

APPROVAL OF FINANCIAL AND GOVERNANCE STATEMENTS AND RETURNS 2021/22

Summary: To present the financial and governance statements and returns for 2021/22.

Recommendation: That the Board approves the:

- Internal Audit Report for 2021/22
- Governance Review 2021/22
- AGAR and bank reconciliation
- Statement of Accounts for the financial year ended 31 March 2022

Report by: Diane Bassett – Head of Finance (maternity cover)

Background

All of the papers presented for approval have been reviewed and recommended by the Finance and Governance Committee. Further information on each of the papers is provided below:

Internal Audit (Appendix B)

1. Under the Accounts and Audit Regulations 2015, the Board is required to carry out an internal audit of its functions in accordance with the mandatory sections of guidance published by the Joint Panel on Accountability and Governance (JPAG) in March 2020.
2. For 2021/22, the work was carried out by David Shelmerdine, who is independent of the organisation and the completed work programme and report for 2021/22 is attached at Appendix B.
3. The audit feeds into and supports the annual governance review which has been reported formally to the Finance and Governance Committee, and is also presented for approval at this meeting (Appendix C).
4. In addition, the Board's external audit (under the Limited Assurance Regime) requires that the internal audit opinions for the year should be summarised in a specified format within the Board's Annual Governance and Accountability Return (AGAR). This part of the AGAR has been completed and is attached as Appendix D.
5. Officers have considered the Internal Audit Report.
6. There were no issues raised or recommendations arising from the audit work this year.

Governance Framework Review 2021/22 (Appendix C)

1. The Board is required to carry out an annual review of the effectiveness of its systems of internal control which facilitates the effective exercise of the Board's functions and includes arrangements for the management of risk.
2. In June 2012, the Board adopted a revised Code of Corporate Governance and Framework, with further amendments in 2014. The Framework is used as the basis for this review.
3. As in previous years, officers carried out the review using their knowledge and experience, and information from documents and processes, audits and risk reports, together with observations from members, officers and partners.

4. The external auditor's report and opinion for 2020/21 were reported to the Finance and Governance Committee who have also reviewed the 2021/22 Annual Internal Audit Report and opinions as part of the agenda for the current meeting.
5. The results of this process are set out in Appendix C, which indicates that the Board has sound systems of internal control. Appropriate issues arising from the review have been identified and disclosed, and actions proposed as appropriate.

Annual Governance & Accountability Return (AGAR) and bank reconciliation (Appendix D)

1. The Accounts and Audit Regulations 2015 require the Board to prepare its annual accounts in accordance with proper practice. From 2018/19, Conservation Boards have been specifically covered by the formal guidance issued annually by the Joint Panel on Accountability and Governance "Governance and Accountability for Local Councils – A Practitioners Guide". The guide sets out proper practice for the preparation of the Board's Statement of Accounts and its Annual Governance and Accountability Return (AGAR). The Board it is required by law to:
 - approve the AGAR and submit it to the external auditor by 30 June 2022;
 - publish the unaudited AGAR on its website by 1 July 2022; and
 - publish the audited AGAR by 30 September 2022.

Section 1 of AGAR 2021/22

2. The formal Annual Governance Statement forms Section 1 of the AGAR and contains a series of statements which the Board is asked to approve. Board Officers believe that the answer to all of the points should be in the affirmative.

Section 2 of AGAR 2021/22

3. Whilst the Board chooses to prepare and publish a Statement of Accounts for its own purposes it is also required to prepare Accounting Statements for the year in the form required by proper practice (Section 2 of the AGAR).

Bank Reconciliation

4. As part of the approval process, the external auditor also requires the Board to review the organisation's year-end bank reconciliation in a specified format.

Statement of Accounts 2021/22 (Appendix E)

1. The Accounts and Audit Regulations 2015 require the Board to prepare its annual accounts in accordance with proper practice. From 2018/19, Conservation Boards have been specifically covered by the formal guidance issued annually by the Joint Panel on Accountability and Governance "Governance and Accountability for Local Councils – A Practitioners Guide". The guide sets out proper practice for the preparation of the Board's Statement of Accounts.
2. The Board's draft Statement of Accounts for the period from 1 April 2021 to 31 March 2022 are attached at Appendix E. These have been prepared in accordance with the National Park model, so as to facilitate comparability between organisations.
3. The Income and Expenditure Account shows the costs of providing services across the various activities and projects that the Board has supported during the year, and how these projects were supported from grants and income.
4. The Balance Sheet summarises the Board's overall financial position as at 31 March 2022.

Supporting documents

- Appendix B. Internal Audit Report 2021/22
- Appendix C. Review of Governance Framework 2021/22
- Appendix D. Annual Governance and Accountability Return 2021/22 (Part 3)
Bank Reconciliation as at 31 March 2022
- Appendix E. Statement of Accounts 2021/22

JUNE 2022