

WEST NORTHAMPTONSHIRE COUNCIL AUDIT & GOVERNANCE COMMITTEE

29TH SEPTEMBER 2021

Report Title	Approval of Legacy Councils' Annual Governance Statements
Report Author	Rebecca Smith – Principal Accountant - Rebecca.Smith@westnorthants.gov.uk

Contributors/Checkers/Approvers

West MO	Catherine Whitehead	
West S151	Martin Henry	
Other Director/SME	Audra Statham	

List of Appendices

Appendix 1 – Annual Governance Statement: Northampton Borough Council 2019-20

Appendix 2 – Annual Governance Statement: Northampton Borough Council 2020-21

Appendix 3 - Annual Governance Statement: Daventry District Council 2020-21

Appendix 4 - Annual Governance Statement: South Northamptonshire Council 2020-21

1. Purpose of Report

- 1.1. Following the reorganisation of local government in Northamptonshire on 1 April 2021, West Northamptonshire Council (WNC) took on the closure of the accounts for the legacy authorities, including the approval of the Annual Governance Statements.
- 1.2. This report provides Committee the opportunity to consider the Annual Governance Statement (AGS) for 2019/20 for Northampton Borough Council for approval along with the 2020/21 Annual Governance Statements for Northampton Borough Council (NBC), Daventry District Council (DDC), and South Northamptonshire Council (SNC).

2. Executive Summary

- 2.1. The report sets out the background and reasons for approval of the AGS.
- 2.2. The Council is required to approve the AGS under the Accounts and Audit Regulations 2015 (Statutory Instrument 2015/234).
- 2.3. Each AGS sets out the legacy authority's Governance Framework, Review of Effectiveness, and Progress on Governance Issues identified in the 2019/20 Annual Governance Statement, and the nature of any new Governance Issues identified.
- 2.4. The NBC Annual Governance Statements were prepared by the Governance and Risk Manager of the former NBC. For the 2019/20 NBC AGS there are no issues to note and it presents a positive position for 2019/20 showing improvements in the governance in various aspects. The 2019/20 NBC AGS was noted in draft by NBC
- 2.5. For the 2020/21 NBC AGS there was a downturn in the internal audit opinion from there being an internal audit assessment of a Moderate level of assurance on the adequacy and effectiveness of the organisation's risk management, control and governance processes, to there being a Limited level of assurance for 2020/21. While disappointing, NBC considered this to be reflective of the work completed by BDO (the internal auditors) in several high risk areas at the direction of senior management, who were committed to ensuring that any key issues were identified and rectified prior to the move to unitary.
- 2.6. The DDC AGS was prepared by the former Monitoring Officer of DDC. The annual internal audit report presented a 'Full to Substantial' level of assurance. No new significant governance issues are identified for the legacy authority, although the Annual Governance Statement does refer to the governance risks inherent in the challenges facing West Northamptonshire Council from vesting day.
- 2.7. The SNC AGS was prepared by the former Monitoring Officer of SNC. The overall assessment is positive for 2020/21 and that SNC's governance arrangements are 'fit for purpose'.
- 2.8. The issues highlighted in each of these reports have been taken into consideration when planning the WNC Audit Plan to help improve and manage the Governance arrangements going forward.
- 2.9. The Annual Governance Statement for NCC for 2019-20 has previously been approved and the one for 2020-21 has not been approved yet.

3. Recommendations

- 3.1. It is recommended that the Audit & Governance Committee approves the NBC Annual Governance Statement for 2019/20.
- 3.2. It is recommended that the Audit & Governance Committee approves the NBC Annual Governance Statement for 2020/21.

- 3.3. It is recommended that the Audit & Governance Committee approves the DDC Annual Governance Statement for 2020/21.
- 3.4. It is recommended that the Audit & Governance Committee approves the SNC Annual Governance Statement for 2020/21.
- 3.5. It is recommended that delegated authority is given to the Executive Director – Finance in consultation with the Chair of the Committee to make any further amendments to the respective Annual Governance Statements if required as part of the remaining audit process.

4. Reason for Recommendations

- 4.1 The recommendations are necessary to comply with legislation under the Accounts and Audit Regulations 2015 (Statutory Instrument 2015/234).

5. Report Background

- 5.1. The Annual Governance Statement (AGS) is produced annually in line with the statement of accounts for the same period.
- 5.2. The Annual Governance Statements provides the formal mechanism by which the Council undertakes an annual review of its governance framework in order to provide a balanced reflection of the governance environment.
- 5.3. The Statements summarise the key governance frameworks which has been in place at each legacy authority for the year ended 31 March 2021 and for NBC for the year ended 2019/20 as well, and record any significant governance issues identified.
- 5.4. Each AGS was prepared by appropriately knowledgeable and qualified member of staff from the appropriate legacy authority.
- 5.5. The Annual Governance Statement for each authority must receive specific separate approval in order to comply with the relevant legislation.

6. Issues and Choices

- 6.1. The Committee is asked to approve the legacy Annual Governance Statement for Northampton Borough Council for 2019/20, which will be published alongside their audited 2019/20 Statement of Accounts once the audit is complete.
- 6.2. The Committee is asked to approve the legacy Annual Governance Statements for NBC, DDC and SNC for 2020/21, which will be published alongside their audited 2020/21 Statement of Accounts in accordance with the regulations.

7. Implications (including financial implications)

- 7.1. **Resources and Financial** - There are no resources or financial implications arising from the recommendations set out in this report.
- 7.2. **Legal** - There are no legal implications arising from the recommendations set out in this report. The actions proposed in the report will enable the Council to meet its statutory requirements in respect of approval of the Annual Governance Statement and publication of the legacy Statement of Accounts 2020/21 for the three legacy district councils and, for NBC, the Statement of Accounts 2019/20.
- 7.3. **Risk** - There are no significant risks arising from the proposed recommendations in this report.
- 7.4. **Climate Impact** – There are no direct impact on the climate associated with this report
- 7.5. **Community Impact** - The decisions set out in this report have no impact upon customers or the services that they receive.

8. Background Papers

- 8.1. There is none.