

To: Audit & Governance Committee
Date: 30 July 2020
Report of: Head of Law & Governance
Title of Report: 2019/20 Annual Governance Statement

Summary and recommendations	
Purpose of report:	To present the 2019/20 Annual Governance Statement for approval. The Committee is asked to review the Annual Governance Statement prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account the internal auditor's opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control.
Recommendation: That the Audit & Governance Committee resolves to:	
1. Approve the Annual Governance Statement for the 2019/20 financial year	

Appendices	
Annex 1	Annual Governance Statement 2019/20

Introduction and background

1. The preparation of the Annual Governance Statement ("the AGS"), to support the Annual Statement of Accounts, is a statutory requirement (Accounts and Audit Regulations 2015) for local authorities. Its purpose is to demonstrate and evidence that there is a continuous review of its control environment - the effectiveness of the Council's internal control, performance, and risk management systems. This allows an assurance on their effectiveness to be provided so that users of the Annual Report and Statement of Accounts can be satisfied that proper arrangements are in place to govern spending and safeguard assets. The process also enables the production of a corporate action plan to address any identified weaknesses.
2. The AGS also explains what governance challenges the Council is facing and how it is addressing those challenges and seeking improvement in how its functions are exercised. As part of the process of identifying issues self-assessment information is collated for all Service Areas through annual

governance questionnaires. The responses to the questionnaires are analysed to identify recurring governance challenges.

The Annual Governance Statement

3. It is noted that whilst there is a legislative requirement to complete the AGS, the information provided by the exercise is of benefit to the Council as it enables an assessment of governance arrangements across the Council, and identifies where strengths and areas for development exist in those arrangements. Where significant governance issues are identified, progress can be monitored, as required, through the year (and reflected within the following year's AGS).
4. Overall the Annual Report from the Council's internal auditors provides that moderate assurance can be given that there is a sound system of internal control, designed to meet the Council's objectives and controls are being applied consistently.
5. The Annual Governance Statement includes an Action Plan which sets out the matters that the Council intends to focus on during the 2020/21 financial year in order to improve its governance arrangements.
6. The Committee is required to consider and, if satisfied, approve the AGS. The AGS forms part of the Council's Statement of Accounts and is attached to the report as Appendix 1.

Financial implications

7. There are no financial implications arising directly from the report.

Legal issues

8. Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires an authority to conduct a review at least once in a year of the effectiveness of its systems of internal control and include a statement reporting on the review with any published Statement of Accounts. The Annual Governance Statement explains how Oxford City Council meets this requirement.

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Background Papers:	
1	Assurance Questionnaires completed by Service Heads