

REPORT TO: AUDIT COMMITTEE

DATE: 17 JULY 2020

REPORT TITLE: ANNUAL GOVERNANCE STATEMENT 2019/20

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CORPORATE SERVICES**

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Purpose of Report

- 1 It is the responsibility of the audit committee to formally approve the authority's annual Statement of Accounts. This report contains the Annual Governance Statement which is an integral section of the accounts detailing the framework, and effectiveness, of the authority's governance arrangements.

Recommendation

- *The committee are requested to note the draft Annual Governance Statement.*

Background / Issues for Consideration

- 2 The West of England Combined Authority, (WECA), like all other public sector bodies, has to produce statutory accounts on an annual basis. These accounts have to be formally approved by those charged with governance, being the audit committee.
 - 2.1 2019/20 is the first financial year where WECA has taken full responsibility for leading and developing their own Statement of Accounts with previous years statements being led by consultants. WECA has retained specialist expertise through commissioning the Chartered Institute of Public Sector and Accountancy, (CIPFA), to assist with specific technical aspects.
 - 2.2 The full set of accounts have been drafted and are currently being quality checked and reviewed by CIPFA. These will be presented to the audit committee in September 2020 for approval following the external audit review which is programmed for August 2020.
 - 2.3 In this meeting, the audit committee are requested to review the Annual Governance Statement which is a stand-alone, but integral section within the accounts.
 - 2.4 The Annual Governance Statement explains how WECA has complied with the requirements of: The Accounts and Audit (England) Regulations 2015, specifically

Regulation 6 (1) in respect of the annual review of the effectiveness of its system of internal control.

Consultation

- 3 Consultation has taken place with the WECA Mayor, Chief Executive Officer, Monitoring Officer and Senior Management Team. An informal session has also been held with the Chair, Vice Chair and newly appointed independent member of the audit committee.
- 3.1 The Accounts and Audit Regulations (England) 2015 require the Annual Statement of Accounts to be certified by the Chief Financial Officer and made available for public inspection. WECA will issue a full copy of the draft 2019/20 accounts on the authority's website in advance of the statutory deadline of 31 August 2020.

Other Options Considered

- 4 WECA could have waited for the entire accounts to be available for review by the audit committee in September 2020, but chose the option to present the draft narrative statement and annual governance statement early in order to obtain initial feedback and direction prior to publication of a draft on the authority's website.

Risk Management/Assessment

- 5 The publication of the Authority's Financial Statements forms a core part of WECA's governance and risk management processes. As required by statute, the Annual Governance Statement, (AGS), has been produced and is integrated within the core Statement of Accounts document.
- 5.1 The AGS and narrative statement both detail the framework that the authority has developed, and implemented, for governing, managing and reporting risks.

Public Sector Equality Duties

- 6 The public sector equality duty created under the Equality Act 2010 means that public authorities must have due regard to the need to:
 - Eliminate unlawful discrimination, harassment and victimization and other conduct prohibited by the Act.
 - Advance equality of opportunity between people who share a protected characteristic and those who do not.
 - Foster good relations between people who share a protected characteristic and those who do not.
- 6.1 The Act explains that having due regard for advancing equality involves:
 - Removing or minimising disadvantages suffered by people due to their protected characteristics.
 - Taking steps to meet the needs of people from protected groups where these are different from the needs of other people.
 - Encouraging people from protected groups to participate in public life or in other

activities where their participation is disproportionately low.

- 6.2 The general equality duty therefore requires organisations to consider how they could positively contribute to the advancement of equality and good relations. It requires equality considerations to be reflected in the design of policies and the delivery of services, including policies, and for these issues to be kept under review.
- 6.3 There are no direct implications arising from this report.

Finance Implications, including economic impact assessment where appropriate:

- 7 The Statement of Accounts reflect the financial accounting position of the Combined Authority as at 31 March 2020. Management Accounting reports are published throughout the year evidencing progress and spend against the authority's set budget. The management accounting 2019/20 outturn positions for WECA, Mayoral Fund and LEP budgets are detailed within the draft narrative statement.

Legal Implications:

- 8 The publication and audit of the Authority's Financial Statements is in accordance with the Accounts and Audit Regulations (England) 2015.

Climate Change Implications

- 9 On 19 July 2019, the West of England Combined Authority declared a climate emergency, recognising the huge significance of climate change and its impact on the health, safety and wellbeing of the region's residents. The Combined Authority is committed to taking climate change considerations fully into account as an integral part of its governance and decision making process.

Each report/proposal submitted for Combined Authority / Joint Committee approval is assessed in terms of the following:

Will the proposal impact positively or negatively on:

- * The emission of climate changing gases?
- * The region's resilience to the effects of climate change?
- * Consumption of non-renewable resources?
- * Pollution to land, water or air?

Particular projects will also be subject to more detailed environmental assessment/consideration as necessary as part of their detailed project-specific management arrangements

- 9.1 The statement of accounts has no direct impact on climate change issues. However, WECA considers climate change when determining their priorities and investment decisions.

Appendices:

Appendix 1 – WECA Annual Governance Statement 2019/20

Background papers:

WECA Statutory Accounts 2018/19 – approved by the Audit Committee on 16 October 2019

West of England Combined Authority Contact:

Any person seeking background information relating to this item should seek the assistance of the contact officer for the meeting who is Ian Hird / Tim Milgate on 0117 332 1486; or by writing to West of England Combined Authority, 3 Rivergate, Temple Way, Bristol BS1 6ER; email: democratic.services@westofengland-ca.gov.uk