

Report of the Director of Finance & IT to the meeting of the Governance and Audit Committee on Thursday 21st September 2023

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Subject: Annual Governance Statement 2022-2023

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 2022-23.

Equality and Diversity

Delivery of the equality agenda was included in the management assurance questionnaire process. 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

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 2022-23.

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 The Statement must be approved by Members and signed by the Chief Executive and a Leading Member (in CBMDC that has been the Leader).
- 2.3 The Annual Governance Statement includes an annual review of the Council's internal control environment.
- 2.4 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.
 - 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.

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- 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 issued new guidance on Effective Audit Committees, a review of the performance of Bradford's Governance and Audit Committee was completed in April 2023.

3.4 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 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 strengthens 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 was 2021/22.

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 in conjunction with the Council leadership team during 2021/22. This also assessed opportunities for further improvement and was shared with Governance and Audit Committee on 23 September 2021. This was further reviewed by Finance Managers in 2023 when the assessment was updated. No significant concerns were raised.

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 the continuous improvement processes.

3.5 Management Assurance Questionnaire

The Council conducts an annual self-assurance process whereby all 4th tier officers are required to complete a questionnaire on their compliance with key governance issues. The process targets different aspects of the governance framework each year. For 2022/23, the process incorporated the seven principles of the CIPFA / SOLACE Framework for delivering good governance listed below.

- 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.
- 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.

The completed assessments are shared with Assistant Directors who subsequently provide a declaration that they have examined the results for their service areas and taken corrective action to deal with any weaknesses identified. Completed assessments were provided to all Assistant Directors by the 4th Tier managers who report to them, and a total of 112 assessments were made. Excluding arrangements in WYPF where a combined response was completed, one 4th tier officer was not able to complete the assessment and in this instance the Assistant Director concerned was asked to gain their own assurances for the service areas before completing the declaration. The responses are also assessed by suitable specialist officers for each area listed above, with actions taken, or to be taken, to address any lapses in compliance across the Council.

Completion of the Assistant Director declarations, and assessment of the responses by specialist officers is currently on-going to identify any areas for improvement, although no known issues have been identified in the returns that would warrant a further significant governance issue to be reported in the annual governance statement (other than those currently included).

Management responses and the Assistant Director declarations are key supporting evidence for Strategic Directors' assurances.

Third tier Directors heading Childrens Social Care and Safeguarding, Reviewing, Commissioning & Provider Services transferred to the Bradford Children and Families Trust on 1 April 2023. On behalf of the services they managed, they were asked to complete the assessment. One assessment remains to be returned and the Strategic Director for Children's Services will need to gain assurances for that area before completing the Strategic Director Letter of Representation.

Confirmation from Strategic Directors and the Chief Executive that all reasonable steps have been taken to ensure compliance with established policies, procedures,

laws and regulations is due to be sought shortly, following completion of the Assistant Director declarations. In advance of this, these officers have all been asked to consider any relevant significant governance issues for the annual governance statement and their contributions are included in the statement. The annual governance statement 2022/23 was reviewed by CMT at their meetings on 23rd and 30th August 2023.

4 Conclusion of the Annual Review for 2022-23

- 4.1 The outcome of the review of effectiveness provided the necessary assurance for Council Services.
- 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. A number of operational internal control issues are identified. These are addressed through a series of recommendations agreed by senior management and subsequently implemented. The Head of Internal Audit, Insurance and Risk provided the Internal Audit Annual Report for 2022/23 to Governance & Audit Committee on 20 July 2023. From the work undertaken by Internal Audit throughout the year and taking into account other internal and external assurance processes the Internal Audit opinion was that overall, the internal control environment risk management and governance framework of the Council was effective.
- 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 were two specific issues included in the 2021/22 Annual Governance Statement that will not be monitored through the AGS process in 2023/24. The governance challenge relating to ensuring an effective integrated system of health and social care was determined as maturing into a controlled business as usual activity during 2022/23. The Elective Home Education issue is now determined as an operational risk and monitored through the Council's Risk Management process.

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- 5.2 The Safeguarding Children issue highlighted in 2022/23 has been broadened to include the Council's responsibilities to all vulnerable people which will continue to be monitored in 2023/24.
- 5.3 The issues in Key Staffing Skills, Budget Pressures and Procurement have been combined as whilst there are significant operational consequences, from a governance perspective the impact on the Council is meeting its statutory compliance requirements.
- 5.4 There are three new Governance issues raised for 2023/24. The first is the development of governance arrangements with Bradford Children and Families Trust. The second is how the Council delivers on the Bradford UK City of Culture Programme. The third is the impact of the national delays in the external audit of Councils' Statement of Accounts.

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 Investment Advisory Panel and Joint Advisory Group.

The risk register and operational results were reported to the Investment Advisory Panel and Joint Advisory Group on 27 July 2023.

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 The 2016 CIPFA/SOLACE framework 'Delivering Good Governance in Local Government', 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 must be signed by the Chief Executive and a leading member.

