

## Audit and Standards Committee

09 June 2021

### Annual Governance Review and Draft Annual Governance Statement

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<b>Is the paper exempt from the press and public?</b>	No
<b><i>Reason why exempt:</i></b>	Not applicable
<b>Purpose of this report:</b>	Governance
<b>Funding Stream:</b>	Not applicable
<b>Is this a Key Decision?</b>	No
<b>Has it been included on the Forward Plan?</b>	No - Not a Key Decision

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**Director Approving Submission of the Report**  
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#### **Executive Summary**

This paper reports on the findings of the 2021/22 Annual Governance Review and presents the draft Annual Governance Statement (Appendix A) which includes the proposed Governance Improvement Plan for the 2022/23 financial year.

#### **What does this mean for businesses, people and places in South Yorkshire?**

Good governance enables the Combined Authority to pursue its ambitions and objectives in the most effective and efficient way, bringing about better outcomes for residents and businesses in South Yorkshire.

#### **Recommendations**

The Committee is asked to consider the draft Annual Governance Statement and Governance Improvement Plan and recommend any amendments or additions ahead presentation to the Combined Authority meeting on 25<sup>th</sup> July.

#### **Consideration by any other Board, Committee, Assurance or Advisory Panel**

Not applicable

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## **1. Background**

- 1.1 It is a statutory requirement for the Authority to review its systems of governance and internal control at least once each year, and to publish an Annual Governance Statement with its Statement of Accounts
- 1.2 In addition, there is a requirement to have in place a Governance Improvement Plan (GIP) which highlights any identified governance issues, their current status and timelines for completion. The proposed Governance Improvement Plan for 2022/23 can be found at section 4 of the Annual Governance Statement.

## **2. Key Issues**

- 2.1 An annual review of the effectiveness of systems of internal control is required by the Accounts and Audit Regulations 2015.
- 2.2 In January, the Audit and Standards Committee endorsed the approach to the Annual Governance Review.

During February and March 2022, an initial review was undertaken, carried out in line with the CIPFA guidance and a workshop held with the Management Board. The findings of this initial review were reported to the Audit, Standards and Risk Committee 24<sup>th</sup> March.

- 2.3 During April and May work has continued to conduct an assessment of compliance with the Authority's Code of Corporate Governance, to gain assurance of the effectiveness of current arrangements and to identify any opportunities for improvement.
- 2.4 The outputs from the Annual Governance Review process have assisted in the preparation of the Annual Governance Statement which has been prepared in accordance with the CIPFA 'Delivering Good Governance in Local Government Framework 2016'. The main principle underpinning this guidance from CIPFA continues to be that local government should develop and shape its own approach to corporate governance, taking into account the environment in which it operates.

CIPFA guidance also advises that the statement should be a meaningful but brief communication regarding the review that has taken place and should be high level, strategic and written in an open and readable style.

## **2.5 Conclusion of the Review**

As outlined in the draft Annual Governance Statement, the outcome of the Annual Governance Review has concluded that arrangements during the year were fit for purpose and robust yet flexible enough to respond to the challenges presented.

### **Looking ahead**

Given the Integration work and the new staffing structures being embedded in the organisation, during 22/23 we will be reviewing, in conjunction with Internal Audit, the process for reviewing the MCA systems of governance and internal control in time to implement such changes with the formal dissolution of the PTE in April 2023.

### **3. Timetable and Accountability for Implementation**

- 3.1 The Annual Governance Statement outlines the effectiveness of the Authority's governance arrangements over the previous financial year. The Governance Improvement Plan sets out the improvement activity for the year end 31<sup>st</sup> March 2023.

### **4. Financial and Procurement Implications and Advice**

- 4.1 There are no financial or procurement implications associated with this report.

### **5. Legal Implications and Advice**

- 5.1 The Accounts and Audit Regulations 2015 requires Combined Authorities to prepare an Annual Governance Statement in order to report publicly on the extent to which they comply with their own code of governance.

### **6. Human Resources Implications and Advice**

- 6.1 There are no human resource implications associated with this report.

### **7. Equality and Diversity Implications and Advice**

- 7.1 There are no equality and diversity issues associated with this report.

### **8. Climate Change Implications and Advice**

- 8.1 There are no climate change implications associated with this report.

### **9. Information and Communication Technology Implications and Advice**

- 9.1 There are no information and communication technology implications associated with this report.

### **10. Communications and Marketing Implications and Advice.**

- 10.1 There are no communications or marketing implications associated with this report, however, the report will be published on the Authority's website.

### **List of Appendices Included**

- A Draft Annual Governance Statement including Governance Improvement Plan 2022/23

### **Background Papers**

[Item 15 24th March 2022 Annual Governance Review - initial findings](#)

[Item 14 27th January 2022 Annual Governance Review Process](#)