/SOLACE. The annual review referred to in this report and the AGS have both been prepared with due consideration of this proper practice, adopted via the council's Code of Corporate Governance.</p> <p>Assurances are sought from the Monitoring Officer to confirm all legal functions have been undertaken during the financial year.</p> <p>The Monitoring Officer is also a member of the AGS Assurance Group and, as such, comments made by the Monitoring Officer have been taken into account in drafting the AGS.</p>
<p>Finance and Value for Money</p>	<p>There is a statutory requirement for the AGS to accompany the Statement of Accounts. Therefore it is intended that the draft AGS is presented to the Finance & Audit Committee for approval so that it can ultimately be presented alongside the Statement of Accounts.</p> <p>Assurances are sought from the Chief Financial Officer/Section 151 Officer to confirm all financial functions have been undertaken during the financial year.</p> <p>The Chief Financial Officer/Section 151 Officer is also a member of the AGS Assurance Group and, as such, comments made by the Chief Financial Officer/Section 151 Officer have been taken into account in drafting the AGS.</p>
<p>Risk Assessment</p>	<p>Failure to approve the AGS could expose the authority to the risk of receiving a qualified opinion on the Statement of Accounts.</p> <p>The purpose of the governance review is to identify any potential areas of weakness or areas of further improvement, in order to minimise the risk facing the council. Failure to take action in relation to the issues identified within the AGS could have a negative effect on the continuous development of the council's governance framework.</p>
<p>Data Protection Impact Assessment</p>	<p><i>A data protection impact assessment (DPIA) should be carried out at the start of any major project involving the use of personal data or if you are making a significant change to an existing process.</i></p> <p>a. Does the project/change being recommended through this paper involve the processing of personal data or special category data or criminal offence data?</p> <p>A definition of each type of data can be found on the Information Commissioner's Office website via the above links. No</p> <p>b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?</p> <p>N/A</p> <p>c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at gdpr@medway.gov.uk.</p> <p>N/A</p>

Equality Impact Assessment	Screening for Equality Impacts		
	Question	Answer	Explanation
	a. Does the decision being made or recommended through this paper have potential to cause adverse impact or discriminate against different groups in the community? N/A		
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? N/A		
	<i>In submitting this report, the Chief Officer doing so is confirming that they have given due regard to the equality impacts of the decision being considered, as noted in the table above</i>		
Corporate Plan	<p>Ensuring the council has the adequate governance and internal control arrangements in place underpins all aspects of council business and, therefore, the council’s Corporate Plan. Specifically the approval of the AGS directly contributes to the achievement of the following policy commitment within Corporate Objective #3 – Progress;</p> <p><i>Drive service improvement and corporate governance: a robust and benchmarked performance management framework, delivered by services underpinned with sound internal controls.</i></p>		
Crime and Disorder	<p>The AGS reviews all governance and control arrangements in place throughout the authority. Whilst there are no direct implications in relation to Crime and Disorder, good governance makes a positive contribution to Community Safety in its broadest sense.</p>		
Digital and website implications	<p>In terms of the council's governance arrangements, the council's digital services provide a key role in publishing a number of core documents and datasets. On approval, the AGS specifically will be published to the council’s website to finalise the review process.</p>		
Safeguarding children and vulnerable adults	<p>The AGS reviews all governance and control arrangements in place throughout the authority. Whilst there are no direct implications from this report in relation to safeguarding children and vulnerable adults, the governance review has established the benefits of considering the safeguarding agenda in all core corporate decisions.</p>		