

Committee(s)	Dated:
Audit and Risk Management Committee	12/05/2023
Subject: Annual Governance Statement (City Fund) 2022/23	Public
Which outcomes in the City Corporation’s Corporate Plan does this proposal aim to impact directly?	N/A
Does this proposal require extra revenue and/or capital spending?	N
If so, how much?	N/A
What is the source of Funding?	N/A
Has this Funding Source been agreed with the Chamberlain’s Department?	N/A
Report of: Chief Strategy Officer	For Decision
Report author: Barbara Hook Assistant Director Corporate Planning	

Summary

This report presents the Annual Governance Statement (AGS), published alongside the 2022/23 City Fund and Pension Fund Statement of Accounts, as required by the Accounts and Audit (England) Regulations 2015 and prepared in accordance with practice guidance: “Delivering Good Governance in Local Government” – issued jointly by the Society of Local Authority Chief Executives and Senior Managers and the Chartered Institute of Public Finance and Accountancy.

Recommendation(s)

Members are asked to:

- Consider and approve the AGS, at Appendix 1, for signing by the Chair of the Policy and Resources Committee and the Town Clerk and Chief Executive
- Note that the AGS will be published alongside the 2022/23 City Fund and Pension Fund Statement of Accounts
- Delegate authority to the Town Clerk and Chief Executive, in consultation with the Chairman and Deputy Chairmen of this Committee, to amend the AGS for any relevant significant events or developments that occur prior to the date on which the Statement of Accounts is signed by the Chamberlain.

Main Report

Background

1. This report presents the City Corporation’s Annual Governance Statement (AGS), preparation of this statement is a requirement of The Accounts and Audit (England) Regulations 2015, which apply to the City of London’s City Fund activities. Specifically, as an audited body, the City Corporation must conduct a review each financial year of the effectiveness of its system of internal control and publish an AGS, alongside the authority’s Statement of Accounts.

2. The Chartered Institute of Public Finance and Accountancy (CIPFA), in association with the Society of Local Authority Chief Executives and Senior Managers (SOLACE), publishes a Delivering Good Governance in Local Government: Framework and an accompanying guidance note, which represents the proper practice guidance in relation to this.
3. The AGS must be signed by the most senior officer (Chief Executive or equivalent) and the most senior Member (Leader or equivalent). Following a resolution of this Committee in March 2012, the Policy and Resources Committee approved a report on the process for producing the AGS, and approved the practice whereby the AGS is approved by this Committee and signed by the Chairman of the Policy and Resources Committee.
4. The Audit and Risk Management Committee has a key role within the 'review of effectiveness' of the City's governance framework, including the system of internal control. One of its prime responsibilities is to review the work of the internal auditors, consider the risk management framework, and consider comments made by the external auditors and other review agencies and inspectorates.

Current Position

5. The intended purpose of the AGS is to describe what steps the organisation has taken to evaluate the adequacy and effectiveness of its systems of governance and provide an overall conclusion thereon.
6. The AGS at Appendix 1 is in the same format as the previous year's AGS, which was designed with public accessibility and ease of understanding in mind. The AGS aims to help drive improvement in the Corporation's overall effectiveness as allowed for by CIPFA guidance. It incorporates feedback and direction provided by the Committee in July 2022 when the 2021-22 Annual Governance Statement was reviewed, including
 - a. Including the Head of Internal Audit's annual opinion of the City of London Corporation's adequate and effective systems of internal control within the Executive Summary (paragraph 4)
 - b. Noting the City of London Corporation has a majority independent elected membership (diagram on page 2)
 - c. Noting governance arrangements in respect of aldermanic terms of office, previously affected by the pandemic, are again regularised (paragraph 17)
 - d. Placing key governance issues in order of significance (paragraphs 35-50)
 - e. Consideration of people issues in the context of a more challenging post-pandemic employment landscape (paragraph 46).
7. The action plan (paragraph 51) notes six areas of action for the coming year and Chief Officers who have Lead responsibility. All Chief Officers will contribute to the delivery of these actions. The Chief Officer with Lead responsibility will ensure that delivery is joined up across the City Corporation.
8. The AGS has been reviewed by the Executive Leadership Board on 15th March 2023.

9. In accordance with the practice adopted in previous years, Members are asked to delegate authority to the Town Clerk and Chief Executive, in consultation with the Chairman and Deputy Chairmen of this Committee, to amend the AGS for any relevant significant events or developments that occur prior to the date on which the Statement of Accounts is signed by the Chamberlain. Publication of the Statement of Accounts is due by 31st May.

Conclusion

10. Members are asked to consider and approve the AGS, prepared in accordance with the requirements of The Accounts and Audit Regulations 2015 and associated recognised practice guidance. Once approved by this Committee, the AGS will be presented to the Town Clerk and Chief Executive and Chair of Policy and Resources for signature and will subsequently be published alongside the financial statements for the City Fund and Pension Fund.

Appendices

- **Appendix 1** - Draft AGS City Fund 2022/23

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