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## **Audit and Governance Committee**

**24 February 2025**

### **Annual Governance Statement 2023/24**

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

**Report Reference No: AG/34/24-25**

**Ward(s) Affected: All Ward Members as this report provides the Council's Annual Governance Statement**

#### **Purpose of Report**

- 1 The purpose of this report is for the Committee to receive the current draft of the Annual Governance Statement (AGS) 2023/24 (Appendix A) for information and assurance. This report supports the Committee's responsibility, as set out in their Terms of Reference "To review and approve the Annual Governance Statement...". The current draft is shared with the Committee for information and assurance on the implementation of actions being taken to manage the significant governance issues which have been identified in earlier drafts.
- 2 The AGS 2023/24 has been updated since the last draft provided to the Committee in December 2025. Appendix B is a summary of the updates made.
- 3 The Committee will be asked to approve a proposed final version of the AGS once the External Auditors are in a position to provide their audit opinion, following completion of their work on the objection to the 2023/24 accounts. We will advise the Committee on the anticipated timescales for this as soon as we are able to do so.

#### **Executive Summary**

- 4 In accordance with the Accounts and Audit Regulations 2015, the AGS should be approved by Members of the Council meeting, or by a committee, at the same time as the Statement of Accounts is approved. The Audit and Governance Committee has delegated authority to

approve the AGS. Until the External Audit opinion is provided, the Committee will not be asked to approve the accountability statements; the Statement of Accounts, Narrative Statement and the Annual Governance Statement.

- 5 The first draft of the Annual Governance Statement 2023/24 was provided to the July 2024 meeting of the Audit and Governance Committee. An updated version was provided to the December 2024 Committee, and the version attached as Appendix A covers additional activity since that meeting. Appendix B summarises the updates made.
- 6 The current draft does not contain any additional significant governance issues arising since the December draft.
- 7 Ahead of the committee being asked to approve a final version of the AGS 2023/24, this draft will be subject to further review, to ensure that any material updates are reflected, so that the Statement is current at the time of signing. As preparation for the Annual Governance Statement 2024/05 begins shortly, we are mindful that there could be elements of duplication between the two statements because of the coverage of the 2023/24 statement.
- 8 Once agreed by Committee, the Statement will be signed by the Leader of the Council and the Chief Executive, and the AGS will accompany the Statement of Accounts and be published on the Council's website

## **RECOMMENDATIONS**

The Audit and Governance Committee is recommended to:

1. Note the latest draft Annual Governance Statement 2023/24 (Appendix A)

## **Background**

- 9 The Council is required to prepare and publish an Annual Governance Statement (AGS). This requirement was introduced by the revised CIPFA/SOLACE Good Governance Framework (Delivering Good Governance in Local Government) and is necessary to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit England Regulations 2015.
- 10 The purpose of the AGS process is to provide a continuous review of the organisation's governance arrangements to give assurance on the effectiveness on the processes and/or to address identified weaknesses, supporting the continuous improvement of the Authority. This report and Appendix A are the results of that review.

- 11 The Council's assessment of its governance arrangements for 2023/24 as presented to the July and December 2024 meetings had already identified three additional significant governance issue to those included in previous years.
- 12 Five previously identified governance issues are included again as continuing areas of concern and have been updated to reflect the progress made to date. One of the five previously identified governance issues has been reviewed and restated to reflect the latest issues and proposed actions to address the challenges.
- 13 Appendix B provides the details of key changes made to the draft AGS since December 2025; progress updates have been provided for all significant governance issues recognised.

### **Consultation and Engagement**

- 14 The draft version of the AGS for 2023/24 has been considered by the Corporate Leadership Team (CLT) and senior managers to ensure all issues impacting the Council have been considered.

### **Reasons for Recommendations**

- 15 The Committee will be asked to approve a proposed final version of the AGS once the External Auditors are in a position to provide their audit opinion, following completion of their work on the objection to the 2023/24 accounts. The current draft is shared with the Committee for information and assurance on the implementation of actions being taken to manage the significant governance issues which have been identified in earlier drafts.

### **Other Options Considered**

- 16 None applicable.

<b>Option</b>	<b>Impact</b>	<b>Risk</b>
Do nothing.	The Annual Governance Statement is not 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. 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.
- 18 For the financial year beginning in 2023, after approving the statement of accounts, the authority should publish its accountability statements on or before the 28 February 2025. As the accountability statements will not be published by the backstop date, the Council will publish an explanation and subject to finalisation of the audit work by EY, aim to publish audited accountability statements as soon as practicable.
- 19 The preparation of the AGS has been carried out in accordance with the guidance produced by the Chartered Institute of Public Finance (CIPFA) "Delivering Good Governance in Local Government (2016)".

### *Section 151 Officer/Finance*

- 20 There are no financial implications. The production of the AGS aligns with the production of the Council's Annual Accounts and is published alongside the audited accounts.

### *Policy*

- 21 There are no direct implications for policy.

### *Equality, Diversity and Inclusion*

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

### *Human Resources*

- 23 There are no direct implications for human resources.

### *Risk Management*

- 24 The Authority is required to prepare and publish an Annual Governance Statement to meet the statutory requirement set out in Regulation 6 of the Accounts and Audit England Regulations 2015. Failure to do so could result in non-compliance with the requirements of the Regulations.

### *Rural Communities*

25 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)*

26 There are no direct implications.

### *Public Health*

27 There are no direct implications for public health.

### *Climate Change*

28 There are no direct implications for climate change.

<b>Access to Information</b>	
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Appendices:	Appendix A – Draft Annual Governance Statement 2023/24 Appendix B – Changes between Draft and Final
Background Papers:	N/A