

Cheltenham Borough Council

Audit, Governance & Compliance Committee – 10 July 2024

Annual Governance Statement and Local Code of Corporate Governance

Accountable member:

Councillor Rowena Hay, Leader of the Council

Accountable officer:

Claire Hughes, Corporate Director and Monitoring Officer

Ward(s) affected:

All

Key Decision: No

Executive summary:

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. This includes a statutory duty to prepare an Annual Governance Statement as part of the Statement of Accounts.

In preparing the Annual Governance Statement, the council should seek to assess itself against its Local Code of Corporate Governance. This report brings forward to members the draft Annual Governance Statement is for the period 1 April 2022 to 31 March 2023 and the Local Code of Governance for the period 1 April 2023 to 31 March 2024.

Recommendations:

- **That the Audit, Compliance and Governance Committee approves the draft 2022/23 Annual Governance Statement and the 2023/24 Local Code of Corporate Governance.**
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1. Implications

1.1 Financial, Property and Asset implications

There are no financial or property implications associated with this report.

A copy of the draft Annual Governance Statement has been published with the draft accounts and a final version will be published as part of the final accounts in due course.

Signed off by: Gemma Bell, Director of Finance and Assets gemma.bell@cheltenham.gov.uk

1.2 Legal implications

The Accounts and Audit Regulations 2015 6 (1) (a) requires the Council to conduct an annual review of the effectiveness of the system of internal control, and (b) to prepare an Annual Governance Statement.

Signed off by: legalservices@onelegal.org.uk Tel: 01684 272691

1.3 Environmental and climate change implications

There are no environmental or climate change implications arising from this report

Signed off by: Claire Hughes, Director of Governance and Customer Services (Monitoring Officer)

1.4 Corporate Plan Priorities

This report contributes to the following Corporate Plan Priorities:

- Being a more modern, efficient and financially sustainable council

1.5 Equality, Diversity and Inclusion Implications

An equality impact assessment is not required for this report.

1.6 Performance management – monitoring and review

Performance against the actions identified in the Annual Governance Statement will be monitored by the Corporate Governance Group and reported to the Audit, Governance and Compliance Committee.

2 Background

2.1 Cheltenham Borough Council is committed to the principles of good corporate governance and confirms its ongoing commitment and intentions through the development, adoption, monitoring and maintenance of its Local Code of Corporate Governance. The Council recognises that achieving high standards of corporate governance encourages stakeholders

to have confidence in us and allows the Council to undertake its community leadership role.

2.2 In April 2021 the Council adopted the Local Code of Corporate Governance which was based upon the CIPFA/SOLACE publication entitled “*Delivering Good Governance in Local Government; Framework 2016 Edition*”. This Local Code was reviewed in April 2022 and was used as the basis for developing the draft AGS for the period 1 April 2022 to 31 March 2023 (Appendix 2).

2.3 In preparing the draft AGS for 2022/23 the following areas have been identified as areas of focus for the financial year 2023/24

- Updating HR and ICT Policies
- Developing our approach to member development
- Information Governance
- Equity, Equality, Diversity and Inclusion
- Project and Programme Management

2.4 Each of these areas are set out in more detail in section 7 of the AGS and progress against them will be monitored by the Corporate Governance Group and reported to the Audit, Compliance and Governance Committee.

2.5 To ensure that the Council continues to operate in a robust governance framework and to meet the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 (England) which requires the authority to conduct a review at least once a year on the effectiveness of its system of internal control a further review of the Local Code of Corporate Governance has been completed and the 2023/24 version is attached at Appendix 3 for approval.

3 Reasons for recommendations

3.1 Both the Local Code of Corporate Governance and the Annual Governance Statement demonstrate the Councils compliance with the Accounts and Audit Regulations 2015 as well as its commitment to good governance.

3.2 Once finalised the AGS will form part of the Annual Statement of Accounts.

4 Alternative options considered

4.1 None

5 Consultation and feedback

5.1 Both documents have been considered by the Leadership Team and Internal Audit.

Report author:

Claire Hughes, Director of Governance and Customer Services (Monitoring Officer)

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Appendices:

- i. Risk Assessment
- ii. Draft Annual Governance Statement 2023/24
- iii. Local Code of Corporate Governance 2024

Background information:

[Local Code of Corporate Governance 2021](#)

Appendix 1: Risk Assessment

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
1.	If the Council fails to conduct an effective review of its governance arrangements there will be an increased risk of failing to maintain good conduct and ethical standards	Claire Hughes	4	2	8	Reduce	<p>Ensure certificates of assurance are collected from partner organisations and reviewed</p> <p>Ensure annual employee declaration process is completed</p> <p>Ensure directors statements of assurance are completed and collected</p> <p>Ensure effective audit recommendations are in place</p> <p>Ensure effective counter fraud arrangements are in place</p>	<p>Claire Hughes</p> <p>Claire Hughes</p> <p>Claire Hughes</p> <p>Paul Jones</p> <p>Paul Jones</p>	<p>Annually – complete by end of May</p> <p>Annually – complete by end of June</p> <p>Annually – complete by end of May</p> <p>Ongoing</p> <p>Ongoing</p>

Risk ref	Risk description	Risk owner	Impact score (1-5)	Likelihood score (1-5)	Initial raw risk score (1 - 25)	Risk response	Controls / Mitigating actions	Control / Action owner	Deadline for controls/ actions
2.	If the Council fails to prepare an Annual Governance Statement it will fail to comply with the statutory requirements putting the Council at risk of legal challenge	Claire Hughes	4	2	8	Reduce	Ensure that data from all of the above is used to inform the AGS	Claire Hughes	Annually