

Delivering the Annual Governance Statement (AGS) 2014-15

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SUMMARY

1. The London Borough of Hillingdon is required to prepare an Annual Governance Statement (AGS) to meet its responsibilities for safeguarding public money and managing business functions in accordance with the Accounts and Audit Regulations 2011. The Council also has a duty under the Local Government Act 2003 to conduct a continuous assessment and improvement of business functions and demonstrate Economy Efficiency and Effectiveness.
2. The Council is utilising the framework it has developed over the past six years to evaluate the management of internal controls, risk and control assurances across all services. This will conclude with a formal statement outlining overall performance and any measures needed to address identified weaknesses as part of the Statement of Accounts. The Corporate Governance Working Group (CGWG) will provide leadership and support to compile the 2014-15 AGS.

REASON FOR REPORT

3. To provide Audit Committee with an update on the process to be adopted and approach to be taken in compiling the Annual Governance Statement.

RECOMMENDATION

4. **Members are invited to note the sources of management information and assurance used to produce the AGS.**

BACKGROUND INFORMATION

AGS Requirements

5. Under regulation 4(2) of the Accounts and Audit Regulations 2011 the London Borough of Hillingdon is required to review and report annually on the effectiveness of its systems of internal control. Following the review the relevant body or committee must approve the statement
6. The AGS is the process for self-assessing the council's management of internal control systems across all services, with the publication a formal statement outlining overall performance and measures needed to address any identified risks. This framework combines assessment of governance

arrangements and risk controls, making it a holistic approach towards conducting an annual internal review that relates to the whole organisation.

Progress on the AGS 2014-15

7. The AGS will combine a broad range of management information and assurances from across the council and external sources. The key sources contributing to the AGS include:
 - Performance management & data quality
 - Risk Management processes
 - Improvement and transformation
 - Legal and regulatory assurance
 - Financial control assurances
 - Service delivery assurances from Directors and Heads of Service
 - Annual Internal Audit report and assurance
 - External inspection reports and assurances
8. The Corporate Governance Working Group will guide and oversee the delivery of the AGS. The group will ensure that key changes to governance arrangements and control systems are reported, review actions against control weaknesses identified in the AGS 2013-14 and highlight cross-council assurance sources.
9. Gathering assurance statements is a central component of the AGS. In discharging this accountability senior officers are responsible for putting in place proper risk management processes and internal controls to ensure the right stewardship of resources. Group Directors and Heads of Service are required to submit assurance statements by the 17th April 2014.
10. The 2014-15 draft AGS will be presented to the Audit Committee in July 2015 for comment and approval.
11. The 2013-14 AGS is attached for information.