



REPORT TO: AUDIT AND SCRUTINY COMMITTEE ON 25 JUNE 2024

SUBJECT: ANNUAL GOVERNANCE STATEMENT

BY: INTERIM CHIEF EXECUTIVE

1. REASON FOR REPORT

- 1.1 This report provides Committee with a copy of the Council's Annual Governance Statement for 2023/24 for review and approval.
- 1.2 This report is submitted to Committee in terms of Section III (I) (5) of the Council's Scheme of Administration relating to supporting the council's governance arrangements through review of the Annual Governance Statement.

2. RECOMMENDATION

- 2.1 **Committee is asked to scrutinise the draft Annual Governance Statement provided as Appendix 1.**

3. BACKGROUND

- 3.1 The function of good governance in the public sector ensures that entities act in the public interest at all times. Governance comprises the arrangements put in place to ensure intended outcomes are defined and achieved.
- 3.2 The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE), building on work undertaken by the International Federation of Accountants, have published a guidance framework on 'Delivering Good Governance in Local Government'.
- 3.3 The Local Authority Accounts (Scotland) Regulations 2014 requires the Council to publish an Annual Governance Statement with its annual accounts. The Statement is based on the guidance and summarises practice across the seven principles identified within the framework, considers the roles of those who oversee the development and operation of such practice, and provides an overall assessment of the effectiveness of governance arrangements. The statement includes an annual opinion provided by the Audit and Risk Manager in line with Public Sector Internal Audit Standards.

- 3.4 Good governance practice involves both elected members and officers and this is reflected in the requirement for the statement to be certified by both the Leader of the Council and the Interim Chief Executive as Acting Head of Paid Service.
- 3.5 The statement is subject to review by external audit, where the external auditor is required to report on anything believed to be inconsistent with any other findings disclosed from the audit work completed. There has been nothing to report in this regard in previous annual audits.

4. SUMMARY OF IMPLICATIONS

(a) Corporate Plan and 10 Year Plan (Local Outcome Improvement Plan (LOIP))

Governance refers to how organisations are managed and controlled. Effective governance is key to the delivery of the strategic priorities promoted in Community and Council strategic plans.

(b) Policy and Legal

The Annual Governance Statement forms part of the annual accounts the Council is required to prepare under statute.

(c) Financial Implications

No implications directly arising from this report.

(d) Risk Implications

Good governance includes the effective management of risk, as evidenced in this 'risk implications' paragraph in all reports that come before the council and its committees, and in the council's corporate risk register that is kept under review by Senior Management and reported at agreed intervals to the Corporate Committee.

(e) Staffing Implications

No implications directly arising from this report.

(f) Property

No implications.

(g) Equalities/ Socio Economic Impacts

No implications.

(h) Climate Change and Biodiversity Impacts

No implications.

(i) Consultations

The Interim Chief Executive, and Corporate and Senior Management Teams have been consulted and have contributed to the content of the Annual Governance Statement. In addition, the Leader of the Council, as a signatory to the Statement, has also been consulted.

5. CONCLUSION

- 5.1 This report provides Committee with a copy of the draft 2023/24 Annual Governance Statement, which has been produced following completion of the annual review of the Council's governance arrangements and system of internal control.**

Author of Report: Atholl Scott, Business Continuity and Risk Management Officer
Background Papers: Various including Committee Reports and Senior Manager Assurance Statements
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