

# Annual Governance Statement 2022-23



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## 1. Introduction

This Annual Governance Statement documents the Advisory Board's (Board) application of good governance practice during the period 1<sup>st</sup> April 2022 to 31<sup>st</sup> March 2023, in compliance with the requirements of the Sport England Code for Sports Governance (the Code). Compliance with the Code was achieved in April 2018, and the Board has continued to ensure that its practices are in line with the requirements laid down in the Code.

The dual focus of the Board during the current year was to continue to ensure that robust governance procedures were maintained as we emerged from the COVID-19 pandemic, ensuring the organisation was supported during this challenging period. Secondly, was to ensure that the organisation was successfully navigated through the period leading up to 1<sup>st</sup> April 2023, when Active Cumbria would transfer to a new host authority, Cumberland Council, because of a process of Local Government Reorganisation (LGR) in Cumbria. From this date, Active Cumbria will continue to serve the whole footprint of Cumbria whilst being hosted within the Cumberland Council.

Members have fully embraced these challenges and are looking forward to seizing the new opportunities that LGR provides for Active Cumbria and the people of Cumbria.

## 2. Summary of Governance Highlights

In readiness for the change in host authority, significant time and effort has been spent during the period ensuring the the existing governance arrangements for Active Cumbria could transfer smoothly into the new host. Specific functions have included: -

- Ensuring all relevant approvals and discussions regarding LGR have been brought to the Board for discussions and agreement.
- Checking and amending where appropriate all existing governance documents for their compliance moving forward.
- Ensuring the Core Team were fully aware of all the developments and were supported throughout.
- Connecting with Sport England as the main funder to ensure that the existing Agency Agreement and all grant agreements were seamlessly transferred to the new host on Vesting Day.
- Supporting the process to develop Inter-Authority Agreements between Cumberland Council and Westmorland & Furness Council, to ensure a consistent level of service is provided across Cumbria as at 1<sup>st</sup> April 2023.

On-going governance work has also been maintained during the period, including: -

- All activities identified in the Board's Annual Governance Plan were completed.
- Five Board meetings were held during the year in May 2022, September 2022, November 2022, and February 2023, all meetings being conducted through a hybrid of face to face or virtual attendance using Microsoft Teams platform. A further special meeting involving the Board and Operational Team was held in August 2022 to consider a review of thematic champion roles, and increasing connectivity between the Core Team and Board.
- The move to hybrid meetings has been well received. The flexibility provided through this mechanism allows for greater opportunity for attendance and will be reviewed again moving forward to ensure that sufficient energy and commitment is maintained.
- The Board operated in line with the agreed Terms of Reference, and within the agreed delegated authorities.
- The Board has played an active role in supporting the Executive to embed a new Measurement, Evaluation and Learning System for the organisation.

- The practice of identifying thematic Board Champions continues to work well, and has increased connectivity between Board members and the Executive. A full review of Thematic Champion areas was conducted in August 2022, and these have recently been extended to include Welfare & Safety.
- An awareness raising workshop highlighting issues faced by the LGBTQ+ population was held in May 2022 led by Gendered Intelligence.
- A half day 'Conversation Day' was held for Advisory Board and Core Team in February 2023 covering the issue of anti-racism, led by Anti-Racist Cumbria. A further follow-up session is planned for May 2023.
- Two meetings of the Audit Committee were held in April 2022, and October 2022.
- The Board reviewed the following governance documents for suitability: -
  - Governance Document.
  - Diversity Action Plan.
  - Risk Register.
  - Safeguarding Children & Young People Policy.
  - Safeguarding Adults at Risk Policy.
  - Annual Governance Plan.
- The Board, supported by the Audit Committee, reviewed the following areas of governance: -
  - Risk Management process.
  - Internal Financial Control Systems.
  - Reserves Policy.
  - Annual Governance Statement.
  - Annual Audit process.
  - Conflict of Interest Policy.
  - Scheme of Delegation.
  - Compliance with the Code for Sports Governance.
- The Board undertook the following improvement activities: -
  - Annual Board skills audit and review completed in December 2022.
  - Internal Board Performance Review completed in December 2022.
- Although Board membership numbers were stable, there was some movement with regard to membership during the year, with: -
  - 1 member resigning from the Board during their second term of office.
  - 1 new member being recruited to represent the newly formed Westmorland & Furness Council, as an ex-officio member.
- Finances were stable, with;
  - Continuation of existing external audit process;
  - Successful external audit and approval of the 2021/22 financial accounts;
  - Unaudited 2022/23 income and expenditure position improved compared to budget, with additional 'in-year' income attracted through a variety of sources;
  - Year end reserves position improved.
  - An on-going commitment to focus on diversifying income streams beyond Sport England and into the private sector, thereby reducing financial risk.
- There were no breaches of data protection legislation reported during the period;
- There were no conflicts of interest reported during the period;
- The Board, supported by the Core Team contributed to the achievements of the organisation during the period, further details of which can be found in the Annual Report [here](#).

