

**NON-CONFIDENTIAL**

<b>Meeting</b>	Council
<b>Date</b>	28 June 2020
<b>Report by</b>	Daniel Williams – Finance Manager
<b>Report title</b>	Annual Governance Statement 2020/21
<b>Business Plan theme</b>	Run an effective, efficient, low-cost Council administration.

**1. Purpose of the report**

- 1.1. The Annual Governance Statement which forms part of the Annual Governance and Accountability Return (AGAR) is submitted to Council for approval in accordance with the requirements of the Accounts and Audit (England) Regulations 2015, which requires the Statement to be approved before the Accounting Statements, which is included elsewhere on the agenda.

**2. Recommendation**

- 2.1. Council is asked to:
- 2.1.1. approve Section 1 of the Annual Governance and Accountability Return setting out the Annual Governance Statement for 2020/21 as detailed in paragraph 4.
- 2.1.2. approve that the Annual Governance Statement be signed by the Mayor and the Town Clerk and submitted for Audit.

**3. Background information**

- 3.1. The 2015 Regulations require that smaller authorities, such as Local Councils, with income and/or expenditure greater than £25,000 but did not exceed £6.5M should produce and approve an AGAR which is subject to a limited assurance external audit. This is in line with proper practices as set out the Governance and Accountability for Smaller Authorities in England.

3.2. Sections 1 of the AGAR, the Annual Governance Statement, must be approved by Council before 1 July 2021 and prior to the approval of the Accounting Statements. This must be signed and dated by the person presiding at the meeting, i.e., the Mayor, at which approval has been given.

#### **4. Annual Governance Statement – Section 1**

4.1 As part of the Council's responsibilities for ensuring a sound system of governance and internal control, Members are required to approve an Annual Governance Statement.

4.2 This statement is laid out in a predetermined format with eight sections which require Members agreement. These are described below.

**Q.1 *We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.***

Regular budget monitoring reports are submitted to Committees during the financial year. Members will have reviewed the accounting statements set out at Section 2 of the AGAR. These have been prepared by the Responsible Financial Officer in line with the latest regulations and proper practices.

**Q.2 *We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.***

A review of internal control must be undertaken by the Council during each financial year. The Corporate Policy and Finance Committee on 6 January 2021 reviewed and approved the current system of internal control and the level of fidelity guarantee insurance.

Internal controls are reviewed and updated annually as part of the approved amendments to the Financial Regulations.

**Q.3 *We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.***

The Council has a recognised framework in place to ensure that decisions are made in line with Council standing orders and financial regulations.

- The Council has several policies and procedures in place to ensure that its actions comply with current legislations, regulations and proper practices. These include policies on complaints, whistle blowing, freedom of information, community engagement, health and safety. As part of the application for the Local Councils Award Scheme [LCAS] all policies have been or are in the process of being reviewed.
- Town Councillors provide declarations of interests and are required to comply with a Members code of conduct.
- The Council recognises the sector qualification [CiLCA] which the Town Clerk has completed.

- All decisions having a significant financial or legal effect on the Council are taken in line with our Standing Orders following advice from the Council 's Proper Officer; the Town Clerk.

**Q.4 *We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.***

Notices are placed on the Council's website and notice boards to advertise the opportunity for the public to exercise their rights in accordance with the requirement of the regulations. Additional information on the public's rights has been included with the notice. The notice will be in place for the prescribed period, which is 30 working days, not later than 30<sup>th</sup> September.

**Q.5 *We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.***

Following an in-depth review of the risk register and Risk Management Strategy by the Accounts and Risk Sub-Committee in December 2020. Both documents were approved by CPF in January 2021 and then subsequently by Council at its meeting on 25 January 2021.

**Q.6 *We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.***

An independent Internal Auditor is appointed and reports to the Council each year. The effectiveness of internal audit was reviewed within the systems of internal control and approved by the Corporate Policy and Finance Committee on 6 January 2021.

**Q.7 *We took appropriate action on all matters raised in reports from internal and external audit.***

Members review matters arising in relation to internal and external audit reports at the Corporate Policy and Finance Committee and/or Council. The Internal Audit report for 2020/21 is included elsewhere on the agenda.

**Q.8 *We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.***

Officers consider there are no events or transactions which have a financial impact on the Council and need to be included in the accounting statements.

#### 4. Resource implications

4.1. None.

#### 5. Other implications

<b>Other Implications</b>	<b>Comment</b>
Legal	None
Environment and biodiversity	None
Crime and Disorder	None
Risk/Health & Safety	None

#### 6. Appendices

None.