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## **Audit and Governance Committee**

**7 March 2024**

### **Annual Governance Statement 2022/23**

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**Report of: David Brown, Director of Governance & Compliance**

**Report Reference No: AG/26/23-24**

**Ward(s) Affected: All Wards**

#### **Purpose of Report**

- 1 The purpose of this report is for the Committee to receive and agree the proposed final Annual Governance Statement (AGS) 2022/23 for signature by the Leader of the Council and the Chief Executive. Once approved and signed, the AGS will accompany the Statement of Accounts and be published on the Council's website.

#### **Executive Summary**

- 2 The Council's assessment of its governance arrangements for 2022/23 has identified one additional significant governance issue to those included in previous years.
- 3 One previously identified governance issue has been removed as agreed by the Committee in July 2023. It is also proposed that a further previously identified issue is removed from future statements.
- 4 Finally, the remaining governance issues have been updated to reflect the progress made to date.
- 5 The proposed final AGS for 2022/23 is provided in Appendix A with a list of changes made since the draft AGS was approved in July 2023 provided as Appendix B for ease of reference.

## RECOMMENDATIONS

The Audit and Governance Committee is recommended to:

1. Approve the Annual Governance Statement 2022/23
2. Approve the proposed removal of the Cheshire East Safeguarding Children's Partnership significant issue from future Annual Governance Statements

## Background

- 6 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.
- 7 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.
- 8 The draft AGS was published on the Council's website following the Audit and Governance Committee meeting on 27 July 2023. A small number of changes have been made to that draft document to ensure it is up to date at the time of approval, for example, to reflect additional meetings which have occurred since the draft was published. Details of the changes can be found at Appendix B.
- 9 Updates on items recognised in previous Annual Governance Statements are included in Section 7 of the AGS. These have been further updated in preparing the proposed final Statement and the Response to the Public Interest Report significant issue has been removed as agreed by the Committee in July 2023.
- 10 It is also proposed that the Cheshire East Safeguarding Children's Partnership significant issue is removed from future statements. In June 2023, the Department for Education confirmed that systems and processes are now in place to protect children and the specific JTAI related monitoring is to be stepped down and further practice improvements will be monitored and scrutinised through business-as-usual arrangements.

- 11 No additional items have been included as significant governance issues in updating the AGS from draft to proposed final following the completion of assurance exercises co-ordinated by Internal Audit and reviewed by the Executive Directors.
- 12 Once approved and signed by the Leader and Chief Executive, the AGS will be published on the Council's website, along with the Statement of Accounts, for members of the public, Members, Officers, and other stakeholders to view. Further progress reports on items recognised in the AGS will be provided to the Audit and Governance Committee as part of its work programme.
- 13 Members will be aware that due to delays in external audit completing their work on the financial statements for both 2021/22 and 2022/23, there have been delays in producing the AGS for both years. As a result, there is an element of duplication between the two Statements.

### **Consultation and Engagement**

- 14 The proposed final AGS for 2022/23 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 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.

### **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, which sets out the timescales by which it must be published.
- 18 The Accounts and Audit (Amendment) Regulations 2022 set the timescales for the publication of the draft and final statements as follows:
- (a) Publication of draft statements (Accounts and AGS) reverted to 31 May from 30 September.
  - (b) Publication of final statements (Accounts and AGS) remains at 30th November until up to and including 2027.
- 19 As previously notified to Committee it was not possible to present the final AGS within the deadline as the external auditors had not completed their work on the financial statements. As such, it was necessary to delay the agreement of the AGS to March 2024.
- 20 The preparation of proposed final 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*

- 21 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*

- 22 There are no direct implications for policy.

### *Equality, Diversity and Inclusion*

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

### *Human Resources*

- 24 There are no direct implications for human resources.

### *Risk Management*

- 25 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*

- 26 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)*

- 27 There are no direct implications.

### *Public Health*

- 28 There are no direct implications for public health.

### *Climate Change*

- 29 There are no direct implications for climate change.

<b>Access to Information</b>	
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Appendices:	Appendix A – Annual Governance Statement 2022/23 Appendix B – Changes between Draft and Final
Background Papers:	N/A