



# Doncaster Council

## Report

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Date: 28<sup>th</sup> April 2022

To the Chair and Members of the Audit Committee

Local Code of Corporate Governance review and production of the 2021-22 Draft Annual Governance Statement

Relevant Cabinet Member(s)	Wards Affected	Key Decision
Ros Jones	N/a	No

### EXECUTIVE SUMMARY

#### APPENDIX A: LOCAL CODE OF CORPORATE GOVERNANCE REVIEW:

1. CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework (the framework) advocates the production of a convenient and simple reference point by local authorities to summarise their governance arrangements. Doncaster Local Code of Corporate Governance (The local code) is underpinned by the framework and is comprised of policies, procedures, behaviours and values by which the Council is controlled and governed.
2. A review of Doncaster's local code has been undertaken to ensure the guidance document is still relevant and up to date. (Appendix A). The local code shows all the policies and procedures in place at the Council that enable the Council to meet the seven principles of good governance set out in the CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework

#### APPENDIX B: 2021-22 DRAFT Annual Governance Statement

3. An annual review of the Council's governance arrangements and the subsequent preparation and publication of an Annual Governance Statement (AGS) are statutory requirements by virtue of the Accounts and Audit Regulations (England) 2015.
4. The council's governance arrangements in place during 2021-22 have been reviewed and an Annual Governance Statement has been drafted which shows our governance compliance.
5. Again the start of 2021-22 was another year of challenges and opportunities as a result of the COVID 19 Pandemic, despite this Doncaster Council continues to be well governed and committed to good governance, which is

evident in the draft AGS document (Appendix B), that shows the following:

- **7** key areas of improvement have been completed or have been effectively managed to the extent that they were no longer significant. (Pages 9-10)
  - **1** new significant issues arising from the 2021-22 review of effectiveness of the corporate governance arrangements and including the (Page 6)
  - Updates on the **2** key areas identified during previous years that remain an issue in 2020-21 (Page 7).
6. Last year's AGS contained **9** significant issues and **7** of these have been effectively managed and removed them from the AGS. During this year's process we have identified **1** new areas of significant risk and this have been added. This gives us a total of **3** key areas of focus on our current AGS, a reduction of 6 compared with last year.
7. Please note that this document is the draft AGS and some of the key actions to mitigate the weaknesses identified for 2021-22 will be reviewed; and may be improved upon before the production of the final AGS, which is anticipated to be presented in October 2022 to coincide with the Council's Final Accounts.

#### **EXEMPT REPORT**

8. Not Applicable

#### **RECOMMENDATIONS**

9. The Chair and Members of the Audit Committee are asked to the review and endorse the outline of the draft Annual Governance Statement:
- Prior to it being published for consultation as part of the 2021-22 Council Draft Accounts.

#### **WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?**

10. By ensuring that there is good governance and a sound system of internal controls in place the Council will be able to provide the citizens of Doncaster with services that are provided in accordance with the law and proper standards. It will also ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

#### **BACKGROUND**

#### **APPENDIX A: LOCAL CODE OF CORPORATE GOVERNANCE REVIEW:**

11. The CIPFA/SOLACE 'Delivering Good Governance in Local Government Framework (The Framework) is the commanding guidance for good governance in local authorities. It needs to be followed in order to meet best practice and comply with the requirements of the Accounts and Audit Regulations.
12. The Framework details the principles and sub principles, which underpin the governance of Doncaster Council and provide a structure to assist the authority's approach to governance.

