

Meeting of:	GOVERNANCE AND AUDIT COMMITTEE
Date of Meeting:	26 SEPTEMBER 2024
Report Title:	ANNUAL GOVERNANCE STATEMENT 2023-24
Report Owner / Corporate Director:	CHIEF OFFICER – FINANCE, HOUSING & CHANGE
Responsible Officer:	NIGEL SMITH GROUP MANAGER – CHIEF ACCOUNTANT
Policy Framework and Procedure Rules:	The Annual Governance Statement (AGS) is prepared in line with the requirement of the Accounts and Audit (Wales) Regulations 2014 (as amended 2018), to review and report on the Council’s Governance and internal controls.
Executive Summary:	<ul style="list-style-type: none"> • The draft AGS sets out officers’ assessment of the Council’s governance arrangements and of its internal controls. • The AGS has been reviewed by Corporate Management Board and the Leader of the Council. • The Head of Internal Audit’s annual opinion on the adequacy and effectiveness of the Council’s framework of governance, risk management and control for 2023-24 is one of reasonable assurance. • It will be reviewed as part of the external audit of the Statement of Accounts by Audit Wales and should reflect any governance issues up to the date the Auditor General for Wales signs the Statement of Accounts.

1. Purpose of Report

- 1.1 The purpose of the report is to present to the Governance and Audit Committee the Annual Governance Statement 2023-24 (AGS) for approval and inclusion within the unaudited Statement of Accounts 2023-24. The AGS is attached at **Appendix A**.

2. Background

- 2.1 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.

- 2.2 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.
- 2.3 The CIPFA '*Code of Practice on Local Authority Accounting in the United Kingdom 2023/24*' (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.

3. Current situation / proposal

- 3.1 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.
- 3.2 The draft AGS 2023-24 has been reviewed by Corporate Management Board (CMB) and the Leader of the Council.
- 3.3 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 2023-24.

4. Equality implications (including Socio-economic Duty and Welsh Language)

- 4.1 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. It is considered that there will be no significant or unacceptable equality impacts as a result of this report.

5. Well-being of Future Generations implications and connection to Corporate Well-being Objectives

- 5.1 The Act provides the basis for driving a different kind of public service in Wales, with 5 ways of working to guide how public services should work to deliver for people. The well-being objectives are designed to complement each other and are part of an integrated way of working to improve well-being for the people of Bridgend. It is considered that there will be no significant or unacceptable impacts upon the achievement of the well-being goals or objectives as a result of this report.

6. Climate Change Implications

6.1 There are no climate change implications as a result of this report.

7. Safeguarding and Corporate Parent Implications

7.1 There are no safeguarding or corporate parent implications as a result of this report.

8. Financial Implications

8.1 There are no financial implications arising from this report.

9. Recommendation

9.1 It is recommended that the Governance and Audit Committee approves the draft Annual Governance Statement at **Appendix A** and agrees its inclusion within the unaudited Statement of Accounts 2023-24.

Background documents

None