

PERTH AND KINROSS COUNCIL

Scrutiny Committee - 5 August 2020

ANNUAL GOVERNANCE STATEMENT 2019/20

Report by Head of Legal & Governance Services (Report No. 20/130)

PURPOSE OF REPORT

The purpose of the report is to provide the Committee an opportunity to review the Annual Governance Statement (AGS) for the financial year 2019/20, which provides assurance as to the effectiveness of the Council's governance framework and in particular the system of internal control.

1. INTRODUCTION

- 1.1 The purpose of the Annual Governance Statement (AGS) is to give assurance to our stakeholders that we have effective arrangements in place to ensure that, as a Council, we are doing the right things for the right people at the right time in an open, honest and accountable way.
- 1.2 The AGS provides an opportunity to review our rules, resources, systems, processes, culture and values to make sure that our governance framework. In particular we are seeking assurance that our system of internal control is:
- legally compliant
 - ethically sound; and
 - fit for purpose

Thereby enabling the Council to achieve its strategic objectives and provide high quality services that meet the needs of our communities, in an appropriate, efficient and affordable way. It is important therefore, that governance issues are identified systematically and comprehensively and reported in an open and transparent manner.

- 1.3 The Annual Governance Statement for 2019/20 is attached as Appendix 1 to this report. The AGS is required to be published as part of the Council's Annual Accounts. It has been prepared in accordance with the Chartered Institute of Public Finance & Accountancy (CIPFA) Framework: Delivering Good Governance in Local Government and also advice from CIPFA and the Council's external Auditors regarding the impact of the coronavirus pandemic.
- 1.4 The AGS is normally presented to the Committee for approval prior to its presentation to the Council along with the Annual Accounts. Due to the situation in which the Council has found itself this year, however, this has not been possible and the AGS and the Annual Accounts were considered by the Audit Committee on 22 July 2020.
- 1.5 The AGS is presented here to allow appropriate review and scrutiny by the Committee.

2. GOVERNANCE ASSURANCE PROCESS

- 2.1 Each year in April, the Council normally follows a robust process of gathering assurance about Services from Service Management Teams and about internal controls from specific Officers with the relevant corporate responsibilities.
- 2.2 This year, however, it was agreed with the Council's External Auditors that such a process would be disproportionate due to the implementation across the Council of contingency measures related to the coronavirus pandemic. Instead, and in keeping with advice from CIPFA, it agreed that it was essential to gain assurance that governance during the implementation and operation of these contingency measures was subject to adequate and effective controls. It was also agreed that, for general assurance, it was reasonable to rely on the previous year's evidence, other external evidence available for 2019-20, and assurance that there have been no significant changes to governance arrangements during the year.
- 2.3 The following officers have, however, provided assurance in respect of their assessment of key corporate controls :
- Chief Finance Officer (S 95 Officer)
 - Head of Legal & Governance Services /Monitoring Officer
 - Chief Internal Auditor
 - Corporate Procurement Manager
 - Information Governance Manager
 - Corporate IT Manager
 - Corporate HR Manager
 - Corporate OD Manager
- 2.4 The Council's Arm's Length External bodies (Horsecross Arts Ltd, Live Active Leisure and Culture Perth & Kinross) were able to provide their normal assurance information.
- 2.5 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 have been shared with the Council.

3 EFFECTIVENESS OF GOVERNANCE ARRANGEMENTS

- 3.1 The Council has implemented temporary arrangements for the COVID-19 pandemic with appropriate governance arrangements.
- 3.2 In addition, the assurance process demonstrates that the Council continues to have adequate internal controls in place that are considered fit for purpose in accordance with the governance framework.
- 3.3 The Council's identified priorities for the foreseeable future are on recovery and renewal from, and any further response necessary to, the COVID-19 pandemic and its consequences for the people, communities, organisations and business in the area. This will include the adoption of sound governance arrangements appropriate to the circumstances.
- 3.4 Areas previously identified as requiring ongoing monitoring/review or further improvement action will continue to be scrutinised by Service Management Teams and the relevant Council Committees as and when appropriate.

4 RECOMMENDATION

4.1 It is recommended that the Committee:

- (i) Note the content of this report; and
- (ii) Scrutinise and comment on the Annual Governance Statement for the financial year 2019/20 attached

Author(s)

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Approved

Name	Designation	Date
Karen Donaldson	Interim Chief Operating Officer	20 July 2020

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

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

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 2018/19

2. BACKGROUND PAPERS

None

3. APPENDICES

Annual Governance Statement 2019/20