10. Other Implications

10.1 Equality and Diversity

Delivery of the equality agenda was included in the management assurance questionnaire process. Consideration of equalities is an important part of process and oversight. Assurance is delivered through the mechanism of Equality Impact Assessments which are completed on all policy and budget change. The Council has asked for assurance on equalities work through an LGA Peer Review which reflected confidence in positive work and progress, while challenging the council to have a broader approach to equalities to do more in relation to disabled staff and LGBTQ+ visibility.

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 2022-2023.

13. Appendix 1: Annual Governance Statement 2022-23

14. Background documents

Accounts and Audit Regulations 2015

CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016

Statement of Accounts

ANNUAL GOVERNANCE STATEMENT 2022-23

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 2023 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 framework 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", being;

- 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.

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- Determining the interventions necessary to optimise the achievement of the intended outcomes.
 - 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 on 17 May 2022, provides a framework for decision-making in accordance with legal requirements for the discharge of the Council's roles and functions. This includes the framework delegated below full Council within which the Executive and regulatory committees take decisions in discharge of the Council's executive and regulatory functions, subject to the examination of a number of Overview and Scrutiny Committees. Full Council, the Executive and committee members are collectively responsible for the decisions they make, and the decision-making arrangements are designed to be open, transparent, and accountable to local people. It should be noted that in 2023/24 the Council is embarking on a full review of its Constitution to ensure it is up to date, compliant with best practice and meets Council needs.

3. Review of Effectiveness

3.1 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;

3.1.1 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 ensure scrutiny of the annual managers' governance assurance responses (see 3.1.2 below).

3.1.2 The Council conducts an annual self-assurance process for managers on their compliance with key governance issues across the seven core principles of good governance included in the Council's Code of Corporate Governance (see 2.1 above). The process targets different aspects of the governance framework each year. For 2022/23, the process covered the following areas.

- Behaviours and Values.
- Employee Code of Conduct.
- Regulatory Compliance.
- Whistleblowing.
- Procurement.
- Equality.
- Service Planning (including environmental impacts).

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- Performance.
 - Scheme of Delegation.
 - Safeguarding.
 - Health & Safety.
 - Risk Management.
 - Records Management & Information Security.
 - Compliance with the Council's Financial Regulations & Budgetary Control.
 - Partnerships.

The completed assessments are shared with Assistant Directors who subsequently provide a declaration that they have examined the results for their service areas and taken corrective action to deal with any weaknesses identified. Completed assessments were provided to all Assistant Directors by their 4th tier managers, and a total of 112 assessments were made. The responses are also assessed by suitable specialist officers for each area listed above, with actions taken to address any lapses in compliance across the Council.

- 3.1.3 The Council has been required to comply with the CIPFA Financial Management Code since 2021/22. The Code provides guidance for good and sustainable financial management in local authorities and offers assurance that authorities are managing resources effectively.

A full self-assessment against the Financial Management Standards within the Code was approved by the Governance and Audit Committee on 23 September 2021. This provided strong assurance of compliance against the requirements of the code. No material gaps were identified though opportunities for further improvement were recognised as part of the continuous improvement processes. This was further reviewed by Finance Managers in 2023 when the assessment was updated. No significant concerns were raised.

- 3.1.4 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". In April 2023 the Committee received a report assessing its compliance with CIPFA Guidance. Overall, the Committee was technically compliant, but a number of improvements were suggested including the recruitment of independent lay members to the Committee and the reporting of performance.

- 3.1.5 The review is also informed 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, Insurance & Risk 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. The Head of Internal Audit, Insurance and Risk provided the Internal Audit Annual Report for 2022/23 to Governance & Audit Committee on 20 July 2023. From the work undertaken by Internal Audit throughout the year and taking into account other internal and external assurance processes the Internal Audit opinion was that overall, the internal control environment, risk management and governance framework of the Council was effective.

3.1.6 Action plans for improvement are devised and implemented in response to recommendations from Internal Audit, 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.

3.1.7 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 2018.

4. Significant Governance Issues

4.1 The annual review identifies that the Council has arrangements in place which provide for a sound governance framework and system of internal control.

Delivery of a complex range of services and strategic objectives across the District provides continuous governance challenges. The Council's Code of Corporate Governance requires that significant governance issues are identified within this statement.

4.2 Overview

There were six specific governance issues highlighted in last year's Annual Governance Statement. Two of these issues, Integrated Health Care and Elective Home Education, will not be monitored through the AGS in 2023/24. The Safeguarding Children issue highlighted in 2022/23 has been broadened to include the Council's responsibilities to all vulnerable people, which will continue to be monitored in 2023/24. The three issues concerning Key Staffing Skills, Budget Pressures and Procurement have been combined, as whilst they all have significant operational consequences, from a governance perspective the impact on the Council is meeting its statutory compliance requirements. There are three new Governance issues raised for 2023/24.

4.3 Resolved Governance Issues

The governance challenge relating to ensuring an effective integrated system of health and social care was determined as maturing into a controlled business as usual activity during 2022/23. The Elective Home Education issue is now determined as an operational risk and monitored through the Council's Risk Management process.

