

## **Annual Governance Statement 2017/18**

### **Executive Summary**

The Annual Governance Statement (AGS) provides an account of the processes and systems which give assurance for the effectiveness of the County Council's discharge of its responsibilities. It covers the period 1 April 2017 to 31 March 2018.

A summary of assurance is given for each of the seven principles on which the Statement is based. A table (appendix) sets out the sources of assurance.

Work underway or planned to address any governance issues is set out in an action plan attached (appendix) and marked \* in the text of the Statement.

### **Responsibility for Assurance and Approach**

1. 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. It must ensure it has arrangements for the proper governance of its affairs (including as pensions administrator), the effective exercise of its functions and the sound management of risk.
2. The 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. This statement uses that Framework and meets the requirements of the Accounts and Audit Regulations 2015.

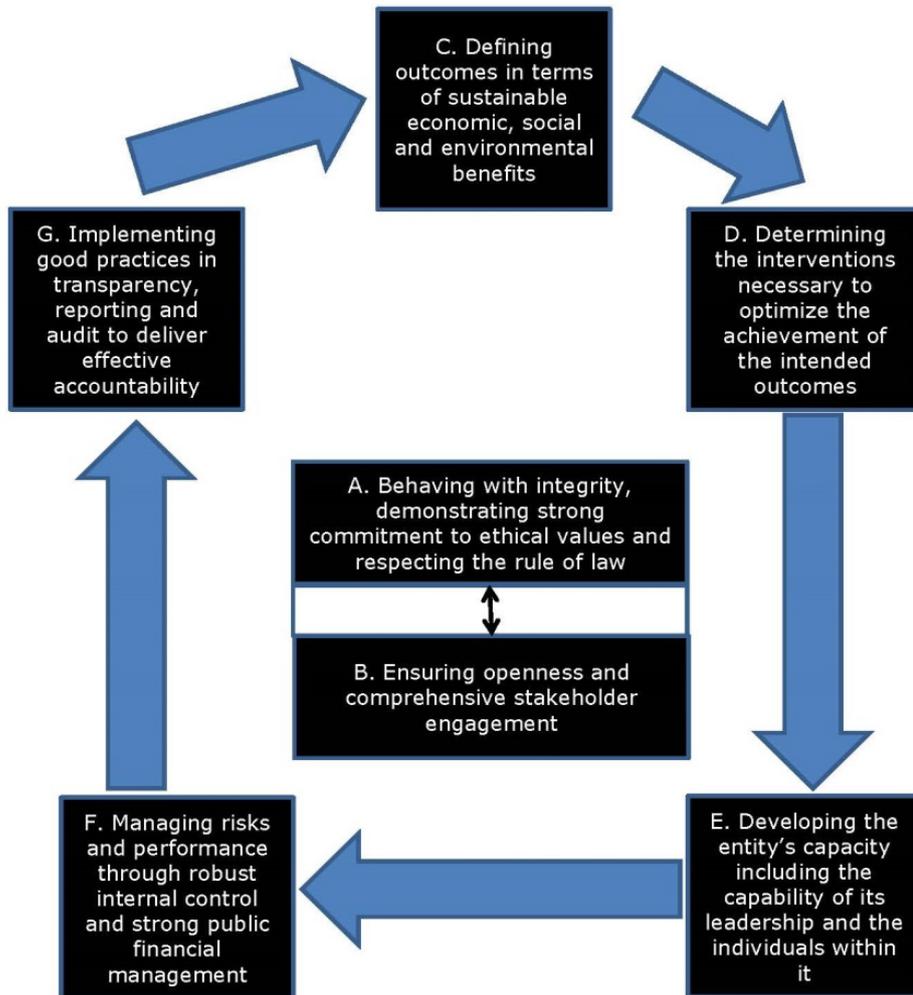
### **The Purpose of the Governance Framework**

3. The governance framework comprises the rules, procedures, systems and processes by which the Council is controlled. The quality of governance arrangements underpins the levels of trust in public services and is fundamental to the Council's statutory and democratic obligations. A framework of good governance allows the Council to be clear about how it discharges its responsibilities and to show this for members, partners, stakeholders and residents. The AGS provides an opportunity for the County Council to assure itself as to the robustness of the governance arrangements in place.

### **The Governance Assurance Framework Principles**

4. 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 as to how they are met is

provided in the text below. Further work to be done is also highlighted and set out in the tables in Appendix B.

