

# BRIDGEND COUNTY BOROUGH COUNCIL

## REPORT TO AUDIT COMMITTEE

16 JULY 2020

### REPORT OF THE INTERIM CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

#### ANNUAL GOVERNANCE STATEMENT 2019-20

#### 1. Purpose of report

- 1.1 The purpose of this report is to present to Audit Committee the Annual Governance Statement 2019-20 (AGS) for approval and inclusion within the unaudited Statement of Accounts 2019-20.

#### 2. Connection to corporate well-being objectives / other corporate priorities

- 2.1 This report assists in the achievement of the following corporate well-being objective under the **Well-being of Future Generations (Wales) Act 2015**:-

1. **Smarter use of resources** – ensure that all resources (financial, physical, ecological, human and technological) are used as effectively and efficiently as possible and support the creation of resources throughout the community that can help to deliver the Council's well-being objectives.

- 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 Chartered Institute of Public Finance and Accountancy (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 attainments of sustainable economic, social and environmental outcomes as a key focus of governance processes and structures. Guidance notes relating 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 appraisal of the controls in place to manage the Council's key risks and identifies where improvements need to be made.
- 4.2 The draft AGS 2019-20 has been reviewed by Corporate Management Board (CMB) and Cabinet. The draft AGS is attached at **Appendix A**.
- 4.4 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 2019-20.

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

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

## **6. Equality Impact Assessment**

- 6.1 There are no equality implications arising from this report.

## **7. Well-being of Future Generations (Wales) Act 2015 implications**

- 7.1 The well-being goals identified in the Act were considered in the preparation of this report. As the report is for information 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 These are no financial implications arising from this report.

## **9. Recommendation**

- 9.1 It is recommended that the Committee:
- approve the draft Annual Governance Statement 2019-20 at **Appendix A** and agree its inclusion within the unaudited Statement of Accounts 2019-20.

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July 2020

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