
Report to Regulation, Audit and Accounts Committee

14 July 2023

Annual Governance Statement 2022/23

Report by Director of Law and Assurance

Electoral division: Not applicable

Summary

This report introduces the draft Statement for 2022/23, attached at Appendix A. It also provides an update on the Annual Governance Statement Action Plan for 2021/22.

Recommendations

That the draft Statement for 2022/23 be noted, subject to any comments from the Committee.

Proposal

1 Background and context

- 1.1 The Accounts and Audit Regulations require the publication of an Annual Governance Statement (AGS). This draft statement has been produced in line with guidance issued in 2016 by the Chartered Institute of Public Finance and Accountancy (CIPFA) / SOLACE on best practice for developing and maintaining a locally adopted Code of Governance. A Code of Governance was approved by the Governance Committee at a meeting on 7 February 2022.
- 1.2 Corporate governance is the process by which the County Council ensures and gives assurance that it is doing the right things, in the right way, in a timely and accountable manner. It comprises the systems, processes, culture and values by which the County Council operates and through which it accounts to its communities.

2 Proposal details

- 2.1 The draft West Sussex County Council AGS for 2022/23 outlines:
 - the scope of governance responsibilities
 - the purpose of the governance framework
 - a description of the governance framework
 - arrangements for review of the effectiveness of the governance framework
 - governance issues that need to be addressed.
- 2.2 Information is gathered from several sources, internally and externally. The Executive Leadership Team considered the draft AGS and actions and supports the contents and actions. It has to be presented to this Committee for

consideration alongside the Statement of Accounts for approval. Due to ongoing matters relating to external auditors at a national level, it is not expected that the audit will be concluded until later in 2023, so the final version of the Statement cannot be agreed until then.

- 2.3 The 2022/23 Annual Governance Statement provides an update on areas recommended for improvement. Progress against the recommendations on the issues identified for improvement including the improvements required to Children’s Services and Fire and Rescue Service are set out in the report and includes information following positive outcomes of inspections on the services conducted during the year. The Action Plan for 2021/22 is also attached as Appendix B, showing the majority of actions as completed. Where matters are still ongoing, this is reflected within the new AGS for 2022/23.
- 2.4 The County Council is required to comply with the Financial Management (FM) Code which CIPFA published in 2019. The Code provides guidance for good and sustainable financial management in local authorities and assessment against it provides assurance that authorities are managing resources effectively. The FM Code is based on a series of principles. It does not prescribe the financial management process local authorities should adopt but it requires an authority to demonstrate that it satisfies the principles of good financial management relevant to its size, responsibilities, and circumstances. The principles and standards of the code are set out in Appendix C.
- 2.5 Officers in Finance undertook a self-assessment during 2022 and presented this to the Executive Leadership Team. This concluded that the Council does comply with the code. Areas where improvements can be made and a progress update are also set out in Appendix C.

3 Other options considered (and reasons for not proposing)

- 3.1 Not applicable.

4 Consultation, engagement and advice

- 4.1 The external auditor will be consulted on the draft Annual Governance Statement as the audit of accounts progresses.

5 Finance

- 5.1 Not applicable.

6 Risk implications and mitigations

Risk	Mitigating Action (in place or planned)
There are risks from services failing to deliver the action plan	Individual directorates, the Executive Leadership Team and this Committee, monitor these risks.
There are reputational risks from a failure to adopt a comprehensive AGS and action plan	This plan is ready for approval and has the commitment of the senior leadership team who will be responsible collectively for its implementation.

7 Policy alignment and compliance

- 7.1 The Statement is aligned with the Code of Governance.

Tony Kershaw
Director of Law and Assurance

Contact Officer: Charles Gauntlett, Senior Advisor, phone 033 022 22524,
charles.gauntlett@westsussex.gov.uk

Appendices

Appendix A - Annual Governance Statement 2022/23

Appendix B - Annual Governance Statement 2021/22 Action Plan

Appendix C - Financial Management Code - Assessment of Compliance

Background papers - None