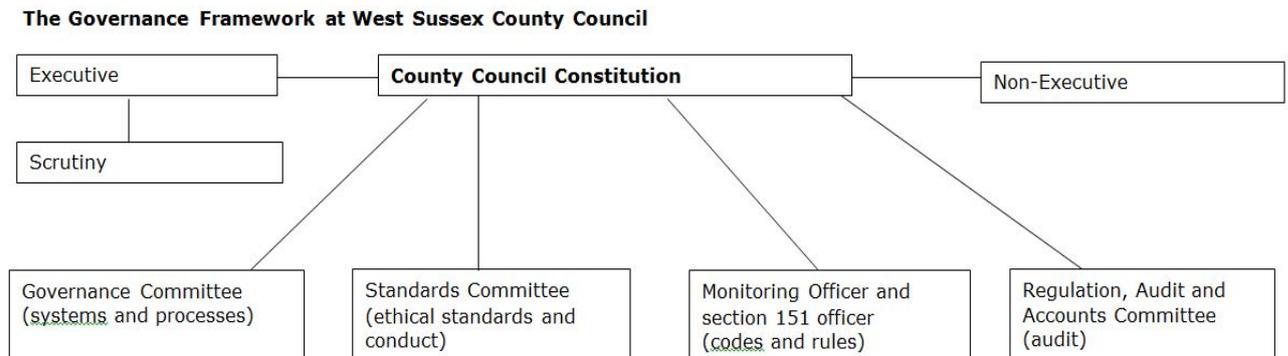


### The County Council's Governance Framework

5. The County Council's Constitution sets out the governance framework, including:
- Allocation/delegations of functions and responsibilities
  - Rules and procedures for discharging functions;
  - Codes and protocols for good governance; and
  - Arrangements for compliance and assurance.

6. Diagram 1 sets out a broad overview of the governance framework:

**Diagram 1 – The Governance Framework for West Sussex County Council**



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

**Assured ✓**

The County Council encourages sound governance and has adopted high standards as set by statute and regulation, government guidance and the courts. It promotes a culture of compliance. The Council's codes of conduct set out expectations and requirements for behaving with integrity for both members and officers.

7. The **Governance Committee** oversees the political arrangements 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, require members and directors to ensure that all decisions are compliant with internal policies and procedures as well as with law and regulation.
8. Part 5 of the County Council's Constitution contain protocols to promote and maintain good ethical behaviour, including equality and sustainability duties. Decision-making processes are supported by guidance and templates that encourage compliance with these requirements.
9. The statutory roles of the Chief Financial Officer (s.151 officer) and the Monitoring Officer are set out in the Constitution and in the scheme of delegation. They ensure oversight of propriety and lawfulness. They directly report to the Chief Executive and are involved in all major decision-making preparation through membership of the Executive Leadership Team and the Corporate Leadership Team, as well as being signatories to all key and other significant decisions.

10. The **codes of conduct** define the standards of behaviour for members and officers and are published within the Constitution. All members completed training from the Monitoring Officer on the member code of conduct. Member conduct is monitored by the Standards Committee, which has a remit to deal with complaints of breaches of the member Code of Conduct. All members completed the register of interests following the elections in May 2017 and they receive quarterly reminders on the subject of personal interest declarations and it is a standing item on all meeting agendas.
11. The Council has an established whistleblowing policy ('Confidential Reporting Policy') to meet the legal requirements and ensure a route for challenges to processes or actions within the Council where complainants seek the protection of anonymity. The effectiveness of that policy is overseen by the Standards Committee. Action will be taken to refresh and draw attention to the policy\*.
12. 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 reviewed in November 2015 and endorsed by the Standards Committee. A new system for recording gifts, hospitality and officer interests has been implemented through an internal sharepoint electronic site. Action will be taken to reinforce the importance of recording officer interests\*.
13. The Council's Standing Orders on Contracts and Procurement and Financial Regulations and Procedures provide rules for lawful and sound processes for entering contracts and making financial commitments. These are enforced, managed and reviewed\* by the Monitoring Officer and Chief Financial Officer in consultation with the Regulation Audit and Accounts Committee and supported by the Procurement Board (a group of senior officers).
14. In order to enable greater compliance, to make rules and procedures more accessible and simple to use so that business is discharged correctly and without undue effort a rationalization and simplification of the Council's constitution is underway for approval by the County Council in July 2018\*.

## **B. Ensuring openness and comprehensive stakeholder engagement**

### **Assured ✓**

The County Council exists to serve its residents and is dependent on a wide range of stakeholders for working effectively in partnership. Consultation and engagement mechanisms are in place. The County Council has clear decision-making processes and rules and procedures to enforce them which emphasise openness and transparency.

