

Warwickshire Joint Audit and Standards Committee Report Summary

Meeting Date: 6th July 2021

Subject: Draft Joint Annual Governance Statement (AGS) 2020-21

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Purpose of the Report:

The Annual Governance Statement (AGS) is attached as a draft document for consideration by the Committee. The document is a key part of the governance arrangements in place at the force and OPCC, given its role in outlining governance process and arrangements, it will continue to be refined up to the point of signature and will be ultimately be included within the 2020-21 Statement of Accounts.

Recommendation:

The Committee are asked to consider the draft joint PCC and Chief Constable AGS document for 2020-21 and provide comments and feedback on its content and suggest any amendments to the document, prior to it being finalised and signed.

Background:

The AGS is intended to provide assurance that the PCC and Chief Constable's governance arrangements properly reflect the control environment and that actions are taken and identified as necessary to improve it.

In previous years separate AGS documents have been produced by the PCC and Warwickshire police. This year, in recognition of the duplication in some areas of previous statements, and to adopt the approach taken by many other forces and PCC's, a joint AGS document has been produced for 2020-21. The document does however, continue to recognise the areas of commonality, but also of difference in governance arrangements across the two separate entities. In summary, the AGS is a statutory document which explains the processes and procedures in place to enable functions to be carried out effectively. The statement is produced following the annual review of the joint corporate governance arrangements, it refers to our work to address the financial management code and also includes any significant governance issues that have been identified.

Executive summary

CIPFA have outlined that the AGS is intended to be a public report and outlines the extent to which the PCC and Chief Constable complies with their own code of governance which is consistent with the good governance principles in the CIPFA framework. The joint corporate governance framework is reviewed annually and is considered by the JASC prior to its approval. The framework and AGS includes:

- how the effectiveness of governance arrangements has been monitored and evaluated in the year
- any planned changes in the coming period.

The AGS should:

- reflect an individual force and PCC's particular features and challenges.
- provide a meaningful but brief communication regarding the review of governance that has taken place including the role of the governance structures involved (such as the PCC, the force, the Joint Audit and Standards Committee and any other Committees or Panels)
- be high level, strategic and written in an open and readable style
- focus on outcomes and value for money, which reference compliance with CIPFA's financial management code and relate to the PCC's and Chief Constables vision for the area.

The AGS should specifically include:

- an acknowledgement of responsibility for ensuring that there is a sound system of governance (including the system of internal control) and refer to the code of governance
- a reference to and assessment of the effectiveness of key elements of the governance framework in supporting planned outcomes and the role of those responsible for its development and maintenance
- an opinion on the level of assurance that the governance arrangements can provide
- actions for dealing with significant governance issues and also indicating how previous actions have been resolved
- a conclusion
- the signature of the PCC, Chief constable and key staff.

It is hoped that this summary of requirements, provides some guidance to Committee members on the requirements and purpose of the AGS, to enable them to feedback informatively on the draft document.

The JASC's key responsibilities in this regard, are outlined fully in their terms of reference and all of the areas outlined within the core responsibility of governance, risk and control apply. However, the responsibility is primarily covered by the requirement to review the Annual Governance Statements prior to approval and consider whether it properly reflects the governance, risk and control environment and supporting assurances and identify any actions required for improvement.

The draft AGS has been prepared predominantly by the Treasurer, and has been reviewed by the Chief Executive and Director of Finance in the force, prior to more formal consideration by the Committee and ultimately sign off by the Chief

Constable and PCC. The document will be kept under review and may be refined up to the point of signature of the Statement of Accounts.