

Name of Committee:	Audit & Finance Committee		
Committee Date:	25 March 2024		
Report Title:	Annual Governance Statement 2023-24		
Responsible Officer:	Matt Goodwin, Executive Head of Internal Services		
Cabinet Lead:	Cllr Neil Bowdell		
Status:	Non-Exempt		
Urgent Decision:	No	Key Decision:	No
Appendices:	Appendix A – Draft Annual Governance Statement 2023-24		
Background Papers:	CIPFA/SOLACE framework 'Delivering Good Governance in Local Government'		
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Report Number:	HBC/094		

Corporate Priorities:

The governance of the Council's arrangements has an overarching impact on all our corporate priorities and the Council's ability to deliver against them in a timely and controlled way.

Executive Summary:

The CIPFA/SOLACE framework 'Delivering Good Governance in Local Government' urges local authorities to review the effectiveness of their existing governance arrangements against their Local Code of Corporate Governance and prepare a governance statement in order to report publicly on the extent to which they comply with their own code on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.

The draft Annual Governance Statement 2023-24 (AGS) at Appendix A details the governance framework, including the key elements of the Council's governance arrangements, a review of the framework outlining the annual review process and overall opinion, and further improvement areas.

In terms of overall corporate governance, it is the Chief Executive's opinion that the overall governance arrangements of the Council are sound. The Annual Governance Statement is informed by the self-assessment of compliance against the principles of good governance by the Chief Policy Officer, the Annual Governance Questionnaire (a survey made available to all staff), a review and consideration by Statutory Officers and the work of internal audit and external audit. The Annual Governance Statement 2023-24 will be published with the draft Annual Statement of Accounts.

Part of the Audit & Finance Committee's remit is 'to review and approve the Annual Governance Statement and consider whether it properly reflects the risk environment and supporting assurances.

Recommendations:

Members are requested to approve the draft Annual Governance Statement 2023-24

1.0 Introduction

- 1.1 This paper is submitted to Audit & Finance Committee to provide them with an opportunity to make any comments on the Annual Governance Statement.
- 1.2 This approved version will then go forward to the Leader and Chief Executive for final consideration and signature. Once finalised, the AGS shall be included in the draft Statement of Accounts 2023-24.

2.0 Background

- 2.1 Corporate governance comprises the systems and values by which the Council is directed and controlled and through which it is accountable. To demonstrate compliance with the principles of good corporate governance, the Council must ensure that it does the right things and in the right way. The Council must also ensure that this is done in a timely, inclusive, open, honest, and accountable manner.
- 2.2 The Council is responsible for ensuring that its business is conducted in accordance with legal requirements and proper standards and that public money is safeguarded, properly accounted for, and used efficiently and effectively. As part of this responsibility the Council is also responsible for ensuring that there is a sound system of governance and maintaining proper arrangements for the governance of its affairs, which facilitate the effective exercise of its functions, including the management of risk.
- 2.3 The governance framework 'Delivering Governance in Local Government' was produced during 2016 by CIPFA/SOLACE. The framework defines the principles that underpin the governance of each local government organisation. It provides a framework to help individual authorities with their approach to governance. To achieve good governance, each local authority should be able to demonstrate

that its governance structures comply with the principles contained within the framework. The seven core principles are:

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

2.4 The AGS provides narrative against the seven core principles, an update on areas for improvement and proposed improvement areas going forward. The AGS enables the Council to explain to residents and all stakeholders its governance arrangements and the controls that it has in place.

3.0 Options

3.1 The remit of the Audit & Finance Committee is to review and approve the Annual Governance Statement and consider whether it properly reflects the risk environment and supporting assurances.

3.2 The CIPFA/SOLACE Framework, published in 2016, defines the seven core principles of good governance that should be reviewed. The Framework urges local authorities to review the effectiveness of their existing governance arrangements against their Local Code of

Corporate Governance, included within our Constitution, and prepare a governance statement and report compliance on an annual basis.

- 3.3 Failure to produce and report the document would carry the risk that the Council was failing in its duty to evidence that it was operating in accordance with the law and proper standards and that public money is safeguarded and properly accounted for.

4.0 Relationship to the Corporate Strategy

- 4.1 Our Corporate Strategy sets out how the Council strives to improve our services and modernise as well as delivering our aspirations around wellbeing, pride in place and growth.
- 4.2 In order to create a responsive Council and improve our services for both residents and businesses the Council must have sound governance processes in place, and this will allow for Council services that are fit for purpose and fit for the future, while remaining cost effective.

5.0 Conclusion

- 5.1 The AGS is a key governance document that must be reviewed and updated each year. The AGS provides assurance to the Council of governance arrangements in place and that they comply with our own Local Code of Corporate Governance when reviewed against the seven core principles of good governance.
- 5.2 In addition, the AGS provides an update on previous areas for improvement identified in the last AGS and reports on progress as well as identifying further areas for improvement for the upcoming financial year.

6.0 Implications and Comments

6.1 S151 Comments

The Annual Governance Statement is a vital document to capture and present the overall health of the Council's financial and governance structures, processes, and practises. It should give members assurance that the necessary plans, controls, and structure are in place (or being developed) to manage the business of the Council, identifying areas for improvement and the actions planned to achieve this.

Members should content themselves that the Annual Governance Statement presets the appropriate level of information to give the required assurance and that the actions identified provide the confidence that the proposed improvements can be achieved.

6.2 Financial Implications

- None

6.3 Monitoring Officer Comments

The Annual Governance Statement provides assurances over the Council's Governance arrangements, together with identifying areas of future focus and improvement. It is the role of the Audit and Finance to review and approve the Annual Governance Statement and consider whether it properly reflects the adequacy and effectiveness of the Council's governance framework, risk management and controls. Members can be assured that the Council has a sound and robust system of governance in place.

6.4 Legal Implications

- The publication of the AGS details the governance framework, including the key elements of the Council's governance arrangements and is authorised by virtue of The Accounts and Audit Regulations 2015 and the Accounts and Audit (Amendment) Regulations 2021, which require Councils to conduct a review of their governance arrangements at least once a year.

6.5 Equality and Diversity

- None

6.6 Human Resources

- None

6.7 Information Governance

- The AGS includes a statement of the review of effectiveness of governance arrangements by the Senior Information Risk Owner (SIRO)

6.8 Climate and Environment

- The AGS as part of the seven principles of good governance has considered how outcomes are defined in terms of sustainable economic, social, and environmental benefits.

7.0 Risks

7.1 The document is a vital part of ensuring that Council business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively.

8.0 Consultation

8.1 The Annual Governance Statement has been shared with the Executive Leadership Team and updates on progress against actions have been received from relevant Executive Heads.

8.2 The final version will be signed by the Leader and Chief Executive.

9.0 Communications

9.1 Once incorporated into the Annual Statement of Accounts and approved by Audit & Finance Committee the final version will be published on the Council's website.

Agreed and signed off by:		Date:
Cabinet Lead:	Cllr Neil Bowdell	11/03/24

Executive Head:	Matt Goodwin	13/03/24
Monitoring Officer:	Jo McIntosh	14/03/24
Section151 Officer:	Steven Pink	15/03/24