## ***Decision-making and Scrutiny***

15. The **County Council** is the ultimate decision-making body and the principal forum for political debate. The County Council takes decisions on the strategic aims that form the Policy Framework. It also determines the Council's budget following a process of member scrutiny. All County Council meetings take place in public and are web cast.
16. The Executive takes decisions on most matters of Council policy and service delivery. The non-executive responsibilities of the council are discharged through its **non-executive committees** as described in the Scheme of Delegation. The County Council appoints members to the four **select committees**, by which the Executive is held to account through member scrutiny. The Council has a proactive approach to effective scrutiny by engaging with the Cabinet to identify significant decisions or proposals to be previewed rather than questioned after the decisions have been made. All Scrutiny meetings take place in public and those of high public importance are webcast.
17. The Forward Plan describes all significant (key) decisions planned to be taken in the following four months and is published and updated at least monthly. The Constitution also prescribes the rules and constraints around urgent decisions (not notified in the Forward Plan) and the form and content of decision reports. The Forward Plan has recently been revised to provide a clearer format and similar revisions will be made to decision reports and the urgent action rules\*.
18. Decision-making operates within a process which presumes and promotes openness. Committees are held in public and executive decisions are published on a daily basis on the County Council's website. The Council uses an electronic notification system to automatically notify subscribers to meetings or actions by the Council in which they have expressed an interest. Agendas and reports for committee meetings are published at least five clear working days in advance. The use of powers to exempt information from publication or allow a committee to meet in private is minimised, being used when necessary and only after senior officer authorisation.
19. Decisions and agendas are held on the website for six years. Webcasts are available for up to six months of the County Council meetings and of major select committee and Planning Committee meetings.
20. **Communication to the public** is via the Council's website, in public meetings and through social media. A new website was launched in April 2015 and a drive for 'digital by design' (i.e. online services for residents) will be pursued as part of plans for service transformation and re-design to support our residents' needs.

## Stakeholders and Partnership

21. The County Council works with a range of **stakeholders**. This includes a range of public bodies, local authorities, the NHS and Sussex Police. Other tiers of local government are important partners in many areas of service delivery, strategic planning and community development. This comprises of our district and borough council partnerships throughout the County and town and parish councils in our district areas. There are both formal and informal forums in place for regular liaison with elected members and senior officers in the district and borough councils, including regular meetings of all of the leaders of the councils (West Sussex Leaders' Board) to discuss issues of common interest and regular meetings of all chief executives (West Sussex Chief Executive Board) in support of the Leaders' Board.
22. Regular meetings with other **partners**, most notably the Clinical Commissioning Groups of the NHS, are held at various levels and between Members and officers either with single organisations or multi-agency on operational, commissioning and service planning. For a number of years the Council has operated a joint service commissioning and pooled budget agreement with the NHS to cover a range of social care and NHS services. The principal forum for health and social care liaison and partnership, the **Health and Wellbeing Board** will be the subject of review and partnership development\*.
23. The County Council has set out its commitment to working in partnership with residents, businesses, communities, the voluntary and community sector and local authority partners through a number of initiatives. It has recently developed a set of Partnership principles with the voluntary sector for the commitment to more effective ways of working together, building stronger alliances and empowering joint action.
24. **County Local Committees** are an important forum where a group of local members of the County Council discuss local matters with residents and stakeholders. The eleven CLCs have executive decision-making powers delegated to them – mostly around highways matters, allocation of grant funding and recommendations for the appointment of school governors. As locally based evening public meetings, meeting three times a year, they are an important forum for community engagement. Future developments of the CLC format and their engagement with local residents and community groups will also enable them to act increasingly as community forums rather than simply a decision making body of local members.

## Consultation and engagement in West Sussex

25. The County Council wants to work with residents, businesses, communities, service users and partners to help prioritise what it does, to have a say over the approach and to get involved in delivery, implementation and change. This requires sound arrangements for engagement and consultation. A regular survey (What Matters to You) is completed to inform the County Council of our residents' priorities.

26. The Council uses a variety of ways to engage residents and other stakeholders - publications (printed and digital), press releases or social media to keep people informed of plans. A Council publication West Sussex 'Connections' magazine is published several times a year and mailed to every household in West Sussex. The Council uses various methods to seek people's views: questionnaires, public events, workshops, focus groups, satisfaction surveys, and feedback forms.
27. **Consultation and Engagement Quality Assurance** is a set of processes designed to ensure services are supported to plan and implement projects which are robust and produce reliable and valid data upon which decisions can be made. It includes methodological and ethical requirements and, before projects go live, services must seek advice and guidance to ensure they have Quality Assurance for consultation and engagement.

### Formal consultation

28. Formal consultation will generally only be undertaken where there is a statutory duty or legitimate expectation, and where there is a service or policy 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 are required to maintain open channels of communications with relevant stakeholder groups and representative bodies where relevant to service planning.
29. All formal public consultations are made accessible online using the 'Have Your say' consultation hub software which meets externally set ratings. They are also published on the County Council's webpages. Consultation materials are made available in different formats upon request to meet individual communication needs. The Council ensures compliance with the public sector equality duty.
30. 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 the Have Your Say Consultation webpage [here](#) as a means of closing the 'feedback loop' and increasing trust in decision-making processes.
31. Action is being taken to improve the effectiveness of assurance by\*:
  - Increasing awareness across the council of the Quality Assurance Process.
  - Identifying areas of sensitivity which may require greater attention.
  - Raising awareness of the benefits of pre-engagement before consultation.
  - Increasing knowledge and skills of analysis.
  - Introducing an online Quality Assurance application form.
32. The County Council has a **Petitions Scheme** describing how petitions from residents will be dealt with by the County Council. These enable a petitioner to speak with a cabinet member or a committee, or to the County Council if prescribed thresholds for signatures are reached. A

response is made to each petition, explaining what the County Council will or will not do in response.

