



SOUTH
KESTEVEN
DISTRICT
COUNCIL



Governance and Audit Committee

14 June 2023

Report of Councillor Philip Knowles,
Cabinet Member for Corporate
Governance

Draft Annual Governance Statement 2022/23

Report Author

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Purpose of Report

To provide Governance and Audit Committee an opportunity to review the Draft Annual Governance Statement 2022/23, attached at Appendix A, ahead of its inclusion within the Statement of Accounts.

Recommendations

That the Committee considers the contents of the report and provides feedback on the Draft Annual Governance Statement attached at Appendix A.

Decision Information

Does the report contain any exempt or confidential information not for publication? No

What are the relevant corporate priorities? High performing Council

Which wards are impacted? All

1. Implications

- 1.1 Taking into consideration implications relating to finance and procurement, legal and governance, risk and mitigation, health and safety, diversity and inclusion, safeguarding, staffing, community safety, mental health and wellbeing and the impact on the Council's declaration of a climate change emergency, the following implications have been identified:

Finance and Procurement

- 1.2 There are no direct financial implications arising from this report.

Completed by: Richard Wyles, Chief Finance Officer

Legal and Governance

- 1.3 There are no further legal or governance implications that are not already covered in the body of the report.

Completed by: Graham Watts, Assistant Director of Governance and Monitoring Officer

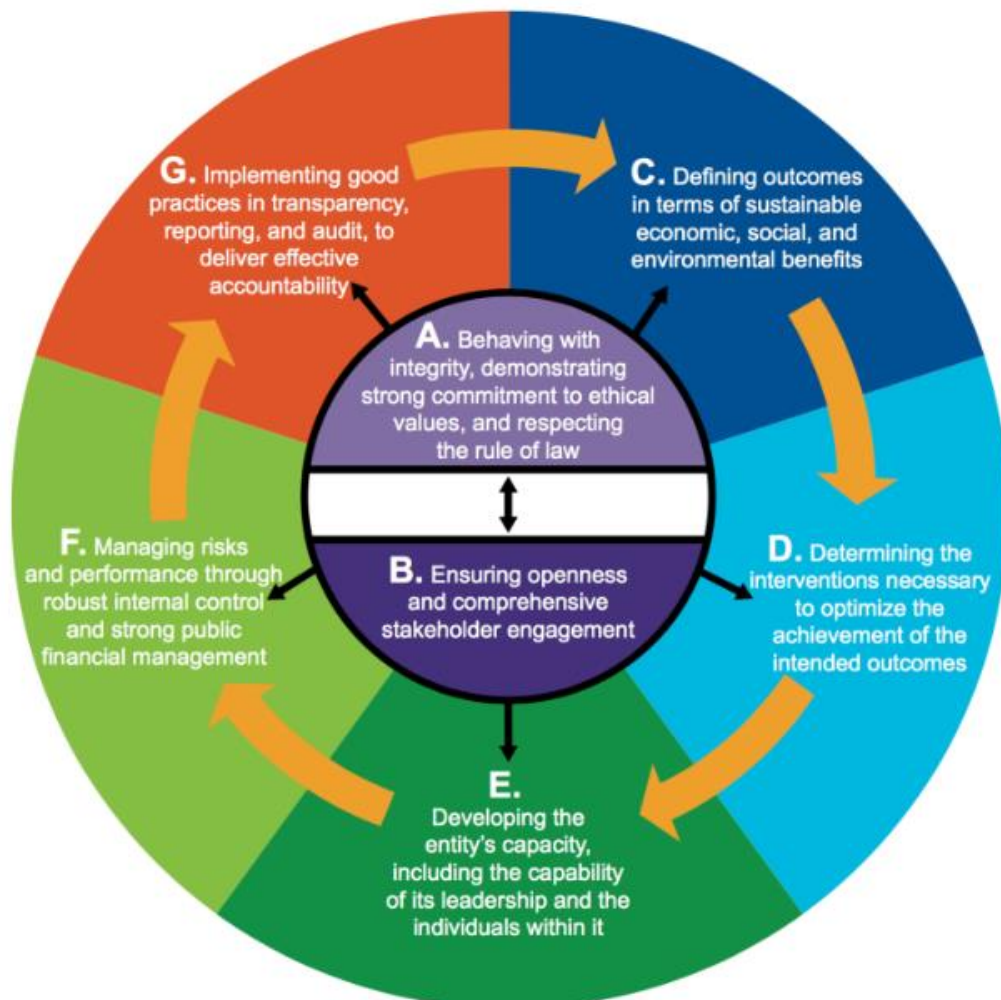
2. Background to the Report

- 2.1 Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 requires an authority to conduct a review of the effectiveness of its systems of internal control and include a statement on the review with any published Statement of Accounts – this is known as the Annual Governance Statement.
- 2.2 On an annual basis the Leader of the Council and the Chief Executive publish an Annual Governance Statement that:
- assesses how the Council has complied with the Local Code of Corporate Governance which has been produced in accordance with the principles and requirements contained within the framework established by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) in the publication, Delivering Good Governance in Local Government Framework (2016 Edition) – further information below in 2.3
 - provides an opinion of the effectiveness of the Council's arrangements
 - provides details of how continual improvement in the systems of governance will be achieved
- 2.3 The 'Delivering Good Governance in Local Government; Framework' sets the standard for local authority governance in the UK. The concept underpinning the

Framework is to support local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The purpose of the Framework is to assist authorities individually in reviewing and accounting for their own unique approach, with the overall aim to ensure that:

- resources are directed in accordance with agreed policy and according to priorities
- there is sound and inclusive decision making
- there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities

2.4 The Framework sets out seven core principles of governance as detailed in the diagram below, and illustrates that good governance is dynamic and involves continuous evaluation and review:



2.5 The Framework is applied when compiling the Annual Governance Statement with the Council providing assurances over its governance arrangements, together with identifying areas of future focus and improvement.

2.6 The Draft Annual Governance Statement, attached at Appendix A, consists of:

- Foreword from the Leader of the Council and the Chief Executive
- Key elements of the Council's Governance Framework 2022/23
- How the Council has complied with the CIPFA/SOLACE Delivering Good Governance in Local Government Framework
- Governance Framework for 2022/23
- Review of Effectiveness – *internal audit opinion and external audit narrative to be included once received*
- Combined Assurance Review – *to be included once work has concluded*
- Follow up on 2021/22 key areas of focus
- Governance key area of focus for 2023/24

2.7 The 'Governance key area of focus for 2023/24' will be the delivery of:

- Comprehensive induction process for newly elected and re-elected Councillors following all-out elections in May 2023
- Scrutiny Review Action Plan
- Local Government Association Corporate Peer Challenge Action Plan

3. Key Considerations

3.1 Members are required to ensure the draft Annual Governance Statement adequately reflects the financial year 2022/23 and that it sufficiently portrays the overall governance framework for the Council.

4. Other Options Considered

4.1 The production of the Annual Governance Statement is a requirement of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015.

5. Reasons for the Recommendations

5.1 The reasons for the recommendation are set out in the report.

6. Appendices

6.1 Appendix A – Draft Annual Governance Statement 2022/23