

**NEATH PORT TALBOT COUNTY BOROUGH COUNCIL**

**CABINET**

**JOINT REPORT OF CHIEF FINANCE OFFICER**

**H JONES**

**&**

**HEAD OF PEOPLE AND ORGANISATIONAL DEVELOPMENT**

**S Rees**

**28<sup>th</sup> JUNE 2023**

**Matter for Decision**

**Wards Affected:** All Wards

**Annual Governance Statement 2022-2023**

**Purpose of Report**

1. To present to Cabinet the council's Annual Governance Statement 2022-2023 for approval.

**Executive Summary**

2. The Annual Governance Statement (AGS) for 2022-2023 (attached at Appendix 1) has been prepared by members of the Corporate Governance Group, which is chaired by the Chief Finance Officer and is made up of Heads of Service who are directly responsible for governance aspects.
3. The AGS complies with the Delivering Good Governance in Local Government Framework: (CIPFA/SOLACE, 2016) and demonstrates the system of internal controls which have been in

place within the council for the year ending 31<sup>st</sup> March 2023 and provides examples of how the council demonstrates compliance with good practice and meets the core and sub principles of effective governance. The AGS also provides details on the assurances taken during the year on the effectiveness of our governance arrangements.

## **Background**

4. The council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and is used economically, efficiently and effectively.
5. The AGS 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 31<sup>st</sup> March 2023.
6. The AGS is prepared under the remit of the Corporate Governance Group, which is chaired by the Chief Finance Officer and is made up of Heads of Service who are directly responsible for governance aspects.
7. The AGS also contains:
  - An update on the progress made during 2022-2023 against the improvement areas that were identified during the development of the 2021-2022 AGS (Table 1 on page 72).
  - Improvement areas proposed for 2023-2024 following the development of 2022-2023 AGS (Table 2 - Governance Improvement Action Plan - on page 74). The Corporate Governance Group will keep this work under review and report progress to Cabinet following a period of six months.
8. The work undertaken to develop the AGS will also be used to inform the council's annual Self-Assessment for 2022-2023.

9. As the council moves forward in delivering the priorities contained in the Corporate Plan 2022-2027, the council's governance arrangements will continually be kept under review by the Corporate Governance Group to ensure that they remain effective.

### **Consultation**

10. There is no requirement for consultation on this item.

### **Financial Appraisal**

11. The improvement work undertaken during 2022-2023 was delivered within existing resources.

### **Integrated Impact Assessment**

12. There is no requirement for an Integrated Impact Assessment on this item.

### **Workforce Impact**

13. There are no workforce impacts arising from this report.

### **Legal Impact**

14. The council has a general duty under the Local Government & Elections (Wales) Act 2021 to keep its performance under review and the extent to which:
  - a) It is exercising its functions effectively;
  - b) It is using resources economically, effectively and efficiently;  
and
  - c) Its governance is effective for securing the matters set out in a) and b) above.
  
15. 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**

16. Risk management is a key component of the council's corporate governance arrangements in supporting and maintaining a strong control environment. The Corporate Risk Management Policy was reviewed and approved by this Cabinet on 23<sup>rd</sup> March 2023.

## **Recommendations**

17. It is recommended that Cabinet :
  - i. Approve the Annual Governance Statement 2022-2023 attached at Appendix 1.

## **Reason for Proposed Decision**

18. 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 and the duty contained under the Local Government & Elections (Wales) Act 2021 to keep its performance under review.

## **Appendices**

19. Appendix 1 – Annual Governance Statement 2022-2023

## **List of Background Papers**

20. None

## **Officer Contact**

21. For further information on this report item, please contact:

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