

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	03 October 2024		
TITLE:	Annual Governance Statement 2022/23 and 2023/24		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):	Leader/Finance		
REPORT AUTHOR:	Honor Howell – Corporate Governance Manager		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

PURPOSE OF REPORT/SUMMARY:

The Terms of Reference of the Audit Committee state:

'The main areas of responsibility for the Audit Committee will be to:

- a. Monitor the Council's responsibility under the Accounts and Audit Regulations 2015 and approve the Statement of Accounts*
- b. Review the Council's assurance statements, including the Annual Governance Statement (AGS), to check that it properly reflects the risk environment and any actions required to improve it'.*

This report brings the council's draft Annual Governance Statements (AGS) 2022/23 and 2023/24 to the committee for approval.

The preparation and publication of the AGS is a statutory requirement. The document is a public statement that describes and evaluates the council's overall governance arrangements, in particular how it has complied with its Code of Corporate Governance during a particular financial year. The draft AGS's are attached at Appendix A and Appendix B to this report.

KEY ISSUES

1. CIPFA issue guidance and a template to aid authorities in their work on their AGS; this is used as a framework to complete the documents.
2. Each AGS incorporates an Action Plan, detailing key governance priorities for the following year.
3. Consultation with Executive Directors, Assistant Directors, Service Managers, and Internal Audit has been carried out during the drafting of these documents.
4. External Audit will review the draft report prior to the final version being presented to Audit Committee.

OPTIONS CONSIDERED:

Options do not apply; the council must prepare, approve, and publish an Annual Governance Statement along with the Statement of Accounts each year.

RECOMMENDATIONS:

The Audit Committee is invited to:

- a) Confirm that the Annual Governance Statements 2022/23 and 2023/24 (as attached) properly reflects the risk environment and that actions required to

- improve it are in hand,
- b) Approve the Annual Governance Statement² 2023/23 and 2023/24 (as attached) and confirm that the Chairman of the Audit Committee should sign accordingly.

REASONS FOR RECOMMENDATIONS

For Audit Committee to review, challenge and approve the Annual Governance Statement.

1. Introduction

1.1 The council's Code of Corporate Governance sets out seven core principles of good governance. These focus on the systems and processes for the direction and control of the council and its activities through which it accounts to, engages with and leads the community. These core principles are:

- Principle 1 Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Principle 2 Ensuring openness and comprehensive stakeholder engagement.
- Principle 3 Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- Principle 4 Determining the interventions necessary to optimise the achievement of the intended outcomes.
- Principle 5 Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- Principle 6 Managing risks and performance through robust internal control and strong public financial management.
- Principle 7 Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

1.2 The extent to which the council adheres to these principles is described in the Annual Governance Statement (AGS).

1.3 The preparation and publication of the AGS is a statutory requirement. The AGS is a public statement that describes and evaluates the council's overall governance arrangement during a particular financial year. It includes a self-assessment of the effectiveness of the governance arrangements, across all areas of activity, together with a statement of the actions being taken or required to address any areas of concern.

2. The draft Annual Governance Statements 2022/23 and 2023/24

2.1 The draft AGS for 2022/23 is due to be published alongside the Annual Statement of Accounts. The delay to the publication of this document is due to the current backlogs in the auditing of the council's accounts. For this reason, the Corporate Governance Team are presenting both the 2022/23 and the 2023/24 Annual Governance Statements at the same time.

2.2 A full review of the style, content, and structure of the AGS has been completed by Internal Audit and the council's Monitoring Officer. Links to external documents have been removed. The AGS provides a full and comprehensive review of the council's governance arrangements and provides clear examples of good governance as well as highlighting areas for improvement, where improvements have been identified, these have been included in the Action Plan for that year.

2.3 The development of the draft AGS and the consultation process has engaged Service Managers, Assistant Directors, and Executive Directors. The Monitoring Officer and the Section 151 Officer have made significant contributions in relation to their areas of responsibility.

3. Issues for the committee to consider

3.1 The committee may wish to consider:

- Does the AGS cover all areas of our operations?
- Is it meaningful, easy to read and underpinned by robust evidence?
- Does it accurately reflect our control structure and a sense of its risks, vulnerabilities, and resilience to challenges?
- Has compliance with the Code of Corporate Governance been assessed and have any departures from it been disclosed and explained?

4. Policy Implications

4.1 None.

5. Financial Implications

None.

6. Personnel Implications

None.

7. Statutory Implications

7.1 The adoption of the Annual Governance Statement will be required to comply with the Accounts and Audit Regulations.

8. Equality Opportunity Considerations

None.

9. Risk Management Implications

9.1 The Annual Governance Statement forms part of the council's overall control framework and will provide reasonable assurance once adopted that the council is complying with the adopted Code of Corporate Governance.

Background Papers

CIPFA/SOLACE Framework including Guidance Notes and Addendum
Cabinet/Panel Agenda
Code of Corporate Governance
Council Constitution