

Mayoral Combined Authority Board

25 July 2022

Annual Governance Review and Draft Annual Governance Statement

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

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 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 MCA 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

Members are asked to consider the draft Annual Governance Statement and Governance Improvement Plan as recommended by the Audit, Standards and Risk Committee.

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

Audit, Standards and Risk Committee

9th June 2022

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. The proposed Governance Improvement Plan for 2022/23 is for the integrated organisation and can be found at section 4 of the Annual Governance Statement.

2. Key Issues

- 2.1 In January 2022, the Audit, Standards and Risk Committee endorsed the approach to the Annual Governance Review and during February and March 2022, an initial review was undertaken, followed by a workshop with the Management Board. The review was conducted in line with CIPFA guidance, and the findings reported to the Committee on 24th March.
- 2.2 During April and May further work was undertaken to continue to assess the level 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.
- 2.3 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, should be high level, strategic and written in an open and readable style.

2.4 Conclusion of the Review

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

Looking ahead

The approach to the annual governance review process for 22/23 will be revised appropriately to reflect the integrated organisation.

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 31st March 2023.

The Annual Governance Statement will be included in the Authority's Statement of Accounts which is due to published by 30th November 2022.

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

[ASRC 9th June 2022 Item 14 Findings of the Annual Governance Review and Draft Annual Governance Statement](#)

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

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