

Report of the Director of Finance to the meeting of the Governance and Audit Committee on Thursday 23rd September 2021

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Subject: Annual Governance Statement 2020-2021

Summary statement:

This report sets out the requirement to conduct the annual review of the effectiveness of the Council's governance framework and system of internal control. It reports the conclusions of that review and produces the Annual Governance Statement for 2020-21 to accompany the Council's Statement of Accounts.

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Portfolio:

Corporate

Overview and Scrutiny Area:

Corporate



1. Summary

- 1.1 This report sets out the requirement to conduct the annual review of the effectiveness of the Council's governance framework and system of internal control. It reports the conclusions of that review and produces the Annual Governance Statement for 2020-21 to accompany the Council's Statement of Accounts.

2. Background

- 2.1 In order to meet the statutory requirements set out in the Accounts and Audit Regulations 2015 the Council must prepare an annual governance statement which must be approved either by a committee or by members of the authority meeting as a whole. In Bradford the Annual Governance Statement is approved by the Governance and Audit Committee in accordance with the guidance contained in the CIPFA/Solace framework 'Delivering Good Governance in Local Government'.

- 2.2 CIPFA/SOLACE issued a revised framework and guidance in April 2016 for the assessment of governance arrangements. CIPFA also issued additional guidance in February 2021 CIPFA Bulletin 06. This required an assessment of Compliance with CIPFA's Finance Management Code to demonstrate the financial resilience of the Council and how the Council was to embed enhanced standards of financial management. The statement also needed to consider the impact of Covid-19 on Governance Arrangements such as

- Adaptations to reflect new ways of working and emergency arrangements
- Changes to 'business as usual' activities, including cessation or reduced frequency or scale of activities
- Longer-term changes to priorities, programmes, strategies and plans as a result of the impact of the pandemic on the organisation and the local area.

- 2.3 The Statement must be approved by Members and signed by the Chief Executive and a Leading Member (in CBMDC that has been the Leader).

- 2.4 The Annual Governance Statement includes an annual review of the Council's internal control environment.

- 2.5 The Annual Governance Statement is not part of the Statement of Accounts but "accompanies" the Accounts, although in practice Authorities have discretion to publish the documents separately or together.

3. The Annual Review

- 3.1 The Annual Review is undertaken against the principles contained in the CIPFA/Solace framework – Delivering Good Governance in Local Government. The Council is required to consider the effectiveness of its current arrangements and:

- Assess the extent to which it complies with the principles and requirements of good governance
- Identify systems, processes and documentation that provide evidence of compliance

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- Identify and ensure individuals and committees hold responsibility for governance arrangements and their continuing application and effectiveness
 - Identify issues that have not been addressed adequately and any planned changes required in the future
 - Prepare an action plan, identifying any individuals responsible for taking any changes forward

3.2 The Annual Review is undertaken by the Director of Finance as S151 Officer. In conducting the review, reliance is placed upon seven main sources of evidence:-

- The Constitution of the Council
- The adequacy of management actions in relation to key risks as identified in the corporate risk register
- Evidence from the regular monitoring and reporting to the Executive and Scrutiny Committees on performance, risk and finance issues
- Scrutinising the annual managers' governance assurance responses
- Confirmation from Strategic Directors that all reasonable steps have been taken to ensure compliance with established policies, procedures, laws and regulations.
- The reports of Internal Audit
- External Audit and other external inspection agencies.

External Audit in particular provides the Council with an independent assessment of the way in which the Council conducts its business, safeguards and properly accounts for public money. It reports regularly to Members of the Governance and Audit Committee.

3.3 CIPFA Financial Management Code

The CIPFA Financial Management Code was published in October 2019 and provides guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively.

It requires authorities to demonstrate that the processes they have in place satisfy the principles of good financial management. The Code identifies risks to financial sustainability and introduces a framework of assurance. This framework is built on existing successful practices and sets explicit standards of financial management. Complying with the standards set out in the Code is the collective responsibility of elected members, the chief finance officer and their professional colleagues in the leadership team.

Complying with the Code will strengthen the framework that surrounds financial decision making. The Code applies to all local authorities, including police, fire and other authorities. The code applies to the West Yorkshire Pension Fund.

By following the essential aspects of the Code, the Council provides evidence to show it meets important legislative requirements. The first full year of compliance will be 2021/22. This reflected the recognition that organisations will need time to reflect on the contents of the Code and can use 2020/21 to demonstrate how they are working towards compliance.

