

**ANNUAL GOVERNANCE STATEMENT****STATEMENT 2**

- 12.5 The council is required to operate a professional and objective internal audit service. It sits in the Audit, Risk and Counter Fraud Team. It performs an independent appraisal function which examines and evaluates systems of financial and non-financial control. Internal audit operates in accordance with the PSIAS. The organisational status and independence of internal audit required by PSIAS is also set out in the Internal Audit Charter. The Charter was reviewed and approved again in June 2023. An external assessment of compliance with PSIAS was carried out in 2022/23 and reported to Audit Committee in January 2023. It was found to fully conform in twelve of fourteen areas of assessment and to generally conform in the remaining two. Informal benchmarking against four other councils was carried out in the reporting year. The outcome was considered to be satisfactory.
- 12.6 An annual audit work plan is prepared based on an assessment of risk and is approved by Audit Committee. Internal audit reports are issued to the committee in relation to the outcome of significant proactive and reactive reports. Reports are issued in the name of the Audit, Risk and Counter Fraud Manager. Also, as required by PSIAS, Financial Regulations state that the internal audit function is free from interference in determining the scope of internal auditing, performing work, and communicating results. They state that the Audit, Risk and Counter Fraud Manager has the right of direct access to the Chair of the Audit Committee and to the Chief Executive. The Audit, Risk and Counter Fraud Manager reports annually on compliance with PSIAS, particularly the requirement of independence and ready access to the Chief Executive and elected members. An interim report is brought to committee during each year to advise of progress towards completion of the annual plan.
- 12.7 Risk Management is overseen by the Audit, Risk & Counter Fraud Manager. It is embedded at Executive and Corporate Management Team level as well as in service management teams across the council. Management teams monitor, assess and mitigate service risk as a matter of routine at their meetings. The Risk Register is maintained in Ideagen, a database which records risks and their scoring and associated controls and actions. Service areas report on a rota basis to Governance & Risk Committee on their management of risks in their service areas. The former Risk Management Strategy has been superseded by the incorporation of risk management into the new Corporate Governance Strategy.
- 12.8 The council's counter fraud activities are managed within the Audit, Risk & Counter Fraud Team. The service is operated in accordance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014). The unit manages the council's whistleblowing hotline. It also administers the council's participation in the National Fraud Initiative. An annual plan is approved at Audit Committee each year. An annual report and an interim report are brought to committee to demonstrate progress towards completion of the plan. The review and approval of a revised Anti-Fraud & Corruption Policy was completed in June 2021. An annual compliance statement is provided and published each year as part of the evidence informing the annual governance statement.
- 12.9 The Data Protection Act 2018 and the UK General Data Protection Regulation require the appointment of a Data Protection Officer. A statutory role description was developed and adopted for the first time through committee in February 2023, and is now included in the Scheme of Delegations. The statutory role is concerned with personal data and not, in terms of law and guidance, with complementary information governance regimes, such as freedom of information and records management. The holder of the post may however have roles (contractual rather than statutory) to play in those other regimes as well. The statutory duties include informing and advising the council and its staff of their data protection obligations, providing advice on carrying out data protection impact assessments, and monitoring compliance with relevant council policies and with the law. As required by statute the Scheme of Delegations reflects the right to have direct access to senior management and elected members when required, and guarantees independence from line management over-ride in relation to the post's statutory duties. The post was formerly held on an interim basis by the Head of Corporate Services. Following the approval of a much-revised Information Governance Policy and Special Category Data Policy in January 2024, the role has been assigned to the Systems and Information Manager in the reformed Business Support and Information Team in Corporate Services.
- 12.10 Since March 2024, the council is under a legal duty to appoint a Chief Planning Officer. The council must have regard to statutory guidance in designing the role and appointing to it. A formal role description reflecting the requirements of law and guidance was approved in April 2024. It has been added to the Scheme of Delegations alongside the role descriptions for the other statutory officer positions. The statutory guidance indicates that the Chief Planning Officer will be the council's head of its planning profession, and will be the senior officer responsible for the planning service. The Chief Planning Officer is to advise the council about functions conferred by the Planning Acts, and, more widely, all other statutory functions where they relate to development.

**13. External scrutiny**

- 13.1 The external auditor's annual report for 2022/23 was considered at council in September 2023. It was accompanied for the first time by a separate themed Best Value Report. That is part of the new approach by the Accounts Commission to the audit of councils' achievement of their statutory best value duty. The reports were referred on to Audit Committee (on the accounting and financial aspects) and Governance & Risk Committee (on the wider-scope audit work) for further scrutiny. An unqualified audit opinion was issued. The auditor found appropriate and effective financial management in place with regular budget monitoring reports to members. It concluded that medium and longer-term plans and budget monitoring arrangements were appropriate. The council was found to have effective and appropriate arrangements in place to plan the use of its resources to sustain delivery of services into the medium term.