

# Appendix 1

**DRAFT**

## Annual Governance Statement

2014-15



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A. Scope of Responsibility

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. The Purpose of the Governance Framework

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 assurance framework and the system of internal control are significant parts of that framework. They are designed to manage risk to a reasonable level. They cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The assurance framework and the system of internal control are based on an ongoing process that 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 assurance 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 2015 and up to the date of approval of the Statement of Accounts for 2014/15.

C. The Governance Framework

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](http://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 new 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.

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>

15. 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.
16. 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.
17. The Leader and Cabinet are responsible for discharging the executive functions of the Council, within the budget and policy framework set by the Council.
18. 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.<sup>1</sup>

19. Schemes of Delegation are in place for Cabinet Committees, Cabinet Members and Officers to facilitate efficient decision-making. The Leader has established three Cabinet Committees - the Cabinet Capital Assets Committee, Cabinet Transformation Committee and the Cabinet Business Relief Committee.
20. The Council has established 18 area committees known as Area Boards. Each area board exercises local decision making under powers delegated by the Leader.
21. 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)
22. 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.
23. More rapid scrutiny exercises provide the opportunity to be able to react more readily to issues as they emerge.
24. Scrutiny member representatives can also be appointed to boards of major projects to provide challenge. Partners and contractors also contribute to the scrutiny process.
25. 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.
26. 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.

<sup>1</sup> '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.

27. The Council has adopted a Code of Conduct for members and established arrangements for dealing with complaints under the code for Wiltshire unitary and parish councillors, including the appointment of 3 independent persons in accordance with the statutory requirements.
28. The Council has in place arrangements for considering complaints made about the conduct of the Police and Crime Commissioner for Wiltshire.
29. 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.
30. 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).
31. 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.
32. The Wiltshire Pension Fund Committee exercises its responsibilities in relation to investment management when it sets investment policy and appoints/monitors external investment managers.
33. 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 [*insert link to Council's web site*]
34. A new governance and assurance framework has been developed to underpin the delivery of the Wiltshire and Swindon 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

35. 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
36. The statutory officers - the Head of Paid Service (see note <sup>2</sup> 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.
37. Internal Audit services in Wiltshire are provided through a partnership with South West Audit Partnership.
38. 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.
39. 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.
40. 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. Since April 2014 the team has undertaken 29 successful prosecutions, principally for housing, benefit and blue badge fraud. Further prosecutions are underway.
41. The Council's Governance Assurance Group comprises senior officers with lead responsibility for key areas of governance and assurance, 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.

42. 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.<sup>2</sup>

<sup>2</sup>. 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.



## **Management of Resources, Performance and Risk**

### ***Financial Management***

43. Financial management and reporting is facilitated by:

- Regular reports to Cabinet on the Council's Revenue Budget and 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;
- Publication of Statement of Accounts;
- Overseeing role of the Audit Committee.

44. 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.

### ***Performance and Risk Management Reporting***

45. At the heart of the Business Plan 2013 – 2017 is the vision to *create stronger and more resilient communities*. It sets out how we plan to achieve this and outlines our key priorities:

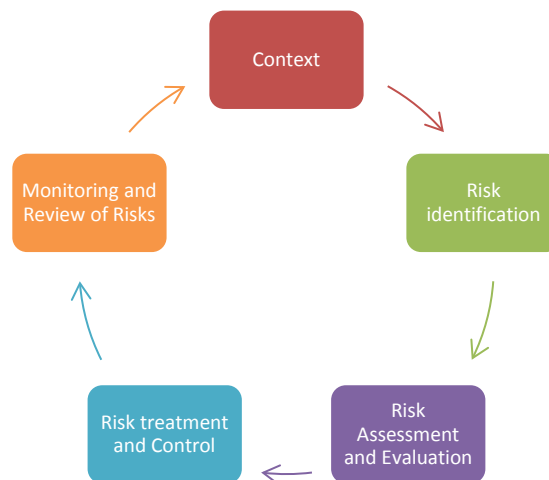
- Protect those who are most vulnerable;
- Boost the local economy – creating and safeguarding jobs;
- Support and empower communities to do more for themselves.

