

## Audit, Risk & Assurance Committee

<b>Date</b>	19 April 2021
<b>Report title</b>	Draft Annual Governance Statement
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<b>Report has been considered by</b>	Not Applicable

**Recommendation(s) for action or decision:**

**Audit, Risk & Assurance Committee is recommended to:**

- (1) Consider the draft Annual Governance statement for ARAC's approval and inclusion in the 20/21 annual accounts.

## 1. Purpose

The Annual Governance Statement is a statutory document which explains the processes and procedures in place to enable WMCA to carry out its functions effectively as defined by CIPFA.

The close down of the financial year has not yet been completed and there is a possibility that an unknown issue may arise that requires comment or inclusion in this statement prior to its final approval.

Final approval of the 2020/21 Annual Governance Statement will be sought as part of the process of approving the annual accounts of the WMCA in June 2019.

## 2. Background

West Midlands Combined Authority (WMCA) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Authority also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, it is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

WMCA's governance arrangements are consistent with the principles of the CIPFA/SOLACE framework of Delivering Good Governance in Local Government, and this Annual Governance Statement meets the requirements of Regulation 6(1) (b) of the Accounts and Audit (England) Regulations 2015 which requires all relevant public bodies to prepare an annual governance statement each year.

The document demonstrates compliance of how WMCA applies the seven core principles of good governance as set out in the latest CIPFA/SOLACE Delivering Good Governance in Local Government Framework (2016), these being:

- (a) Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- (b) Ensuring openness and comprehensive stakeholder engagement.
- (c) Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- (d) Determining the interventions necessary to optimise the achievement of the intended outcomes.
- (e) Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- (f) Managing risks and performance through robust internal control and strong public financial management.
- (g) Implementing good practices in transparency, reporting, and audit, to deliver effective accountability.

The Director of Law and Governance is satisfied that the system of internal assurance is robust and providing visibility of risk and reasonable assurance to the Senior Leadership Team as detailed in Annual Governance Statement.

**3. Financial Implications**

Not applicable

**4. Legal Implications**

Not applicable

**5. Equalities Implications**

Not applicable.

**6. Inclusive Growth Implications**

Not applicable.

**7. Geographical Area of Report's Implications**

Not applicable.

**8. Other Implications**

Not applicable.

**9. Schedule of Background Papers**

Not applicable.