



WALES **AUDIT** OFFICE
SWYDDFA **ARCHWILIO** CYMRU

Isle of Anglesey County Council

Local Authority Review of Governance
July 2013



Local Authority Reviews of Governance – Improvement Study

- Local Authorities (LA) are required to prepare an Annual Governance Statement (AGS) since 2010-11
- Review of Governance is aligned with assessment requirements under the Local Government Measure (LGM)
- The Auditor General must audit arrangements within the LAs to meet LGM duties
- Willingness to place reliance on LA's own assessment
- Study to provide assurance over assessment and help enhance this
- Focus on identifying learning points for 2012-13 review of governance



Scope of study

Key question:

“In producing its Annual Governance Statement, has the Council evaluated the effectiveness of its governance arrangements comprehensively and thoroughly?”

Sub questions:

- **Has the Council’s review of its governance arrangements been sufficiently wide-ranging?**
- **Has the Council’s review of its governance arrangements been thorough and robust?**
- **In producing its AGS has the Council identified areas in need of improvement in its governance arrangements and made plans to address them?**



Overall conclusion

- The Council's review of governance is developing and is based on firm principles. However, the arrangements need to be broadened to provide further assurance on the Council's vision and outcomes for the public.
- The Council's review of governance arrangements provide a level of assurance, but there is scope to evaluate the effectiveness of its controls.
- The Council has identified important issues from its governance arrangements and is taking positive steps to improve its arrangements.



Local Authority Review of Governance

Has the Council's review of its governance arrangements been sufficiently wide-ranging?

The Council's review of governance is developing and based on firm principles. However, the arrangements need to be broadened to provide further assurance on the Council's vision and outcomes for the public.



Has the Council's review of its governance arrangements been sufficiently wide-ranging?

- The review reflects the key principles of the CIPFA framework and the Commissioners' ten corporate governance themes.
- The review explains the processes and procedures in place to enable the Council to carry out its functions effectively.
- The Council is developing governance controls for partnership working and commissioning, but they are not yet clearly linked to the risk management and business planning processes.
- The Council is developing an action plan to monitor issues and progress for the Annual Governance Statement, supported by a new corporate framework and members committees to improve the review process.



Local Authority Review of Governance



Has the Council's review of its governance arrangements been thorough and robust?

The Council's review of governance arrangements provide a level of assurance, but there is scope to evaluate the effectiveness of its controls.



Has the Council's review of its governance arrangements been thorough and robust?

- Appropriate arrangements are in place to provide challenge of the results of the governance review and there is a clear and formal process for drafting the Annual Governance Statement.
- The Council has adopted a code of governance and has a process for clearing and signing off the Annual Governance Statement.
- Although a number of steps have been taken to improve its arrangements, there is no formal process to evaluate the effectiveness of its governance controls.



Local Authority Review of Governance



In producing its AGS, has the Council identified areas in need of improvement in its governance arrangements and made plans to address them?

The Council has identified important issues from its governance arrangements and is taking positive steps to improve its arrangements.



In producing its AGS, has the Council identified areas in need of improvement in its governance arrangements and made plans to address them?

- Acknowledge the AGS is large document with lengthy process descriptions which could cause the Council to fail to recognise risks that are more serious, albeit remote.
- Greater focus on planning and performance information is needed, but balanced alongside financial information.
- Developing an action plan to provide updates on progress made and minimise out-dated risks and information remaining within its governance framework.
- Decision making at Committee and Scrutiny levels are becoming sharper and more focused with less time taken to cover governance issues.



In producing its AGS, has the Council identified areas in need of improvement in its governance arrangements and made plans to address them?

- Piloting a new performance management software system to improve analysis and reporting of performance data.
- Raising awareness and understanding of governance and reduce its perception as just a financial statement.
- Providing a number of developmental workshops for officers and members to help raise awareness of governance.
- Strengthening its committee and scrutiny structures by appointing appropriately skilled members.
- Acknowledging the need to plan carefully, the capacity and capability of those charged with governance responsibilities. For example, the impact, following the reduction of members after the May 2013 election and Council service reviews.



What next?

- The results from all Council reviews will be centrally collated
- Developed into a national report looking at common trends and themes

