

# **CITY OF CARDIFF COUNCIL CYNGOR DINAS CAERDYDD**

**AUDIT COMMITTEE: 22 JUNE 2015**

---

**DRAFT ANNUAL GOVERNANCE STATEMENT 2014/15**

**REPORT OF CORPORATE DIRECTOR RESOURCES      AGENDA ITEM: 6.2**

---

## **Reason for Report**

1. The Council is required to produce an Annual Governance Statement (AGS), to accompany the Statement of Accounts, as required under Regulation 5 of the Accounts and Audit (Wales) Regulations 2014.

## **Background**

2. The Council has responsibility for conducting, at least annually, a review of the effectiveness of the governance arrangements, including the system of internal control. Primarily, input is sought from senior management who are accountable for effective governance arrangements, particularly the Statutory Officers.
3. Good governance leads to effective management, improving performance, stewardship of public money, successful public engagement and ultimately, the desired outcomes for citizens and service users. Sound governance enables the Council to pursue its vision effectively, as well as underpinning the mechanisms for control and the management of risk.
4. The Council has approved and adopted the Governance Framework, which is consistent with the principles of the CIPFA/SOLACE Framework - Delivering Good Governance in Local Government.
5. The Committee acknowledges the importance of the AGS and requested to receive an overview of the process in January and a draft of the AGS at their meeting in March, which they have received and commented upon.
6. The Audit Committee at their meeting in January also received a report in relation to the Senior Management Assurance Statement 2014/15 (SMAS), which were to be completed by management. The Committee approved the SMAS to be used in collating evidence to inform the Annual Governance Statement 2014/15 and these have now been returned by management for the year end. A summary of the returns will be reported separately to Committee under item 7.3.

## **Issues**

7. The AGS has been drawn up to set out its position in relation to the core principles of the Council's Governance Framework. This has been prepared through a corporate exercise, gathering information and assurances from a wide range of sources across the Council, in relation to governance, risk management and internal control. Appendix A, attached to this report, shows a flowchart of the process and the range of sources of assurance used to complete the Statement.
8. The final draft of the AGS, which deals with each principle in turn, is shown as an Annex to the Statement of Accounts, included in the meeting papers under Agenda Item 6.2. The Statement comments on the effectiveness of the systems of internal control, as required by the Regulations, and provides a list of significant governance issues arising from a variety of sources, including the Senior Management Assurance exercise and importantly a review of any issues as reported in the AGS for 2013-14.

## **Legal Implications**

9. There are no legal implications arising directly from the contents of this report.

## **Financial Implications**

10. There are no direct financial implications arising from this report.

## **Recommendation**

11. The Audit Committee consider the content of the draft Annual Governance Statement 2014/15 and provide any comments for consideration in drafting a final Statement which requires sign off by the Leader of the Council and Chief Executive.

**CHRISTINE SALTER**  
**CORPORATE DIRECTOR RESOURCES**

The following Appendix is attached:

**Appendix A** – Sources of Assurance to inform the Annual Governance Statement