

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

27 JUNE 2017

REPORT OF THE CORPORATE DIRECTOR, OPERATIONAL AND PARTNERSHIP SERVICES

REVIEWED CODE OF CORPORATE GOVERNANCE

1. Purpose of Report

- 1.1 To present to Cabinet the Council's reviewed Code of Corporate Governance (Appendix A) and its Governance Framework (Appendix B) for approval and adoption.

2. Connection to Corporate Improvement Plan / Other Priorities

- 2.1 Achievement of the corporate priorities and well-being objectives defined by the Corporate Plan is underpinned by ensuring that effective governance arrangements are in place.

3. Background

- 3.1 Regulation 5 (2) of the Accounts and Audit (Wales) Regulations 2014 requires an authority to undertake, as part of its arrangements for corporate governance, an annual review of governance and report 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.
- 3.3 In 2016, CIPFA published its new *Delivering good governance in Local Government Framework*, which positions the attainment of sustainable economic, social, and environmental outcomes as a key focus of governance processes and structures. Guidance Notes related to the new framework was also published for Welsh Authorities. The Guidance has considered the requirements of the Well-being of Future Generations (Wales) Act 2015 and embedded the five ways of working into the CIPFA framework.
- 3.4 The Council has a Code of Corporate Governance that follows the six core principles of CIPFA's previous edition (2007) of good governance framework, and the Council's Annual Governance Statement is produced in accordance with this. It is necessary to review and update the Council's Code of Corporate

Governance to reflect both the new CIPFA standards for local authority governance in the UK and the guidance notes for Wales.

4. Current Situation / Proposal

- 4.1 A working group has been established to review the Council's Code of Corporate Governance. The Group is also responsible for creating the Council's Annual Governance Statement (AGS) for 2016-17, the transition year, to meet statutory and regulatory requirements.
- 4.2 The group has reviewed and updated the Council's Code of Corporate Governance based on the new CIPFA framework (2016 edition) and the Guidance Notes for Welsh Authorities. A one-page governance framework is also created, following good practice, which forms part of the Code and is intended to be included in the Annual Governance Statement (AGS). The AGS will be included within the Statement of Accounts 2016-17 and reported to Audit Committee by the 30 June 2017 in accordance with the regulations outlined in paragraph 3.1 above.
- 4.3 The Corporate Management Board has considered the reviewed Code together with the Framework and their comments have been incorporated.

5. Effect upon Policy Framework & Procedure Rules

- 5.1 The Code, once approved by Cabinet, will form part of the Policy Framework.

6. Equality Impact Assessment

- 6.1 There are no direct equality implications in this report

7. Financial Implications

- 7.1 None in this report.

8. Recommendation

- 8.1 That Cabinet consider and adopt the reviewed Code of Corporate Governance and the Framework.

Andrew Jolley - Corporate Director, Operational and Partnership Services

Contact Officer: Yuan F Shen Telephone: 01656- 643224; email:
yuan.shen@bridgend.gov.uk

Background Documents - None