4.4 Ongoing Actions

4.4.1 Safeguarding Vulnerable People

In relation to Children a number of significant changes have occurred with Children's social care being transferred to the Bradford Children and Families Trust on the 1st April 2023. The arrangements across the District are still being monitored through the Ofsted Inspection process. Adult Safeguarding is the focus of the Health and Well Being Board who monitor the key risks facing the sector such as the risk of failure of independent or in-house providers, inadequate quality assurance processes, a breakdown with key partners or the lack of effective communication.

4.4.2 Organisational Capacity and its Impact on Statutory Compliance

There continues to be local and national shortages of professional, specialist and skilled staff within the employment market which has led to recruitment and retention difficulties in key posts. The Council has embarked on a programme to address the financial sustainability which includes focusing on Income, Costs, the Childrens Trust, Capital Programmes and the judicious management of Reserves. Within Procurement compliance, governance and forward planning are the key priorities for the team.

Overall, the Council has the required policies in place to support the delivery of services. However, a number of these functions overlap, such as disaster recovery, risk management, emergency planning and business continuity planning. There are also other significant statutory compliance arrangements that the Council must follow that cover Human Resources, Legal and Financial functions. It is the case that for the Council to be fully compliant, large numbers of officers need to be aware of the correct processes and there needs to be capacity to deliver the associated administration. The Council is now in a position where capacity issues limit the Council's capability to ensure compliance authority wide. The implications of this will need to be monitored in 2023/24.

4.5 Further 2023/24 Governance Challenges

The Council has recognised three further governance challenges that will be monitored through 2023/24, which are outlined below.

4.5.1 Bradford Children and Families Trust (BCFT)

BCFT is a wholly owned subsidiary company of the Council, with operational independence from the Council in respect of the day-to-day management and performance. The Trust is overseen, managed and regulated by the Council in line with contractual arrangements between the Council and the Trust. The Council remains the statutory body responsible for children's services and the accountable body in relation to Ofsted inspections.

4.5.2 Bradford UK City of Culture 2025

Bradford Culture Company was created to develop and deliver the events programme as part of UK City of Culture 2025. One role of the Company is to maximise the resources available to deliver a spectacular UK City of Culture Year. The Company has achieved significant success in this regard and funding secured will exceed the targets initially established for the year, as set out in the bid for UK City of Culture status which secured the title. The Company is now in the process of recruiting to full establishment, and this is progressing well. For its part, the Council has committed a significant level of both Capital and Revenue funding to delivery of the UK City of Culture 2025.

A review of existing governance arrangements in relation to UK City of Culture has been commissioned for completion during Autumn 2023. Any deficiencies or recommended improvements identified will form the basis of an action plan to ensure as we move towards 2025 a robust governance framework is in place between the

parties. It will also ensure that there is clarity of responsibilities in the role of the Council as accountable body in relation to contributions / grants / donations by third parties towards delivery of UK City of Culture year, including (but not limited to) DCMS, WYCA and Arts Council / Heritage Lottery Fund. The role of the Council as financial guarantor of the 2025 programme will be reviewed along with any necessary controls required above and beyond existing measures. Any revised arrangements will also look at representation and reporting and ensure that there is effective control of expenditure and delivery in relation to the post 2025 legacy activities of the council and Culture Company.

A funding agreement will also be put in place which will determine the outcomes required and draw-down arrangements in relation to the council's £9m financial contribution towards delivery of UK City of Culture 2025.

4.5.3 Delays in External Audit

Over the last four years there has been an increasing national backlog in the external audit of Councils' Statement of Accounts. This has been due to a shortage in capacity in the external audit market. Whilst Bradford had been able to avoid the early impact of these delays the Council's Statement of Accounts for 2021/22 is still to receive its Audit completion certificate. The Leader and Chief Executive have not therefore received the full assurance they could expect from the External Audit Process. The Department for Levelling Up Housing and Communities are looking to deliver a recovery plan which will address this national issue.

5. 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 Council's 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 Investment Advisory Panel and Joint Advisory Group.

The risk register and operational results were reported to the Investment Advisory Panel and Joint Advisory Group on the 27 July 2023.

West Yorkshire Pension Fund is a major partner in the Northern LGPS Pool, which is helping to reduce investment costs and provide greater scope to allow investments in major regional and national infrastructure projects. Each quarter a report on the Northern LGPS is taken to the Investment Advisory Panel which details the following governance arrangements.

- Individual funds still retain their role of setting asset allocation and investment policy, but increasingly delegate the implementation of that policy to the Northern LGPS Joint Committee.
- The Joint Committee has responsibility for ensuring the appropriate structure and resources are in place to implement the investment policy set by each fund.
- The Joint Committee consists of two Members appointed by each Fund plus a total of three trade union representatives. It does not have any direct involvement in the appointment of managers, or selection of investments. These matters are fully delegated to professional officers, in accordance with the 2015 Pooling Guidance

6. 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 CBE, Chief Executive