

Agenda Item No: 9

Report To: **AUDIT COMMITTEE**

Date: **22 June 2017**

Report Title: **2016/2017 Annual Governance Statement**

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Summary:

Each year the Council must produce and approve an Annual Governance Statement (AGS). AGS are designed to summarise for members residents, and external stakeholders the Council's approach to governance and show how the Council fulfils the principles for good corporate governance in the public sector. The AGS needs to draw conclusions, based on evidence throughout the past year, about the effectiveness of the Council's arrangements.

This year's AGS builds on previous statements, but has been prepared in accordance with the Council's revised 2016 Local Code of Corporate Governance.

Our governance arrangements are well-developed and pervade all that we do in a variety of forms, but they also evolve. Their various components are subject to ongoing development, with principal developments summarised in the AGS.

In conclusion governance arrangements remain appropriate, effective and adaptive to change as circumstances dictate.

Purpose of the Report

1. To provide the Audit Committee with assurance on the effectiveness of the council's governance arrangements over the last year.
2. To provide details of those additional areas where the organisation's governance will develop further over the forthcoming year.
3. Once approved, the Annual Governance Statement is signed by the Leader and responsible officer, and included alongside the council's Statement of Accounts.

Recommendation

The Audit Committee is asked to –

- 1. Approve the 2016/2017 Annual Governance Statement**

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2016/2017 Annual Governance Statement

Scope of responsibility

1. Ashford Borough Council is responsible for ensuring its decisions and business are conducted according to the law and proper standards. Furthermore, the Council must ensure public money is safeguarded, properly accounted for, and that all resources are applied efficiently and effectively so the Council gains best value for its residents and taxpayers.
2. Associated with this responsibility is the need for good governance. In 2016 the Council adopted an updated Local Code of Corporate Governance, which followed principles contained in national guidance and produced by CIPFA and SOLACE.
3. In summary terms this Annual Governance Statement (AGS) explains the Council's governance arrangements, how they have directed decisions and services over the past year, and how the Council has sought assurance that its arrangements remain effective.

Purpose of our governance framework

5. Ashford Borough Council must ensure that, as an accountable public body, it meets the highest standards and that governance arrangements are not only sound but are seen to be sound.
6. Governance is therefore a permanent but evolving feature of the Council's work. It is designed to ensure members' and officers' roles in decision-making on policies and other matters are fair and transparent. Furthermore, the framework helps to ensure the Council's business complies with relevant laws and regulations, and is directed by a clear focus on achieving important issues, including identifying and managing risks.
7. Governance is more than just a set of rules, and comprises:
 - The leadership and cultural values, systems and constitutional processes by which the Council's work is directed and controlled
 - The ways through which the Council engages with, leads on and accounts to citizens individually and its communities collectively.
8. Good governance inspires public confidence. It provides the basis for public assurance that Council decisions are taken for the right reasons, that quality of service is protected as far as is reasonably practicable, and that public money is wisely and effectively spent. In these times of tight resources and uncertain economic conditions, risks are more obvious. Our governance helps to focus on key controls and those risks considered more critical to achieving the Council's strategic goals.

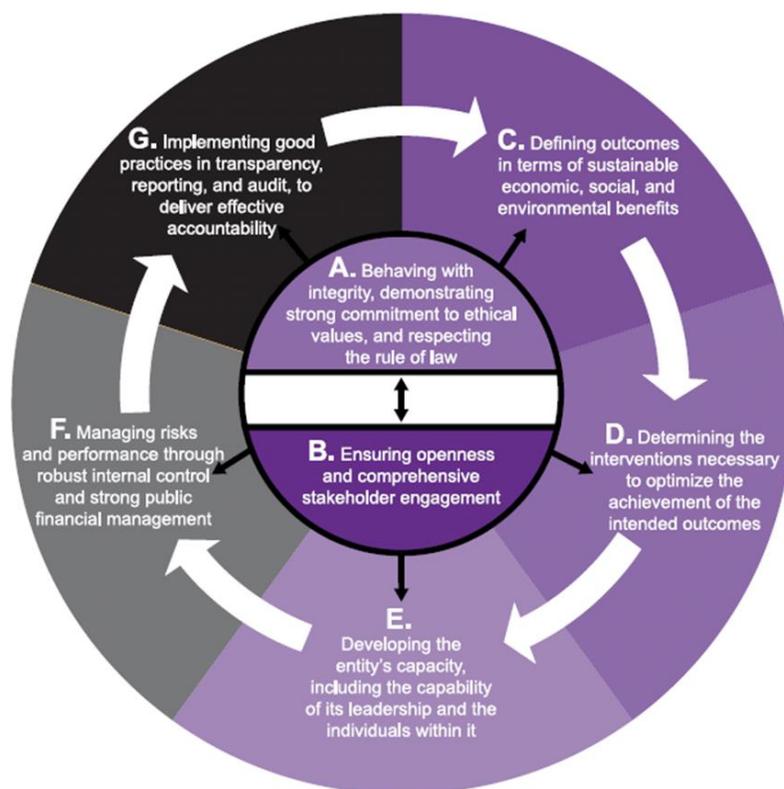
9. This Statement also allows the Council to meet the requirements of the Accounts and Audit (England) Regulations 2016, to prepare and publish an AGS to accompany the latest Annual Finance Report.