The Governance and Audit Committee and External Audit are key components of the Council's financial assurance protections.

A self-assessment against the Financial Management Standards within the Code was completed by the Director of Finance & IT in conjunction with the Council leadership team. This also assessed opportunities for further improvement and was shared with Governance and Audit Committee

The self-assessment provided strong assurance of compliance against the requirements of the Code. No material gaps were identified and some improvement proposals were recommended as part of continuous improvement processes. In liaison with West Yorkshire colleagues Bradford is planning to undertake a peer review of each other's codes, to provide additional validation.

3.4 Governance Implications of Council Response to Covid

The Council was required to respond to Covid in two ways. The first was in respect of service delivery and putting in place the services that the community required to deal with the Pandemic. The second was ensuring that the Council put in arrangements that conformed with Covid safeguards but maintained appropriate standards of governance. The annual governance statement focuses on the second area of response with the need for remote working and virtual Council meetings along with the emergency management structures that were needed and assisted the delivery of new statutory functions. It should be noted that whilst the scale of the response was immense, it was achieved within the Council's existing rules and regulations.

3.5 Management Assurance Questionnaire

In 2020/21 the Council implemented a new self assurance process for managers on their compliance with key governance issues. This replaced the previous system of key control questionnaires which was largely focused on financial systems The new process covered the following areas

- Employee Code of Conduct
- Whistleblowing
- Harassment and Bullying
- Gifts and Hospitality
- Safeguarding
- Risk Management
- Information Governance
- Internal / External Assessments
- Partnership Working
- Constitution and Decision Making
- Health and Safety
- Financial Systems
- Contract Procedure Rules
- Business Impact Analysis / Business Continuity Arrangements
- Sickness

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- Conflicts of Interest
 - Corporate Parenting

The questionnaire was required to be completed by each 4th tier officer and the responses reviewed centrally and within the department. Approximately one hundred replies were received. Management responses are key supporting evidence for Strategic Directors assurances. The coverage of the management assurance survey has been encouraging and the Council has now got a baseline in respect of governance compliance.

This approach is similar to the assurance process currently operated by Schools which has been successful in improving governance. However in order to strengthen the level of assurances it is important that service managers engage with the process and take professional care when completing the returns including providing supporting evidence. Internal Audit will provide a level of check on these returns however due to the time limitations this will not be as comprehensive or experienced based as the scrutiny provided for Schools. Future training and advice will also be provided where required to develop and improve the process in 2021/22. Strategic and Assistant Directors will retain the overall responsibility for the assurances made from their Department.

There were no significant changes to other sources of evidence such as the fraud risk assessments and letters of representation. This proposal has been endorsed by the Council Management Team

4 Conclusion of the Annual Review for 2020-21

- 4.1 Whilst the outcome of the review of effectiveness provided the necessary assurance for Council Services the issues raised in last year's statement with the requirement to improve Children's Safeguarding services has not been resolved satisfactorily and continues to be a significant governance weakness.
- 4.2 The overall governance arrangements are represented by the Constitution of the Council associated detailed procedures and codes of practice which are reviewed annually by the Governance and Audit Committee.
- 4.3 The overall adequacy and effectiveness of the Council's internal control environment is reviewed on a continual basis by Internal Audit. Monitoring reports throughout the year have examined the controls in operation and whether they are working effectively in any year. A number of operational internal control issues are identified. These are addressed through a series of recommendations agreed by senior management and subsequently implemented.
- 4.4 External Audit undertakes a programme of work during the year covering areas such as value for money and internal control. Details are contained within the Audit Strategy Memorandum, regular progress reports and the publication of the Audit Completion Report. The results of this work have been taken into account when determining the measure of risk to the Council.
- 4.5 Action plans for improvement are devised and implemented in response to External Audit recommendations.

4.6 The Council adopts a process of risk management and departmental and corporate risk registers are maintained.

5. Specific Governance Issues

5.1 There are two governance issues concerning the Ofsted review and the integration of health and social care systems which were highlighted in 2020/21 and will continue to be monitored in 2021/22.

5.2 There are two further areas of concern relating to the shortage of professional and skilled staff within the employment market leading to recruitment difficulties to key posts and the increase in elective home schooling over the past two years.

5.3 The Council's response to the COVID crises remains core to the Council's approach to governance and will also be monitored through the 2021/22 financial year. A review of the Governance Arrangements operating through the lockdown period is being completed.

