

<b>Subject</b>	<b>Annual Governance Statement</b>	<b>Status</b>	For Publication
<b>Report to</b>	Authority	<b>Date</b>	10 <sup>th</sup> June 2021
<b>Report of</b>	Director		
<b>Equality Impact Assessment</b>	Not Required	Attached	No
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## 1 **Purpose of the Report**

- 1.1 To secure approval for the Authority's Annual Governance Statement.

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## 2 **Recommendations**

- 2.1 Members are recommended to:
- a. **Approve the Annual Governance Statement for 2020/21 and authorise its signature by the Chair and Director.**
  - b. **Note the provisional conclusion of the Head of Internal Audit which will be revised if required by the content of the Internal Audit Annual Report.**

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## 3 **Link to Corporate Objectives**

- 3.1 This report links to the delivery of the following corporate objectives:  
**Effective and Transparent Governance**

To uphold effective governance showing prudence and propriety at all times.

*Reviewing and gaining assurance around the control environment and the effectiveness of the Authority's arrangements for securing good governance demonstrates an organisation that is self-aware and complying with the relevant legal requirements.*

## 4 **Implications for the Corporate Risk Register**

- 4.1 The actions outlined in the Annual Governance Statement address various identified risks and areas for improvement, some of which are directly referenced in the Corporate Risk register, while others are subsets of identified corporate risks.

## **5 Background and Options**

- 5.1 The Accounts and Audit Regulations require the Authority to produce a statement each year reviewing in broad terms the effectiveness of its governance arrangements and control environment. The statement has to be signed by the Head of Paid Service and the Chair and is included in the Statement of Accounts and relied upon by the External Auditor as part of the evidence base for their value for money conclusion.
- 5.2 The Annual Governance Statement (AGS) assesses compliance with and performance against the standards set out in the Authority's Local Code of Corporate Governance (available through background papers). The Annual Governance Statement for 2020/21 is attached at Appendix A for approval.
- 5.3 The year reviewed in this AGS has been like no other in living memory and it has placed a range of different strains and pressures on the Authority's governance and control arrangements which are reflected on in the Statement. All of these have been effectively addressed, although as indicated further work and opportunities for improvement have been identified in a number of areas.
- 5.4 The AGS is produced through a process which involves a review of arrangements in each service area by the Head of Service who provides an assurance statement to the Director who then uses these statements as part of the evidence base to assemble an overall statement. Other things which are included in the evidence base are internal and external audit reports, external assessments, regular performance reporting and an exercise to identify areas where the standards set out in the local code are not being met. This year the Director's assessment was also reviewed by Internal Audit following which some additions were made to the Action Plan. Such Internal Audit input is a recognised good practice.
- 5.5 The AGS includes a summary of the assessment of the control environment from the Internal Audit Annual Report. Currently this is a provisional assessment, pending the completion of the full Internal Audit Annual Report and should any amendment be required this will be made prior to the publication of the statement as part of the accounts.
- 5.6 The action plan reflects the development of a number of themes from previous years together with some additional issues which reflect the learning from the changes that have had to be made during the pandemic. The key themes are around:
- Improvements to various forms of reporting to make the demonstration of compliance easier.
  - Providing additional support for elected members to enable them to carry out their roles effectively and provide appropriate and consistent challenge within the governance process.
  - Strengthening and embedding more systematic arrangements to support the delivery of service improvement.
  - The creation of a more robust organisation.

5.7 The actions proposed are all in line with the direction of travel set out in the Corporate Strategy.

## 6 **Implications**

6.1 The proposals outlined in this report have the following implications:

Financial	None directly individual actions may require specific resources which will be dealt with through the appropriate decision-making processes as appropriate.
Human Resources	There are a number of actions which will require HR input. This will be factored in to the relevant work plans
ICT	None directly
Legal	None directly
Procurement	None directly

**Georg Graham**

**Director**

<b>Background Papers</b>	
<b>Document</b>	<b>Place of Inspection</b>
Local Code of Corporate Governance	<a href="#">Item 16 Local Code Corporate Governance Appendix A.pdf (southyorks.gov.uk)</a>