Annual Governance Statement

2015-16

Wiltshire Council

Where everybody matters

DRAFT 9 (18.07.16)

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A.   <u>Scope of Responsibility</u>

1. Wiltshire Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

2. In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, including the management of risk, and facilitating the effective exercise of its functions.

B.   <u>The Purpose of the Governance Framework</u>

3. The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and the activities through which the Council accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

4. The system of internal controls are designed to manage risk to a reasonable level. They cannot eliminate all risk of failure to achieve aims and objectives but can only provide reasonable and not absolute assurance of effectiveness. The governance framework is designed to:

    a. identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;
    b. evaluate the likelihood of those risks being realised;
    c. assess the impact of the risks if they are realised;
    d. manage the risks efficiently, effectively and economically.

5. The framework also provides a mechanism for monitoring and implementing a system of continuous governance improvement.

6. The governance framework has been in place at the Council for the year ended 31 March 2016 and up to the date of approval of the Statement of Accounts for 2015/16.

C.   <u>The Governance Framework</u>

7. The Council's governance framework comprises a broad range of strategic and operational controls, which work together to ensure the sound operation of the Council. The key elements are summarised below.

8. Documents referred to are available from the Council or may be viewed on the Council's website (www.wiltshire.gov.uk).

9. The review of the Council's governance arrangements, through the Annual Governance Statement, is in accordance with CIPFA/Solace guidance Delivering Good Governance in Local Government, Delivering Good Governance in Local Government, Addendum 2012.

Purpose and Planning

10. In September 2013 the Council adopted a Business Plan for 2013-17 with the following priorities:

    • to protect those who are most vulnerable;
    • to boost the local economy – creating and safeguarding jobs; and,
    • to support and empower communities to do more for themselves.

11. These priorities serve to deliver the council's vision to create stronger and more resilient communities.

12. The Business Plan is supported by a Financial Plan, which demonstrates how it will be funded. The management of the Council's strategic risks helps achieve the Council's objectives.

Policy and Decision-Making Framework

13. The Council's Constitution provides the framework within which the Council operates. It sets out how decisions are made and the procedures which must be followed to ensure that these are efficient, effective, transparent and accountable.

14. The Constitution defines the role and responsibilities of the key bodies in the decision-making process - the Council, Cabinet, and Committees.

15. The Council's Health and Well-being Board is a committee of the council with a strategic leadership role in promoting integrated working between the council and the NHS, and in relation to public health services. It is the key partnership and focal point for strategic decision making about the health and well-being needs of the local community. The terms of reference for the Health and Well-being Board may be found at http://cms.wiltshire.gov.uk/mgCommitteeDetails.aspx?ID=1163

16. The Wiltshire Police and Crime Panel reviews and scrutinises decisions of the Police and Crime Commissioner. The Panel is a joint committee with Swindon Borough Council, comprising elected members from both councils and two co-opted voting independent members.

17. The Constitution is reviewed on an ongoing basis by the Monitoring Officer and the Standards Committee through its Constitution Focus Group to ensure that it reflects changes in the law and remains fit for purpose.

18. The Leader and Cabinet are responsible for discharging the executive functions of the Council, within the budget and policy framework set by the Council.

19. The Council publishes a Forward Work Plan once a month giving details of all

matters anticipated to be considered by the Cabinet over the following 4 months, including items which constitute a key decision.[1]

20. Schemes of Delegation are in place for Cabinet Committees, Cabinet Members and Officers to facilitate efficient decision-making.

21. The Council has established 18 area committees known as Area Boards. Each area board exercises local decision making under powers delegated by the Leader.

22. The Council's overview and scrutiny arrangements consist of an Overview and Scrutiny Management Committee supported by 3 select committees:

- Health (including the NHS, public health and adult social care)
- Environment (including highways, waste and transportation)
- Children (including education, vulnerable children, youth services and early years)

23. The management committee co-ordinates the work of the select committees and also covers internal services such as finance, performance, staffing and business planning. Most overview and scrutiny work is done by small groups of elected members who meet to review single issues in detail. Interested parties are often invited to contribute to this work. The group then produces a report presenting their findings and recommendations to the cabinet and others as necessary on how the issue or service could be improved.

24. Rapid scrutiny exercises provide the opportunity to be able to react more readily to issues as they emerge.

25. Scrutiny member representatives can also be appointed to boards of major projects to provide challenge. Partners and contractors also contribute to the scrutiny process.

