



Report

Date: 27th April 2023

To: Chair and Members of the Audit Committee Board

Report Title: Production of the 2022-23 Draft Annual Governance Statement

Relevant Cabinet Member(s)	Wards Affected	Key Decision?
Ros Jones	N/a	No

EXECUTIVE SUMMARY

1. An annual review of the City of Doncaster Council's (the Council) governance arrangements and the subsequent preparation and publication of an Annual Governance Statement (AGS) are statutory requirements by virtue of the Accounts and Audit Regulations (England) 2015.
2. The council's governance arrangements in place during 2022-23 have been reviewed and an Annual Governance Statement has been drafted which shows our governance compliance
3. Due to the worsening economic outlook, the effects of the rising cost of living, and the task of transferring the delivery of children's social care services back to the Council, 2022–2023 has been a challenging year. Despite this, the City of Doncaster Council maintains good governance and a commitment to it, as shown in the draft AGS document (Appendix A), which demonstrates the following:
 - **1** key areas of improvement have been completed or have been effectively managed to the extent that they were no longer significant. (Pages 12)
 - **5** new significant issues arising from the 2022-23 review of effectiveness of the corporate governance arrangements (Page 6-9)
 - Updates on the **2** key areas identified during previous years that remain an issue in 2022-23 (Page 10).
4. Last year's AGS contained **3** significant issues and **1** of these have been effectively managed and removed them from the AGS. During this year's process we have identified **5** new areas of significant risks, and these have been added. This gives us a total of **7** key areas of focus on our current AGS, an

increase of 3 compared with last year.

5. Please note that this document is the draft AGS and some of the key actions to mitigate the weaknesses identified for 2022-23 will be reviewed; and may be improved upon before the production of the final AGS, which is anticipated to be presented in October 2023 to coincide with the City of Doncaster Council's Final Accounts.

EXEMPT REPORT

6. Not Applicable

RECOMMENDATIONS

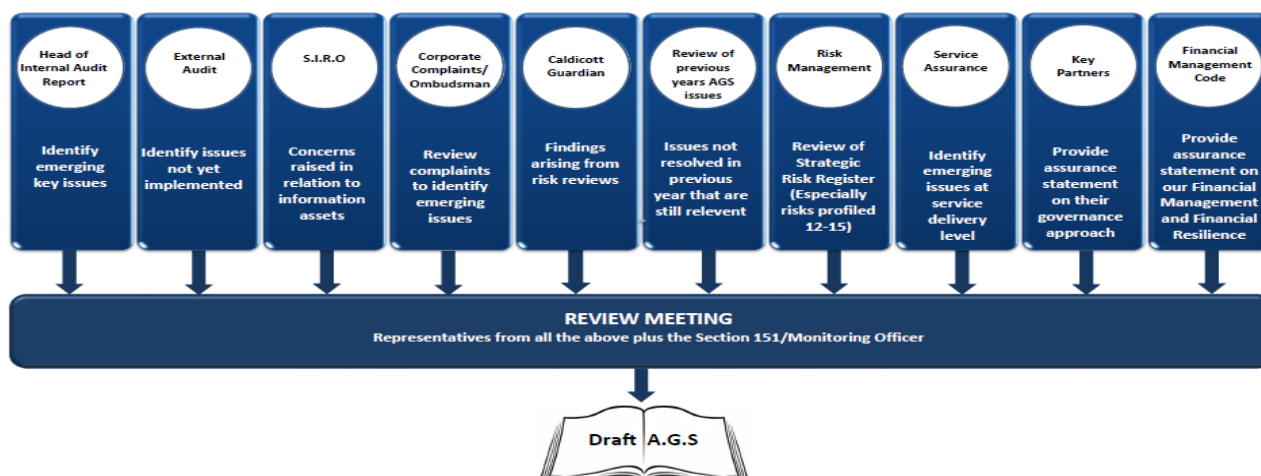
7. The Chair and Members of the Audit Committee are asked to the review and endorse the outline of the draft Annual Governance Statement:
 - Prior to it being published for consultation as part of the 2022-23 City of Doncaster Council Draft Accounts.

WHAT DOES THIS MEAN FOR THE CITIZENS OF DONCASTER?

8. By ensuring that there is good governance and a sound system of internal controls in place the Council will be able to provide the citizens of Doncaster with services that are provided in accordance with the law and proper standards. It will also ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively.