6. Arrangements with the West Yorkshire Pension Fund

6.1 The Council is also responsible for the financial and management arrangements of the West Yorkshire Pension Fund and a separate assessment of the adequacy of these arrangements is also required. The following internal arrangements are in place to provide the Council with the necessary assurance.

- The West Yorkshire Pension Fund has adopted the Council approved approach to risk management
- Risk registers are maintained and management action plans (MAPs) are in place for risks assessed as requiring active management
- Risks are monitored and MAPs reassessed regularly
- Risk management is reviewed quarterly
- A risk management report is submitted annually to the WYPF Joint Advisory Group.

There are not expected to be any issues arising from the annual report and review to be submitted to the Joint Advisory Group meeting in June 2021.

7. Financial and Resources appraisal

7.1 There are no direct financial implications arising from this report. However, any governance issues arising now or in the future which need further strengthening will require appropriate action to be taken. Officer time will be required to formulate action plans and put into place the appropriate corrective arrangements to strengthen the governance framework.

8. Risk Management and Governance Issues

8.1 Risk management issues are referred to in the report and annual governance statement where appropriate.

9. Legal Appraisal

- 9.1 With effect from 2007/08 the CIPFA/Solace framework 'Delivering Good Governance in Local Government', revised in 2016, defines proper practices for the production of a governance statement that meets the requirements of the Accounts and Audit Regulations 2015. The annual governance statement presented in Appendix 1 follows the revised framework and guidance. The Annual Governance Statement also identifies the emergency arrangements that were established in March 2020 to deal with the Covid crisis.

The Annual Governance Statement must be signed by the Chief Executive and a leading member.

10. Other Implications

10.1 Equality and Diversity

The Council continues to do important work to enable inclusion for its service-users and the community. Whilst support to the community is innovative, the Council also needs to focus on developing an internal culture that mirrors its external strategy. The Council will start mapping out its actions that are consistent with its long-standing equality and diversity commitments and keep staff informed of future developments

10.2 Sustainability Implications

There are no direct sustainability implications

10.3 Greenhouse Gas Emissions Impacts

None

10.4 Community Safety Implications

There are no direct community safety implications

10.5 Human Rights Act

There are no direct human rights implications.

10.6 Trade Union

There are no direct trade union implications

10.7 Ward Implications

None

10.8 Implications for Corporate Parenting

None

10.9 Issues Arising from Privacy Impact Assessment

None

11. Not for publication documents –

None

12. Recommendations

12.1 That the Governance and Audit Committee authorise the Leader of the Council and the Chief Executive to sign the document, on behalf of the Council, to accompany the Statement of Accounts 2020-2021.

13. Appendix 1: Annual Governance Statement 2020-21

14. Background documents

Accounts and Audit Regulations 2015

CIPFA/Solace Delivering Good Governance in Local Government Framework 2016

Statement of Accounts

Guidance – CIPA Bulletin 06: Application of the Good Governance Framework 20-21

DRAFT ANNUAL GOVERNANCE STATEMENT 2020-21**1. Scope and Purpose****1.1 Scope of Responsibility**

The City of Bradford Metropolitan District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. It 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.

In discharging its 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, as well as arrangements for the management of risk.

1.2 The purpose of the governance framework

The governance framework comprises the systems and processes, culture and values by which the Council and its partners are directed and controlled and those activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The framework has continued in place at the Council for the year ended 31 March 2021 and up to the date of approval of the Statement of Accounts. Whilst supporting the Council's arrangements for risk management, it cannot eliminate all risk to the achievement of policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

2. The Governance Framework.

The systems and processes that comprise the Council's governance consist of the following key elements:

2.1 Code of Corporate Governance.

The Council's Code of Corporate Governance adopts the seven core principles of the CIPFA/SOLACE framework "Delivering Good Governance in Local Government" –

- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- Determining the interventions necessary to optimise the achievement of the intended outcomes

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- Developing the entity's capacity, including the capability of its leadership and the individuals within it.
 - Managing risks and performance through robust internal control and strong public financial management.
 - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

2.2 The Constitution of the Council

The Constitution, reviewed at Annual Council, provides the framework within which the Executive takes decisions in discharge of the Council's functions, subject to the examination of a number of Overview and Scrutiny Committees. The Executive is collectively responsible for the decisions it makes and its decision making arrangements are designed to be open, transparent and accountable to local people.