26. These arrangements serve to hold the Cabinet, its Committees, individual Cabinet Members and officers to public account for their executive policies, decisions and actions and serves to make sure that decisions are taken based on sound evidence and are in the best interests of the people of Wiltshire.

27. The Standards Committee is responsible for:

- promoting and maintaining high standards of conduct by Members and Officers across the Council;
- determination of complaints under the Members' Code of Conduct;
- oversight of the Constitution, overview of corporate complaints handling and Ombudsman investigations, and the whistle blowing policy.

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[1] 'Key decisions' are defined in Paragraph 9 of Part 1 of the Constitution. They include any decision that would result in the closure of an amenity or total withdrawal of a service; any restriction of service greater than 5%; any action incurring expenditure or producing savings greater than 20% of a budget service area; any decision involving expenditure of £500,000 or more,(subject to certain exceptions), any proposal to change the policy framework; any proposal that would have a significant effect on communities in an area comprising two or more electoral divisions.

28. The Council has adopted a Code of Conduct for Members and established arrangements for dealing with complaints of under the respective code of conduct for Wiltshire unitary and parish councillors.

29. The Council has in place arrangements for considering complaints made about the conduct of the Police and Crime Commissioner for Wiltshire.

30. The Audit Committee is responsible for:

- monitoring and reviewing the Council's arrangements for corporate governance, risk management and internal control;
- reviewing the Council's financial management arrangements and approving the annual Statement of Accounts;
- focusing audit resources;
- monitoring the effectiveness of the internal and external audit functions;
- monitoring the implementation of agreed management actions arising from audit reports.

31. The Wiltshire Pension Fund is overseen by the Wiltshire Pension Fund Committee. This Committee has its delegated power from the full Council, rather than the Executive (Cabinet), so as to avoid any conflict of interest (e.g. in relation to the setting of employer contributions).

32. This Committee is responsible for all aspects of the fund, including:

- the maintenance of the fund;
- preparation and maintenance of policy, including funding and investment policy;
- management and investment of the fund;
- appointment and review of investment managers;
- monitoring of the audit process.

33. The Wiltshire Pension Fund Committee exercises its responsibilities in relation to investment management when it sets investment policy and appoints/monitors external investment managers.

34. The Council has established a Local Pension Board in accordance with new statutory requirements. The purpose of the Board is to assist the Council as the administering authority in its role as scheme manager for the Local Government Pension Scheme and to ensure the effective and efficient governance and administration of the Scheme. The terms of reference for the Local Pension Board may be found at http://cms.wiltshire.gov.uk/ieListMeetings.aspx?CId=1280&Year=0

35. The Council appoints an Independent Remuneration Panel when required to advise and make recommendations to the Council on the setting of member allowances in accordance with the Local Authorities (Member Allowances)(England) Regulations 2003.

36. A new governance and assurance framework has been developed to underpin the

delivery of the Wiltshire and Swindon Strategic Economic Plan (SEP) by the Swindon and Wiltshire Local Enterprise Partnership (SWLEP) and to enable Wiltshire Council to fulfil its responsibilities as the Accountable Body. The framework includes an executive Strategic Joint Economic Committee with Swindon Borough Council to provide local democratic accountability for the delivery of the SEP and a Joint Scrutiny Task Group.

Regulation of Business

37. The Constitution contains detailed rules and procedures which regulate the conduct of the Council's business. These include:

   • Council Rules of Procedure
   • Budget and Policy Framework Procedure
   • Financial Regulations and Procedure Rules
   • Procurement and Contract Rules
   • Members' Code of Conduct
   • Officers' Code of Conduct
   • Corporate Complaints Procedure

38. The statutory officers - the Head of Paid Service (see note [2] below), the Solicitor to the Council/Monitoring Officer and the Chief Finance Officer have a key role in monitoring and ensuring compliance with the Council's regulatory framework and the law. The statutory officers are supported in this role by the Council's HR, legal, governance and democratic services, finance and procurement teams, and also by the internal audit service.

39. Internal Audit services in Wiltshire are provided through a partnership with South West Audit Partnership.

40. The following bodies have an important role in ensuring compliance:

   • Audit Committee
   • Overview and scrutiny management and select committees and task groups
   • Standards Committee
   • Internal Audit
   • External Audit and Inspection Agencies.

