

**TITLE: ANNUAL GOVERNANCE STATEMENT 2023/24 – FIRST DRAFT**

Committee: Audit Committee

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**1.0 Issue**

1.1. Presentation of the first draft of the Annual Governance Statement 2023/24 for further member consultation.

**2.0 Recommendation**

2.1. Members are requested to instruct the Chief Executive to formally consult with members and substitutes of the Committee to enable a final draft to be presented to the next meeting in October 2024.

**3.0 Background/Options**

3.1. The Audit and Account Regulations 2015 requires the Council to produce an Annual Governance Statement (AGS) to accompany the Statement of Accounts. The AGS summarises the extent to which the Council is complying with its Code of Corporate Governance and details, as appropriate, any significant actions needed to improve the governance arrangements in the year ahead. The final statement will be signed by the Chief Executive and the Leader of the Council.

3.2. The AGS is an important statutory requirement which enhances public reporting of governance matters. It should therefore be honest and open, favouring disclosure.

3.3. The draft AGS has been compiled using sources of evidence, including:

- A review of the extent to which the Council has complied with each element of its Code of Corporate Governance;
- Self-assurance statements prepared by Service Leads;
- The Chief Internal Auditor's opinion on the Council's internal control environment, which is formally reported to the Audit Committee as a different agenda item at this evening's meeting.

3.4. The Statement is prepared in accordance with guidance from the Chartered Institute of Public Finance (CIPFA) and the Society of Local Authority Chief Executives (SOLACE). The guidance states that the AGS should include:

## FIRST DRAFT

- The Council’s responsibilities for ensuring a sound system of governance;
- An assessment of the effectiveness of key elements of the governance framework, and the role of those responsible for the development and maintenance of the governance environment;
- An opinion on the level of assurance that the governance arrangements can provide and whether these continue to be regarded as fit for purpose;
- The identification of any significant governance issues, and an agreed action plan showing actions taken, or proposed, to deal with significant governance issues;
- A conclusion demonstrating a commitment to monitoring implementation through the next annual review.

3.5. Although the 2023/24 Annual Governance Statement relates specifically to April 2023 to end March 2024, it also reflects on past and future actions and priorities:

- Appendix 1 (Draft 2023/24 AGS) includes
  - ‘Development in 2023/24’ column detailing in year progress in meeting the agreed principles;
  - ‘Focus and further development for 2024/25 as a footer to each agreed principle outlining priorities in 2024/25 (i.e. the current financial year). Progress against these actions will be reported as part of the 2024/25 AGS.
- Appendix 2 specifically updates on actions included in the 2022/23 AGS.

3.6. The “Review of effectiveness” section seeks to collate the sources of assurance available, including the independent audit opinion and those of other inspection agencies. This also reflects upon the role of the Audit Committee.

### 4.0 Arguments/Conclusion

4.1. Appendix 1 details the first draft of the Annual Governance Statement 2023/24 for member consideration. Consistent with the process introduced by the Chief Executive for the 2021/22 statement, members and substitutes of the Audit Committee will have the opportunity to make individual responses to inform the final draft. A summary of all the comments received will be reported to the Committee together with a response from the Chief Executive. Any comments/input should be sent to the Chief Executive by the week ending 13 September 2024.

### 5.0 Additional Implications Assessment

5.1 In the table below, please put Yes or No in each box:

<b>Financial Implications</b> <b>No</b>	<b>Legal Implications</b> <b>No</b>	<b>Human Resources (HR) Implications</b> <b>No</b>
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**FIRST DRAFT**

<b>Equality Impact Assessment (EIA)</b> <b>No</b>	<b>Carbon Impact Assessment (CIA)</b> <b>No</b>	<b>Data Protection Impact Assessment (DPIA)</b> <b>No</b>
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**6.0 Appendices**

Appendix 1 – Annual Governance Statement 2023/24 – First Draft  
Appendix 2 – Progress Report (AGS 2022/23) – Agreed Actions

**7.0 Background Documents:**

Audit Committee – 5 February 2024

Agenda Item 6 – Annual Governance Statement – Final Draft (2022/23).

