

North East Derbyshire District Council

Audit Committee

28 July 2025

Draft Annual Governance Statement 2025/26

Report of the Director of Finance and Resources (S151 Officer)

Classification: This report is public

Report By: **Jayne Dethick, Director of Finance and Resources (S151 Officer)**

Contact Officer: **Jayne Dethick**

PURPOSE / SUMMARY

To provide an opportunity for the Committee to consider the draft Annual Governance Statement for 2024/25 along with the review of the Code of Corporate Governance.

RECOMMENDATIONS

1. That the Audit Committee note the contents of the draft Annual Governance Statement and make any comments that they believe to be appropriate concerning these matters.
 2. That the Committee approve the Code of Corporate Governance.
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IMPLICATIONS

Finance and Risk: Yes ☒ No ☐

Details:

The Annual Governance Statement is a key requirement of the published Financial Statements. It is therefore vital that we have a relevant statement, signed off by the Leader and Chief Executive that supports the standards of good governance.

There are no direct financial implications arising from the review of the Local Code of Corporate Governance. However, adequate and effective systems of corporate governance are a key component in the process, intended to help ensure that the Council operates efficiently, cost effectively and with integrity.

On Behalf of the Section 151 Officer

Legal (including Data Protection): Yes ☒ No ☐

Details:

The Accounts and Audit Regulations 2015 require councils to undertake an annual review of their governance. The Regulations require that an Annual Governance Statement, prepared to fulfil this requirement, should form part of the Council's Statement of Accounts. The Regulations also state that the Annual Governance Statement should be prepared in accordance with proper practices. Compliance with the CIPFA guidance fulfils this requirement. The format of the Draft AGS reflects the good practice guidance from CIPFA.

A Code of Corporate Governance is recommended by the guidance designated as proper practice by the CIPFA/SOLACE framework, entitled Delivering Good Governance in Local Government. The Council's Code forms part of the governance framework which defines the principles that underpin our governance arrangements.

On Behalf of the Solicitor to the Council

Staffing:**Yes** ☐**No** ☒**Details:**

There are no staffing issues arising directly from this report.

On behalf of the Head of Paid Service

DECISION INFORMATION

Decision Information	
Is the decision a Key Decision? A Key Decision is an executive decision which has a significant impact on two or more District wards or which results in income or expenditure to the Council above the following thresholds: NEDDC: Revenue - £125,000 <input type="checkbox"/> Capital - £310,000 <input type="checkbox"/> <input checked="" type="checkbox"/> <i>Please indicate which threshold applies</i>	No
Is the decision subject to Call-In? (Only Key Decisions are subject to Call-In)	No
District Wards Significantly Affected	None
Equality Impact Assessment (EIA) details:	
Stage 1 screening undertaken <ul style="list-style-type: none"> Completed EIA stage 1 to be appended if not required to do a stage 2 	No, not applicable
Stage 2 full assessment undertaken <ul style="list-style-type: none"> Completed EIA stage 2 needs to be appended to the report 	No, not applicable
Consultation: Leader / Deputy Leader <input type="checkbox"/> Cabinet <input type="checkbox"/> SMT <input type="checkbox"/> Relevant Service Manager <input type="checkbox"/> Members <input type="checkbox"/> Public <input type="checkbox"/> Other <input type="checkbox"/>	Yes Details:

Links to Council Plan priorities; <ul style="list-style-type: none"> A great place that cares for the environment A great place to live well A great place to work A great place to access good public services
All

REPORT DETAILS

1 **Background** (reasons for bringing the report)

- 1.1 The CIPFA/SOLACE framework 'Delivering Good Governance in Local Government' encourages local authorities to review the effectiveness of their existing governance arrangements against their Code of Corporate Governance and prepare an annual governance statement that reports publicly

on their compliance, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes for the coming period.

2. Annual Governance Statement

- 2.1 The Annual Governance Statement (AGS) should provide assurance that the Council operates in accordance with the law and has due regard to proper standards of behaviour and that it safeguards the public purse.
- 2.2 The Council's AGS largely follows the requirements of the CIPFA/SOLACE framework 'Delivering Good Governance in Local Government'. It reports each year on the governance arrangements and assurance in place, compliance with CIPFA's Financial Management Code, performance management and continuous improvement and risk management. The AGS also reports on the role of the Audit Committee and its importance in providing oversight of governance and accountability arrangements.
- 2.3 The draft AGS 2024/25 (Appendix 1) is published alongside the Statement of Accounts each year. The Council's Statutory Officers have reviewed this year's AGS and have formed the view that the overall governance arrangements of the Council are sound. The Head of the Internal Audit Consortium also provides an audit opinion each year in the AGS on the overall adequacy and effectiveness of the Council's framework for governance, risk management and control.
- 2.4 The AGS reports on progress made against prior year governance issues and details those identified during the year that will become the focus for the forthcoming year. Progress will be reviewed as part of the risk management process each quarter.

Code of Corporate Governance

- 2.5 In addition to the AGS, the Council has in place a Code of Corporate Governance (the Code). This also reflects the main components set out in the CIPFA and SOLACE guidance "Delivering Good Governance in Local Government: Framework". The Code is a public statement of the arrangements the Council has in place to ensure it conducts its business in a way that upholds the highest standards. Appendix 2 contains the Code.
- 2.6 The Code is therefore an important part of the Council's public accountability. It is important it remains fit for purpose, and each year the Council's Monitoring Officer and S151 Officer conduct a review of compliance with the Code. The outcome of this year's review can be found at Appendix 3.

3 Reasons for Recommendation

- 3.1 To provide the Audit Committee with an opportunity to review the governance arrangements as detailed in the AGS and the Code.

4 Alternative Options and Reasons for Rejection

4.1 None, it is a requirement to make such arrangements.

DOCUMENT INFORMATION

Appendix No	Title
1	Annual Governance Statement 2024/25
2	Code of Corporate Governance
3	Self-Assessment of the Code
Background Papers (These are unpublished works which have been relied on to a material extent when preparing the report. They must be listed in the section below. If the report is going to Cabinet you must provide copies of the background papers)	
None	