



## AC 12/05/2021: Annual Governance and Accountability Return 2020/21

<b>Audit committee</b>	Annual Governance and Accountability Return 2020/21 – Annual Governance Statement	AC 12/05/2021 - 6
<b>Report by</b>	Adam Leibowitz	
<b>Job Title</b>	Governance and Secretariat Officer	
<b>Date of decision</b>	Audit Committee Meting 12/05/2021	

<b>Summary</b>
This paper presents the Annual Governance Statement (a part of the Annual Governance and Accountability Return) for the year ending 31 March 2021, for approval by the Committee.

<b>Recommendation</b>
The committee is recommended to: <ul style="list-style-type: none"><li>• Note the Annual Internal Audit Report 2020/21 prepared by LWARB's internal auditors Ankura/TIAA Ltd. and their Assurance Review of the AGAR and the substantial assurance given. (Appendix 1)</li><li>• Approve the Annual Governance Statement (Section 1 of the AGAR at Appendix 2), to be recommended to the Board</li></ul>

<b>Originating Officer</b>	Adam Leibowitz
<b>Contact details</b>	<a href="mailto:Adam.Leibowitz@relondon.gov.uk">Adam.Leibowitz@relondon.gov.uk</a>



## AC 12/05/2021: Annual Governance and Accountability Return 2020/21

### Report

#### Background

As a smaller authority, LWARB is required to prepare and publish an Annual Governance and Accountability Return (AGAR) each year, rather than the full set of accounts published years prior to 2019/20.

The AGAR comprises two parts that must be completed by the authority: An Annual Governance Statement and the Accounting Statements for the year.

#### Timeline & Approval

LWARB is required to approve the AGAR, publish on its website and submit to the external auditors by 30th June 2021. The external auditors will provide their Audit Report by 30th September, by which time LWARB must also publish the final, audited AGAR. LWARB must also make provisions for the public inspection of the AGAR documents for a period of 30 working days including the first 10 working days of July.

The Audit regulations require that the AGAR be approved by a full meeting of the Board and that approval via a written resolution procedure is not permitted. For the 2019/20 AGAR, the regulations were amended because of the COVID pandemic to allow approvals to be made via online meetings. This provision ends on 6th May, after which approval must be by an in person meeting of the Board. It is understood that government is being urged by various organisations to extend the provision for online meetings to include the current year, but this has not been confirmed.

A special meeting of the Board will be called in mid-June for the sole purpose of approving the AGAR.

At this meeting (12 May 2021) the Audit Committee will receive and note the internal auditor's Internal Audit Report the Assurance Report on the AGAR and review and the Annual Governance Statement. The Committee is recommended to approve the Annual Governance Statement and recommend it be approved by the Board.

#### Internal Audit Report 2020/21

ReLondon's internal auditor, Ankura/TIAA Ltd, carried out an assurance review to satisfy the internal audit requirements for the AGAR. The audit report is attached at Appendix 1. The review gave an overall assessment of



## AC 12/05/2021: Annual Governance and Accountability Return 2020/21

substantial assurance, and noted that “ReLondon is a ‘well-run organisation with good accounting practices” and that “Good corporate governance is practiced by the Board with appropriate Member involvement”.

The auditor’s Annual Internal Audit Report to be submitted as part of the AGAR is also included at Appendix 1. Note that the internal auditor has given an affirmative response to all of the internal control objectives as part of the report, other than objective M: that the organisation “correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations”

2019/20 was the first year that LWARB was classified as a smaller authority, and there was a misunderstanding on the requirements for approval of the AGAR because, when LWARB was classified a larger authority accounts had always been approved via the written resolution procedure. As noted by the Auditor, in 2019/20 the AGAR was approved by a written resolution on 6th August. However, this approval was deemed to have not met the requirements so the approval was not considered to be a formal one until it had been reported to a formal meeting of the Board which did not take place until 1st October. Approval of the AGAR did not therefore formally take place until after the 1st September deadline and therefore not in advance of the statutory period for the exercise of electors’ rights to inspect the AGAR and related documentation.

### **Annual Governance Statement**

The Annual Governance section of the AGAR is attached at Appendix 2.

The Committee should review each of the statements 1 to 8 and is recommended to agree the evaluation given for each. Note that all are affirmative except for statement 4 relating to the exercise of electors rights, for the reasons given above.

### **Appendices**

Appendix 1: Annual Internal Audit Report and Assurance Review of the AGAR  
Appendix 2: Annual Governance Statement & explanation of exceptions.



