

Board Paper

Paper Title	Annual Report & Governance Statement – Proposed arrangement
Paper Reference:	NRW B O 14.14
Paper Sponsored By: Paper Authored By:	Clive Thomas Sioned Rowlands

Purpose of Paper:	Briefing and Decision on Annual Report and Governance Statement
Recommendation:	Agreement that the Audit & Risk Assurance Committee (ARAC), provides assurance to the Chairman and Accounting Officer on the Annual Report, including Governance Statement
Decision Required:	To agree with the recommendation

Impact: To note – all headings might not be applicable to the topic	Impact on Environment, Economy, Communities: The Annual Report highlights the work of Natural Resources Wales including the positive impacts on the environment, economy and communities of Wales Impact on Knowledge: The annual report and governance statement is an external facing document that reports on performance in-year and our plans for the future and therefore adds to the knowledge base for Wales
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Issue

1. To inform the Board of our intended approach to producing our Annual Report for 2013/14 and specifically to seek agreement that the Audit & Risk Assurance Committee (ARAC), provides assurance to the Board and Accounting Officer on the Annual Report, including Governance Statement.
2. If approved, this change will be fully reflected in the ongoing updates to the Non-Financial Scheme of Delegation (NFSoD).

Summary

3. Our Annual Report is a key component of our governance framework and our focus will be on ensuring it fulfils this requirement. Although the report will be useful in communicating the effectiveness of our governance, we recognise that our primary external communication opportunity is around our forward looking Corporate and Business Plans. We propose therefore to produce an 'on-line' report, professionally designed and written. However the narrative will be restricted to organisational highlights centred around performance reporting, along with the necessary governance components.
4. It is proposed that the Audit and Risk Assurance Committee (ARAC) be responsible for reviewing and making recommendation for approval of the annual report and governance statement to the Chairman and Accounting Officer on behalf of the Board. This is in line with what has been agreed for the annual financial accounts.
5. Any personal information relating to Non-Executive Board members, as well as the Chairman's Foreword will be agreed direct with individual Board members, the Chairman and Chair of the Remuneration Committee in advance of ARAC review.
6. This approach follows best practice as set out *HM Treasury – Audit and Risk Assurance Handbook* in that ARAC should support the Board and Accounting Officer by reviewing the comprehensiveness and reliability of assurances on governance, risk management, the control environment and the integrity of financial statements and the annual report (which includes the governance statement).
7. The current Non-Financial Scheme of Delegation does not include this delegation to the Audit and Risk Assurance Committee. The Director of Governance has already commissioned the review and updating of the Non-Financial Scheme of Delegation, it is proposed that this work will be completed in early April 2014.
8. Annex 1 - outlines the proposed timetable for the production and sign-off of the Annual Report (which includes the Governance Statement).
9. Annex 2 - provides a brief outline of the proposed content and format of the Annual Report.

Next Steps

10. Take forward the Governance of the Annual report through the Audit & Risk Assurance Committee.

11. Complete work on reviewing and updating the Non-Financial Scheme of Delegation, which will incorporate this change.

Risks

12. Failure to comply with our statutory obligation for the production of an annual report and governance statement

Financial Implications

13. There are no financial implications arising from this paper.

Communications

14. We will report to ARAC on a regular basis on progress.
15. The finalised Annual Report & Accounts will be published on Natural Resources Wales website

Equality impact assessment (EqIA)

16. N/a

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Annex 1. Timetable for the production and sign-off of Annual Report & Governance Statement

Annex 2. Proposed outline of content of Annual Report