

LONDON BOROUGH OF CAMDEN	WARDS: All
REPORT TITLE: Annual Governance Statement 2023/24	
REPORT OF: Executive Director Corporate Services	
FOR SUBMISSION TO: Audit and Corporate Governance Committee	DATE: 20 February 2025
<p>SUMMARY OF REPORT: This report presents to the Audit and Corporate Governance Committee the draft Annual Governance Statement for 2023/24.</p> <p>LOCAL GOVERNMENT ACT 1972 – ACCESS TO INFORMATION No documents that require listing have been used in the preparation of this report.</p> <p>CONTACT OFFICER: Raj Shah Chief Accountant 5 Pancras Square London N1C 4AG Telephone: 020 7974 6378 raj.shah@camden.gov.uk</p>	
<p>RECOMMENDATIONS</p> <p>The Audit & Corporate Governance Committee is asked to:</p> <ol style="list-style-type: none"> 1. Approve the draft Annual Governance Statement for 2023/24 at Appendix A 2. Delegate authority to the Executive Director Corporate Services to make any minor amendments to the Annual Government Statement prior to publication of the final Annual Governance Statement for 2023-24 	
<p>SIGNED: Approved by Director of Finance</p> <p>DATE: 11 February 2025</p>	

1. Purpose of Report

- 1.1. This report presents to the Committee the draft Annual Governance Statement (AGS) for 2023/24. As per the Accounts and Audit Regulations 2015, the Council is required to conduct a review, at least annually, on the effectiveness of its systems of internal control and include an Annual Governance Statement within its Statement of Accounts. Following the review, it must be considered by, and the AGS approved by, a committee. The committee's terms of reference include to review the AGS prior to approval and consider whether it properly reflects the risk environment and supporting assurances.
- 1.2. In line with the framework, the AGS is an assessment of the Council's performance across all of its activities and describes:
 - Key elements of the Council's governance arrangements, covering all corporate systems and the range of activities for which the Council is responsible;
 - Specific governance arrangements for the 2023-24 financial year;
 - Processes applied in reviewing the effectiveness of the Council's governance framework, including the system of internal control; and
 - Actions proposed to deal with any significant governance issues identified.

2. Background

- 2.1. Camden, like many local authorities, have experienced significant delays with the audit of accounts over the past 4 years. The widely documented backlog in financial reporting across Local Government has impacted councils across the country, with knock on impacts on production of the draft accounts for subsequent years.
- 2.2. Officers have worked diligently to tackle the backlog in reporting, and are now finalising the 2023/24 statement of accounts to meet the backstop date of February 28, 2025. Completion of the accounts requires the approval of the draft Annual Governance Statement for 2023/24.

3. 2023/24 Draft Annual Governance Statement

- 3.1. The draft Annual Governance Statement (AGS) for 2023/24, is presented in **Appendix A**.
- 3.2. The Statement presents the key elements of the Council's governance framework in place for the 2023/24 year, looking at the key roles and terms of reference of those charged with governance.
- 3.3. Within its Review of Effectiveness the AGS pulls together the findings of the External Auditor, the Council's Internal Audit, as well as considering annual self-assessments conducted by each Executive Directorate.

- 3.4. The External Audit findings feed from the work on the 2021/22 and 2022/23 accounts and VFM findings.
- 3.5. The Internal Audit finding includes the opinion of the Head of Internal Audit, who has reported a Moderate Assurance opinion on the Council's internal control framework, indicating that the overall arrangements for the Council's systems of internal control, risk management and governance are adequate. This opinion is unchanged from 2022/23.
- 3.6. The Management Self Assessment presents the Directorate's view of its own governance arrangements, and looks to identify any significant governance issues against the recommended CIPFA framework of identification.
- 3.7. The significant governance issue reported stems from the external audit reports from 2020/21 on timeliness and quality of financial reporting, and whose recommendations have been demonstrated to be implemented. There are no other significant governance issues to report, although in accordance with good governance practices, a number of key issues will continue to be closely monitored in the coming year.
- 3.8. The Committee are asked to approve the draft Annual Governance Statement and agree to delegate authority to the Executive Director Corporate Services to make any minor amendments prior to its publication. Following the Committee's approval the Statement will be presented to the Leader and Chief Executive for signature and be published on the Council website along with the draft Statement of Account.

4. Finance Comments of the Executive Director Corporate Services

- 4.1. This is a report of the Executive Director Corporate Services and his views are incorporated into this report.

5. Legal Comments of the Borough Solicitor

- 5.1. By regulation 3 of the Accounts and Audit Regulations 2015 ('the Regulations') the Council is under a duty to ensure that it has a sound system of internal control which: (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives; (b) ensures that the financial and operational management of the authority is effective; and (c) includes effective arrangements for the management of risk.
- 5.2. By regulation 6, each financial year the Council must conduct a review of the effectiveness of the system of internal control required by regulation 3 above and prepare an annual governance statement (AGS). This review must be considered by, and the AGS approved by resolution of, a committee or members of the authority meeting as a whole. Such matters are within the remit of the terms of reference of the Audit and Corporate Governance Committee. The AGS must be approved in advance of the authority approving the statement of accounts and prepared in accordance with proper practices.

6. Environmental Implications

6.1. There are no environmental implications.

7. Appendices

Appendix A: Draft Annual Governance Statement 2023/24

REPORT ENDS