

Report of: Corporate Director of Resources

Meeting of: Audit and Risk Committee

Date: 21 May 2024

Ward(s): None

Subject: Draft Unaudited 2023/24 Annual Governance Statement

1. Synopsis

- 1.1. This report provides Audit & Risk Committee with the council's draft unaudited 2023/24 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 as part of 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 identified weaknesses. 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 CMT in obtaining assurance that the council has a sound framework of governance, risk management and internal control.

2. Recommendations

- 2.1. To approve the draft unaudited 2023/24 Annual Governance Statement attached at Appendix A.
- 2.2. To authorise the Corporate Director of Resources to approve minor amendments to the draft unaudited Annual Governance Statement prior to its publication alongside the unaudited Statement of Accounts on 31 May 2024.

- 2.3. To note that the Leader and Chief Executive will be asked to provide their signatures for the final unaudited 2023/24 Annual Governance Statement.
- 2.4. To note that officers will report back on any amendments made to the Annual Governance Statement at a future meeting and provide a post audit version of the Annual Governance Statement for approval.

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 former Good Governance Group, Finance, Human Resources and Legal. The Chief Executive and Leader will sign the unaudited version of the AGS following approval by CMT and Audit Committee.
- 3.2. The draft AGS will be reported to Audit Committee on 21 May 2024. The next stage following that will be the publishing of the unaudited AGS alongside the unaudited 2023/24 Statement of Accounts on the council's website by 31 May 2024.
- 3.3. The target is to publish the audited AGS alongside the audited 2023/24 Statement of Accounts by the statutory deadline of 30 September 2024.
- 3.4. The 2023/24 AGS follows the guidelines encompassed in the CIPFA/SOLACE 'Delivering Good Governance in Local Government' framework (2016). The format of the AGS was updated last year, following feedback from Audit Committee, to describe more clearly how the council's governance arrangements align with the key elements of the framework. This is set out in Section 2 and Appendix A of the AGS. A review of the 2022/23 AGS governance issues action plan was carried out to inform the 2023-24 AGS.
- 3.5. In line with the framework, the AGS also includes:
 - 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 2023/24, 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).
- 3.6. The governance framework described in the AGS has been in place at the council for the year ended 31 March 2024.
- 3.5. The AGS will be relayed to the council's new external auditors, KPMG, as part of their audit of the 2023/24 Statement of Accounts and AGS.

- 3.6 The Head of Internal Audit opinion was provided in early May 2024 - moderate assurance opinion for 2023/24 is stated in the draft AGS.
- 3.7 Every four years Islington is scheduled to receive an ILACS (Inspecting Local Authority Children’s Services), which last took place in March 2020, therefore Islington Children’s Service is preparing for an imminent inspection. Currently Islington Children’s services are judged to be outstanding, so are therefore expecting a short inspection. HMIP (His Majesty’s Inspectorate of Probation) will be undertaking an inspection in May 2024 of youth justice services in Islington, the last inspection took place in 2016.
- 3.8 Ofsted results show 19 (28%) out of 67 schools in Islington as having an outstanding rating. 45 (67%) have a good rating. 2 requires improvement and one school is inadequate.

Phase and type	Outstanding	Good	Requires Improvement	Inadequate	Total	% good or better
Nursery	1	2			3	100.0%
Primary	7	35	1	1	44	95.5%
Academies and free schools	2	3			5	100.0%
Maintained	5	32	(1)	(1)	39	94.9%
Secondary	5	4	1		10	90.0%
Academies and free schools	2	1	(1)		4	75.0%
Maintained	3	3			6	100.0%
PRU	2	2			4	100.0%
Free School - Alternative Provision	1				1	100.0%
Pupil Referral Unit	1	2			3	100.0%
Special	4	2			6	100.0%
Academies and free schools	2	2			4	100.0%
Community Special School	2				2	100.0%
Total	19	45	2	1	67	95.5%

4. Implications

Financial Implications:

- 4.1 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:

- 4.2 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.

4.3 There are no environmental impacts arising from this report.

Equalities Impact Assessment

4.4 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.

4.5 An equalities 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:

5.1 An approved Annual Governance Statement is a regulatory requirement and forms the foundation of good governance.

Appendices:

Appendix A 2023/24 Annual Governance Statement

Background papers:

None.

Final Report Clearance:

Authorised by:

Dave Hodgkinson
Corporate Director of Resources

Date 07 May 2024



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