

# **The Governance Framework**

**Presentation to Audit Committee  
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# We will cover...

- What is Governance ?
- Who's who ?
- Roles & Responsibilities

# What is “Governance”

Ensuring the Council delivers services which...

- Are compliant with the Law
- Are in accordance with professional standards
- Safeguard and properly account for public money
- Ensure Economy, Efficiency & Effectiveness (VFM)
- Ensure continuous improvement (Legal duty)
- Effectively manage Risk
- Have robust Internal Controls
- Have transparent decision making processes
- Promote high standards of behaviour

# Local Code of Corporate Governance

***"Delivering Good Governance in Local Government"*** (CIPFA / SOLACE)

Focussing on the purpose of the authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area.

Members and officers working together to achieve a common purpose with clearly defined functions and roles.

Promoting the values of the authority and demonstrating the values of good governance through behaviour.

Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

Developing the capacity and capability of Members to be effective and ensuring that officers – including the statutory officers – also have the capability and capacity to deliver effectively.

Engaging with local people and other stakeholders to ensure robust local public accountability.

# Annual Governance Statement (AGS)

Part of the statutory accounts

Previously “Finance” emphasis; now much wider

To provide evidence / assurance that effective Governance framework has been applied;

- Local Code of Corporate Governance
- Assurance Certificates
- Governance Panel
- Management Board
- Role of Chief Finance Officer / Monitoring Officer
- Audit Committee (quarterly)
- Risk Management
- Efficiency / VFM
- Use of Resources Auditor Judgement
- Group Activities
- Work of Internal & External Audit
- Forward Look

# The Role of the Chief Finance Officer (CFO)

CIPFA now require that the role of the CFO is an integral part of the Governance Statement.

CIPFA sets out the following 5 principles that define the core activities / behaviour of the CFO; these are fulfilled in Bury.

- Is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest
- Must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risk are fully considered, and alignment with the organisation's financial strategy
- Must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately
- Must lead and direct a finance function that is resourced to be fit for purpose
- Must be professionally qualified and suitably experienced

# The Role of the Head of Internal Audit (HIA)

- Ensure Internal Audit is adequately resourced
- Assurance on Council's Internal Controls.
- Review each year the system of control both financial and non-financial.
- Remain independent.
- Draw up Internal Audit strategy and plans.
- Follow the CIPFA 5 core principles:-
  - 1.Champion best practice in governance and management.
  - 2.Give an objective and evidence based opinion.
  - 3.Senior manager with engagement across the organisation.
  - 4.Direct an Internal Audit service that is fit for purpose.
  - 5.Professionally qualified.

# The Work of Internal Audit

- We are an independent appraisal function.
- We contribute to the efficient use of resources.
- We provide a service to management.
- We provide assurance on the effectiveness of controls.
  - Fundamental systems
  - Financial Management Standard in Schools assessments
  - Computer and Contracts Audit
  - Investigations
  - Establishments and Services



# Governance Panel

High level meeting (quarterly)

- Chief Finance Officer
- Monitoring Officer
- Head of Strategic Finance
- Head of Internal Audit
- Updates from each
- Key issues / risks facing the Council
- Current investigations / complaints
- Freedom of Information Requests
- Exploring opportunities to widen input

# The Role of the Audit Committee

- Support Internal Audit.
- Monitor the performance of Internal & External Audit.
- Review financial statements.
- Review risk management arrangements.
- Review governance arrangements.
- Deal with any appropriate issues from other bodies.

# The Work of External Audit

- Audit of financial statements.
- One-off projects.
- Inspections.
- Certification of external returns
- Best value performance plan and data quality review.
- VFM opinion.
- Audit of Internal Audit.