

Council Report

Audit Committee Meeting – 28th November 2023

Title

Final Annual Governance Statement 2022/23.

Is this a Key Decision and has it been included on the Forward Plan?

No.

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director, Finance and Customer Services.

Report Author

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Ward(s) Affected

All wards.

Report Summary

On the 7th June 2023 the Audit Committee reviewed the Council's draft Annual Governance Statement (AGS) for the 2022/23 financial year. The draft AGS was published alongside the Council's draft financial statements.

On 26th September 2023 the Committee reviewed the final AGS, which was ready to be published alongside the Council's financial statements. At the time, the external auditors had not concluded their review of the AGS. That review is now complete, and changes have been made to the AGS as a result. Most of these changes relate to the updating of the position around the Council's financial strategy as well as the implementation of actions arising from the inspection of Special Educational Needs and/or Disabilities.

The final AGS is presented here for approval and is attached to this report as Appendix A.

Recommendations

The Audit Committee is asked to:

- Agree the final 2022/23 Annual Governance Statement

List of Appendices Included

Annual Governance Statement 2022/23.

Background Papers

"Delivering Good Governance in Local Government", published by CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) in April 2016.

Audit Committee Report 29th November 2022 "Code of Corporate Governance"

Audit Committee Report 7th June 2023 "Annual Governance Statement 2022/23"

Audit Committee Report 26th September 2023 "Annual Governance Statement 2022/23"

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No.

Council Approval Required

No.

Exempt from the Press and Public

No.

Annual Governance Statement 2022/23

1. Background

- 1.1 The Accounts and Audit Regulations require the Council to produce an Annual Governance Statement (AGS) alongside its Statement of Accounts in each financial year. The AGS is a statutory document which explains the processes and procedures in place to enable the Council to carry out its functions effectively. Local Authorities are required to prepare an AGS to report publicly on the extent to which they comply with their own Local Code of Governance. The draft 2022/23 AGS was published on 31st May 2023 and the final was ready for publication by 30th September 2023.
- 1.2 The Committee will recall that a process to gather assurances and evidence to support the AGS was led by the Corporate Governance Group, chaired by the Strategic Director Finance and Customer Services. The Group included the Head of Internal Audit and the Corporate Improvement and Risk Manager. The AGS has also been reviewed and has received input from the Monitoring Officer.
- 1.3 The assurance and evidence process produced a strong evidence base and enabled the Council to have confidence in the statements that it is making in the AGS.
- 1.4 Although the AGS relates to 2022/23, it must be up to date at the time of publication and must include any planned changes in the coming year. The version of the AGS considered by the Committee on the 26th September included only one change. This related to the publication of the Local Government Association's (LGA) Corporate Peer Challenge on 4th September 2023.
- 1.5 Following the receipt of comments from the External Auditors, there have been a small number of the changes to the AGS. In summary these are:
 - Updating paragraphs 3.18 to 3.31 to ensure that references to the Council's Financial Strategy refer to the most up to date position.
 - Updating paragraphs 4.7 to 4.12 to reflect further progress in the implementation of the recommendations arising from Special Educational Needs and/or Disabilities (SEND) Inspection.
 - The addition of references to the Head of Internal Audit's annual opinion and the role of the Chief Executive and Senior Officers in monitoring standards as key elements of the Council's governance framework in the table at paragraph 2.7.

2. Process to construct the 2022/23 AGS

- 2.1 In constructing the AGS for 2022/23, the Council has assembled sufficient evidence to support the statements that it has made. To achieve this, each Strategic Director was asked to oversee a self-assessment of governance in their Directorate. This comprised the completion of a self-assessment form based on the Principles and Sub-principles in the Code of Corporate Governance by each Assistant Director as well as a review and update of the detailed issues raised in the 2021/22 AGS. Each Strategic Director and Assistant Director was also required to sign a Statement of Assurance which was based on the information arising from their review of current and previous governance issues.
- 2.2 Each Directorate returned the required Statements of Assurance and supporting documents and the Corporate Governance Group has reviewed the evidence

contained in them. Additionally, the Group has considered which issues are of sufficient significance to require reporting in the AGS. The Group then produced the AGS itself, which was reviewed by the Strategic Director Finance and Customer Services, the Chief Executive and the Monitoring Officer.

- 2.3 The AGS outlines the governance arrangements in place throughout the year and how their effectiveness was monitored. The AGS recognises the improvements made in the Council's performance throughout the financial year but also highlights areas for further developments in 2023/24.
- 2.4 The AGS outlines the governance arrangements in place throughout the year and how their effectiveness was monitored.
- 2.6 The Committee are invited to comment on any aspect of the Annual Governance Statement attached to this report at Appendix A.
- 2.7 The AGS will be published alongside the final, audited, financial statements, taking account of any further comments made by the Audit Committee.

3. Options considered and recommended proposal

- 3.1 This paper considers the final AGS for 2022/23. As a result, no specific options have been considered.

4. Consultation on proposal

- 4.1 All Strategic Directors have been asked for their input into the AGS process through the submission of signed Statements of Assurance.
- 4.2 The final AGS has been reviewed by the Strategic Director, Finance and Customer Services and the Chief Executive.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Audit Committee is asked to receive this report at its November 2023 meeting.
- 5.2 The Corporate Governance Group will ensure that the final AGS is published alongside the audited Financial Statements.

6. Financial and Procurement Advice and Implications

- 6.1 There are no direct financial implications other than the requirement to publish the AGS alongside the Council's Annual Financial Statements. There are no procurement issues.

7. Legal Advice and Implications

- 7.1 There are no direct legal implications arising from this report, although it is a statutory requirement for an AGS to be published alongside the Council's Financial Statements. This report endeavours to set out how the Council intends to comply with that requirement.

8. Human Resources Advice and Implications

- 8.1 There are no direct Human Resources implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 Any implications for the Children and Young People's Service and Adults Services are set out in the AGS attached at appendix A.

10. Equalities and Human Rights Advice and Implications

10.1 There are no direct Equalities and Human Rights Implications arising from this report.

11. Implications for Partners

11.1 There are no direct implications for our Partners in this report. The AGS has been constructed following consultation with all Directorates. Individual directorates are responsible for implementing action to respond to weaknesses identified in the AGS.

12. Risks and Mitigation

12.1 The AGS is expected to be completed each year to sit alongside the Financial Statements. The risk of failing to produce an AGS has been considered and, although this is a remote risk resources are in place to ensure that a complete and accurate AGS is delivered on time.

13. Accountable Officer(s)

Judith Badger (*Strategic Director of Finance and Customer Services*)