

Annual Governance Statement 2016/17

Executive Summary

The Annual Governance Statement (AGS) provides an account of the processes, systems and records which demonstrate assurance for the effectiveness of the framework of governance of the County Council's discharge of its responsibilities. This principally covers the period April 2016 to March 2017, as well as covering the period to September 2017, when the accounts are signed.

There are seven principles and sub-principles adopted by the Governance Committee through the Code of Corporate Governance. The Regulation, Audit and Accounts Committee uses those principles and sub-principles as reference points for the assurance to be given about the effectiveness of the Council's governance arrangements, as evidenced through this Statement. For each principle a summary of assurance is given, as well as a table which sets out what arrangements give the necessary assurance.

Scope of Responsibility

The County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically and efficiently.

The County Council is also responsible for putting in place proper arrangements for the governance of its affairs (including as pension fund administrator), the effective exercise of its functions and the management of risk. The County Council has adopted a Code of Corporate Governance, consistent with the principles of the Chartered Institute of Public Financing & Accounting (CIPFA)/ Society of Local Authority Chief Executives (SOLACE) Framework: Delivering Good Governance in Local Government. CIPFA and SOLACE reviewed the Framework in 2015 to ensure it remains 'fit for purpose' and published a revised edition in April 2016.

This statement explains how the County Council has complied with the new Governance Framework and also meets the requirements of the Accounts and Audit Regulations 2015.

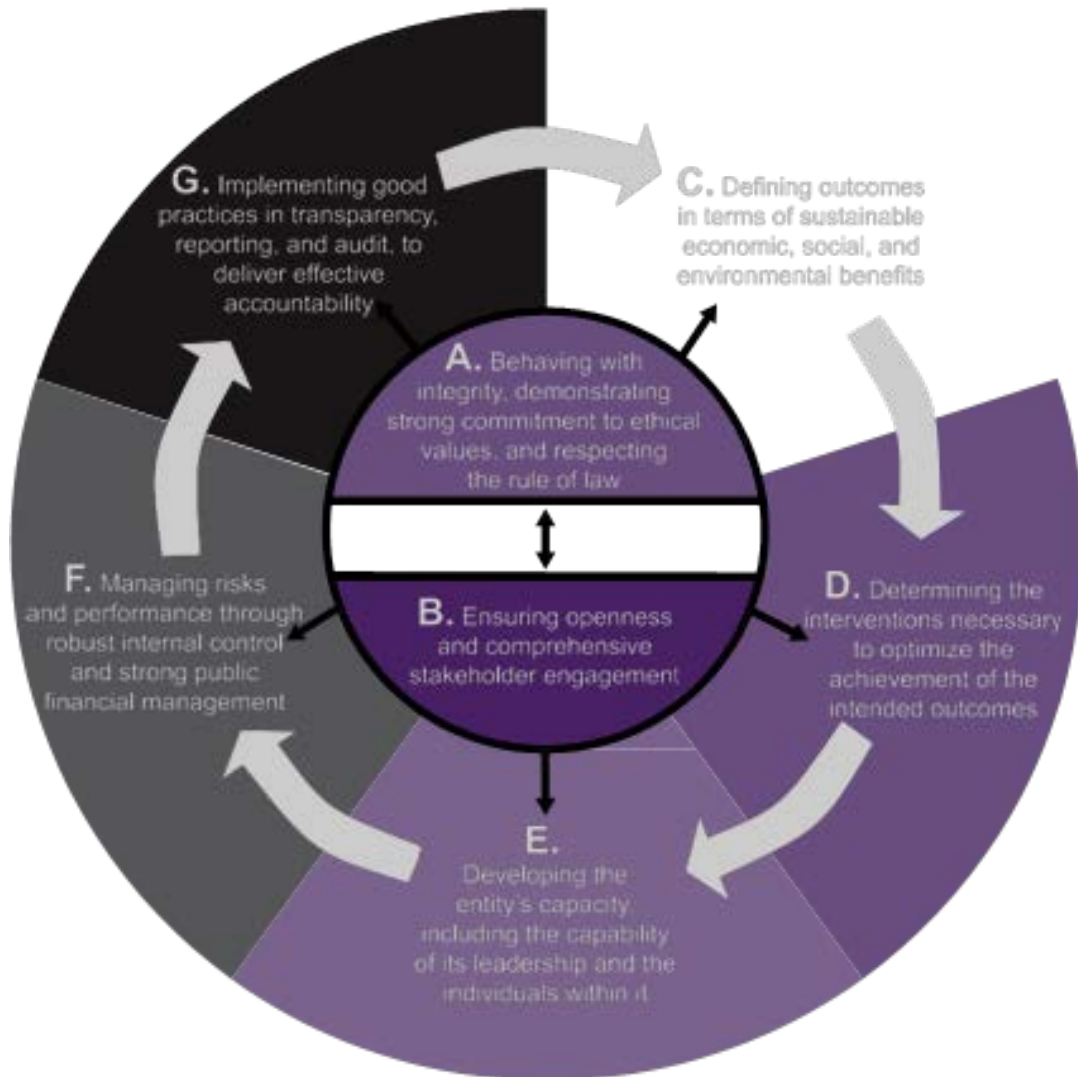
The purpose of the Governance Framework

The governance framework comprises the procedures, systems and processes by which the authority is controlled. The quality of governance arrangements underpins the levels of trust in public services and is therefore fundamental to the Council's statutory and democratic obligations.

A framework of good governance allows the authority to be clear about how it discharges its responsibilities and to account for it to officers and members and to partners, stakeholders and residents. The Annual Governance Statement provides an opportunity for the County Council to consider the robustness of the governance arrangements in place.

The Governance Framework

There are seven principles and sub-principles of Corporate Governance adopted by the Governance Committee from the CIPFA/SOLACE framework and set out below. Assurance is provided in the tables below as to how those principles are met and how this is demonstrated by the County Council's arrangements. Further work to be done is also highlighted.



