

## **Draft Annual Governance Statement**

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### **Summary / Background**

1. The Accounts and Audit (Amendment) (England) Regulations 2015 require Councils to produce an Annual Governance Statement to sit alongside the annual Statement of Accounts. Its purpose is to provide assurance that the Council has a sound governance framework in place to manage the risks that might prevent achievement of its statutory obligations and organisational objectives.
2. Councils are required to carry out, at least annually, a review of effectiveness of its governance framework. This review of internal controls provides additional assurance that the Statement of Accounts gives a true and fair view of the Council's financial position at the reporting date and its financial performance during the year. Good governance, as evidenced in the Annual Governance Statement, is an essential pre-requisite to any organisation pursuing its vision effectively and underpins that vision with effective control mechanisms and risk management.
3. To ensure that all local authorities carry out this process in the same way and to the same standards, there has been specific guidance since 2016 from CIPFA / SOLACE in "Delivering Good Governance in Local Government" and through extensive guidance notes.
4. The Audit Committee has the responsibility for the approval of Statement of Accounts for the 5 predecessor councils including the Annual Governance Statements.

### **Recommendations**

5. That the Audit Committee reviews the draft Annual Governance Statements from the 5 councils and that any comments are incorporate into the final

version which will be considered alongside the Statement of Account for 2022/23.

### **Reasons for recommendations**

6. To enable the Audit Committee to review and provide comments on the draft Annual Governance Statement from the 5 councils which will then be included within the final Annual Governance Statement for each Council.

### **Other options considered**

7. None as it's a legal requirement to have an Annual Governance Statement.

### **Links to Council Plan and Medium-Term Financial Plan**

8. Links to the Principles set out in the Corporate Plan of 'A responsible council that acts with integrity'.

### **Financial and Risk Implications**

9. None directly from this report.
10. Detail the key risk(s) to the Council and how these will be managed. Where relevant reference the identified risk(s) to a specific risk(s) in JCAD or in the Corporate Risk Register. Please set out a current risk score and then a projected risk score in the boxes below as a result of the proposed decision using the Councils RAG matrix and guidance from the Risk Management Policy (for further help please liaise with Pam Pursley – Risk Manager)

<b>Likelihood</b>		<b>Impact</b>		<b>Risk Score</b>	
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### **Legal Implications**

11. None directly from this report.

### **HR Implications**

12. None directly from this report.

### **Other Implications:**

#### **Equalities Implications**

13. None directly from this report.

#### **Community Safety Implications**

14. None directly from this report.

#### **Climate Change and Sustainability Implications**

15. None directly from this report.

#### **Health and Safety Implications**

16. None directly from this report.

#### **Health and Wellbeing Implications**

17. None directly from this report.

#### **Social Value**

18. None directly from this report.

#### **Scrutiny comments / recommendations:**

19. None directly from this report.

#### **Background**

20. The Audit Committee has the responsibility for the approval of Annual Statement of Accounts, which incorporates the Annual Governance Statement, for the 5 predecessor councils. Once the external auditors have completed out their independent review of the draft Statement of Accounts, they will be brought to the Audit Committee for approval with the final Annual Governance Statements.

#### **Background Papers**

21. The background papers used in producing this are: -

- Delivering Good Governance in Local Government: a framework (CIPFA/SOLACE)
- The Role of the Chief Financial Officer in Local Government (CIPFA)
- 2021/22 Annual Governance Statements
- CIPFA FM Code
- Council's Constitution & Scheme of Delegation

## **Appendices**

- Appendix 1 – Mendip DC – 2022/23 Annual Governance Statement
- Appendix 2 – Sedgemoor DC – 2022/23 Annual Governance Statement
- Appendix 3 - Somerset West & Taunton – 2022/23 Annual Governance Statement
- Appendix 4 – South Somerset DC – 2022/23 Annual Governance Statement
- Appendix 5 - Somerset County Council – 2022/23 Annual Governance Statement