

**REPORT TO:** Audit and Governance Board

**DATE:** 5 July 2023

**REPORTING OFFICER:** Operational Director - Finance

**SUBJECT:** Annual Governance Statement - 2022/23

**PORTFOLIO:** Corporate Services

**WARD(S):** Borough-wide

## **1.0 PURPOSE OF REPORT**

This report presents the draft 2022/23 Annual Governance Statement (AGS) to accompany the 2022/23 statement of accounts. The preparation and publication of an AGS is necessary to meet the statutory requirement set out in regulation 6 of the Accounts and Audit Regulations 2015.

The format of the statement follows the 2016 best practice guidance issued by CIPFA / Society of Local Authority Chief Executives (SOLACE).

## **2.0 RECOMMENDATIONS:**

**The Board is asked to consider and approve the 2022/23 Annual Governance Statement subject to any changes or additions that members feel appropriate.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 The Delivering Good Governance in Local Government: Framework, published by CIPFA / SOLACE, sets the standard for local authority governance in the UK. The Council's AGS for 2022/23 has been developed with reference to this guidance and is attached as an appendix to this report.
- 3.2 The AGS provides an overview of the governance framework that was in place during 2022/23 and up to the date the financial statements are signed off by the Council's external auditor. The document will therefore be reviewed again prior to the meeting of the Board at which the financial statements are approved.
- 3.3 The 2022/23 AGS describes how the Council continues to maintain a robust governance framework and also continually reviews and develops its arrangements to demonstrate good corporate governance. The document also explains how the Council's governance arrangements are underpinned by its risk management arrangements and its systems of internal control, which remain of paramount importance in the very challenging financial environment within which the Council operates.
- 3.4 Assurance for the AGS is taken from a number of sources, which include:
- Leader of the Council and Chief Executive – who sign the AGS to acknowledge their responsibilities

- Senior management
- S151 Officer (Operational Director – Finance)
- Monitoring Officer (Operational Director – Legal and Democratic Services)
- Members – Scrutiny arrangements, Audit and Governance Board, other Regulatory Committees / Boards
- Performance management framework
- Risk management framework
- The work of Internal Audit
- The work of External Audit
- The work of other external inspection agencies

3.5 The Council's Constitution delegates the responsibility to review and approve the AGS to the Audit and Governance Board. As such, the document will be updated if necessary to take into account any feedback from the Board.

3.6 Once approved by the Audit and Governance Board, the AGS will be signed by the Council Leader and Chief Executive who are responsible for ensuring that any significant actions identified to enhance the Council's governance arrangements are addressed.

3.7 The final signed version of the AGS will be published on the Council's website.

#### **4.0 POLICY, FINANCIAL AND OTHER IMPLICATIONS**

4.1 In accordance with the Accounts and Audit Regulations 2015, the Council is required to conduct an annual review of its system of internal control and publish an Annual Governance Statement (AGS) with the annual statement of accounts. The process is a key mechanism for ensuring that the Council has an effective system of internal control and governance, and that any areas for development are identified and addressed.

4.2 The powers and duties of the Audit and Governance Board include responsibility for considering the Council's corporate governance arrangements and agreeing necessary actions to ensure compliance with best practice. The AGS provides a commitment to address the governance challenges identified by the Council.

4.3 There are no direct financial implications arising from this report.

#### **5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES**

##### **5.1 Children and Young People in Halton**

Good governance leads to good management, good performance and good stewardship of public money. It therefore enables the Council to implement its vision in accordance with its values and to engage effectively with its citizens and service users and ensure good outcomes for them.

## 5.2 **Employment, Learning and Skills in Halton**

See 5.1 above

## 5.3 **A Healthy Halton**

See 5.1 above

## 5.4 **A Safer Halton**

See 5.1 above

## 5.5 **Halton's Urban Renewal**

See 5.1 above

## 6.0 **RISK ANALYSIS**

6.1 The AGS provides assurance that the Council has a sound system of risk management, control and governance. The document provides a public statement of how the Council directs and controls its functions and relates to its community.

## 7.0 **EQUALITY AND DIVERSITY ISSUES**

7.1 The Council has to have regard to the elimination of unlawful discrimination and harassment and the promotion of equality under the Equalities Act 2010 and related statutes. Proper governance arrangements will ensure that equality and diversity issues are appropriately addressed.

## 8.0 **CLIMATE CHANGE IMPLICATIONS**

8.1 None arising directly from this report.

## 9.0 **LIST OF BACKGROUND PAPERS UNDER SECTION 100D OF THE LOCAL GOVERNMENT ACT 1972**

Document	Place of Inspection	Contact
CIPFA / SOLACE – Delivering good governance in Local Government: Framework (2016)	Halton Stadium, Widnes	Merv Murphy
CIPFA / SOLACE - Delivering good governance in Local Government: Guidance note for English authorities (2016)		