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

#### Assured ✓

The County Council has clear arrangements to define outcomes and monitor performance. In setting policies and strategies, the County Council takes a long term view about outcomes, taking into account sustainable economic, social and environmental aims. A new West Sussex Plan has been prepared and adopted during the current year to the period 2021/22 and the Council is in the process of finalising the arrangements for performance monitoring and scrutiny.

33. The West Sussex Plan 2017-2022 outlines the priorities for the County Council and how they are to be assessed in terms of delivery measures. It was confirmed by the County Council in October 2017. The Plan has been developed by the Cabinet with the engagement of elected members and staff at all levels. Measures and targets have been developed in liaison with the Performance and Finance Select Committee.
34. The West Sussex Plan is embedded and implemented through the Directorate Business Planning process and arrangements for regular reports to the Cabinet and scrutiny committees and Executive Leadership Team. Performance monitoring is undertaken principally through the report called the Total Performance Monitor.
35. **Total Performance Monitor** - Detail of its use and the data monitoring and analysis undertaken by the Council's Intelligence and Insight Team are shown in section D. Active monitoring of performance is also undertaken through regular reviews of business plans and with all staff through the personal appraisal process.
36. The County Council's **Sustainability Strategy** was adopted in December 2015 as the Council's overarching strategy to help achieve sustainable outcomes. The Strategy recognises the value of the environment of West Sussex, and the social and economic benefits that enhancing the environment can bring. It also acknowledges that resources are limited, and that it needs to do all it can to deliver its services in an efficient and effective to ensure value for money.
37. The Strategy translates these commitments into actions across four 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.

38. The priority of embedding sustainability within the County Council is critical for the achievement of the West Sussex Plan objectives. The Sustainability Team has recently identified a number of significant and long standing barriers within the Council's culture and processes that are limiting the value being realised in terms of sustainability. It is believed that these barriers can be overcome, and the Council is investigating and planning interventions to address them\*.
39. The Council has a **Social Value Policy** which identifies and explains the benefits of ensuring that policies, business plans and critical service decisions and procurements consider and address their impact upon local communities, the local economy and the lives of residents and the places of the County. First adopted in 2015 a review and refresh of the policy is underway\*.

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

**Assured** ✓

The County Council takes decisions on interventions based on its published West Sussex Plan setting outcomes for services and defining actions and targets for achieving them. Proposed interventions are recorded through Directorate Business Plans for ensuring the achievement of intended outcomes within set timescales. More significant interventions through service or organisational transformation are considered and overseen by the Transformation Board chaired by the Chief Executive and lead to formal decisions approved by the Cabinet Members.

40. All Directorates establish maintain and monitor Business Plans which set out the actions required to meet the outcomes set by the Council's Plan and the targets measures and milestones used to manage their delivery.
41. The public facing **Performance Dashboard** provides details on progress on the key indicators of the West Sussex Plan. This is underpinned by the business assurance framework which, together with the corporate performance dashboard provide assurance that the Council's priorities are implemented in practice.
42. The **Total Performance Monitor** provides a regular overview of performance against the agreed priorities and tracks financial performance, to ensure that intended outcomes are kept in focus and expenditure controlled. The TPM focuses on the delivery of the following key areas:
- West Sussex Plan
  - Medium Financial Term Strategy and in-year budget
  - Culture and Workforce
  - Transformation programme

In light of a new West Sussex Plan and a need to better coordinate performance data the TPM will be the subject of a review in terms of format and presentation\*.

43. Decision reports provide the record of all significant decisions to implement service plans and spend are required to show the intended outcomes, the rationale for the proposal, implications for Council resources, other options considered, engagement or consultation undertaken, and how the proposal will achieve intended outcomes within available resources. They also record, for publication, the legal and constitutional requirements for the Council's spending and service commitments. Work will be completed to ensure the format for Decision Reports is fully aligned with any revisions to those requirements\*.
44. The Executive is supported by a number of officer boards chaired by senior officers to ensure oversight of strategic areas of Council business on behalf of the Executive Leadership Team. These boards co-ordinate projects and the resources or partnerships which support them as well as overseeing plans for the delivery of priorities at an officer level prior to member consideration. They comprise Boards to oversee capital programme planning, strategic procurement and partnerships. Additional governance for delivering the capital programme and the decisions to deliver schemes is also well established. The Transformation Board, chaired by the Chief Executive, approves and drives projects for service improvement through change or re-design.

