

BRIDGEND COUNTY BOROUGH COUNCIL

AUDIT COMMITTEE

3 June 2009

REPORT OF THE CORPORATE DIRECTOR – RESOURCES

ANNUAL GOVERNANCE STATEMENT 2008/09

1. Purpose of this report

- 1.1 The purpose of this report is to seek approval from the Audit Committee that the Annual Governance Statement (AGS), as prepared, be included within the Authority's Statement of Accounts for 2008/09.

2. Connections to Corporate Improvement Plan / Other Corporate Priorities

- 2.1 Achievement of the aims and objectives within the Corporate Improvement Plan will be dependant on the effective workings of internal controls within the Authority, as reviewed in the Annual Governance Statement.

3. Background

- 3.1 Regulation 4 of the Accounts and Audit (Wales) Regulation 2005 introduced a requirement for the Authority to be explicitly responsible, as part of its arrangements for Corporate Governance, for annually reviewing and reporting on internal control.
- 3.2 The Statement of Recommended Practice (SORP) states that the preparation and publication of an Annual Governance Statement in accordance with 'Delivering good Governance in Local Government' would fulfil the statutory requirement in England, Wales and Northern Ireland.

4. Current Situation / Proposal

CIPFA/SOLACE Governance Framework Core Principles

- 4.1 The six core principles of good governance in the CIPFA/SOLACE framework contained within 'Delivering good Governance in Local Government' are:
1. Focusing on the Council's purpose and community needs, creating and implementing a vision for the local area;

2. Members and officers working together to achieve a common purpose with clearly defined functions and roles;
 3. Promoting values for the Council and demonstrating the values of good governance;
 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
 5. Developing the capacity and capability of members and officers to be effective;
 6. Engaging with local people and other stakeholders to ensure robust public accountability.
- 4.2 Each core principle has a number of supporting principles outlining what they mean. The supporting principles in turn translate into a range of specific requirements that should be in place within the Council and ideally reflected in the Council's local code of corporate governance.

The Annual Governance Statement Process 2008/09

- 4.3 Bridgend CBC produced its first Annual Governance Statement in 2007/08. It was approved by Audit Committee in June 2008 and was included in the Statement of Accounts for 2007-08.
- 4.4 For 2008/09, the process established in 2007/08 has been built upon and involved:
- A desktop review of documents including the Corporate Improvement Plan, Internal Audit reports and Relationship Manager's Audit letter to establish that the risk areas identified in 2007/08 were still current.
 - An update of the Action Plan produced in 2007/08 to ensure that planned actions had been carried out and that any new actions required had been identified.
 - A review of the resulting document by Corporate Management Board to establish the 'corporate ownership' required.

5. Effect upon policy framework and procedural rules

None

6. Legal implications

None

7. Financial implications

None

8. Recommendations

- 8.1** It is recommended that Audit Committee critically review the Annual Governance Statement (Appendix A) and approve its inclusion in the Statement of Accounts 2008/09.

Gareth Moss BA (Hons) CPFA
Corporate Director - Resources
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Contact Officer : Mary Newbold

Telephone : (01656) 643359

E-mail : mary.newbold@bridgend.gov.uk

Postal address: Accountancy
Resources - Finance
Level 2 Civic Offices
Angel Street
Bridgend
CF31 4WB

Background Papers: Accounts and Audit Regulations (2005)
CIPFA / SOLACE Delivering Good Governance in
Local Government - Framework
CIPFA FAN The Annual Governance Statement –
Rough Guide for Practitioners