Internal Audit

FINAL

## ReLondon (The London Waste and Recycling Board)

Assurance Review of Annual Governance and Accountability Return

2020/21

May 2021

## Executive Summary

OVERALL ASSESSMENT	KEY STRATEGIC FINDINGS								
 <p>The audit covers all areas required by the Annual Governance and Accountability Return (AGAR) and includes, where appropriate, the key risks associated with ReLondon.</p>	<ul style="list-style-type: none"> <li>ReLondon is the operating name of the London Waste and Recycling Board</li> <li>ReLondon is a well-run organisation with good accounting practices.</li> <li>ReLondon, following their rebranding, have developed a new website that requires greater focus on its governance arrangements.</li> </ul>								
ASSURANCE OVER KEY STRATEGIC RISK / OBJECTIVE	GOOD PRACTICE IDENTIFIED								
<p>The aim of the audit was to undertake sufficient audit work to be able to sign off the Annual Governance and Accountability Return for Internal Audit.</p>	<ul style="list-style-type: none"> <li>Good corporate governance is practiced by the Board with appropriate Member involvement.</li> <li>ReLondon have clear and informative Board and Committee meeting agendas and minutes.</li> </ul>								
SCOPE	ACTION POINTS								
	<table border="1"> <thead> <tr> <th data-bbox="1147 1176 1349 1240">Urgent</th><th data-bbox="1349 1176 1619 1240">Important</th><th data-bbox="1619 1176 1888 1240">Routine</th><th data-bbox="1888 1176 2149 1240">Operational</th></tr> </thead> <tbody> <tr> <td data-bbox="1147 1240 1349 1303">0</td><td data-bbox="1349 1240 1619 1303">0</td><td data-bbox="1619 1240 1888 1303">3</td><td data-bbox="1888 1240 2149 1303">0</td></tr> </tbody> </table>	Urgent	Important	Routine	Operational	0	0	3	0
Urgent	Important	Routine	Operational						
0	0	3	0						

## Assurance - Key Findings and Management Action Plan (MAP)

Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
1	Directed	The new ReLondon website looks very impressive. It clearly identifies who ReLondon are and uses colour to good effect on the site. It covers its key activities; how you can work with ReLondon; how you can get involved with ReLondon their resources, and latest developments. It is unfortunately lacking in Governance related matters which is an important part of a public body. Governance and Administration is found at the very bottom of the web pages under the quick links. This would be better placed as another feature on the "yellow" strap line at the top of each web page.	Governance and Administration to be included onto the "yellow" strap line of the webpages on the ReLondon website	3	<p><i>The auditor's comments are noted. However, we do not agree that governance and related matters should be included in the top level strap lines on the homepage. These are used for links to ReLondon's core activities and details on how stakeholders can get involved.</i></p> <p><i>As noted, a link to the governance and administration page is included in the quick links section. Governance and administration is also included in the "About us" section, which is linked to from the top of the main page. In addition, the governance page may be reached via the search function.</i></p> <p><i>The current arrangement is in line with other statutory public bodies (e.g. the London Fire Brigade, the Environment Agency) who also have links to their governance arrangements in similar positions to ReLondon's.</i></p>	N/A	Governance & Secretariat Officer

### PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.	3	ROUTINE	Control issue on which action should be taken.
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Rec.	Risk Area	Finding	Recommendation	Priority	Management Comments	Implementation Timetable (dd/mm/yy)	Responsible Officer (Job Title)
2	Directed	When you access the Governance and Administration page (via Quick Links), key governance data is difficult to find. Access to ReLondon Board members appears to be for account holders only. A number of key governance documents are missing from the website e.g.: Standing Orders, Board and Committee Structure, Risk Management Strategy. Other governance documents such as Whistleblowing and Fraud and Corruption, etc. could also be included here.	Further consideration be given to including all the key governance documents onto the website and these to be clearly listed.	3	<p>Access to Board member details requiring login and links missing to key governance documents: these are 'snagging' issues from the implementation of the new website which have now been rectified.</p> <p>Possible additional documentation to be included will be reviewed and the website updated accordingly.</p>	29/04/21 09/09/21	Governance & Secretariat Officer
3	Directed	The Board has a risk management strategy which is fit for purpose and provides the overview for managing risks. Section 4.1 of the strategy requires "the officers to hold a formal risk identification and evaluation workshop once a year (with open invitations extended to internal audit and Board members) and with conclusions reported back to the Audit Committee." The auditor is not aware that this requirement has been actioned for 2020/21. Section 4.4 of the strategy states that: "The risk management framework will be reviewed annually and a risk based audit plan will be developed on the basis of this review."	Should circumstances prevent a workshop or review from taking place as required within the strategy then a waiver should be approved by the Audit Committee to formally acknowledge the situation.	3	Noted.	N/A	Governance & Secretariat Officer

