

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO CABINET

7 FEBRUARY 2023

REPORT OF THE CHIEF OFFICER – FINANCE, PERFORMANCE & CHANGE

CODE OF CORPORATE GOVERNANCE

1. Purpose of report

- 1.1 The purpose of this report is to present to Cabinet the Council's updated Code of Corporate Governance (**Appendix A**) for approval and adoption.

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

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

- **Supporting a successful sustainable economy** – taking steps to make the county borough a great place to do business, for people to live, work, study and visit, and to ensure that our schools are focussed on raising the skills, qualifications and ambitions for all people in the county borough.
- **Helping people and communities to be more healthy and resilient** - taking steps to reduce or prevent people from becoming vulnerable or dependent on the Council and its services. Supporting individuals and communities to build resilience, and enable them to develop solutions to have active, healthy and independent lives.
- **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 well-being objectives 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 '*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. The associated guidance

notes considered 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 notes that the preparation and publication of an Annual Governance Statement (AGS) in accordance with 'Delivering Good Governance in Local Government: Framework' would fulfil the statutory requirement regarding the requirement to review at least once in each financial year the effectiveness of its system of internal control, and to include a statement reporting on the review within its Statement of Accounts.
- 3.4 The Council has a Code of Corporate Governance that follows the seven core principles of CIPFA's Framework, and the Council's Annual Governance Statement is produced in accordance with this. The Council's Code of Corporate Governance was last updated in 2017.

4. Current situation/proposal

- 4.1 The Code of Corporate Governance has been reviewed and updated to include actions that demonstrate good governance and evidence that supports those actions. These can be found at section 6.4 and 6.5 of **Appendix A**.
- 4.2 The Code of Corporate Governance is based on the following seven core principles as set out in the CIPFA Framework:

Core Principle	Description
A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
B	Ensuring openness and comprehensive stakeholder engagement.
C	Defining outcomes in terms of sustainable economic, social, and environmental benefits.
D	Determining the interventions necessary to optimise the achievement of the intended outcomes.
E	Developing the entity's capacity, including the capability of its leadership and the individuals within it.
F	Managing risks and performance through robust internal control and strong public financial management.
G	Implementing good practice in transparency, reporting, and audit to deliver effective accountability.

Below the core principles there are 21 sub-principles and, to achieve good governance, the Council should be able to demonstrate that its governance structures comply with the core and sub-principles contained in the Framework. Details of the sub-principles are set out in **Appendix A** at paragraph 6.4. To demonstrate the

Council's good governance, each Core and sub-principle has been identified, with actions and evidence to support those actions identified.

4.3 The updated Code of Corporate Governance at **Appendix A** has been reviewed by the Corporate Management Board.

5. Effect upon policy framework and procedure rules

5.1 The Code, once approved by Cabinet will form part of the policy framework.

6. Equality Act 2010 implications

6.1 An initial Equality Impact Assessment (EIA) screening has identified that there would be no negative impact on those with one or more of the protected characteristics, on socio-economic disadvantage or the use of the Welsh language. It is therefore not necessary to carry out a full EIA on this policy or proposal.

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

7.1 The Act requires public bodies, including local government, to consider the longer term in making their decisions and to work collaboratively with other public bodies to improve well-being in Wales. The Act sets out seven well-being goals for public bodies and requires them to act in a sustainable way. It also sets out five ways of working that public bodies are required to take into account when applying the sustainable development principle. The Act is central to the Welsh Government's long-term policy for the public services and its themes tie in with the *Delivering Governance in Local Governments: Framework* (CIPFA/SOLACE, 2016). This framework, on which the Council's Code of Corporate Governance is based, identifies the Core Principles and the Sub-Principles that underpin these and the Code demonstrates how the Council will meet the requirements of these Core and Sub-Principles required of the Act.

8. Financial implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 That Cabinet consider and approve the revised Code of Corporate Governance.

Carys Lord

CHIEF OFFICER – FINANCE, PERFORMANCE AND CHANGE

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Background documents:

None