
Annual Governance Statement 2023-24

Committee considering report:	Governance Committee
Date of Committee:	16 July 2024
Portfolio Member:	Councillor Iain Cottingham
Report Author:	Joseph Holmes – Executive Director (Resources)
Forward Plan Ref:	G4564

1 Purpose of the Report

- 1.1 The report sets out the Annual Governance Statement (AGS) for the Council for 2023-24 for approval. The AGS summarises the key governance issues for the Council and the action plan to address these. The AGS is required to be approved by those charged with governance, the Governance Committee at West Berkshire, under the Accounts and Audit Regulations 2015.
- 1.2 The AGS will form part of the Council's financial statements and will be considered by the Council's external auditors, KPMG as part of their annual audit for 2023-24. The Government have brought forward the deadline for the production of the financial statements for the previous financial year (2022-23) to 31st May and this deadline now remains for the current year. This document has been included in the draft financial statements though can be amended as part of the revisions to the financial statements during the KPMG external audit. The AGS will form part of the final financial statements for approval by the Governance committee upon receipt of the external audit of the 2023-24 financial statements.

2 Recommendation

- 2.1 For the Governance Committee to approve the AGS.

3 Implications and Impact Assessment

Implication	Commentary
Financial:	None directly

Human Resource:	None directly			
Legal:	This report is a requirement that it must be considered by the Governance Committee under the accounts and audit regulations 2015.			
Risk Management:	See the main report detailing the action plan to mitigate overall risks raised in the AGS			
Property:	None directly			
Policy:	None directly			
	Positive	Neutral	Negative	Commentary
Equalities Impact:				
A Are there any aspects of the proposed decision, including how it is delivered or accessed, that could impact on inequality?		X		
B Will the proposed decision have an impact upon the lives of people with protected characteristics, including employees and service users?		X		
Environmental Impact:		X		
Health Impact:		X		

ICT Impact:		X		
Digital Services Impact:		X		
Council Strategy Priorities:		X		The AGS supports the Council Strategy through focussing on areas to help improve its delivery
Core Business:	X			The AGS focusses on areas that can improve core business
Data Impact:		X		
Consultation and Engagement:	The Council's Finance and Governance Group, Corporate Board and the portfolio holders with responsibility for finance and governance.			

4 Executive Summary

- 4.1 The Annual Governance Statement (AGS) is a core document that sets out the Council's governance arrangements and a review of their effectiveness. The AGS must be reviewed and approved by the Governance Committee annually and is published with the financial statements.
- 4.2 The review for 2023-24 has highlighted four key areas to include in the AGS with an accompanying action plan:
1. Financial resilience (remaining from 2022-23)
 2. Delivering the better value in Special Educational Needs and Disability services programme
 3. Delivery and expansion of the Transformation programme
 4. Embedding Senior Management structures to provide clear and consistent direction and stewardship for the organisation
- 4.3 The above have been identified as areas where progress needs to be made during the forthcoming year to enhance the Council's governance processes and continue to deliver Best Value. These four key areas have been informed by the experience of the previous year, the Corporate Risk register, key items highlighted by internal and external auditors and significant external reviews e.g. the Local Government Association peer review and Care Quality Commission Review.

5 Supporting Information

Introduction

5.2 This report outlines the purpose of the Annual Governance Statement (AGS) and explains how the necessary assurance to support the AGS has been obtained. This should enable the Committee to make an informed judgement as to the effectiveness of the process that the Council has followed in conducting the annual review of the system of internal control within the Council.

Background

5.3 The AGS is designed to provide stakeholders of the Council with assurance that the Council has operated within the law and that the Council has met the requirements of the Accounts and Audit Regulations:

“The Council shall conduct a review at least once in a year of the effectiveness of its system of internal control”.

5.4 A copy of the AGS for 2023-24 is attached to this report, for review, at Appendix A.

5.5 The Council relies on a number of sources of information to carry out the review of the system of internal control and effectiveness. These include:

- Service risk registers and the Corporate Risk Register (that is presented to the Committee bi-annually)
- The Internal Audit Manager’s annual report
- Reports from external regulators, e.g. OFSTED, Care Quality Commission, Grant Thornton and KPMG (the Council’s former and current External Auditor), the LGA (peer review process).

5.6 This evidence provides the assurance that enables the Leader and Chief Executive to sign the AGS with confidence.

5.7 A key element of the review of the system of internal control is the identification of any weaknesses or risks in the system, along with recommendations to mitigate such issues. Then in the subsequent year a further report is made on progress with implementing agreed recommendations.

