

Annual Governance Statement 2024-25

To: Audit and Accounts Committee

Meeting Date: 23 July 2025

From: Service Director: Legal and Governance (Monitoring Officer)

Electoral division(s): All

Key decision: No

Forward Plan ref: N/A

Outcome: This report presents the Annual Governance Statement (AGS) for 2024-25 for consideration by the Committee. The AGS will subsequently be signed off by the Chief Executive and the Leader of the Council and incorporated into the Council's accounts.

Recommendation/s: The Audit and Accounts Committee is requested to:

- a) consider whether the draft Annual Governance Statement at Appendix 1 is consistent with the Committee's own perspective on internal control within the organisation and the definition of significant governance and control issues noted in paragraph 2.2 below.
- b) delegate authority to the Service Director (Legal and Governance) and Monitoring Officer to make minor alterations in consultation with the Chair of the Audit and Accounts Committee.

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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.
- 1.4 The draft AGS (at Appendix 1) 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 (with Addendum).
 - 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 was reported to the Audit & Accounts Committee on 4th June 2025.

2. The Annual Governance Statement

- 2.1 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.

2.2 '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. Alignment with ambitions

The Annual Governance Statement is a key part of the Council's Corporate Governance Framework which ensures that the Council makes decisions well consequently it impacts on all of the Strategic Ambitions.

4. Significant Implications

4.1 Resource Implications

Whilst there are no significant implications within this category in terms of impact on resources, the AGS is a key document in ensuring resources are used effectively.

4.2 Procurement/Contractual/Council Contract Procedure Rules Implications

Whilst there is no procurement implication of the decision itself, the AGS impacts on our procurement processes, decisions and compliance as being an area of control.

4.3 Statutory, Legal and Risk Implications

The AGS is a legal requirement as part of the accounts.

4.4 Equality and Diversity Implications

There is no direct impact on EDI, however the AGS ensures compliance with the Council's obligations.

4.5 Engagement and Communications Implications

There is no direct impact on this heading.

4.6 Localism and Local Member Involvement

The decision impacts all wards.

4.7 Public Health Implications
There is no direct impact on this heading.

4.8 Climate Change and Environment Implications on Priority Areas
There is no direct impact on this heading.

5. Source documents guidance

5.1 Director Assurance Statement Returns
Cambridgeshire County Council Code of Corporate Governance

Location: New Shire Hall, Alconbury Weald