41. The Council has a Corporate Fraud Team, which is delivering an ambitious three year plan that underpins the Council's strategic approach to tackling fraud in accordance with the Corporate Fraud Strategy agreed in 2014-15. Key risk areas covered by the plan include housing tenancies; council tax discounts; blue badges; payroll; personal payments and procurement.

42. Criminal prosecutions are an important part of the Council's counter fraud strategy as they serve both to deter offenders and reinforce a culture of zero tolerance to fraud.

43. The Council's Governance Assurance Group comprises senior officers with lead responsibility for key areas of governance, together with an elected member who is a

member of the Audit Committee. Other officers and members attend by invitation to provide the Group with information about issues on which it is seeking assurance. Officers can also bring any concerns about the Council's governance arrangements forward to the Group for consideration.

44. The Governance Assurance Group meets monthly and has a forward work plan. It is responsible for gathering evidence for and drafting the Annual Governance Statement. It identifies any potential significant governance issues throughout the year, and seeks assurance on the effectiveness of measures to address these. It has a key role in promoting and supporting sound governance across the organisation and reports as required to the Corporate Leadership Team. [2]

Management of Resources, Performance and Risk

Financial Management

45. Financial management and reporting is facilitated by:

- Regular reports to Cabinet on the Council's Revenue Budget, Housing Revenue Account, Capital Programme and on Treasury Management;
- Regular review by the Corporate Leadership Team;
- Regular consideration of these reports by the Financial Planning Task Group;
- Budget monitoring by Service Managers;
- Compliance with the Council's Budgetary and Policy Framework; Financial Regulations and Financial Procedure Rules;
- Compliance with external requirements, standards and guidance;
- Internal and external audit;
- Publication of Statement of Accounts;
- Overseeing role of the Audit Committee.

46. The Council's financial management arrangements are consistent with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government, issued in 2010 and revised 2015.

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[2] The Corporate Leadership Team comprises the three Corporate Directors, supported by the Chief Finance Officer / Section 151 Officer, Solicitor to the Council / Monitoring Officer, Associate Director People and Business Services, the Associate Director of Communities and Communications and the Associate Director Corporate Function, Procurement and Programme Office. The statutory role of Head of Paid Service is rotated between the three corporate directors every four months.

Performance and Risk Management Reporting

47. At the heart of the Business Plan is the vision to *create stronger and more resilient communities*. It sets out how we plan to achieve this and outlines our key priorities:

    •   Protect those who are most vulnerable;
    •   Boost the local economy – creating and safeguarding jobs;
    •   Support and empower communities to do more for themselves.

48. Measuring success is about how we will know we are performing well and moving in the right direction to achieve our vision and priorities.

49. Measures and activities captured as part of the strategic performance framework demonstrate progress against the objectives set out in the Business Plan. These are monitored along with the strategic risk register by the Corporate Leadership Team, Cabinet and Overview & Scrutiny on a quarterly basis. The Citizen's Dashboard provides a more engaging and informative means of publishing activity and prevalent metrics and making links with the Business Plan. This may be found on the Council's web site at http://services.wiltshire.gov.uk/CitzDash/CitizenDashboard/MainReports A copy of the most recent report to Cabinet on this may be found at http://cms.wiltshire.gov.uk/documents/g10264/Public%20reports%20pack %2014th-Jun-2016%2009.30%20Cabinet.pdf?T=10

50. This reporting framework is underpinned by the *Strategic Performance and Risk Management Board* which takes the strategic lead on the development and management of the corporate planning cycle, including the organisation's approach to business planning and the monitoring of performance against the objectives outlined in the Business Plan.

51. The Board is supported by the *Operational Performance and Risk Management Group*, which provides the operational perspective in the refining of the performance and risk frameworks and acts as the conduit for embedding the Council's approach to performance and risk within service areas.

52. Risk management is a central component of the Council's governance framework. Whilst risks are identified and monitored at service level, the Strategic Performance and Risk Management Board takes the strategic lead on the development and management of the Council's Risk Management Strategy and ongoing monitoring of key strategic risks. The Board receives quarterly updates on the strategic risk register.