5.8 The Annual Governance Statement for 2022-23 outlined the following issues of focus, and the below includes some commentary on progress against these in the 2023-24 financial year:

Item from 2022-23	Progress during 2023-24	Included in the 2023-24 AGS
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<p>Financial resilience – ensuring adequate levels of reserves, the achievability of savings, and the identification of further savings in light of a very high savings requirement and very high inflation for the 2022-23 financial year.</p>	<p><i>The financial resilience of the Council has continued to deteriorate during 2023-24. The year end financial statements show a reduced General Fund balance of £3m. The Revenue Budget approved for 2024-25 shows an increase to this balance of £1.9m with the MTFS showing further increases to the General Fund.</i></p> <p><i>This remains as the most significant governance risk to the Council. Per reviews undertaken of Councils that have issued s114 reports, governance as a whole has been the key unifying theme¹.</i></p>	<p>Yes</p>
<p>Staff recruitment and retention – ensuring sufficient staffing levels to deliver services without a significant impact on the customer in light of national shortages in some business critical service areas. Move the focus away from agency and interim structures into a higher proportion of WBC employed staff</p>	<p>The introduction of the Financial Review Panel (FRP) in July 2023 has led to a significant reduction in the use of agency staff. The total agency costs have reduced from £12m in 2022-23 to £9.5m in 2023-24. In Children’s social care, the percentage of posts covered by agency staff has reduced from 34% in 2023 to 1x% in April 2024 through significant efforts within the service and Human Resources.</p> <p>Interim structures have been reduced with, as at June 2024.</p>	<p>No</p>
<p>The delivery of a Transformation programme - Delivering and monitoring of a transformation programme and funding to demonstrate it meets criteria and improves services. Link to business case for each project.</p>	<p>Business cases have been developed and are starting to be deployed through the transformation programme. These include the repurposing of a former care home yielding £1m of cost avoidance and forecast savings in excess of £250k</p>	<p>Yes - amended</p>
<p>New governance structure - the roll out, understanding and compliance with this new structure</p>	<p>The new structure has been rolled out and is being reviewed further by</p>	<p>No</p>

¹ <https://www.local.gov.uk/publications/research-councils-experience-finance-S114>

<p>to enable faster operational decisions to be made and support the delivery of the Council Strategy.</p>	<p>the Chief Executive in light of the LGA Peer Review. Though not fully embedded, it has brought greater clarity in decision making across the Council.</p>	
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Proposals

5.9 In light of the issues raised during the year and after a review of effectiveness, the following **four** areas are the focus for 2024/25:

- **Financial resilience** – ensuring adequate levels of reserves, the achievability of savings, and the identification of further savings in light of a very high savings requirement and very high inflation for the 2022-23 financial year.
- **Delivering the better value in Special Educational Needs and Disability services programme²**– ensuring that the Council delivers, using the £1m Government grant, a programme to identify and reduce costs in the High Needs Block. The deficit on the High needs Block (within the Dedicated Schools Grant) has been growing in recent years and is only being kept outside of the Council’s general fud through a Government accounting adjustment.
- **The delivery of an expanded Transformation programme** - Delivering and monitoring of the core transformation programme, ensuring there is sufficient resourcing for this, and ensuring wider transformation across the Council to deliver services more efficiently and effectively. This includes a clear link to business case with demonstrable benefits for each project.
- **Embedding Senior Management structures to provide clear and consistent direction and stewardship for the organisation** – building on the appointments to the Senior Leadership Team, and ensuring there is clarity over the strategic direction of the Council and its operational priorities.

6 Other options considered

The production of the AGS is a requirement to be completed annually and the Council must comply with its production. The Council could opt not to complete an AGS alongside the annual financial statements though this would be in contravention of the Accounts and Audit regulations.

7 Conclusion

7.1 A key function of the Governance Committee is to review and approve the AGS for 2023-24 prior to it being signed off by the Chief Executive and Leader of the Council, and review the conclusion reached.

² <https://www.dbvinsend.com/participating-local-authorities>

7.2 To be able to review the AGS the Committee needs to examine the evidence, highlighted in the AGS and Code of Local Governance, that is provided to the Governance Committee as well as other committees and Council bodies.

