

PERTH AND KINROSS COUNCIL

Scrutiny & Performance Committee – 7 June 2023

ANNUAL GOVERNANCE STATEMENT 2022/23

Report by Head of Legal & Governance Services (Report No. 23/182)

1. PURPOSE OF REPORT

The purpose of the report is to present for scrutiny and review, the draft Annual Governance Statement (AGS) for the financial year 2022/23 which provides assurance as to the effectiveness of the Council's governance framework and, in particular, the system of internal control.

2. RECOMMENDATIONS

The Committee is asked to:

- Scrutinise and comment on the draft Annual Governance Statement for the financial year 2022/23.
- Note the assurance provided as to the adequacy and effectiveness of the Council's governance arrangements including the system of internal control.

3. STRUCTURE OF REPORTINTRODUCTION

Section 4 - Background/Context

Section 5 - Assurance Process

Section 6 - Assessment of Effectiveness

Appendix - Draft Annual Governance Statement

4. BACKGROUND/CONTEXT

- 3.1 The purpose of the Annual Governance Statement (AGS) is to provide assurance that our governance arrangements and, in particular, our system of internal control, are adequate, appropriate and effective.
- 3.2 The Annual Governance Statement (AGS) for 2022/23 is attached as Appendix 1 to this report. It has been prepared in accordance with the principles set out in the Chartered Institute of Public Finance & Accountancy (CIPFA) Framework: Delivering Good Governance in Local Government and is required to be published as part of the Council's Annual Accounts. It is presented here to allow appropriate review and scrutiny by the Committee.
- 3.3 The 2022 Local Government Elections brought a change of political administration within the Council and 14 new councillors. This

presented an opportunity to review and refresh our strategic vision and our leadership culture and values. During the year officers and Elected Members have engaged with our communities and worked together in partnership to develop a new Corporate Plan which reflects the strategic priorities of the new Council. The more detailed delivery plan is being developed to ensure that we deliver on those objectives and continue to provide high quality operational services.

- 3.4 An extensive induction/refresher programme of training was put in place for Elected Members following the Election and a long-term programme of personal development is being implemented. Similarly, an extensive leadership development programme is in place for officers, with a new leadership competency framework being implemented to enhance capacity and effectiveness, not only in senior leadership roles but across all levels of the organisation. To ensure that the political and executive leadership is aligned to optimise the organisation's ability to achieve its strategic outcomes, the political decision-making structures have been reviewed and revised and the operational senior leadership structure is currently being reshaped.

4 GOVERNANCE ASSURANCE PROCESS

- 4.1 The assurance process to inform the AGS has been developed and refined to consider the CIPFA Framework and associated guidance. It is designed to test the continuing effectiveness of our governance arrangements and to identify current, emerging and potential future risks to enable the organisation to adjust and improve their internal controls to mitigate and manage these effectively.
- 4.2 Evidence has been gathered by way of self-assessment from each of the Service Management Teams, which was then scrutinised and reviewed. Executive Directors and the Chief Operating Officer have provided Certificates of Assurance in respect of the adequacy and effectiveness of the controls within their area.
- 4.3 Certificates of Assurance have also been provided by the following officers in respect of their assessment of key corporate controls:
- Head of Finance as S95 Officer
 - Head of Legal & Governance Services /Monitoring Officer
 - Head of Legal & Governance for Procurement
 - Chief Internal Auditor
 - Data Protection Officer & Information Security Managers
 - Corporate HR (Human Resources) Manager
 - Head of Innovation
- 4.4 Assurance is provided by the Head of Culture and Communities, in her capacity as the Contract Monitoring Officer in respect of our Arm's Length External bodies (Perth Theatre and Concert Hall Ltd, Live Active Leisure and Culture Perth & Kinross).

- 4.5 The Perth & Kinross Integrated Joint Board are obliged to produce their own Annual Governance Statement, as are the Tayside Valuation Joint Board and Tayside Contracts. We place reliance on their assurance statements which are shared with the Council.

5 EFFECTIVENESS OF GOVERNANCE ARRANGEMENTS

- 5.1 In the main, the system of internal control has proved effective during the year 2022/23 with many of the processes, systems and control mechanisms remaining the same, albeit a number being applied and implemented in a virtual environment.
- 5.2 The assurance process demonstrates that the Council has had and continues to have adequate internal controls in place that are considered fit for purpose in accordance with the governance framework.

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Approved

Name	Designation	Date
Karen Donaldson	Chief Operating Officer	2 June 2023

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1. IMPLICATIONS, ASSESSMENTS, CONSULTATION AND COMMUNICATION

Strategic Implications	
Community Plan / Single Outcome Agreement	None
Corporate Plan	None
Resource Implications	
Financial	None
Workforce	None
Asset Management (land, property, IST)	None
Assessments	
Equality Impact Assessment	None
Strategic Environmental Assessment	None
Sustainability (community, economic, environmental)	None
Legal and Governance	Yes
Risk	None
Consultation	
Internal	Yes
External	Yes
Communication	
Communications Plan	None

1. Strategic Implications

Not applicable.

2. Resource Implications

Not Applicable.

3. Assessments

Not applicable.

4. Consultation

Internal

- Service Management Teams
- Executive Officer Team
- Corporate Management Group
- Policy & Governance Group
- Chief Internal Auditor
- Corporate Procurement Manager

- Information compliance Officer
- Health, Safety & Wellbeing Manager

External

Staff from the following external organisations have been consulted during the preparation of the Annual Governance Statement including:

- Tayside Contracts
- Perth & Kinross Integrated Joint Board
- Live Active Leisure Limited
- Culture Perth & Kinross Limited
- Perth Theatre and Concert Hall Limited
- Tayside Valuation joint Board

5. Communication

- 5.1 The Annual Governance Statement will be published with the Council's Final Accounts for 2022/23

2. BACKGROUND PAPERS

None

3. APPENDICES

- Annual Governance Statement 2022/23