

NEATH PORT TALBOT COUNTY BOROUGH COUNCIL

Cabinet

30 July 2020

Report of Assistant Chief Executive and Chief Digital Officer

K.Jones

Matter for Decision

Wards Affected: All Wards

Annual Governance Statement 2019-2020 – Draft Addendum

Purpose of Report

1. To present to Cabinet the Council's Annual Governance Statement 2019-2020 – Draft Addendum for approval.

Executive Summary

2. On 21st May, Cabinet approved the Council's Annual Governance Statement 2019-2020 subject to early and urgent review of the improvement work outlined for action during 2020/2021 due to the impact of the pandemic.
3. To meet the above requirements, the Corporate Governance Group has prepared the attached draft Addendum which contains a revised table of improvement work for action during 2020/2021. This has been prepared in accordance with guidance issued by CIPFA (Chartered Institute of Public Finance and Accountancy).

Background

4. The Annual Governance Statement forms part of the Statement of Accounts and reports on the extent of the Council's compliance with its principles and practices of good governance, including how the Council has monitored the effectiveness of its governance arrangements in the year ending 31st March 2020. The Statement presented to Cabinet on 21st May also included improvement areas identified for action during 2020/2021.
5. The assessment of the Council's governance arrangements during 2019/2020 was undertaken prior to the Covid-19 outbreak. Since the outbreak there has been a significant impact on the council's operations as we responded at fast pace to the spread of the Coronavirus.
6. In light of the above, Cabinet (21st May 2020) approved the Council's Annual Governance Statement 2019/2020 subject to early and urgent review of the improvement work outlined for action during 2020/2021.
7. To meet the request made by Cabinet to review the improvement work outlined for action during 2020/2021, the Corporate Governance Group has developed the draft Addendum contained in Appendix 1. The work undertaken to develop the draft Addendum also took into consideration the matters for consideration set out in the CIPFA Better Governance Forum briefing paper.
8. The draft Addendum sets out:
 - a. The changes to the Council's system of internal controls (between 16th and 31st March 2020) which were required to ensure the Council was able to mobilise its emergency response to the pandemic.

- b. A lessons learned review on the adequacy and effectiveness of the above changes.
 - c. A reassessment of the Council's governance arrangements as part of stabilisation which will, in due course, inform recovery planning to ensure they remain effective.
 - d. A revised improvement work table for 2020/2021. The original improvement work for 2020/2021, identified as part of the preparation of the Annual Governance Statement 2019/2020, has been re-prioritised, with some improvement work deferred to enable the priorities for action identified following the above reassessment to be addressed in 2020-21.
9. The draft Addendum has been shared with Audit Wales for comment.
10. The draft Addendum, containing the revised improvement work identified for 2020/2021 will be attached to the Annual Governance Statement 2019/2020 and published in the Council's Statement of Accounts following approval by Audit Committee (September). The improvement work table for 2020/2021 contained in the Annual Governance Statement 2019/2020 approved by Cabinet on 21st May will be replaced.

Consultation

11. There is no requirement in the Constitution for consultation on this item.

Financial Appraisal

12. The improvement work undertaken during 2019/2020 was delivered against a continuing challenging financial backdrop.

Integrated Impact Assessment

13. There are no equality impacts associated with this report.

Workforce Impact

14. The Council continues to contract as financial resources continue to reduce. In recognition of the scale of change affecting the workforce, the Council's Corporate Workforce Plan supports the Council to adapt and help deliver the Council's objectives and priorities.

Legal Impact

15. The Council has a general duty under the local Government (Wales) Measure 2009 to "make arrangements to secure continuous improvement in the exercise of its functions". In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions.
16. The Annual Governance Statement explains how the Council has met the requirements of Regulation 5(2) of the Accounts and Audit (Wales) Regulations 2014 in relation to an annual review of the effectiveness of the Council's systems of internal control and the preparation and approval of an Annual Governance Statement.

Risk Management

17. During 2019/2020, the Council has continued to promote an open, consistent and proactive risk management attitude in order to better monitor risks over the short, medium and long term.

Recommendations

18. It is recommended that :
 - i. Members note the work undertaken by the Corporate Governance Group to develop the draft Addendum.
 - ii. Cabinet approves the draft Addendum attached at Appendix 1 containing the revised improvement work table for 2020/2021.
 - iii. Cabinet approves the replacement of the improvement work table for 2020/2021 contained in the Annual Governance Statement 2019/2020 approved by Cabinet on 21st May 2020 with the improvement actions set out in the Addendum herewith.

Reason for Proposed Decision

19. To ensure the Annual Governance Statement meets the requirements of Regulation 5(2) of the Accounts and Audit (Wales) Regulations 2014 in relation to an annual review of the effectiveness of the Council's systems of internal control and the preparation and approval of an Annual Governance Statement.
20. To meet the request made by Cabinet on 21st May 2020 to review the improvement work outlined for action during 2020/2021.
21. To ensure consideration of the matters set out in the CIPFA Better Governance Forum briefing paper.

Appendices

22. Appendix 1 – Annual Governance Statement 2019-2020 – Draft Addendum

List of Background Papers

23. None

Officer Contact

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