

**Report to:** Audit Committee

**Date of Meeting:** 29 July 2021

**Report Title:** Draft Annual Governance Statement 2020/21

**Report By:** Tom Davies  
Chief Auditor

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### **Purpose of Report**

This report produces the Annual Governance Statement for the financial year 2020/21. The Annual Governance Statement provides an assurance on the adequacy of the Council's control and governance mechanisms and includes actions to improve the governance framework.

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### **Recommendation(s)**

- 1. That the Audit Committee considers the draft statement for providing comments to the Leader and the Managing Director before they sign the Annual Governance Statement 2020/21**

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### **Reasons for Recommendations**

To comply with our statutory duty to produce an annual statement on the Council's governance arrangements.

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## Background

1. The Council has a legal duty, imposed by the Accounts and Audits Regulations 2015, to produce an Annual Governance Statement ('AGS').
2. A framework for the AGS has been developed by the Chartered Institute for Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).
3. The Delivering Good Governance in Local Government: Framework, published by CIPFA in association with Solace in 2007, set the standard for local authority governance in the UK and the Council has been following that standard in the production of its AGS.
4. CIPFA and Solace reviewed the Framework in 2015 to ensure it remains 'fit for purpose' and published a revised edition in spring 2016. As a consequence, the Delivering Good Governance in Local Government: Framework (CIPFA/Solace, 2016) now applies to annual governance statements.
5. Governance arrangements in the public services are keenly observed and sometimes criticised. However, as the Covid-19 pandemic has recently emphasised, Local Government are vitally important to tax payers and service users. They need to ensure that they meet the highest standards and those governance arrangements are not only sound but also transparent.
6. The Framework positions the attainment of sustainable economic, societal, and environmental outcomes as a key focus of governance processes and structures.
7. The concept underpinning the Framework is that it is helping local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The Framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that:
  - (a) resources are directed in accordance with agreed policy and according to priorities;
  - (b) there is sound and inclusive decision making; and
  - (c) there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.
8. As part of the approval of the Council's accounts the AGS must be formally signed off by the Leader and Managing Director before the Final Accounts are signed.

## Covid19

9. The pandemic and the consequent restrictions by Government required a number of changes be implemented to enable the Council to continue to conduct its business more flexibly. These arrangements were designed and implemented in ways which maintained the highest possible standards of governance. Most notably, these changes include amendments to the way Council held its meetings, which, in the year of review, were all conducted remotely and Managing Director given emergency powers to enable a seamless decision-making.

## Draft Status

10. Whilst the facts contained within the AGS have been checked and in the main is factually correct, we anticipate that there could possibly be just a small number of amendments raised.

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## Wards Affected

None

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## Policy Implications

Please identify if this report contains any implications for the following:

Equalities and Community Cohesiveness	No
Crime and Fear of Crime (Section 17)	No
Risk Management	Yes
Environmental Issues	No
Economic/Financial Implications	Yes
Human Rights Act	No
Organisational Consequences	No
Local People's Views	No
Anti-Poverty	No

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## Additional Information

Corporate Plan (<https://www.hastings.gov.uk/my-council/corp-plan/>)  
Audit Committee Report to Council 2020/21

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## Officer to Contact

Officer Name: Tom Davies  
Email Address: [tdavies@hastings.gov.uk](mailto:tdavies@hastings.gov.uk)  
Telephone Number: 01424 451524