

REPORT TO: Audit and Governance Board

DATE: 20 March 2024

REPORTING OFFICER: Operational Director - Finance

SUBJECT: Annual Governance Statement - 2022/23

PORTFOLIO: Corporate Services

WARD(S): Borough-wide

1.0 PURPOSE OF REPORT

This report presents the 2022/23 Annual Governance Statement (AGS) to accompany the 2022/23 statement of accounts. The preparation and publication of an AGS is necessary to meet the statutory requirement set out in regulation 6 of the Accounts and Audit Regulations 2015.

The format of the statement follows the 2016 best practice guidance issued by CIPFA / Society of Local Authority Chief Executives (SOLACE).

2.0 RECOMMENDATIONS: It is recommended that the Board considers and approves the 2022/23 Annual Governance Statement, subject to any changes or additions that members feel appropriate.

3.0 SUPPORTING INFORMATION

- 3.1 The AGS provides a summary of the authority's governance arrangements during 2022/23 and provides an opinion on whether they were fit for purpose. It also identifies any issues with the Council's governance arrangements and sets out how such issues will be addressed.
- 3.2 CIPFA produces guidance for producing the AGS 'Delivering Good Governance in Local Government Framework', and the guidance requires the AGS be current at the point of publication, which is concurrent with the Statement of Accounts.
- 3.3 To ensure the AGS is up to date when the external audit of the financial statements is completed, CIPFA have recommended that authorities review the draft AGS to identify any changes required before the audit is finalised and obtain formal approval for the reviewed version prior to publication.
- 3.4 CIPFA also suggest that updates would be required for any issues emerging after the year end that would have been pertinent to the old year, but not updating for any issues emerging after 31 March 2023, which would fall to be considered in the year to which they relate. As such, the revised version of the AGS does not reflect issues emerging during the 2023/24 financial year. These issues will be addressed in the 2023/24 AGS.

- 3.5 The draft 2022/23 AGS was originally presented to the Board in July 2023. The action plan contained within it has since been reviewed and updated to reflect current progress.
- 3.6 The Council's Constitution delegates the responsibility to review and approve the AGS to the Audit and Governance Board. As such, the document will be updated if necessary to consider any feedback from the Board.
- 3.7 Once approved by the Audit and Governance Board, the AGS will be signed by the Council Leader and Chief Executive who are responsible for ensuring that any significant actions identified to enhance the Council's governance arrangements are addressed.
- 3.8 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 its system of internal control and publish an Annual Governance Statement (AGS) with the annual statement of accounts. The process is a key mechanism for ensuring that the Council has an effective system of internal control and governance, and that any areas for development are identified and addressed.
- 4.2 The powers and duties of the Audit and Governance Board include responsibility for considering the Council's corporate governance arrangements and agreeing necessary actions to ensure compliance with best practice. The AGS provides a commitment to address the governance challenges identified by the Council.
- 4.3 There are no direct financial implications arising from this report.

5.0 IMPLICATIONS FOR THE COUNCIL'S PRIORITIES

5.1 Children and Young People in Halton

Good governance leads to good management, good performance and good stewardship of public money. It therefore enables the Council to implement its vision in accordance with its values and to engage effectively with its citizens and service users and ensure good outcomes for them.

5.2 Employment, Learning and Skills in Halton

See 5.1 above

5.3 A Healthy Halton

See 5.1 above

5.4 A Safer Halton

See 5.1 above

5.5 Halton's Urban Renewal

See 5.1 above

6.0 RISK ANALYSIS

6.1 The AGS provides assurance that the Council has a sound system of risk management, control and governance. The document provides a public statement of how the Council directs and controls its functions and relates to its community.

7.0 EQUALITY AND DIVERSITY ISSUES

7.1 The Council has to have regard to the elimination of unlawful discrimination and harassment and the promotion of equality under the Equalities Act 2010 and related statutes. Proper governance arrangements will ensure that equality and diversity issues are appropriately addressed.

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

Document	Place of Inspection	Contact
CIPFA / SOLACE – Delivering good governance in Local Government: Framework (2016)	Halton Stadium, Widnes	Merv Murphy
CIPFA / SOLACE - Delivering good governance in Local Government: Guidance note for English authorities (2016)		