8 Appendices

8.1 Appendix A – Annual Governance Statement

8.2 Appendix B – Code of Local Governance

Background Papers:

CIPFA/SOLACE framework <https://www.cipfa.org/policy-and-guidance/publications/d/delivering-good-governance-in-local-government-framework-2016-edition>

LGA Peer Review – tbc

CQC inspection - tbc

Officer details:

Name: *(add text)
Job Title: *(add text)
Tel No: *(add text)
E-mail: *(add text)

Appendix A

Appendix A – Annual Governance Statement

1. Scope of Responsibility

- 1.1 West Berkshire 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, efficiently and effectively. West Berkshire 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.
- 1.2 In discharging this overall responsibility, West Berkshire Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 This Statement explains how West Berkshire Council has complied with the Code and also meets the requirements of regulation 6(1)(a) of the Accounts and Audit Regulations 2015 in relation to the review of its system of internal control in accordance with best practice, and that the review be reported in an Annual Governance Statement.

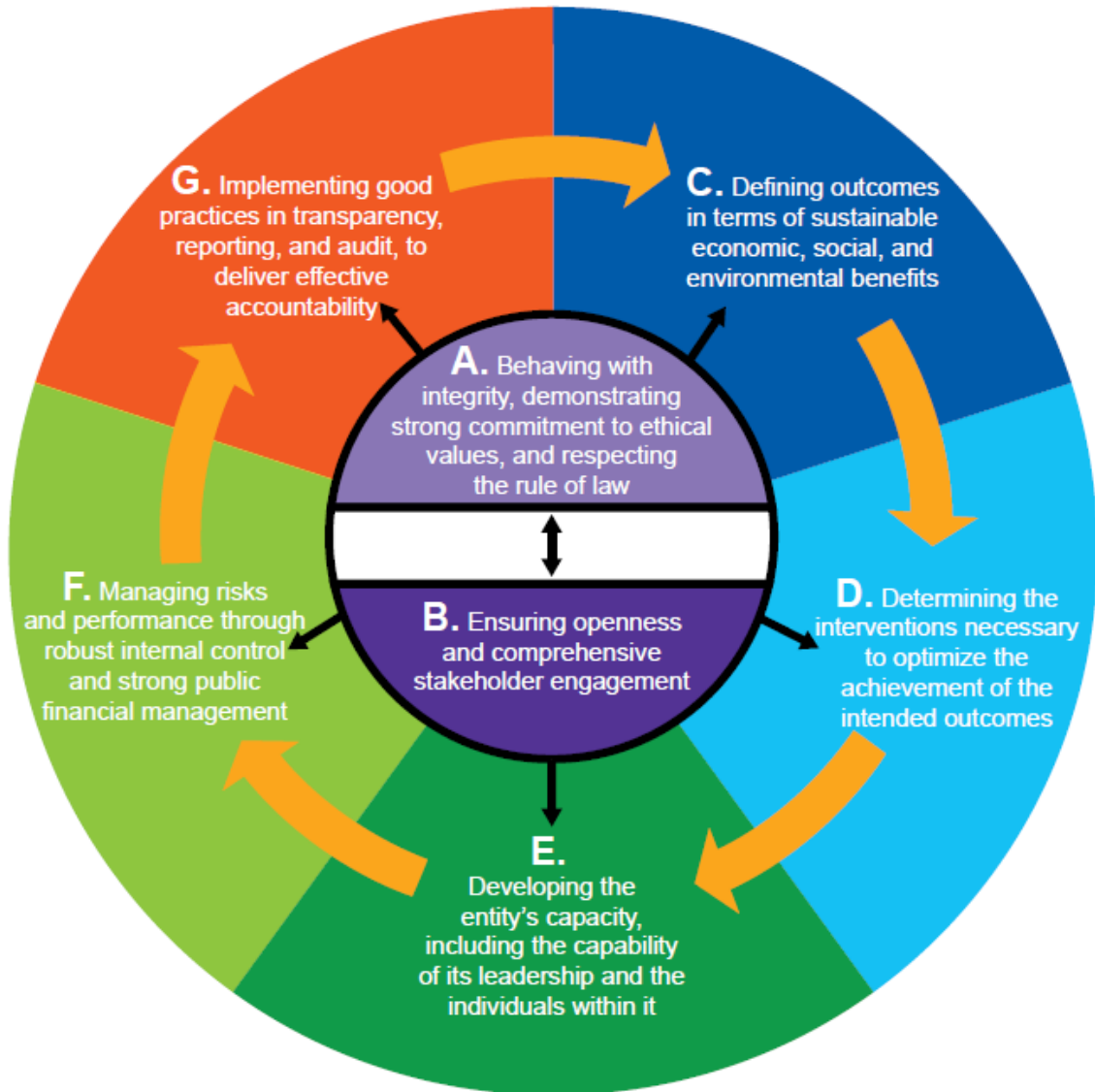
2. The Purpose of the Governance Framework

