

<b>AUDIT COMMITTEE</b>	<b>AGENDA ITEM No. 9</b>
<b>29 JANUARY 2024</b>	<b>PUBLIC REPORT</b>

Report of:	Cecilie Booth. Executive Director of Corporate Services and s151 Officer Adesuwa Omoregie, Interim Director of Legal and Governance	
Cabinet Member(s) responsible:	Councillor John Howard, Deputy Leader and Cabinet Member for Corporate Governance and Finance	
Contact Officer(s):	Steve Crabtree, Chief Internal Auditor	Tel.

<b>ANNUAL GOVERNANCE STATEMENT REVIEW</b>
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<b>RECOMMENDATIONS</b>	
<b>FROM:</b> Executive Director of Corporate Services and s151 Officer Interim Director of Legal and Governance	<b>Deadline date: 29 January 2024</b>
That Audit Committee:	
<ol style="list-style-type: none"> <li>1. Reviews progress against significant issues included within the 2022 / 2023 Annual Governance Statement; and</li> <li>2. Notes proposals to the production of the 2023 / 2024 Statement.</li> </ol>	

<b>1.</b>	<b>ORIGIN OF REPORT</b>
1.1	This report is submitted to the Audit Committee for the Committee to review progress into improving previous corporate governance gaps identified within the Annual Governance Statement (AGS) together with setting out plans for ongoing updating of the AGS in order that it becomes a live document.
<b>2.</b>	<b>PURPOSE AND REASON FOR REPORT</b>
2.1	The purpose of this report is to request that the Audit Committee considers progress against previously identified corporate governance weaknesses. In line with best practice, the actions are reported through the Corporate Leadership Team (CLT) to ensure buy in / oversight at the top table.
2.2	This report is for the Audit Committee to consider under its Terms of Reference No. 2.2.2.17

<b>3.</b>	<b>TIMESCALES</b>		
	Is this a Major Policy Item/Statutory Plan?	<b>NO</b>	If yes, date for Cabinet meeting
<b>4.</b>	<b>BACKGROUND AND KEY ISSUES</b>		
<b>4.1</b>	<b>Annual Governance Statement</b>		
4.1.1	The Accounts and Audit Regulations require the Council to produce an AGS alongside its Statement of Accounts in each financial year. The AGS is a statutory document, which explains the processes and procedures in place to enable the Council to carry out its functions effectively.		
4.1.2	Ownership of the document is through CLT. The report sets out progress on previous actions as well as future proposals for ongoing updates.		
<b>4.2</b>	<b>Progress On Existing Actions</b>		
4.2.1	The AGS Progress analysis attached at <b>Appendix 1</b> sets out those key actions to be addressed to enhance the governance arrangements across PCC.		
4.2.2	<p>The key points for Member attention are:</p> <ul style="list-style-type: none"> <li>• There has been progress against all significant issues previously reported and there is clear ownership in place for the document and the actions;</li> <li>• Quarterly performance reporting is in place to the CLT to ensure continued delivery; and</li> <li>• Actions have been graded using the RAG ratings utilised as part of the risk registers and also linked to the Strategic Risk Registers.</li> </ul>		
<b>4.3</b>	<b>Proposed Arrangements: AGS 2024</b>		
4.3.1	Audit Committee has expressed a desire to separate the CIA from production of the AGS in order that it can be reviewed by Internal Audit prior to submission to CLT and Audit Committee.		
4.3.2	<p>The AGS is produced following a review of the Council's governance arrangements. The review requires the systems and processes of corporate governance are brought together and reviewed. In this regard. It is proposed that:</p> <ul style="list-style-type: none"> <li>• The Local Code of Governance, which stands as the overall statement of the Council's corporate governance principles and commitments document is reviewed (Legal).</li> <li>• An Annual self-assessment by Heads of Service / Executive Directors (no change). Results are shared with CLT recognising that the process of preparing the AGS should, itself, add value to the effectiveness of the corporate governance and internal control framework.</li> <li>• A separate "Governance Management Group" to meet to discuss and identify emerging governance issues and to produce the draft AGS. This should comprise of key Senior Officers with responsibility for governance – namely from Legal, Finance, Risk Management, Audit, Information Governance and Human Resources. This Group reflects CIPFA / Solace guidance whereby "authorities should nominate an individual / group with appropriate knowledge, expertise and levels of seniority to evaluate the assurances and supporting evidence provided to draft the AGS".</li> <li>• Once the above document has been drafted, it will enable the Chief Internal Auditor the opportunity to review / audit the AGS and to establish whether assurance can be placed on the draft AGS.</li> </ul>		

4.3.3	<p>The proposed timetable for the review process is:</p> <p>January 2024</p> <ul style="list-style-type: none"> <li>● CLT / Audit Committee agree timetable</li> <li>● Membership of Governance Management Group is confirmed.</li> </ul> <p>February – March 2024</p> <ul style="list-style-type: none"> <li>● Review of Local Code of Governance</li> <li>● Governance Management Group meet</li> </ul> <p>April – May 2024</p> <ul style="list-style-type: none"> <li>● Governance assurance from Heads of Service / Executive Directors via a self-assessment questionnaire. Results are fed into the Governance Group</li> <li>● Consideration of external inspection reports</li> </ul> <p>May 2024</p> <ul style="list-style-type: none"> <li>● Governance Group produce first draft of the AGS</li> </ul> <p>June 2024</p> <ul style="list-style-type: none"> <li>● Chief Internal Auditor / Internal Audit review of draft AGS.</li> <li>● Chief Internal Auditor annual audit opinion produced and incorporated into the draft AGS</li> <li>● AGS submitted to CLT</li> </ul> <p>July 2024</p> <ul style="list-style-type: none"> <li>● AGS submitted to Audit Committee</li> </ul>
4.3.4	<p>The timescale for publication of the Statement of Accounts and the AGS now reflect pre-pandemic timelines.</p>
<b>5.</b>	<b>CORPORATE PRIORITIES</b>
5.1	<p>This report relates to:</p> <ol style="list-style-type: none"> <li>1. Sustainable Future City Council <ul style="list-style-type: none"> <li>● How we Work</li> <li>● How we Serve</li> <li>● How we Enable</li> </ul> </li> </ol> <p>Any changes will play a key role in how the Council serves its residents.</p>
<b>6.</b>	<b>CONSULTATION</b>
6.1	<p>Corporate Leadership have been actively involved in the production of the AGS to ensure that full ownership remains.</p>
<b>7.</b>	<b>ANTICIPATED OUTCOMES OR IMPACT</b>
7.1	<p>It is anticipated that this will enable the Committee to have an up to date AGS.</p>
<b>8.</b>	<b>REASON FOR THE RECOMMENDATION</b>

8.1	The Committee is a vital part in agreeing to the AGS that will enable it to be more effective in its understanding of the governance arrangements across PCC. The recommendations allow the Committee the opportunity to comment and note progress.
<b>9.</b>	<b>ALTERNATIVE OPTIONS CONSIDERED</b>
9.1	None
<b>10.</b>	<b>IMPLICATIONS</b>
	<b>Financial Implications</b>
10.1	There are none at this time.
	<b>Legal Implications</b>
10.2	<i>None</i>
	<b>Equalities Implications</b>
10.3	There are none.
<b>11.</b>	<b>BACKGROUND DOCUMENTS</b> Used to prepare this report, in accordance with the Local Government (Access to Information) Act 1985
11.1	None
<b>12.</b>	<b>APPENDICES</b>
12.1	Annual Governance Statement: Progress Against Agreed Actions



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