

AUDIT AND RESOURCES COMMITTEE

19 July 2022

ANNUAL GOVERNANCE STATEMENT 2021-22

Report of the Executive Head of Governance (Monitoring Officer)

Recommendations

It is recommended that:

- (1) the Annual Governance Statement 2021/22 be approved, and;
- (2) The Code of Corporate Governance 2022/23 be adopted.

Summary

The Council is required to produce an Annual Governance Statement (AGS). This document has been reviewed and updated and now requires approval by the Audit and Resources Committee.

Statutory Powers

S151 Local Government Act 1972
Accounts & Audit Regulations 2015

Strategic Implications

1. The publication of the Annual Governance Statement (AGS), whilst not having a direct impact in respect of the achievement of Corporate Plan objectives, ensures the Council is being open and transparent in the way in which it conducts itself and its affairs and has adopted an effective system of internal control.

Introduction

2. Part 2, Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to conduct a review at least once a year of the effectiveness of its system of internal control and to publish an AGS.
3. The Chartered Institute of Public Finance and Accountancy (CIPFA) Delivering Good Governance Framework was first published in 2007 and

updated in 2012 and 2016. The framework defines the principles that should underpin the governance of each local government organisation by providing a structure to help individual authorities with their approach to governance.

4. The AGS 2021/22 reflects the example published in the addendum to the Delivering Good Governance Framework 2016 and can be found in Appendix 1. Under CIPFA guidance, the Council is also required to adopt a Code of Corporate Governance (2022/23), which looks ahead to the Council's governance priorities and effectiveness for the coming year. This document can be found in Appendix 2.
5. In addition, the Council is required to prepare an Annual Statement of Accounts in accordance with the CIPFA Code of Practice for Local Authority Accounting. The Statement of Accounts for 2021/22 is currently being prepared and will be presented to this Committee at a later meeting. The Committee is asked to approve the AGS 2021/22 and adopt the Code of Corporate Governance 2022/23.

Financial Implications

6. There are no direct financial implications of producing the AGS. The Council's external auditors audit and report on the content of the statement.

Risk Assessment

7. The preparation and publication of an AGS in accordance with the Framework fulfils the statutory requirement in England for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review.
8. The preparation of the accounts is completed in accordance with the CIPFA Code of Practice and review by external auditors (EY) to ensure that standards are adequately met.

Equality and Diversity Implications

9. The Equality Act is not relevant to the decision in this report because
 - It is a report dealing with internal or procedural matters only.
10. Therefore, it is considered that for this decision the equality duty does not need to be addressed and an Equality Impact Assessment has not been carried out.

Climate Change and Environmental Implications

11. The AGS and Statement of Accounts do not have any implications for the environment or climate change.

Conclusion

12. To achieve effective governance, each local authority should be able to demonstrate that its governance structures comply with the core and sub principles contained within the Delivering Good Governance in Local Government Framework 2016. It should develop and maintain a local Code of Governance and should test its governance structure and partnerships against the framework's principles.
13. The AGS explains how Eastleigh Borough Council has also met the requirements of the Accounts and Audit Regulations 2015.
14. The AGS 2021/22 and the Code of Corporate Governance 2022/23 are appended to this report and the Committee is asked to approve the AGS 2021/22 and adopt the Code of Corporate Governance 2022/23.

JOANNE CASSAR
EXECUTIVE HEAD OF GOVERNANCE (MONITORING OFFICER)

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Appendices Attached: 2

LOCAL GOVERNMENT ACT 1972 - SECTION 100D

The following is a list of documents which disclose facts or matters on which this report or an important part of it is based and have been relied upon to a material extent in the preparation of this report. This list does not include any published works or documents which would disclose exempt or confidential information.

Background Papers: None.