

WEST NORTHAMPTONSHIRE COUNCIL AUDIT AND GOVERNANCE COMMITTEE

Report Title Annual Governance Statement 2021-22

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Contributors/Checkers/Approvers

West MO	Cath Whitehead	17 th January 2023
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List of Appendices

Appendix 1 – Annual Governance Statement 2021-22

Appendix 2 – CIPFA Governance Framework

1. Purpose of Report

1.1 The purpose of this report is to provide an update on the Annual Governance Statement 2021-22.

2. Executive Summary

2.1 The Annual Governance Statement (AGS) is a review of our activities to ensure the Council is carrying out its functions effectively and is produced in line with the governance framework detailed in the CIPFA Delivering Good Governance Framework. The Council's Code of Corporate Governance ([WNC Code of Governance](#)) details the policies, procedures, behaviours and values by which the Council is controlled and governed. The AGS is attached as Appendix 1, and the CIPFA Framework as Appendix 2.

3. Recommendations

3.1 It is recommended that the Committee approve the Annual Governance Statement.

4. Reason for Recommendations

4.1 The Audit and Governance Committee is responsible for:

- Providing independent assurance as to the Council's governance, risk management framework and associated control environment;
- Providing independent scrutiny of the Council's financial and non-financial performance and oversee the Council's financial reporting process

5. Report Background

5.1 The AGS has been produced by the Internal Audit service, with the initial review being completed by the Local Government Shared Service audit team. The AGS is reviewed and signed by the Leader and Chief Executive of the Council and forms part of the statutory accounts which are reviewed by the Council's external auditors.

6. Issues and Choices

6.1 The governance of the Council is set out in the Code of Corporate Governance and is in line with the following principles:

- 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 intervention 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 tasks and performance through robust internal controls and strong public financial management.
- G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability.

6.2 The AGS seeks to determine measures the Council has in place to deliver and support the core principles.

As part of the review process Executive Directors were asked to consider the governance of their area, identify weaknesses, and provide action plans to ensure issues are rectified. The issues are summarised below, and the detailed action plans are in Annex A of the AGS:

- Executive Director Finance
 - Concerns about issues inherited in respect of practices and subsidy issues with Revenues and Benefits from predecessor authorities (particularly under the previous lead authority model).
- Deputy Chief Executive and Executive Director for Adults, Communities and Wellbeing
 - Billing interfaces do not match between ERP Gold and Abacus.
 - There is a large volume of queries relating to invoices raised where current resources cannot commit to supporting debt recovery action.

6.3 Next Steps

- 6.3.1 The AGS is often delivered as an annual activity but is more effective when it forms part of a wider governance assurance framework. In order to support the governance process the Director of Legal and Democratic and Monitoring Officer has developed a Governance Strategy group to further develop the Council's framework.
- 6.3.2 As there are plans to develop the AGS going forward the Chief Executive and Leader of the Council will be asked to attend a future meeting to comment on future Annual Governance Statements. This is seen as good practice and demonstrates the committee's desire to continually seek to improve processes and practices.
- 6.3.2 The action plan detailed in Annex A of the AGS should be reviewed to ensure that they have been implemented. Updates on the action plan will be included in the 2022-23 AGS.

7. Implications (including financial implications)

7.1 Resources and Financial

- 7.1.1 There are no resources or financial implications arising from the proposals.

7.2 Legal implications

- 7.2.1 Internal Audit support the Council to meet its obligations under the Accounts and Audit Regulations 2015

7.3 Risk

- 7.3.1 The AGS supports the Council's governance process which is included in E12 Corporate governance risk, with an overall residual risk score of 6 (inherent risk score 16)

7.4 Consultation

- 7.4.1 No consultation is required

7.5 Consideration by Overview and Scrutiny

- 7.5.1 No Overview and Scrutiny comments

7.6 Climate Impact

- 7.6.1 There are not direct climate or environmental implications

7.7 Community Impact

- 7.7.1 There is no community impact

7.8 **Communications**

7.8.1 There are no recommended communications

8. **Background Papers**

8.1 There are no background papers