

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

**AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY,
25 JANUARY 2023**



Title of Report	ANNUAL GOVERNANCE STATEMENT 2020/21	
Presented by	Glenn Hammons Interim Head of Finance and Section 151 Officer	
Background Papers	None	Public Report: Yes
Purpose of Report	To present the Annual Governance Statement 2020/21 for consideration and approval.	
Recommendations	THAT THE AUDIT AND GOVERNANCE COMMITTEE APPROVE THE ANNUAL GOVERNANCE STATEMENT (APPENDIX A).	

1.0 BACKGROUND

- 1.1 An Annual Governance Statement is a required part of the annual review of corporate governance and good practice dictates that the document is published alongside the statement of accounts but is considered in its own right.
- 1.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) issue joint guidance on corporate governance, which encourages local authorities on going beyond consideration of the internal control environment to look at wider arrangements for supporting sound corporate governance.
- 1.3 The CIPFA/SOLACE guidance outlines seven core principles for good governance, with a number of supporting principles are:
- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
 - B. Ensuring openness and comprehensive stakeholder engagement.
 - C. Defining outcomes in terms of sustainable economic, social, and environmental benefits.
 - D. Determining the interventions necessary to optimise the achievement of the intended outcome.
 - E. Developing the entity's capacity, including the capability of its leadership and the individuals within it achievement of the intended outcomes.
 - F. Managing risks and performance through robust internal control and strong public financial management.

G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

1.4 The Council's duty in respect of the Annual Governance Statement is to undertake an annual review of its governance arrangements, which includes the effectiveness of its systems of internal control and produce a statement regarding its overall level of governance.

2.0 REVIEW OF EFFECTIVENESS

2.1 To undertake the annual review, an assessment of the Council's governance framework against the CIPFA/SOLACE guidance has been undertaken with the Corporate Leadership Team to arrive at an assessment score of either:

Good Good governance exists and there are no improvements required

Fair Satisfactory governance exists but improvements are required to meet governance

Poor Significant Issues with governance exists which need addressing.

3.0 THE ANNUAL GOVERNANCE STATEMENT

3.1 The 2020/21 Annual Governance Statement has been subject to audit and requires final approval from this Committee.

3.2 The Council's governance framework and how we have complied with the CIPFA/SOLACE framework is summarised in Section 3 of the statement and was in place throughout 2020/21.

3.3 Section 4 summarises the review of effectiveness of the Council's governance, including details of any significant issues or areas for improvement which have arisen from the review of effectiveness, and proposals for addressing them.

3.4 There were no significant issues identified for 2020/21. There are three improvements carried forward from 2019/20 and a further two improvements identified during 2020/21.

3.5 Progress against improvement areas will continue to be reported to the Audit and Governance Committee at future meetings. Additionally, the Annual Governance Statement of future years will report on the progress/completion of improvement areas of significant issues from the prior period.

3.6 Finally, section 5 of the statement details the overall opinion and conclusion. For 2020/21 this is that the Council is satisfied that appropriate governance arrangements are in place.

3.7 Mazars, the Council's External Auditors, have completed their review of the Annual Governance Statement and have not requested any changes.

- 3.8 Following the Audit and Committee approval and the conclusion of the external audit of the 2020/21 Statement of Accounts, the final Annual Governance Statement will be signed by the Chief Executive and the Leader and subsequently published on the Council's website.

Policies and other considerations, as appropriate	
Council Priorities:	<p>Effective organisational governance underpins the delivery of all council priorities:</p> <ul style="list-style-type: none"> - Supporting Coalville to be a more vibrant, family-friendly town - Support for businesses and helping people into local jobs - Developing a clean and green district - Local people live in high quality, affordable homes - Our communities are safe, healthy and connected
Policy Considerations:	None
Safeguarding:	None
Equalities/Diversity:	None
Customer Impact:	None
Economic and Social Impact:	None
Environment and Climate Change:	None
Consultation/Community Engagement:	None
Risks:	Failure to produce an accurate and comprehensive Annual Governance Statement could result in adverse comment from the External Auditor and failure to comply with current guidance.
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