53. The diagram below demonstrates the cycle of managing risk.
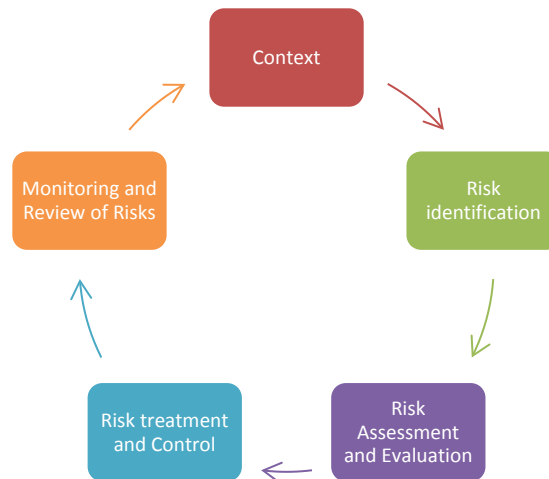
54. The risks associated with major projects are managed through project management arrangements with regular reporting to the relevant boards and member bodies.

55. The Council's Business Continuity Policy provides a framework to maintain and develop business continuity arrangements at both corporate and service levels. It sets out the responsibilities of different management levels and groups as part of this process.

Internal Audit

56. The main role of Internal Audit is to provide an independent and objective opinion on the Council's control environment.

57. Internal Audit has the following additional responsibilities:

- providing support to the Chief Finance Officer in meeting his responsibilities under Section 151 of the Local Government Act 1972, to make arrangements for the proper administration of the Council's financial affairs;
- investigating any allegations of fraud, corruption or impropriety;
- advising on the internal control implications of proposed new systems and procedures.

58. The annual Internal Audit Plan is based on an assessment of risk areas, using the most up to date sources of risk information, in particular the Council's Corporate and Service Risk Registers. In addition, publications outlining local government new and emerging risks are also scrutinised. In order to build upon the assurance mapping process undertaken for 2015/16 as part of our Healthy Organisation (HO) Programme, part of the 2016-17 Audit Plan has been

derived from the outcome of our corporate and HO themed reviews. Once drafted, the Audit Plan will be agreed with Corporate Directors, and then presented to the Audit Committee for agreement and final approval. Furthermore, the Audit Committee receive reports of progress against the Audit Plan each quarter. The Internal Audit Annual Report also summarises the results and conclusions of the audit work throughout the year, and provides an audit opinion on the internal control environment for the Council as a whole.

External Audit and Inspections

59. The Council is subject to audit by its external auditors, KPMG LLP, specifically in relation to the Council's financial statements and the arrangements to secure value for money (VFM) in the use of resources. On occasion, it is also subject to reviews by statutory external inspection agencies such as OFSTED, the Care Quality Commission (CQC) and the Information Commissioners Office (ICO). Additionally, the Council seeks to obtain independent overviews on its performance through the peer review process facilitated by the Local Government Association (LGA).The outcomes of external audit work and inspections are used to help strengthen and improve the Council's internal control environment and help secure continuous improvement.

Review of Governance Arrangements within Directorates

60. Associate directors are required to review the governance arrangements within their directorate as part of the service planning process. Any significant governance issues identified are included in Section E of this Statement.

Monitoring Officer

61. The Monitoring Officer has not made any adverse findings in the course of the exercise of his statutory responsibilities.

D.   Review of Effectiveness

62. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of officers within the Council who have responsibility for the development and maintenance of the governance environment, the Council's internal audit function, and also by reports of external auditors and other review agencies and inspectorates.

63. The key principles of corporate governance are set out in the Council's Code of Corporate Governance as follows:

- Focusing on the purpose of the Council and on outcomes for the community, creating and implementing a vision for the local area;
- Engaging with local people and other stakeholders to ensure robust public accountability;
- Ensuring that members and officers work together to achieve a common purpose with clearly defined functions and roles;
- Promoting high standards of conduct and behaviour, and establishing and articulating the Council's values to members, staff, the public and other stakeholders;
- Taking informed, risk based and transparent decisions which are subject to effective scrutiny; and
- Developing the capacity of members and officers to be effective in their roles.

64. The effectiveness of the Council's corporate governance framework is assessed against these six principles.

Focus on the purpose of the Council and on outcomes for the community, creating and implementing a vision for the local area

65. The Council's vision and priorities are set out in its Business Plan 2013-2017. This is consistent with the long term priorities that are set out in the Community Plan 2011-2026.

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

66. The development of Wiltshire's area boards has played a key role in ensuring robust public accountability and democratic engagement in Wiltshire. The devolved governance arrangements are set out in the Council's Constitution.

