

Title of Report	ANNUAL GOVERNANCE STATEMENT 2023-24	
Presented by	Paul Stone Strategic Director of Resources	
Background Papers	Annual Governance Statement 2021/22 and 2022/23 - Audit and Governance Committee 24 April 2024	Public Report: Yes
Financial Implications	There are no financial implications arising from this report.	
	Signed off by the Section 151 Officer: Yes	
Legal Implications	Under Regulation 3 of the Accounts and Audit Regulations 2015, the Council is required to conduct a review of the effectiveness of the system of internal control and as such must prepare an Annual Governance Statement.	
	Signed off by the Monitoring Officer: Yes	
Staffing and Corporate Implications	There are no staffing implications arising from this report.	
	Signed off by the Head of Paid Service: Yes	
Purpose of Report	To present the Annual Governance Statement 2023/24.	
Recommendations	THAT AUDIT COMMITTEE APPROVES THE ANNUAL GOVERNANCE STATEMENT 2023/24.	

1.0 BACKGROUND

- 1.1 Local authorities have a legal responsibility to conduct, at least annually, a review of the effectiveness of their governance framework including their system of internal control. Following the review an Annual Governance Statement (AGS) must be produced, approved and published. Good practice dictates that the document is published alongside the statement of accounts but is considered in its own right.
- 1.2 Under normal circumstances, the Annual Governance Statement (AGS) would be published alongside the Statement of Accounts for the relevant year. However, since the Council has not yet published these accounts, it is beneficial for the Audit and Governance Committee to review the AGS at this time. The AGS will be presented alongside the draft unaudited Statement of Accounts for 2023/24 at a future meeting.

- 1.3 Audit Committee Members are asked to note the findings of the AGS and the actions proposed to further develop or strengthen elements of the Council's governance arrangements, which are outlined in the AGS shown in Appendix 1.
- 1.4 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) issue joint annual guidance on corporate governance which encourages local authorities in going beyond consideration of the internal control environment to look at wider arrangements for supporting sound corporate governance.
- 1.5 The CIPFA/SOLACE guidance - 'Delivering Good Governance in Local Government : Framework (2016)', outlines seven core principles for good governance, with a number of supporting principles. These seven principles are:
- A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law.
 - B. Ensuring openness and comprehensive stakeholder engagement.
 - C. Defining outcomes in terms of sustainable economic, social and environmental benefits.
 - D. Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - E. Developing the Authority's capacity, including the capability of its leadership and the individuals within it.
 - F. Managing risks and performance through robust internal control and strong public financial management.
 - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 1.6 A key element of compiling the Annual Governance Statement is an assessment of the extent to which the Council has adhered to the governance standards set out in its Code, and providing a robust evidence base for this, set out in a transparent way. This is seen in the Statement in the section titled "How we comply with the CIPFA/SOLACE framework" on pages 8-14.
- 1.7 The AGS includes the following sections:
- Background and Scope of Responsibility – this section provides the purpose of the document and outlines the legal requirements for an AGS and its link to the Council's Code of Corporate Governance.
 - The Purpose of the Governance Framework – describes the Council's system of internal control.
 - The Governance Framework – describes how the Council has complied with the principles in its Code of Corporate Governance and includes links to online documents where the reader can access more detailed information.
- 1.8 There were several areas for improvement identified in the review of the AGS 2021/22 and 2022/23 for which updates have been provided.
- 1.9 The review of the 2023/24 AGS has identified further areas for improvement which are set out in the section titled "What are our key governance development priorities for 2024/25?". The Annual Governance Statement is a snapshot document that reflects the governance arrangements, performance, and structure of the Council at a specific point in time. Typically, it is prepared to coincide with the end of the financial year, and it provides a transparent account of the Council's governance policies and practices

over that period. The AGS 2024/25 will demonstrate the progress the Council has made in improving its governance arrangements.

1.10 The final section of the report details the overall opinion and conclusion.

1.11 Following Audit and Governance Committee approval, the final AGS will be published on the Council's website.

Policies and other considerations, as appropriate	
Council Priorities:	- A Well-Run Council
Policy Considerations:	Code of Corporate Governance.
Safeguarding:	None.
Equalities/Diversity:	None.
Customer Impact:	None.
Economic and Social Impact:	None.
Environment, Climate Change and Zero Carbon	None.
Consultation/Community/Tenant Engagement:	None.
Risks:	The AGS is a mandatory requirement for local authorities. Failure to produce an AGS may result in non-compliance with relevant regulations namely the Accounts and Audit Regulations 2015.
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