2.3 Covid Emergency Arrangements

In March 2020 to ensure an appropriate response to the Covid crisis, a new temporary command structure was established in order to oversee decision making and to shape and respond to key issues across Council services and across the Bradford District: This incorporated the West Yorkshire Local Resilience Forum, District Gold Command, The Public Service Executive Council, Gold Command, District Silver Command and Council Silver and Bronze arrangements. The Executive approved the recommendations as set out to be enacted by the Chief Executive under delegated powers contained in Article 14.20 of the Constitution

Arrangements were put in place to ensure that the Council's political leadership were involved in significant decisions, kept informed of emerging issues, could share information and intelligence and was supported to undertake effective political management of sensitive issues. The Leader of Council met daily with the Chief Executive and the Strategic Director, Corporate Resources, to review decisions and their implementation, update on issues and share information. Portfolio holders were involved as far as possible in decisions in their areas of responsibility and kept briefed and updated in this fast moving situation. Regular financial monitoring took place to ensure the Council's financial position was protected at the same time as facilitating the delivery of mainstream and pandemic specific services.

The Council's Executive met weekly with its management team to discuss the situation. The Executive met informally every other day to discuss progress. All Councillors received regular written updates. A number of Council meetings were cancelled. However protocols for remote meetings and key meetings of the Council were developed and implemented.

The Council's Management Team continued to keep risk under on-going review and to monitor the impact of COVID through intelligence on the ground and a fortnightly dashboard of key indicators. The management team met together three times a week to share information, intelligence and plan ahead and fortnightly with the Council's Executive to ensure that they were aware of key trends and on-going and emerging risks. A new Council Plan was agreed setting out key objectives for the period 2021-25 which include plans for life alongside the virus and for building a better future beyond it.

The Coronavirus Act 2020 was the government's main legislative change in response to the pandemic. Most of its provisions came into effect on 25th March 2020, but detailed further legislation in the form of statutory instruments, and government guidance was issued after that date. The Act temporarily modified duties and powers relating to social care, mental health, registration of deaths, inquests, the regulation of investigatory powers, gatherings, meeting and events, the postponement of elections, virtual local authority meetings and protection from eviction. Other changes to existing legislation and statutory guidance were monitored by Legal Services.

The Council continues to support the coordination of testing and vaccination activity including communications and key messaging. Since the 19th July 2021 the Council has looked to ensure a safe emergence from restrictions and to the implementation of plans for social and economic recovery. Legal restrictions were lifted in favour of "cautious guidance" and a focus on personal responsibility. Decision making will continue to be underpinned by available evidence and data on infection rates, admissions, deaths and the social and economic impact. A Daily Public Health update continues to be circulated to key decision makers.

Key factors for consideration include:

- On-going impact of COVID on demand for Council services, on financial resources.
- Equalities – COVID has had a disproportionate impact on particular groups of people.
- Workforce capacity due to fatigue and backlogs of leave built up over the pandemic
- Need to continue to encourage vaccination
- On-going risk management approach to working practices including risk assessments, masks in public places, 1m distancing for furniture, messaging and review of risk assessments for frontline staff.
- Support to businesses / leisure / events.
- Potential for disorder as large groups of people gather.

The Council's Management Team (CMT) continues to meet twice weekly including a Monday morning briefing on the current position regarding infections, hospitalisations etc. CMT is the key forum for consideration of risk against the delivery of the Council Plan 2021-25 and the Economic Recovery Plan. The Council has worked with partners on the Health and Well Being Board to develop a District Plan which sets out the key priorities of the District's main partnerships. A forward plan is in place for Joint Leadership Team (JLT), the Council's Executive Councillors and Senior Management to consider progress against priority outcomes, the implementation of recovery plans and on-going developments in relation to the virus and any national guidance or legislation.

While the full impact of COVID has yet to emerge we know that it has widened and amplified existing inequalities hitting the poorest, the most vulnerable and BAME communities the hardest. Youth unemployment is the highest in the country and the overall unemployment rate is a third higher than the national rate. A new Equalities Plan and new equalities objectives have been agreed. These aim to put equalities at the heart of the Council's leadership, its workforce development, delivery of services and work in communities.

3. Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The

review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment. Confirmations have been obtained from Strategic Directors and the Chief Executive that reasonable steps have been taken to ensure compliance with established policies, procedures, laws and regulations. They have been asked to confirm that risk management is embedded in their departments and provide a fraud risk assessment.

