

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO THE GOVERNANCE AND AUDIT COMMITTEE

18 JUNE 2021

REPORT OF THE INTERIM CHIEF OFFICER - FINANCE, PERFORMANCE AND CHANGE

ANNUAL GOVERNANCE STATEMENT 2020-21

1. Purpose of report

The purpose of this report is to present to the Governance and Audit Committee the Annual Governance Statement 2020-21 (AGS) for approval and inclusion within the unaudited Statement of Accounts 2020-21.

2. Connections 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**:

- **Smarter use of resources** – ensuring 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 well-being objectives defined in the Corporate Plan, and other corporate priorities, 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 In 2016, the Chartered Institute of Public Finance and Accountancy (CIPFA) published its new '*Delivering Good Governance in Local Government: Framework (2016)*', which positions the attainment 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.

3.3 The CIPFA '*Code of Practice on Local Authority Accounting in the United Kingdom 2020/21*' (the Code) states that the preparation and publication of an Annual Governance Statement in accordance with '*Delivering Good Governance in Local Government: Framework (2016)*' would fulfil the statutory requirements across the UK

for a local authority to conduct a review at least once in each financial year of the effectiveness of its system of internal control and to include a statement reporting on the review with its statement of accounts.

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 2020-21 has been reviewed by Corporate Management Board (CMB) and Cabinet. The draft AGS is attached at **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 2020-21.

5. Effect upon policy framework and procedure rules

- 5.1 There is no impact on the policy framework and procedure rules.

6. Equality Act 2010 implications

- 6.1 The protected characteristics identified within the Equality Act, Socio-economic Duty and the impact on the use of the Welsh Language have been considered in the preparation of this report. As a public body in Wales the Council must consider the impact of strategic decisions, such as the development or the review of policies, strategies, services and functions. This is an information report therefore it is not necessary to carry out an Equality Impact assessment in the production of this report. It is considered that there will be no significant or unacceptable equality impacts as a result of 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. It is considered that there will be no significant or unacceptable impacts upon the achievement of well-being goals/objectives as a result of this report.

8. Financial implications

- 8.1 There are no financial implications arising from this report.

9. Recommendation

- 9.1 That the Committee approves the draft Annual Governance Statement 2020-21 at **Appendix A** and agrees its inclusion within the unaudited Statement of Accounts 2020-21.

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Background Documents: None