- 2.1 The purpose of the governance framework is to ensure that the authority directs and controls its activities in a way that meets standards of good governance and is accountable to the community. It does this by putting in place an organisational culture and values which drive a responsible approach to the management of public resources, supported by appropriate systems and processes, and ensuring that these work effectively. It works with the Council's Performance Management Framework to ensure that the Council has in place strategic objectives reflecting the needs of the community and is monitoring the achievement of these objectives through delivery of appropriate, cost-effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It 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 system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of West Berkshire Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at West Berkshire Council for the year ended 31 March 2024 and up to the date of approval of the Statement of Accounts. The

Governance Committee approved a Code of Local Governance at its meeting in April 2021 which supports the framework for the compilation of the Annual Governance Statement.

3. The Principles of Good Governance

3.1 The CIPFA/SOLACE framework Delivering Good Governance in Local Government sets out seven core principles of good governance, these are:



4. Methodology for preparing the Annual Governance Statement

4.1 The Annual Governance Statement has been prepared using a process similar to that used in previous year, including;

- Review of the proposed annual Internal Audit report opinion and quarterly internal audit progress reports.
- The work of the Finance and Governance Group reviewing the Constitution on annual basis and referring changes to the Governance and Ethics Committee and Council

- The Governance Committee approves the Annual Governance Statement at the same time as the final approval of the financial statements and is signed off by the Chief Executive and Leader of the Council.
- Review of the Corporate risk Register by the Corporate Board (quarterly) and Governance Committee (twice yearly)
- Responding positively to external regulators such as OFSTED, the Information Commissioner, the Local Government Ombudsman, the Care Quality Commission (CQC) and external auditor Grant Thornton.

5. The Governance Framework

5.1 There are a number of key elements to the systems and processes that comprise the Council's governance arrangements. These elements form our local code of Governance and these are underpinned by the CIPFA / SOLACE framework above and core principles of good governance which are:-

- Focusing on the purpose of the authority and on outcomes for the local community and creating and implementing a vision for the local area.
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are subject to effective scrutiny and managed risk.
- Developing the capacity and capability of Members and officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability

5.2 The Council has arrangements for managing risk in its Risk Management Strategy which was endorsed by the Governance Committee and approved by the Executive in April 2021. A revised Risk Management Strategy will come through to the Executive during 2024. During the 2023-24 financial year the Council has had both a LGA peer review and a Care Quality Commission inspection. The results of both can be found **INSERT LINK**

Review of effectiveness

8.3 The authority has a statutory 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 Heads of Service / Service

Directors who have responsibility for the development and maintenance of a sound governance environment and is supported by the Corporate Programme Office. This review is articulated in the Code of Corporate Governance approved by the Governance and Ethics Committee in April 2021, and the Code of Corporate Governance has been included in appendix B.

- 8.4 It is important to reflect on the previous year's key areas for improvement and its impact on governance. The main item that has dominated the year 2023-24 has been financial sustainability. The tail end of very high levels of inflation, combined with high use of agency staff in certain service areas (especially in children's & families, adult social care homes and planning and regulation) and growing demand for services (housing, Home to School Transport and children's services) have led to a very large overspend on services of £8.7m. This has been mitigated in part through short term uses, e.g reserves, review of MRP provision and the flexible use of capital receipts, but has still meant an overspend of £3.1m. This means that the Council's general fund reserve has reduced to £4.1m which is far below the minimum level set of £7m. There has been significant investment in services for 2024-25. For example, over £12m has been added for social care costs, and the budget overall does forecast an increase in reserves of £1.9m. Though this will still mean a general fund reserve below the minimum recommended, it is showing reserves heading in the right direction. This item has been retained within the AGS due to the forecast lower levels of financial reserves that the Council holds for unforeseen financial events, and so the greatest risk of requiring exceptional financial support from Central Government.
- 8.5 During 2023-24 the Council has been included in the Department for Education's 'delivering better value' (DBV) programme for Special Education Needs and Disability services. This national programme has three tranches, with West Berkshire in tranche 3. Any Council in this programme has been highlighted as having a significant deficit on the High Needs Block element of the Dedicated Schools Grant and that this needs to be reduced. At present, an accounting treatment exists to 2025-26 whereby the deficit is not a cost of the Council. Once this treatment ends, and with the deficit as it stands, the Council would very likely be issued with a s114 notice and effective bankruptcy. Therefore, through the DBV programme and the accompanying funding provided by Central Government, the Council must consolidate a plan to reduce the deficit in the future and minimise any financial risk to the local taxpayer.
- 8.6 The transformation programme has been articulated and delivery has commenced against this. The AGS includes a revised action around this agenda to highlight the need for inclusion of other programmes in the Council, especially in overspending services in Adult's social care, children's social care and education to reduce expenditure and increase cost control. Therefore, the action has been included to have greater oversight of delivery in these areas to increase effectiveness, economy and efficiency. The LGA peer review also highlighted the need for the Senior Leadership Team to provide greater clarity of direction and stewardship and this has been included in the AGS as it is so intrinsic to good governance.
- 8.7 The issue of timeliness of external audit certification of the financial statements has not been included for the AGS for 22-23 but may well be for 2023-24. At the time of writing, the 2020-21 financial statements audit was completed but the previous external auditor, Grant Thornton wrote to the Council in early 2024 to set out that they would not complete the audit of the 2021-22 and 2022-23 accounts. GT will therefore 'disclaim' the Council's

