



**Audit and Standards Advisory
Committee**
6 June 2023

**Report from Corporate Director,
Governance**

Annual Governance Statement 2022/23

| | |
|---|---|
| Wards Affected: | All |
| Key or Non-Key Decision: | Not Applicable |
| Open or Part/Fully Exempt: <small>(If exempt, please highlight relevant paragraph of Part 1, Schedule 12A of 1972 Local Government Act)</small> | Open |
| No. of Appendices: | Two Appendix 1 - Annual Governance Statement Appendix 2 - Local Code of Corporate Governance |
| Background Papers: | None |
| Contact Officer(s): <small>(Name, Title, Contact Details)</small> | Debra Norman, Corporate Director, Governance 020 8937 1578 Debra.Norman@brent.gov.uk |

1.0 Purpose of the Report

- 1.1 This report sets out the draft Annual Governance Statement (AGS) for 2022/23 as required by the Accounts and Audit Regulations 2015.

2.0 Recommendation

- 2.1 That the Audit & Standards Advisory Committee consider and recommend for approval by the Audit & Standards Committee the Annual Governance Statement as set out in Appendix 1.
- 2.2 That the Audit & Standards Committee consider and approve the Annual Governance Statement as set out in Appendix 1 taking into account the observations of the Audit & Standards Advisory Committee.

3.0 Detail

- 3.1 The council is required to prepare an Annual Governance Statement

and have it approved by the relevant Committee. The statement must be signed prior to the signing of the accounts. The statement must be signed by the Chief Executive and Leader of the Council.

- 3.2 CIPFA produced a refreshed framework document in 2016 setting out how local authorities could comply with the requirements to conduct a review and produce the Annual Governance Statement.
- 3.3 The guidance determines that the Annual Governance Statement should “provide a meaningful but brief communication regarding the review of governance that has taken place, including the role of governance structures involved. It should be high level, strategic and written in an open and readable style.”
- 3.4 The seven core governance principles, applicable from 2016/17, are as follows:
 - A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;
 - B. Ensuring openness and comprehensive stakeholder engagement;
 - C. Defining outcomes in terms of sustainable economic, social, and environmental benefits;
 - D. Determining the interventions necessary to optimise the achievement of the intended outcomes;
 - E. Developing the entity’s capacity, including the capability of its leadership and the individuals within it;
 - F. Managing risks and performance through robust internal control and strong public financial management, and
 - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
- 3.5 The review of effectiveness is an ongoing process involving officers responsible for key elements of the governance framework as well as members of the Corporate Governance Group, who throughout the year have oversight of governance related issues.
- 3.6 A Code of Corporate Governance adopted by the Council is included in the Constitution and a copy is contained in Appendix 2.

The final part of the statement covers significant governance issues relating to 2022/23.

- 3.7 The following factors should be considered in determining significant issues:
 - The issue has seriously prejudiced or prevented the achievement of a principal objective:

- The need to seek additional funding or divert funding to resolve the issue;
- The issue has had a material impact on the accounts;
- The issue has attracted significant public interest or has damaged the reputation of the organisation, or
- The issue has resulted in formal action being taken by a Statutory Officer.

3.8 While no significant governance issues have been identified for this reporting year, there are some improvement actions planned arising from it. These are set out in the table below.

| Improvement Action | Owner |
|--|--|
| Implementation of the ASAC effectiveness action plan. | Corporate Director of Finance and Resources and Head of Internal Audit |
| Further work to embed succession planning and leadership development. | Head of Human Resources |
| Putting in place a new MTFS and long term planning process which will cover the whole period of an administration's Borough Plan and beyond. | Corporate Director of Finance and Resources |
| Improving the monitoring, reporting and challenge over 'first line' controls. | Corporate Directors, with support from Internal Audit |
| Increasing the rate of implementation of 'medium risk' audit recommendations. | Corporate Directors, with support from Internal Audit |

4.0 Financial Implications

4.1 None

5.0 Legal Implications

5.1 The Accounts and Audit Regulations 2015 require the council to prepare an annual governance statement and have this reviewed by a committee.

6.0 Equality Implications

6.1 None

7.0 Consultation with Ward Members and Stakeholders

7.1 None

Report sign off:

Debra Norman,
Corporate Director of Governance