

OPEN

Audit and Governance Committee

5 December 2024

Annual Governance Statement 2023/24 Progress Update

Report of: Janet Witkowski, Acting Governance, Compliance and Monitoring Officer

Report Reference No: AG/28/24-25

Ward(s) Affected: All Wards

Purpose of Report

- 1 To provide assurance to the Audit and Governance Committee on the progress of actions identified in the 2023/24 draft Annual Governance Statement (AGS) to improve governance arrangements and to respond to emerging issues.
- 2 This report has been prepared in line with the Constitution and the Audit and Governance Committee's Terms of Reference which provide that the committee are to review and approve the Annual Governance Statement.

Executive Summary

- 3 The Council's initial assessment of its governance arrangements for 2023/24 identified eight significant governance issues in the draft AGS. The eight issues comprise five issues that have been included in previous Statements and three emerging issues for 2023/24. The draft 2023/24 AGS was considered by the Committee at the 29 July 2024 meeting.
- 4 The 2023/24 Statement of Accounts is yet to be signed off due to a delay in the external auditors completing their work. As such, an update on progress made since July 2024 in addressing the draft AGS significant governance issues is included at Appendix A for consideration by Members.

- 5 Each significant governance issue identified in the draft 2023/24 AGS has been reviewed and a progress update provided by the relevant responsible officer.
- 6 Progress updates on the eight 2023/24 significant governance issues are provided at Appendix A. Out of the eight significant governance issues, it is recommended that six remain on the AGS. Significant progress has been made with two of the issues and it is recommended that consideration is given to these items being removed from future Statements.

RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Review and approve the updates provided on the significant issues reported in the draft 2023/24 AGS, including the recommendations to the Committee on whether items remain in future Statements.

Background

Progress against items reported in the draft 2023/24 AGS

- 7 The draft 2023/24 AGS was approved by the Audit and Governance Committee in July 2024. This included updated details of previously reported significant governance issues, as well as emerging significant issues recognised for 2023/24 along with the proposed actions for implementation.
- 8 The external auditors are yet to complete their work on the 2023/24 Statement of Accounts and until this work is complete, the AGS for 2023/24 cannot be finalised. Therefore, an update on progress made since July 2024 in addressing the draft AGS significant governance issues is included at Appendix A for consideration by Members.
- 9 Each significant governance issue update has been provided by the relevant responsible officer. In providing the updates, they have considered the assurance provided to determine whether the required action has been completed appropriately, whether the issues are being sufficiently and effectively managed and whether there are further issues or concerns arising.
- 10 These recommendations are summarised in Table 1, with a recommendation to the Committee on whether the issues should be considered as completed/managed and can be monitored via local

monitoring arrangements or if they require further monitoring via the AGS.

Table 1 – Summary of 2023/24 AGS Significant Governance Issues

AGS Item	Responsible Officer	Recommendation to the Committee
Council Funding	Executive Director of Resources, S151 Officer	To note progress but remain as a significant issue.
Health & Social Care Integration	Executive Director of Adults, Health & Integration	As there has been significant progress in this area, it is recommended that consideration is given to whether this item can be removed from future Annual Governance Statements. The outstanding areas for improvement have been captured in the new Partnership Working issue.
ASDV Governance	Governance, Compliance and Monitoring Officer	To note progress but remain as a significant issue.
Planning	Executive Director of Place	As there has been significant progress in this area, it is recommended that consideration is given to whether this item can be removed from future Annual Governance Statements. Future monitoring of compliance in this area will be undertaken by the Executive Director of Place.
Executive and Wider Leadership Team Capacity	Chief Executive	To note progress but remain as a significant issue.

Children's Services Response to Ofsted Inspection	Executive Director of Children's Services	To note update to issue and actions but remain as a significant issue.
Governance and Internal Control	Chief Executive	To note update to issue and actions but remain as a significant issue.
Partnership Working	Assistant Chief Executive and Executive Director of Adults, Health & Integration	To note update to issue and actions but remain as a significant issue.

Consultation and Engagement

- 11 The 2023/24 AGS significant governance issue updates have been provided by the relevant responsible officers. In providing the updates, they have considered the assurance provided to determine whether the required action has been completed appropriately, whether the issues are being sufficiently and effectively managed and whether there are further issues or concerns arising.
- 12 Once the external auditors have completed their work, the proposed final AGS for 2023/24 will be considered by the Risk and Assurance Board and the Corporate Leadership Team to ensure all issues impacting the Council have been considered. The 2023/24 final AGS will then be presented to the Audit and Governance Committee for review and approval alongside the 2023/24 Statement of Accounts.

Reasons for Recommendations

- 13 Under the Accounts and Audit Regulations 2015, local authorities are required to prepare an AGS and to report publicly on the effectiveness of governance and control. The Audit and Governance Committee is responsible for reviewing and approving the AGS.
- 14 The process of preparing the AGS should, in itself add value to the effectiveness of the Council's corporate governance and internal control framework. Good governance enables the Council to better meet the challenges of pursuing its vision, delivering objectives against a background of continued financial pressures, by underpinning that vision with mechanisms for control and management of risk.
- 15 In accordance with best practice, the Audit and Governance Committee should undertake a number of activities to discharge its responsibilities in relation to the AGS including:
 - (a) Ensuring the AGS is underpinned by a framework of assurance.

- (b) Monitoring the implementation of action plans/recommendations to improve governance arrangements.
- (c) Receiving reports and assurances over changes to the governance framework and control environment as they are established.

Other Options Considered

16 None applicable

Option	Impact	Risk
Do nothing.	The AGS is not reviewed and approved by Members of a Council meeting or committee.	Failure to comply with the Accounts and Audit Regulations 2015.

Implications and Comments

Monitoring Officer/Legal

- 17 The production of the Annual Governance Statement is required by Regulation 6(1)(b) of the Accounts and Audit Regulations 2015, which sets out the timescales by which it must be published.
- 18 The Accounts and Audit (Amendment) Regulations 2024 came into force on 30 September 2024 and set the timescales for the publication of the accountability statements.
- 19 For the financial year beginning in 2023, after approving the statement of accounts, the authority must publish its accountability statements on or before the 28 February 2025.
- 20 The Statement of Accounts 2023/24 will be presented to the Audit and Governance Committee following the external auditors completing their work. Therefore, the final 2023/24 AGS will also be presented for approval at the same meeting.
- 21 The preparation of the proposed draft AGS is carried out in accordance with the guidance produced by CIPFA/SOLACE Good Governance Framework.

Section 151 Officer/Finance

- 22 There are no direct financial implications arising from this assurance report to the Committee. The production of the AGS should align with

the production of the Council's Annual Accounts and be published alongside the audited accounts.

Policy

23 There are no direct implications for policy.

Equality, Diversity and Inclusion

24 There are no direct implications for equality, diversity and inclusion.

Human Resources

25 There are no direct implications for human resources.

Risk Management

26 The Council is required to prepare and publish an AGS to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit Regulations 2015. Failure to do so could result in non-compliance with the requirements of the Regulations.

Rural Communities

27 There are no direct implications for rural communities.

Children and Young People including Cared for Children, care leavers and Children with special educational needs and disabilities (SEND)

28 There are no direct implications.

Public Health

29 There are no direct implications for public health.

Climate Change

30 There are no direct implications for climate change.

Access to Information	
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Appendices:	Appendix A – Annual Governance Statement 2023/24 - Progress Update December 2024

Background Papers:	N/A
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