### 3. Leadership

#### 3.1 The Role of the Board

The overriding functions of the Board are to: -

- Ensure clarity of vision, values and strategic direction for Active Cumbria activities;

- Provide oversight, input and challenge;
- Actively promote and further the work of Active Cumbria.

The Board has ensured that there is a framework of controls which enable the effective operation of Active Cumbria. The policies and procedures of the host agency and accountable body, Cumbria County Council, are used to enable the core team to undertake their roles.

Operational performance against the outcomes of the 5 Year Plan is monitored by the Board through an effective performance dashboard, which is scrutinised at each meeting.

A separate Audit Committee, with associated terms of reference is in place. Further details on the role of the Audit Committee is provided in Section 7.

Further details of the following documents is provided below: -

- [Governance Framework](#)
- [Advisory Board Terms of Reference](#)
- [Audit Committee Terms of Reference](#)
- [Register of Interests](#)
- [Board Minutes and Agendas](#)
- [Details of Board Members](#)

### **3.2 The Role of the Chairperson**

The role of the Chairperson is critical in ensuring the conditions for an effective Board, as well as being an ambassador for the organisation, providing leadership and direction. Specific responsibilities are outlined in the Terms of Reference, a link to which is provided in Section 3.1.

### **3.3 The Role of the Senior Independent Member (SIM)**

Amongst other things, the SIM will stand in for the Chairperson as required, and take on the responsibilities of the Chairperson for that period. Further details of the specific roles of the SIM are outlined in the Terms of Reference, a link to which is provided in Section 3.1.

### **3.4 Recruitment to the Board**

An open and transparent recruitment policy is in place for the filling of vacancies on the Board. A task and finish group will be appointed by the Board to undertake shortlisting and interviews, as appropriate, with recommendations being made to the Board to formally ratify the selection process. As such, no formal Nominations Committee is in place, this function is undertaken by the Board.

A link to the most recent Board Recruitment Pack can be found [here](#).

### **3.5 Induction for New Members**

A comprehensive induction programme is in place for new Board members, this includes, but is not limited to: -

- Provision of a range of key documents, minutes, Board papers etc;
- Detailed Induction meeting with Senior Managers (and Chairperson if requested);

- Connectivity with existing Board members for informal discussion ahead of first meeting;
- Identification of potential lead thematic role.

A link to the Board Induction Checklist can be found [here](#).

#### 4. Equality, Diversity & Inclusion

- 4.1 The Board is committed to encouraging equality and diversity among its membership, and eliminating unlawful discrimination. The aim is for the Board to be truly representative of the population of Cumbria and for each member to feel respected and able to give their best.

To support this aim, a Diversity Action Plan has been produced, which is reviewed regularly, the purpose of which is to: -

- Demonstrate that the leadership (Advisory Board and Senior Management) of Active Cumbria is committed to ensuring greater equality and diversity on its Advisory Board and within the senior management of the organisation;
- Provide equality, fairness and respect for all members, and oppose and avoid all forms of unlawful discrimination;
- Provide a strong public commitment to not unlawfully discriminate in line with the Equality Act 2010 protected characteristics of age, disability, gender reassignment, marriage and civil partnership, pregnancy and maternity, race (including colour, nationality, and ethnic or national origin), religion or belief, sex (gender) and sexual orientation.