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

47. 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 by the Corporate Leadership Team on a quarterly basis. A Citizen's Dashboard has been developed to provide 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>. Cabinet is updated regularly on outturns against the measures and activities included in the Citizen's Dashboard. A copy of the most recent report to Cabinet on this may be found at <https://cms.wiltshire.gov.uk/documents/s91076/Update%20on%20Q4%20-%20year%20end%20outturns.pdf> and <https://cms.wiltshire.gov.uk/documents/s91077/Update%20on%20Q4%20-%20year%20end%20outturns%20-%20Appendix%201%20->

<https://cms.wiltshire.gov.uk/documents/s91077/Update%20on%20Q4%20-%20year%20end%20outturns%20-%20Appendix%201%20-%20Strategic%20Risk%20Register.pdf>

48. 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.
49. 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.
50. 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.
51. The diagram below demonstrates the cycle of managing risk.



52. The risks associated with major projects are managed through project management arrangements with regular reporting to the relevant boards and member bodies.
53. 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

54. The main role of Internal Audit is to provide an independent and objective opinion on the Council's control environment.
55. 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.
56. 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. However the approach for 2015-16 will involve a more comprehensive combined assurance review to identify the most appropriate focus for Internal Audit Work. The Plan is agreed with Corporate Directors, and presented to the Audit Committee for approval. The Committee receives reports of progress against the plan throughout the year. The Internal Audit Annual Report 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**

57. 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. It is also subject to reviews by external inspection agencies, OFSTED, and the Care Quality Commission (CQC). 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.

### **Associate Directors' Assurance Statements**

58. Associate directors' are required to complete assurance statements. Any significant governance issues identified are included in Section E.

### **Monitoring Officer**

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

D. Review of Effectiveness

60. 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 the executive managers 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.

61. 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.

62. The effectiveness of the Council's assurance framework and system of internal control 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**

63. 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**

64. 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. In 2014 a comprehensive review of the Area Boards was undertaken to more closely align governance arrangements with the aspirations set out in the Council's Business Plan. The conclusions and recommendations arising from the review were adopted by the Council on 22 April 2014 (Cabinet minute no. 47).
65. 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 (including a new grants evaluation process in 2014);
  - 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; and
  - Ongoing lean systems reviews.
66. 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. In 2014, revised arrangements were put in place to capture and monitor the effectiveness of this process, through improved reporting to the Health and Wellbeing Board.
67. In October 2014 Wiltshire's Health and Wellbeing Board invited a peer challenge team to review Wiltshire's arrangements for improving the health and well being of its residents. Overall feedback was very positive. The team were very impressed with the passion and commitment of everyone involved in health and wellbeing in Wiltshire and thought the Council is doing all the right things and doing them well. A copy of the peer challenge report may be found on: <http://cms.wiltshire.gov.uk/ieListDocuments.aspx?CId=1163&MId=8858&Ver=4>
68. The Health and Wellbeing Board has developed an action plan to ensure that the recommendations from the peer challenge are implemented.

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

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

70. 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**

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

72. 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.

73. The Standards Committee is reviewing the Code of Conduct for Councillors to ensure that it is effective in promoting high standards of conduct. Any recommended changes will be reported to Council later this year.

74. The Council's Governance Team is responsible for overseeing compliance with access to information legislation, operation of the agreed arrangements under the standards regime, and the promotion of good governance within the Council and with key partners, including the town and parish councils of Wiltshire. This helps to ensure that robust governance arrangements are supported across the Council.

**Internal Audit**

75. Internal Audit represents an important element of the Council's internal control environment, and to be effective it must work in accordance with the Code of Practice for Internal Audit in Local Government, which lays down the mandatory professional standards for the internal audit of local authorities.

76. The Internal Audit Annual Report and Opinion 2014 -15 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 2014-15.

**External Audit**

77. The Council's external auditors, KPMG LLP, published their annual audit letter 2013-14 in October 2014. 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 2013-14 and an unqualified opinion on the Council's financial statements.
79. There were no high priority recommendations arising from their audit work for 2013-14 and the report highlighted the strong financial reporting process.
80. KPMG LLP's report to those charged with governance for 2014/2015 will be tabled at the meeting of the Audit Committee on 29 July 2015. This summarises the key issues arising from the work at Wiltshire Council in relation to the 2014/15 financial statements and the work to support the 2014/15 value for money conclusions. This will inform the work of the Governance Assurance Group in its ongoing review of the effectiveness of the Council's governance arrangements during 2015-16.

