



Reigate & Banstead
BOROUGH COUNCIL
Banstead | Horley | Redhill | Reigate

SIGNED OFF BY	Chief Finance Officer
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TO	Audit Committee
DATE	Wednesday, 19 July 2023
EXECUTIVE MEMBER	Deputy Leader and Portfolio Holder for Finance, Governance & Organisation

KEY DECISION REQUIRED	Y
WARDS AFFECTED	(All Wards);

SUBJECT	Draft Annual Governance Statement 2022/23
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RECOMMENDATIONS
Audit Committee is asked to consider and to provide feedback on the draft Annual Governance Statement for 2022/23 as set out in Annex 1.
REASONS FOR RECOMMENDATIONS
To enable completion of the Annual Governance Statement so that it can be included within the annual Statement of Accounts for 2022/23.
EXECUTIVE SUMMARY
The Council is required to publish an annual statement on its corporate governance arrangements as part of the Statement of Accounts. Audit Committee is invited to review the draft Annual Governance Statement and provide any feedback to be taken into consideration before the final version is prepared. The final Statement will be presented to Audit Committee for approval with the audited Statement of Accounts for 2022/23.
Audit Committee has authority to review the draft Annual Governance Statement

STATUTORY POWERS

1. The Accounts and Audit Regulations 2015 require the Council to prepare and publish annually a statement on the adequacy of its internal control and governance framework. This is the Annual Governance Statement (AGS).

BACKGROUND

2. The Accounts and Audit Regulations require that the AGS is published with the Council's annual Statement of Accounts.
3. The Code of Practice on Local Government Accounting recommends that the Statement should be endorsed by the body within the Council that is responsible for overall corporate governance. Under the Council's Constitution, that responsibility sits with the Audit Committee.
4. The Code also requires that the AGS is signed by the Leader of the Council and the Head of Paid Service (Managing Director). This will take place when the final version is prepared for inclusion with the 2022/23 Statement of Accounts.

KEY INFORMATION

5. The AGS is based on a specification issued by the Chartered Institute of Public Finance & Accountancy (CIPFA) and calls on the following sources of evidence:
 - Council Strategies, Policies and Codes of Practice;
 - Internal and External Audit Opinions;
 - Any issues identified from the Council's Risk Registers; and
 - Information about any significant governance issues identified.

It is supported by annual assurance statements from Directors and Heads of Service that confirm, to the best of their knowledge, that the Council has complied with relevant legislation, regulations and codes of practice.
6. The draft AGS for the year ended 31 March 2023 is attached as Annex 1.
7. Audit Committee is asked to note
 - that the Southern Internal Audit Partnership carried out an audit of the Council's approach to preparing the AGS as part of the 2021/22 Audit Plan. The outcome was to conclude that there is 'substantial assurance' that the process is robust and meets the required standard;
 - that the Internal Audit Opinion for 2022/23 is scheduled to be presented to Audit Committee in September 2023 and will be added to the final draft AGS when it has been approved by the Committee; and
 - That the External Auditors' opinion for 2022/23 will be inserted to the final draft AGS when the audit of the statement of accounts for the year is complete.
8. Audit Committee Members are invited to provide feedback on the draft Annual Governance Statement.

OPTIONS
<p>Option 1 – Approve the recommendations in this report</p> <p>This will allow the Audit Committee to provide feedback before the final AGS is reported. This is the recommended option.</p> <p>Option 2 – To defer the report and ask Officers to provide more information and/or clarification on any specific points</p>
LEGAL IMPLICATIONS
9. There are no further legal implications arising from this report.
FINANCIAL IMPLICATIONS
10. There are no direct financial implications arising from this report.
EQUALITIES IMPLICATIONS
11. There are no equalities implications arising from this report.
COMMUNICATION IMPLICATIONS
12. There are no communications implications arising from this report; the AGS will be published on the Council’s website as part of the annual Statement of Accounts.
ENVIRONMENTAL SUSTAINABILITY IMPLICATIONS
13. There are no environmental sustainability implications arising from this report.
RISK MANAGEMENT CONSIDERATIONS
14. Adoption of this Annual Governance Statement is evidence of the Council managing its risks by ensuring adequacy of its internal control and governance framework.
CONSULTATION
15. The Deputy Leader and Portfolio Holder for Finance, Governance & Organisation was consulted during the preparation of this report.
POLICY FRAMEWORK
16. The AGS sets out the arrangements that are in place to help support delivery of Corporate Plan objectives.
BACKGROUND PAPERS
None