In 2020/21 the Council implemented a new self assurance process for managers on their compliance with key governance issues. This replaced the previous system of key control questionnaires which was largely focused on financial systems. The new process covered the following areas

- Employee Code of Conduct
- Whistleblowing
- Harassment and Bullying
- Gifts and Hospitality
- Safeguarding
- Risk Management
- Information Governance
- Internal / External Assessments
- Partnership Working
- Constitution and Decision Making
- Health and Safety
- Financial Systems
- Contract Procedure Rules
- Business Impact Analysis / Business Continuity Arrangements
- Sickness
- Conflicts of Interest
- Corporate Parenting

In December 2017, the Council agreed a revised Code of Corporate Governance to incorporate new guidance from CIPFA and SOLACE. The new management assurance process established a baseline for the level of compliance with the Council's code.

The CIPFA Financial Management Code was published in October 2019 and provides guidance for good and sustainable financial management in local authorities and will provide assurance that authorities are managing resources effectively. A self-assessment against the Financial Management Standards within the Code was completed by the Director of Finance & IT in conjunction with the Council leadership team. This showed strong levels of compliance but also assessed opportunities for further improvement.

The Council has in place a Governance and Audit Committee, independent of the Executive, to strengthen and consolidate its governance arrangements and provide the core functions as identified in CIPFA's "Audit Committees – Practical Guidance for Local Authorities".

The review is informed also by the work of the Internal Audit section which covers both the Council and the West Yorkshire Pension Fund. The key areas of assurance relate to the work detailed in their monitoring reports on the Council's control environment which are provided at regular intervals to Governance and Audit Committee. The Head of Internal Audit is required to deliver an Annual Internal Audit Opinion and report regularly to the Governance and Audit Committee as prescribed by Public Sector Internal Audit Standards. Whilst a number of operational control issues have been identified the overall Internal Audit Annual Opinion is unqualified.

Action plans for improvement are devised and implemented in response to recommendations from External Audit and other statutory agencies and inspectors. The Council liaises fully and promptly with the Local Government Ombudsman's enquiries into complaints against the Council.

The Council liaises closely with the Information Commissioner's Office in reporting and disclosing information security risks and incidents, and to ensure it discharges fully its duties under the Data Protection Act 2019.

The outcome of the review of effectiveness provided the necessary assurance with the exception of the need to continue to improve Children's Safeguarding services.

4. Significant governance issues

The annual review has established that the Council has arrangements in place which provide a sound governance framework and system of internal control. However the issues raised in last year's statement with the requirement to improve Children's Safeguarding services has not been resolved satisfactorily and continues to be a significant governance weakness.

In relation to Safeguarding Vulnerable Children the Council has made

- Ongoing efforts to recruit and retain permanent experienced social workers and managers.
- Ensuring that training induction for new starters is of a consistently high quality, so that expected standards of casework and case management can be met and maintained.
- Work is ongoing to understand imbalances in social work caseloads across the service and to ensure that these are addressed and levelled as appropriate.

However, there remain significant challenges in workforce stability, which have led to too many cases having multiple changes of social worker, leading to issues of poor quality and lack of consistency at handover. Some mitigating processes, involving managers and Practice supervisors (who would not normally hold the case allocation) have been necessary in certain cases to ensure quality is maintained.

The latest Ofsted Monitoring visit was concluded on 28 April 2021 with the findings reported in June. This noted that:

"The local authority is starting to make progress in improving services in some specific areas. However, the progress on the quality of core social work practice has been too

slow to show impact for children and families. This has been exacerbated by the breadth of the inadequacy and maintaining service delivery during the pandemic”

Additionally, Safer Bradford has published the ‘Emily’ Serious Case Review. This poses serious concerns about the efficacy of some multi-agency practice in respect of Child in Need and CP Plans, the effectiveness of multi-agency meetings and effective information sharing, picking up early signs of neglect, the need to take a holistic overview of a series of reports of neglect and domestic abuse rather than them being treated as separate instances, and the effectiveness of care planning and reviewing as being focused on improving the lived experience of the child.

There are emerging issues in terms of management capacity and emerging outcomes within our children’s homes service that require urgent interim action to ensure that the service is stabilised and can progress satisfactorily.

These persistent and ongoing concerns in respect of the perceived insufficient pace of change have resulted in a letter from Vicky Ford MP, Minister for Children and Families, informing us that she is minded to change the Children’s Services Notice to Improve to a Statutory Direction and appoint an independent commissioner to review progress and evaluate further capacity to improve services in a timely way. It is not yet clear what the detailed arrangements for this, or the possible outcomes will be, but the ultimate outcome could be the creation of a Children’s Social Care Trust to elicit improvement at the pace required.

