



Report

Date: 25th April 2024

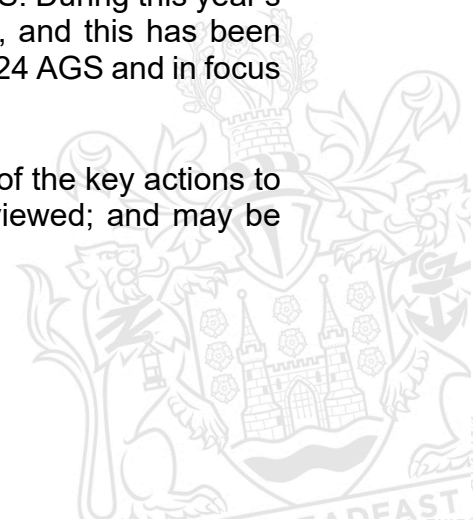
To the Chair and Members of the Audit Committee Board

Production of the 2023-24 Draft Annual Governance Statement

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

EXECUTIVE SUMMARY

1. The 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.
2. We have undertaken this review of our governance arrangements in place during 2023-24 and an Annual Governance Statement has been drafted which shows our governance compliance.
3. The Council continues to maintain effective governance. The draft AGS for 23-24 is attached as Appendix A and highlights include:
 - **4** key areas of improvement have been completed or have been effectively managed to the extent that they are no longer significant. (Pages 12)
 - **2** new significant issue has arisen from the 2023-24 review of the corporate governance arrangements (Page 6-9)
 - Updates on the **3** key areas identified during previous years suggest that these issues remain in focus for 2024-25 (Page 10).
4. Last year's AGS contained **7** significant issues and **4** of these has been effectively managed and removed them from this year's AGS. During this year's process we have identified **2** new areas of significant risk, and this has been added. This gives us so far, a total of **5** key areas for the 23-24 AGS and in focus for 24-25.
5. Please note that this document is the draft AGS and some of the key actions to mitigate the weaknesses identified for 2023-24 will be reviewed; and may be



improved upon before the production of the final AGS, which is anticipated to be presented in November 2024 to coincide with the Council's Final Accounts. The process also allows for the addition of any new areas of concern that may arise before the final sign off.

EXEMPT REPORT

6. Not Applicable

RECOMMENDATIONS

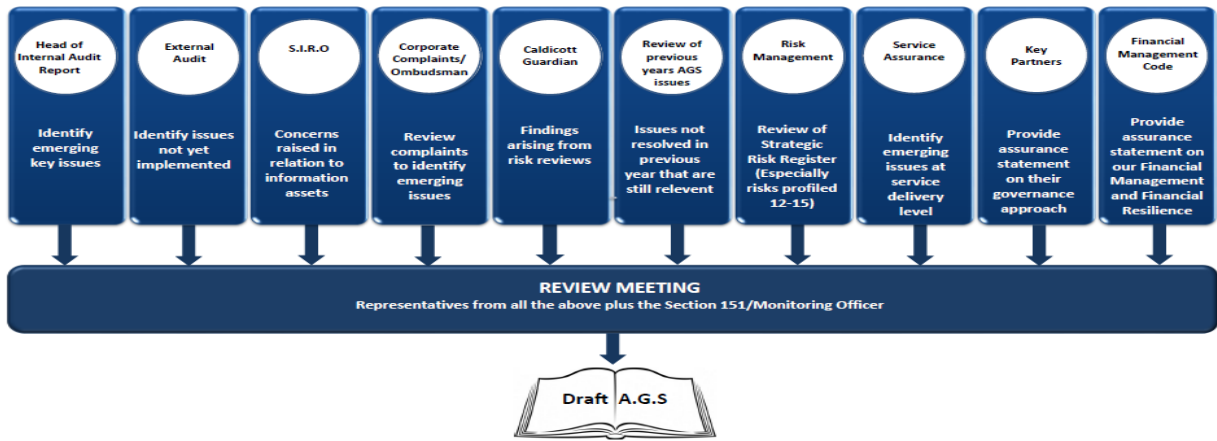
7. The Chair and Members of the Audit Committee are asked to review and endorse the outline of the draft Annual Governance Statement, prior to it being published for consultation as part of the draft 2023-24 City of Doncaster Council Accounts.

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. This annual review of the Council's 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.
10. Our review process amalgamates a top down and bottom up approach. 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. The Pentana system 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. Last year we strengthen this approach, by aligning 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 2023-24 Annual Governance Statement from the emerging issues.



13. The production of the AGS has been aligned with the production of the Head of Internal Audit report to allow them both to be considered at the same Audit Committee meeting.

14. 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





15. Not Applicable





REASONS FOR RECOMMENDED OPTION

16. Not Applicable

IMPACT ON THE COUNCIL'S KEY OUTCOMES

17.

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: SF | Date: 03/04/24]

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: MS | Date: 03/04/24]

There are no specific financial implications arising from this report. There may be financial implications relating to specific actions referred to in the AGS but these will be considered as those actions are progressed. The AGS details financial risks faced by the Council including the Dedicated Schools Grant High Needs Block.

19. Human Resources Implications [Officer Initials: KG | Date: 03/04/24]

There are no specific human resources implications resulting from this statement and report. The workforce recruitment and retention challenges are detailed within the body of the reports along with improvement and development actions.

20. Technology Implications [Officer Initials: PW Date: 02/04/24]

There are no specific technology implications arising from this report. As outlined in the draft AGS, relevant Digital and ICT roles have been converted to trainee roles with clear career progression criteria to support workforce recruitment and retention challenges. Implementation of a new Idox EHCP system is nearing completion to enable better interoperability across agencies supporting children and young people with SEND.

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
2022-23 Annual Governance Statement
Annual Report of the Head of Internal Audit 2022-23

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