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

##### **Assured ✓**

Officers are expected to have a clear sense of their purpose, roles and responsibilities in line with the Council's vision and the suite of policies and processes which support it. A system is in place to ensure that all elected members have a similar understanding of their roles and responsibilities when appointed or elected to particular positions within the Council. Officers and members have access to information, guidance and training to enable them to discharge their roles.

The Chief Executive and the Executive Leadership Team manage the County Council's workforce, skills and resource planning. All officers are expected to have their performance monitored and their development needs identified and addressed. Specific attention is paid to programmes for leadership development.

Members are expected to be able to fulfil the expectations and demands of their roles as local member and of those to which they may be appointed. Members are also expected to meet the expectations for development, knowledge and awareness as set by the Council's Member Development Group.

45. Arrangements for the County Council's member appointments to specific roles are open and set out in the Constitution. The Council elects the Leader who decides the composition and responsibilities of the Cabinet. The Council makes appointments to all committees. All terms of reference are published.
46. **Member roles** – Executive and non-executive roles are defined and published within the constitution and as part of the Members' Information Network database (the Mine). The member induction and training programmes cover these. All member development sessions have content and attendance recorded and quality and benefits reviewed.
47. The knowledge and development needs of members are identified and addressed through a cross-party **Member Development Group**. This group reports to the Governance Committee and oversees the delivery of a planned programme of development sessions to meet identified member training needs, taking into account members' views on priorities through surveys and feedback.
48. A full induction programme was designed and implemented after the May 2017 elections. This covered members' strategic and local community roles, scrutiny skills, as well as specific training on the Code of Conduct, safeguarding and corporate parenting. More tailored induction was provided for members in specialist roles, including new members of the Executive and of Planning Committee, Pensions Panel and the Staff Appeals Panel. A review of the Induction Programme was undertaken by the Member Development Group four months after the elections, indicating that the programme had successfully provided members with the training required to carry out their role. Suggestions for improvement will be taken into account for future induction programmes.
49. Specialist training is given to members according to the roles they carry out. This includes training for Cabinet Members (the executive), scrutiny, members of the Regulation, Audit and Accounts Committee and the Pensions Panel and Staff Appeals Panel. Disclosure and Barring Checks have been carried out on all members since the May 2017 election. Enhanced DBS checks are carried out for members in adults and children's services related roles.

## **Officers**

50. 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. Other critical statutory and leadership roles and their responsibilities are described in the Council's scheme of delegation. All Directors and Executive Directors are required formally each year to give assurance as to their compliance with a range of requirements and expectations of them as senior leaders within the Council.
51. The leadership structure was last reviewed by the Governance Committee in November 2016, in light of the recommendations of the Chief Executive

- and has remained stable since then. The Monitoring Officer and Chief Financial Officer have a place on the Executive Leadership Team, which also comprises the three executive directors in addition to the Chief Executive and the Director of HR and Organisational Change. The Director of Public Health regularly attends the ELT to ensure that public health is embedded across the services of the County Council and its partnerships.
52. All levels of management within the Council have a designated role profile and these profiles are accessible via the Council's intranet (the Point). Officers are given copies of their roles on appointment and are supported through induction training, their 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.
53. Personal development priorities are agreed through an appraisal process and training is available through an online learning system. The 'Manager Expectations' and 'Employee Expectations' documents were widely cascaded in September 2016 to set out the Council's expectations of officers. The Value Centred Leadership Programme was delivered to all senior managers.

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

##### **Assured ✓**

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

54. The Constitution sets out the rules to ensure robust internal control over the Council's finances. The system and arrangements for performance management and budget monitoring demonstrate sound internal monitoring and control.
55. 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 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.' A continuous review is maintained and currently planned revisions to Financial Regulations and Procedures will be presented to the Regulation Audit and Accounts Committee\* .

56. Each Director is required to conduct a full review of internal governance systems for their area of responsibility, through an assurance mapping process. The 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 directorate. These include actions for improvement. From both sources, significant governance implications are included in the Statement's action plan (this document).
57. The officer scheme of delegation is critical for the effectiveness of controls over spending and performance. It is kept under review by the Director of Law and Assurance. Directors are required to ensure and confirm 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 the operation of delegations and the need to continually review them.
58. 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, 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 Director of Law and Assurance is responsible for ensuring the effectiveness of the internal assurance arrangements and the implementation of actions identified by those arrangements. 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 audit arrangements which support and reinforce financial controls and assurance are fully addressed in section G below.
59. The **Risk Management Strategy** is set out in the Constitution (Part 4 section 4) and describes the allocation of responsibilities between senior officers and elected members. It also summarises the system the Council has adopted for identifying and categorising corporate risk. The operation of the scheme and issues arising are reported quarterly to the Regulation, Audit and Accounts Committee as part of the regular reporting on the effectiveness of risk management arrangements. That Committee is responsible for reviewing the effectiveness of the Council's risk management arrangements.
60. There is a separate requirement for material risks connected with proposals, policies and spending decisions to be formally identified with actions taken to manage such risks in all recorded and published decision reports.
61. Risk management has been reviewed and changes made to procedures to ensure that risk management is undertaken through robust directorate systems including the business planning process\*. A Risk Manager was appointed during 2017/18 to lead on risk and improve the recording, management and monitoring of risk across the County Council. This post reports to the s.151 Officer who carries the operational officer