accounts, though the Council has made it clear that this needs to be on a ‘no fault’ basis from the Council, especially as West Berkshire was one of a minority of Councils to produce our 2022-23 financial statements on time and have them issued in the public domain by the 31st May 2023.

8.8 The Government’s decision to bring forward the completion deadline for Council’s for the production of financial statements to the 31st May (but leave a four month plus period for external audit to complete their audit) is unlikely to help the position in the short term and that condenses more audit work into a short period, as well as increasing the pressures on local government finance teams to complete the financial statements in line with Government deadlines.

7. Key Governance areas for improvement

7.1 The Council faces a number of issues and areas of significant change that will require consideration and action as appropriate over the coming years and these are:

Issue	Detail	Action	Owner / Date
Financial Resilience	Ensuring adequate levels of reserves, the achievability of savings, and the identification of further savings in light of a very high savings requirement and very high inflation for the previous financial years.	Monthly monitoring of 2024-25 savings proposals Quarterly reporting to the Executive and Scrutiny commission In year star chamber process for any overspending services	Executive Director (Resources) – February 2025
Delivering the better value in Special Educational Needs and Disability services programme	ensuring that the Council delivers, using the £1m Government grant, a programme to identify and reduce costs in the High Needs Block. The deficit on the High needs Block (within the Dedicated Schools Grant) has been growing in recent years and is only being kept outside of the Council’s general fud through a Government accounting adjustment.	Comprehensive and costed plan to deliver reducing High Needs Block overspends	Executive Director (People – CFS) – March 2025

<p>The delivery of an expanded Transformation programme</p>	<p>Delivering and monitoring of the core transformation programme, ensuring there is sufficient resourcing for this, and ensuring wider transformation across the Council to deliver services more efficiently and effectively. This includes a clear link to business case with demonstrable benefits for each project.</p>	<p>Identification and deliver of transformation schemes included in the current year and next year's budget proposals</p>	<p>Service Director (Transformation)</p>
<p>Embedding Senior Management structures to provide clear and consistent direction and stewardship for the organisation</p>	<p>building on the appointments to the Senior Leadership Team, and ensuring there is clarity over the strategic direction of the Council and its operational priorities.</p>	<p>Deliver the actions included in the Local Government Association Peer Review INSERT LINK WHEN AVAILABLE</p>	<p>Chief Executive</p>

8. Assurance Summary

- 8.1 Good governance is about operating properly. It is the means by which the Council shows that it is taking decision for the good of its residents, in fair, equitable and open way. It also requires standards of behaviour that support good decision making – collective and individual integrity, openness and honesty. It is the foundation for the effective delivery of good quality services that meet the needs of the users. It is fundamental to demonstrating that public money is well spent. Without good governance, the Council would find it difficult to operate services successfully.
- 8.2 The Internal Audit Opinion for 2023/24 is that the Council's framework of governance, risk management and management control is 'reasonable' and that audit testing carried out during the year has demonstrated controls to be working in practice. The assessments contained within this document highlight that there are effective arrangements in place to deliver good governance but that four key areas are highlighted to further improve our governance.
- 8.3 We propose, over the coming year, to take steps to help address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review.

