

**BRIDGEND COUNTY BOROUGH COUNCIL**

**AUDIT COMMITTEE**

**7 JULY 2011**

**REPORT OF THE SECTION 151 OFFICER**

**ANNUAL GOVERNANCE STATEMENT 2010/11**

**1. Purpose of this report**

- 1.1 The purpose of this report is for the Audit Committee to approve the Annual Governance Statement (AGS) for inclusion in the Council's Statement of Accounts for 2010/11.

**2. Connections to Corporate Improvement Objectives / Other Corporate Priorities**

- 2.1 Achievement of the aims and objectives in the Corporate Plan is underpinned by ensuring that effective governance arrangements are in place.

**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. The Regulations also state that the AGS must be included in the Authority's Statement of Accounts and the audited Statement of Accounts must be approved by the relevant committee by 30 September.

- 3.2 The Statement of Recommended Practice (SORP) states that the preparation and publication of an Annual Governance Statement (AGS) in accordance with 'Delivering Good Governance in Local Government' fulfils the statutory requirement regarding the production of a statement of internal control in England, Wales and Northern Ireland.

**4. Current Situation / Proposal**

CIPFA/SOLACE Governance Framework Core Principles

- 4.1 The Code of Governance is based upon the following six core principles which are taken from "The Good Governance Standard for Public Services", which have been adapted for local government

purposes. These can be aligned with the principles and values set out by the Welsh Government (WG) as shown via the wording in italics.

1. Focusing on the Council's purpose and on outcomes for the community and creating and implementing a vision for the local area; (*Putting the Citizen First*); (*Achieving Value for Money*).
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles; (*Knowing Who Does What and Why*);
3. Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour; (*Living Public Service Values*);
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk; (*Fostering Innovation Delivery*);
5. Developing the capacity and capability of Members and officers to be effective; (*Being a Learning Organisation*);
6. Engaging with local people and other stakeholders to ensure robust public accountability; (*Engaging with Others*);

4.2 The Code describes how the Council will meet and demonstrate its commitment to these six Principles. It also describes how the Council's corporate governance arrangements will be monitored and reviewed. The Council's Code of Corporate Governance is attached as Appendix A.

4.3 Good corporate governance requires the active participation of Members and officers across the Council. These arrangements will be reviewed on an annual basis and the findings of this work will be reported in the Annual Governance Statement. This will help ensure the continuous improvement of the Council's Corporate Governance culture.

4.4 Each Year the Council is required to published an Annual Governance Statement. This provides an overall assessment of the Council's Corporate Governance arrangements and an appraisal of the controls in place to manage the Council's key risks and identifies where improvements need to be made. The AGS is reviewed by Corporate Management Board and needs to be approved by the Audit Committee, prior to being signed by the Leader of the Council and the Chief Executive. The AGS for 2010/11 is attached as Appendix B. For completeness the unaudited Statement of Accounts is attached, as Appendix C

## **5. Effect upon policy framework and procedural rules**

None

## **6. Equality Impact Assessment**

None

## **7. Financial implications**

None

## **8. Recommendations**

### **8.1** It is recommended that Audit Committee:

- Critically review the Annual Governance Statement (Appendix B) and approve its inclusion in the Statement of Accounts 2010/11.
- Note the unaudited Statement of Accounts for 2010/11( Appendix C) and Code of Corporate Governance (Appendix A)

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**June 2011**

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**Background Papers:** Accounts and Audit (Wales) Regulations 2005  
CIPFA/SOLACE: Delivering Good Governance in Local Government - Framework  
CIPFA/SOLACE: Application Note to Delivering Good Governance in Local Government: A Framework