

## AGENDA NO: 6



### INDEPENDENT AUDIT COMMITTEE - 18 SEPTEMBER 2018

### ANNUAL GOVERNANCE STATEMENT TIMETABLE

### REPORT BY KAREN JAMES

### PURPOSE OF THE REPORT

*The purpose of this report is to present the timetable for the completion of the Annual Governance Statement for the 2018/19 year.*

#### 1. INTRODUCTION

The Annual Governance Statement (AGS) is produced each year as part of the financial statements.

The purpose of the AGS process is to provide a continuous review of the effectiveness of the governance arrangement, and where appropriate to produce an action plan to address any identified weaknesses in those arrangements.

The AGS process follows the 'Delivering Good Governance in Local Government: Framework' published by the Chartered Institute of Public Finance and Accountancy (CIPFA) 2016 edition. There are separate updated guidance notes for the Police Bodies.

The framework enables each organisation to test its governance structures against a set of principles, whilst recognising that no two organisations arrangements will be the same.

There are three key elements to the process:

1. Reviewing existing governance arrangements
2. Developing and maintaining an up-to-date 'local code' of governance including arrangements for ensuring ongoing effectiveness.
3. Reporting to the public on an annual basis about compliance with local code, how effectiveness of the arrangements have been monitored any planned changes.

It is accepted that in practice the local code may comprise of a a series of documents that describe the various elements of the structure.

Whilst the local codes may be different, they are still required to comply with the seven principles of good governance.

- Ethics and Integrity
- Openness and stakeholder engagement
- Defining outcomes
- Determining interventions
- Developing leadership
- Managing risks and monitoring performance
- Demonstrating effective accountability

Guidance recommends that the AGS for each body is high level, strategic and written in an open and readable style using innovative features such as diagrams to communicate messages and reduce the need for text to facilitate a briefer and more user friendly statement.

## **2. AGS PRODUCTION FOR THE 2018/19 YEAR**

This year the Audit, Insurance and Strategic Risk Management department will assume responsibility for the gathering and production of all the AGS statements for both Forces and OPCC's.

To this end a common template for the statements has been produced and a timetable to manage the process has been developed. This is attached at appendix A for your information.

The first draft of the AGS will be presented to the Audit Committee at the first meeting of the Audit Committee in 2019.

The final AGS will be presented with Accounts in the July Committee meeting.

## **3. RECOMMENDATIONS**

Members are asked to consider the timetable for the production of the AGS and whether it is sufficient to support the wider responsibility of the committee in relation to the adequacy of the governance, risk and control environment.

Karen James  
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