PRINCIPLES	SUB PRINCIPLES
<b>Acting in the public interest requires a commitment to and effective arrangements for :</b>	
A. Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.	Behaving with integrity.
	Demonstrating strong commitment to ethical values.
	Respecting the rule of law.
B. Ensuring openness and comprehensive stakeholder engagement.	Openness
	Engaging comprehensively with institutional stakeholders.
	Engaging with individual citizens and service users effectively.
<b>In addition to the overarching requirements for acting in the public interest in principles A and B, achieving good governance also requires a commitment to and effective arrangements for :</b>	
C. Defining outcomes in terms of sustainable economic, social and environmental benefits.	Defining outcomes.
	Sustainable economic, social and environmental benefits.
D. Determining the interventions necessary to optimise the achievement of the intended outcomes.	Determining interventions.
	Planning interventions.
	Optimising achievement of intended outcomes.
E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.	Developing the entity's capacity.
	Developing the capability of the entity's leadership and other individuals.
F. Managing risks and performance through robust internal control and strong public financial management.	Managing risk.
	Managing performance.
	Robust internal control.
	Managing data.
	Strong public financial management.
G. Implementing good practices in transparency, reporting and audit to deliver effective accountability.	Implementing good practice in transparency.
	Implementing good practices in reporting.
	Assurance and effective accountability.

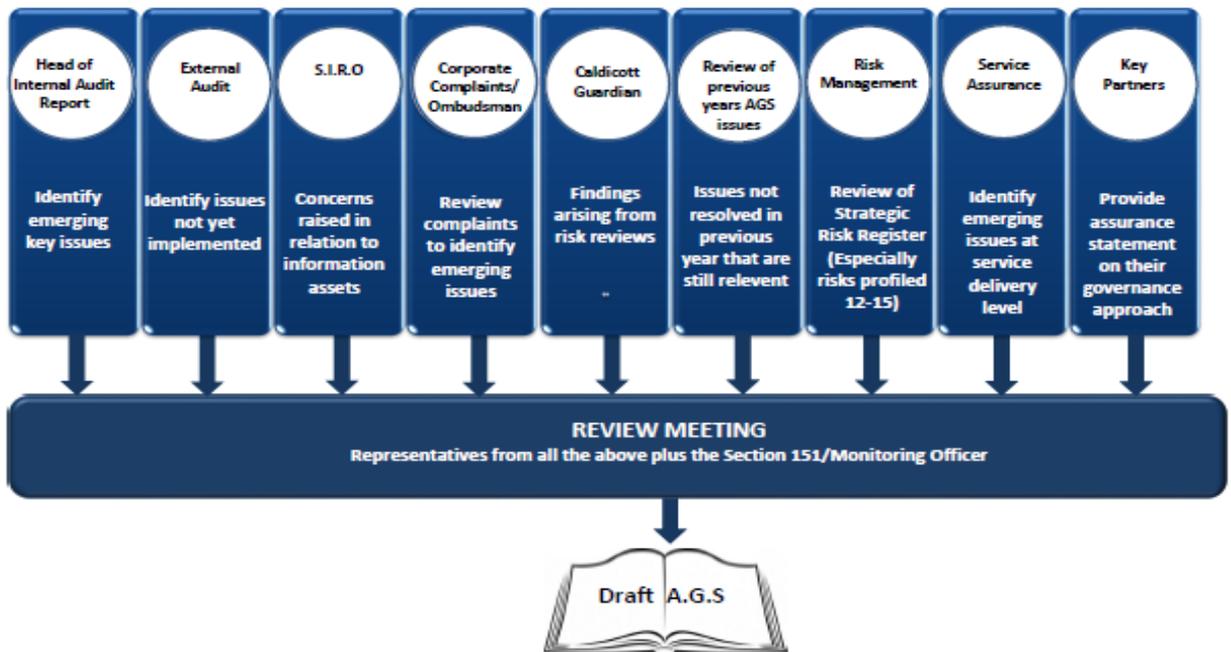
## **APPENDIX B: 2021-22 DRAFT Annual Governance Statement**

13. The Council is required to prepare, approve and publish an Annual Governance Statement (AGS) in accordance with the Accounts and Audit Regulations and professional accounting practice. The Council must ensure that there is good governance and a sound system of internal controls in place.
14. Our simplified process amalgamate a top down and bottom up approach, whilst still maintaining confidence in the process. This process was followed again this year and has helped sustain our continued commitment to

embedding good governance and processes across the Council. Issues identified that make it onto the AGS are reviewed and updated as part of the quarterly resource management cycle and any items that start to be a concern are elevated to the Governance Group. This allows the Council to react to emerging issues and possibly prevent entry onto a future AGS.