**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 Partnership Protocol and Register captures the Council's partnership arrangements. As of May 2015 the number of partnerships in operation is 42. During 15/16 a review of the protocol will be conducted. Once completed all arrangements will be reviewed with service areas to check all are aware of the requirements of the revised protocol and all partnerships are captured.
83. 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.
84. In responding to the recommendations made through the corporate peer challenge from 2013, the council invited the LGA to undertake a peer review of its overview and scrutiny arrangements in March 2015.
85. The reviewers recognised that overview and scrutiny in Wiltshire is evolving well and that the new approach is successfully bedding in. Some of the reviewers' key recommendations in moving forward included:
  - Continuing to develop formal and informal relationships between cabinet and scrutiny members;
  - Continuing to develop pre-budget scrutiny and the encouragement of wider member involvement through the select committees;

- Developing scrutiny communications to clearly articulate the role of overview and scrutiny and demonstrate its achievements and impact;
- Continuing to develop the capacity of members in this area.

86. The outcome of the review has provided the council with a helpful external perspective and feedback on our approach to overview and scrutiny in Wiltshire, and our ambitions for taking it forward in the future.

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

- review and approval of the Annual Governance Statement for 2013-14;
- review and approval of the Statement of Accounts for 2013-14;
- 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. Extensive training has been delivered at all levels, and new simpler, more practical plans have been introduced. Substantial improvements have been made to the Council incident room, with improved IT and an innovative mobile application which allows instant reporting and photographs taken at an incident scene to be uploaded directly to the incident room system via mobile tablet devices. Community resilience workshops have been initiated across the 18 community areas, with 6 delivered this year (covering approximately 50 town and parish communities). These multi-agency workshops are delivered by representatives from the council's emergency planning, Public Health, drainage and highways teams, together with the emergency services. A full programme of work has been planned for 2015/16 which will concentrate on further strengthening resilience and preparedness based on the risks that face the county.

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

89. The Council is committed to the ongoing development of its Councillors and recognises the importance of building up their capacity and effectiveness.

90. The Council's Councillor Development Policy:

- Establishes Councillors' individual training needs and protocols and



allocates budget according to the Council's priorities;

- Ensures equality of access to funds and training events;
- Evaluates the effectiveness of councillor development annually to inform the prioritisation and allocation of funding for future years.

91. The "People Strategy" is in place to support delivery of the business plan and the identified priorities. An action plan that outlines the activities needed to deliver the aims of the People Strategy is reviewed regularly and updated annually to ensure the actions are aligned with the priorities in the business plan. The People Strategy outlines priority areas for action which are critical to the delivery of this plan, ensuring that the Council has the workforce capacity it needs to work in different ways and successfully meet current and future challenges.

#### E) Significant Governance Issues

92. 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.

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

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

Delivering the 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.

- **Information Governance**

In March 2015 the Information Commissioner's Office (ICO) carried out a voluntary audit of the Council's information governance arrangements. The audit focused on the following areas:

- Records management - the processes in place for managing both manual and electronic records containing # personal data.
- Subject access requests - the procedures in operation for recognising and responding to individuals' requests for access to their personal data.
- Data sharing - the design and operation of controls to ensure the sharing of personal data complies with data protection legislation and good practice.

The overall conclusion was that there is 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 in existing arrangements to reduce the risk of non-compliance with the Data Protection Act.

A detailed action plan is being developed to ensure that the ICO's recommendations are prioritised and implemented within the next 12 months.

- **Safeguarding Children and Young People**

The Improvement Notice was lifted from Wiltshire Council in April 2014 after an OFSTED inspection the previous year. Consequently the inter-agency Improvement Board ended after a positive Local Government Association (LGA) review of the Wiltshire Safeguarding Children Board (WSCB), which had tested the governance arrangements for safeguarding by the council and its partners.

The Improvement Board has been replaced by a 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.

LGA and peer reviews have taken place in respect of the WSCB, the Council and Partners’ response to Neglect and the Looked After 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.

Jane Scott  
Leader of the Council \_\_\_\_\_

Corporate Directors  
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Dated