Over the coming six months we will strengthen our approach to this area through the development of a challenging Diversity & Inclusion Action Plan (DIAP) which will cover the whole organisation. Further details of the current Diversity Action Plan can be viewed [here](#).

#### 5. Effectiveness

##### 5.1 Composition of the Board

The Board is predominantly made up of independent members, appointed based on their individual skills or expertise. There are four ex-officio positions on the Board for the two senior managers from within the core team, plus one representative from each of the two new unitary councils in Cumbria, one of which is the host authority. There are currently 12 members on the Board, with no vacancies.

##### 5.2 Evaluations

###### 5.2.1 Board Performance (Internal)

During the year, an evaluation has been undertaken to assess the effectiveness of the performance of the Board. An internal assessment, undertaken in December 2022 pointed towards members feeling positive about their level of involvement, adding value to the Board, the flow of information, and the general direction the Board was taking.

###### 5.2.2 Skills Audit

A biennial audit of skills was undertaken during the Advisory Board meeting in December 2022 covering a range of essential skills, knowledge, and experiences. The reported

strengths included areas such as the value added through the implementation of thematic champion roles, and the breadth of skills across the Board.

## 6. Risk

A Risk Register is considered by the Board at each meeting highlighting the current significant risks affecting the organisation. Mitigating actions for those risk perceived to be higher are reported and considered. A link to the most recent Risk Register is [here](#).

## 7. Audit Committee

### 7.1 The Role of the Audit Committee

The role of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities for the financial reporting process, the system of financial controls, the audit process, and the process for monitoring financial compliance with the governing body's Code of Conduct, making recommendations through the production of appropriate reports to the Advisory Board for approval as and when required. Terms of Reference for the Committee can be viewed via the link in Section 3.1.

### 7.2 Membership

The Audit Committee is made up of four Board members, three of which are independent members, and the other being the Senior Manager (Operations) who has accountability for the finances under the host agency scheme of delegation. The Committee is supported by a representative of the host authority Finance Team, and the core team Finance Officer, who provides detailed reports as required.

### 7.3 Review of Internal Controls

An annual review of the internal controls is undertaken by the Audit Committee at their October meeting. The minutes of the meeting held on 28 October 2022 can be viewed [here](#).

### 7.4 Financial Auditing

The annual external audit of the Statement of Accounts for Active Cumbria is undertaken as part of the external audit of the accounts of the host authority. An agreed process has been implemented, which allows for the Board's Audit Committee to input into the process at regular and timely intervals, to ensure there is sufficient opportunity to scrutinise and/or challenge the Auditors findings. Full details of the process can be viewed [here](#).

## 8. Data Protection

In line with new GDPR regulations all staff have received training during the year around the new requirements of this legislation. Internal processes, systems and data have been streamlined to take account of the new requirements. There were no data breaches during the year.

## 9. Affiliations

### 9.1 Active Partnerships

As one of 43 Active Partnerships in existence across England, Active Cumbria affiliates to Active Partnerships, which is a representative body providing support to all Active Partnerships across the country. Active partnerships do not hold any influence, or impact on the operating policies of Active Cumbria.

## **9.2 Cumbria County Council**

As stated in Section 3.1, Active Cumbria is hosted within Cumbria County Council, which is the host agency and accountable body, with the Board regularly reviewing these arrangements. All core team staff are employed by Cumbria County Council, and operate under their respective policies and procedures. An Agency Agreement between Active Cumbria and Cumbria County Council (dated 20.11.17) is in place which sets out the terms of the relationship.

As referenced earlier in this report, due to LGR Cumbria County Council will cease to exist on 31<sup>st</sup> March 2023. Detailed negotiations have been taking place with both new Unitary Councils for Cumbria, and The Board together with the new Councils have agreed that as from 1<sup>st</sup> April 2023 Cumberland Council will host Active Cumbria on a permanent basis.

On this date all staff with TUPE transfer to Cumberland Council who will take on all legal accountabilities from Cumbria County Council on behalf of Active Cumbria. The existing Agency Agreement between Sport England and Cumbria County Council will transfer to Cumberland Council on this date.





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