Leader of the Council

Date: 31st May 2024

Chief Executive

Date: 31st May 2024

Code of Local Governance - Appendix B

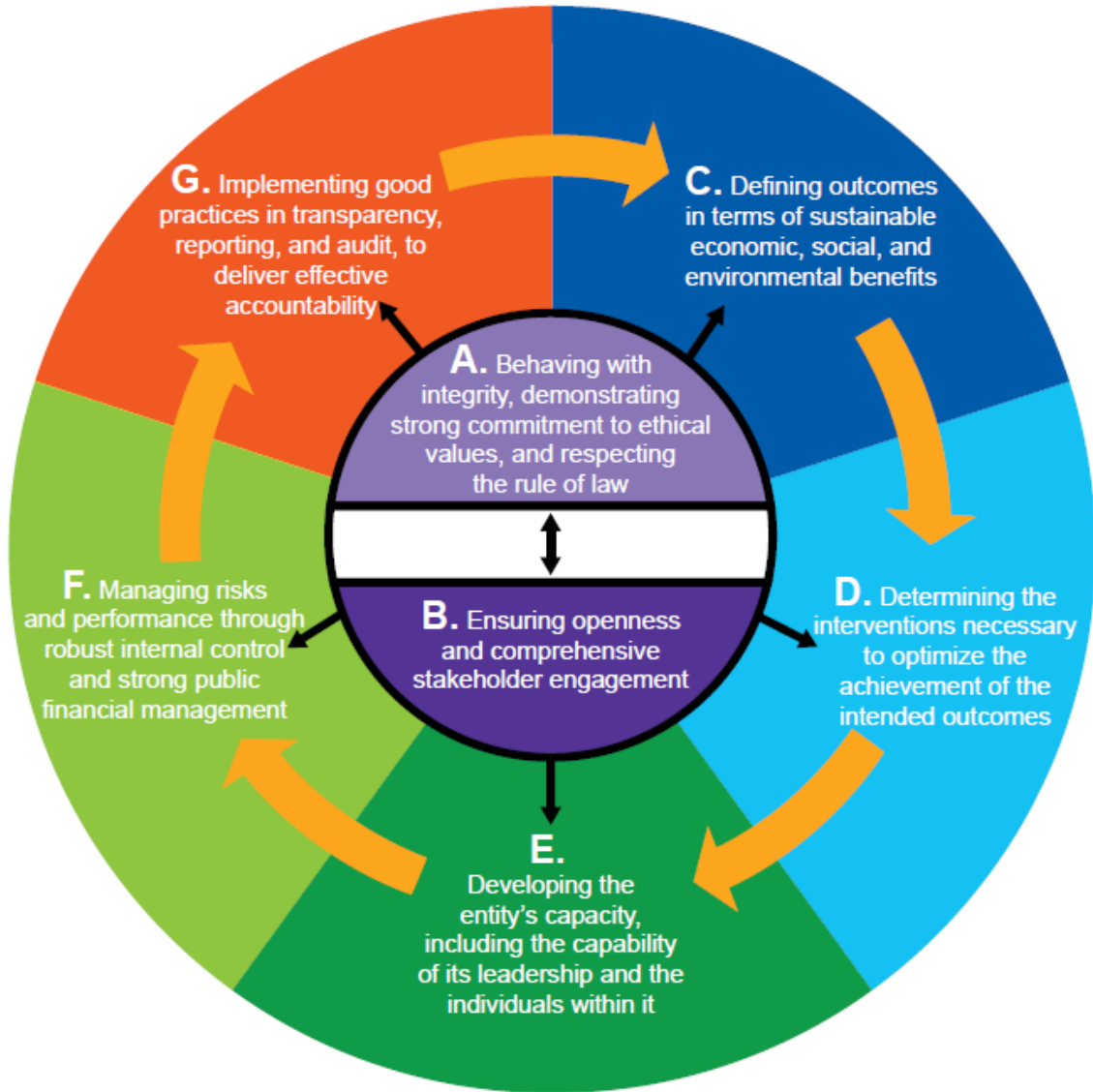
1. Executive Summary

- 1.1 Governance is about how the Council ensures it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. It comprises systems, processes, cultures and values by which the Council is directed and controlled and through which it accounts to, engages with and, where appropriate, leads the community. The Leader of the Council and Chief Executive have a special relationship role as custodians of the Council's governance arrangement, but good governance is also the responsibility of all Members and Officers.
- 1.2 The Chartered Institute of Public Finance and Accountancy, ("CIPFA") and the Society of Local Authority Chief Executives ("SOLACE") have published a framework document for Corporate Governance in Local Government, April 2016. The Council is committed to the principles of good corporate governance through the adoption and maintenance of a Local Code of Corporate Governance, as recommended by the CIPFA/SOLACE Framework.
- 1.3 This Local Code of Corporate Governance therefore sets out and describes the West Berkshire Council's commitment to corporate governance and identifies arrangements that will ensure its effective implementation and application in all aspects of the Council's work. This Local Code of Corporate Governance will be reviewed by the Statutory Officers through the Finance and Governance Group annually.

