

ANNUAL GOVERNANCE STATEMENT 2023-2024

Head of Service:	Andrew Bircher, Interim Director of Corporate Services
Report Writer	Will Mace, Business Assurance Manager
Wards affected:	(All Wards);
Appendices (attached):	Appendix 1: Annual Governance Statement 2023-2024

Summary

The Annual Governance Statement (“Statement”) is an important document which provides assurance concerning the Council’s governance arrangements, both financial and non-financial. It is prepared on an annual basis for inclusion in the Statement of Accounts.

The Statement was taken to Audit & Scrutiny Committee for approval in July 2024, as per its terms of reference. The Statement has been brought to Full Council to ensure all Members are conversant with its contents. Please note the information within the Statement is accurate as of 1 July 2024 (as per its production timeline).

Recommendation (s)

The Committee is asked to:

- (1) Note the Annual Governance Statement 2023-2024 as set out at Appendix 1.**

1 Reason for Recommendation

- 1.1 To comply with the Accounts and Audit Regulations 2015, the Council must prepare an annual statement which appraises its internal control environment. This is referred to as the Annual Governance Statement (“Statement”), and forms part of the annual financial statements.

2 Background

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- 2.1 Our governance arrangements aim to ensure that: we set and meet objectives; act lawfully, openly and honestly; and do the right things in the right way. In addition, these arrangements also create a framework in which all monies and resources are accounted for, safeguarded, and used efficiently and effectively.
- 2.2 The Statement is an important document which provides assurance concerning our governance arrangements, both financial and non-financial. It is prepared on an annual basis for inclusion in the Statement of Accounts. Before the Chief Executive and Chair of Strategy and Resources Committee certifies the statement, it is presented to the Audit and Scrutiny Committee for approval.
- 2.3 The Statement approved by Audit & Scrutiny Committee is attached at Appendix 1, with feedback from Members of the Committee included in this, now signed, version.¹ Principally the updates are minor refinements to the wording in the ‘orange’ columns of the two tables in the “Rational for this Annual Governance Statement’s Assurance Opinion” section. In addition, the new interim s151 officer has reviewed the report. It should be noted here that the interim s151 officer is in place from November 2024 until March 2025, the incumbent left October 2024 until a new full time employee is appointed. This is not reflected in the Appendix 1 as the incumbent was in place during the Statement period.
- 2.4 The Statement was prepared with reference to the Council’s Code of Corporate Governance,¹ and in consultation with senior management (via Divisional Assurance Statements), and the three statutory officers: Head of Paid Service (Chief Executive), Chief Finance and Section 151 Officer, and Monitoring Officer. The Chief Internal Auditor’s opinion is included in the Statement, which provides independent assurance over our systems of internal control and risk management.
- 2.5 The 2023-2024 Statement includes a new assessment, based on the Seven Best Value themes. The Government recently published new statutory guidance on Best Value,² and it is prudent for the Council to highlight how it is meeting the overarching principle of continuous improvement.

3 Risk Assessment

Legal or other duties

3.1 Equality Impact Assessment

3.1.1 There are no direct equality implications associated with this report.

3.2 Crime & Disorder

¹ The hand-signed version is stored in the Town Hall.

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3.2.1 There are no direct crime and disorder implications associated with this report.

3.3 Safeguarding

3.3.1 There are no direct safeguarding implications associated with this report.

3.4 Dependencies

3.4.1 The content of the Statement is, in part, dependent upon the findings of the Chief Internal Auditor's 'Annual Report and Opinion'.³

3.5 Other

3.5.1 There are no other implications with this report. Although notably, the report is a form of risk assessment as it provides the Council's assessment of its own governance and systems of internal control. Where improvements have been identified, they are listed in the Statement's action plan.

4 Financial Implications

4.1 There are no financial implications arising through the preparation and publication of the Statement.

4.2 **Section 151 Officer's comments:** The Annual Governance statement forms an important role on internal control and as a part of the Annual Accounts.

5 Legal Implications

5.1 In order to comply with Regulation 6 of the Accounts and Audit Regulations 2015, the Council must prepare and approve an Annual Governance Statement (Statement). Regulation 10 of the 2015 regulations requires the council to publish the Statement alongside the adopted statement of accounts.

5.2 **Legal Officer's comments:** None arising from the contents of this report.

6 Policies, Plans & Partnerships

6.1 **Council's Key Priorities:** The following Key Priorities are engaged:

- Effective Council – Engaging, responsive and resilient Council.

6.2 **Service Plans:** The matter is included within the current Service Delivery Plan.

6.3 **Climate & Environmental Impact of recommendations:** No relevance for the purposes of this report.

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- 6.4 Sustainability Policy & Community Safety Implications: No relevance for the purposes of this report.
- 6.5 **Partnerships:** The Southern Internal Audit Partnership deliver the Council's internal audit function, and Grant Thornton are the Council's external auditors.

7 Background papers

7.1 The documents referred to in compiling this report are as follows:

Previous reports:

- Epsom & Ewell Borough Council (2023) *Annual Governance Statement 2023-2024*, 25 July 2024, no. 8: Audit & Scrutiny Committee. Online available: [Epsom and Ewell Democracy](#) [last accessed 04/11/24].
- Epsom & Ewell Borough Council (2023) *Annual Governance Statement 2022-2023*, 18 July 2023: Audit & Scrutiny Committee. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1478&Ver=4> [last accessed 12/06/24].

Other papers:

¹ Epsom & Ewell Borough Council (2023) *Code of Corporate Governance*. Online available: <https://www.epsom-ewell.gov.uk/council/about-council/governance> [last accessed 12/06/24].

² HM Government (2024) *Best value standards and intervention: a statutory guide for best value authorities*, 8 May 2024: Department of Levelling Up, Housing and Communities. Online available: <https://www.gov.uk/government/publications/best-value-standards-and-intervention-a-statutory-guide-for-best-value-authorities> [last accessed 12/06/24].

³ Southern Internal Audit Partnership (2024) *Internal Audit Annual Report and Opinion*, 25 July 2024: Audit & Scrutiny Committee. Online available: <https://democracy.epsom-ewell.gov.uk/ieListDocuments.aspx?CId=157&MId=1629&Ver=4>.