## PRIORITY GRADINGS

1	URGENT	Fundamental control issue on which action should be taken immediately.	2	IMPORTANT	Control issue on which action should be taken at the earliest opportunity.	3	ROUTINE	Control issue on which action should be taken.
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## Operational - Effectiveness Matter (OEM) Action Plan

Ref	Risk Area	Finding	Suggested Action	Management Comments
No Operational Effectiveness Matters were identified.				

### ADVISORY NOTE

Operational Effectiveness Matters need to be considered as part of management review of procedures.

## Findings



### Directed Risk:

Failure to properly direct the service to ensure compliance with the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
GF	<b>Governance Framework</b>	There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Partially in place	1, & 2	-
RM	<b>Risk Mitigation</b>	The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Partially in place	3	-
C	<b>Compliance</b>	Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	In place	-	-

### Other Findings



London Waste and Recycling Board are now known as ReLondon, having re-branded themselves.

Standing Orders – A comprehensive set of Standing Orders has been developed and are regularly reviewed and updated. The latest review was undertaken in June 2019 when the gifts and hospitality declaration threshold was revised. The Standing Orders are clearly written and support good governance to be exercised by ReLondon.

Scheme of Delegated Authority (SODA) – ReLondon operate a scheme of delegation to enable business to be transacted at all times and to cater for any urgent or emergency decision making to enable the Board's activities to continue with minimal disruption and to minimise any financial impact.

Business Plan – The 2020 -2025 Business Plan was approved and issued in March 2020. ReLondon's main expression of policy resides in their Business Plan which is produced and published every year before 31 March as required under their operating procedures. The Business Plan sets out an ambitious programme of activities consistent with the urgent need for climate action. ReLondon's priority is to reduce London's consumption based carbon dioxide emissions by focusing on reducing waste and increasing recycling.

## Other Findings

-  Board agendas and minutes for the financial year 2020/21 were reviewed and found to be in order with good governance taking place.
-  Audit Committee agendas and minutes for the financial year 2020/21 were reviewed and found to be in order with good governance taking place.
-  The main accounting records operated by ReLondon are as follows: Xero Accounting - for all Finance systems; DEXT - for receipts and invoices for expenses and purchases; ApprovalMax - to raise and approve purchase orders and approve payment of invoices. All systems interfaced with Xero Accounting. These were all in order and working well.
-  Adequate budgetary arrangements are in place and budgetary and financial data is reported to each meeting of the Audit Committee.
-  There are no formal procedures as few debts are raised and debt collection is not a problem. There were however two old debts emanating from the Life 14 exercise as follows: Past Trash and Youth Goodyear, both for £250 and dated 30 January 2020 that were outstanding at the date of the audit. Further consideration was to be given to the collection of these debts and if deemed unrecoverable they would be written off.
-  The Board operate a small petty cash imprest of £100 to support the purchase of minor items that require a cash payment. There is a petty cash procedure to enable the cash float to be adequately controlled. Petty cash was in order.
-  The organisation uses a separate HR and Payroll system. The HR system (YouManage) is operated in-house by the Governance and Secretariat Officer. The HR system records employees' sickness, annual leave, and retains recruitment records, as well as all employment related documentation. The payroll is processed by IRIS.
-  One starter and one leaver in the year 2020/21 were reviewed and found to be in order.
-  Accounting Statements have been reconciled to the Cash Book.
-  Data feeding into the Accounting Statements was confirmed to be correct.

**Delivery Risk:**

Failure to deliver the service in an effective manner which meets the requirements of the organisation.

Ref	Expected Key Risk Mitigation		Effectiveness of arrangements	Cross Reference to MAP	Cross Reference to OEM
PM	<b>Performance Monitoring</b>	There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	In place	-	-
FC	<b>Financial Constraint</b>	The process operates within the agreed financial budget for the year.	In place	-	-
R	<b>Resilience</b>	Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	In place	-	-

**Other Findings**

ReLondon hold adequate reserves to support the business in going forward.



Five year finance plans are prepared and published on a five yearly basis with additional budgets being prepared when deemed necessary by management.