A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Assured ✓

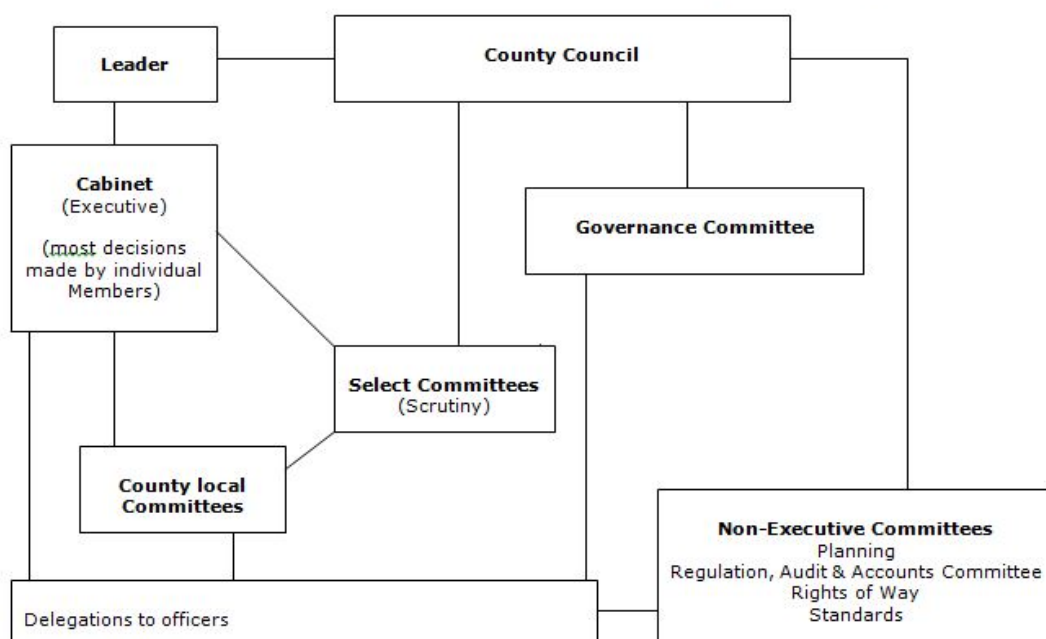
The County Council has clear, transparent decision-making processes which incorporate strong ethical values and are lawful. The codes of conduct set out expectations for behaving with integrity.

Decision-making and Scrutiny

The **County Council** is the ultimate decision-making body and the principal forum for political debate. The County Council takes decisions on the policies and plans that form the Policy Framework, including approval of the budget. The County Council appoints **select committees**, the means by which the Executive is held to account through scrutiny of decisions. The non-executive responsibilities of the council are discharged through its **non-executive committees** as described in the Scheme of Delegation. The Forward Plan of Key Decisions describes all significant decisions expected to be taken in the following four months and is updated monthly. The Constitution also prescribes the rules and constraints around urgent decisions and the form and content of decision reports.

The **Governance Committee** oversees the political structure of the County Council and reviews and advises the County Council on the Constitution. The Scheme of Delegation and Protocol on Decision-making, within the Constitution, requires members and directors to ensure that all decisions are compliant with policies, procedures, law and regulations.

Broad Overview of Structure of WSCC Political Management Arrangements



The **codes of conduct** and protocols for members and officers define the standards of behaviour for members and staff and are published. All members completed the register of interests following the elections in May 2013 and have completed training from the Monitoring Officer on the code of conduct. These are monitored by the Standards Committee, which has a remit to deal with breaches of the member Code of Conduct with quarterly reminders being issued to all members.

Democratic Services staff adopt a proactive approach to adding interests to the register when a member is appointed to an outside body by the Council.

At any time, when a member notifies the service of any change to their register of interests, the change to the register is made as soon as practicable, generally on the same or next working day. The Council has an established Confidential Reporting Policy ('whistleblowing') that is overseen by the Standards Committee.

Officer interests, including gifts and hospitality, are published on the County Council's website periodically. Guidance is set out in the Constitution (Part 5). This guidance was fully reviewed in November 2015 and was endorsed by the Standards Committee.

An easier system for recording gifts, hospitality and officer interests has been implemented through an internal SharePoint electronic site.

B. Ensuring openness and comprehensive stakeholder engagement

Assured ✓

The County Council exists to serve its residents and is dependent on a wide variety of stakeholders for working effectively in partnership. Consultation and engagement mechanisms are in place.

Communication to the public is via the Council's website and public meetings. A new website was launched in April 2015 as part of the **Customer Experience Programme** and a drive for 'digital by design' will be the subject of a review. The Council conducts a What Matters to You Survey to understand residents' priorities.

All of the Council's executive decisions and formal committee papers are made available with the statutory five clear working days' notice. They are then held on the website for six years. Webcasts are taken of the County Council meetings and of major select committee meetings, regularly achieving viewing up to 2,000.

Other information is available (on the County Council's website) and sent out regularly – for example, the **Members' Information Service (MIS)** bulletin which give details of formal decisions and meetings (such as select committees). Ways of improving communication continue to be identified: for example, with town & parish councils, the County Council produces regular monthly newsletters

Consultation, engagement, research and evaluation in West Sussex

The County Council wants to work with residents, businesses, communities, people who use our services and partners to help us prioritise what we do, to have a say over our approach and to get involved in delivery/implementation and change. This requires effective arrangements for engagement, consultation, research and evaluation.

We use a variety of ways to engage with residents and other stakeholders. For example, we use publications, press releases or social media as a means of keeping people informed of what we are planning to do. We also use a variety of methods to seek people's views, including questionnaires, public events, workshops, focus groups, satisfaction surveys, and feedback forms.

Consultation and Engagement Quality Assurance

Consultation and Engagement Quality Assurance is a corporate set of processes designed to ensure services are supported to plan and implement projects which are robust, efficient and meet at least minimum legal, methodological and ethical requirements in relation to consultation and engagement. Before projects go live, services must seek advice and guidance to ensure projects undertaken by staff internally as well as by outside organisations on the Council's behalf receive Quality Assurance for consultation and engagement. Similar support is given for Research Governance for research and evaluation projects which involve engagement with the public in some form.

