

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 1 JUNE 2021

**CORPORATE GOVERNANCE – ANNUAL REVIEW AND
DRAFT ANNUAL GOVERNANCE STATEMENT FOR YEAR TO 31 MARCH 2021**

REPORT BY MARGO WILLIAMSON, CHIEF EXECUTIVE

ABSTRACT

This report advises of the outcome of the annual review of compliance with the principles of good governance and presents the draft Annual Governance Statement for consideration.

1. RECOMMENDATIONS

1.1 It is recommended that the Scrutiny & Audit Committee:

- (i) consider the 2020/21 draft Annual Governance Statement, including actions to be taken forward during 2021/22, and provide any comments;
- (ii) note that the 2020/21 draft Annual Governance Statement will be included in the Council's unaudited annual accounts, which will be submitted to the Controller of Audit;
- (iii) note the exceptional circumstances throughout this 2020/21 draft Annual Governance Statement reporting period in relation to the COVID-19 pandemic, and that various implications of the Council response to this is reflected in the draft Annual Governance Statement;
- (iv) approve the extension to the completion dates on specific actions as set out in section 5.2 of this report; and
- (v) note that the draft Annual Governance Statement will be kept under review and updated as necessary until the audited accounts are approved for signing later this year, with the final statement being signed by the Leader of the Council and the Chief Executive at that time.

2. ALIGNMENT TO THE ANGUS COMMUNITY AND COUNCIL PLANS

2.1 This report supports the council's commitment to the principles of good corporate governance, which in turn supports services in the delivery of local outcomes set out in the Community Plan and the Council Plan.

3. BACKGROUND

3.1 The Council's Local Code of Corporate Governance is reviewed and updated annually to ensure consistency with best practice and guidance, in particular the CIPFA/SOLACE framework *Delivering Good Governance in Local Government* (Report 179/21 to this Committee refers).

3.2 The Chief Executive is responsible for providing assurances annually to elected members that the Council's approach to corporate governance is both appropriate and effective in practice.

3.3 The assurances provided by the Chief Executive are informed by:

- The work of the Corporate Governance Officers Group (CGOG) who, on behalf of the Chief Executive, conduct an annual self-assessment of compliance with the principles of good governance described in the Local Code of Corporate Governance;
- Assurances from Service Directors in relation to their corporate governance and internal financial control arrangements;
- Assurances from the Chief Financial Officer (S95 Officer), Monitoring Officer and Chief Social Work Officer; and

- The Service Leader Internal Audit's annual report and opinion on governance, risk and internal control (Report 178/21 to this Committee refers).

4. COVID-19 IMPACT

- 4.1 During March 2020, just prior to the commencement of the reporting period relating to this draft Annual Governance Statement, the Council was required to initiate an emergency response to the COVID-19 pandemic. By necessity this involved significant changes and disruption to the manner in which Council services were normally delivered – some services stopped entirely, others were under immense strain due to increased demand, and some new services were established with pace and urgency to respond to the needs of our citizens, communities and businesses. Annex 1 of the draft Annual Governance Statement provides an overview and account that helps to capture the significance of the governance impact that COVID-19 has had on our range of services during 2020/21 and continuing into 2021/22.
- 4.2 As a direct result of this, changes to existing strategic and operational governance arrangements, along with some new governance arrangements were deployed as part of our Council response. This included special and robust measures to support proper decision making and continued democratic accountability.
- 4.3 A key part of maintaining assurance throughout 2020/21 has been provided by the Council's emergency management and disaster recovery governance arrangements. These have been delivered through regular Bronze (operational), Silver (tactical) and Gold (strategic) meetings. Records of these meetings, which have been scaled up and down during the 'waves' of the pandemic, are available to provide a full audit trail of decision making. These have also been reflected in the Council's ongoing Sitrep reports which have been issued to all the Council's elected members throughout the pandemic. Ongoing external communications through a variety of media channels, to keep the public in Angus well informed, linked to a pan Tayside approach, have also been a key part of the Council response.
- 4.4 Notwithstanding the extraordinary circumstances that the Council has faced, in overall terms, it is considered that the Council has responded extremely well to the enormous challenges raised by the pandemic, and in a manner that has been well planned, proportionate and responsive to the changing circumstances to meet the needs of our citizens, communities and businesses. The emergency response has been delivered in a controlled environment, with appropriate governance arrangements deployed to provide robust assurance under the circumstances.
- 4.5 Recovery and renewal plans are also now being developed as an integrated part of our strategic planning arrangements. A report with an update on Angus Council's response to the COVID-19 pandemic, including ongoing and proposed recovery and response initiatives, as well as providing an updated route map for Angus Council in line with Scottish Government 'Strategic Framework Protection Levels', will be considered by the Council at its meeting on 24 June 2021.

5. CHIEF EXECUTIVE'S REVIEW OF COMPLIANCE 2020/21

- 5.1 The overall conclusion of the review is that during 2020/21 the Council demonstrated that the governance arrangements and framework within which the Council operates are sound and operating effectively and that the council is generally compliant with the core principles of good governance, including our Local Code of Corporate Governance. This includes the governance arrangements that have been put in place in response to the COVID-19 pandemic.
- 5.2 The 2021/22 action plan is included within the Annual Governance Statement. Progress on all actions will be reported to this committee in January and June 2022. The action plan includes four continued actions from 2020/21 and approval is also sought to extend the completion dates on two of these as follows:
- AC-CGOV-00044 Review Whistleblowing Policy: propose that target date for completion is extended to 30 September 2021 (current target 31 March 2021, previously extended from 29 January 2021); and
 - AC-CGOV-0043 Review Social Care Billing Process: propose that target date for completion is extended to 30 September 2021 (current target 31 March 2021).

6. ANNUAL GOVERNANCE STATEMENT

- 6.1 All local authorities are required to prepare an annual governance statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is

expected to be consistent with the good governance principles in the *Delivering Good Governance* framework.

- 6.2 The Council's draft Annual Governance Statement for 2020/21 is attached at Appendix 1. The statement is currently draft as the final statement requires to reflect the governance arrangements of the 'group' which, for the year to 31 March 2021, includes Tayside Valuation Board, Tayside Contracts, AngusAlive and Angus Health & Social Care Partnership. These assurances had not been received at the time of writing this report and therefore the draft assurances shown in the annual governance statement may be subject to change. Amendments may also be required relating to the findings from the external auditor's review.
- 6.3 The final annual governance statement will require to be signed by the Leader of the Council and the Chief Executive and will be included in the annual report and accounts for submission to the Controller of Audit.

7. FINANCIAL IMPLICATIONS

- 7.1 There are no financial implications arising directly from this report.

8. EQUALITY IMPACT ASSESSMENT

- 8.1 An Equality Impact Assessment is not required

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

1. 2020/21 Annual Governance Statement (DRAFT)