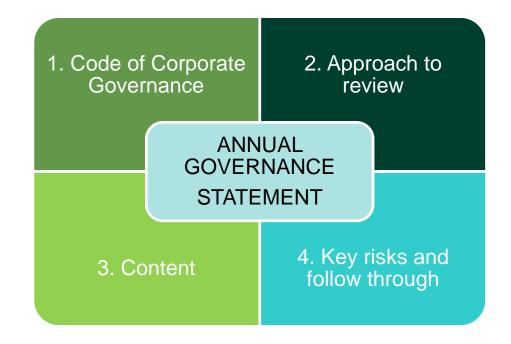
Annual Governance Statement 2017/18

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

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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.