Formal consultation

Formal consultation will generally only be undertaken where there is a statutory duty or legitimate expectation, unless there is a service or policy identified need to do so. Consultations are carried out in accordance with current national [Consultation Principles guidance](#), our [Statement of Community Involvement](#), and the [West Sussex Compact](#). Individual services should maintain open channels of communications with relevant stakeholder groups and representative bodies where relevant to service planning.

All formal public consultations are made accessible online to using software which meets nationally recognised standards, and are published on the County Council's webpages. Consultation materials are made available in different formats upon request to meet individual communication needs. We use Communications and Engagement Plans to seek out and engage with those who share 'protected characteristics' and seldom-heard communities as well as Equality Impact Reporting alongside other arrangements to ensure that we fulfil our Public Sector Equality Duty.

The information gathered is analysed and considered as part of the decision-making process, the protocol for which can be found in the Constitution [here](#). Analysis reports and decisions are made available on our Have Your Say Consultation webpage [here](#) as a means of closing the 'feedback loop' and increasing trust in our decision-making processes.

Support and advice is provided to staff conducting consultation and engagement activity via one to one support, training on the consultation online hub and a self-help portal containing guidance and tips on minimum standards for compliance, based around the 'Gunning Principals'. All consultation and Engagement activity that goes through the Quality Assurance Process is recorded centrally.

The effectiveness of this support is evidenced by the number of consultation activities that receive full Quality Assurance approval and feedback that we receive from staff using the process on a regular basis.

Action is being taken to improve the effectiveness of assurance by:

- Increasing awareness across the council of the Quality Assurance Process, to ensure all activity adheres to best practice.
- Identifying areas of sensitivity which may require greater attention and ensuring these service areas use the Quality Assurance process to ensure activity is conducted to best practice standards.
- Undertaking work to raise awareness of the benefits of pre-engagement before consultation activity begins, to ensure that the consultation follows best practice and is effective, thus reducing the risk of poor quality data and the need to re-run activity.
- Increasing knowledge and skills of analysis, so that services are able to effectively interrogate data, to provide the best advice to members when taking decisions.
- Continually reviewing the effectiveness of the process

Regular meetings with **partners** are held at various levels and between Members and officers either with single organisations, the whole sector or multi-agency. For example, with our district and borough partner councils there is a joint management team meeting each and every quarter. . The county council leader and the district and borough Leaders meet as the West Sussex Leaders Board on a regular basis. This is aside from the frequent contact that individuals may have across the organisation on specific activities and projects with partners on operational, commissioning and service planning.

C. Defining outcomes in terms of sustainable economic, social and environmental benefits

Assured ✓

The County Council works with communities to plan outcomes. In setting policies and strategies, the County Council takes a long term view about outcomes, taking into account sustainable economic, social and environmental benefits.

The Future West Sussex Plan outlines the main service priorities for the County Council and how they are to be assessed in terms of delivery and outcomes and it was confirmed by Council in February 2016. The Plan has been developed by the Cabinet with the engagement of elected members and staff at all levels.

The public **Performance Dashboard** provides details on progress on the key indicators of the Plan. This is underpinned by the business assurance framework, which together with the corporate performance dashboard provide a good level of assurance that the Council's priorities are implemented in practice and that high quality services are being delivered efficiently and effectively.

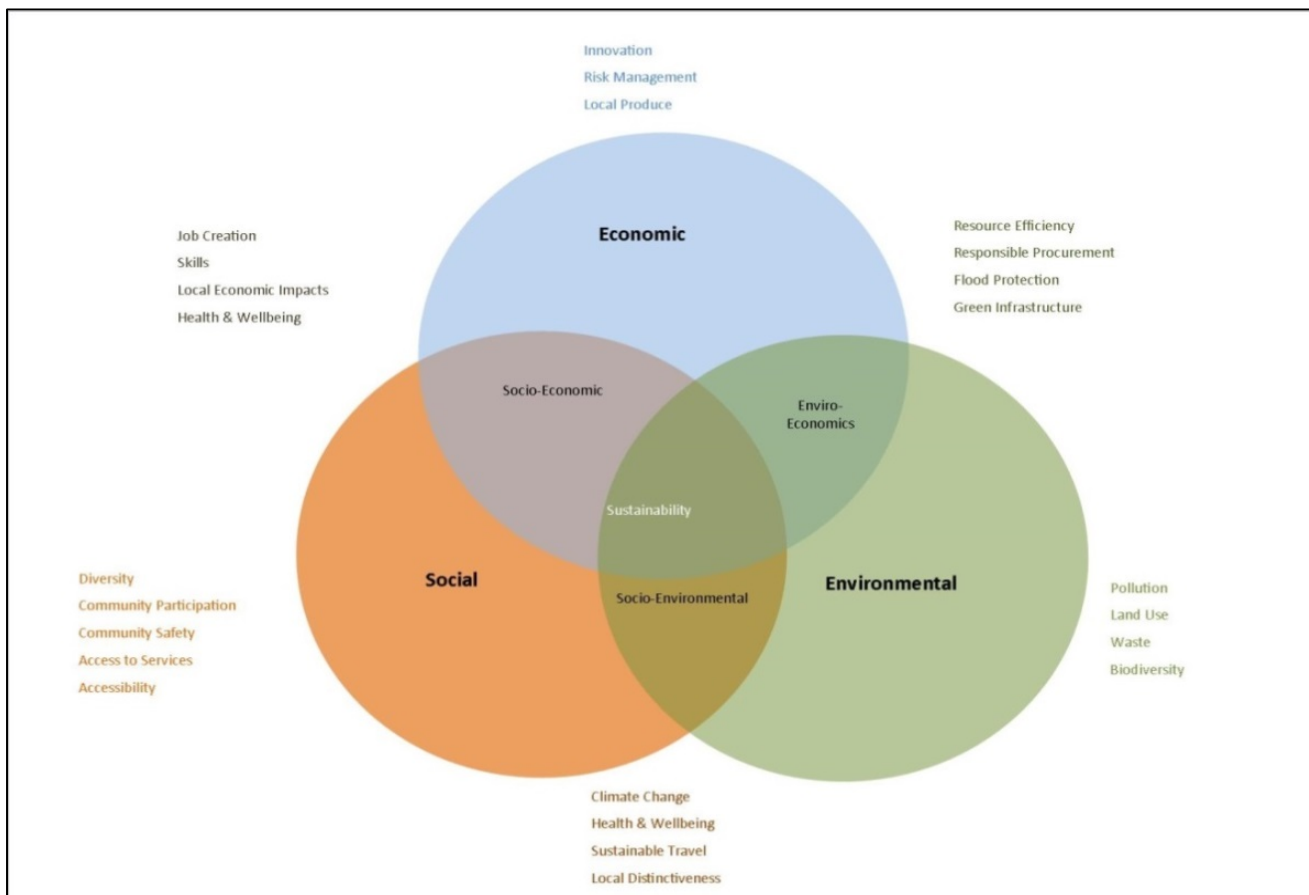
The County Council's Sustainability Strategy was adopted by Cabinet in December 2015. The Strategy recognises the value of the place of West Sussex, and the social and economic benefits that enhancing the environment can bring. It also acknowledges that the Council's resources are limited, and that the Council needs to do all it can to deliver its services in an efficient and effective way that ensures it gets the greatest value from every pound it spends.

