

REPORT TO: WECA AUDIT COMMITTEE

DATE: 1 JULY 2021

**REPORT TITLE: DRAFT ANNUAL GOVERNANCE STATEMENT
2020/21**

**DIRECTOR: MALCOLM COE, DIRECTOR OF INVESTMENT AND
CORPORATE SERVICES**

AUTHOR: MALCOLM COE

Purpose of Report

- 1 The Annual Governance Statement is a mandatory requirement published as an integral part of the WECA Statement of Accounts detailing the risk management and assurance framework.

Recommendation

The Committee are requested to approve the Draft Annual Governance Statement attached at Appendix 1.

Background / Issues for Consideration

- 2 The West of England Combined Authority (WECA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.
 - 2.1 In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, which includes ensuring a sound system of internal control and effective arrangements for the management of risk.
 - 2.2 WECA has adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.
 - 2.3 WECA's Local Code of Corporate Governance aims to ensure that in conducting its business it will:
 - operate in a lawful, open, inclusive and honest manner
 - make sure public money is safeguarded, properly accounted for and spent wisely
 - has effective arrangements in place to manage and control risk

- secure continuous improvements in the way it operates.

2.4 The attached Draft Annual Governance Statement explains how the Authority has complied with the Local Code of Corporate Governance and also meets 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 and preparation and publication of an Annual Governance Statement.

Consultation

3 Consultation has taken place with Internal Audit and WECA Senior Management Team. An informal session has also been held with the Chair 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 2020/21 accounts on the authority's website in advance of the statutory deadline of 31 July 2021.

Other Options Considered

4 The Annual Governance Statement is a mandatory requirement published as an integral part of the WECA Statement of Accounts detailing the risk management and assurance framework.

Risk Management/Assessment

5 As required by statute, an 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 2021. Management Accounting reports are published throughout the year evidencing progress and spend against the authority's set budget. The management accounting 2020/21 outturn positions for WECA and Mayoral Fund budgets are detailed within the draft narrative statement.

Advice given by: Malcolm Coe, Director of Investment and Corporate Services

Legal Implications:

- 8 The AGS is the requirement 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 and preparation and publication of an Annual Governance Statement.

Advice given by: Shahzia Daya, Director of Legal Services

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 AGS has no direct impact on climate change issues. However, WECA considers climate change when determining their priorities and investment decisions.

Appendices:

Appendix 1 – West of England Combined Authority (WECA) Draft Annual Governance Statement 2020/21

Background papers:

WECA Statutory Accounts 2019/20 – approved by the Audit Committee on 16 October 2020

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