

# **AUDIT AND ASSURANCE COMMITTEE**

**Meeting date: 23 November 2020**

**From: Monitoring Officer**

## **ANNUAL GOVERNANCE STATEMENT 2019/2020**

### **1.0 EXECUTIVE SUMMARY**

- 1.1 *This report presents the final Annual Governance Statement 2019/2020 (Appendix 1).*
- 1.2 *Following the annual review of the effectiveness of the Council's corporate governance framework, no significant governance issues have been identified. While the Council experienced significant disruption to its day to day operations from March 2020 as a result of the coronavirus pandemic, the robustness of its emergency planning and business continuity arrangements ensured that the Council has been able to maintain an effective response to the pandemic while also maintaining services.*
- 1.3 *The Annual Governance Statement must be published with the Statement of Accounts.*

### **2.0 STRATEGIC PLANNING AND EQUALITY IMPLICATIONS**

- 2.1 *The corporate governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled and through which it accounts to, engages with and where appropriate, leads the community. It sets the framework by which the Council is managed and operates.*
- 2.2 *The Annual Governance Statement is a key document providing an assessment of the governance arrangements operating in the financial year and identifying governance issues for action in the future.*
- 2.3 *There are no specific equalities issues arising in relation to publication of the Annual Governance Statement.*

### **3.0 RECOMMENDATION**

- 3.1 ***Members are asked to approve the final Annual Governance Statement of Cumbria County Council for 2019/2020 before its publication on the Council's website.***
- 3.2 ***Members are asked to note that the Leader of the Council and the Chief Executive will sign the Annual Governance Statement prior to publication.***

### **4.0 BACKGROUND**

- 4.1 The Council is required to carry out a review of its corporate governance arrangements annually.
- 4.2 At its meeting in July 2020 the Audit and Assurance Committee reviewed the draft Annual Governance Statement prior to publication.
- 4.3 Review has continued to ensure that the final Annual Governance Statement is up to date at final publication, including having regard to comments made by the External Auditor. The draft Annual Governance Statement (published following Audit and Assurance Committee in July 2020) has been updated to reflect the re-establishment of Council committees as 'virtual' meetings, arrangements for internal and multi-agency management of the impacts of the coronavirus pandemic and ongoing impacts on governance, including financial impacts.
- 4.4 As the Committee is aware, the annual review of corporate governance culminates in an assessment of whether the Council has any significant governance issues. These are issues that require specific action and monitoring by the Corporate Management Team, in contrast to those that can be addressed through day to day arrangements for managing and improving corporate governance.
- 4.5 In March 2015, the Corporate Governance Group adopted the following definition and criteria to help the Council identify significant governance issues. A significant governance issue will arise if an issue which has occurred:
- has significantly prejudiced or prevented achievement of a principal objective;
  - has resulted in the need to seek additional funding to allow it to be resolved;
  - has required a significant diversion of resources;
  - has had a material impact on the accounts;
  - has been identified by the Audit and Assurance Committee as significant;
  - has resulted in significant public interest or has seriously damaged reputation;
  - has resulted in formal actions being taken by the Section 151 Officer or Monitoring Officer;

- has received significant adverse commentary in external or internal inspection reports that has not been able to be addressed in a timely manner.

4.6 As a result of applying this definition to the ongoing review, there has been no change since the publication of the draft Annual Governance Statement to the assessment that the Council has no significant governance issues in 2019/2020. Issues that are not considered by the Corporate Governance Group to be significant continue to be addressed by Executive Directors and inform the work programme of the Corporate Governance Group to ensure continuous improvement of governance.

4.7 The coronavirus pandemic is ongoing and its impacts on governance will continue to be monitored and will be assessed as part of the 2020/2021 annual review of corporate governance, which is due to start in early 2021.

## **5.0 OPTIONS**

5.1 The Council is required to publish its Annual Governance Statement for 2019/2020 with its annual Statement of Accounts.

5.2 The Committee can approve the Annual Governance Statement in the format attached at Appendix 1 or can request amendments to the document.

## **6.0 CONCLUSION**

6.1 The Audit and Assurance Committee is invited to review the Annual Governance Statement before it is published with the Statement of Accounts.

**Iolanda Puzio**  
**Chief Legal Officer and Monitoring Officer**  
*12 November 2020*

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## **APPENDICES**

***Appendix 1 Final Annual Governance Statement 2019/ 2020***

## **IMPLICATIONS**

Staffing: N/A

Financial: N/A  
Property: N/A  
Electoral Division(s): ALL

Executive Decision

	No
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Key Decision

	N/A
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If a Key Decision, is the proposal published in the current Forward Plan?

		N/A
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Is the decision exempt from call-in on grounds of urgency?

	N/A
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If exempt from call-in, has the agreement of the Chair of the relevant Overview and Scrutiny Committee been sought or obtained?

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Has this matter been considered by Overview and Scrutiny?  
If so, give details below.

	N/A
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**PREVIOUS RELEVANT COUNCIL OR EXECUTIVE DECISIONS**

*No previous relevant decisions.*

**CONSIDERATION BY OVERVIEW AND SCRUTINY**

*Not considered by Overview and Scrutiny.*

**BACKGROUND PAPERS**

*No background papers.*

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