

28 July 2020

Report of	Assistant Director of Corporate & Improvement Services	Author	Hayley McGrath 508902
Title	Review of the Governance Framework and Draft Annual Governance Statement		
Wards affected	Not applicable		

1.0 Executive Summary

At the meeting on 23 June 2020 the committee requested additional information relating to the actions of the Council in response to the business interruption that was caused by the Covid 19 pandemic during March 2020, to enable an appropriate assessment of the governance review of 2019/20 and therefore provide assurance to enable the approval of the Annual Governance Statement for 2019/20.

2.0 Recommended Decisions

- 2.1 To consider the summary of the actions/decisions undertaken by Colchester Borough Council during the period 06 to 31 March 2020.
- 2.2 To approve the Annual Governance Statement for 2019/20, and agree that it be signed by the Leader of the Council and Chief Executive.

3.0 Reasons for Recommended Decisions

- 3.1 Regulation 3 of the Accounts and Audit Regulations 2015 states that:
'A relevant authority must ensure that it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangements for the management of risk.'
- 3.2 Regulations 6(1) and (2) go on to place a requirement on the Council to conduct a review of the effectiveness of its system of internal control at least once a year, and to report the findings to this committee. Following the review, the committee must approve an Annual Governance Statement (AGS), prepared in accordance with proper practices in relation to internal control.
- 3.3 The committee felt that although the previous report was sufficient to provide assurance of the systems of control in place at the Council for the period 01 April 2019 to 29 February 2020, further details were required to provide assurance relating to the actions undertaken in response to the pandemic during March 2020.

4.0 Alternative Options

- 4.1 Not to agree the Annual Governance Statement for 2019/20. However, this would have an impact on the final accounts process and the Council would not be able to produce a complete Statement of Accounts, which would result in a qualified audit opinion.

5.0 Background Information

- 5.1 The actions undertaken during March have been set out in a table, at appendix 1. This details the actions and the powers under which they were taken.
- 5.2 The original Annual Governance report, including the proposed Annual Governance Statement, from 23 June 2020 is attached at appendix 2.
- 5.3 At the time of this report there have been no concerns raised about the systems and processes in place during March 2020 and the Council's Internal Auditors are currently reviewing the arrangements that were made for payments and payroll during this time. The results from this audit will be reported to this committee later in the year.

6.0 Equality, Diversity and Human Rights implications

- 6.1 There are no equality, diversity or Human Rights implications as a result of this report.

7.0 Strategic Plan Implications

- 7.1 The achievement of the strategic plan requires a sound system of governance to ensure the effective delivery of services. Therefore, improving on existing governance arrangements will help to ensure that the strategic plan objectives can be achieved.

8.0 Risk Management Implications

- 8.1 Risk Management is a fundamental part of the Governance process and a failure to implement the action plan may have an effect on the ability of the Council to control its risks. Therefore, the actions identified in the Annual Governance Statement should be incorporated into the risk management process.

9.0 Other Standard References

- 9.1 There are no direct Publicity, Financial, Consultation, Community Safety or Health and Safety implications as a result of this report.

Appendices

Appendix A – Table of Decisions taken during March 2020.

Appendix B – The Annual Governance report to the Governance & Audit Committee 23 June 2020