



**Governance and Audit
Committee**

Tuesday, 26 September 2023

Subject: Annual Governance Statement 2022-23

Report by:

Chief Executive

Contact Officer:

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Officer
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Purpose / Summary:

To present to Members the Annual Governance Statement for 2022-23, for consideration, prior to the Full Council Meeting

RECOMMENDATION

That Members review the updated Annual Governance Statement 2022-23 and provide approval for its inclusion within the 2022-23 Financial Statements.

IMPLICATIONS

Legal: The Annual Governance Statement complies with the Accounts and Audit (England) Regulations 2015. The Annual Governance Statement must be published with the statement of accounts as part of the period of Audit and Inspection, this requirement has been complied with.

Financial: FIN/27/24/PD

There are no financial implications arising from this report. However, the Annual Governance Statement does make reference to the sufficiency of the Annual Finance Settlement received from Central Government.

Staffing: There are no staffing implications arising from this report. However the report does make reference to the Corporate Risk Register which notes the risk of the loss of key staff.

Equality and Diversity including Human Rights:

There are no implications arising from this report.

Data Protection Implications:

There are no implications arising from this report.

Climate Related Risks and Opportunities:

No specific or direct climate related risks and opportunities.

Section 17 Crime and Disorder Considerations:

There are no implications arising from this report.

Health Implications:

There are no implications arising from this report.

Title and Location of any Background Papers used in the preparation of this report :

The Draft Annual Governance Statement Report was considered by the Governance and Audit Committee on 13 June 2023.

Risk Assessment:

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

x

1. Background

- 1.1 The Accounts and Audit (England) Regulations 2015 require every council to agree and publish an Annual Governance Statement (AGS).
- 1.2 The system of corporate governance is the way in which we direct and control our services and functions to ensure that the Council is compliant with legislation and directives, that officers and Members demonstrate good behaviours and the Council makes sound and compliant decisions.
- 1.3 Assurance of governance arrangements involves a process to test the framework and to gain confidence that it is operating as intended and that we are, '...doing the right things, in the right way, for the right people in an open, honest, inclusive and timely manner'. (CIPFA 2007)
- 1.4 The AGS includes a summary of the governance framework and identifies those areas where further action is required to achieve greater assurance.

2. Developing The Annual Governance Statement 2022-23

- 2.1 Sources of information used to develop the AGS include:
 - The Combined Assurance Report 2022-23
 - Internal Audit Annual Report
 - Internal Audit reports
 - The management of Strategic and Service risks
 - External Audit Annual Audit Letter
 - Review of Comments, Compliments and Complaints
 - Consultation results
 - Ombudsman investigations
 - Review of Whistleblowing
 - Annual review of fraud
 - Comments made by the external Auditors.
- 2.2 The draft AGS was considered by the 13 June 2023 Governance and Audit Committee, this was in advance of the receipt of the Annual Internal Audit Opinion, the AGS has been updated to include this information.
- 2.3 The draft AGS was also considered by the Council's Management Team prior to Governance Audit Committee.
- 2.4 Following approval of the Annual Governance Statement by the Governance and Audit Committee both the Leader and Chief Executive will sign the statement prior to publication.

3 The Framework

- 3.1 The Governance Framework follows the seven principles of good governance as set out in CIPFA's "Delivering Good Governance in Local Government Framework" (2016 edition) and is formed by the systems and

processes, standards, policies and activities through which it accounts to, engages with and leads the community.

4. Annual Governance Statement 2022-23

- 4.1 The Annual Governance Statement 2022-23 accompanies this report. Members are asked to consider it, following the earlier consultation.
- 4.2 In the previous draft of the report it was noted that there was no permanent Monitoring Officer in place. A permanent Monitoring Officer has now been appointed and will join the Council on 1 November 2023, A report will be taken to Council on the 6th November 2023 to approve this appointment.
- 4.3 All matters contained within the 2021-22 Annual Governance Statements were deemed completed and closed at the April 2023 Audit Committee.
- 4.4 All the audits completed in year achieved either High or Substantial assurance and the Head of Internal Audit opinion for 2022-23 stated that Governance, Risk, Internal Control and Financial control were all performing well.
- 4.5 The Council has identified three areas for noting within the Annual Governance Statement. These areas are not so much areas for improvement but areas where the Council needs to maintain a watching brief as they are strategic risks to the organisation. The areas are documented below:
- Loss of key staff – ensure that processes are fully documented, succession plans are in place where appropriate, identify activities which are overly reliant on one individual.
 - Financial settlement – continue to update the MTFs as we gain greater certainty on the level of funding for future years.
 - Continue the review of corporate procurement procedures (carried forward from last year). The Council historically has bought in services from Lincolnshire Procurement but due to recruitment issues they can only provide a limited service.
- 4.6 A report will be brought to each Governance and Audit Committee following approval; providing details of actions taken and progress made in addressing these risks.

5. Recommendation

That Members:

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