



Welcome & Overview

- Provide an overview of key terms such as:
 - Governance
 - Internal Control Environment
- What is the Annual Governance Statement (AGS)
- What the role of the AGS Working Group has been

What do we mean by Governance?

- What is Governance?
 - The systems by which organisations are directed and controlled.
 - It consists of a series of policies, roles, responsibilities and processes that set the way the Council is directed, administrated and controlled.
 - The ultimate aim is to achieve a set of outcomes/priorities/objectives in a controlled way – Senior Management cannot micro manage all elements of the Council and therefore establish robust systems of internal control (from the top down) to help achievement the standards they expect.
- Good governance helps to ensure the Council does the right things, in the right way in a timely, inclusive, open, honest and accountable manner.

The Council’s Internal Control Environment

The control environment includes the following elements:

- Integrity and ethical values.
- Management’s philosophy and operating style.
- Organisational structure.
- Assignment of authority and responsibility.
- Human resource policies and practices.
 - Competence of personnel.
- Operating policies and procedures, including rules & regs
- The AGS aims to describe the Council’s control environment, give examples and then evaluate its effectiveness.

What is the Annual Governance Statement (AGS)

- Accounts and Audit (Wales) Regulations 2005 (regulation 4)
 - Proper Practices
- Proper Practices are deemed to be the Code of Practice for Local Authority accounting which specifies:
 - “A local authority shall undertake a review of its system of internal control in accordance with best practice. *Delivering Good Governance in Local Government*, published by CIPFA and SOLACE, recommends that the review be reported in an Annual Governance Statement.”
- The AGS is a document that sets out the policies, roles, responsibilities and processes that are put in place by Management that set the way the Council is directed, administrated and controlled – all of which is the Council’s Control Environment.
- The structure of the document follows the 6 principles of the Delivering Good Governance in Local Government - Framework

AGS Working Group – Terms of Reference

<ol style="list-style-type: none"> 1. Challenge the content (the descriptive elements – are they accurate and up to date?) 2. Challenge the effectiveness of the systems described (good and not so good) 3. Identify any significant governance issues 	<p>These sections are the key role. Use knowledge of each specific service area to pull information and knowledge together in order to feed into the annual review.</p> <ul style="list-style-type: none"> • Think about what sources of assurance have been undertaken during the year. <ul style="list-style-type: none"> – Outcomes of external inspections for example • What has gone well • During the year are there any areas where the Council could have done things better? <p>• What are the significant governance issues we face in 2014/15</p>	Using real examples
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