



## **Report of: Corporate Director - Resources**

<b>Meeting of</b>	<b>Date</b>	<b>Ward(s)</b>
Audit Committee	29 <sup>th</sup> September 2020	All

<b>Delete as appropriate</b>		Non-exempt
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## **SUBJECT: Annual Governance Statement 2019-20**

### **1 Introduction**

- 1.1 In accordance with the Regulation 6 of the Accounts and Audit Regulations 2015, the Council is required to undertake a review of its governance framework and publish an Annual Governance Statement (AGS) as part of the Statement of Accounts. The purpose of the AGS process is to provide a continuous review of the Council's governance framework to provide assurance on its effectiveness and, where applicable, produce an action plan to address weaknesses identified. The process of preparing the AGS adds value to the corporate governance and internal control framework.
- 1.2 The AGS for 2019-20, which described the governance framework that had been in place at the Council during the year ending 31 March 2020, was approved by the Committee on 28<sup>th</sup> July 2020 and can be seen [here](#).
- 1.3 Following the advice of the Council's External Auditors, in approving the AGS on 28<sup>th</sup> July 2020, the Committee was asked to provide authority to the Corporate Director Resources, in consultation with the Chair of Audit Committee, to approve minor amendments to the AGS to reflect any post balance sheet events predominantly related to Covid-19, prior to the signing of the final statement of accounts. It was also agreed that Officers would report back any amendments made to the next Audit Committee for their information.

- 1.4 This report summarises the minor amendments that have been made to the AGS since its approval by the Committee on 28<sup>th</sup> July 2020.

## 2. Recommendation

To note the minor amendments made to the 2019-20 Annual Governance Statement since its approval by the Committee on 28 July 2020.

## 3 Amendments to the AGS

- 3.1 Three amendments have been made to the AGS since its approval by the Committee on 28<sup>th</sup> July 2020. These have been summarised below, and amended text has been shaded in grey.

- 3.2 In response to comments from Members, a full history of resident surveys was removed from paragraph 3.4.1:

The Council regularly engages and consults with residents and the wider community on a diverse range of issues. Various communication channels are used, including council websites, email, social media channels, public meetings and the quarterly magazine delivered to residents. Surveys of residents are undertaken (most recently in 2018) to test perceptions of the Council, its services, and the priorities for residents. The findings are used to shape policy and communications.

- 3.3 In response to comments from Members, a history of commissions set up to investigate inequalities in the borough was removed from paragraph 3.5.1, which was merged with paragraph 3.5.2 to read:

The central aim of the Council's Administration is to make Islington a fairer place. The Council's priorities to achieve its vision of a fairer Islington are set out in 'Building a Fairer Islington' our Corporate Plan for 2018-22.

- 3.4 In response to comments from Members, an addition has also been made to paragraph 3.6.3 to reflect that while the majority of the Council's significant decisions are devolved to the Executive, there are instances (primarily budget setting) where full Council agreement is required:

The Executive is made up of the Leader of the Council and seven Executive members. The Executive is responsible for the majority of the Council's most significant decisions, which are made in line with Council policy and budget. Its functions and terms of reference are set out in Parts 3 and 5 of the Constitution. Executive agendas, minutes and summaries of decisions are available on the Council website.

- 3.5 An update has been made to paragraph 6.2 to reflect Covid-19 related financial impacts:

The council has undertaken forecast planning of estimated financial pressures from when the Covid-19 impact commenced in March 2020 until September 2020. We have also undertaken financial monitoring through the period and highlighted the financial effects of the pandemic

as part of the total variances. An MTFS refresh is underway which will result in a formal revision of savings position and revised timelines and aims in plugging this gap.

## **4. Implications**

### **4.1 Financial implications**

A sound system of internal controls forms a significant part of the governance framework and is essential to underpin the effective use of resources.

### **4.2 Legal Implications**

Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to conduct an annual review of its system of internal control and, following the review, the Council must approve an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control, before approving the statement of accounts.

### **4.3 Environmental implications**

There are no environmental implications arising from the recommendations in this report.

### **4.4 Resident Impact Assessment**

The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.

A Resident Impact Assessment has not been completed because the decision currently being sought does not have direct impacts on residents.

## **5. Reason for recommendation**

The Annual Governance Statement, approved by the Committee on 28<sup>th</sup> July 2020, reports on the Council's governance arrangements and control environment, and forms part of the Statement of Accounts.

The Audit Committee is asked to note the amendments to the 2019-20 Annual Governance Statement.

Final report clearance:



**Signed by:**

Dave Hodgkinson – Corporate Director – Resources

**Date: 14 September 2020**

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**REPORT ENDS**