

Report of the Head of Internal Audit, Anti-Fraud and Assurance

AUDIT AND GOVERNANCE COMMITTEE – 18th January 2023

ANNUAL GOVERNANCE REVIEW PROCESS 2022/23

1. Purpose of the Report

- 1.1 The purpose of this report is to provide the Audit and Governance Committee with an update regarding the Annual Governance Review (AGR) process that has been determined and used to influence and assist in the preparation of the Council's Statutory Annual Governance Statement (AGS) for 2022/23.
- 1.2 The consideration of the Council's governance and assurance framework and the preparation of the AGS are key responsibilities of the Audit and Governance Committee.

2. Recommendations

2.1 It is recommended that the Audit and Governance Committee:

- i. **Consider the proposed Annual Governance Review Process for 2022/23.**
- ii. **Receive further reports relating to the Annual Governance Review Process for 2022/23 and how the Review will be used to inform the development of the Annual Governance Statement.**

3. Annual Governance Review Process – 2022/23

- 3.1 The Annual Governance Review (AGR) process for 2022/23 will be informed by the following:
 - Progress against the Annual Governance Statement Action Plan 2021/22
 - Input from the Governance and Ethics Board into the AGR process, timescales, approval of draft questionnaires and sources of assurance.
 - Findings obtained from the governance assurance process being developed with Business Units – this is based on the self-assessment documentation used in 2022/23 to prompt consideration of the existence and adequacy of governance arrangements across key areas.
 - An Annual Report of the Head of Internal Audit, Anti-Fraud and Assurance which provides an opinion on the adequacy and effectiveness of the council's risk management, control, and governance processes

- The work of the designated Senior Information Risk Owner (SIRO) and the Data Protection Officer (DPO) and the role of the Information Governance Board
- The work of the Audit and Governance Committee which includes responsibility for monitoring the development and operation of corporate governance in the Council
- The Council's internal management processes, such as performance monitoring and reporting; the staff performance and development framework; employee awareness of corporate policies; monitoring of policies such as the corporate complaints and health and safety policies and budget management systems
- External Audit Reviews
- Recommendations from external review agencies and inspectorates
- Assurance from the Council's statutory officers (Head of Paid Service, Section 151 Officer and Monitoring Officer)

4. Local Code of Corporate Governance

- 4.1 The Local Code of Corporate Governance stands as the overall statement of the Council's corporate governance principles and commitments,
- 4.2 The Code was substantially updated in 2020 and approved by the Audit and Governance Committee and Full Council that year. The Code has been reviewed and a small number of minor amendments have been made to reflect changes to Board and committee names. The updated code and will be considered by the Audit and Governance Committee on 18th January 2023 and recommended to Cabinet for approval and for publication on the Council's website.

5. Preparation of the Annual Governance Statement 2022/23

- 5.1 The preparation of the Annual Governance Statement is undertaken adopting the guidance "Delivering Good Governance in Local Government Framework 2016" CIPFA/SOLACE Guide. It will include the findings from the work carried out outlined in section 3 on the annual governance review process.
- 5.2 The framework defines the principles that should underpin the governance structures of the organisation and provides an opportunity to test existing governance structures and principles against those set out in the framework by:
- Reviewing existing governance arrangements
 - Developing and maintaining a Local Code of Corporate Governance; and
 - Reporting publicly on our compliance with our own Local Code of Corporate Governance

6. Timescales

- 6.1 The proposed timescales for the Annual Governance Review Process are as follows:

Confirmation of the Annual Governance Review process	January 2023
Governance Assurance by Business Units	March/April 2023
Assurance from SIRO/DPO	March/April 2023
Assurance from Statutory Officers	March/April 2023
Consider external inspection reports	March/April 2023
Preparation of Draft AGS	May 2023
Head of Internal Audit's Annual Report	June 2023
External Audit Reviews	July 2023
Final AGS	September 2023

6.2 The timescale for the publication of Statutory Accounts and the AGS has reverted to the timescales used pre-pandemic with final versions of both documents to be approved and published on the Council website by the end of September 2023.

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