

Meeting Name:	Audit, Governance and Standards Committee
Date:	3 June 2024
Report title:	Draft Annual Governance Report 2023-24
Ward(s) or groups affected:	All
Classification:	Open
Reason for lateness (if applicable):	n/a

RECOMMENDATION

1. That the audit, governance and standards committee note the draft Annual Governance Statement (AGS) 2023-24 as attached at Appendix 1.

BACKGROUND INFORMATION

2. The Accounts Audit Regulations 2015 require that the annual governance statement be presented to and approved by an appropriate committee of the council. Under the constitution, the audit, governance and standards committee is the body that formally receives the annual governance statement.
3. The 2015 Regulations require the annual governance statement to accompany the signed and dated accounts and to be approved at the same time as the statement of accounts. It is expected that the accounts and final annual governance statement will be presented to the committee for approval in July or September.
4. Following this approval, the annual governance statement should be signed by the most senior member of the council and most senior officer, who are the leader of the council and the chief executive.

KEY ISSUES FOR CONSIDERATION

5. Every year, each local authority is required by law to conduct a review of the effectiveness of its system of internal control and to publish a statement reporting on the review, the annual governance statement, with its financial statements. The draft statement, this year, has included consideration of the impact on council services of the coronavirus pandemic.
6. The annual governance statement is therefore a mandatory statement that recognises, records and publishes the council's governance arrangements as defined in the CIPFA/SOLACE framework for good governance in local authorities. It reflects how the council conducts its business, both internally and in its dealings with others. Its objective is to provide assurance on the effectiveness of the corporate governance arrangements and to identify

significant governance issues requiring management action.

7. The statement is produced following a review of the council's governance arrangements and system of internal control. The review consists of an evaluation of the council's governance arrangements against the best practice described in the CIPFA guidelines. This includes an assessment of the systems and processes for:
 - establishing the council's principal statutory obligations and organisational objectives and applying the six CIPFA/SOLACE core principles of good governance
 - identifying the principal risks to the achievement of the council's objectives
 - identifying and evaluating key controls to manage the council's principal risks
 - obtaining assurances on the effectiveness of key controls.
8. The assurances on the effectiveness of key controls are obtained throughout the year in the form of internal and external audit and inspection reports, risk management and performance activities. The draft statement has been circulated to the strategic directors for comment.
9. The corporate management team (CMT) is responsible for evaluating assurances and the supporting evidence, and agreeing the final draft of the AGS. In agreeing the final draft AGS, the CMT will consider issues that are of significance and comment on the final draft AGS as appropriate. Issues that are considered 'significant' are those that meet the following criteria:
 - The issue has seriously prejudiced or prevented achievement of a principal objective;
 - The issue has resulted in a need to seek additional funding to allow it to be resolved or has resulted in significant diversion of resources from another aspect of the business;
 - The issue has led to a material impact on the accounts;
 - The audit, governance and standards committee has advised that it should be considered significant for this purpose;
 - The chief audit executive has reported on it as significant in the annual opinion on the internal control environment;
 - The issue, or its impact, has attracted significant public interest or seriously damaged the reputation of the organisation; the issue has resulted in formal action being taken by the section 151 officer and/or monitoring officer.
10. The draft AGS (Appendix 1) is presented to the audit, governance and standards committee for review. It will be brought back to a future audit, governance and standards committee for further consideration and final approval. Subject to this approval, it will need to be signed by the leader of the council and the chief executive.

Policy framework implications

11. There are no policy implications in the proposals in this report.

Community, equalities (including socio-economic) and health impacts

Community impact statement

12. This report is not considered to contain any proposals that would have a significant impact on any particular community or group

Equalities (including socio-economic) impact statement

13. There are no direct equalities implications in the proposals in this report.

Health impact statement

14. There are no direct health implications in the proposals in this report.

Climate change implications

15. There are no direct climate change implications in the proposals in this report.

Resource implications

16. There are no direct resource implications in this report Insert text

Consultation

17. There was no consultation.

BACKGROUND DOCUMENTS

Background Papers	Held At	Contact
None		

APPENDICES

No.	Title
Appendix 1	Draft Annual Governance Statement 2023-24

AUDIT TRAIL

Lead Officer	Tim Jones, Director of Corporate Finance	
Report Author	Geraldine Chadwick	
Version	Final	
Dated	23 May 2024	
Key Decision?	No	
CONSULTATION WITH OTHER OFFICERS / DIRECTORATES / CABINET MEMBER		
Officer Title	Comments Sought	Comments Included
Assistant Chief Executive, Governance and Assurance	No	No
Strategic Director, Finance	No	No
Cabinet Member	No	No
Date final report sent to Constitutional Team	23 May 2024	