



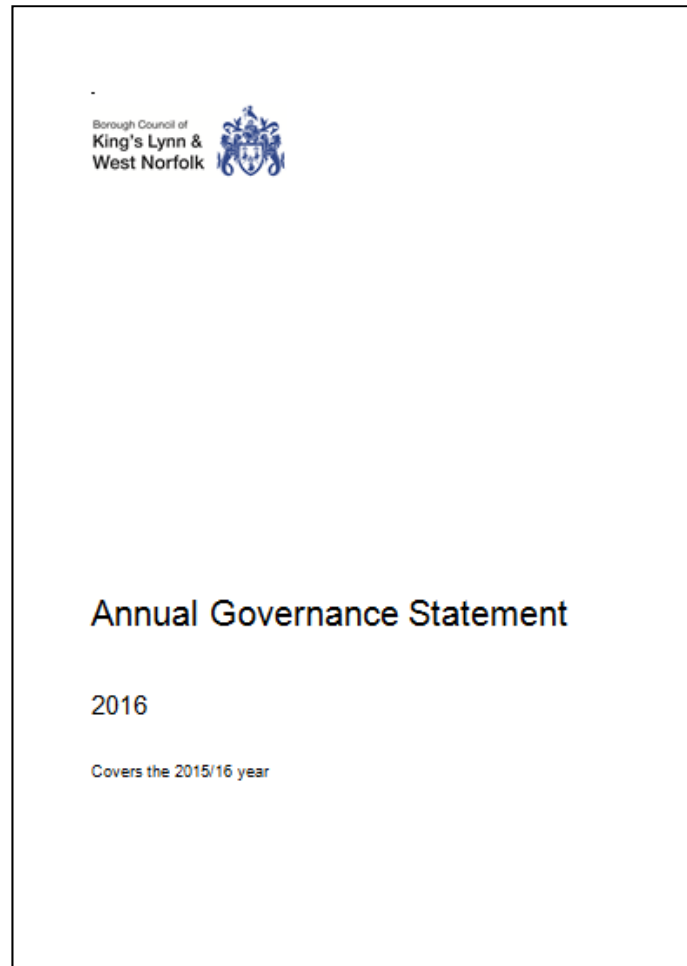
# Annual Governance Statement

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November 2016



# The Annual Governance Statement (AGS)



- The Annual Governance Statement is a formal document, produced annually.
- The Audit Committee are the designated body for agreeing that it reflects our current position.
- It has to accompany the Statement of Accounts.
- It is signed by the Leader and Chief Executive
- Signatories must be satisfied that it's supported by reliable evidence



# Why are we having this briefing?

- The Audit Committee is the body who approves the Annual Governance Statement.
- Timing – the AGS will be coming to the Committee in July 2017 for approval.
- These slides have been produced to assist the Committee in understanding what the Annual Governance Statement is and its relevance.
- Key question:
  - Does the Committee wish to have input ahead of the approval stage?
  - If so, how?



## Overview of session

- What is Governance?
- What is the Annual Governance Statement?
- Why / Who / How / When
- Role of the Audit Committee
- Relevance to all elected members



# Firstly - what is Governance?

*“The direction and control of an organisation for the benefit of it’s stakeholders.”*

Chartered Institute of Internal Auditors



# Governance

Governance is not just 'paperwork' or 'decision making'.  
It is how people make sure things are properly conducted.

For example:

- Stoplights
- Painted lines
- Speed bumps
- Radar guns

are examples of traffic governance!



# Governance in Local Authorities



- CIPFA / SOLACE issued a framework in 2012: 'Delivering Good Governance in Local Government'
- Gives an overall definition of governance in Local Authorities  
(see next slide)



# Definition of Governance

- *[It's] “about how local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.*
- *It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.”*

CIPFA / SOLACE (2012)





# Governance

- Governance is not a committee.
- It's not full Council.
- Carrying out governance takes multiple kinds and types of means: Vision, Standards, Training, Role descriptions, Processes, Procedures, Guidelines and lots more.

