

Annual Governance Statements 2020/21 to 2022/23

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Corporate Priority:	Ensuring the right conditions to support delivery
Relevant Ward Member(s):	All
Date of consultation with Ward Member(s):	N/A
Exempt Information:	No

1 Summary

- 1.1 This report requests that the Committee note the contents of the Annual Governance Statements (AGS) for the years 2020/21, 2021/22 and 22/23 each being a key component of the Council's governance arrangements. It is a statutory requirement for the Council to approve an AGS alongside its published Statement of Accounts (SoA) for each year. Due to the nationwide delays in external audit of local authority accounts which has impacted the Council, these are again being presented to members, following their initial consideration in each relevant year. These are now being presented as final version for formal sign off with the final audited accounts alongside the auditor's report.

2 Recommendations

That Committee:

- 2.1 **Approve the Annual Governance Statements (AGS) for each of the years 2020/21, 2021/22 and 2022/23, as set out in Appendices A to C of this report.**

3 Reason for Recommendations

- 3.1 This Committee initially considered a draft AGS for each of the years concerned in accordance with the statutory framework which applies to local authority accounts. Since delays have been experienced with the Council's external auditors, these are again presented to allow members the opportunity to consider the content and provide any relevant comments before they consider the external auditor's report and statement of accounts for each year.

4 Background

Annual Governance Statement

- 4.1 The Council is committed to ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for.
- 4.2 The Accounts and Audit (England) Regulations 2015 require the Council to conduct a review at least once a year of the effectiveness of its system of internal control and publish an Annual Governance Statement (AGS) with the Council's financial statements. In discharging this responsibility members and senior officers must put in place proper arrangements (known as the governance framework) for the governance of the Council's affairs and facilitating the effective exercise of its functions. This includes:
- 4.2.1 setting the strategic direction, vision, culture, and values of the Council;
 - 4.2.2 the effective operation of corporate systems, processes and internal controls;
 - 4.2.3 engaging with and leading the community;
 - 4.2.4 monitoring whether strategic priorities and outcomes have been achieved;
 - 4.2.5 ensuring that services are delivered cost-effectively;
 - 4.2.6 maintaining appropriate arrangements for the management of risk; and
 - 4.2.7 ensuring the Council complies with the Statement on the role of the Chief Financial Officer in Local Government.
- 4.3 The purpose of the AGS process is to provide a continuous review of the effectiveness of the Council's internal control and risk management systems, give assurance of their effectiveness and/or produce a management action plan to address identified weaknesses in either process.
- 4.4 CIPFA's proper practice requires the most senior officer (the Chief Executive) and most senior member (the Leader of the Council) to sign the final AGS. Accordingly, they must be satisfied that the document is supported by reliable evidence, accurately reflecting the internal control environment. This emphasises that the document relates to all corporate controls and not just confined to financial issues.

5 Main Considerations

Annual Governance Statement

5.1 The AGS for each year concerned is attached at Appendices A to C, each of which follows a best practice format set out in CIPFA/SOLACE guidance – ‘Delivering Good Governance in Local Government Framework’. The draft AGS for each year was presented to Committee as follows:

- 5.1.1 2020/21, 27 July 2021 - [Agenda for Audit and Standards Committee on Tuesday, 27th July, 2021, 6.30 pm - Melton Borough Council.](#)
- 5.1.2 2021/22, 5 July 2022 - [Agenda for Audit and Standards Committee on Tuesday, 5th July, 2022, 6.30 pm - Melton Borough Council.](#)
- 5.1.3 2022/23, 4 July 2023 - [Agenda for Audit and Standards Committee on Tuesday, 4th July, 2023, 6.30 pm - Melton Borough Council.](#)

5.2 The overall conclusion from each review was that the Council continued to have effective arrangements in place to protect the Council’s interests and promote good governance for each year concerned.

5.3 Members will be aware that there have been nationwide delays in the external audit of local authority accounts for several consecutive years which have impacted this and other Councils. Each AGS is therefore presented to members for them to again consider the content and raise any comments on the content prior to approving them.

6 Options Considered

6.1 The council is required to approve and publish an AGS annually and for that reason, no other options have been considered.

7 Consultation

- 7.1 The Senior Leadership Team were consulted on the detailed documents that underpin the drafting of each AGS, along with the Head of Internal Audit. Comments made by those consulted were incorporated.
- 7.2 The Council’s external auditor has reviewed each AGS as part of the annual audit for each relevant year and any comments are incorporated.

8 Next Steps – Implementation and Communication

8.1 Once approved the Council must publish the AGS for each year concerned, together with the relevant accounts and auditor’s opinion.

9 Financial Implications

9.1 There are no direct financial implications associated with this process.

Financial Implications reviewed by: Director for Corporate Services

10 Legal and Governance Implications

10.1 The Accounts and Audit (England) Regulations 2015 require the Council to review at least once a year the effectiveness of its system of internal control and publish an Annual Governance Statement (AGS) together with the Council’s financial statements.

11 Equality and Safeguarding Implications

11.1 There are no direct implications arising.

12 Community Safety Implications

12.1 There are no direct implications arising.

13 Environmental and Climate Change Implications

13.1 There are no direct implications arising.

14 Other Implications (where significant)

14.1 There are no other implications arising.

15 Risk & Mitigation

15.1 The AGS considers the various risks facing the council as a key piece of information informing the review.

16 Background Papers

16.1 Assurance documents including internal and external audit reports, Director & Management Assurance, ombudsman reports, performance management reports, financial control assurance, risk registers and action plans and other inspection reports.

17 Appendices

17.1 Appendix A – Annual Governance Statement 2020/21

17.2 Appendix B – Annual Governance Statement 2021/22

17.3 Appendix C – Annual Governance Statement 2022/23