The Strategy and accompanying action plan show how the Council will be translating these commitments into actions across four priority areas:

- embed sustainability within the Council's business;
- lead the way in valuing the place of West Sussex;
- realise efficiency savings in the short, medium and longer-term;
- work with and influence others to maximise the benefits for West Sussex.

Tools to help the Council achieve this include:

- Sustainability Appraisal tool, which prompts thinking about the different elements of sustainability and how they can be applied to work or projects.
 - Risk assessment for climate change, which will help to identify how climate change may impact on the Council's services and prompts ideas of what can be done to prepare and adapt services in preparation.



The vision and purpose are reinforced to all staff through **Corporate Management Group engagement** about the delivery of the Future West Sussex Plan and the cascade of key messages through team meetings.

All managers are asked to relay messages to their staff groups. Intranet and other internal communications are used and briefings are provided through a management intranet portal and by the Leadership Team holding question and answer sessions open to all staff.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes

Assured ✓

The County Council takes decisions on interventions based on its clear vision for services, engaging with communities and practical expertise of professional service officers. This combination leads to optimizing the achievement of intended outcomes.

The **Total Performance Monitor** (TPM) provides a regular overview of performance against the agreed priorities and tracks risk management as well as financial projections, to ensure that intended outcomes are kept in focus and are delivered in the best possible way. It records how the six key elements of corporate performance (revenue, capital, savings, workforce, delivery and risk) are monitored and reviewed on a monthly basis by both the Executive Leadership Team and the Cabinet.

This is also subject to scrutiny through the Performance and Finance Select Committee and other select committees.

This provides clear assurance that resources, including Human Resources and financial resources, are actively monitored and managed effectively throughout the year.

Decision reports indicate the options considered and the engagement or consultation undertaken, and how the best option has been reached to achieve intended outcomes.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it

Assured ✓

The relationship between Members and Officers is led by the Leader of the Council and the Chief Executive who have established a culture of mutual respect and co-operation between all members and officers on behalf of all our communities.

The **Constitution** defines and documents the roles and responsibilities of member and officer functions, with clear published delegation arrangements and protocols for decision-making and communication. Updating is regular and well managed.

The County Council's range of functions is set out in the Constitution. The Council appoints the Leader who decides the composition and responsibilities of the Cabinet. The Council makes appointments to all committees. These arrangements are clear and fully demonstrated at each full Council meeting.

Member roles – Executive and non-executive roles are defined and published within the constitution and as part of the member database the Mine. The member induction and training programmes cover these. Content and attendance is recorded.

A major review of the meetings of full Council undertaken resulted in changes being made to Standing Orders in March 2015 ensuring that its meetings are more flexible and relevant to both members and the public.

Subsequent member surveys have endorsed the changes and confirmed no further changes expected. The future member role was considered by the Member Development Group, to define the role in light of increased community champion work and regular review of the political structures in place.

The output was submitted to the Local Government Boundary Commission for England in May 2015 to help it to determine how many members should be on the County Council ahead of reviewing electoral division boundaries. In view of the full case given, the Commission supported the Council's view that the existing level of membership was broadly correct, with a minor change to improve electoral equality.

Children's Safeguarding – The Corporate Parenting Panel of Members monitors and reports to full Council on the member responsibilities for children looked after. The West Sussex Safeguarding Children Board has full partner engagement and its work and records are published and accessible.

Adults' Safeguarding – The West Sussex Safeguarding Adults' Board receives financial contributions from partners to provide formal business support and enable it to deliver its remit. From April 2015 this has been in compliance with the requirement in the Social Care Act 2014. A member level reference group gives oversight of adults' safeguarding work and reports to full Council but the effectiveness of this arrangement is currently under review.

Officers

Statutory roles include the designation of the Chief Executive as Head of Paid Service, the Director of Law and Assurance as the Monitoring Officer, and the Director of Finance, Performance & Procurement as Chief Financial Officer.

The Head of Internal Audit has direct and regular access to the Director of Finance, Performance & Procurement. He also has direct access to the Chief Executive and other directors and has well-established reporting lines to Members through the Regulation, Audit and Accounts Committee.

The officer scheme of delegation is kept under review. Officers within the Directorate of Transformation, Customer and Support Services have liaised with each directorate to oversee the effectiveness of the scheme of officer onward delegation and have worked with the Director of Law and Assurance to ensure that there is shared understanding of existing delegations and to continually review them.

The leadership structure agreed by full Council in February 2014 has been reviewed and amended by the Governance Committee on 28 November 2016, in light of the recommendations of the Chief Executive. This has included ensuring that the Monitoring Officer and Chief Financial Officer have a place on the Executive Leadership Team, which also comprises the three executive director roles within the County Council.

All levels of management within the organisation have a designated **role profile** and these profiles are accessible via the Point. Officers are given copies of their roles on appointment and are supported by managers through the personal development review and supervision in understanding and developing their roles. Internally published HR procedures cover all aspects of performance and procedure to support managers.

