

Report for: Audit Committee 11th March 2025

Item number: 9

Title: Annual Governance Statement 2023/24 (Amended Draft)

Report authorised by: Taryn Eves – Director of Finance

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Ward(s) affected: N/a

**Report for Key/
Non-Key Decision:** N/a

1. Describe the issue under consideration

To provide the amended statement relating to the 2023/24 financial year for noting.

2. Cabinet Member Introduction

Not Applicable.

3. Recommendations

The Audit Committee note the amended 2023/24 AGS, attached at Appendix A.

4. Reasons for decision

The Terms of Reference of the Audit Committee provides that it is responsible for reviewing the Council's draft AGS prior to its approval. In order to facilitate this and provide information on its sources of assurance from across the Council, reports have been provided on a regular basis for the Audit Committee, culminating in the production of the draft AGS.

The Audit Committee's terms of reference include a review the Council's corporate governance arrangement against the good governance framework, including the ethical framework, and consider the local code of governance.

The AGS document, even if signed and approved, remains live until the point the Statement of Accounts are signed. During 2024/25 work by Management, External Audit and third parties has indicated that we need to reflect on the issues presented in the 2023/24 statement and update.

5. Alternative options considered

Not Applicable.

6. Background information

The Council is required to produce an Annual Governance Statement (AGS) for publication with the Council's annual accounts. The AGS comments on the Council's governance framework as a whole. Corporate governance brings together underlying set of legislative requirements, governance principles and management processes.

The preparation of an AGS is a statutory requirement of the Accounts and Audit Regulations (2015). These regulations require local authorities to produce an annual statement, in accordance with 'proper practice'.

Prior to its final approval, the Council needs to demonstrate that the AGS has been reviewed and agreed by relevant senior managers across the authority and an appropriate member body.

The AGS has been produced in line with the revised guidance issued in 2016 by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) in their report 'Delivering Good Governance in Local Government: Framework'. The guidance applies to governance statements produced from 2016/17 onwards.

The revised guidance is recommended to be used as 'best practice' for developing and maintaining a locally adopted code of governance. The Council's existing and published Local Code of Corporate Governance has been revised to incorporate the updated guidance and submitted to the Audit Committee for approval.

As above amendments are required in 2024/25 to ensure full compliance with the above guidance.

It has been necessary to reflect greater insights into the Council's Governance Framework that have been identified in 2024/25 but relate to prior years. These updates have occurred due to internal governance processes, a review by Chartered Institute of Public Finance and Accountancy and the External Audit by KPMG of the Council's 2023/24 Statement of Accounts.

No additional governance issues have been added as a result of the updates; however issues have been updated, recommendations raised have been referenced against the relevant issue and in year updates provided by issue owners have been incorporated.

The AGS has been resigned by the Chief Executive and Leader and to ensure it could be published with the accounts by 28th February 2025 approved by the Chair of the Audit Committee, which was agreed at the January Audit Committee meeting as part of the sign off of the accounts process.

7. Contribution to the Corporate Delivery Plan 2022-2024 High level Strategic outcomes'?

Corporate governance is an important element of the external assessment processes. The annual accounts, including the AGS, are subject to audit by the council's external auditors. While the whole of the financial statements may not be qualified, an incorrect or inaccurate AGS may be raised as a recommendation by the external auditors. Ensuring the adequacy and effectiveness of the Council's governance arrangements, which cover all Priority areas, will assist in improving services to residents and other stakeholders.

8. Carbon and Climate Change

There are no direct Carbon implications arising from this report.

9. Statutory Officers comments (Director of Finance (procurement), AD for Legal and Governance, Equalities)

Finance

There are no direct financial implications arising from this report. The work within service areas which supports and provides evidence for the AGS, is contained and managed within their revenue budgets. Service departments manage risks and governance arrangements as part of the routine work to achieve their business plans and costs are contained within their revenue budgets.

Internal audit undertakes reviews of matters arising at the Statutory Functions Board and in consultation with the Corporate Leadership Team identified the significant governance issues. Additionally, the Head of Audit and Risk Management provides an annual report to support the assurance processes for the AGS. This work is part of the annual internal audit plan and costs are included within Audit and Risk Management's budget.

The Chief Finance Officer confirms that the presentation of the attached draft AGS for approval by this Committee meets the Council's statutory requirement under the Accounts and Audit Regulations (2015).

Procurement

There are no direct contract and/or procurement implications arising from this report.

Assistant Director of Legal & Governance

The Council's AD for Legal and Governance has been consulted in the preparation of this report, has been consulted in the preparation of this report, and in noting that the AGS has been produced in accordance with current and best practice guidelines, has no comments.

Equality

There are no direct equality implications for the Council's existing policies, priorities and strategies as a result of this report. However, ensuring that the

Council has effective governance arrangements in place and taking appropriate action to improve these where required will assist the Council to use its available resources more effectively.

This report deals with governance arrangements and their implementation across all areas of the Council, which have an impact on various parts of the community. Improvements in managing governance will therefore improve services the Council provides to all sections of the community.

10. Use of Appendices

Annual Governance Statement 2023/24 – Amended Draft

11. Background papers

July 2023/24 report to Audit Committee including Signed AGS