

ANNUAL GOVERNANCE STATEMENT 2019/20

Audit Committee - 16 July 2020

Report of Chief Officer - Finance and Trading

Status For Consideration

Key Decision No

This report supports the Key Aim of Effective Management of Council Resources.

Portfolio Holder Cllr. Matthew Dickins

Contact Officer Adrian Rowbotham, Ext. 7153

Recommendation to Audit Committee:

It be resolved that the Annual Governance Statement 2019/20 be agreed for signature by the Leader of the Council.

Reason for recommendation: The committee is required to consider the Council's Annual Governance Statement as part of its terms of reference remit, in compliance with statutory requirements.

Introduction and Background

- 1 Sevenoaks District Council is responsible for ensuring that its business is conducted in accordance with the law, proper standards and that public money is safeguarded and properly accounted for. In discharging this overall responsibility, the Council has to ensure that it has sound systems of internal controls and good governance arrangements in place to facilitate the exercise of its duties. Additionally, the Council is required to continuously review these arrangements and to ensure that they are considered annually by an appropriate body of the Council. The way that we do this, is through the Annual Governance Statement. This report (Appendix A) sets out the governance arrangements and the system of internal control that operated during 2019/20 and up to the time of the review (March 2020).

Ownership of the Annual Governance Statement (AGS)

- 2 The Annual Governance Statement is a corporate document that explains the Council's governance arrangements and the controls it employs to manage the risk of failure to achieve strategic objectives. It is owned by all Senior Officers and Members of the Council. The Council's remit in relation to the Annual Governance Statement process is informed by the Accounts and Audit (England) Regulations, which requires that:

“The relevant body is responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body’s function and which includes arrangements for the management of risk”.

- 3 The Council is also required to conduct a review, at least once a year; of the effectiveness of its system of internal control and that the statement accompanies the Council’s annual accounts. The Council is further required to conduct this process and the preparation of its annual accounts in accordance with “proper practices”, in this context, the Council complies with relevant professional codes and guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) in the preparation of the AGS. The involvement of the Audit Committee in the process complies with the Accounts and Audit (England) Regulations.

The Annual Governance Statement Process

- 4 In compiling the Annual Governance Statement, a shared approach was adopted, involving Chief Officers, Heads of Service, relevant managers, the Interim Internal Audit Manager, Chief Executive (also as Head of Paid Service) and the Monitoring Officer, prior to consideration and endorsement by the Strategic Management Team. Additionally, the AGS is required to be certified by the Leader of the Council and the Head of Paid Service after approval by the Audit Committee.
- 5 The AGS was originally due to be presented at the Audit Committee in March and was prepared prior to that meeting. As that meeting was prior to the end of the financial year, a further check was carried out to see if any new issues have arisen. The Covid-19 pandemic has occurred since March and the AGS has been amended to reflect this.

Outcome of the Process

- 6 The process confirms that the Council has sound systems of internal control and good governance arrangements in place. One significant governance issue has been raised through the AGS process which relates to the Covid-19 pandemic.

Key Implications

Financial

None directly arising from this report.

Legal Implications and Risk Assessment Statement.

No additional legal implication beyond the Council’s duty to comply with the Accounts and Audit (England) Regulations concerning the AGS process.

The Council is required to produce an Annual Governance Statement to demonstrate that it has effective internal controls and sound governance arrangements in place throughout the financial year. There is a risk that failure to produce the Annual Governance Statement in accordance with statutory requirements would have negative consequences for the Council. The Statement accompanying this report meets statutory requirements and was produced in compliance with proper practices, giving regard to relevant professional guidance. Hence, relevant risk is effectively being managed.

Equality Assessment

The decisions recommended through this paper have a remote or low relevance to the substance of the Equality Act. There is no perceived impact on end users.

Conclusions

The Annual Governance Statement (AGS) was prepared in accordance with relevant professional guidance. It demonstrates that the Council had sound governance arrangements in place during 2019/20 and in the period leading up to the preparation of the AGS and the Council's Accounts.

Appendices	Appendix A - Annual Governance Statement 2019/20
Background Papers	None

Adrian Rowbotham
Chief Officer - Finance and Trading