

From: Ben Watts, General Counsel
To: Governance and Audit Committee, 21 July 2022
Subject: Annual Governance Statement
Status: Unrestricted

Recommendation

The Governance and Audit Committee is asked to:

- a) **NOTE** the update on governance activity; and
- b) **APPROVE** the updated timetable for the Annual Governance Statement

1. Introduction

- a) The final version of the Annual Governance Statement for 2020/21 was approved on 30 November 2021 and work has been progressing against the activities and actions identified therein. This report provides an update on some of the ongoing activity that is currently being progressed.
- b) The report also brings Members up to date on the current work on the Annual Governance Statement for 2021/22.

2. Annual Governance Statement Timetable 2021/22

- a) At the last meeting, Members approved a timetable for the Committee in relation to the Annual Governance Statement for 2021/22. The draft version of the last year's Annual Governance Statement came to the Committee in July 2021 alongside the Annual Audit Opinion. This was the first time that it had come to Committee in draft. It has been recommended by officers that the Annual Governance Statement is once again brought to the Committee in draft. Involvement and observations from the Committee were helpful in defining and agreeing the final version of the document.
- b) Members will be aware of the continuing work by Internal Audit in relation to the Lessons Learned Review regarding SEND Transport which is addressed elsewhere on this agenda. As a reasonable result, the annual audit opinion will be brought to the next meeting of the Committee. Members will recall that the formal draft AGS includes reference to the annual audit opinion and draws on content in the annual report.

- c) Members will also be aware of the change to the Council operating model through the introduction of a Chief Executive Officer model by the County Council in May 2022. This has an impact on the planned activity, concerns and governance risks which will result in further papers to County Council in September and October and which are linked to the AGS actions.
- d) It is therefore recommended that the draft Annual Governance Statement is discussed substantively at the next meeting so that Members are sighted on a more developed draft.
- e) As will be discussed elsewhere on the agenda, there is once again likely to be a need for additional meetings in the autumn to transact the business ahead of the Committee. As such, it is not intended that this delay will impact on the timescale for the final version.
- f) As such the proposed timetable would be:
 - a. Initial Discussion of the Draft Annual Governance Statement 2021/22 – September 2022
 - b. Discussion of final draft of Annual Governance Statement 2021/22 – October 2022

3. Annual Governance Statement – Actions Arising Update

- a) The Annual Governance Statement for 2020/21 included a range of activity to be undertaken by the Monitoring Officer and other colleagues. Further to the update provided at the last meeting in April 2022, the proceeding paragraphs include some of the ongoing and recent activity.
- b) **Delegations** – As identified at the last meeting, work has been ongoing to review and check all of the current delegations with services. This action has been compounded by the need to carry out a further review in support of changes occasioned through the introduction of the Chief Executive Officer model. Where necessary, any changes will need the approval of County Council in September, failing which the Monitoring Officer will be able to provide assurance (or identification of non-compliance) as part of the closeout of actions by October 2022.
- c) **Decision Making Deep Dive** – The analysis and work in relation to this have been concluded and a paper will be taken to Selection and Member Services in September 2022. Members of this Committee will be provided with a copy of the paper for completeness.
- d) **Financial Regulations** – The first phase of the work was completed in the updated version of the regulations brought to this Committee in January 2022. Over the summer, the Interim Corporate Director of Finance and the General Counsel will be working on an updated set of regulations to reflect the challenges identified, operating environment and the new governance regime. This will come to the Committee no later than the October meeting.

- e) **Informal Member Groups** – Some initial changes were made to the Constitution in May 2022 but a review of these groups and clarity around their terms of reference, attendance, composition and support will be expressly provided for in paper to County Council in the autumn.
- f) **Information Governance Activity** – Additional reporting is being developed around information governance and will be brought to the Governance and Audit Committee by the General Counsel in his capacity as Data Protection Officer in the autumn given the materiality.
- g) All remaining activity remains on track to be delivered within the agreed time envelope (ie by end October 2022).

4. Annual Governance Statement 2021/22 – Update

- a) Notwithstanding the above comments regarding the draft AGS, the General Counsel (in discussion with the Chief Executive Officer and Corporate Director of Finance) has completed the usual survey and accountability statements for senior officers. The outcome of this will be included in the draft AGS.
- b) At the same time, the General Counsel has conducted an informal governance survey to understand the experience and expertise of officers operating at levels below senior officers. This has proven to be an extremely useful exercise and provides greater granularity than in previous years.
- c) It is important that surveys like this are answered honestly as they provide a window and an opportunity for improvements to be made. As such, and in alignment with the Annual Governance Statement generally, the information will be used to create improvements and changes from a learning perspective.
- d) This year's AGS will follow the direct and candid approach of those in recent years and will reflect the ever more challenging operating and financial environment.
- e) It is important to trail that as with much of the sector, the organisation continues to run very hot and that will be explicitly referenced in the AGS along with the consequences.
- f) The AGS will reference events during 2021/22, including the SEND Transport Re-Tender and the implications for the Council's governance.
- g) Members are invited to make any comments in relation to governance to inform the preparation of the draft AGS ahead of discussion and agreement in the autumn.

5. Recommendations

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- b) **APPROVE** the updated timetable for the Annual Governance Statement

6. Report Author and Relevant Director

Ben Watts, General Counsel
03000 416814
benjamin.watts@kent.gov.uk