

## Draft Annual Governance Statement 2022-23

To: Audit & Accounts Committee

Meeting Date: 26<sup>th</sup> May 2023

From: Mairead Claydon, Head of Internal Audit & Risk Management

Outcome: This report presents the draft Annual Governance Statement (AGS) and Action Plan for 2022 - 23 for consideration by Audit & Accounts Committee.

The final version will subsequently be signed off by the Chief Executive and the Leader of the Council and incorporated into the Council's accounts.

Recommendation: Audit & Accounts Committee is requested to consider if the draft AGS at Appendix A is consistent with its own perspective on internal control within the Council and the definition of significant governance and control issues given in paragraph 2.3.

Any suggested amendments can then be actioned in advance of the AGS's presentation inclusion in the Council's Draft Accounts.

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## 1. Background

- 1.1 The Council is required to include an Annual Governance Statement (AGS) as part of the Annual Statement of Accounts. The AGS summarises the extent to which the Council is complying with its Code of Corporate Governance and details, as appropriate, any significant actions needed to improve the governance arrangements in the year ahead. The final statement will be signed by the Chief Executive and the Leader of the Council.
- 1.2 The AGS is an important statutory requirement which enhances public reporting of governance matters. It should therefore be honest and open, favouring disclosure.
- 1.3 The draft AGS is presented to the Audit and Accounts Committee in order to ensure that it reasonably reflects the Committee's knowledge and experience of the Council's governance and control.

## 2. Main Issues

- 2.1 The draft AGS (at Appendix A) has been compiled by officers in Internal Audit and Risk Management based upon the following:
  - A review of the extent to which the Council has complied with each element of its Code of Corporate Governance;
  - A review of the Council's Code of Corporate Governance itself, based on the CIPFA/Solace Delivering Good Governance in Local Government Framework.
  - Self-assurance statements prepared by directors and input from the Cambridgeshire Corporate Leadership Team;
  - The Head of Internal Audit's opinion on the Council's internal control environment, which will also be reported to the Audit & Accounts Committee on 26th May 2023.
- 2.2 The Statement is prepared in accordance with guidance from the Chartered Institute of Public Finance (CIPFA) and the Society of Local Authority Chief Executives (Solace). The key elements identified in the Statement are:
  - The Council's responsibilities for ensuring a sound system of governance;
  - An assessment of the effectiveness of key elements of the governance framework, and the role of those responsible for the development and maintenance of the governance environment;
  - An opinion on the level of assurance that the governance arrangements can provide and whether these continue to be regarded as fit for purpose;
  - The identification of any significant governance issues, and an agreed action plan showing actions taken, or proposed, to deal with significant governance issues;
  - Reference to how issues raised in the previous year's Statement have been resolved;
  - A conclusion demonstrating a commitment to monitoring implementation through the next annual review.
- 2.3 'Significant Governance Issues' are those that:
  - Seriously prejudice or prevent achievement of a principal objective of the authority;

- Have resulted in the need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business;
- Have led to a material impact on the accounts;
- The Audit Committee advises should be considered significant for this purpose;
- The Head of Internal Audit reports on as significant in the annual opinion on the internal control environment;
- Have attracted significant public interest or have seriously damaged the reputation of the organisation;
- Have resulted in formal action being undertaken by the Chief Financial Officer and / or the Monitoring Officer.

### 3. Significant Implications

#### 3.1 Resource Implications

There are no significant implications within this category.

#### 3.2 Procurement/Contractual/Council Contract Procedure Rules Implications

There are no significant implications within this category.

#### 3.3 Statutory, Legal and Risk Implications

The delivery of an Annual Governance Statement is an important statutory requirement which enhances public reporting of governance matters.

#### 3.4 Equality and Diversity Implications

There are no significant implications within this category.

#### 3.5 Engagement and Communications Implications

There are no significant implications within this category.

#### 3.6 Localism and Local Member Involvement

There are no significant implications within this category.

#### 3.7 Public Health Implications

There are no significant implications within this category.

#### 3.8 Climate Change and Environment Implications on Priority Areas (See further guidance in Appendix 2):

##### 3.8.1 Implication 1: Energy efficient, low carbon buildings.

Neutral status

##### 3.8.2 Implication 2: Low carbon transport.

Neutral status

##### 3.8.3 Implication 3: Green spaces, peatland, afforestation, habitats and land management.

Neutral status

##### 3.8.4 Implication 4: Waste Management and Tackling Plastic Pollution.

Neutral status

- 3.8.5 Implication 5: Water use, availability and management:  
Neutral status
- 3.8.6 Implication 6: Air Pollution.  
Neutral status
- 3.8.7 Implication 7: Resilience of our services and infrastructure, and supporting vulnerable people to cope with climate change.  
Neutral status

Have the resource implications been cleared by Finance? N/A

Have the procurement/contractual/ Council Contract Procedure Rules implications been cleared by the Head of Procurement and Commercial? N/A

Has the impact on statutory, legal and risk implications been cleared by the Council's Monitoring Officer or Pathfinder Legal? Yes

Have the equality and diversity implications been cleared by your EqIA Super User?  
N/A

Have any engagement and communication implications been cleared by Communications?  
N/A

Have any localism and Local Member involvement issues been cleared by your Service Contact? N/A

Have any Public Health implications been cleared by Public Health?  
N/A

If a Key decision, have any Climate Change and Environment implications been cleared by the Climate Change Officer?  
N/A

## 4. Source documents

### 4.1 Source documents

Director Assurance Statement Returns  
Cambridgeshire County Council Code of Corporate Governance  
Internal Audit Annual Report

### 4.2 Location

Internal Audit team, New Shire Hall, Alconbury Weald