The County Council has launched the 'Values-Centred Leadership Programme' for all line managers. This training programme was launched in early 2016 to help managers in their professional development and to help to ensure that all employees have the proper support and help to carry out their job. Succession planning is undertaken in services.

Personal development priorities are developed through the new appraisal process launched in 2016 and training courses are available through an online gateway system.

The new 'Manager Expectations' and 'Employee Expectations' documents were widely cascaded in September 2016 to set out clear, reasonable expectations of managers and employees.

Members

The development needs of members are identified and addressed through a cross-party Member Development Group, which now includes a cabinet member to assist with strategic focus and alignment with the future direction of the Council. This group is established by the Governance Committee and oversees the delivery of a planned programme of member development sessions targeted to meet identified member training needs.

A Member Induction Programme ensures a comprehensive training programme for new members elected to the Council.

This group will consider the future role of members and the training needs that are identified to help members to fulfill this role.

F. Managing risks and performance through robust internal control and strong public financial management

Assured ✓

The County Council has robust internal control in place, displays strong public financial management and is working to manage risks and performance in the most effective manner.

The system of internal financial control is based upon a framework of comprehensive financial regulations and procedures which comply with the CIPFA "Good Practice Guide for Financial Regulations in a modern English Council".

Control is maintained through regular management information, management supervision, and a structure of delegation and accountability. External audit of the Council's accounts is robust and transparent. Full and unqualified assurance has been given. The Council's financial management arrangements conform to the governance requirements of the CIPFA 'Statement on the Role of the Chief Financial Officer in Local Government 2010.'

Each executive director conducts a full review of internal governance systems for their areas of responsibility, through an assurance mapping process. The initial statements made based on the assurance mapping are checked to identify Council-wide governance issues.

Evidence of assurance given is supplemented in the Annual Assurance Statement for each executive directorate, issued by the Head of Internal Audit. These include clear actions for improvement. From both key sources, significant governance implications are included in this Statement's action plan.

Review and Audit

The County Council annually reviews the effectiveness of its governance framework including the system of internal control. The review is informed by the Head of Internal Audit's annual report and by the external auditor and other agencies and inspectorates.

These findings are brought together within this document and are reported annually to the Regulation, Audit and Accounts Committee. The Committee undertakes the functions of an audit committee. This includes review of the work and findings of Internal Audit.

Internal Audit provides an annual appraisal of key financial systems through routine compliance testing and undertakes a number of audit reviews within service departments. This includes adherence to established policies, procedures, laws and regulations.

Risk Management issues are reported to Regulation, Audit and Accounts committee quarterly. Regular reviews of risks are undertaken at Director, Department and Executive team meetings.

Risks are formally identified in all decision reports. Projects and programmes have a risk register that is reviewed regularly.

Significant progress has been made in the past year to ensure our risk management procedures are sufficient. Work will continue in the next year to ensure these processes are embedded in the organisation.

G. Implementing good practices in transparency, reporting and audit, to deliver effective accountability

Assured ✓

The County Council has transparent processes in place through publication of its decisions on the website and the prominence given to enforcing audit recommendations through the Regulation, Audit and Accounts Committee.

All Cabinet Member and Committee decisions, agendas and reports are published on the website and are available to the press and public. A limited number of reports are held in Part II, not for publication, when the topic meets the criteria for this. In these cases, a short public summary is made available.

The Regulation, Audit and Accounts Committee undertakes the functions of an audit committee. This includes review of the work and findings of Internal Audit. The Committee holds officers to account where high priority recommendations are not implemented within the expected timeframe, to help improvements to be prioritised.

Internal Audit provides an annual appraisal of key financial systems through routine compliance testing and undertakes a number of audit reviews within service departments. This includes adherence to established policies, procedures, laws and regulations.

Main Governance Issues for action or to note

In formulating this year's AGS a number of forms of evidence have been reviewed. Several of these are reported and monitored through the Regulation, Audit and Accounts Committee. To avoid duplication such findings are not noted in this statement except where their implications could affect the overall effectiveness of the authority's governance procedures. The paragraphs below identify the most significant governance issues that are to be addressed through 2017/18.

The main governance issues identified are as follows:

- a) The procurement function needs to adopt a more proactive approach. Existing barriers include poor long term planning and the absence of a collective procurement strategy. Additionally the level of resource to deliver innovative procurement requires consideration.
- b) The gaps in effective commissioning (particularly in areas of Children's and Adults services) adversely impacts on the organisation's ability to assess future needs and the subsequent cost and quality of service provision.
- c) There is a requirement to further embed a culture of compliance in conforming to organisational processes and procedures. Outcomes are reliant on efficient, effective and intuitive systems to compliment the Council's self-serve management approach.
- d) West Sussex County Council is a large and diverse organisation facing a period of necessary transformation and continuing financial challenge. It is imperative that the organisation have in place an appropriately skilled and agile workforce to meet future expectations / requirements. The Council faces skills shortages in several disciplines and areas, with a reliance on interim and agency staff, difficulties in recruitment to significant posts and to cover critical skill areas in addition to other staffing pressures. This is not assisted by an immature workforce strategy and the absence of adequate provision for succession planning, operating in a competitive market in an expensive area.
- e) The Council holds significant levels of personal and confidential data requiring robust data protection, information governance and security systems and processes to effectively protect and manage it. The Council also shares personal and confidential data with partners and providers. The pending General Data Protection Regulations (GDPR) imposes additional obligations on the organisation in its discharge of effective information governance that need to be considered.

- f) The Risk Management Strategy and Corporate Risk Register were reviewed and endorsed by the Regulation, Audit & Accounts Committee in March 2017. The strategy provides a solid foundation for communicating the importance of risk to staff and is key to strong governance on risk management. Based on the Risk Management Strategy the first iterations of directorate and strategic risk registers, including action plans, have been produced. With the creation of and recruitment to a head of risk management role in the organisation to support the risk management process there is now a requirement to effectively embed risk management as a process across all levels of the organisation.

An action plan has been developed (Appendix A) setting out how we will address governance issues to deliver the improvements necessary and we will continue to monitor, evaluate and report on progress.

