

Annual Governance Statement

Date: 25th September 2023

Report of: Chief Officer Financial Services

Report to: Corporate Governance and Audit Committee

Will the decision be open for call in? Yes No

Does the report contain confidential or exempt information? Yes No

Brief summary

This report supports the fulfilment of the Council's statutory duty to review its system of Internal Control, and to produce an annual governance statement.

The Interim Annual Governance Statement was shared with the committee for information prior to the period of public deposit.

Having been updated, the final Annual Governance Statement and Action Plan is now submitted for approval by the Committee.

Recommendations

- a) Corporate Governance and Audit Committee are asked to approve the attached Annual Governance Statement and Action Plan for 2023.

What is this report about?

- 1 The committee's terms of reference include at item 1(b) the approval of the Annual Governance Statement, approved under Regulation 6(2) of the Accounts and Audit Regulations 2015.
- 2 This report seeks approval of the Annual Governance Statement and Action Plan for 2023.

What impact will this proposal have?

- 3 The Annual Governance Statement (the AGS) has been prepared in accordance with proper practice as required by regulation and set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016) (Proper Practice).
- 4 Proper Practice recognises that the AGS is a valuable means of communication. It enables the council to explain to the community, service users, tax payers and other stakeholders its

governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes. It provides that the AGS should

- provide a meaningful but brief communication regarding the review of governance that has taken place, including the role of the governance structures involved
- be high level, strategic and written in an open and readable style
- reflect an individual authority's particular features and challenges
- be focused on outcomes and value for money and relate to the authority's vision for the area
- provide an assessment of the effectiveness of the authority's governance arrangements in supporting the planned outcomes.

- 5 The corporate governance framework and assurance map was received at the July meeting of the committee. This document showed how arrangements in place delivered the principles and commitments set out in the Local Code of Corporate Governance which was adopted in March 2022 and meets the requirements of proper practice.
- 6 The AGS attached at Appendix A has been amended to reflect developments in the control environment since publication of the Interim AGS.
- 7 In addition, the AGS now includes at Annex 2 the Summary Action Plan which has been developed following analysis of the review of internal control, the outcome of the peer review, and consideration of the government's consultation draft Best Value guidance issued by DLUHC. Officers with areas of specialist oversight and expertise have assisted in setting out the actions for improvement in relation to individual control environments in the summary action plan. The plan has been considered and endorsed by the council's Corporate Leadership Team.

How does this proposal impact the three pillars of the Best City Ambition?

Health and Wellbeing

Inclusive Growth

Zero Carbon

- 8 The AGS sets out the way in which the arrangements in place in the council support the delivery of the council's strategic objectives.

What consultation and engagement has taken place?

Wards affected: None

Have ward members been consulted?

Yes

No

- 9 The AGS was developed in consultation with officers with specialist oversight and expertise including the Monitoring Officer and Chief Finance Officer.
- 10 The Interim AGS was shared with the Chief Executive and Directors, and with the Leader of Council and Executive Member for Resources prior to publication.
- 11 The committee received and considered the Interim AGS at the July meeting.
- 12 Together with the accounts and narrative statement, the AGS was placed on public deposit for a period of 30 days during which the public were able to object, inspect and question the local auditor in relation to these documents. Members are advised that no questions or objections were received during this period.
- 13 The proposed action plan has been shared with Corporate Leadership Team who endorse the plan as set out in the attached Annual Governance Statement 2023.

What are the resource implications?

14 This report provides assurance that arrangements in place support the sustainable use of the Council's resources.

What are the key risks and how are they being managed?

15 This report provides assurance that the Council has effective arrangements for the management of risk but recognises that this framework cannot eliminate all risk to the achievement of policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

What are the legal implications?

16 Regulation 3 of the Accounts and Audit Regulations 2015 obliges the council to ensure it has a sound system of internal control which facilitates the effective exercise of its functions and the achievement of its aims and objectives; ensures that the financial and operational management of the authority is effective; and includes effective arrangement for the management of risk.

17 The review of internal control detailed has carried out in accordance with Regulation 6 of the Accounts and Audit Regulations 2015, and proper practice as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice: Delivering Good Governance in Local Government (2016).

Options, timescales and measuring success

What other options were considered?

18 None

How will success be measured?

19 The Council's External Auditors will consider the AGS within their review of the Council's arrangements.

What is the timetable and who will be responsible for implementation?

20 The AGS will be published alongside the Council's audited accounts when these have been approved by Committee.

Appendices

- Appendix A – Annual Governance Statement

Background papers

- None