



**Reigate & Banstead**  
BOROUGH COUNCIL  
Banstead | Horley | Redhill | Reigate

<b>SIGNED OFF BY</b>	Interim Head of Finance
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<b>TO</b>	Audit Committee
<b>DATE</b>	Thursday, 14 June 2022
<b>EXECUTIVE MEMBER</b>	Deputy Leader and Portfolio Holder for Finance and Governance

<b>KEY DECISION REQUIRED</b>	Y
<b>WARDS AFFECTED</b>	(All Wards);

<b>SUBJECT</b>	Draft Annual Governance Statement 2021/22
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<b>RECOMMENDATIONS</b>
<b>Audit Committee is asked to consider and to provide feedback on the draft Annual Governance Statement for 2021/22 as set out in Annex 1.</b>
<b>REASONS FOR RECOMMENDATIONS</b>
To enable the adoption of the Annual Governance Statement so that it can be included within the annual Statement of Accounts for 2021/22.
<b>EXECUTIVE SUMMARY</b>
The Council is required to publish an annual statement on its corporate governance arrangements as part of the Statement of Accounts.
Audit Committee is invited to review the draft Annual Governance Statement and provide any feedback to be taken into consideration before the Leader and Acting Head of Paid Service sign the final version.
The final Statement will then be presented to Audit Committee for approval with the audited Statement of Accounts.
<b>Audit Committee has authority to review the Annual Governance Statement</b>

## **STATUTORY POWERS**

1. The Accounts and Audit Regulations 2015 require the Council to prepare and publish annually a statement on the adequacy of its internal control and governance framework. This is the Annual Governance Statement (AGS).

## **BACKGROUND**

2. The Accounts and Audit Regulations require that the AGS is published with the Council's annual Statement of Accounts.
3. The Code of Practice on Local Government Accounting recommends that the Statement should be endorsed by a body within the Council that is responsible for overall corporate governance. Under the Council's Constitution, that responsibility sits with the Audit Committee.
4. The Code also recommends that the AGS should be formally signed by the Leader of the Council and the Acting Head of Paid Service. This will take place when the final version is prepared for inclusion with the Statement of Accounts.

## **KEY INFORMATION**

5. The AGS is compiled from the following sources of evidence:
  - Council Strategies, Policies and Codes of Practice;
  - Annual Internal Auditor Report;
  - External Audit and Inspection Reports;
  - Issues identified from the Council's Risk Registers; and
  - Annual assurance statements signed by Directors and Heads of Service that confirm that the Council has achieved 'best value' and has complied with all relevant legislation, regulations and codes of practice.
6. A draft AGS for the year ended 31 March 2022 has been compiled and is attached as Annex 1.
7. Audit Committee Members are invited to provide feedback on the draft.

## **OPTIONS**

### **Option 1 – Approve the recommendations in this report**

This will allow the Audit Committee to provide feedback before the final AGS is reported. This is the recommended option.

### **Option 2 – To defer the report and ask Officers to provide more information and/or clarification on any specific points**

The AGS must be approved shortly after the end of the financial year to which it relates. Any delay in approving the 2021/22 AGS could leave the Council open to the same risks as identified in option 3 below.

### **3. Option 3 – To not support the contents of this report**

This would mean there is a risk that Officers will not be able to finalise the AGS or Statement of Accounts for 2021/22.

#### **LEGAL IMPLICATIONS**

8. There are no further legal implications arising from this report.

#### **FINANCIAL IMPLICATIONS**

9. There are no direct financial implications arising from this report.

#### **EQUALITIES IMPLICATIONS**

10. There are no equalities implications arising from this report.

#### **COMMUNICATION IMPLICATIONS**

11. There are no communications implications arising from this report; the AGS will be published on the Council's website as part of the published Statement of Accounts.

#### **ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS**

12. There are no environmental sustainability implications arising from this report.

#### **RISK MANAGEMENT CONSIDERATIONS**

13. Adoption of this Annual Governance Statement is evidence of the Council managing its risks by ensuring adequacy of its internal control and governance framework.

#### **CONSULTATION**

14. The Deputy Leader and Portfolio Holder for Finance & Governance was consulted during the preparation of this report.

#### **POLICY FRAMEWORK**

15. There are no policy issues to raise as part of this report.

#### **BACKGROUND PAPERS**

*None*