

Report To:	AUDIT PANEL
Date:	9 November 2021
Reporting Officer:	Kathy Roe – Director of Finance Wendy Poole – Head of Risk Management and Audit Services
Subject:	ANNUAL GOVERNANCE STATEMENT 2020/21
Report Summary:	To present the Annual Governance Statement for 202/21 to Members for approval at Appendix 1 .
Recommendations:	That Members approve the Annual Governance Statement for 2020/21 at Appendix 1 ahead of it being signed by the Executive Leader and the Chief Executive.
Links to Corporate Plan:	Demonstrates proper Corporate Governance.
Policy Implications:	Demonstrates proper compliance with the Accounts and Audit Regulations 2015 (as amended).
Financial Implications: (Authorised by the Borough Treasurer)	Sound corporate governance and proper systems of internal control are essential for the long-term financial health and reputation of the Council.
Legal Implications: (Authorised by the Borough Solicitor)	<p>The production of the Annual Governance Statement is a statutory requirement as set out in Accounts and Audit Regulations 2015 (as amended).</p> <p>The statement is an open and honest assessment of the running of the council in accordance with the law relevant guidance to test that there is appropriate governance in place to ensure that public money is correctly accounted for, safeguarded and is being used effectively, efficiently and economically for the delivery of serviced to Tameside.</p>
Risk Management:	The statement provides assurance that the Council has a sound system of corporate governance in place. It is considered to be an important public expression of how the Council directs and controls its functions and relates to its community.
Access to Information:	The background papers can be obtained from the author of the report, Wendy Poole, Head of Risk Management and Audit Services by:



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1 INTRODUCTION

- 1.1 Corporate Governance is the system by which the Council directs and controls its functions and relates to its community. This is the means by which sound and ethical practice can be assured and unacceptable practice identified and eradicated. Historically there has been a general recognition that all local authorities should be seen to meet the highest standards and governance arrangements possible.
- 1.2 The issues faced by local authorities in recent years reflecting social, economic, and legislative change have led to new, diverse ways of working as opposed to traditional roles. The common theme that continues to run through Government initiatives is the need for local authorities to review the various systems and processes they have in place for managing both their internal affairs and their relationships with their expanding number of key stakeholders. Together these systems comprise corporate governance.

2 ANNUAL GOVERNANCE STATEMENT

- 2.1 The preparation and publication of an Annual Governance Statement is necessary to meet the requirements set out in Regulation 6 of the Accounts and Audit Regulations 2015 (as amended). It requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and “following the review, the body must approve an annual governance statement prepared in accordance with proper practices in relation to internal control”.
- 2.2 The Annual Governance Statement is based on: -
 - Directorate Self-Assessment Checklists and signed Assurance Statements;
 - Head of Risk Management and Audit’s Annual Report;
 - Medium Term Financial Plan/Budget Report;
 - Regular Budget Monitoring and Performance Reports
 - Review of System of Internal Audit;
 - External Audit Completion Report and Annual Audit Letter;
 - Role of the Chief Financial Officer;
 - Role of the Head of Internal Audit;
 - Financial Management Code;
 - Corporate Plan; and
 - Peer Review/Statutory Inspections.
- 2.3 This list is not exhaustive but it details the key elements of the assurance framework used to support the production of the Annual Governance Statement.
- 2.4 The Annual Governance Statement covers both Tameside MBC and the Greater Manchester Pension Fund.
- 2.5 The Draft Annual Governance Statement 2020/21 was presented to the Single Leadership Team for challenge and comment on 13 July 2021 and then presented to the Audit Panel on 27 July 2021. Consultation with members was conducted via email over the summer and the deadline for responses was 3 September 2021.
- 2.6 The Draft Annual Governance Statement together with the Draft Statement of Accounts was published on the Council’s website on 30 July 2021.
- 2.7 External Audit (Mazars) have reviewed the Annual Governance Statement 2020/21 as part of their audit.

- 2.8 All comments received to date have been incorporated into the version which is attached at **Appendix 1** for approval.
- 2.9 A progress updated has been added to the Improvement Plan at Section 5 of the Annual Governance Statement to provide members of the Audit Panel with the position as at October 2021.

3 RECOMMENDATIONS

- 3.1 As set out on the front of the report.