

Subject:	Formal approval for the Annual Governance Statement 2019 – 2020		
Date of Meeting:	27 October 2020		
Report of:	Executive Lead Officer, Strategy, Governance & Law		
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Ward(s) affected:	All		

FOR GENERAL RELEASE**1. PURPOSE OF REPORT AND POLICY CONTEXT**

- 1.1 This report is submitted to formally approve the Annual Governance Statement (AGS).
- 1.2 The responsibilities of the Audit & Standards Committee in the Council's Constitution are to:
 - (a) Conduct a review of the effectiveness of the system of internal control required by regulation 3; and
 - (b) Prepare an AGS.
- 1.3 The Committee review the internal control arrangements within Brighton & Hove City Council at each of its quarterly meetings; and on 21 July 2020 considered and made comments on the AGS which are included in Appendix 1.
- 1.4 The comments made the Committee in July were addressed and the subsequent draft was signed by the Leader and the Chief Executive. Legal advice recommends it is formally approved at this meeting although it was discussed in full at the Audit & Standards' Committee meeting on 15 July 2020.

2. RECOMMENDATIONS:

- 2.1 That the Audit & Standards Committee formally approve the AGS at Appendix 1.

3. CONTEXT/ BACKGROUND INFORMATION

- 3.1 The timetable for the production of the annual accounts was changed from July to November 2020 as a result of Covid-19 and the AGS arrangements were delivered on the existing timetable however the Committee are asked to formally approve the AGS.

4. ANALYSIS & CONSIDERATION OF ANY ALTERNATIVE OPTIONS

- 4.1 Through consultation with Legal Services and the Acting Deputy Chief Finance Officer it is considered that the AGS will need approval.
- 4.2 The recommendations of the AGS approval report will in future explicitly request that the Audit & Standards Committee approve the AGS.

5. COMMUNITY ENGAGEMENT & CONSULTATION

- 5.1 This is an internal matter in order to comply with legislation and as such no engagement or consultation has been undertaken in this regard.

6. CONCLUSION

- 6.1 The council must ensure that it meets its responsibilities under the law which requires the relevant committee to formally approve the AGS.

7. FINANCIAL & OTHER IMPLICATIONS:

Financial Implications:

- 7.1 Sound corporate governance and proper systems of internal control are essential to the financial health and reputation of the council. The resources required to implement the actions outlined to strengthen the governance arrangements are provided for in the agreed 2020/21 budget and will inform the preparation of the 2021/22 budget. The council's response to the Covid 19 pandemic has tested the governance arrangements; the council has adapted its decision making through additional committee and sub-committee meetings and the reporting of the use of emergency powers to ensure proper oversight is maintained. The lessons learned from this exceptional event will be used to inform recommendations for governance going forward. The government has also extended the deadline for publishing the 2019/20 Statement of Accounts to the 30th November 2020.

Finance Officer Consulted: James Hengeveld

Date: 19/10/2020

Legal Implications:

- 7.2 The council is under a duty to ensure that its financial management is adequate and effective and that it has a sound system of internal control which includes arrangements for the management of risk. Regulation 6 of the Accounts and Audit Regulation 2015 further requires the council to at least annually conduct a review of the effectiveness of its system of internal control and to prepare an annual governance statement. Regulation 6 also requires the council to approve the annual governance statement by resolution of the council, or of the Committee charged with audit functions. Under the council's constitution, the Audit & Standards Committee is responsible for approving the Annual Governance Statement. The recommendation at paragraph 2.1 if agreed will satisfy the legislative requirement.

Equalities Implications:

- 7.3 The Annual Governance Statement is informed by consideration of Equalities, a corporate requirement, in the council's Performance Management Framework including risk management. There is an expectation that the Performance Management Framework will be used to evidence how service improvements are being made which have the aim of reducing inequalities.

Sustainability Implications:

- 7.4 No direct implications however sustainability will be improved through good governance arrangements.

Brexit Implications:

- 7.5 There are no direct Brexit implications arising from this report.

Any Other Significant Implications:

- 7.6 There are no further significant implications arising from this report.

SUPPORTING DOCUMENTATION

Appendices:

1. Annual Governance Statement 2019 – 2020.

Background Documents

1. International Framework Good Governance in the Public Sector, CIPFA/IFAC 2014.
2. Delivering good governance in local government framework 2016 edition, CIPFA/SOLACE 2016.

Explanations of acronyms used in Background documents:

CIPFA is the Chartered Institute of Public Finance Accountancy;

IFAC is the International Federation of Accountants;

SOLACE is the Society of Local Authority Chief Executives and Senior Managers.