2. Supporting Information

Background

- 2.1 The Council should have an overarching code of corporate governance, and for West Berkshire this is based on the CIPFA/SOLACE framework. The framework "Delivering Good Governance in Local Government" sets out seven core principles of good governance, these are:



3 The Governance Framework

3.1 There are a number of key elements to the systems and processes that comprise the Council's governance arrangements. These elements form our local code of Governance and these are underpinned by the CIPFA / SOLACE framework above and core principles of good governance which are:-

- Focusing on the purpose of the authority and on outcomes for the local community and creating and implementing a vision for the local area.
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

- Taking informed and transparent decisions which are subject to effective scrutiny and managed risk.
 - Developing the capacity and capability of Members and officers to be effective.
 - Engaging with local people and other stakeholders to ensure robust public accountability
- 3.2 The Council's Constitution explains existing policy making and delegation procedures and the matters which must be dealt with by the full Council. It documents the role and responsibilities of the Executive, portfolio holders, each committee and Members and officers. The Council has approved a protocol governing relationships between Members and Officers as part of its Constitution and has adopted codes of conduct for both Officers and Members which facilitate the promotion, communication and embedding of proper standards of behaviour. Officers have job descriptions and there are clearly defined schemes of delegation, all of which are reviewed from time to time.
- 3.3 The Council's Constitution incorporates clear guidelines to ensure that business is dealt with in an open manner except in circumstances when issues should be kept confidential. Meetings are open to the public except where personal or confidential matters are being discussed. All Executive /committee agendas, minutes and portfolio holder decisions are published promptly on the Council's website. In addition, senior officers of the Council can make decisions under delegated authority. The over-arching policy of the Council is decided by the full Council.
- 3.4 The Overview and Scrutiny Management Committee and Governance and Ethics Committee hold Portfolio Holders to account for delivery of the Council's policy framework within the agreed budget, and protocols are in place for any departure from this to be properly examined.
- 3.5 The Council engages with its communities through a number of channels, including consultation events, surveys and campaigns relating to specific initiatives.
- 3.6 The Council Strategy is supplemented by more detailed information on the key projects and programmes of work that the authority will be delivering during the year – with actions to achieve priority outcomes set out in service plans. More detailed service plans are drawn up by teams across the Council, with objectives set for individual members of staff through the annual appraisal process. This process also looks at the development and training needs of staff, with a programme of training then put in place to meet these needs.
- 3.7 Progress against the Council Strategy outcomes and budgets is monitored regularly by the Corporate Board and Portfolio Holders. The Overview and Scrutiny Commission receives regular reports focusing on delivery of key projects and programmes of work and drawing attention to other areas where progress is exceeding, or falling short of targets. Portfolio Holders also monitor progress of delivery, especially through the Corporate Programme Board.

- 3.8 The Council has an officer Strategic Leadership Team (Corporate Board) to monitor financial performance, service performance, the progress of key corporate projects and risk management and to oversee the implementation of recommendations from Internal Audit reports.
- 3.9 The Council publishes an Annual Financial Report (the Statement of Accounts) annually within the statutory timescales. The Annual Financial Report incorporates the full requirements of best practice guidance in relation to corporate governance, risk management and internal control.
- 3.10 The Council is subject to independent audit by Grant Thornton and receives an Annual Audit Letter reporting on findings. The Council supplements this work with its own internal audit function and ad hoc external peer reviews. The Governance & Ethics Committee undertakes the core functions as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*.
- 3.11 The Council has arrangements for managing risk in its Risk Management Policy.

4 Review of effectiveness

- 4.1 The authority has a statutory 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 Service Directors/Heads of Service who have responsibility for the development and maintenance of a sound governance environment.
- 4.2 Staff awareness training has been undertaken to ensure that the Council complies adequately with the provisions of the General Data Protection Regulation (GDPR) and Freedom of Information Acts, and Equality requirements.
- 4.3 The Council has appointed the Executive Director (Resources) as the Section 151 officer with the statutory responsibility for the proper administration of the Council's financial affairs. CIPFA/SOLACE advises that the S151 officer should report directly to the Chief Executive and be a member of the 'Leadership Team', of equal status to other members. The Executive Director (Resources) is a member of the Executive Leadership Team.
- 4.4 The Council has appointed the Service Director (Strategy & Governance) as the statutory "Monitoring Officer" and has procedures to ensure that the Monitoring Officer is aware of any issues which may have legal implications.
- 4.5 All Executive reports are reviewed by the S151 and Monitoring Officer. All reports to Executive are required to demonstrate how the subject matter links to the Council Strategy and highlight resource implications. Officers are also asked to draw out risk, equality, environmental, management and legal issues as appropriate. Similar procedures are in place for the other Council Committees.

