



SIGNED OFF BY	Interim Head of Finance
AUTHOR	Helen Stocker, Finance Manager
TELEPHONE	Tel: 01737 276568
EMAIL	helen.stocker@reigate-banstead.gov.uk
TO	Overview & Scrutiny Committee
DATE	Thursday, 10 September 2020
EXECUTIVE MEMBER	Deputy Leader and Portfolio Holder for Finance

KEY DECISION REQUIRED	YES
WARDS AFFECTED	ALL

SUBJECT	DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20
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RECOMMENDATIONS
Overview & Scrutiny Committee is asked to consider and to provide feedback on the draft Annual Governance Statement for 2019/20 as set out in Annex 1.
REASONS FOR RECOMMENDATIONS
To enable the adoption of the Annual Governance Statement so that it can be included within the annual Statement of Accounts for 2019/20.
EXECUTIVE SUMMARY
The Council is required to publish an annual statement on its corporate governance arrangements as part of the Statement of Accounts. The Overview & Scrutiny 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 on 26 November 2020 and included in the audited Statement of Accounts.
Overview & Scrutiny Committee has review the Annual Governance Statement.

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 Chief Executive. This will take place before the next meeting of this Committee in September.

KEY INFORMATION

Annual Governance Statement

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.
 - Annual assurance statements signed by the Management Team 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 2020 has been compiled and is attached as Annex 1.
7. The Draft AGS was previously presented to Audit Committee on 16 July for consideration. Member of that Committee requested that the draft also be considered by Overview & Scrutiny for comment because it relates to 2019/20 and therefore pre-dates establishment of the new Audit Committee.
8. On the advice of the Council's external auditor, the Draft AGS has been updated to reflect recent change to the senior management structure.

OPTIONS

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

This will allow the Overview & Scrutiny Committee to provide feedback before the final AGS is reported.

This is the recommended option.

2. 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 2019/20 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 2019/20.

LEGAL IMPLICATIONS

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

FINANCIAL IMPLICATIONS

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

EQUALITIES IMPLICATIONS

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

COMMUNICATION IMPLICATIONS

12. 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.

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 Executive Member for Finance 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