5. Further 2021/22 Governance Challenges

The Council has specifically recognised three additional challenges that will be monitored through 2021/22. These are the integration of health and social care, skills shortage and elective home education

5.1 Ensuring an effective, integrated system of health and social care

The Council has worked even more closely with the NHS during the 2020/21 pandemic year, responding to different demand patterns, protecting people from the virus and integrating services in different ways. Our shared health and care strategy ‘healthy, happy and at home’ is signed up to by all partners and forms the basis for our joint working.

The Wellbeing Board has been renewed over the past year to broaden its agenda to cover all of the wider determinants of health including employment, economy, housing, education and skills – and health and care. This has put Bradford in a better position to respond to the proposed NHS legislation on Integrated Care Systems and Partnership governance.

The Council has actively participated in Bradford’s emerging Integrated Care Partnership, communicating the ‘Act as One’ brand to its staff, updating the Strategic Partnering Agreement and leading on a number of joint work streams. We are represented at all strategic partnership boards and committees.

Previous disputes around contributions to the Better Care Fund have all been fully resolved and an agreed BCF plan for 2021/22 was submitted to deadline.

A Joint Commissioning and Planning Forum between the council and the NHS now meets monthly to share respective commissioning intentions and jointly plan future models of care. This includes a population health focus with Public Health and Children's collaboration and our early help and locality working operating model.

5.2 Key Staffing Skills

There is a shortage of professional and skilled staff within the employment market leading to recruitment difficulties to key posts. Inability to recruit in key disciplines could have a significant impact on the Council's ability to deliver services and support the Council's ambitions within the financial resources available.

5.3 Elective Home Education

There has been an acceleration in the growth of elective home education. This increases the risk of losses in education and subsequent learning gaps for pupils, lack of opportunities to socialise, potential impact on mental health, decline in school budgets to meet these needs given additional pressures and loss of earnings for Council commercialised services. In 2020/21 this was further exacerbated with further risk to long term learning outcomes for Children & Young people caused by the need to work in bubbles and the need to self-isolate.

6. West Yorkshire Pension Fund

The Council is the administering authority for West Yorkshire Pension Fund (WYPF). WYPF produces its own Governance Compliance statement which has been prepared in accordance with the requirements of the provisions of the Local Government Pension Scheme (LGPS) Regulations 2013 (Regulation 55) and its predecessor, Regulation 31 of the LGPS 2008.

The Governance and Audit Committee has legal and strategic responsibility for WYPF. The Council has established three bodies to assist and support the Governance & Audit Committee oversee WYPF:

- WYPF Investment Advisory Panel and
- WYPF Joint Advisory Group
- WYPF Pension Board

WYPF Investment Advisory Panel has overall responsibility for overseeing and monitoring the management of WYPF's investment portfolio and investment activity. In this capacity, the Panel is responsible for formulating the broad future policy for investment.

WYPF Joint Advisory Group has overall responsibility for overseeing and monitoring the WYPF's pensions administration function, and for reviewing and responding to proposed changes to the Local Government Pension Scheme. In addition the Group approves the budget estimates for the pensions administration and investment management functions of WYPF, and also receives WYPF's Annual Report and Accounts.

WYPF Pension Board's role is to assist the Council as Scheme Manager in ensuring the effective and efficient governance and administration of the LGPS including:

- securing compliance with the LGPS regulations and any other legislation relating to governance and administration of the LGPS;
- securing compliance with the requirements imposed in relation to the LGPS by The Pensions Regulator (TPR);
- Any other such matters as the LGPS regulations may specify.

The Council is also responsible for the financial and management arrangements of the West Yorkshire Pension Fund and a separate assessment of the adequacy of these arrangements is also required. The following internal arrangements are in place to provide the Council with the necessary assurance.

- West Yorkshire Pension Fund has adopted the Council approved approach to risk management.
- Risk registers are maintained and management action plans (MAPs) are in place for risks assessed as requiring active management.
- Risks are monitored and MAPs reassessed regularly.
- A risk management report is submitted annually to the WYPF Joint Advisory Group.

The risk register and operational results were reported to the Joint Advisory Group on the 29 July 2021. The reports were noted with no significant issues. At the meeting a number of positive commendations on the WYPF performance were made.

7. Statement

We are satisfied that an effective system of internal control has been in place throughout the financial year and is on-going. Over the coming year we propose to take steps to address the challenges identified above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

Councillor Susan Hinchcliffe, Leader of Council

Signed:

Kersten England, Chief Executive