

REPORT TO:	AUDIT SUB-COMMITTEE	AGENDA ITEM:9
DATE OF MEETING:	21 JUNE 2023	CATEGORY: RECOMMENDED
REPORT FROM:	HEAD OF LEGAL AND DEMOCRATIC SERVICES	OPEN
MEMBERS' CONTACT POINT:	ARDIP SANDHU (01283 595715) ardip.sandhu@southderbyshire.gov.uk	DOC: h/KS/governance/AGS/2022/AGS committee report
SUBJECT:	DRAFT ANNUAL GOVERNANCE STATEMENT 2022-23	REF:
WARD(S) AFFECTED:	ALL	TERMS OF REFERENCE: AS 04

1.0 Recommendations

- 1.1 That the Draft Annual Governance Statement for 2022/23 (**Appendix 1**) is approved for Audit.

2.0 Purpose of Report

- 2.1 To submit the Council's Annual Governance Statement (AGS) for 2022/23 in accordance with the Accounts and Audit Regulations 2003 (as amended).
- 2.2 The document is on draft format and will be subject to updates before and during its review by External Audit. It should be noted although there is a delay in auditing the Council's Accounts and Financial Statements for 2021/22, the AGS must still be signed off by External Audit for 2021/22.

3.0 Detail

Background

- 3.1 Governance is about how South Derbyshire District Council ensures that it does the right things, in the right way, for the right people in a timely, inclusive, open and accountable manner. As such, it comprises the systems, processes, culture and values by which the Council is directed and controlled and through which it accounts to, engages and leads its local community.

Annual Governance Statement (AGS)

- 3.2 The AGS is the formal statement that records and publishes a council's governance arrangements; it is a statutory requirement to publish an AGS on an annual basis.
- 3.3 Guidance issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) states that the production and publication of the AGS, are the final stages of an on-going review of governance and not activities that can be planned and viewed in isolation. Compilation of the AGS involves the Council in:

- reviewing the adequacy of its governance arrangements
- knowing where it needs to improve these arrangements
- communicating to stakeholders how better governance leads to best quality public services

3.4 The proposed AGS as it currently stands for 2022/23 is presented alongside this report. The Statement is overseen by the Council's Monitoring Officer in consultation with the Council's Leadership Team. The AGS has been produced in accordance with the CIPFA guidelines and includes commentary on:

- the governance environment and how this is reviewed to determine its effectiveness; and
- issues of significance that require addressing as part of the review of effectiveness.

Compiling the AGS

3.5 The aim of the AGS is to set out established processes and to reflect on any matters arising during the year. Much of the content of the AGS will already be known and may have been reported and noted elsewhere in other Council report and forums.

3.6 As the governance framework at the Council is relatively well established, the existing AGS is used as the basis of the annual review. The lead officers in compiling and reviewing the AGS are the Council's statutory offices, i.e. the Monitoring and Chief Finance Officers.

3.7 In monitoring the AGS, these officers review policy committee reports and decisions, together with Leadership Team minutes to ensure that any relevant matters are included in the AGS. Any implications arising from internal and external audits are also reviewed.

3.8 Work in other forums such as the Health and Safety Committee, Licensing and Appeals Committee and the Joint Negotiating Group, where potential matters affecting the AGS are reported, are also reviewed. These committees and forums are usually attended by the Monitoring and Chief Finance Officers.

3.9 In addition, investigations that may have been undertaken by the Information Commissioner, Data Protection Registrar and Local Government Ombudsman are also reviewed. Any legal action brought against the Council is also reviewed to determine its impact on the Council's governance arrangements.

3.10 When the draft statement is complete, the Chief Executive, other corporate directors and Heads of Service are consulted and asked to highlight any other matters or to provide additional feedback.

3.11 The final Statement will be published as a stand-alone document alongside the Council's Annual Accounts and Financial Statements for 2022/23. There is currently no timeframe for when this will be achieved due to on-going resource issues being experienced by the Council's External Auditors.

Work Plans

- 3.13 A work plan, considered and approved by the Committee in June 2021, was progressed during 2021/22 to address matters identified to maintain and strengthen the governance environment. These are detailed within the AGS.
- 3.14 The proposed work plan for 2022/23 is also detailed in the AGS. These actions have been identified to maintain robust governance and to ensure arrangements keep abreast of a changing environment. The work programme is summarised in the following table.

Principle	Action
Behaving with Integrity (P1)	A new Model Councillor Code of Conduct, produced by the Local Government Association, was considered, and approved by Annual Council on 18 May 2023.
Demonstrating Ethical Values (P1)	Work is progressing to undertake an employee survey, to obtain feedback on ethics, values, and culture, together with obtaining a check on communications, morale, health, and well-being of staff. It is now planned that the survey will be undertaken in 2023/24.
Workforce Development Strategy (P5)	The Strategy is due to be reviewed in 2023/24.

4.0 Financial Implications

4.1 None

5.0 Corporate Implications

5.1 Corporate governance affects the whole authority and as part of the process, all members of senior management have been consulted and made aware of its contents. Generally, senior managers are briefed at corporate meetings in respect of governance generally, together with the AGS.

5.2 Maintaining good governance underpins delivery of the priorities contained in the Corporate Plan.

6.0 Community Implications

6.1 The AGS is designed to act as a public assurance statement that the Council has a sound system of corporate governance, designed to help deliver services in a proper, inclusive, open and accountable manner.