

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

23 MAY 2013

REPORT OF THE ASSISTANT CHIEF EXECUTIVE – PERFORMANCE

ANNUAL GOVERNANCE STATEMENT 2012-13

1. Purpose of Report.

- 1.1 The purpose of this report is for the Audit Committee to approve the Annual Governance Statement (AGS) 2012-13 for inclusion in the Council's pre-audited Statement of Accounts 2012-13.

2. Connection 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.
- 3.2 The CIPFA Code of Recommended Practice (the Code) 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. The Regulations also state that the AGS must be included in the Authority's Statement of Accounts.

4. Current Situation / Proposal

CIPFA/SOLACE Governance Framework Core Principles

- 4.1 There are six core principles of good governance in the CIPFA/SOLACE framework contained within 'Delivering Good Governance in Local Government' 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 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.

4.3 Good corporate governance requires the active participation of Members and officers across the Council. These arrangements are reviewed on an annual basis and the findings used to update the Annual Governance Statement. This helps to ensure the continuous improvement of the Council's corporate governance culture.

4.4 Each year the Council is required to publish an Annual Governance Statement within its Statement of Accounts. 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 was reviewed by Corporate Management Board and now 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 2012-13 is attached as Appendix A.

5. Effect upon policy framework and procedural rules

5.1 None

6. Equality Impact Assessment

6.1 None

7. Financial implications

7.1 None

8. Recommendations

8.1 It is recommended that Audit Committee:

- Review the Annual Governance Statement (Appendix A) and approve its inclusion in the pre-audited Statement of Accounts 2012-13.

Ness Young CPFA
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14 May 2013

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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