



**Report Reference Number: A/20/3**

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**To: Audit and Governance Committee**  
**Date: 29 July 2020**  
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**Lead Executive Member: Cllr Cliff Lunn, Lead Member for Finance and Resources**  
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**Title: Draft Annual Governance Statement 2019/20**

**Summary:**

This report presents the draft Annual Governance Statement (AGS) for 2019/20, which forms part of the draft Statement of Accounts. The audited accounts and AGS will be presented to this committee at the meeting in October. The accompanying Action Plan identifies significant control issues which require improvement.

**Recommendations:**

**Subject to comments from the Committee it is recommended that the Draft Annual Governance Statement (AGS) be noted.**

**Reasons for recommendation**

To enable the Committee to consider the draft AGS and proposed actions for monitoring during the coming year.

**1. Introduction and background**

- 1.1** Good governance is important to all involved in local government; however, it is a key responsibility of the Leader of the Council and of the Chief Executive.
- 1.2** The preparation and publication of an annual governance statement in accordance with the CIPFA/SOLACE Framework was necessary to meet the statutory requirements set out in Regulation 4(2) of the Accounts and Audit Regulations which requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”.

## **2. The Report**

- 2.1** To meet the requirement to review the Annual Governance Statement (AGS) the Draft AGS is set out at Appendix A. This forms part of the draft Statement of Accounts which are in the process of external audit. The audited accounts and AGS will be presented to this committee at the meeting in October.
- 2.2** The AGS includes an Action Plan which will be subject to half yearly review by the Audit and Governance Committee.
- 2.3** The Action Plan identifies significant control risks or weaknesses which require improvement. Progress against the approved action plan will be monitored by Leadership Team over the year in order to ensure actions are delivered to the agreed deadlines.
- 2.4** Some actions have been delayed as a result of Covid-19 and two new actions specifically related to corporate governance and financial processes, also as a result of Covid-19, are included.

## **3. Alternative Options Considered**

Not applicable.

## **4. Implications**

### **4.1 Legal Implications**

None as a direct result of this report.

### **4.2 Financial Implications**

None as a direct result of this report.

### **4.3 Policy and Risk Implications**

Significant control weaknesses present risk for the Council and therefore it is important that agreed actions are implemented.

### **4.4 Corporate Plan Implications**

Ensuring an effective governance and control framework supports the Council in delivery of its 'great value' priority.

### **4.5 Resource Implications**

Resources to deliver the agreed actions are within the approved budget and policy framework.

### **4.6 Other Implications**

There are no other notable implications beyond those set out in the report and associated action plan.

#### **4.7 Equalities Impact Assessment**

Not applicable.

#### **5. Conclusion**

- 5.1** The AGS and scrutiny of the Action Plan represents progress towards setting the highest Corporate Governance standards and meets the requirements of the Accounts and Audit Regulations.

#### **6. Background Documents**

None.

#### **7. Appendices**

Appendix A – AGS 2019/20

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