15. Pentana continues to be used to record compliance and/or areas for development and to provide updates for the quarterly Resource Management process

16. A review meeting considers relevant information from a diverse range of internal and external sources, as identified in the diagram below. This meeting facilitates the top down bottom up approach that will produce the 2021-22 Annual Governance Statement from the emerging issues.



17. The production of the AGS has been aligned with the production of the Head of Internal Audit report to allow them both to be considered at the same Audit Committee meeting.

18. The AGS document is a valuable means of communication. It enables the Council to explain its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes.

**OPTIONS CONSIDERED**

19. Not Applicable

**REASONS FOR RECOMMENDED OPTION**

20. Not Applicable

## IMPACT ON THE COUNCIL'S KEY OUTCOMES

21.

	<b>Outcomes</b>	<b>Implications</b>
	<b>Connected Council:</b> <ul style="list-style-type: none"><li>• A modern, efficient and flexible workforce</li><li>• Modern, accessible customer interactions</li><li>• Operating within our resources and delivering value for money</li><li>• A co-ordinated, whole person, whole life focus on the needs and aspirations of residents</li><li>• Building community resilience and self-reliance by connecting community assets and strengths</li><li>• Working with our partners and residents to provide effective leadership and governance</li></ul>	The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place

## RISKS AND ASSUMPTIONS

22. The production of an Annual Governance Statement is a statutory requirement. The key risk is that failure to produce a statement to meet this requirement would result in an adverse audit report by the Council's external auditor and damage the Council's reputation. The original risk profile is 16 but by producing the Annual Governance Statement and addressing key corporate issues the risk profile is reduced to 8.

## LEGAL IMPLICATIONS [Officer Initials NC Date 12/3/22]

23. The production and publication of an Annual Governance Statement is a statutory requirement by virtue of Regulation 6(1)(b) of the Accounts and Audit Regulations 2015, following a review of the Council's effectiveness of internal controls in terms of the exercise of its functions, financial and operational management and management of risk. The 2015 Regulations and the Council's Constitution also require the findings of that review to be considered by the Audit Committee.

## FINANCIAL IMPLICATIONS [Officer Initials MS Date 11/04/22]

24. There are no direct financial implications resulting from this report. The individual elements in the AGS will be subject to specific reporting as required.

## HUMAN RESOURCES IMPLICATIONS [Officer Initials SH Date 08/04/22]

25. There are no specific human resources implications resulting from this statement

## TECHNOLOGY IMPLICATIONS [Officer Initials PW Date 12/04/22]

26. There are no specific technology implications arising from this report. As outlined in the draft AGS, key areas of improvement from previous statements around Cyber Attack Business Continuity and Doncaster Integrated People Solution have been completed.

### **HEALTH IMPLICATIONS [Officer Initials RS Date 06/04/2022]**

27. Whilst there are no immediate health implications from the Annual Governance Statement (AGS) effective governance of civil institutions is a key prerequisite for Health and Wellbeing. Decision makers should consider the extent to which the AGS provides this assurance.

### **EQUALITY IMPLICATIONS [Officer Initials SW Date 10/04/2022]**

28. As the Annual Governance Statement draws together a diverse range of activities at a strategic level a due regard statement is not required. All the individual components that make-up the Annual Governance Statement may require a due regard statement to be completed and reported as and when appropriate.

### **CONSULTATION**

29. Throughout this process consultation is undertaken with Heads of service, Assistant Directors, Directors, as well as assurance from key areas of governance and our key partners, which supports the production of the final Annual Governance Statement.

### **BACKGROUND PAPERS**

30. CIPFA/ SOLACE delivering good governance in Local Government Framework  
Accounts and Audit Regulations (England) 2015.  
Local Code of Corporate Governance 2021-22  
2020-21 Annual Governance Statement  
Annual Report of the Head of Internal Audit 2021-22

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