

# **Cherwell District Council**

## **Accounts, Audit and Risk Committee**

**25 May 2022**

### **Annual Governance Statement 2021/22**

#### **Report of Interim Monitoring Officer**

This report is public

#### **Purpose of report**

To inform the Committee on the Annual Governance Review process and enable the Committee to fulfil its responsibilities associated with the publication of the Council's Annual Governance Statement 2021/22

#### **1.0 Recommendations**

The meeting is recommended:

- 1.1 to approve the Annual Governance Statement 2021/22, subject to the Monitoring Officer making any necessary amendments in the light of comments made by the Committee, after consultation with the Leader of the Council, the Chief Executive and the Section 151 officer.
- 1.2 authorise the Leader of the Council and the Chief Executive to sign the Annual Governance Statement on behalf of Cherwell District Council.

#### **2.0 Introduction**

- 2.1 Local authorities are required to prepare an Annual Governance Statement (AGS) to be transparent about their compliance with good governance principles. This includes reporting on how they have monitored and evaluated the effectiveness of their governance arrangements in the previous year and setting out any planned changes in the coming period.
- 2.2 At Cherwell District Council, the Accounts, Audit & Risk Committee has the responsibility of approving the Council's Annual Governance Statement (AGS) each year.

#### **3.0 Report Details**

## **Format of the Annual Governance Statement**

- 3.1 The format of the Annual Governance Statement (AGS) reflects the good practice guidance from CIPFA, including their new guidance arising from the coronavirus outbreak. The AGS includes:
- An *opinion* on the Council's governance arrangements from the Council's senior managers and the leader of the Council
  - A review of the *effectiveness* of the Council's governance arrangements
  - A *conclusion* in relation to the effectiveness
  - A review of the *action plan* from last year's statement
  - An *action plan for 2022/23*
  - An *annex* summarising our governance framework
- 3.2 The AGS has been prepared by the Council's Corporate Governance Assurance Group (CCAG). This is a group of key governance officers, including the Section 151 Officer, the Monitoring Officer and is responsible for monitoring the Council's governance arrangements during the year.
- 3.3 In preparing the AGS, CCAG had regards to a set of thematic corporate lead statements. These corporate lead statements are produced by service leads and describe the governance in place during 2021/22 and highlight areas of focus for 2022/23. CCAG then monitors these throughout the year.
- 3.4 This year CGAG developed a Governance Questionnaire which was circulated to the Council's Extended Leadership Team (ELT). Each ELT member was asked to assess the governance in their area and identify issues of concern and any actions in place.
- 3.5 The Council's Corporate Directors' have been asked to reflect on their own view of the governance within their services during 2021/2022, whilst also having regard to the outcome of ELT's assessment and detail contained in the corporate lead statements, when completing their own Certificates of Assurance.
- 3.6 This AGS is therefore a distillation of several factors. The action plan for 2022/23 highlights certain aspects of governance which the Assurance Group consider requires a particular level of focus this year which might not otherwise be apparent from work regularly reported to the Committee. As such, progress reports on these actions will be reported to the Committee through the year. The AGS is therefore a means of giving the Committee, and the public, visibility on those additional areas.
- 3.7 Other governance and audit activity across the Council will be reported to this Committee through the normal work programmes.

### **Annual Governance Statement "Opinion"**

- 3.8 Based on the position outlined in the AGS, the 'Opinion' expressed in the AGS is:

"It is our opinion that the Council's governance arrangements in 2021/22 were sound and provide a robust platform for achieving the Council's priorities and challenges in 2022/23. It is our opinion that this has remained the case during the COVID-19 pandemic; and that despite the challenges posed by this, and the

decoupling of the Cherwell/Oxfordshire partnership, the Council's governance in dealing with both, and our ability to maintain sound governance throughout, has been effective.

## **4.0 Conclusion and Reasons for Recommendations**

- 4.1 Local authorities are required to prepare an Annual Governance Statement (AGS) to be transparent about their compliance with good governance principles. This includes reporting on how they have monitored and evaluated the effectiveness of their governance arrangements in the previous year and setting out any planned changes in the coming period.

## **5.0 Consultation**

Extended Leadership Team and Corporate Directors as set out in section 3 of this report

## **6.0 Alternative Options and Reasons for Rejection**

- 6.1 The following alternative options have been identified and rejected for the reasons as set out below.

Option 1: Not to agree the Annual Governance Statement. This is not recommended as the Council is required to produce an Annual Governance Statement as set out in the Accents and Audit Regulations 2015. The Constitution sets out that responsibility for considering and agreeing the Annual Governance Statement rests with the Accounts, Audit & Risk Committee.

## **7.0 Implications**

### **Financial and Resource Implications**

- 7.1 There are no financial implications arising directly from this report.

Comments checked by:

Michael Furness, Assistant Director of Finance, 01295 221845

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### **Legal Implications**

- 7.2 The Accounts and Audit Regulations 2015 require councils to undertake an annual review of their governance. The Regulations require that an Annual Governance Statement, prepared to fulfil this requirement, should form part of the Council's Statement of Accounts. The report is therefore coming to the Committee to meet

this purpose and that timescale. A version of the AGS therefore needs to be approved at this meeting.

- 7.3 The Regulations also state that the Annual Governance Statement should be prepared in accordance with proper practices. Compliance with the CIPFA guidance (*Delivering Good Governance in Local Government: Framework (2016)*) fulfils this requirement. I confirm that the Statement put forward with this report is compliant with that guidance/framework and with the updated guidance issues by CIPFA to address the coronavirus outbreak.

Comments checked by:

Shahin Ismail, Assistant Director Law, Governance & Democratic Services & Monitoring Officer, [Shahin.ismail@cherwell-dc.gov.uk](mailto:Shahin.ismail@cherwell-dc.gov.uk)

### **Risk Implications**

- 7.3 A proportionate risk assessment related to the issue and recommendations has been undertaken, in compliance with the Council's decision-making risk management guidance. Failure to compile an Annual Governance Statement would result in non-compliance with statutory legislation and leave the Council open to criticism by External Audit and external stakeholders.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556  
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### **Equalities and Inclusion Implications**

- 7.4 A proportionate equalities impact assessment has been carried out using corporate guidelines and no significant issues have been identified.

Comments checked by:

Celia Prado-Teeling, Interim Assistant Director – Customer Focus, 01295 221556  
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## **8.0 Decision Information**

### **Key Decision**

**Financial Threshold Met:** N/A

**Community Impact Threshold Met:** N/A

### **Wards Affected**

All

### **Links to Corporate Plan and Policy Framework**

N/A – report submitted pursuant to a statutory requirement

**Lead Councillor**

N/A

**Document Information**

**Appendix number and title**

- Appendix 1 – Annual Governance Statement 2021/2022

**Background papers**

List any non-published documents

**Report Authors and contact details**

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