

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

13 JUNE 2019

REPORT OF THE INTERIM HEAD OF FINANCE AND SECTION 151 OFFICER

ANNUAL GOVERNANCE STATEMENT (AGS) 2018-19

1. Purpose of the Report

- 1.1 The purpose of this report is to present to Audit Committee the Annual Governance Statement 2018-19 for approval before its inclusion within the unaudited Statement of Accounts 2018-19.

2. Connection to Corporate Improvement Objectives and Other Corporate Priorities

- 2.1 This report assists in the achievement of the following corporate priority/priorities:
- Smarter use of resources – ensuring that all its resources (financial, physical, human and technological) are used as effectively and efficiently as possible and support the development of resources throughout the community that can help deliver the Council's priorities.
- 2.2 Achievement of the corporate priorities and well-being objectives defined in 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 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 were also published for Welsh Local 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.

4. Current Situation / Proposal

- 4.1 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 AGS. This helps to ensure the continuous improvement of the Council's corporate governance culture. The inclusion of the AGS within the Statement of Accounts 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.
- 4.2 The AGS 2018-19 has been produced incorporating suggestions on the format from Wales Audit Office and good practice in other Local Authorities. It has been reviewed by Corporate Management Board (CMB) and Cabinet has provided comments. The draft AGS is attached as **Appendix A**.
- 4.3 The AGS will be reviewed as part of the external audit on the Statement of Accounts and should reflect any governance issues right up to the date that the Auditor General for Wales signs off the Statement of Accounts 2018-19.

5. Effect upon Policy Framework & Procedural Rules

- 5.1 There are no implications upon policy framework and procedural rules.

6. Equality Impact Assessment

- 6.1 There are no equality implications.

7. Well-being of Future Generations (Wales) Act 2015 Implications

- 7.1 The wellbeing goals identified in the Act were considered in the preparation of this report. It is considered that there will be no significant or unacceptable impacts upon the achievement of wellbeing goals/objectives as a result of this report.

8. Financial Implications

- 8.1 There are no financial implications.

9. Recommendations

- 9.1 It is recommended that Audit Committee
- Review and approve the Annual Governance Statement 2018-19 (Appendix A) for inclusion within the unaudited Statement of Accounts 2018-19.

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Background Papers: Accounts and Audit (Wales) Regulations 2014
CIPFA/SOLACE: Delivering Good Governance in Local
Government - Framework