responsibility for risk management. The Chief Executive is accountable to the Council for the effectiveness of risk management.

### **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 the Forward Plan of key decisions, of agendas and reports of its meetings and those of its committees and of its key decision reports on the website and the prominence given to reporting and enforcing of audit recommendations through the Regulation, Audit and Accounts Committee which meets in public.

62. All meetings of the Council and of the committees which discharge executive, non-executive or scrutiny functions take place in public and have their reports and minutes published on the Council's website. Cabinet Member and Committee decisions, agendas and reports are published on the website and are available to the press and public. This is driven by the publication of the Forward Plan of key decisions. A limited number of reports are considered in private session only when the subject meets the criteria. A summary of these is published.

#### **Review and Audit**

63. 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 for the timely implementation of audit recommendations.
64. Internal Audit provides an annual appraisal of key financial systems through routine compliance testing and undertakes a number of audit reviews within service departments in accordance with the audit plan. This includes adherence to established policies, procedures, laws and regulations. These are reported to the Regulation, Audit and Accounts Committee. 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.
65. The Head of Internal Audit reports 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. Internal Audit is provided through an arrangement with Hampshire County Council, giving greater resilience and capacity for this function.

66. Specific issues of performance or effectiveness in particular areas of critical service delivery or council governance have been raised during the year's internal audit work and have been summarised in the annual audit being completed alongside this Governance Statement. This includes areas where limited or no assurance has been given. To the extent that the findings and recommendations are relevant to matters not otherwise covered in this Statement they are set out here and captured as part of the action plan to ensure alignment with the actions addressing issues of governance and internal process. They include:

**Adults Services** – a range of key service obligations and qualitative measures identified in a recent peer review of the service. A separate audit focused on the policies, procedures and delivery of the service which considers a particular vulnerable service user group in relation to Deprivation of Liberty Safeguards (DOLS).

**Procurement** - an issue regarding assurance as to regulatory compliance.

**Business Resilience** – issues relating to business continuity systems, consideration of key contracts and suppliers and the arrangements for testing and ensuring compliance with policies and procedures especially for business critical systems.

### **Main Governance Issues for action or to note**

67. 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 2018/19. The main governance issues identified are as follows

#### **Principle A – Integrity and compliance**

- Aligning officer Codes of Conduct with HR policies and procedures
- A refresh of the Whistleblowing policy
- Completion of a revised set of policies processes and systems to manage data protection and security
- Review of effectiveness of system for recording officer interests
- To review and revise Standing Orders on Contracts and procurement
- Revision to form, clarity and accessibility of Constitution

#### **Principle B – Openness and Stakeholders**

- Revision of the Forward Plan format
- Review to structure and effectiveness of Health & Wellbeing Board
- Consultation Q&A system effectiveness review

#### **Principle C – Sustainability**

- The actions to embed the priorities of the Sustainability Strategy
- To update the Council's Social Value Policy

## **Principle D – Optimising Interventions**

- Review of the form and presentation of the Total Performance Monitor
- Refresh of formal decision report format

## **Principle E – Capacity and Capability**

- No identified issues in 2017-18

## **Principle F – Risk and Performance Management**

- A review of the Risk Management system and recording process
- Review and update of Financial Regulations and Procedures
- Adults Services – audit and Peer review actions
- DOLS – internal audit recommendations
- Business Resilience – internal audit recommendations
- Procurement – regulatory compliance check

## **Principle G - Transparency and Accountability**

- No identified issues in 2017-18

An action plan is attached at part of the Appendix (final column), which sets out how the Council will address governance issues in the year ahead. We are satisfied that these actions will deliver the improvements necessary and we will continue to monitor, evaluate and report on progress as part of our next annual review.

