

Audit Committee
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ANNUAL GOVERNANCE STATEMENT 2023/24

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Portfolio: Leader

Ward(s) Affected: None

Purpose of the Report:

To seek approval for the Annual Governance Statement (AGS) for 2023/24, as set out in Appendix A.

Recommendations:

1. To approve the Annual Governance Statement for 2023/24.

1. Summary

- 1.1 The Accounts and Audit (England) Regulations 2015 require the Council to prepare an AGS, which must accompany the Statement of Accounts.
- 1.2 The AGS demonstrates the Council's compliance with the principles of good governance, and the review of effectiveness for 2023/24 concludes that the Council's corporate governance arrangements in place during the year were fit for purpose in accordance with the governance framework.

2. Background

- 2.1 The CIPFA/SOLACE framework "Delivering Good Governance in Local Government" brings together an underlying set of legislative requirements, governance principles and management processes. Crucially, it states that good governance relates to the whole organisation. CIPFA has assigned proper practice to the governance framework. It outlines six core principles of governance focusing on the systems and processes for the direction and control of the organisation and its activities through which it accounts to, engages with and leads the community. The Council has recently updated its Code of Corporate Governance to better align with the CIPFA/SOLACE framework.
- 2.2 The arrangements required for gathering assurances for the preparation of the Annual Governance Statement provide an opportunity for the Council to consider the robustness of our governance arrangements. In doing so, the Council needs to recognise that this is a corporate issue, affecting everyone in the organisation. Furthermore, it is not simply about evidencing compliance, but to highlight what arrangements are in place and the improvements that are necessary to inform stakeholders.
- 2.3 The key sources of assurance which have been used to prepare the Annual Governance Statement are:
 - Performance management information
 - Risk management
 - Legal and regulatory assurances
 - Members' assurances
 - Assurance Statements for key senior officers, reviewed and approved by Directors
 - Financial control assurance
 - Internal audit
 - External audit
- 2.4 The regulations state that the Annual Governance Statement needs to be approved in advance of the relevant authority approving the Statement of Accounts.

3. Current position/findings

Process followed to produce the AGS 2023/24

- 3.1 To identify significant governance challenges to be addressed during 2024/25, several evidence sources were considered including;
- Analysis of responses from Assistant Director to the Managers Assurance Statements which provide a self-assessment of compliance with the Code of Corporate Governance. In addition, the Chief of Staff, the Head of Internal Audit, and the AD - Regulatory have also provided statements in relation to specific role queries. These statements cover the below areas:
 - Procedures;
 - Effectiveness of key controls;
 - Alignment of Services with Business Plan;
 - Human Resources and Finance;
 - Risks and Controls;
 - Health and Safety;
 - Procurement;
 - Insurance;
 - Information Technology;
 - Data Protection and Freedom of Information;
 - Business Continuity;
 - Partnerships; and
 - Equalities.
 - Review of reports on risk, performance and financial monitoring which are received by Cabinet on a quarterly basis.
 - Consideration of risks identified in the Strategic Risk Register.
 - Review of the regular reports received by the Committee from Internal Audit in relation to the framework of governance, risk management and control through review of:
 - The Annual Report and Opinion of the Head of Internal Audit;
 - Internal Audit Progress Reports, which contains the findings and associated recommendations agreed with management to address weaknesses and risks;
 - Reports on the progress made in addressing the findings and recommendations; and
 - Strategic and Annual Internal Audit Plans.
- 3.2 At the time of writing this report, the work on Internal Audit on the 2023/24 internal audit plan is being finalised and the opinion on the framework of governance, risk management and control will be confirmed at the meeting.
- 3.3 The review has highlighted that there are no significant governance issues and governance arrangements are mainly consistent across the Council. However, a number of minor control weaknesses have been identified, as set out in section 5 of the Appendix.

4. Proposed action

- 4.1 The Committee is requested to review the Annual Governance Statement for 2023/24 to ensure that it reflects the reports that have been considered over the past year and that it supports the Committees general understanding of the Council's governance arrangements.
- 4.2 In May 2024, Council agreed to set a new Code of Corporate Governance. For 2024/25, this new Code will be used in the Assurance Statements the ADs complete which will be reflected in the 2024/25 Annual Governance Statement. Quarterly review of Assurance Statements will now be introduced to ensure greater in-year oversight of actions that are put in place to address the minor governance weaknesses identified in section 5 of the Appendix.

5. Issues and risks

- 5.1 **Resource Implications** – any resource requirements are picked up through the completion of the assurance statements.
- 5.2 **Legal Implications** – the Annual Governance Statement is required to be completed as part of the Annual Statement of Accounts and is reported to this Committee for review and sign off.
- 5.3 **Equality Implications** – there are no equality implications as a result of this report. Equalities forms a key part of the assessment of our governance arrangements.
- 5.4 **Environmental Impact** – none.
- 5.5 **Crime and Disorder** – none.
- 5.6 **Risks** – risks are assessed on a regular basis across the organisation. Risks were reviewed as part of the review and development of this AGS.

6 Recommendations

- 1. To approve the Annual Governance Statement for 2023/24.