

Southend-on-Sea City Council

Report of Deputy Executive Director (Finance & Resources)

To

Audit Committee

On

19 July 2023

Report prepared by: Sarah Brown Policy Manager and Andrew Barnes

Head of Internal Audit and Counter Fraud

Agenda
Item No.

8

Adoption of the Annual Governance Statement 2022/23

A Part 1 Public Agenda Item

1 Purpose of Report

- 1.1 To present to Audit Committee the Annual Governance Statement for 2022/23 together with actions planned for 2023/24 and an update on progress made with the 2022/23 action plan.

2 Recommendation

- 2.1 That the Annual Governance Statement for 2022/23, subject to any views expressed by External Audit, be approved and that it is recommended to the Leader of the Council and Chief Executive for authorisation and signature, and incorporation in the Statement of Accounts 2022/23.

3 Annual Governance Statement

- 3.1 The responsibility for ensuring that there is a sound system of internal control rests with the Council. It is required to report on this annually via its Annual Governance Statement which is published within the Statement of Accounts each year.
- 3.2 To achieve this, the Council seeks regular assurance that its systems of internal control are functioning effectively. It also ensures that the system of internal control is effective in managing significant risks in the way that it would expect.
- 3.3 The Council has delegated responsibility for monitoring and reporting on the adequacy and effectiveness of its system of internal control to the Audit Committee.
- 3.4 The Annual Governance Statement is attached at **Appendix 1**.

3.5 In appraising the Annual Governance Statement members of Audit Committee should consider:

- That the Audit Committee has acted in accordance with its terms of reference, that members attendance was regular and that sufficient training and guidance for members was provided to enable them to fulfil their role effectively.
- That the statement reflects the evidence seen by members during the course of their duties and that it reflects their experience in undertaking other roles as Councillors, including as members of Scrutiny Committees.

3.6 The Council approved and adopted the Local Code of Governance (the Code) in December 2019, that is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. The Council's Governance (officer) Board has undertaken a review of the draft Annual Governance Statement against the CIPFA / Solace seven core 'principles of good governance'. The Governance Board will continue to review and update this self-assessment as part of the evidence considered by the group to highlight areas of governance for potential further focus and updated good practice.

4 Corporate Implications

4.1 Contribution to the Corporate Plan and Southend 2050 Road Map

Operating robust and appropriate governance arrangements contributes to the delivery of all Council aims and priorities.

The accuracy, format and content of the Annual Governance Statement and Statement of Accounts are key determinants in maintaining the Council's reputation for financial probity and effective financial stewardship.

4.2 Financial Implications

All officers have been required to adopt robust financial management arrangements within their service areas.

The Annual Governance Statement and Statement of Accounts is required to present a true and fair view of the Council's financial position as at 31 March 2023 and also the income and expenditure for the financial year.

4.3 Legal Implications

The Accounts and Audit Regulations 2015:

- Section 6(1)(a) require an authority, each financial year, to conduct a review of the effectiveness of the system of internal control
- Section 6(1)(b) requires it to prepare an Annual Governance Statement.

Section 6(2) requires the:

- findings of the review to be considered by a committee or by members of the authority meeting as a whole
- annual governance statement to be approved by a committee or by members of the authority meeting as a whole.

Section 6(4) requires that the annual governance statement must be:

- approved in advance of the authority approving the statement of accounts
- prepared in accordance with proper practices in relation to accounts.

Proper practice in this sense is defined as guidance issued by the relevant professional body, which for local government is the CIPFA / SOLACE Framework. This requires local authorities to produce a Local Code of Governance and sets out the operational framework that it should adopt.

Therefore, the work undertaken to support and produce the Annual Governance Statement satisfies the requirements of the Accounts and Audit Regulations 2015.

4.4 People Implications

There are no people implications arising from this report.

4.5 Property Implications

There are no property implications arising from this report.

4.6 Consultation

The AGS has been reviewed and agreed by the Governance Board, Chief Executive and Leader in advance of being reported to the Audit Committee.

4.7 Equalities Impact Assessment

There are no equalities implications arising from this report.

4.8 Risk Assessment

There are no risk implications arising from this report.

4.9 Value for Money

There is no value for money implications arising directly from this report, although the audit of the accounts includes an independent value for money assessment.

4.10 Community Safety Implications

There are no community safety implications arising from this report.

4.11 Environmental Impact

There are no environmental implications arising from this report.

5 Appendices

Appendix 1 Annual Governance Statement 2022/23