



AGENDA ITEM:

AUDIT AND GOVERNANCE COMMITTEE:

25 October 2022

Report of: Head of Finance, Procurement and Commercial Services

**Contact for further information: Mrs J. Pendleton (Extn. 2603)
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SUBJECT: Annual Governance Statement 2020/21

Wards affected: Borough wide

1.0 PURPOSE OF THE REPORT

1.1 To consider the Council's Annual Governance Statement for 2020/21.

2.0 RECOMMENDATION

2.1 That the Annual Governance Statement 2020/21, set out in Appendix 1, be approved and commended to the Leader and Chief Operating Officer for signature.

3.0 BACKGROUND

3.1 The Accounts and Audit Regulations require the Council to publish an Annual Governance Statement with its financial reports.

3.2 The terms of reference of this Committee include responsibility for approving the Annual Governance Statement and commending it for signature by the Leader and Chief Operating Officer.

4.0 CURRENT POSITION

4.1 The Annual Governance Statement provides a summary of the Council's internal control environment and a review of its effectiveness. The Statement for 2020/21 confirms that the framework was adequate and working effectively. This continued the Council's track record of demonstrating solid financial and governance arrangements.

4.2 The governance issue related to the financial challenges facing local authorities primarily as a result of reductions in government grant funding is ongoing. This risk is included on the Council's Key Risk Register and a number of actions have

been taken to address budget issues identified in the Medium-Term Financial Strategy.

- 4.3 There has been significant progress made to ensure the council's UK GDPR compliance. The Effective Data Management Project (EDM), which has now been completed, was tasked with addressing the recommendations made in the Internal Audit GDPR Audit Review. To ensure continued compliance Information Governance is transitioning over to the Corporate Compliance and Governance Service and the focus will now be to build on the solid foundations already implemented.
- 4.4 The governance issue regarding the update of the Local Code of Corporate Governance is nearing completion in that a refreshed code has been developed and is currently in draft format. This document is to be shared with Senior Management imminently and then presented to the Audit and Governance Committee in July 2022 for approval.
- 4.5 Progress has been made to implement recommendations made in the Derby Street and Robert Hodge works Internal Audit Report. This is under review with progress being reported to Senior Management on a regular basis. It should be noted that the Internal Audit Report has been shared and discussed with the Council's External Auditor – Grant Thornton.
- 4.6 The Authority has consistently received positive feedback from its external auditors on its arrangements for internal control, and the 2019/20 Annual Audit Letter concluded the same. In the Annual Internal Audit Report 2020/21, the Council's Internal Audit Manager summarised the findings from Internal Audit activity over the year and these findings are incorporated into the Annual Governance Statement.
- 4.7 The 2020/21 Accounts have now been finalised and are published on the Council's website. The external audit of the Council's 2020/21 Financial Statements is due to resume in Autumn 2022 by the Council's external auditors, Grant Thornton. Additionally, the draft financial statements for 2021/22 have been produced on time and are available for external audit. They have also been published on the council website in accordance with statutory requirements.
- 4.8 Heads of Service considered and signed a Governance Assurance Statement during 2020/21 for their areas of responsibility. As it is Managers who are charged with embedding governance systems in their areas, this is an integral part of the annual review process.

5.0 SUSTAINABILITY IMPLICATIONS

- 5.1 There are no significant sustainability impacts associated with this report and, in particular, no significant impact on crime and disorder.

6.0 FINANCIAL AND RESOURCE IMPLICATIONS

- 6.1 There are no significant financial or resource implications arising from this report as Internal Audit activity is included in existing budget provisions.

7.0 RISK ASSESSMENT

- 7.1 Failure to publish an Annual Governance Statement with the Statement of Accounts would breach one of the Council's statutory obligations.

Background Documents

There are no background documents (as defined in Section 100D(5) of the Local Government Act 1972) to this Report.

Equality Impact Assessment

The decision does not have any direct impact on members of the public, employees, elected members and / or stakeholders. Therefore, no Equality Impact Assessment is required.

Appendices

1. Annual Governance Statement 2020/21