Louise Goldsmith
Leader of the Council
June 2017

Nathan Elvery
Chief Executive
June 2017

Sources of Assurance

Table of assurance for Principle A:

Key: L&A = Law and Assurance

TC&SS = Transformation, Customer & Support Services

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
The Constitution, including Standing Orders	Constitution	County Council Director L&A	To confirm the County Council's procedures, including rules governing the conduct of meetings	April 2014. Standing Orders reviewed in March 2015. Minor updates are made at most meetings of the County Council.
Scheme of Delegation	Constitution	County Council & Director L&A	To fully define who takes what decisions	January 2016 – amendments due to the reintroduction of the Chief Executive
Forward Plan	Web site	Director L&A	Describes all planned key decisions for next 4 months	July 2014
Protocol on decision making	Constitution	Director L&A	Describes full detail of arrangements	June 2014. Minor revisions at County Council meetings since then.
Select Committee business planning	Select Committee reports	Performance and Finance Select Committee, Scrutiny Manager	Records planned work.	Continuous
Codes of Conduct	Constitution	Standards Committee & Director L&A	Define standards of behaviour and systems to enforce	Members - July 2012, Officers-code adopted common to all West Sussex Councils Officer Code reviewed by County Council December 2015
Confidential Reporting Policy	Constitution	Standards Committee & Director L&A	Defines arrangements for any officer to report breaches of rules or standards confidentially	Fully reviewed by the Standards Committee in June 2015 and minor updates were agreed by Council in July 2015.
Anti-fraud and corruption strategy	Constitution	RAAC & Head of Internal Audit	Statutory obligations recorded and enforced	November 2015. Reviewed every 3 to 5 years.
Anti-bribery policy	Constitution	Director L&A	Statutory obligations recorded and enforced	November 2015. Reviewed every 3 to 5 years.
Register of Member Interests	Website	Director L&A	Statutory list of interests.	Scheme entries are updated on an on-going basis. Full review of individual members' entries in May 2013. Quarterly reminders are issued to members asking them to review their entries. This was last done in January 2017.
Register of Officer Interests	Website	Director L&A	Record of financial and possible conflicting business interests	October 2015. The Director L&A has created a live update capability on sharepoint from March 2016. Will draw from that for publication
Corporate Complaints Policy	Website	Chief Executive	Describes mechanism for handling all complaints.	End 2013. Part of customer experience review 2015.

Staff Discipline policy	Intranet	Director TC&SS	Defines rules and procedures	January 2013
Data Protection Policy	Intranet	Director TC&SS	Defines rules and procedures	October 2012
Freedom of Information policy	Intranet	Director L&A	Defines rules and procedures	October 2012
Data Security & Accepted Use Policy	Intranet	Director TC&SS	Defines rules and procedures	September 2014

Table of Assurance for Principle B

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Connections, public consultation, website, community liaison forums	Website & Press releases	Head of Communications and Engagement	Communication to public	New website launched in April 2015. New Consultation Hub launched October 2015.
Partnership meetings, briefings and liaison	Some within Constitution. Records are held by relevant directorate	Relevant Director	Communication to partners	Continuous review and proposal to track external engagement plans better.

Table of Assurance for Principle C

Key: FPP = Finance, Performance and Procurement
 CMG = Corporate Management Group
 L&A = Law & Assurance

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Performance Framework Future West Sussex Plan	Council agenda (February)	Cabinet & Director FPP	Describes the measure and targets for key corporate service aims	Revised in late 2014. The new framework was approved by Council in February 2016.
Total Performance Monitor	Monthly decision (published)	Director FPP	Lists all financial changes and tracks measures from the PF. Includes strategic risk register	Reviewed by member group in September 2014, officer review ongoing in 2015/16.*
Management Briefings, road shows and Portal	CMG calendar. Updates (weekly email). Intranet	Chief Executive & Management Team	Communication to staff	A review of Internal communications is underway by the Director of L&A.*

Sources of Assurance for Principle D

Key: FPP = Finance, Performance and Procurement
L&A = Law and Assurance

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Total Performance Monitor	Monthly decision (published)	Director of FPP	Lists all financial changes and tracks measures from the PF. Includes strategic risk register	Reviewed by member group in September 2014, officer review ongoing in 2015/16.*
Executive Decision Database	Website	Director of L&A	Each decision report evidences options considered, consultation undertaken and other evidence that led to the decision taken.	2014.

Sources of Assurance for Principle E

Key:
L&A = Law and Assurance
TC&SS = Transformation, Customer & Support Services
MDG = Member Development Group
CAH&E = Children's, Adults', Health & Education

Source of assurance	Where found	Who is responsible	Role	last reviewed
Scheme of delegation	Constitution	Governance Committee Director L&A	Formal allocation of key roles and functions, including Statutory Officer and senior officer roles	Reviewed and updated in November 2016 following a review by the Chief Executive
Onward scheme of delegation	Each Executive Director holds and all named delegates hold a copy of their delegations	Overall - Director L&A Each Executive Director or senior officer named in the scheme.	To ensure that officer roles are clearly defined and up to date, and that delegation of functions to more junior officers has an audit trail to the scheme.	December 2016 by the Governance Committee.
Member Training programmes	Held by Director L&A Member calendar and database	Governance Committee & Director L&A	Plan and record all member training.	Continually by MDG (sub-group of Governance). The operation of the MDG itself was last reviewed by the Governance Committee in March 2015 to improve its strategic focus.
Member Allowances Scheme	Constitution	County Council and Director FPP	To set out what allowances and expenses can be paid to members and the rules in place to govern this. This links to the pay and reward strategy.	A review by Independent Remuneration Panel went to the County Council on 16 December 2016 and a new scheme will be implemented in May 2017.

