

## **REPORT TO AUDIT AND GOVERNANCE COMMITTEE**

Date of Meeting: 24 July 2025

## **REPORT TO COUNCIL**

Date of Meeting: 2 September 2025

Report of: Strategic Director of Corporate Resources

**Title: Annual Governance Statement – 2024/25**

### **Is this a Key Decision?**

No

### **Is this an Executive or Council Function?**

Council

### **1. What is the report about?**

1.1 The report sets out the Annual Governance Statement that will accompany the Council's Statement of Accounts for 2024/25.

### **2. Recommendations:**

It is recommended that:

2.1 Audit and Governance Committee supports the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2024/25; and

2.2 Council notes and approves the Annual Governance Statement to be included within the Council's Annual Statement of Accounts for 2024/25.

### **3. Reasons for the recommendation:**

3.1 The Council is required to prepare and publish an Annual Governance Statement by Regulation 4 of the Accounts and Audit (England) Regulations 2011. It reports on the Council's performance against the Code of Corporate Governance.

### **4. What are the resource implications including non financial resources.**

4.1 There are no resource implications contained within the report.

### **5. Section 151 Officer comments:**

5.1 The production of the Annual Governance Statement is a statutory requirement, which reviews any significant issues raised in respect of Corporate Governance.

## **6. What are the legal aspects?**

- 6.1 The Annual Governance Statement is a statutory requirement as set out in Regulation 4 of the Accounts and Audit (England) Regulations 2011.
- 6.2 Regulation 4 is headed 'Responsibility for financial management'. It specifies that the Council is responsible for ensuring that its financial management is 'adequate and effective' and that it has '...a sound system of internal control which facilitates the effective exercise of [its] functions and which includes arrangements for the management of risk'.
- 6.3 The Council is required to conduct a review '...of the effectiveness of its system of internal control' at least once per year.
- 6.4 The findings of the review are considered by the Council's Audit and Governance Committee. Following the review, the Committee '...must approve an annual governance statement, prepared in accordance with the proper practices in relation to internal control.'
- 6.5 Once approved, the annual governance statement must accompany the Council's statement of accounts.

## **7. Monitoring Officer's comments:**

7.1 Local authorities are required to ensure that their business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. In discharging this overall responsibility, the council is required to have proper arrangements in place for the governance of its affairs, facilitating the effective exercise of its functions and ensuring arrangements are in place for the management of risk.

7.2 Exeter City Council's Governance framework comprises a system of processes, culture and values by which the Council engages with and leads the community. It enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

## **8. Report details:**

### **Background**

8.1 The Code of Corporate Governance, which the Annual Governance Statement reflects, has been updated to reflect the new principles set by CIPFA/SOLACE.

8.2 The Annual Governance Statement should include the following information:

- An acknowledgement of responsibility for ensuring there is a sound system of governance (incorporating the system of internal control);
- An indication of the level of assurance that the systems and processes that comprise the authority's governance arrangements can provide;

- A brief description of the key elements of the governance framework, including reference to group activities where those activities are significant;
- A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of:
  - the authority;
  - the executive;
  - the audit committee/overview and scrutiny function/risk management committee/standards committee (as appropriate)
  - internal audit
  - other explicit review/assurance mechanisms
- An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan.

8.3 The Annual Governance Statement is attached at Appendix A.

## **9. How does the decision contribute to the Council's Corporate Plan?**

9.1 This is a statutory requirement and does not contribute directly to the Council's Corporate Plan.

## **10. What risks are there and how can they be reduced?**

10.1 There are no direct risks associated with this report

## **11. Equality Act 2010 (The Act)**

11.1 Under the Act's Public Sector Equalities Duty, decision makers are required to consider the need to:

- eliminate discrimination, harassment, victimisation and any other prohibited conduct;
- advance equality by encouraging participation, removing disadvantage, taking account of disabilities and meeting people's needs; and
- foster good relations between people by tackling prejudice and promoting understanding.

11.2 In order to comply with the general duty authorities must assess the impact on equality of decisions, policies and practices. These duties do not prevent the authority from reducing services where necessary, but they offer a way of developing proposals that consider the impact on all members of the community.

11.3 In making decisions the authority must take into account the potential impact of that decision in relation to age, disability, race/ethnicity (includes Gypsies and Travellers), sex and gender, gender identity, religion and belief, sexual orientation,

pregnant women and new and breastfeeding mothers, marriage and civil partnership status in coming to a decision.

11.4 In recommending this proposal no potential impact has been identified on people with protected characteristics as determined by the Act because:

11.4.1 The report does not set policy.

## **12. Carbon Footprint (Environmental) Implications:**

12.1 No direct carbon/environmental impacts arising from the recommendations.

## **13. Are there any other options?**

13.1 Not applicable.

**Strategic Director of Corporate Resources, Dave Hodgson**

## **Local Government (Access to Information) Act 1972 (as amended)**

Background papers used in compiling this report:-

None

Contact for enquires:  
Democratic Services (Committees)  
Room 4.36