



AUDIT COMMITTEE

Date Written	02 nd September 2019
Report Author	G Evans
Exempt/Non Exempt	Non Exempt
Committee Date	09 th September 2019

To: Chair, Ladies and Gentlemen

Annual Governance Statement for Financial Year 2018/2019

1.0 SUMMARY OF THE REPORT

1.1 The purpose of the report is to present Audit Committee with the Annual Governance Statement for 2018/2019.

2.0 RECOMMENDATIONS that

2.1 The reported Annual Governance Statement for 2018/2019 be considered and recommended to the Council of 11th September 2019 for approval.

3.0 INTRODUCTION AND BACKGROUND

3.1 The Accounts and Audit (Wales) Regulations 2014 as amended 2018 require that Council annually approve an Annual Governance Statement (AGS) for each financial year and that the AGS accompanies the audited Statement of Accounts.

3.2 The information that is taken into consideration when producing the Annual Governance Statement includes performance management information, work completed by the Internal Audit Service, work completed by the external auditors and other external inspection agencies, scrutiny work, risk management and the internal control framework including procedures, policies, codes of conduct and financial management controls as outlined in the CIPFA/SOLACE guidance.

- 3.3 The Internal Audit Service and key officers of the Council carried out a review based on CIPFA/SOLACE guidance to ensure that evidence was in place to support the production of the Annual Governance Statement, to identify gaps where that was not the case and the review the effectiveness of existing arrangements. This was undertaken as in previous years by utilising a spreadsheet based checklist that was circulated to the key officers (including members of the Corporate Management Team) for completion and also by providing follow up meetings/correspondence with Internal Audit staff to provide support where required.
- 3.4 This work culminated in the production of a draft version Annual Governance Statement (AGS). The draft version of the AGS was reported to Audit Committee, the Governance, Performance, Business Change and Corporate Services Scrutiny Committee, Corporate Management Team and External Audit and has been presented to and discussed with the Leader of the Council, the Deputy Chief Executive and the Chief Finance Officer. The feedback obtained from these consultations has been incorporated into the AGS where applicable and has resulted in the production of the final version of the AGS.
- 3.5 The final version of the AGS including the significant governance issues is presented to Audit Committee today as part of the Statement of Accounts to be considered and recommended to the Council of 11th September 2019 for approval.

4.0 FORMAT OF ANNUAL GOVERNANCE STATEMENT

- 4.1 A standard format for the Annual Governance Statement has been produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) / the Society of Local Authority Chief Executives and Senior Managers (SOLACE) as shown below:
- 1) Scope of Responsibility.
 - 2) The Purpose of the Governance Framework.
 - 3) The Governance Framework (including a description of the key elements of the systems and processes).
 - 4) Review of Effectiveness.
 - 5) Significant Governance Issues.
 - 6) Significant Governance Issues reported in the previous year's Statement including a positional update.

- 4.2 It is important to recognise that the Annual Governance Statement covers all significant corporate systems, processes and controls spanning the whole range of the Council's activities including in particular those designed to ensure that:
- The Council's policies are implemented in practice.
 - High-quality services are delivered efficiently and effectively.
 - The Authority's values and ethical standards are met.
 - Laws and regulations are complied with.
 - Required processes are adhered to.
 - Performance statements and other published information are accurate and reliable.
 - Human, financial and other resources are managed efficiently and effectively.
- 4.3 The Annual Governance Statement should be approved at a meeting of the Full Council or delegated committee and signed by the Chief Executive (or equivalent) and the Leading Member (or equivalent) on behalf of the Authority.
- 4.4 The Annual Governance Statement is included within the Statement of Accounts and can be seen on pages 99 – 129 of the Statement of Accounts.

5.0 FINANCIAL IMPLICATION(S)

- 5.1 There are none specifically identified within this report.

ELLIS COOPER
DEPUTY CHIEF EXECUTIVE

COUNCILLOR ANDREW BARRY
CABINET MEMBER FOR GOVERNANCE
AND CORPORATE SERVICES

BACKGROUND PAPERS		
Title of Document(s)	Document(s) Date	Document Location
CIPFA/SOLACE guidance		Internal Audit Office
AGS evidence file and working papers	2018/2019 financial year	Internal Audit Office
Does the report contain any issue that may impact the Council's Constitution?		No