Member database – The Mine	Intranet	Director L&A	Single source of information to support members.	The 'Mine' (launched in November 2014) provides members with a much improved database of useful information. This is updated on a regular basis by Democratic Services staff.
Corporate Parenting Panel	Constitution & reports	Full Council, Panel members and Executive Director CAH&E	To oversee the members' responsibilities for children looked after	Reported to full Council December 2016
Human Resources policies	Intranet	Director TC&SS	Describe all conditions and procedures affecting officer roles, new induction programme for all staff now covers this.	Continually through HR arrangements and work plans.
Staff role profiles	Intranet	Heads of Service	Describe all officer roles	Updated as roles change.
Member Development Programme	Intranet	Governance Committee Member Development Group Director L&A	To determine the content of the programme	Attendance and feedback is monitored
Member Induction Programme	Intranet	Member Development Group Director L&A	To determine the content of the programme	Completed after 2013 election* Planning underway for 2017 induction
Specialist Member training	Committee business programme	Director L&A	Planning Committee, Rights of Way Committee, Treasury and Pensions management, Regulation, Audit and Accounts Committee, Appeals Panel	Completed after 2013 election and to any members newly appointed to that committee on an ad hoc basis. Additional ad hoc training is carried out as required for any committees in response to changes in legislation etc. Annual training is carried out for the Appeals Panel.
Officer Appraisal System	Intranet	Director TC&SS	To keep accurate records of performance and development	Full review undertaken with a user group in 2015. Implemented in June 2016. Training for all managers is in place during 2016/17.
Performance Management Policy	Intranet	Director TC&SS	To provide a clear system for addressing poor performance	September 2012. Reviewed when necessary due to changes in legislation, case law or organisational requirements

Sources of Assurance for Principle F

Key: RAAC = Regulation, Audit and Accounts Committee
 FPP = Finance, Performance and Procurement
 L&A = Law and Assurance
 CIPFA = The Chartered Institute of Public Financing & Accounting
 SOLACE = Society of Local Authority Chief Executives

Governance Statement	RAAC agenda	RAAC Director L&A	Captures all sources of governance assurance	Annual
Assurance mapping	N/A	Director L&A Director FPP	Internal checklist for service governance	New checklist is being used this year.
Local Code of Corporate Governance	Governance agenda	Governance Committee Director L&A	To confirm the corporate governance principles in place	September 2016, revised to take account of the new CIPFA/SOLACE good governance framework.
Audit Function	Constitution	RAAC Head of Internal Audit	To manage and ensure the effectiveness of Audit.	Annual internal quality review. External review is required every five years. The next review due by March 2018.
Total Performance Monitor	Monthly published	Director FPP	See above	Subject to current review to focus on monitoring of risks.*
Budget, including medium term financial strategy	Council agenda	County Council Director FPP	To agree a sound budget and financial strategy	February 2017
Treasury Management Strategy	Council agenda	Director FPP	To agree a sound strategy and thereby minimise financial risks relating to borrowings and investments	February 2017
Financial Regulations	Constitution	Director of FPP Governance Committee	To prescribe the rules for all financial transactions	March 2015
Standing Orders on Procurement and Contracts	Constitution	Director L&A	To prescribe the rules for all contracts and procurement activity	A full review was undertaken in 2015 to ensure compliance with new European Union Directive. RAAC approved the new Standing Orders in November 2015, with implementation from January 2016.

Sources of Assurance for Principle G

Key: RAAC = Regulation, Audit and Accounts Committee

Audit Function	Constitution	RAAC Head of Internal Audit	To manage and ensure the effectiveness of Audit.	Annual internal quality review. External review is required every five years. The next review due by March 2018.
External Audit of Accounts	Audit Report	RAAC and Director of FPP	To give external assurance to the quality of the Council's accounts and accounting practice	Full assurance given to 15/16 accounts

Annual Governance Statement 2016-17 – Action Tracker

Annual Governance Statement - Issue	Risk Register (Ref)	Responsible Officer	Action(s)
2016-17 Annual Governance Statement			
<p><u>Procurement</u> a) The procurement function needs to adopt a more proactive approach to ensuring best value and outcomes. Currently there is no collective procurement strategy. The level of resources to deliver innovative procurement requires consideration. (*Issue 9)</p>	35	Katharine Eberhart, Director of Finance, Performance & Procurement Matt Wigginton, Head of Procurement & Contract Services	<p>WSCC has identified the need to focus investment and development to transform the Procurement capability and has initiated this activity. Additional resources have been recruited in the interim to fill skill gaps and have been identified in the draft outline budget for 2018/19.</p> <p>Plans to implement Category Management will engage the business directly, with embedded resource that will drive a strategic and proactive approach over the medium term . Our Forward Pipeline Plan will form a key part of discussions with the business and as a roadmap within Category Plans.</p> <p>A key element of the transformation will be to create and launch a WSCC Procurement Strategy to provide direction and targeted outcomes for the Procurement capability.</p> <p>A full review and design of the future state Procurement team will be developed as part of the operating model design of the organisation, with vacancies filled and new roles being recruited to supplement capacity and capability. As part of this model, training needs analysis will be undertaken and personal development plans implemented.</p>
<p><u>Commissioning</u> b) The gaps in effective commissioning (particularly in areas of Children’s and Adults services) adversely impacts on the organisation’s ability to assess future needs and the subsequent cost and quality of service provision. (*Issues 4; 6; 7; 9)</p>	34, 35	Katharine Eberhart, Director of Finance, Performance & Procurement Matt Wigginton, Head of Procurement & Contract Services	<p>The launch and implementation of Category Management - particularly within Children, Adult & Families Social Care - will be a key driver for a significant step change in the way Procurement and Commissioning are undertaken.</p> <p>Procurement will undertake a proactive and strategically focussed review and planning activity, working in conjunction with the relevant Commissioning stakeholders.</p> <p>Working within the directorates directly, with embedded resource will ensure a more joined up approach to how we engage the market and secure best value / service / quality. This is from the full spectrum of market engagement, planning, sourcing and through to contract management.</p>
<p><u>Compliance</u> C) There is a requirement to further embed a culture of compliance in conforming to organisational processes and procedures. Outcomes are reliant on efficient, effective and intuitive systems to compliment the Council’s self-serve management approach. (*Issue 2)</p>	7, 13	Katharine Eberhart, Director of Finance, Performance & Procurement	<p>Continuation of monthly monitoring and reporting to directorate management teams across a range of systems and on compliance with accounts payable processes with sanctions introduced as appropriate.</p> <p>Completion of work on accounts payable system including duplicate payments.</p> <p>Detailed review of all policies and processes, including the information and guidance published on the Point, to ensure they are fit for purpose and where appropriate in line with Financial Regulations and Procedures.</p> <p>Launch of training for all staff, including managers, to include the importance of strong financial management.</p>
<p><u>Workforce</u> d) The Council faces skills shortages in several disciplines and areas, with a reliance on interim and agency staff, difficulties in recruitment to significant posts and to cover critical skill areas in addition to other staffing pressures. This is not assisted by an immature workforce strategy and the absence of adequate provision for succession planning, operating in a competitive market in an expensive area. (*Issues 4; 7; 8)</p>	11	Nathan Elvery Chief Executive	<p>Workforce strategy is under development and key workforce information is now being circulated to Directors to ensure a proactive approach to manage skills shortage in key areas and results used to aid succession planning. A significant level of staff engagement is already in place as well as a number of key mechanisms to address the skills challenges faced by our organisation such as Children’s Social Care.</p>

