

Resources
7 Newington Barrow Way
London N7 7EP

Report of: Corporate Director of Resources

Meeting of	Date	Agenda Item	Ward(s)
Audit Committee	11 July 2023		All

Delete as appropriate		Non-exempt
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Annual Governance Statement 2022/23

1. Synopsis

- 1.1. This report provides the Audit Committee with the council's draft 2022/23 Annual Governance Statement (AGS). In accordance with Regulation 6 of the Accounts and Audit Regulations 2015, the council is required to undertake a review its governance framework and publish an AGS alongside the Statement of Accounts.
- 1.2. The purpose of the AGS process is to provide a continuous review of the council's governance framework, to provide assurance on its effectiveness and, where applicable, produce an action plan to address weaknesses identified. The process of preparing the AGS adds value to the corporate governance and internal control framework.
- 1.3. This report is intended to support the Audit Committee in obtaining assurance that the council has a sound framework of governance, risk management and internal control.

2. Recommendations

- 2.1. To approve the Annual Governance Statement attached at Appendix A.
- 2.2. To authorise the Corporate Director of Resources, in consultation with the Chair of the Audit Committee, to approve minor amendments to the Annual Governance Statement prior to the final signing of the statement of accounts.
- 2.3. To note that officers will report back on any amendments made to the Annual Governance Statement at a subsequent Audit Committee meeting and provide a copy

of any amended version of the Annual Governance Statement for the Committee's information.

3. Background

- 3.1. The production of the AGS has been led by the Deputy Director of Finance – Corporate, with contributions received from key officers across the council, including all corporate directors, internal audit, the Good Governance Group, and Finance, HR and Legal. The Chief Executive and Leader signed the draft AGS following approval by CMB on 6th July 2023. It was published as a draft AGS alongside the draft 2022/23 statement of accounts on the council's website on the 9th July 2023.
- 3.2. Once approved by the Audit Committee, the aim is to publish the final AGS alongside the audited 2022/23 statement of accounts. The statutory deadline for this is 30 September 2023.
- 3.3. The 2022/23 AGS follows the guidelines encompassed in the CIPFA/SOLACE 'Delivering Good Governance in Local Government' framework (2016). The format of the AGS was updated this year, following feedback on the 2021/22 AGS from the Audit Committee, to describe more clearly how the council's governance arrangements align with the key elements of the CIPFA framework. This is set out in Section 2 and Appendix A of the AGS. The aim was to write a more informative and readable AGS than in previous years.
- 3.3 In line with the CIPFA framework, the AGS also describes:
 - significant developments in the year in relation to the council's key governance arrangements (section 2);
 - the processes applied by the council in reviewing the effectiveness its governance arrangements in 2022/23, including details of the sources of assurance used in this review (section 3);
 - significant governance issues identified in this review of effectiveness (section 4);
 - an action plan proposed to address the significant governance issues identified (section 4).
- 3.5 The Governance framework described in the AGS has been in place at the council for the year ended 31 March 2023.
- 3.6 The AGS was shared with the council's external auditors, Grant Thornton, on 1st July 2023, and their feedback was incorporated into the draft AGS published on the council's website on 9th July. The draft AGS will be given to the auditors as part of their audit of the 2022/23 statement of accounts.

4 Implications

Financial Implications:

- 4.5 A sound system of internal controls forms a significant part of the governance framework and is essential to underpin the effective use of resources.

Legal Implications:

- 4.6 Regulation 6 of the Accounts and Audit Regulations 2015 requires the Council to conduct an annual review of its system of internal control and, following the review, the Council must approve an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control, before approving the statement of accounts.

Environmental Implications and contribution to net zero carbon by 2030.

- 4.7 There are no environmental impacts arising from this report.

Resident Impact Assessment

- 4.8 The council must, in the exercise of its functions, have due regard to the need to eliminate discrimination, harassment and victimisation, and to advance equality of opportunity, and foster good relations, between those who share a relevant protected characteristic and those who do not share it (section 149 Equality Act 2010). The council has a duty to have due regard to the need to remove or minimise disadvantages, take steps to meet needs, in particular steps to take account of disabled persons' disabilities, and encourage people to participate in public life. The council must have due regard to the need to tackle prejudice and promote understanding.
- 4.9 A resident impact assessment has not been carried out since the contents of this report relate to a purely administrative function and there are no direct impacts on residents.

5 Conclusion and reasons for recommendations:

- 5.8 An approved Annual Governance Statement is a regulatory requirement and underpins good governance.

Appendices:

Appendix A 2022/23 Annual Governance Statement

Background papers:

None

Final Report Clearance:

Signed by:

Corporate Director of Resources

Date

Received by:

Head of Democratic Services

Date

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