The bank statements as at 31 March 2021 had been reconciled and were in balance.

## EXPLANATORY INFORMATION

## Appendix A

### Scope and Limitations of the Review

- The definition of the type of review, the limitations and the responsibilities of management in regard to this review are set out in the Annual Plan. As set out in the Audit Charter, substantive testing is only carried out where this has been agreed with management and unless explicitly shown in the scope no such work has been performed.

### Disclaimer

- The matters raised in this report are only those that came to the attention of the auditor during the course of the review, and are not necessarily a comprehensive statement of all the weaknesses that exist or all the improvements that might be made. This report has been prepared solely for management's use and must not be recited or referred to in whole or in part to third parties without our prior written consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended, for any other purpose. TIAA neither owes nor accepts any duty of care to any other party who may receive this report and specifically disclaims any liability for loss, damage or expense of whatsoever nature, which is caused by their reliance on our report.

### Effectiveness of arrangements

- The definitions of the effectiveness of arrangements are set out below. These are based solely upon the audit work performed, assume business as usual, and do not necessarily cover management override or exceptional circumstances.

<b>In place</b>	The control arrangements in place mitigate the risk from arising.
<b>Partially in place</b>	The control arrangements in place only partially mitigate the risk from arising.
<b>Not in place</b>	The control arrangements in place do not effectively mitigate the risk from arising.

### Assurance Assessment

- The definitions of the assurance assessments are:

<b>Substantial Assurance</b>	There is a robust system of internal controls operating effectively to ensure that risks are managed and process objectives achieved.
<b>Reasonable Assurance</b>	The system of internal controls is generally adequate and operating effectively but some improvements are required to ensure that risks are managed and process objectives achieved.
<b>Limited Assurance</b>	The system of internal controls is generally inadequate or not operating effectively and significant improvements are required to ensure that risks are managed and process objectives achieved.
<b>No Assurance</b>	There is a fundamental breakdown or absence of core internal controls requiring immediate action.

### Acknowledgement

- We would like to thank staff for their co-operation and assistance during the course of our work.

### Release of Report

- The table below sets out the history of this report.

Stage	Issued	Response Received
<b>Audit Planning Memorandum:</b>	3 <sup>rd</sup> December 2020	4 <sup>th</sup> December 2020
<b>Draft Report:</b>	20 <sup>th</sup> April 2021	29 <sup>th</sup> April 2021
<b>Final Report:</b>	4 <sup>th</sup> May 2021	

## AUDIT PLANNING MEMORANDUM

## Appendix B

<b>Client:</b>	London Waste and Recycling Board		
<b>Review:</b>	Annual Governance and Accountability Return		
<b>Type of Review:</b>	Assurance	<b>Audit Lead:</b>	Chris Harris

<b>Outline scope (per Annual Plan):</b>	....		
	Directed	Delivery	
<b>Detailed scope will consider:</b>	Governance Framework: There is a documented process instruction which accords with the relevant regulatory guidance, Financial Instructions and Scheme of Delegation.	Performance monitoring: There are agreed KPIs for the process which align with the business plan requirements and are independently monitored, with corrective action taken in a timely manner.	
	Risk Mitigation: The documented process aligns with the mitigating arrangements set out in the corporate risk register.	Financial constraint: The process operates with the agreed financial budget for the year.	
	Compliance: Compliance with statutory, regulatory and policy requirements is demonstrated, with action taken in cases of identified non-compliance.	Resilience: Good practice to respond to business interruption events and to enhance the economic, effective and efficient delivery is adopted.	
<b>Requested additions to scope:</b>	(if required then please provide brief detail)		
<b>Exclusions from scope:</b>			

<b>Planned Start Date:</b>	10/12/2020	<b>Exit Meeting Date:</b>	16/04/2021	<b>Exit Meeting to be held with:</b>	Adam Leibowitz and Eddie Confoy
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**SELF ASSESSMENT RESPONSE**

<b>Matters over the previous 12 months relating to activity to be reviewed</b>	<b>Y/N (if Y then please provide brief details separately)</b>
Has there been any reduction in the effectiveness of the internal controls due to staff absences through sickness and/or vacancies etc?	N
Have there been any breakdowns in the internal controls resulting in disciplinary action or similar?	N
Have there been any significant changes to the process?	N
Are there any particular matters/periods of time you would like the review to consider?	N

# Annual Internal Audit Report 2020/21

London Waste and Recycling Board

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During the financial year ended 31 March 2021, this authority's internal auditor acting independently and on the basis of an assessment of risk, carried out a selective assessment of compliance with the relevant procedures and controls in operation and obtained appropriate evidence from the authority.

