

Audit and Governance Committee

July 2020

Draft Annual Governance Statement 2019-20

For Decision

Portfolio Holder: Cllr S Flower, Leader of the Council

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Report Status: Public

Recommendation:

The Committee is asked to consider and comment on the revised draft Annual Governance Statement (AGS) for 2019-20, which has been amended to reflect improvements suggested by members at the previous meeting held on 20 May 2020.

Reason for Recommendation:

Approval and publication of an Annual Governance Statement 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.” This statement is supported by a Local Code of Corporate Governance together with an extract from the Corporate Risk Register highlighting any risks that are identified as High.

The initial draft of the AGS was presented to the Audit and Governance Committee on 20 May 2020 and members fed back some helpful comments on how the documents can be improved.

The following areas have been enhanced following the helpful discussions and subsequent considerations:

- Key achievements made by Dorset Council during its inaugural year;
- Clear reference made to the revision of the Overview and Scrutiny Committee structures;
- A revised position statement on the performance management framework;
- Statements focussed on value for money;
- Further updated text on the Covid-19 response, including the Resources Scrutiny Committee consideration;
- Improved reference to the Local Code of Corporate Governance, which contains more detailed insight into the workings of the governance environment.

The corporate risk register extract is also now included at Appendix B. The committee made helpful observations and judgements on the format of the risk reporting which have been taken forward. Whilst these have not been reflected yet within the current appendix, they will be incorporated in advance of the finalisation of the AGS and for future risk management updates to this committee. Improvements will include:

- Inclusion of relevant performance measures for corporate risks providing a clear link between performance and risk;
- Clearer acknowledgement of changes made on individual risks since the previous reporting;
- The ability for the Committee to invite Risk Owners and Accountable Officers to the panel where there are specific detailed questions on risks.

It should be noted that 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 – Local Code of Corporate Governance

Appendix B – Summary of High Corporate - Service Risks

8. Background Papers

[Report to Audit and Governance Committee May 2020](#)

Evidence to inform the governance compliance assessment and then to complete the AGS 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.