- 4.6 The Council has whistle-blowing and anti-fraud and corruption policies. It has a formal complaints procedure and seeks to address and learn from complaints. The Council's Governance Committee deals with complaints relating to the conduct of Members.
- 4.7 Members' induction training is undertaken after each election. Members also receive regular updates and training on developments in local government.
- 4.8 Key roles in maintaining and reviewing the effectiveness is undertaken by:

The Council is collectively responsible for the governance of the Council and the full Council is responsible for agreeing the Constitution, policy framework and budget. Manages risk in making operational and governance decisions together with proposing and implementing the policy framework, budget and key strategies.

The Executive receives regular monitoring reports on revenue and capital expenditure and on key performance measures.

Governance Committee approves the annual audit plan, monitors the internal control environment through receipt of audit reports and the AGS, and keeps an overview of arrangements for risk management. It also approves this Statement and the Statement of Accounts.

External Audit external audit is provided by Grant Thornton. Whilst the external auditors are not required to form an opinion on the effectiveness of the Council's risk and control procedures, their work does give a degree of assurance following the annual audit of the Council's financial accounts.

Internal Audit The internal audit team provide the Council with an internal audit service which includes the Council's entire control environment. The Internal Audit Manager takes account of the Council's assurance and monitoring mechanisms, including risk management arrangements, for achieving the Council's objectives.

The Internal Audit Plan is based on the Risk Register and identifies Internal Audit's contribution to the review of the effectiveness of the control environment. The process includes reports to the Governance Committee on progress of audits. Regular summaries are also produced of the outcome of each audit, together with reviews of whether agreed recommendations have been implemented. Internal Audit provides an annual opinion on the internal control environment and issues that should be included in the AGS

There is a requirement for internal audit to undertake an annual self-assessment and independent external assessment every five year. Any areas of non-conformance must be reported as part of their annual report and opinion. In the light of feedback we have concluded that internal audit is an effective part of the Council's governance arrangements.

5 Proposals

- 5.1 To achieve and maintain good governance, the Council will seek to apply each of the six core principles above, along with their supporting principles, in the following way:

Principle	Evidence
Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law	<ul style="list-style-type: none"> • Members code of conduct • WBC values • Role of monitoring officer • Council policies e.g. anti-fraud
Ensuring openness and comprehensive stakeholder engagement	<ul style="list-style-type: none"> • New Consultation and Engagement strategy • Providing clear decision making process • Review of the Constitution • Consultation process with key stakeholders • Openness of Council meetings • Access to information
Defining outcomes in terms of sustainable economic, social, and environmental benefits	<ul style="list-style-type: none"> • Health & Wellbeing Strategy • Council Strategy • Support strategies and delivery plans e.g. Environment Strategy, Economic Development Strategy
Determining the interventions necessary to optimise the achievement of the intended outcomes	<ul style="list-style-type: none"> • Regularly quarterly reporting on key strategies e.g. performance reporting • Corporate Programme Board and regularly monitoring and management of overall list of projects • Ensuring strong link between Council Strategy and the Medium Term Financial Strategy (MTFS)
Developing the entity's capacity, including the capability of its leadership and the individuals within it	<ul style="list-style-type: none"> • Recent Senior Management Review • Performance management system • Leadership and Management development through the Workforce Strategy

<p>Managing risks and performance through robust internal control and strong public financial management</p>	<ul style="list-style-type: none"> • Robust quarterly monitoring of performance, finance and strategic risk register • Public scrutiny of the above at Executive, Overview & Scrutiny Management Commission and the Governance & Ethics Committee • Annual review and approval of financial statements and progress reporting on action plans • Role of internal and external audit
<p>Implementing good practices in transparency, reporting, and audit to deliver effective accountability</p>	<ul style="list-style-type: none"> • Review of constitution • Internal audit reporting to Governance on a regular basis and an annual report from the Internal Audit manager • Implementing the outcome of the Redmond Review (to G&E Committee in Feb. 2021) • Committee reports containing clear sections on consultation / risk management • Annual report from the Governance Committee to Full Council • Annual monitoring officer report to Full Council