

Committee(s)	Dated:
Audit and Risk Management Committee	12/07/2022
Subject: Annual Governance Statement 2020/21	Public
Which outcomes in the City Corporation's Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain's Department?	N/A
Report of: Town Clerk and Chamberlain	For Decision
Report author: Barbara Hook Assistant Director Corporate Planning	

Summary

This report presents the Annual Governance Statement (AGS), as required by the Accounts and Audit (England) Regulations 2015 and prepared in accordance with practice guidance: "Delivering Good Governance in Local Government" – issued jointly by the Society of Local Authority Chief Executives and Senior Managers and the Chartered Institute of Public Finance and Accountancy.

Recommendation(s)

Members are asked to:

- Consider and approve the AGS, Appendix 1, for signing by the Chair of the Policy and Resources Committee and the Town Clerk and Chief Executive
- Note that the AGS will be published alongside the 2021/22 City Fund and Pension Fund Statement of Accounts
- Delegate authority to the Town Clerk and Chief Executive, in consultation with the Chairman and Deputy Chairmen of this Committee, to amend the AGS for any relevant significant events or developments that occur prior to the date on which the Statement of Accounts is signed by the Chamberlain.

Main Report

Background

1. This report presents the City Corporation's Annual Governance Statement (AGS), preparation of this statement is a requirement of The Accounts and Audit (England) Regulations 2015, which apply to the City of London's City Fund activities. Specifically, as an audited body, the City Corporation must conduct a review each financial year of the effectiveness of its system of internal control and publish an AGS, alongside the authority's Statement of Accounts.

2. The Chartered Institute of Public Finance and Accountancy (CIPFA), in association with the Society of Local Authority Chief Executives and Senior Managers (SOLACE), publishes a Delivering Good Governance in Local Government: Framework and an accompanying guidance note, which represents the proper practice guidance in relation to this.
3. The AGS must be signed by the most senior officer (Chief Executive or equivalent) and the most senior Member (Leader or equivalent). Following a resolution of this Committee in March 2012, the Policy and Resources Committee approved a report on the process for producing the AGS, and approved the practice whereby the AGS is approved by this Committee and signed by the Chairman of the Policy and Resources Committee.
4. The Audit and Risk Management Committee has a key role within the 'review of effectiveness' of the City's governance framework, including the system of internal control. One of its prime responsibilities is to review the work of the internal auditors, consider the risk management framework, and consider comments made by the external auditors and other review agencies and inspectorates.

Current Position

5. The report follows the improved structure set out by the Head of Internal Audit for the 2020-21 AGS as part of supporting and improving the process, to help drive improvement in the overall effectiveness as allowed for by CIPFA guidance.
6. The AGS is shown as Appendix to this report, the document has been reviewed by the Executive Leadership Board on 15th June.
7. The intended purpose of the statement is to describe what steps the organisation has taken to evaluate the adequacy and effectiveness of its systems of governance and provide an overall conclusion thereon. When reviewing the Draft 2020-21 AGS in October 2021, Members indicated that they wished to see a number of improvements to the 2021-22 AGS and these points have been incorporated accordingly. A copy of the Summary of Points Raised in Relation to the Draft Annual Governance Statement 2020/21 updated with the Action Taken for the Draft Annual Governance Statement 2021/22 is included as Appendix 2.

Conclusion

8. Members are asked to consider and approve the AGS, prepared in accordance with the requirements of The Accounts and Audit Regulations 2015 and associated recognised practice guidance. Once approved by this Committee, the AGS will be presented to the Town Clerk and Chief Executive and Chair of Policy and Resources for signature and will subsequently be published alongside the financial statements for the City Fund and Pension Fund.

Appendices

- **Appendix 1** - Draft City of London Corporation AGS 2021/22

- **Appendix 2** - Summary of Points Raised in Relation to the Annual Governance Statement 2020/21 updated with the Action Taken for the Draft Annual Governance Statement 2021/22

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