BACKGROUND

9. The City of Doncaster Council is required to prepare, approve and publish an Annual Governance Statement (AGS) in accordance with the Accounts and Audit Regulations and professional accounting practice. The Council must ensure that there is good governance and a sound system of internal controls in place.
10. Our simplified process amalgamate a top down and bottom up approach, whilst still maintaining confidence in the process. This process was followed again this year and has helped sustain our continued commitment to embedding good governance and processes across the Council. Issues identified that make it onto the AGS are reviewed and updated as part of the quarterly resource management cycle and any items that start to be a concern are elevated to the Governance Group. This allows the Council to react to emerging issues and possibly prevent entry onto a future AGS.
11. Pentana continues to be used to record compliance and/or areas for development and to provide updates for the quarterly Resource Management process
12. A review meeting considers relevant information from a diverse range of internal and external sources, as identified in the diagram below. To strengthen this approach, we have now aligned the Financial Management Code assessment and the Financial Resilience Index assurance into this process, ensuring both are being considered earlier and as part of the same exercise. This meeting facilitates the top-down bottom-up approach that will produce the 2022-23 Annual Governance Statement from the emerging issues.



13. The AGS document is a valuable means of communication. It enables the Council to explain its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes.

OPTIONS CONSIDERED





14. Not Applicable





REASONS FOR RECOMMENDED OPTION

15. Not Applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

16.

Great 8 Priority	Positive Overall	Mix of Positive & Negative	Trade-offs to consider – Negative overall	Neutral or No implications
 Tackling Climate Change				✓
Comments: The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place				
 Developing the skills to thrive in life and in work				✓
Comments: The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place				
 Making Doncaster the best place to do business and create good jobs				✓
Comments: The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place				
 Building opportunities for healthier, happier and longer lives for all				✓
Comments: The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place				

 Creating safer, stronger, greener and cleaner communities where everyone belongs				✓
Comments: The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place				
 Nurturing a child and family-friendly borough				✓
Comments: The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place				
 Building Transport and digital connections fit for the future				✓
Comments: The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place				
 Promoting the borough and its cultural, sporting, and heritage opportunities				✓
Comments: The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place				
Fair & Inclusive				✓
Comments: The Annual Governance Statement enables the Council to ensure that there is good governance and a sound system of internal controls in place				

17. Legal Implications [Officer Initials: SRF | Date: 03.04.23]

The production and publication of an Annual Governance Statement is a statutory requirement by virtue of Regulation 6(1)(b) of the Accounts and Audit Regulations 2015, following a review of the Council's effectiveness of internal controls in terms of the exercise of its functions, financial and operational management and management of risk. The 2015 Regulations and the Council's Constitution also require the findings of that review to be considered by the Audit Committee.

18. Financial Implications [Officer Initials: RI | Date: 03.04.2023]

There are no specific financial implications arising from this report. There may be financial implications relating to specific elements in the action plan but these will be highlighted in the relevant reports at the appropriate time.

19. Human Resources Implications [Officer Initials: DK | Date: 31.03.2023]

There are no specific human resources implications resulting from this statement. The organisational workforce requirements are addressed through work with directorates in relation to the workforce strategy.

20. Technology Implications [Officer Initials: PW | Date: 31.03.2023]

There are no specific technology implications arising from this report. As outlined in the draft AGS, there is a significant issue around workforce recruitment and retention impacting upon Digital & ICT and other hotspot areas across the organisation. Data Quality in relation to MOSAIC and SYNERGY is identified as

another significant issue, with various identified actions, including a redesign and rebuild of Children's Social Care which is planned for go live at the beginning of April 23. A new EHCP software platform is also being progressed which should aid in reducing current capacity pressure by leveraging digital automation, supporting the issue in relation to SEND and Inclusion Inspection and Service Capacity.

RISKS AND ASSUMPTIONS

21. The production of an Annual Governance Statement is a statutory requirement. The key risk is that failure to produce a statement to meet this requirement would result in an adverse audit report by the Council's external auditor and damage the Council's reputation. The original risk profile is 16 but by producing the Annual Governance Statement and addressing key corporate issues the risk profile is reduced to 8

CONSULTATION

22. Throughout this process consultation is undertaken with Heads of service, Assistant Directors, Directors, as well as assurance from key areas of governance and our key partners, which supports the production of the final Annual Governance Statement.

BACKGROUND PAPERS

23. CIPFA/ SOLACE delivering good governance in Local Government Framework Accounts and Audit Regulations (England) 2015.
Local Code of Corporate Governance 2022-23
2021-22 Annual Governance Statement
Annual Report of the Head of Internal Audit 2021-22

GLOSSARY OF ACRONYMS AND ABBREVIATIONS

24. N/A

REPORT AUTHOR & CONTRIBUTORS

Sennette Wroot, Senior Strategy & Performance Manager
Tel: 01302 862533, E-mail: Sennette.Wroot@doncaster.gov.uk

Hayley Lloyd, PIC Support Officer
Tel: 01302 737083, E-mail: Hayley.Lloyd@doncaster.gov.uk