67. The Council monitors the performance of the area boards in a number of ways:

- Public reporting on all issues and grant applications referred to the boards through online systems;
- Periodic scrutiny reviews and audit of financial arrangements;
- Feedback received following events;
- An annual satisfaction survey of people attending area board meetings;
- The Area Boards self evaluation process;

68. The Council seeks to align the resources delegated to area boards with the needs of local communities and to assess the impact of its devolved governance arrangements through the Joint Strategic Assessment process.

This involves the prioritisation of issues by the local community, action and resource allocation by the area boards and the use of the boards' collaborative influence to initiate community-led action in the area.

69. Wiltshire's Health and Wellbeing Board continue to build on the findings of the positive peer review conducted in autumn of 2014 and have implemented recommendations to hold a series of informal meetings focusing on tricky issues and to refresh the Joint Health and Wellbeing Strategy. In March 2016, Wiltshire won the Effective Health and Wellbeing Board category at the LGC Awards. The judges commented that the Board "exhibited strong leadership in depth of the health and wellbeing agenda, combining a focus on clear strategic goals and a highly effective front line delivery".

Ensuring that councillors and officers work together to achieve a common purpose with clearly defined functions and roles

70. The Constitution sets out clearly the roles and responsibilities of Councillors and Officers in the decision making process.

71. The Council has adopted a Councillor and Officer Relations Protocol which:

   • outlines the essential elements of the relationship between councillors and officers;
   • promotes the highest standards of conduct;
   • clarifies roles and responsibilities;
   • ensures consistency with the law, codes of conduct and the Council's values and practices; and
   • identifies ways of dealing with concerns by councillors or officers.

Promoting high standards of conduct and behaviour, and establishing and articulating the authority's values to members, staff, the public and other stakeholders

72. All staff are required to meet high standards of ethical conduct under the Officers' Code of Conduct.

73. The Council has a Code of Conduct for Officers which is underpinned by a behaviours framework. This framework clearly articulates the behaviours expected of council officers, and is explicitly referred to in recruitment and performance appraisal processes.

74. The Council is reviewing the Code of Conduct for Councillors to ensure that it is effective in promoting high standards of conduct.

Internal Audit

75. Internal Audit represents an important element of the Council's internal control environment, and to be effective it must comply with the International

Professional Practices Framework of the Institute of Internal Auditors, further guided by interpretation provided by the Public Sector Internal Audit Standards which lays down the mandatory professional standards for the internal audit of local authorities.

76. The Internal Audit Annual Report and Opinion 2015 -16 summarises the results and conclusions of the audit work throughout the year, and provides an independent audit opinion on the internal control environment for the Council as a whole. The Council's internal auditors, SWAP, have given an overall audit opinion of reasonable assurance on the adequacy and effective operation of the Council's control environment for 2015-16.

External Audit

77. The Council's external auditors, KPMG LLP, published their annual audit letter 2014-15 in October 2015. To arrive at the conclusion they looked at financial governance, financial planning and financial control as well as prioritisation of resources and improvements in efficiency and productivity.

78. Key findings included an unqualified value for money conclusion for 2014-15 and an unqualified opinion on the Council's financial statements.

79. There were no high priority recommendations arising from their audit work for 2014-15 and the report highlighted the strong financial reporting process.

80. KPMG LLP's report to those charged with governance for 2015-2016 will be tabled at the meeting of the Audit Committee on 27 July 2016. This summarises the key issues arising from the work at Wiltshire Council in relation to the 2015 -16 financial statements and the work to support the 2015-16 value for money conclusions.

Taking informed, risk based and transparent decisions which are subject to effective scrutiny

81. Cabinet Members and Officers exercising delegated powers are required to take decisions in accordance with their respective schemes of delegation. The Leader's protocol for decision-making by Cabinet Members ensures transparency by requiring publication of the intention to make a decision on 5 clear days' notice and the final decision.

82. The Council is signed up to the Wiltshire Compact and is an active member of the Compact Board. The Compact has been reviewed in 2015 and all engagement with Voluntary and Community Sector Enterprise (VCSE) partners is carried out under Compact principles. The Partnership Protocol and Register captures the Council's partnership arrangements. As of February 2016 the number of partnerships in operation is 42. A review of the protocol is

being conducted.

83. All decisions and policies pay due regard to the Council's responsibilities under the Public Sector Equality Duty. Equality Impact Assessments are carried out on key decisions and policies and are given proportionate equality considerations.

84. Cabinet members, scrutiny members and senior management across the council work closely to develop a single work programme of overview and scrutiny aligned to the Business Plan outcomes.

