



FOR PUBLICATION

DERBYSHIRE COUNTY COUNCIL

AUDIT COMMITTEE

TUESDAY, 30 JANUARY 2024

Report of the Director - Finance and ICT

**Review of Annual Governance Statement recommendations and Action
Plan progress**

1. Purpose

- 1.1 To inform Members of progress relating to actions committed to as part of the Annual Governance Statement (AGS)

2. Information and Analysis

- 2.1 At a meeting on the Committee held on 18th July 2023, Members noted the Council's pre-audit Statement of Accounts 2022-23 which included the Annual Governance Statement and associated action plan
- 2.2 Regulation 6 of the Accounts and Audit Regulations 2015 requires a relevant body to "conduct a review of the effectiveness of the system of internal control" and "prepare an annual governance statement in accordance with proper practices". The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (Solace) have produced a framework Delivering Good Governance in Local Government to promote good governance
- 2.3 This framework has been used to inform the production of the Council's Local Code of Corporate Governance and the Annual Governance Statement.

- 2.4 One of the responsibilities of the Council's Governance Group is to conduct an ongoing review of key systems and processes operated within the Council to ensure that effective Corporate Governance is promoted and delivered. The Governance Group has a key role in the ongoing review and development of the Local Code of Corporate Governance and the production of the Annual Governance Statement and Action Plan.
- 2.5 Progress against the Annual Governance Statement Action Plan which was included with the Council's Statement of Accounts 2022-23 is monitored by the Governance Group. The implementation of the areas for improvement which are identified in the Action Plan are subject to regular review and is attached at Appendix 2. The current position together with the further actions required to implement the improvements are summarised by this Appendix

3. Consultation

- 3.1 No formal consultation has been undertaken during the preparation of this report

4. Alternative Options Considered

- 4.1 Not Applicable – The Council is required to produce an Annual Governance Statement as set out in the Accounts and Audit Regulations 2015. The Constitution makes it clear that the Audit Committee is responsible for considering the Annual Governance Statement and monitoring any necessary actions

5. Implications

- 5.1. Appendix 1 sets out the relevant implications considered in the preparation of the report.

6. Background Papers

- 6.1 Electronic files and Audit working papers held by Audit Services, Finance & ICT Services, County Hall Complex

7. Appendices

- 7.1. Appendix 1 – Implications

8. Recommendation(s)

That Committee:

- a) Notes the progress against the Annual Governance Statement Action Plan

9. Reasons for Recommendation(s)

- 9.1 To ensure that the Council has a robust Corporate Governance Framework, adheres to Regulation 6 of the Accounts and Audit Regulations 2015 and meets the best practice guidance identified within the Delivering Good Governance in Local Government framework

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Implications

Financial

1.1 None

Legal

2.1 The Council is required to produce an Annual Governance Statement as set out in the Accounts and Audit Regulations 2015.

2.2 The CIPFA Practical Guidance for Local Authorities and Police sets out a suggested terms of reference for Audit Committees which included the following: "To review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances, taking into account internal audit's opinion on the overall adequacy and effectiveness of the council's framework of governance, risk management and control."

2.3 The Constitution makes it clear that the Audit Committee is responsible for considering the Annual Governance Statement and monitoring any necessary actions

Human Resources

3.1 None

Information Technology

4.1 None

Equalities Impact

5.1 None

Corporate objectives and priorities for change

6.1 The Council's Governance Framework ensures that the Council meets the Values which are identified in the Council Plan 2021-25 in respect of the way in which we work demonstrating engagement, openness and accountability

Other (for example, Health and Safety, Environmental, Sustainability, Property and Asset Management, Risk Management and Safeguarding)

7.1 None.