**Louise Goldsmith**  
**Leader of the Council**  
**July 2018**

**Nathan Elvery**  
**Chief Executive**  
**July 2018**

## Appendix A

## Sources of Assurance and Actions

### Key:

CAFH&E = Children, Adults, Families, Health & Education

CIPFA = The Chartered Institute of Public Financing & Accounting

FPP = Finance, Performance and Procurement

HR&OC = Human Resources & Organisational Change

L&A = Law and Assurance

MDG = Member Development Group

RAAC = Regulation, Audit and Accounts Committee

SOLACE = Society of Local Authority Chief Executives

**Table of assurance for Principle A: Integrity and Compliance**

Source of assurance	Where found	Who is responsible	Role	last review/ action planned*
Constitution	Web and Intranet	County Council and Director L&A	To provide single source of rules and procedure for lawful sound business and meeting management.	April 2014. Standing Orders reviewed in March 2015. Minor updates at most meetings of the County Council. Major technical review underway, due to be considered at County Council in July 2018. The aim is to simplify content and make the Constitution easier to navigate and use *
Codes of Conduct	Constitution	Standards Committee & Director L&A	Define standards of behaviour and systems to enforce	Members - July 2012. The Standards Committee reviewed the Code in 2017, agreeing that it remained fit for purpose for the new Council. Officers code reviewed by County Council December 2015 Work to align with updated HR procedures 2018*
Whistleblowing (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. Refresh and awareness raising action for 2018*
Anti-fraud and corruption strategy	Constitution	RAAC & Head of Internal Audit	Statutory obligations recorded and enforced	November 2015. Reviewed every 3 to 5 years. No action for 2018
Anti-bribery policy	Constitution	Director L&A	Statutory obligations recorded and enforced	November 2015. Reviewed every 3 to 5 years. No action for 2018
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 2017. Quarterly reminders are issued to members asking them to review their entries. This was last done in January 2018.
Register of Officer Interests	Website	Director L&A	Record of financial and possible conflicting business interests	October 2016. New system for record on sharepoint from March 2017. Will draw from that for publication Review system 2018*

**Table of assurance for Principle A: Integrity and Compliance**

Source of assurance	Where found	Who is responsible	Role	last review/ action planned*
Corporate Complaints Policy	Website	Chief Executive Standards Committee	Describes mechanism for handling all complaints.	End 2013. Part of customer experience review 2015. Complete system review completed 2017/18 Standard Committee review June 2018*
Staff Discipline policy	Intranet	Director HR&OC	Defines rules and procedures	January 2013 Review planned for 2018*
Data Protection Policy	Intranet	Director FPP	Defines rules and procedures	Underway to May 2018. Revised in readiness for the new Data Protection regime. *
Freedom of Information policy	Intranet	Director L&A Director of Communities	Defines rules and procedures	October 2012 No action planned
Data Security & Accepted Use Policy	Intranet	Director FPP	Defines rules and procedures	September 2014 No action planned
Standing Orders on Procurement and Contracts	Constitution	Director L&A	To prescribe the rules for all contracts and procurement activity	Full review undertaken 2015 to ensure compliance with new EU Directive. RAAC approved the new Orders in November 2015, (implemented January 2016. Review and refresh May 2018*
Procurement Board	Intranet	Director FPP	To manage and plan strategic procurement	Procurement Pipeline in place. Contract management plans in review* Move to programme management approach in preparation*

**Table of Assurance for Principle B: Openness and Stakeholders**

Source of assurance	Where found	Who is responsible	Role	last reviewed/ action planned*
Scheme of Delegation	Constitution	County Council & Director L&A	To fully define who takes what decisions and how and how recorded.	October 2017. The Chief Executive has authority to move delegations between officers and amend the officer structure. A resulting revised officer scheme of delegation was issued. Revised guidance and system for onward delegation implemented April 2018.
Forward Plan	Web site	Director L&A	Describes all planned key decisions for next 4 months	July 2014. Minor change in 2017 to make the plan reflect the West Sussex Plan priorities. Revision due in 2018 to improve consultation section and make easier to navigate. *
Protocol on decision making	Constitution	Director L&A	Describes arrangements for sound decisions.	June 2014. Minor revisions at County Council meetings since then. Revised as part of the technical review of the Constitution in 2018. *

**Table of Assurance for Principle B: Openness and Stakeholders**

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/ action planned*</b>
Select Committee business planning	Select Committee reports	Performance and Finance Select Committee, Scrutiny Manager	Records planned scrutiny work.	Continuous with annual work programme published.
Connections, public consultation, website, community liaison forums	'Have your Say' consultation hub, Website & Press releases	Head of Comms and Engagement	Communication to public	New website launched in April 2015. New Consultation Hub launched October 2015. No action planned
Consultation Q&A system	Intranet	Chief Executive	Provide system and guidance for service consultation	Overhaul 2015. Current review to ensure good use and ease of access*
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.
Health and Wellbeing Board arrangements	Constitution	Director of Public Health	Process and system for strategic joint business and service planning	2015. Current work to review and agree new arrangements*
West Sussex Compact and Partnership Principles	Website	Director of Communities	Communication to partners	Partnership principles recently settled with the VCS, district and borough councils and the NHS. Adopted May 2018*