*Governance is designed by finding and matching up the right blend of these mechanisms*

*And it covers everyone who works for the Council*



# Local Code of Corporate Governance

- We have a local 'Code of Corporate Governance' in place
- It is published on our website

Borough Council of  
**King's Lynn & West Norfolk**

Search west-norfolk.gov.uk



Home > Council and democracy > Budgets and spending > **Corporate governance**

## Corporate governance

How we make sure our business is conducted properly

### Code of Corporate Governance

We are responsible for ensuring that our business is conducted properly and to the required standards, and that public money is safeguarded and properly accounted for. To make sure this happens, we have a local Code of Corporate Governance. This document is available to download at the bottom of the page.

#### Related pages

- [Audit](#)
- [Corporate business plan](#)



# Annual Governance Statement (AGS) – what is it and why do we have one

- The AGS is a formal statement that publicly reports on the extent to which the Council complies with its Code of Corporate Governance
- We are obliged to produce one each year
  - Accounts and Audit Regulations 2015, regulation 6(1)

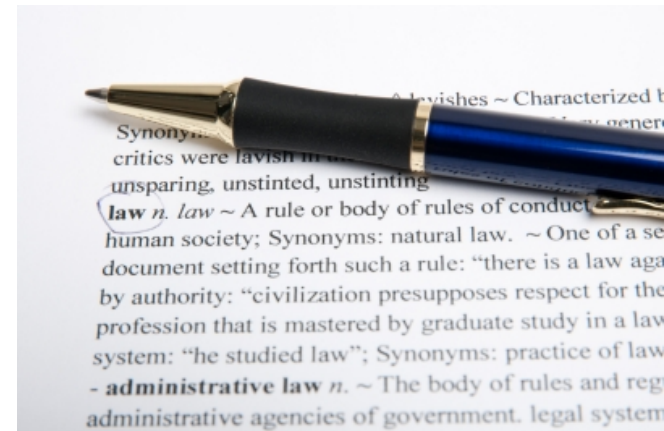


image courtesy of Jeroen van Oostrom / free digitalphotos.net



# The Annual Governance Statement (AGS)

- Looks back over the previous financial year
- Includes a self-assessment of the effectiveness of the governance arrangements, across all areas of activity
- Contains an account of the actions being taken or required to address any areas of concern
- Follows a template laid down by CIPFA / SOLACE framework
- Must accompany and be published with the Statement of Accounts each year



# AGS – How is it produced?

- The Action Plan from the previous year is reviewed and progress chased – see next item on today's agenda
- Current practices are assessed
- Changes made to arrangements are identified
- Self assessment is carried out against the Code of Corporate Governance
- Input is obtained from all Executive Directors and Service Managers, particularly from the Monitoring Officer, Audit Manager and S151 Officer



# AGS – How is it produced?

- Things used to help in the self-assessment include
  - Reports to Policy Review and Development Panels
  - Reports to Cabinet and Council
  - Corporate Business Plan Monitoring report
  - Audit reports (Internal & External)
  - New policies / procedures agreed
  - Members' Bulletin
  - Management Team updates
  - All sources of evidence listed on the appendix to the AGS and more ...



# AGS – When is it produced?

- Monitoring work – throughout the year
- Action Plan – reviewed and monitored halfway through the year
- Main assessment – around year end Feb to May
- Reviews – during June
- Will come to Audit Committee for approval in July, alongside the Statement of Accounts



# AGS – Who reviews it

- Internal Audit (Audit Manager)
- External Audit (Ernst & Young)
- Audit Committee
- Cabinet and Council
  
- The public! Published on the Council's website





# AGS – Role of the Audit Committee

When reviewing the AGS, things the Committee may wish to consider are:

- Does the AGS cover all areas of our operations?
- Is it meaningful? Is it easy to read? Is it underpinned by robust evidence?
- Does it accurately reflect our set up (our control structure)? Does it give a sense of our set up's risks, vulnerabilities and resilience to challenges?
- Has compliance with the Code of Corporate Governance been assessed and have any departures from it been disclosed and explained?



# AGS – Relevance to all elected members

If governance is the sum of the checks and balances that ensure the organisation delivers against its priorities...

...then the AGS is the one overarching document which reports to members whether key systems across the authority are operating soundly and that there are no fundamental weaknesses.



# Recap / Questions

- These slides have been put together to help the Audit Committee to understand the purpose and background of the Annual Governance Statement.
- Based on this:
  - Does the Committee wish to have any further information on the AGS?
  - Does the Committee wish to have any input in 2017 ahead of the approval stage? If so, what elements would the Committee like to be involved with?



Thank you for listening