85. Overview and scrutiny is open to improving the way it constructively supports decision-making through effective early engagement and challenge. Recent developments have included a dedicated section in all Cabinet reports, active participation at Cabinet meetings, increased consultation on its work programme, more promotion of its activities and better tracking of its recommendations and impact.

86. It is recognised that for overview and scrutiny to be effective it requires skilled non-executive elected members. As a consequence, the Council has committed itself to a 4-year learning and development programme delivered through the regional associate of the Centre for Public Scrutiny.

87. The work undertaken by the Audit Committee this year has included:

   • review and approval of the Annual Governance Statement for 2014-15;
   • review and approval of the Statement of Accounts for 2014-15;
   • review of the work and findings of Internal Audit, including the Annual Report and audit opinion on the control environment;
   • review of the Council's risk management arrangements;
   • review of the work and findings of external audit, including the Annual Audit Letter and Report to Those Charged with Governance.

88. Public Health has continued to actively increase and embed Emergency Planning Resilience and Response arrangements for the County. As an essential part of Public Health, the new team has continued to strengthen resilience both within the organisation and throughout the community. Full Council and Cabinet have approved a new Integrated Emergency Management Plan, which for the first time clearly sets out the corporate approach to Emergency Planning Policy, Major Incident, Business Continuity and Recovery. Extensive training and exercising has been delivered at all levels, and new simpler, more practical plans have been updated.

89. Substantial improvements have been made to the Council business continuity programme, with 95% of priority services now having updated plans in place. A 3 year programme of community resilience workshops has been completed across the 18 community areas in only 2 years (covering over 150 town and parish communities). These multi-agency workshops have been delivered by representatives from the Council's emergency planning, Public Health, drainage and highways teams, together with the emergency services. Engagement with

voluntary groups has increased, with over 30 organisations now being available to assist during emergencies. The number of emergency evacuation centres has been increased from 30 to over 60, providing greater ability to provide places of safety when required. A full programme of work has been planned for 2016/17 which will concentrate on further strengthening resilience and preparedness based on the risks that face the County.

90. During 2015/16, the Emergency Planning Team put in place a process for refreshing the business continuity of all services. The approach was to concentrate resource on high priority services, and support lower priority services to complete 'light touch' business continuity plans. Additionally, a series of exercises (simulating a severe snow disruption) was run with Heads of Service between November 2015 and January 2016. This approach has resulted in 95% of services completing their business continuity plans, and outstanding plans are being followed up.

91. The Information and Communications Technology (ICT) Disaster Recovery Plan has been developed in conjunction with the review of Business Continuity Plans. The Disaster Recovery Plan sets out the policies and procedures for technology disaster recovery and detailed plans for recovering critical technology platforms and the telecommunications infrastructure.

92. A Corporate Resilience Forum has been set up with all priority services, chaired by the Associate Director for Public Health. The Forum enables priority services to learn from each other and to coordinate areas of common concern.

93. The Emergency Planning Team will refresh the business continuity programme in 2016/17, and look to further embed and improve the process, concentrating particularly on training and exercising, strategic leadership and developing supply chain resilience.

Developing the capacity and capability of councillors and officers to be effective in their roles

94. The Council is committed to improving performance and one of the ways that it will achieve this is through the development of its councillors and officers.

95. The Council's Councillor Development Strategy sets out:

- The role of the Councillor Development Group in managing the specific councillor development budget and in particular to:

  o respond and determine requests for learning and development from councillors;
  o initiate learning and development opportunities to meet the identified training needs of councillors;
  o ensure that specific committee/statutory/role related training is provided as appropriate;

- How training and development needs are recognised, met and evaluated;
- The responsibility of Councillors for identifying own learning and development needs.

96. The Council's Learning & Development Policy outlines the Councils commitment to developing and supporting staff to achieve the organisation's goals, service strategies and to create a culture of continuous staff development to meet the changing needs of the organisation, and provides a framework for managers and employees to follow when they are involved in identifying and meeting learning and development needs.

97. The "People Strategy" is in place to support delivery of the Business Plan and the identified priorities. Action plans that outline the activities needed to deliver the aims of the People Strategy are reviewed and updated regularly to ensure the actions are aligned with the priorities in the Business Plan, and take account of the changing demands on the business and the workforce. The People Strategy outlines priority areas for action which are critical to the delivery of the Business Plan, ensuring that the Council has the workforce capacity it needs to work in different ways and successfully meet current and future challenges.

