

**REPORT TO:** Audit and Governance Board

**DATE:** 24 September 2025

**REPORTING OFFICER:** Director of Finance

**SUBJECT:** Annual Governance Statement - 2024/25

**PORTFOLIO:** Corporate Services

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

## **1.0 PURPOSE OF REPORT**

This report presents the 2024/25 Annual Governance Statement (AGS), which will accompany the Council's Statement of Accounts for the same financial period. The preparation and publication of the AGS is a statutory requirement under Regulation 6 of the Accounts and Audit Regulations 2015.

The format and content of the AGS follow the best practice guidance issued jointly by CIPFA and the Society of Local Authority Chief Executives (SOLACE) in 2016, ensuring consistency with national standards and expectations for good governance.

## **2.0 RECOMMENDATION: That subject to any changes or additions which the Board may feel appropriate, the 2024/25 Annual Governance Statement be approved.**

## **3.0 SUPPORTING INFORMATION**

- 3.1 The *Delivering Good Governance in Local Government Framework* published by CIPFA and SOLACE, sets the benchmark for governance standards across UK local authorities. The Council's 2024/25 Annual Governance Statement (AGS) has been prepared with reference to this guidance and is appended to this report.
- 3.2 The AGS describes the governance framework in place during the financial year 2024/25 and up to the date when the financial statements are signed by the external auditor.
- 3.3 The AGS outlines how the Council conducts its business lawfully and in accordance with proper standards, ensuring public funds are safeguarded and appropriately accounted for. It also demonstrates how the Council meets its duty under the Local Government Act 1999 to secure continuous improvement in the delivery of its functions, with regard to economy, efficiency, and effectiveness.
- 3.4 Assurance for the AGS is taken from a number of sources, including:
- Leader of the Council and Chief Executive – who sign the AGS to acknowledge their responsibilities

- Senior management
  - S151 Officer (Director of Finance)
  - Monitoring Officer (Director of Legal Services)
  - Senior Information Risk Owner
  - Elected members – via scrutiny arrangements, Audit and Governance Board, and 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, such as Ofsted and the Care Quality Commission (CQC)
- 3.5 The AGS includes an action plan detailing measures to address governance issues identified through the annual review. It also provides an update on progress made in resolving issues highlighted in the 2023/24 AGS.
- 3.6 Under the Council's Constitution, responsibility for reviewing and approving the AGS is delegated to the Audit and Governance Board. The document will therefore be updated, if necessary, to reflect any feedback received from the Board.
- 3.7 To ensure the AGS remains current at the point of external audit completion, CIPFA recommends that authorities review the draft AGS to identify any necessary updates prior to the finalisation of the audit. Formal approval of the revised version should then be obtained before publication.
- 3.8 In line with CIPFA guidance, the Annual Governance Statement (AGS) does not require updating for issues arising after 31 March 2025 unless they are directly relevant to the 2024/25 financial year. As such, the outcome of the recent CQC inspection of Adult Social Care services and the follow-up from the Corporate Peer Review will be considered for inclusion in the 2025/26 AGS, if deemed applicable.
- 3.9 The draft Annual Governance Statement (AGS) was initially presented to the Audit and Governance Board on 4 June 2024. Since that meeting, the following amendments have been made to the version previously reviewed:
- A reference has been added to the 2024/25 Head of Internal Audit opinion, which was presented to the Board at its meeting on 4 June 2025.
  - A reference has also been included regarding the two statutory recommendations and five key recommendations set out in the Auditor's Annual Report 2023/24, which was reported to the Board on 20 November 2024.

- The action plan arising from the 2024/25 review of the Council's governance arrangements has been updated to explicitly address the Council's responses to the external audit recommendations. Where appropriate, the narrative within the action plan has also been updated to reflect further progress made in addressing the issues identified since the draft AGS was reviewed by the Board.
- In accordance with the approach outlined in paragraph 3.8, references in the action plan to the CQC inspection and Corporate Peer Review follow-up have been removed.

3.10 Once approved by the Audit and Governance Board, the AGS will be signed by the Council Leader and Interim Chief Executive, who are accountable for ensuring that any significant governance issues are addressed appropriately and that effective actions are taken to strengthen the Council's governance framework.

3.11 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 the effectiveness of its system of internal control and to publish an Annual Governance Statement (AGS) alongside the Statement of Accounts. This process is a key mechanism for ensuring that robust governance and control arrangements are in place, and that any areas requiring improvement are identified and addressed.

4.2 The Audit and Governance Board is responsible for overseeing the Council's corporate governance arrangements and for agreeing any actions necessary to ensure alignment with best practice. The AGS is a public document that confirms the Council's commitment to addressing identified governance challenges and driving continuous improvement.

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

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

##### **5.1 Improving Health, Promoting Wellbeing and Supporting Greater Independence**

Good governance is fundamental to effective management, strong performance, and the responsible stewardship of public resources. It enables the Council to deliver its strategic vision in alignment with its core values, engage meaningfully with citizens and service users, and achieve positive outcomes. As such, good governance plays a critical role in advancing all of the Council's priorities and ensuring accountability, transparency, and continuous improvement across its services.

##### **5.2 Building a Strong, Sustainable Local Economy**

See 5.1 above

### **5.3 Supporting Children, Young People and Families**

See 5.1 above

### **5.4 Tackling Inequality and Helping Those Who Are Most In Need**

See 5.1 above

### **5.5 Working Towards a Greener Future**

See 5.1 above

### **5.6 Valuing and Appreciating Halton and Our Community**

See 5.1 above

## **6.0 RISK ANALYSIS**

- 6.1 The Annual Governance Statement (AGS) supports the Council's risk management by providing a structured review of its governance arrangements and identifying any areas of weakness or concern. It enhances transparency and accountability through the inclusion of action plans to address areas for improvement. By offering a clear overview of governance practices and associated risks, the AGS enables more informed decision-making and helps ensure that risks are effectively managed across the organisation.

## **7.0 EQUALITY AND DIVERSITY ISSUES**

- 7.1 The Council is required to have due regard to the elimination of unlawful discrimination and harassment, and the promotion of equality, in accordance with the Equality Act 2010 and related legislation. Robust governance arrangements play a vital role in ensuring that equality and diversity considerations are embedded across the Council's decision-making and service delivery. This helps to ensure that the Council meets its legal obligations and promotes inclusive practices that reflect the needs of all communities.

## **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**

- 9.1 None under the meaning of the Act.