

ANNUAL GOVERNANCE STATEMENT**STATEMENT 2**

- 6.4 The gathered evidence and the product of scrutiny arrangements are used to assess compliance and performance over the year to determine whether the council exceeds, meets or fails to meet the required standards. Areas of concern are picked out, actions are identified and allocated, and progress is monitored through officer oversight and the Governance & Risk Committee.
- 6.5 The Code is used to inform the drafting and approval of the annual governance statement through the Governance & Risk Board, Corporate Management Team and Governance & Risk Committee. It is reported in full and in detail to that committee when it approves the annual governance statement in June each year. It is then summarised in a report to full council in September, alongside the annual reports by the external auditor and the council's annual accounts. Deficiencies are identified and are translated into actions which are monitored throughout the following reporting year by Governance & Risk Board and Governance & Risk Committee.
- 6.6 Compliance in 2023/24 with the standards in the Code remains high. Under a red/amber/green assessment system there are no red scores. That has been the case since the current Code was adopted. A small number will require attention in the coming year to avoid them slipping into the red category. There are 231 standards out of 258 assessed as green, representing 89% of the total entries. Comparable figures from previous 5 years for green scores under the same assessment process were 81%, 84%, 84%, 85% and 86% (last year).

7. Annual internal audit opinion

- 7.1 A significant element in the council's governance arrangements is the system of internal control. That is designed and reviewed to identify risks to the achievement of the council's objectives; to evaluate the likelihood of those risks occurring; to consider the potential impact of the risks; and to manage them effectively. It includes financial regulations and the system of management supervision, delegation and accountability. It is supported by regular information, administrative procedures and segregation of duties. Its key elements include an internal control framework relating to financial processes, procedures and regulations; a comprehensive budgeting and monitoring framework; scrutiny of periodic and annual financial and operational performance reports; performance management information; and project management disciplines.
- 7.2 As required under statutory regulations and the Public Sector Internal Audit Standards (PSIAS), the Audit Risk & Counter Fraud Manager in his role as "chief audit executive" provides an annual opinion to members on the adequacy and effectiveness of the system of internal control. That opinion is considered by Governance & Risk Committee before approval of the annual governance statement. It is then approved at Audit Committee. The annual governance statement then in turn requires approval by the council through the Governance & Risk Committee before incorporation into the unaudited annual accounts and financial statements published in June each year for inspection before being submitted for audit.
- 7.3 Following his review for 2023/24, his conclusion and assurance to members is that the framework of governance, risk management and control is sound. That conclusion was based on internal audit and counter fraud work carried out during the year and had regard to the work of the Governance & Risk Board, an officer group which has oversight of risk and governance arrangements. No areas were identified where control was considered to be unsound. Where improvements were required actions were agreed with managers. Recommendations and actions ranked as being of high importance were logged as risk actions for progress to be monitored and reported back to committee. Actions ranked as of medium importance are followed up separately. The conclusions and assurances from his reports have been accepted by Audit Committee. The outcome of the review was accepted by Governance & Risk Committee and Audit Committee in June 2024.

8. Annual Compliance Statements

- 8.1 The council's Monitoring Officer arranges the production of a suite of annual compliance statements. They sit alongside the Code and feed into this annual governance statement. They deal with compliance with the law, with significant legal and regulatory regimes, and with the council's most important corporate policies and procedures. They are prepared by responsible officers after consultation with Service Managers and Heads of Service. They take into account oversight by external regulatory and inspection bodies. They include conclusions and an assurance of compliance by the relevant senior officer. They are designed to summarise compliance arrangements and bring to the attention of elected members and the public any incidents of non-compliance which are significant to the council's operations. Those may or may not already have been reported elsewhere during the year. The statements identify significant developments, issues of concern and issues to be addressed going forward.
- 8.2 A new compliance statement has been added this year, in relation to statutory counter terrorism duties. Those are the duty to address radicalisation (known as the "prevent duty") and the new "protect duty".