

BRIDGEND COUNTY BOROUGH COUNCIL

REPORT TO AUDIT COMMITTEE

25 JUNE 2015

REPORT OF THE CORPORATE DIRECTOR - RESOURCES

ANNUAL GOVERNANCE STATEMENT 2014-15

1. Purpose of the Report

- 1.1 The purpose of this report is for the Audit Committee to approve the Annual Governance Statement (AGS) for inclusion in the Council's Statement of Accounts for 2014-15.

2. Connection to Corporate Improvement Objectives and Other Corporate Priorities

- 2.1 Achievement of the aims and objectives in the Corporate Plan is underpinned by ensuring that effective governance arrangements are in place.

3. Background

- 3.1 Regulation 4 of the Accounts and Audit (Wales) Regulation 2005 introduced a requirement for the Authority to be explicitly responsible, as part of its arrangements for corporate governance, for annually reviewing and reporting on internal control.
- 3.2 The CIPFA Code of Recommended Practice (the Code) states that the preparation and publication of an Annual Governance Statement (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. The Regulations also state that the AGS must be included in the Council's Statement of Accounts.

4. Current Situation / Proposal

CIPFA/SOLACE Governance Framework Core Principles

- 4.1 There are six core principles of good governance in the CIPFA/SOLACE framework contained within 'Delivering Good Governance in Local Government' which have been adapted for local government purposes. These can be aligned with the principles and values set out by the Welsh Government (WG) as shown via the wording in italics.

1. Focusing on the Council's purpose and on outcomes for the community and creating and implementing a vision for the local area; (*Putting the Citizen First*); (*Achieving Value for Money*).
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles; (*Knowing Who Does What and Why*);
3. Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour; (*Living Public Service Values*);
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk; (*Fostering Innovation Delivery*);
5. Developing the capacity and capability of Members and officers to be effective; (*Being a Learning Organisation*);
6. Engaging with local people and other stakeholders to ensure robust public accountability; (*Engaging with Others*);

4.2 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.

4.4 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. The AGS is reviewed by Corporate Management Board and needs to be approved by the Audit Committee, prior to being signed by the Leader of the Council and the Chief Executive. The AGS for 2014-15 is attached as Appendix A.

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. Financial Implications

7.1 There are no financial implications.

8. Recommendations

8.1 It is recommended that Audit Committee:

- Review the Annual Governance Statement (Appendix A) and approve its inclusion in the Statement of Accounts 2014-15.

**Ness Young CPFA
Corporate Director - Resources**

Contact Officer : Mary Williams, Group Manager – Chief Accountant

Telephone : (01656) 643605

E-mail : mary.williams2@bridgend.gov.uk

Postal address: Financial Services
Raven's Court
Brewery Lane
Bridgend
CF31 4AP

Background Papers: Accounts and Audit (Wales) Regulations 2005
CIPFA/SOLACE: Delivering Good Governance in Local Government - Framework
CIPFA/SOLACE: Application Note to Delivering Good Governance in Local Government: A Framework