



Northumberland County Council

Audit Committee

Wednesday, 27 March 2024

Draft Annual Governance Statement

Report of Councillor(s) Cllr Glen Sanderson, Leader of Council

Responsible Officer(s): Jan Willis, Executive Director for Resources & Transformation (S151)

1. Link to Key Priorities of the Corporate Plan

Effective governance arrangements are critical to the delivery of all three priorities in the Council's Corporate Plan.

2. Purpose of report

The purpose of this report is to enable the Audit Committee to review the draft Annual Governance Statement for 2023-24 and consider whether it properly reflects the risk environment and supporting assurances.

3. Recommendations

3.1 It is recommended that Audit Committee:

- (i) Approve the draft Annual Governance Statement (shown in Appendix A); and
- (ii) Agree to the draft Annual Governance Review being published on the Council's website alongside the draft statement of accounts and reviewed by the Council's external auditors as part of the 23-24 Audit.

4. Forward plan date and reason for urgency if applicable

Not applicable.

5. Background

- 5.1 Under the Accounts and Audit Regulations 2015, the Council must ensure that it has a sound system of internal control, which:
- Facilitates the effective exercise of its functions and the achievement of its aims and objectives;
 - Ensures that the financial and operational management of the authority is effective; and,
 - Includes effective arrangements for the management of risk.
- 5.2 The 2015 Regulations also require that the Council reviews (at least annually) the effectiveness of those systems of internal control, to ensure that governance arrangements are up-to-date and relevant.
- 5.3 The outcome of that review must be considered by a committee of the Council and published in the Draft Annual Governance Statement (AGS), alongside the Draft Statement of Accounts.
- 5.4 The Audit Committee has responsibility for reviewing the Council's corporate governance arrangements against the good governance framework and for considering annual governance reports and assurances.
- 5.5 Local authorities are required to prepare an annual governance statement (AGS) to publicly report on the extent to which they comply with their own code of governance. This includes how they have monitored and evaluated, the effectiveness of their governance arrangements in the year, and on any planned changes in the coming year. In essence, the AGS is an accountability statement from the Council to its stakeholders on how well it has delivered on governance over the course of the previous year.
- 5.6 The AGS should provide a meaningful but brief communication regarding the review of governance that has taken place. It should be high level, strategic and written in an open and readable style. The AGS does not need to describe in detail the key elements of an authority's governance arrangements if they are already easily accessible by the public, such as through the authority's code of governance. The AGS should be signed by the Chief Executive and Leader of the Council and approved by a resolution of a committee or Full Council. In Northumberland, approval of the AGS has been delegated to the Council's Audit Committee.
- 5.7 The draft AGS is set out at Appendix A.

6. Options open to the Council and reasons for the recommendations

- 6.1 Councils are required, by audit regulations, to review and refresh its annual Governance Statement.

7. Implications

Policy	Effective corporate governance supports the delivery of all three Council priorities, as outlined in the Corporate Plan.
---------------	--

Finance and value for money	There are no direct financial implications associated with this report. However, financial planning and management are key components of effective corporate governance.
Legal	The governance review process and publication of an Annual Governance Statement ensures the Council discharges its statutory duties under the Local Government Act 1999 and the Accounts and Audit Regulations 2015. The Local Code of Corporate Governance enables the Council to demonstrate how it complies with the CIPFA / SoLACE 'Delivering Good Governance in Local Government Framework (2016)'.
Procurement	None
Human resources	None
Property	None
The Equalities Act: is a full impact assessment required and attached?	None None
Risk assessment	There are no direct risks associated with this report, but the assessment of corporate risk is a key component of the Council's governance arrangements.
Crime and disorder	None
Customer considerations	None
Carbon reduction	None
Health and wellbeing	None
Wards	(All Wards);

8. Background papers

Not applicable

9. Links to other key reports already published

Not applicable

10. Author and Contact Details

Philip Hunter, Assistant Chief Executive
Email: Philip.Hunter@northumberland.gov.uk