

Report Reference Number: A/22/2

To: Audit and Governance Committee
Date: 27 July 2022
Status: Non-Key Decision
Ward(s) Affected: All
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Lead Executive Member: Cllr C Lunn, Lead Member for Finance and Resources
Lead Officer: Karen Iveson; Chief Finance Officer (s151)

Title: Draft Annual Governance Statement 2021/22

Summary:

This report presents the draft Annual Governance Statement (AGS) for 2021/22, which forms part of the draft Statement of Accounts. The audited accounts and AGS will be presented to this committee at the meeting in September. The accompanying Action Plan identifies significant control issues which require improvement.

Recommendations:

Subject to comments from the Committee it is recommended that the Draft Annual Governance Statement (AGS) be noted.

Reasons for recommendation

To enable the Committee to consider the draft AGS and proposed actions for monitoring during the coming year.

1. Introduction and background

- 1.1** Good governance is important to all involved in local government; however, it is a key responsibility of the Leader of the Council and of the Chief Executive.
- 1.2** The preparation and publication of an annual governance statement in accordance with the CIPFA/SOLACE Framework was necessary to meet the statutory requirements set out in Regulation 4(2) of the Accounts and Audit Regulations which requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”.

2. The Report

- 2.1** To meet the requirement to review the Annual Governance Statement (AGS) the Draft AGS is set out at Appendix A. This forms part of the draft Statement of Accounts which will be submitted for audit from 31 July 2022. The audited accounts and AGS will be presented to this committee at a future meeting.
- 2.2** The AGS includes an Action Plan which will be subject to half yearly review by the Audit and Governance Committee.
- 2.3** The Action Plan identifies significant control risks or weaknesses which require improvement. Progress against the approved action plan will be monitored by Leadership Team over the year in order to ensure actions are delivered to the agreed deadlines where possible.
- 2.4** Progress on actions associated with performance management were delayed as a result of Covid-19 and latterly local government re-organisation. Whilst no further review of the process will be undertaken, on-going work to improve completion is expected in 2022/23. There are no new actions arising in 2021/22.

3. Alternative Options Considered

Not applicable.

4. Implications

4.1 Legal Implications

None as a direct result of this report.

4.2 Financial Implications

None as a direct result of this report.

4.3 Policy and Risk Implications

Significant control weaknesses present risk for the Council and therefore it is important that agreed actions are implemented.

4.4 Corporate Plan Implications

Ensuring an effective governance and control framework supports the Council in delivery of its 'great value' priority.

4.5 Resource Implications

Resources to deliver the agreed actions are within the approved budget and policy framework.

4.6 Other Implications

There are no other notable implications beyond those set out in the report and associated action plan.

4.7 Equalities Impact Assessment

Not applicable.

5. Conclusion

- 5.1** The AGS and scrutiny of the Action Plan represents progress towards setting the highest Corporate Governance standards and meets the requirements of the Accounts and Audit Regulations.

6. Background Documents

None.

7. Appendices

Appendix A – AGS 2021/22

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