Annual Governance Statement - Issue	Risk Register (Ref)	Responsible Officer	Action(s)
<p>Data Protection</p> <p>e) The Council holds and shares with partners and providers significant levels of personal and confidential data requiring robust data protection, information governance and security systems and processes to effectively protect and manage it. The pending General Data Protection Regulations (GDPR) imposes additional obligations on the organisation in its discharge of effective information governance that need to be considered</p>	39	Katharine Eberhart, Director of Finance, Performance & Procurement	<p>As part of security accreditation for PSN and IG Toolkit, IT Health Checks are undertaken including penetration testing. Mitigations plans are in place and being acted on to resolve identified shortfalls.</p> <p>Mandatory user awareness training is in place. This will be refreshed annually.</p> <p>GDPR Readiness reviews are being undertaken. The initial focus is to ensure that information governance is focussed and effective. Work streams of activity are in development and will report progress back to IG Board.</p> <p>Awareness sessions are being arranged for all senior managers to ensure that the GDPR changes are understood and being enacted.</p>
<p>Risk Management</p> <p>f) The Risk Management Strategy and Corporate Risk Register were reviewed and endorsed by the Regulation, Audit & Accounts Committee in March 2017. Based on this the first iterations of directorate and strategic risk registers, including action plans, have been produced. There is now a requirement to effectively embed risk management as a process across all levels of the organisation.</p> <p>(*Issue 1)</p>	10	<p>Katharine Eberhart, Director of Finance, Performance & Procurement</p> <p>Anuschka Muller, Head of Performance & Intelligence</p>	<p>Risk reports will be presented to RAAC quarterly outlining progress made to embed the risk management process within the organisation.</p>
2015-16 Annual Governance Statement (c/f)			
<p>Capita Reset</p> <p>During much of 2015-16 a review and reset of the Council's contract with Capita was ongoing. The review identified many areas where the contract was working well and delivering the Council's original intentions, but other areas where there was a misalignment with the Council's current objectives. The reset has been carried out in a collaborative manner with Capita, although the detailed contract changes are yet to be discussed. As this contract is key to service delivery and because the discussions are ongoing it is appropriate to highlight this area.</p>		Katharine Eberhart, Director of Finance, Performance & Procurement	<p>A Workshop was held in January 2017 with executive level Council and Capita officers to review progress. A structured action plan has been developed against each service line in the partnership.</p> <p>The action plan is being progressed with council officers working together with their capita counterparts on business cases. These are due to be completed and signed off during June, followed by commercial and contract discussions which will be undertaken during July.</p> <p>A key decision will be required for any ensuing changes and timetabled to allow for entry into the Council's forward plan and scrutiny by relevant committees.</p> <p>It is anticipated that any changes arising from the reset can be implemented at the contract anniversary date of October 2017.</p>
<p>Health Integration</p> <p>The Government is encouraging even further integration with health sector partner which represents an opportunity to the Council. However it is a significant governance issue for two reasons:</p> <ul style="list-style-type: none"> - the capacity such integration will require in order to make it successful; - the potential for constraining the Council's ability to adjust its care budgets to cope with future spending restraints. 		<p>Avril Wilson, Executive Director, Children, Adults, Families, Health & Education</p>	<p>The local health and social care system is undergoing significant reform to drive better health and wellbeing outcomes and to close a financial gap of around £900m across the STP footprint</p> <p>Internally the Council has established a governance framework with a Board co-chaired by the Leader and the CEO</p> <p>A draft programme of work has been established which includes integrated commissioning, integrated staff teams where this makes sense, contributing to the development of place based locality plans within the health system, workforce recruitment and development and establishing policy in this area.</p>

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<p>Business Continuity</p> <p>As an authority we learn from operational and business continuity events. Incidents in the last twelve months that have provided valuable lessons learnt through the internal and multi-agency debrief processes. As a result the County Council business continuity policy statement has been updated and was approved by Council in February 2016. Additionally, significant work is being undertaken:</p> <ul style="list-style-type: none"> - to update the business impact analysis for each Directorate, - ensure the County Emergency Centre is fit for purpose - Corporate and directorate plans are up to date and validated. 		Neil Stocker, Acting Director of Public Protection	<ol style="list-style-type: none"> 1. CR&RP – Draft V.2.0 nearly complete and due to be sent to Directors for comment on 27 Jul. Comments requested by 30 Aug with V.2.0 planned to be distributed in Sep 17. 2. No crisis management training has been delivered to CLT and this remains an area of concern. Head of RET to present details of Multi Agency Gold Commanders (MAGIC) Course on 27 Jul to Directors with request that they attend. 3. Discussions with HR continue which aim to finalise the Volunteers Contract. Once complete recruiting will begin 4. RET continue to engage and support Directorates in this work and link in with Procurement. 5. A Training Needs Analysis is currently being conducted with a view to developing a training package for CEC Volunteers and Directors. Training packages for BCR Coordinators and Leaders are already in place. Currently options being considered to expand availability of training include ‘Lunch and Learn’.

(*some issues identified within the 2015-16 AGS are incorporated within or superseded by highlighted actions listed within the 2016-17 AGS)