

**To:** National Park Authority, 30 September 2022  
**From:** Stephanie Davies, Democratic Services Manager

## Annual Governance Statement 2021-22

---

<b>Decision Required</b>	YES <input checked="" type="checkbox"/> / NO <input type="checkbox"/>	<b>Agenda Item</b>	7
--------------------------	---	--------------------	---

### Recommendation

**Approve** the Annual Governance Statement for 2021-22 for publication with the Annual Accounts

### Key Messages

The Annual Governance Statement is a retrospective report that seeks to give assurances on the previous financial year, that all local authorities are required to produce.

Failure to produce this document would be seen as a failure to comply with audit requirements and could result in reputational damage.

Members are asked to review the AGS (**attached as Appendix One**) and approve it for publication.

## Background

---

All local authorities, including National Park Authorities, are required to produce an Annual Governance Statement (AGS) each year. It is a retrospective report that seeks to give assurances on the previous financial year. These assurances come mainly from internal (TIAA) and external (Audit Wales) audit feedback.

The headings used in the AGS Review of Effectiveness reflect the seven principles of good governance set out in the *Delivering Good Governance in Local Government Framework* published by CIPFA in association with SOLACE.

The Authority is responsible for reviewing the effectiveness of its governance framework, including its system of internal control. These internal controls are designed to manage risk to a reasonable level, rather than eliminate all risk of failure to achieve policies, aims and objectives. This provides reasonable, but not absolute, assurance of effectiveness.

The Authority's risk process is designed to identify and prioritise risks to the achievement of its objectives, and to evaluate the likelihood of those risks occurring (and the potential impact) through regular review of mitigating actions. Robust organisational resilience is a key indicator of the Authority's ability to respond positively should damaging events occur.

The AGS provides a rolling cycle of assurance by:

- Reporting on progress against audit recommendations from the year prior (2020-21)
- Carrying out a review effectiveness on the year completed (2021-22)
- Identifying audit recommendations for the upcoming year (2022-23)
- Reporting on progress with the previous year's governance action plan
- Highlighting a governance action plan for the year ahead based on the review of effectiveness

It is considered best practice for the AGS to be reviewed by the Audit and Risk committee before going to the Authority for approval. Given the cancellation of the Audit and Risk committee meeting scheduled for 22 September 2022, in light of the mourning period for HM the Queen, this was not possible.

## Relation to Authority Priorities

---

The AGS provides a useful self-analysis of the Authority's governance and the opportunity to acknowledge good practice and identify areas for improvement.

## Impact Analysis

---

Financial – the Annual Governance Statement needs to be released to the same timescale as the Annual Accounts and both are audited by Audit Wales.

Legal – Audit Wales audit this document, along with the Annual Accounts, and report back on compliance. Failure to produce this document would result in non-compliance.

Diversity – no implications.

Human Resources - no implications.

Sustainability – no implications.

### **Risk**

---

Failure to produce this document would be seen as a failure to comply with audit requirements and could result in reputational damage.

### **Conclusion and Next Steps**

---

Members are asked to review the AGS (**attached as Appendix One**) and approve it for publication.

**Appendix One: Annual Governance Statement 2021-22**

---