E) <u>Significant Governance Issues</u>

98. An internal control issue is regarded as significant if:

- the issue has seriously prejudiced or prevented achievement of a principal objective;
- the issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business;
- the issue has led to a material impact on the accounts;
- the audit committee, or equivalent, has advised that it should be considered significant for this purpose;
- the Head of Internal Audit has reported on it as significant, for this purpose, in the annual opinion on the internal control environment;
- the issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation;
- the issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.

99. The following have been identified as significant governance issues:

- **Delivery of the Council's Business Plan 2013-17**

  Delivering the Council's Business Plan remains a significant challenge given an increasing demand for key services, such as care for vulnerable children and adults, and highways maintenance, as well as rising inflation costs, and less money from central Government. In order to achieve this the Council will continue to embrace change and adopt a transformational and innovative approach, aligning resources to priorities and challenging if or

how services are provided. This will be underpinned by effective performance, financial and workforce information and sound risk management. The Council updates its financial plan annually to reflect current pressures and demands and this targets priorities in the Business Plan.

- **Impact of Financial Challenges on Procurement of Contracts**

  The Government's austerity programme has generated significant challenges for public authorities, including this Council, in the procurement of major contracts such as highways, waste, children's and adult health and social care services. These include reduced or insufficient competition in certain markets, increased risk of legal challenges to the procurement process, increased contract management demands and costs and an overall increase in the cost of service provision. The Strategic Procurement Hub is working with services across the Council to mitigate the impact of these challenges.

- **Information Governance**

  In March 2015 the Information Commissioner's Office (ICO) were invited to conduct an audit of the Council's arrangements for the processing of personal data. The audit focused on records management; subject access requests and data sharing. The overall conclusion was that there was a limited level of assurance that processes and procedures are in place and delivering data protection compliance and that there is considerable scope for improvement. An information Governance Board was established and an Information Governance Improvement Plan developed to address the areas for improvement.

  Good progress has been made in the areas for improvement identified in the ICO's report. An updated action plan was sent to the ICO in March 2016 and notice was received in April that the audit engagement is now complete. Actions have been identified and are in accordance with the requirements of the Information Governance Toolkit.

  The ICO provided constructive feedback. Whilst it is acknowledged that some of the timescales have moved from the original plan, the Board feel it is important that the organisation does not have a rapid, quick fix approach to put things right; but that there is the creation of a much more sustainable framework and strategy for Information Governance across the Council.

  A further implementation plan is being developed to ensure that all remaining actions are monitored and completed.

  Further details of the status of the Information Governance Improvement Programme may be found in the Annual Report to the Senior Information Risk Owner (SIRO) May 2016, attached at Appendix A.

- **Safeguarding Children and Young People**

  Oversight and governance of performance and progress in Children's Services is maintained by the Wiltshire Council Improvement Board which is chaired by a Corporate Director in her statutory role of Director of Children's Services (DCS). This Board is serviced by four Improvement Groups chaired by senior managers. Each Group has responsibility for an Improvement Plan and ensuring that there is progression towards the OFSTED criteria of Good and Outstanding. The Cabinet Member for Children and portfolio holders are members of the Improvement Board and the Chair of Children's Scrutiny is an invited member of the Board. Six weekly reports are provided to Cabinet Liaison by the Cabinet Member for Children.

  Oversight and scrutiny is provided by the Children's Select Scrutiny Committee, the Safeguarding Children's Task Group and the Corporate Parenting Panel. The Multi- Agency Safeguarding Hub Governance Board meets every six months with a monthly operational board undertaking service delivery improvements. The work of the Council and its partners is scrutinised by the Wiltshire Safeguarding Children Board (WCSB) and its independent chairperson.

  Within the last 12 months the Council was subject to a rigorous OFSTED inspection under its Safeguarding Improvement Framework and this evidenced that the Council was continuing to ensure that children were safe and protected. Local Government Association and peer reviews have taken place in respect of the WSCB, the Council and its partners' work with children. These have concluded that the Council is fulfilling its statutory duties effectively.

  The Council will continue to have a relentless focus on safeguarding improvement, and in order to monitor progress safeguarding remains a significant governance issue this year.

Councillor Baroness Scott
of Bybrook OBE
Leader of the Council   _____

Corporate Directors   _____

                               _____

                               _____

                        _____
Dated