**Table of Assurance for Principle C: Sustainability**

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/ action planned*</b>
West Sussex Plan	Council website <a href="#">here</a>	Cabinet & Director FPP	Describes the measure and targets for key corporate service aims	The County Council agreed the new Plan in October 2017. Annual Report for future years.
Social Value Policy	Website	Director FPP	Sets expectations for social economic and community benefits of council business	2013 Current refresh underway*
Sustainability Strategy	Council website <a href="#">here</a>	Director of Energy Waste and Environment	Sets what we need to do become a sustainable organisation, and the Council's commitment to Sustainability	The Strategy approved 2015. The Action Plan for the Strategy is reviewed annually. Plan to achieve more effective compliance 2018*

### ***Sources of Assurance for Principle D: Optimising Interventions***

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed/ action planned*</b>
Total Performance Monitor	P&FSC agenda website	Director FPP	Reviews financial and operational performance	Reviewed by member group in September 2014. Task and Finish Group planned for 2018 to review format.
Executive Decision Database Decision Reports	Website	Director of L&A	Each decision report evidences options considered, consultation undertaken and other evidence that led to the decision taken.	2014. Being reviewed as part of the implementation of a new document management system Modern.Gov in September 2018.* Review of decision report format as part of Constitution review for July 2018*
Business Plans	Space	All Directors	Record of actions and objectives for delivery of West Sussex Plan	Annual.
Executive Officer Boards	Intranet	Executive Leadership Team	Manage strategic business delegated to officers	In place 2017
Capital Programme Governance	Constitution	County Council	Provide sound systems for managing and delivering capital programme	Approved by County Council 2017

### ***Sources of Assurance for Principle E: Leadership Capability***

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed</b>
Scheme of delegation	Constitution	Governance Committee Chief Executive Director L&A	Formal allocation of key roles and functions, including Statutory Officer and senior officer roles	October 2017 and onward delegations April 2018. Most decision-making at officer level is now taken at director level. More Forward Plan entries for Directors
Budget, including medium term financial strategy	Council agenda	County Council Director FPP	To agree a sound budget and financial strategy.	February 2018
Member Development Programme	Held by Director L&A Member Information Database	Governance Committee & Director L&A & MDG	Plan and record all member training.	Continually by MDG (sub-group of Governance). The operation of the MDG last reviewed by the Governance Committee in March 2015 to improve its strategic focus.
Human Resources policies	Intranet	Director HR&OC	Describe all officer duties, rules and requirements.	Continually through HR arrangements and work plans. new induction programme
Staff role profiles	Intranet	Heads of Service	Describe all officer roles	Updated as roles change.

### **Sources of Assurance for Principle E: Leadership Capability**

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed</b>
Member Induction Programme	Intranet	Member Development Group Director L&A	To determine the content of the programme	Major induction programme planned and implemented for May 2017 election. No action 2018
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 2017 election and to any members newly appointed to relevant roles. Additional ad hoc training carried out as required. Annual training is carried out for the Appeals Panel.
Officer Appraisal System	Intranet	Director HR&OC & all Directors for delivery	To keep records of performance and development	Full review undertaken with a user group in 2015. Implemented in June 2016. Training for all managers place during 2016/17.
Performance Management Policy	Intranet	Director HR&OC	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: Risk and Performance**

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed</b>
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 was implemented in 2016/17. Refresh for 2017/18
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.
Risk Management Strategy	Constitution	Chief Executive	Strategic aims and objectives for corporate risk management	Approved by RAAC 2016
Risk Management systems	RAAC agenda	Director FPP	Operational systems for meeting RM strategy aims	Last review 2016 Review of form and content and system for action monitoring underway*
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. Internal Audit service re-designed

				and let to Hampshire CC February 2018
Total Performance Monitor	P&FSC papers on website	Director FPP	Reviews financial and operational performance	Last Reviewed by member group 2014. Task and Finish Group 2018 to review format*.
Treasury Management Strategy	Council agenda	Director FPP	To agree a sound strategy and thereby minimise financial risks relating to borrowings and investments.	December 2017
Financial Regulations and Procedures	Constitution	Director of FPP Governance Committee	To prescribe the rules for all financial transactions	March 2015 Review and revisions due June 2018*
Resilience and Emergency arrangements	Intranet	Director of Public Protection	To provide safe systems and procedures to manage local and civil emergencies	Audit reviews 2017 and 2018. Action plan being implemented*

### ***Sources of Assurance for Principle G: Audit and Transparency***

<b>Source of assurance</b>	<b>Where found</b>	<b>Who is responsible</b>	<b>Role</b>	<b>last reviewed</b>
Audit Function	Constitution	RAAC Director FPP	To manage and ensure the effectiveness of Audit.	Annual internal quality review (due June 2018) External review is required every five years (due March 2020)
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 16/17 accounts