

	<p><b>Audit Committee</b> <b>19<sup>th</sup> October 2020</b></p>
<p style="text-align: right;"><b>Title</b></p>	<p><b>Annual Governance Statement</b></p>
<p style="text-align: right;"><b>Report of</b></p>	<p>Director of Assurance</p>
<p style="text-align: right;"><b>Wards</b></p>	<p>None</p>
<p style="text-align: right;"><b>Status</b></p>	<p>Public</p>
<p style="text-align: right;"><b>Urgent</b></p>	<p>No</p>
<p style="text-align: right;"><b>Key</b></p>	<p>No</p>
<p style="text-align: right;"><b>Enclosures</b></p>	<p>Appendix A: Annual Governance Statement 2019/20</p>
<p style="text-align: right;"><b>Officer Contact Details</b></p>	<p>Clair Green, Director of Assurance, 020 8359 7719 clair.green@barnet.gov.uk</p>
<p><b>Summary</b></p>	
<p>The Council is required to produce an Annual Governance Statement (AGS), which is a statutory reported public statement which is included within the Statement of Accounts for 2019/20. The Annual Governance Statement outlines the governance framework, any significant governance issues and steps taken to mitigate those issues.</p> <p>The report seeks approval for the Annual Governance Statement 2019/20 to be included alongside the Statement of Accounts.</p>	

<p><b>Officer Recommendations</b></p>
<p><b>1. That the Committee comment on and approve the Annual Governance Statement for inclusion within the Statement of Accounts for 2019/20as set out in Appendix A of this report</b></p>

## **1. WHY THIS REPORT IS NEEDED**

- 1.1 Part 2 Section 6 of the Accounts and Audit Regulations 2015 requires a local authority to conduct a review at least once a year of the effectiveness of its system of internal control and publish an Annual Governance Statement each year with the authority's financial statements.

## **2. REASONS FOR RECOMMENDATIONS**

- 2.1 The Audit Committee is required to consider the Annual Governance Statement and recommend its adoption and inclusion within the Statement of Accounts.
- 2.2 The Annual Governance Statement enable the Council to be compliant with the provisions of the Accounts and Audit Regulations 2015.

## **3. ALTERNATIVE OPTIONS CONSIDERED AND NOT RECOMMENDED**

- 3.1 None considered. The Council is required to have an Annual Governance Statement.

## **4. POST DECISION IMPLEMENTATION**

- 4.1 The governance issues identified within the Annual Governance Statement will be monitored throughout the year.

## **5. IMPLICATIONS OF DECISION**

### **5.1 Corporate Priorities and Performance**

- 5.1.1 The Annual Governance Statement is a public document that shows that the council recognises that there are areas for improvement within our governance arrangements and framework.

- 5.1.2 The committee's scrutiny of their progress supports delivery of all three priorities in the Barnet 2024 Corporate Plan which are:

- A pleasant well-maintained borough that we protect and invest in
- Our residents live happy, healthy independent lives with the most vulnerable protected
- Safe and strong communities where people get along

- 5.1.3 Barnet Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to economy, efficiency and effectiveness.

### **5.2 Resources (Finance & Value for Money, Procurement, Staffing, IT,**

## **Property, Sustainability)**

5.2.1 The council is able to confirm that its financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015). In addition, the authority's assurance arrangements conform to the governance requirement of the CIPFA Statement on the role of the Head of Internal Audit.

## **5.3 Social Value**

5.3.1 The Public Services (Social Value) Act 2013 requires people who commission public services to think about how they can also secure wider social, economic and environmental benefits. Before commencing a procurement process, commissioners should think about whether the services they are going to buy, or the way they are going.

## **5.4 Legal and Constitutional References**

5.4.1 There are no legal issues in the context of this report.

5.4.2 Council Constitution, Article 7 - the Audit Committee terms of reference includes "...to oversee the production of the Annual Governance Statement (AGS) and to recommend its adoption".

## **5.5 Risk Management**

5.5.1 The Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions including the management of risk. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to achievement of London Borough of Barnet policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

5.5.2 The Annual Governance Statement is a process of identifying governance issues and suggesting key actions to mitigate potential risks to the Council. These are then monitored throughout the year until resolution.

## **5.6 Equalities and Diversity**

5.6.1 Effective systems of audit, internal control and corporate governance provide assurance on compliance with laws, regulation, internal policies and procedures, including compliance with the Council's duties under the 2010 Equalities Act.

## **5.7 Consultation and Engagement**

5.7.1 Not applicable

## 5.8 **Insight**

5.8.1 Not applicable

## 6. **BACKGROUND PAPERS**

6.1 Accounts and Audit Regulations 2015:

[http://www.legislation.gov.uk/uksi/2015/234/pdfs/uksi\\_20150234\\_en.pdf](http://www.legislation.gov.uk/uksi/2015/234/pdfs/uksi_20150234_en.pdf)

6.2 CIPFA / SOLACE – Delivering Good Governance in Local Governance Framework 2016 Edition:

<http://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>