

# **PERTH AND KINROSS COUNCIL**

**Scrutiny & Performance Committee - 8 June 2022**

## **ANNUAL GOVERNANCE STATEMENT 2021/22**

**Report by Head of Legal & Governance Services  
(Report No. 22/120)**

### **1 PURPOSE OF REPORT**

The purpose of the report is to present for scrutiny and review, the Annual Governance Statement (AGS) for the financial year 2021/22 which provides assurance as to the effectiveness of the Council's governance framework and in particular the system of internal control.

### **2 RECOMMENDATIONS**

The Committee is asked to :-

- Note the content of this report; and
- Scrutinise and comment on the draft Annual Governance Statement for the financial year 2021/22

### **3 STRUCTURE OF REPORTINTRODUCTION**

**Section 4 - Background /context**

**Section 5 - Assurance process**

**Section 6 - Assessment of effectiveness**

**Appendix- Draft Annual Governance Statement**

### **4 BACKGROUND/CONTEXT**

- 4.1 The purpose of the Annual Governance Statement (AGS) is to provide assurance that our governance arrangements and in particular, our system of internal control, are adequate, appropriate and effective.
- 4.2 The past year has been a significant challenge in terms of managing the impact of the global health pandemic on our communities and our staff, as the Council has sought to maintain the delivery of core services whilst providing additional support alongside our partners, to address the public health crisis. During this period, restrictions have meant that the many staff and elected members have had to work from home, heavily reliant on new technology and working in new and different ways. Both have demonstrated their ability to adapt, compromise and to “dig deep” to make sure that we continued to provide the services that our communities rely on during these difficult times.
- 4.3 The Annual Governance Statement for 2021/22 is attached as Appendix 1 to this report. It has been prepared in accordance with the Chartered Institute of

Public Finance & Accountancy (CIPFA) Framework: Delivering Good Governance in Local Government and is required to be published as part of the Council's Annual Accounts. It is presented here to allow appropriate review and scrutiny by the Committee.

## **5 GOVERNANCE ASSURANCE PROCESS**

- 5.1 The assurance process to inform the AGS has been developed and refined to take into account the CIPFA Framework and associated guidance. It is designed to test the continuing effectiveness of our governance arrangements and to identify current, emerging and potential future risks to enable the organisation to adjust and improve their internal controls to mitigate and manage these effectively.
- 5.2 Evidence has been gathered by way of self-assessment from each of the Service Management Teams which was then scrutinised and reviewed. Executive Directors and the Chief Operating Officer have provided Certificates of Assurance in respect of the adequacy and effectiveness of the controls within their area.
- 5.3 Certificates of Assurance have also been provided by the following officers in respect of their assessment of key corporate controls:
- Head of Finance as S 95 Officer
  - Hed of Finance for Procurement
  - Head of Legal & Governance Services /Monitoring Officer
  - Chief Internal Auditor
  - Data Protection Officer & Information Security Managers
  - Senior HR Manager
  - Head of Innovation
- 5.4 Assurance is provided by the Head of Culture and Communities, in her capacity as the Contract Monitoring Officer in respect of our Arm's Length External bodies (Horsecross Arts Ltd, Live Active Leisure and Culture Perth & Kinross).
- 5.5 The Perth & Kinross Integrated Joint Board are obliged to produce their own Annual Governance Statement as are the Tayside Valuation Joint Board and Tayside Contracts. We place reliance on their assurance statements which are shared with the Council.

## **6 EFFECTIVENESS OF GOVERNANCE ARRANGEMENTS**

- 6.1 In the main, the system of internal control has proved effective during the year with many of the processes, systems and control mechanisms remaining the same, albeit a number being applied and implemented in a virtual environment.

- 6.2 The assurance process demonstrates that the Council has had and continues to have adequate internal controls in place that are considered fit for purpose in accordance with the governance framework.

**Author(s)**

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**Approved**

<b>Name</b>	<b>Designation</b>	<b>Date</b>
Karen Donaldson	Chief Operating Officer	1 June 2020

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## 1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

<b>Strategic Implications</b>	
Community Plan / Single Outcome Agreement	<b>None</b>
Corporate Plan	<b>None</b>
<b>Resource Implications</b>	
Financial	<b>None</b>
Workforce	<b>None</b>
Asset Management (land, property, IST)	<b>None</b>
<b>Assessments</b>	
Equality Impact Assessment	<b>None</b>
Strategic Environmental Assessment	<b>None</b>
Sustainability (community, economic, environmental)	<b>None</b>
Legal and Governance	<b>Yes</b>
Risk	<b>None</b>
<b>Consultation</b>	
Internal	<b>Yes</b>
External	<b>Yes</b>
<b>Communication</b>	
Communications Plan	<b>None</b>

### 1. Strategic Implications N/A

### 2. Resource Implications N/A

### 3. Assessments N/A

### 4. Consultation

#### Internal

- Service Management Teams
- Executive Officer Team
- Corporate Management Group
- Policy & Governance Group
- Chief Internal Auditor
- Corporate Procurement Manager
- Information compliance Officer
- Health, Safety & Wellbeing Manager

#### External

Staff from the following external organisations have been consulted the preparation of the Annual Governance Statement including:

- Tayside Contracts

- Perth & Kinross Integrated Joint Board
- Live Active Leisure Limited
- Culture Perth & Kinross Limited
- Horsecross Arts Limited
- Tayside Valuation joint Board

## **5. Communication**

- 5.1 The Annual Governance Statement will be published with the Council's Final Accounts for 2021/22

## **2. BACKGROUND PAPERS**

None

## **3. APPENDICES**

Annual Governance Statement 2021/22