



## Governance, Audit, Risk Management and Standards Committee

<b>Title</b>	Annual Governance Statement 2023/24 and Code of Corporate Governance 2024/25
<b>Date of meeting</b>	15 April 2024
<b>Report of</b>	Executive Director of Assurance and Public Protection
<b>Wards</b>	None
<b>Status</b>	Public
<b>Urgent</b>	No
<b>Appendices</b>	Appendix A – Annual Governance Statement 2023/24 Appendix B – Code of Corporate Governance 2024/25
<b>Officer Contact Details</b>	Andrew Charlwood, Head of Governance, 020 8359 2014, <a href="mailto:andrew.charlwood@barnet.gov.uk">andrew.charlwood@barnet.gov.uk</a>

### Summary

The Council is required to produce an Annual Governance Statement (AGS), which is a statutory reported public statement which is included within the Statement of Accounts for 2023/24. The Annual Governance Statement outlines the governance framework and measures progress against the Code of Corporate Governance, it highlights any significant governance issues and steps taken and to be taken to mitigate those issues.

A Code of Corporate Governance 2024/25 is reported alongside the AGS which has been prepared in accordance with the CIPFA Delivering Good Governance in Local Government Framework 2016. This includes the principles and sub-principles of good governance and how the council complies with them. The Code will be reported to Full Council and will be included in the Constitution.

The report seeks approval for the Annual Governance Statement 2023/24 and Code of Corporate Governance 2024/25.

## Recommendations

1. That the Committee comment on and approve the Annual Governance Statement for inclusion within the Statement of Accounts for 2023/24 as set out in Appendix A of this report.
2. That the Committee delegate authority to the Executive Director of Assurance and Public Protection in consultation with the Chair to make final amendments to the Annual Governance Statement 2023/24 prior to inclusion in the Statement of Accounts.
3. That the Committee comment on and note the Code of Corporate Governance 2024/25 as set out in Appendix B and note that Full Council will be requested to adopt the Code for inclusion in the Constitution at Annual Council on 21 May 2024.

### 1. Reasons for the Recommendations

- 1.1 Part 2, Regulation 6 of the Accounts and Audit Regulations 2015 requires a local authority to conduct a review at least once a year of the effectiveness of its system of internal control and publish an Annual Governance Statement (AGS) each year with the authority's financial statements. The GARMS Committee is required to consider the Annual Governance Statement and recommend its adoption and inclusion within the Statement of Accounts.
- 1.2 A Code of Corporate Governance 2023/24 is reported alongside the AGS which has been prepared in accordance with the CIPFA Delivering Good Governance in Local Government Framework 2016. This includes the principles and sub-principles of good governance and how the council complies with them. The Code will be reported to Full Council and will be included in the Constitution.
- 1.3 The GARMS Committee is required to consider the Annual Governance Statement and recommend its adoption and inclusion within the Statement of Accounts. The Annual Governance Statement enable the Council to be compliant with the provisions of the Accounts and Audit Regulations 2015.
- 1.4 The Code of Corporate Governance has applied to Annual Governance Statements from the 2017/18 financial year onwards.

### 2. Alternative Options Considered and Not Recommended

- 2.1 None considered. The Council is required to have an Annual Governance Statement.

### 3. Post Decision Implementation

- 3.1 The governance issues identified within the Annual Governance Statement will be monitored throughout the year.

## 4. Corporate Priorities, Performance and Other Considerations

### Corporate Plan

- 4.1 Monitoring governance risks via the Annual Governance Statement supports delivery of the priority of being 'financially responsible' as set out in the Barnet Corporate Plan: Caring for People, Our Places and the Planet: Our Plan for Barnet 2023-2026.

### Corporate Performance / Outcome Measures

- 4.2 The Annual Governance Statement is a public document that shows that the council recognises that there are areas for improvement within our governance arrangements and framework.
- 4.3 Barnet 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. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to economy, efficiency and effectiveness.

### Sustainability

- 4.4 N/A

### Corporate Parenting

- 4.5 N/A

### Risk Management

- 4.6 The Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions including the management of risk. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to achievement of London Borough of Barnet policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively, and economically.
- 4.7 The Annual Governance Statement is a process of identifying governance issues and suggesting key actions to mitigate potential risks to the Council. These are then monitored throughout the year until resolution.

### Insight

- 4.8 N/A

### Social Value

- 4.9 N/A

## 5. Resource Implications (Finance and Value for Money, Procurement, Staffing, IT and Property)

- 5.1 The Council is able to confirm that its financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015). In addition, the authority's assurance arrangements conform to the governance requirement of the CIPFA Statement on the role of the Head of Internal Audit.

## **6. Legal Implications and Constitution References**

- 6.1 Legal references are as set out in sections 1.1, 1.3 and 5.1.
- 6.2 Council Constitution, Part 2B (Terms of Reference & Delegation of Duties to Committees and Sub-Committees – included in the terms of reference of the Governance, Audit, Risk Management and Standards Committee is “...2.4.12 To review any issue referred to it by the Chief Executive and to oversee the production of the authority’s Annual Governance Statement and to recommend its adoption.”

## **7. Consultation**

- 7.1 N/A

## **8. Equalities and Diversity**

- 8.1 Effective systems of corporate governance provide assurance on compliance with laws, regulation, internal policies, and procedures, including compliance with the Council’s duties under the 2010 Equalities Act.

## **9. Background Papers**

- 9.1 Accounts and Audit Regulations 2015: [The Accounts and Audit Regulations 2015 \(legislation.gov.uk\)](http://legislation.gov.uk)
- 9.2 CIPFA / SOLACE – Delivering Good Governance in Local Governance Framework 2016 Edition: [Delivering Good Governance in Local Government Framework 2016 Edition | CIPFA](#)