

East Herts Council Report

Audit and Governance Committee

Date of meeting: Tuesday 22 April 2025

Report by: Brian Moldon, Head of Finance S151

Report title: Draft Annual governance Statement 2023/24

Ward(s) affected: (All Wards);

Summary – The Accounts and Audit Regulations 2015 require that all authorities conduct a review of the effectiveness of the system of internal controls and prepare an Annual Governance Statement each year. The Annual Governance Statement must be considered separately from the Statement of Accounts.

The Draft Annual Governance Statement report for 2023/24 is being presented for consideration – it is anticipated that the observations and Statutory Recommendations contained in the 2021/22 and 2022/23 completion report from EY (Previous Auditors), will also be included in the 2023/24 completion report from Azets (the new External Auditors).

RECOMMENDATIONS FOR AUDIT AND GOVERNANCE COMMITTEE

- a) That Members review and comment on the Draft Annual Governance Statement for 2023/24.
- b) That Members Note that it is anticipated that when the Completion report is presented for 2023/24 by the new External Auditors (Azets), it will also include the same Statutory Recommendations that have been included in the Completion report covering 2021/22 and 2022/23 by EY, and that the 2023/24 completion report will also have to be presented at a meeting of the full Council within 30 days of Azets providing/presenting the report.

1.0 Proposal(s)

- 1.1 That Members review and comment on the draft Annual Governance Statement (AGS) for 2023/24.

2.0 Background

- 2.1 The Council is responsible for preparing and publishing its Annual Governance Statement in accordance with the Chartered Institute of Public Finance and Accountancy (CIPFA) Page 37 Agenda Item 6 and the Society of Local Authority Chief Executive and Senior Managers (SoLACE) framework.
- 2.2 This fulfils the statutory requirement that local authorities review their governance arrangements at least once a year.
- 2.3 The Delivering Good Governance in Local Government Framework requires local authorities to be responsible for ensuring that:
 - (a) their business is conducted in accordance with all relevant laws and regulations.
 - (b) public money is safeguarded, properly accounted for and used economically, efficiently and effectively.
 - (c) there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities
- 2.4 The annual governance statement acts as a vehicle for the review of the Council's governance arrangements. The review should be reported both internally within the Council, to the Audit and Governance Committee and externally within the published accounts to provide assurances that:
 - (a) Governance arrangements are adequate and operating effectively in practice.Or
 - (b) Where reviews of the governance arrangements have revealed gaps, action is planned that will ensure effective governance in the future.
- 2.5 The process of preparing the governance statement should itself add value to the corporate governance and internal controls framework of the Council.
- 2.6 It is important to recognise that the governance statement covers all significant corporate systems, processes, and controls for all the Council's activities.
- 2.7 The Draft Annual Governance Statement is attached as Appendix A, for Members to review and comment on.

3.0 Reason(s)

- 3.1 As part of a framework of good governance, it is important that management and Members can demonstrate that governance issues are acted upon, and the implementation of recommendations is monitored.

4.0 Options

- 4.1 Members can suggest amendments or additions to the 2023/24 Annual Governance Statement

5.0 Risks

- 5.1 The timely implementation of governance recommendations will reduce the risks to the Council.

6.0 Implications/Consultations

- 6.1 Leadership Team have been consulted on the draft AGS and have provided confirmation that appropriate controls have been in place in their service areas throughout the year.

Community Safety

No

Data Protection

Part of the AGS is to consider how effectively the council is meeting its duties in relation to data protection.

Equalities

Part of the AGS is to consider how effectively the council is meeting its duties in relation to equalities.

Environmental Sustainability

No

Financial

Part of the AGS is to consider how effectively the council is meeting its duties in relation to financial control, budgeting, and medium-term resource planning.

Health and Safety

Part of the AGS is to consider how effectively the council is meeting its duties in relation to health and safety.

Human Resources

Part of the AGS is to consider how the Council's Officers and members behave ethically and how the council plans its workforce over the medium term.

Human Rights

No

Legal

The Accounts and Audit Regulations 2015 stipulate that all authorities must conduct a review of the effectiveness of the system of internal control and prepare an Annual Governance Statement each financial year. Part of the AGS specifically considers how the council complies with the law.

Specific Wards

No

7.0 Background papers, appendices and other relevant material

7.1 Appendix A – Annual Governance Statement 2023/24

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