

# **Review of the Council's Draft Annual Governance Statement 2022/23**

## **Audit & Scrutiny Committee Tuesday, 6 February 2024**

Report of: Head of Legal Services & Monitoring Officer

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Purpose: For decision

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Publication status: Unrestricted

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Wards affected: All

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### **Executive summary:**

The Accounts and Audit (England) Regulations 2015 require the Council to prepare an Annual Governance Statement ('AGS') which must accompany the Statement of Accounts.

A draft AGS for 2022/23 was considered by the Committee on 26<sup>th</sup> September 2023.

Following feedback from the Committee in September 2023, two revisions have been made, in paragraphs 10.4 and 14 to the AGS. In addition, two other changes were made: a new paragraph 16 was added to include changes to legislation and revised wording to paragraph 17, 'the Conclusion'.

**This report supports the Council's priority of:** Building a better Council

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### **Recommendation to Committee:**

To:

- a) approve the Annual Governance Statement 2022-23 (Appendix A) for inclusion in the Statement of Accounts 2022-23.
  - b) approve that the Leader of the Council and Chief Executive sign the Annual Governance Statement 2022-23 and be published with the Council's Statement of Accounts.
  - c) note the Action Plan for 2023/24 and the outstanding actions from 2022/23.
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## **Reason for recommendation:**

To seek Members approval of the Annual Governance Statement for 2022/23 based upon their satisfaction that it is based upon relevant and reliable evidence. The recommendation is being made to ensure that the Council meets its statutory requirements and those of the Committee's Terms of Reference that the Council has in place appropriate corporate governance systems and controls.

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## **Background**

1. The Accounts and Audit (England) Regulations 2015 require the Council to prepare an Annual Governance Statement ('AGS'), which must accompany the Statement of Accounts.
2. A draft Annual Governance Statement for 2022/23 was considered by this Committee on 26<sup>th</sup> September 2023.
3. The Head of Legal and Monitoring Officer together with the Director of Resources (S151 Officer) is responsible for co-ordinating and overseeing the Council's corporate assurance arrangements and preparing the AGS to demonstrate the Council's compliance with the principles of good governance and recommending improvements, to be published in the Council's Annual Statement of Accounts.
4. The AGS is included in Appendix A.

## **Amendments**

5. As a result of the September Committee, amendments have been made to:
  - a) Paragraph 10.4 – Based on the internal audit work undertaken at the Council in 2022/23, the Council received "Limited Assurance" from the Head of Internal Audit. The following paragraph has been added to this paragraph:

"The Annual Report of the Head of Internal Audit for the year ending March 2022/23 provided only 'Limited Assurance' that the system of internal control accorded with proper practice. Several internal audit reports had limited assurance. However, the report provided that "Where weaknesses have been identified through internal audit review, we have worked with management to agree appropriate corrective actions and a timescale for improvement." The report was reported to the Audit & Scrutiny Committee in September 2023"
  - b) Paragraph 14 – the request by Cllr Cooper to include planning statistics from 2022. These have been reflected throughout the paragraphs in 14.

6. Following a further review, amendments have also been made:-
- a) New Paragraph 16 – to cover all the various Bills going through Parliament that would impact the Council.
  - b) Amending the wording in the Conclusion in Paragraph 17 to better reflect the ‘Limited Assurance’ that was given by the Head of Internal Audit. There is also reference to plan of improvements (Appendix B – Action Plan - 2023/24) to strengthen governance arrangements during 2023/24 as well as the outstanding actions from the previous Action Plan 2022/23 (Appendix C).

## **Key implications**

### **Comments of the Chief Finance Officer**

There are no direct financial implications arising from this report. The Annual Governance Statement is a key requirement of the final published Financial Statements. It is therefore vital that we have a relevant statement, signed off by the Leader and Chief Executive that supports the standards of good governance within the Council.

### **Comments of the Head of Legal Services**

The Accounts and Audit Regulations 2015 require councils to undertake an annual review of their governance. The Regulations require that an Annual Governance Statement, prepared to fulfil this requirement, should form part of the Council’s Statement of Accounts. The Regulations also state that the Annual Governance Statement should be prepared in accordance with proper practices. Compliance with the CIPFA guidance fulfils this requirement. The format of the Draft AGS reflects the good practice guidance from CIPFA.

### **Equality**

Under section 149 of the Equality Act 2010, the ‘general duty’ on public authorities is set out as follows:

A public authority must, in the exercise of its functions, have due regard to the need to:

- (a) eliminate discrimination, harassment, victimisation and any other conduct that is prohibited by or under this Act;
- (b) advance equality of opportunity between persons who share a relevant protected characteristic and persons who do not share it; and
- (c) foster good relations between persons who share a relevant protected characteristic and persons who do not share it.

The public-sector equality duty requires the Council to consider how it can positively contribute to the advancement of equality and good relations and demonstrate that it is paying ‘due regard’ in its decision making in the design of policies and in the delivery of services.

The Annual Governance Assurance Statement does not specifically highlight any equality implications, however in discharging their duties Members are required

to comply with the public sector equality duty as set out in Section 149 of the Equality Act 2010.

### **Climate change**

There are no climate change implications arising directly from the proposed policy.

### **Appendices**

Appendix A – Annual Governance Statement

Appendix B – Action Plan 2023/24

Appendix C – Action Plan 2022/23

### **Background papers**

None.

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