The internal audit for 2020/21 has been carried out in accordance with this authority's needs and planned coverage. On the basis of the findings in the areas examined, the internal audit conclusions are summarised in this table. Set out below are the objectives of internal control and alongside are the internal audit conclusions on whether, in all significant respects, the control objectives were being achieved throughout the financial year to a standard adequate to meet the needs of this authority.

Internal control objective	Yes	No*	Not covered**
A. Appropriate accounting records have been properly kept throughout the financial year.	✓		
B. This authority complied with its financial regulations, payments were supported by invoices, all expenditure was approved and VAT was appropriately accounted for.	✓		
C. This authority assessed the significant risks to achieving its objectives and reviewed the adequacy of arrangements to manage these.	✓		
D. The precept or rates requirement resulted from an adequate budgetary process; progress against the budget was regularly monitored; and reserves were appropriate.	✓		
E. Expected income was fully received, based on correct prices, properly recorded and promptly banked; and VAT was appropriately accounted for.	✓		
F. Petty cash payments were properly supported by receipts, all petty cash expenditure was approved and VAT appropriately accounted for.	✓		
G. Salaries to employees and allowances to members were paid in accordance with this authority's approvals, and PAYE and NI requirements were properly applied.	✓		
H. Asset and investments registers were complete and accurate and properly maintained.	✓		
I. Periodic bank account reconciliations were properly carried out during the year.	✓		
J. Accounting statements prepared during the year were prepared on the correct accounting basis (receipts and payments or income and expenditure), agreed to the cash book, supported by an adequate audit trail from underlying records and where appropriate debtors and creditors were properly recorded.	✓		
K. If the authority certified itself as exempt from a limited assurance review in 2019/20, it met the exemption criteria and correctly declared itself exempt. ( <i>If the authority had a limited assurance review of its 2019/20 AGAR tick "not covered"</i> )			✓
L. If the authority has an annual turnover not exceeding £25,000, it publishes information on a website/webpage up to date at the time of the internal audit in accordance with the Transparency code for smaller authorities.			NOT APPLICABLE
M. The authority, during the previous year (2019-20) correctly provided for the period for the exercise of public rights as required by the Accounts and Audit Regulations ( <i>evidenced by the notice published on the website and/or authority approved minutes confirming the dates set</i> ).		✓	
N. The authority has complied with the publication requirements for 2019/20 AGAR (see AGAR Page 1 Guidance Notes).	✓		
O. (For local councils only) Trust funds (including charitable) – The council met its responsibilities as a trustee.	Yes	No	Not applicable

For any other risk areas identified by this authority adequate controls existed (list any other risk areas on separate sheets if needed).

Date(s) internal audit undertaken

Name of person who carried out the internal audit

31/03/2021 01/04/2021 06/04/2021

CHRISTOPHER R. HARRIOTT

Signature of person who carried out the internal audit

 REQUIRED

Date

29/04/2021

\*If the response is 'no' please state the implications and action being taken to address any weakness in control identified (add separate sheets if needed).

\*\*Note: If the response is 'not covered' please state when the most recent internal audit work was done in this area and when it is next planned; or, if coverage is not required, the annual internal audit report must explain why not (add separate sheets if needed).

Internal Audit 2020/21

Completion of the AGAR Internal Audit return for 2020/21

Row M – Box ticked “No”.

“The LWARB have indicated “No” against assertion 4 of the Annual Governance Statement 2020/21:

Assertion 4: We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations.”

As the LWARB have indicated “No” against assertion 4 then to be consistent Box M of the Internal Audit declaration must also be “No”.

This will be corrected for 2021/22 and the audit review in 2021/22 will examine compliance with this requirement.

