Audit and Governance Committee

May 2020
Draft Annual Governance Statement 2019-20

For Decision

Portfolio Holder: Cllr S Flower, Leader of the Council

Executive Director: Jonathan Mair, Corporate Director, Legal & Democratic

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Report Status: Public

Recommendation: The Committee is asked to consider and comment on the draft AGS for 2019-20.

Reason for Recommendation: Approval and publication of an AGS by the Council is a statutory requirement and provides evidence that Dorset Council maintains high standards of governance and addresses significant shortcomings and risks.

1.   Executive Summary

The Accounts and Audit (England) Regulations 2015 require a body such as the Council to "approve an annual governance statement, prepared in accordance with proper practices in relation to internal control."

The attached draft Annual Governance Statement (AGS) for 2019-20 sets out key features of the governance framework in place in the Authority and provides a review of its effectiveness. It has been prepared in line with the recommendations published by CIPFA and SOLACE, which were revised in 2016. It should be noted that the Local Code of Corporate Governance and schedule of High risks are included as Appendices to the Annual Governance Statement. The "Review of Effectiveness" within the draft AGS is informed by the Council's Local Code of Corporate Governance Compliance Assessment 2019-20 (Appendix A). The AGS also discusses those risks that are contained in the Councils Corporate Risk Register which are classified as 'high' and, as such, represent potential significant governance issues that the Council is currently facing and actively seeking to address (This will be included within the final document and will follow the format used within the appendices for the Risk Management report elsewhere on this agenda).

Under the 2015 regulations, the accounts are not approved by the Council (or the Committee to which the responsibility is delegated) until after the external audit has been carried out. At this stage this draft allows members an early view and an ability to inform the content. Final adoption of the AGS will take place, alongside the accounts, by the Council and any areas of improvement will be identified.

The final statement will be signed by the Council Leader and Chief Executive. As the AGS must reflect any significant issues that arise prior to its final approval, if necessary, subsequent amendments will be made to the draft document to reflect them and reported to this Committee.

2. Financial Implications

There are no budget requirements arising directly from this report. The overall financial position of the Council is one of the significant issues covered in the AGS. Addressing other issues identified in the compliance assessment or the AGS may have budgetary implications, which will be considered in the relevant action plans.

3. Climate implications

There are no climate requirements arising directly from this report.

4. Other Implications

The "Review of Effectiveness" within the draft AGS explains the significant governance issues facing the Council.

5. Risk Assessment

The AGS references risks on the Council's corporate risk register which have been assessed as being HIGH.

6. Equalities Impact Assessment

Considering equalities issues is a key aspect of good governance, but there are no equalities issues arising directly from this report.

7. Appendices

Appendix A: Draft AGS 2019-20

8. Background Papers

Evidence to inform the governance compliance assessment and then to complete the Annual Governance Statement has been provided by senior officers across the organisation. It includes policies and procedures of the Council, the Constitution, and reports and minutes of Committees - CIPFA / SOLACE publication: Delivering good governance in local government – framework.