

**Classification:** Public

**Key Decision:** No

### Gravesham Borough Council

**Report to:** Finance & Audit Committee

**Date:** 21 December 2023

**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 for a proposed addendum to the council's Annual Governance Statement for the 2019-20 financial year.

#### **Recommendations:**

1. Members approve and support the recommendations and associated senior management response prepared as an addendum to the Annual Governance Statement for the 2019-20 financial year.

<b>Key Implications:</b>	
<b>Item</b>	<b>Implications</b>
<b>Legal</b>	<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.</p> <p>Both the annual review and the AGS referred to in this report were prepared with due consideration of proper practice, adopted via the council's Code of Corporate Governance. Assurances were sought from the Monitoring Officer to confirm all legal functions were undertaken during the financial year.</p> <p>As a member of the AGS Assurance Group, comments made by the Monitoring Officer were also taken into account in drafting the AGS and the proposed addendum.</p>
<b>Finance and Value for Money</b>	<p>The Chief Financial Officer/Section 151 Officer is a member of the AGS Assurance Group and, as such, comments made by the Chief Financial Officer/Section 151 Officer were taken into account in drafting the AGS 2019-20 and the proposed addendum.</p>

<b>Corporate Plan</b>	<p>Ensuring the authority has adequate governance and internal control arrangements in place underpins all aspects of council service delivery 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 #onecouncil;</p> <p><b>Robust standards:</b> <i>a comprehensive, timely and benchmarked framework of performance management, delivered by services built on corporate principles and sound internal controls.</i></p>
<b>Climate Change</b>	<p>There are no Climate Change considerations within the proposed addendum.</p>

## 1. Introduction

- 1.1 As a public authority, Gravesham Borough Council has two core statutory duties relating to governance as legislated by the Accounts and Audit Regulations 2015:
- Undertake an annual review of the council's governance framework and system of internal control;
  - Preparation and publication of an Annual Governance Statement (AGS) for the authority.
- 1.2 Following the adoption of the AGS for 2019-20, this report presents an addendum specially designed to respond to the findings of Grant Thornton's Value for Money Report 2019-20, presented to the Finance and Audit Committee on 8 November 2023.

## 2. Annual Governance Statement: 2019-20

- 2.1 The statutory annual review of the authority's governance framework and system of internal control for 2019-20 was conducted by the council's AGS Assurance Group in May 2020. The review was undertaken in direct compliance with the principles adopted by the council's Code of Corporate Governance. Gravesham Borough Council's Annual Governance Statement for 2019-20 was presented and ultimately endorsed by the authority's Finance and Audit Committee on 21 July 2020.
- 2.2 Although the review did not present any significant governance and internal control issues, during the subsequent external audit process in the summer of 2020 relating to 2019/20 accounts, the accounting treatment relating to the St George's transaction was raised by a new audit team at Grant Thornton. Two years after the original transaction was entered into, this change proposed a departure from the methodology adopted and audited during the 2018/19 accounts.
- 2.3 Grant Thornton's Value for Money report was presented to the Finance and Audit Committee on 8 November 2023 which included two recommendations for the council to consider. The Value for Money report did not provide the opportunity for management responses to the recommendations to be captured, and the Finance and Audit Committee are now therefore requested to retrospectively adopt two recommendations as part of an addendum to the Annual Governance Statement 2019-20 and endorse the associated responsive activity (Appendix 1).

- 2.4 In supporting the council's amended AGS for 2019-20, end sign-off will be secured through the Finance and Audit Committee Chair, Leader of the Executive and Chief Executive Officer.

### 3. Appendices

- 3.1 The following documents are to be published with the report:

Appendix 1: AGS 2019-20 – Addendum

### 4. Background papers

- 4.1 All background papers and relevant source materials are itemised at Appendix One of this report and are available on request to Members of the Committee.

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Secondary Implications	
<b>Risk Assessment</b>	The purpose of the annual 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. The proposed addendum to the AGS 2019-20 identifies two recommendations, each accompanied with a senior management response.
<b>Data Protection Impact Assessment</b>	<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>
	a. Does the project/change being recommended through this paper involve the processing of <a href="#">personal data</a> or <a href="#">special category data</a> or <a href="#">criminal offence data</a> ?  A definition of each type of data can be found on the Information Commissioner's Office website via the above links.  No.
	b. If yes to question a, have you completed and attached a DPIA including Data Protection Officer advice?  N/A
	c. If no to question b, please seek advice from your nominated DPIA assessor or the Information Governance Team at <a href="mailto:gdpr@medway.gov.uk">gdpr@medway.gov.uk</a> .  N/A

<b>Equality Impact Assessment</b>	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? If yes, please explain answer.  No.
	b. Does the decision being made or recommended through this paper make a positive contribution to promoting equality? If yes, please explain answer.  No.
	<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>
<b>Crime and Disorder</b>	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.
<b>Digital and website implications</b>	Whilst there are no direct implications from this report in relation to the digital agenda, the council's digital services provide a key role in publishing a number of core documents and datasets, including the authority's AGS.
<b>Safeguarding children and vulnerable adults</b>	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 annual governance review establishes the benefits of considering the safeguarding agenda in all core corporate decisions.