

# **Title of report: Annual Governance Statement 2020-21 actions**

**Meeting: Audit and governance committee**

**Meeting date: Tuesday 25 January 2022**

**Report by: Director of Resources and Assurance**

## **Classification**

Open

## **Decision type**

This is not an executive decision

## **Wards affected**

(All Wards)

## **Purpose**

Based on the final version of the Annual Governance Statement agreed in September 2021 an action plan has been formed based on continuous improvement requirements. This report provides a half year review of the actions.

The report also outlines future arrangements for producing the Annual Governance Statement.

## **Recommendation(s)**

**That:**

- a) The committee considers the mid-year actions based on the identified continuous improvement points in the 2020-21 annual governance statement; and**
- b) the committee considers arrangements for the 2021-22 annual governance statement.**

## **Alternative options**

1. There are no alternatives to publishing an Annual Governance Statement (AGS) which is a requirement of the Accounts and Audit Regulations 2015.

2. It is open to the committee to propose amendments to the draft statement to ensure it accurately reflects the council's governance arrangements and their effectiveness, and to ensure that proposed actions are appropriate. The committee made no recommendations for substantive change when approving the draft.

## **Key considerations**

3. The AGS for 2020-21 was agreed by Audit and Governance Committee on 27 September 2021 as a statement of the controls the council has in place to manage risks in the delivering of outcomes and governance.

### **Action Plan**

4. As part of the statement there were a number of items under "continuous improvements" that have formed the action plan for improvement. Appendix one outlines this plan and an update is provided as of January 2022 showing "status" as either:

*Complete: fully completed and no more action on the item*

*Part complete: item of the action complete but not fulfilled the whole action*

*Not complete: action or outcome not met to date or update not provided*

5. All items are due to be complete by end of March 2022 and evidence provided of implementation. If an item has not been completed an explanation will be given as to why not. It could be the case that the item is forwarded to the following year to complete or discontinued if no longer relevant.

### **Significant Partnerships**

6. The report presented to committee in September 2021 outlined that one significant partnership was not complete, namely the "Local Family Justice Board". This remains outstanding and as committee agreed SWAP will review this partnership as part of their work on partnership in the final quarter of this year.

### **2021-22 Annual Governance Statement**

7. The 2021-22 AGS is in preparation and will be presented as a draft to the Audit and Governance Committee in May 2022 with the draft audited accounts. The format will change slightly to be more accessible when accessed electronically. Whilst the future statement will be carried out in accordance with the guidance issued by the Chartered Institute of Public Finance and Accountancy: 'Delivering Good Governance in Local Government', the Centre for Governance and Scrutiny produced additional guidance in 2021 that will be a useful reference point.
8. The emphasis of the 2021-22 AGS will be on the delivery of continuous improvement items from the previous year and what future improvements need to be made. Facts and figures will be provided at the start of the document for quick reference.
9. The final AGS will be presented in July 2022 as the final version based on feedback from the committee – the key changes will be highlighted in the cover report rather than a track-changed version of the final document to save confusion on version control. For the 2021-22 AGS Audit and Governance Committee will also see statements from Statutory Officers along with a checklist of significant partnerships (as with the 2020-21 statement).

## **Community impact**

10. Corporate governance is the term used to describe the systems, processes, culture and values the council has established to ensure we provide the right services, to the right people in a timely, open, and accountable way. Good corporate governance encourages better informed longer-term decision making using resources efficiently, and being open to scrutiny to improve performance and manage risk.
11. The AGS is a self-reflection that the organisation makes effective decisions in supporting the achievement of the council's vision and county plan priorities.

## **Environmental impact**

12. The council provides and purchases a wide range of services for the people of Herefordshire. Together with partner organisations in the private, public and voluntary sectors we share a strong commitment to improving our environmental sustainability, achieving carbon neutrality and to protect and enhance Herefordshire's outstanding natural environment.
13. Whilst this is a decision to agree the AGS which is a back office function and will have minimal environmental impacts, consideration has been made to minimise waste and resource use in line with the council's Environmental Policy.

## **Equality duty**

14. Under section 149 of the Equality Act 2010, the 'general duty' on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to –

  - a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
  - b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it;
  - c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.
15. The public sector equality duty (specific duty) requires us to consider how we can positively contribute to the advancement of equality and good relations, and demonstrate that we are paying 'due regard' in our decision making in the design of policies and in the delivery of services. As this is a factual progress report, we do not believe that it will have an impact on our equality duty.

## **Resource implications**

16. Whilst the recommendations themselves do not have a direct resource implication, some of the actions may result in additional expenditure. Where this is the case separate governance decisions will be taken. The AGS does take resources to produce and deliver action plans but these are from existing staffing.

## **Legal implications**

17. The Accounts and Audit (England) Regulations 2015 include a requirement for all councils to produce an AGS, and sets out the timescales by which they must be published. Approval of the statement ensures that the council will comply with these requirements.

## Risk management

18. The statement itself identifies any high level or strategic governance risks and the action plan provides mitigation to those risks. The risks listed below are based on half year update:

Risk / opportunity	Mitigation
Actions not complete due to pressure on other areas of delivery.	Understand priorities within the council and balance competing demands.
Assurance risk highlighted during the year.	To be raised in the future AGS, and address in year if need immediate action.
Lack of resources to implement.	Though no direct resource implications additional activity may lead to a resource impact.

## Consultees

19. Internal with relevant officers completing the actions.

## Appendices

Appendix 1 Action plan based on continuous improvement

## Background papers

None identified.

## Report reviewers used for appraising this report:

Governance	Ben Baugh	Date 17/01/2022
Finance	Andrew Lovegrove	Date 17/01/2022
Legal	Alice McAlpine	Date 14/01/2022
Communications	Luenne featherstone	Date 10/01/2022
Equality Duty		Date
Procurement	Lee Robertson	Date 11/01/2022
Risk	Kevin Lloyd	Date 10/01/2022

Approved by	Andrew Lovegrove	Date 17/01/2022
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## Glossary of terms, abbreviations and acronyms used in this report:

AGS Annual Governance Statement  
SWAP South West Audit Partnership