

ANGUS COUNCIL

SCRUTINY AND AUDIT COMMITTEE – 15 JUNE 2023

**CORPORATE GOVERNANCE – ANNUAL REVIEW AND
DRAFT ANNUAL GOVERNANCE STATEMENT FOR YEAR TO 31 MARCH 2023**

REPORT BY MARGO WILLIAMSON, CHIEF EXECUTIVE

ABSTRACT

This report advises of the outcome of the annual review of compliance with the principles of good governance and presents the draft Annual Governance Statement for consideration.

1. RECOMMENDATIONS

1.1 It is recommended that the Scrutiny & Audit Committee:

- (i) consider the 2022/23 draft Annual Governance Statement (Appendix 1), and provide any comments;
- (ii) note that the 2022/23 draft Annual Governance Statement will be included in the Council's unaudited annual accounts, which will be submitted to the Controller of Audit;
- (iii) consider the updates to the Corporate Governance Action Plan (Appendix 2), and the Best Value Audit Action Plan (Appendix 3);
- (iii) approve the extension to the completion dates on specific Corporate Governance and Best Value Audit actions as set out in sections 4.2 and 4.3 of this report; and
- (iv) note that the draft Annual Governance Statement will be kept under review and updated as necessary until the audited accounts are approved for signing later this year, with the final statement being signed by the Leader of the Council and the Chief Executive at that time.

2. ALIGNMENT TO THE ANGUS COMMUNITY AND COUNCIL PLANS

2.1 This report supports the council's commitment to the principles of good corporate governance, which in turn supports services in the delivery of local outcomes set out in the Community Plan and the Council Plan.

3. BACKGROUND

3.1 The Council's Local Code of Corporate Governance is reviewed and updated annually to ensure consistency with best practice and guidance, in particular the CIPFA/SOLACE framework *Delivering Good Governance in Local Government* (Report 179/23 to this Committee refers).

3.2 The Chief Executive is responsible for providing assurances annually to elected members that the Council's approach to corporate governance is both appropriate and effective in practice.

3.3 The assurances provided by the Chief Executive are informed by:

- The work of the Corporate Governance Officers Group (CGOG) who, on behalf of the Chief Executive, conduct an annual self-assessment of compliance with the principles of good governance described in the Local Code of Corporate Governance;
- Assurances from Service Directors in relation to their corporate governance and internal financial control arrangements;
- Assurances from the Chief Financial Officer (S95 Officer), Monitoring Officer and Chief Social Work Officer; and

- The Service Leader Internal Audit's annual report and opinion on governance, risk and internal control (Report 173/23 to this Committee refers).

4. CHIEF EXECUTIVE'S REVIEW OF COMPLIANCE 2022/23

4.1 The overall conclusion of the review is that during 2022/23 the Council demonstrated that the governance arrangements and framework within which the Council operates are sound and operating effectively and that the Council is generally compliant with the core principles of good governance, including our Local Code of Corporate Governance.

4.2 Actions that have been identified as part of the 2022/23 review process are included in the Corporate Governance Action Plan in Appendix 2. Progress on all actions will be reported to this committee in January and June 2024. The Corporate Governance Action Plan includes continuing actions from the previous year action plan and approval is also sought to extend the completion dates on two of these as follows:

- AC-CGOV-05 Adequate Storage of Archive Documents: propose that target date for completion is extended to 30 September 2023; and
- AC-CGOV-00043 Review end to end process for assessing, billing and recovering payments for social care: propose that target date for completion is extended to 30 September 2023.

4.3 An update on progress with the actions that were identified in response to the four recommendations in the Council's Best Value Audit Report (Report 301/22 refers) are included in the Best Value Audit Action Plan in Appendix 3. Progress has been achieved, with four out of eight actions complete; one in progress within the allocated timeframe; and three actions running over the timeframe. Approval is sought to extend the completion dates on the three actions running over as follows:

- AHSCP to ensure financial planning is aligned with Strategic Plan: propose that target date for completion is extended to 31 August 2023;
- Develop a Place Strategy for Angus which will help to prioritise service delivery: propose that target date for completion is extended to 31 October 2024; and
- Develop long-term financial planning framework: propose that target date for completion is extended to 30 September 2023.

5. ANNUAL GOVERNANCE STATEMENT

5.1 All local authorities are required to prepare an annual governance statement in order to report publicly on the extent to which they comply with their own code of governance, which in turn is expected to be consistent with the good governance principles in the *Delivering Good Governance* framework.

5.2 The Council's draft Annual Governance Statement for 2022/23 is attached at Appendix 1. The statement is currently draft as the final statement requires to reflect the governance arrangements of the 'group' which, for the year to 31 March 2023, includes Tayside Valuation Joint Board, Tayside Contracts, Angus Alive and Angus Health & Social Care Partnership.

These assurances have not been received at the time of writing this report and therefore the draft assurances shown in the annual governance statement may be subject to change. Amendments may also be required relating to the findings from the external auditor's review.

5.3 The final annual governance statement will require to be signed by the Leader of the Council and the Chief Executive and will be included in the annual report and accounts for submission to the Controller of Audit.

6. FINANCIAL IMPLICATIONS

6.1 There are no financial implications arising directly from this report.

7. EQUALITY IMPACT ASSESSMENT

- 7.1 An Equality Impact Assessment is not required. This report provides a reflective overview of areas of work covered by the Council that will each have their own Equality Impact Assessment (as applicable).

NOTE: No background papers, as detailed by Section 50D of the Local Government (Scotland) Act 1973 (other than any containing confidential or exempt information) were relied on to a material extent in preparing the above report.

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List of Appendices:

1. 2022/23 Annual Governance Statement (DRAFT)
2. Corporate Governance Action Plan
3. Best Value Audit Action Plan