Signed

Christopher Harris

Internal Auditor

## Section 1 – Annual Governance Statement 2020/21

We acknowledge as the members of:

London Waste and Recycling Board  
ENTER NAME OF AUTHORITY

our responsibility for ensuring that there is a sound system of internal control, including arrangements for the preparation of the Accounting Statements. We confirm, to the best of our knowledge and belief, with respect to the Accounting Statements for the year ended 31 March 2021, that:

	Agreed		'Yes' means that this authority:
	Yes	No*	
1. We have put in place arrangements for effective financial management during the year, and for the preparation of the accounting statements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>prepared its accounting statements in accordance with the Accounts and Audit Regulations.</i>
2. We maintained an adequate system of internal control including measures designed to prevent and detect fraud and corruption and reviewed its effectiveness.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>made proper arrangements and accepted responsibility for safeguarding the public money and resources in its charge.</i>
3. We took all reasonable steps to assure ourselves that there are no matters of actual or potential non-compliance with laws, regulations and Proper Practices that could have a significant financial effect on the ability of this authority to conduct its business or manage its finances.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>has only done what it has the legal power to do and has complied with Proper Practices in doing so.</i>
4. We provided proper opportunity during the year for the exercise of electors' rights in accordance with the requirements of the Accounts and Audit Regulations.	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<i>during the year gave all persons interested the opportunity to inspect and ask questions about this authority's accounts.</i>
5. We carried out an assessment of the risks facing this authority and took appropriate steps to manage those risks, including the introduction of internal controls and/or external insurance cover where required.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>considered and documented the financial and other risks it faces and dealt with them properly.</i>
6. We maintained throughout the year an adequate and effective system of internal audit of the accounting records and control systems.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>arranged for a competent person, independent of the financial controls and procedures, to give an objective view on whether internal controls meet the needs of this smaller authority.</i>
7. We took appropriate action on all matters raised in reports from internal and external audit.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>responded to matters brought to its attention by internal and external audit.</i>
8. We considered whether any litigation, liabilities or commitments, events or transactions, occurring either during or after the year-end, have a financial impact on this authority and, where appropriate, have included them in the accounting statements.	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<i>disclosed everything it should have about its business activity during the year including events taking place after the year end if relevant.</i>
9. (For local councils only) Trust funds including charitable. In our capacity as the sole managing trustee we discharged our accountability responsibilities for the fund(s)/assets, including financial reporting and, if required, independent examination or audit.	Yes	No	N/A <i>has met all of its responsibilities where, as a body corporate, it is a sole managing trustee of a local trust or trusts.</i>

\*Please provide explanations to the external auditor on a separate sheet for each 'No' response and describe how the authority will address the weaknesses identified. These sheets must be published with the Annual Governance Statement.

This Annual Governance Statement was approved at a meeting of the authority on:

DD/MM/YY

and recorded as minute reference:

MINUTE REFERENCE

Signed by the Chairman and Clerk of the meeting where approval was given:

Chairman

SIGNATURE REQUIRED

Clerk

SIGNATURE REQUIRED

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## **Annual Governance Statement 2020/21**

We have indicated “No” against assertion 4 of the Annual Governance Statement 2020/21:

*Assertion 4: We provided proper opportunity during the year for the exercise of electors’ rights in accordance with the requirements of the Accounts and Audit Regulations*

In their Audit Report on the 2019/20 AGAR the external auditors noted:

*“The smaller authority failed to approve the AGAR in time to publish it before 1 September 2020, the date required by the Accounts and Audit Regulations 2015 as amended by SI 2020/404 the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020, and did not disclose this by answering ‘No’ to Section 1, Box 1. The AGAR was originally approved under the written resolution procedure on 6 August 2020, however the decisions taken using these powers were not reported until a meeting on 1 October 2020.”*

And

*“We note that the smaller authority did not comply with Regulation 15 of the Accounts and Audit Regulations 2015 as amended by SI 2020/404 the Accounts and Audit (Coronavirus) (Amendment) Regulations 2020 as it failed to make proper provision during the year 2020/21 for the exercise of public rights, since the approval date was after the start of the period for the exercise of public rights. As a result, the smaller authority must answer ‘No’ to Assertion 4 of the Annual Governance Statement for 2020/21 and ensure that it makes proper provision for the exercise of public rights during 2021/22”*

2019/20 was the first year that LWARB was classified as a smaller authority, and there was a misunderstanding on the requirements for approval of the AGAR since, when LWARB was classified a larger authority accounts had always been approved via the written resolution procedure. As noted by the Auditor, in 2019/20 the AGAR was approved by a written resolution on 6<sup>th</sup> August. However, this approval was deemed to have not met the requirements so the approval was not considered to be a formal one until it had been reported to a formal meeting of the Board which did not take place until 1<sup>st</sup> October. Approval of the AGAR did not therefore formally take place until after the 1<sup>st</sup> September deadline and therefore not in advance of the period for the exercise of public rights.

For 2020/21 a meeting of the Board will be held in June to approve the AGAR in advance the 30<sup>th</sup> June deadline of the start of the period for the exercise of public rights.