



Annual Governance Statement 2017/18

**Audit Committee Briefing
June 2018**

The Annual Governance Statement – what we will cover



Good governance – what is it?

- » Governance is a term used to describe the arrangements (including political, economic, social, environmental, administrative, legal, and other arrangements) put in place to ensure that the intended outcomes for stakeholders are defined and achieved.
- » Good governance enables the Council to effectively achieve its intended outcomes, whilst acting in the public interest at all times.

Code of Corporate Governance

- » **Follows principles as advised in the CIPFA / SOLACE guidance 2016**
- » **Audit Committee endorsed this year's code in January 2018**
- » **Needs to be tested for assurance of our governance arrangements**

CIPFA / SOLACE principles

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

Our approach - 1

- » **All principles (with sub principles) are assessed in a questionnaire to all Chief Officers**
- » **Some specific principles are in questionnaires relevant to individual Chief Officers and/or statutory roles e.g. Section 151 Officer or Monitoring Officer**
- » **All questions are graded 1 – 5 from ‘very best practice’ (score 5) to ‘no evidence’ (score 1)**
- » **Additional questionnaires are received by the Chairs and Vice Chairs of Overview and Scrutiny Committees.**

Our approach - 2

- » **Results are challenged and analysed by the Corporate Governance Working Group**
- » **Chief Officer Team review overall analysis and provide constructive challenge**

- » **Inclusion in the Annual Governance Statement (AGS) as:**
 - » Good practice is highlighted as 'green' – where seven or more responses score 4 or 5
 - » Areas for improvement (governance risks) – scores 3 or below - are included in the AGS as Internal Council Governance issues

- » **Additionally – areas of 'red' risk are included in the AGS as Strategic Issues from the Council Plan**

Annual Governance Statement - content

Content	Page
Introduction to the Annual Governance Statement	1 - 3
Preparation of the AGS	4
Key Principles of the Corporate Governance Framework	5
Principles A - G	6 - 12
Contributors plus monitor and evaluation of effectiveness	13 - 14
Governance and Strategic issues from 2016/17 – open/close	15 - 21
Governance and Strategic issues identified 2017/18	22 - 25
Certification	26

Next steps

- » **Strategic issues from the AGS will be monitored and reported to Audit Committee twice yearly**
- » **Council Plan risks are monitored quarterly and reported to Audit Committee twice yearly**
- » **The approved AGS is submitted alongside the Annual Statement of Accounts for review by the Wales Audit Office.**