Our core principles for good corporate governance

10. The core principles which underpin our governance, and this Statement, were agreed in June 2016 as part of the council's Local Code of Corporate Governance, *Delivering Good Governance in Local Government 2016*.

11. The main principle underpinning this Local Code is that it positions the attainment of sustainable economic, societal, and environmental outcomes as a key focus of governance processes and structures.

12. As such, the Local Code sets out the component parts the Council seeks to demonstrate in order to show good governance. The AGS does not restate these principles in full, but the diagram below highlights the key components, and how they relate to each other –



13. The diagram makes it clear that good governance is dynamic, and that the Council should be committed to improving governance on a continuing basis through a process of evaluation and review.

14. The principles form the framework for this Statement's appraisal of the effectiveness of our governance arrangements over the last twelve months.

Dealing with last year's key improvement areas

15. The 2015/16 AGS contained two key improvement areas. As outlined below, significant progress has been made in each area, and both are no longer considered to be of concern.
16. Progress on remedying these governance exceptions was reported to the Audit Committee on a quarterly basis throughout the year.

Embedding the council's new Performance Dashboard into the quarterly performance monitoring regime.

17. The Council's new Corporate Plan provided an opportunity to refresh the way in which performance against this new Corporate Plan (and its priority areas) was monitored, presented and engaged with by officers and members.
18. The Dashboard provides 'live' performance data and updates against the organisation's priorities, while the system is also made available at the Overview and Scrutiny meetings in order to facilitate discussion, scrutiny and additional analysis on the information provided.
19. The update report to the September 2016 meeting of the committee concluded that the Performance Dashboard was now suitably embedded, given that the outputs of the Dashboard have been considered by both the Cabinet and Overview & Scrutiny Committee for three consecutive quarters. In the same month the Audit Committee were also given a presentation on the Dashboard, and provided positive feedback.

Completion of work to revise the council's strategic risk management procedures.

20. An initial set of seven strategic risks was presented and endorsed by the Audit Committee in April 2016, with an update on these presented in September.
21. Complementary work has been taken forward by a cohort of managers from across the authority, supplemented by a round of workshops with service managers, to compile information about service risks.
22. These corporate risk registers complement the service planning process, and were reported to the Overview and Scrutiny Budget Task-group as part of pre-Budget scrutiny for 2017/18. They now provide the council with an improved corporate awareness of service-based risks for the year ahead, and the mitigation controls planned.
23. Strategic and service risks have also been uploaded onto the council's new risk management software, alongside project and programme management information. This electronic system will allow for easier monitoring and reporting on the ongoing trends for all of these areas going forward.
24. These arrangements continue to be strengthened, with the process being updated further with input from the council's internal auditors.

Principle A – Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Sources of Assurance

Behaving with Integrity	
	Members' Code of Conduct
	Annual staff performance appraisals
	Declarations of interest made at meetings
	Standards Committee
	Up-to-date register of interests & hospitality
	Up-to-date Whistleblowing policy
	Up-to-date Anti-Fraud and Corruption policy
	Up-to-date Complaints policy
	Open and accessible public meetings
Demonstrating strong commitment to ethical values	
	Constitution
	Staff recruitment, retention policies
	Staff competency framework
	Up-to-date procurement policy, including social value
Respecting the rule of law	
	Constitution
	Job descriptions for all staff and Portfolio Holders
	Support provided for all committees
	Monitoring Officer
	Committee Terms of Reference
	Cabinet report template

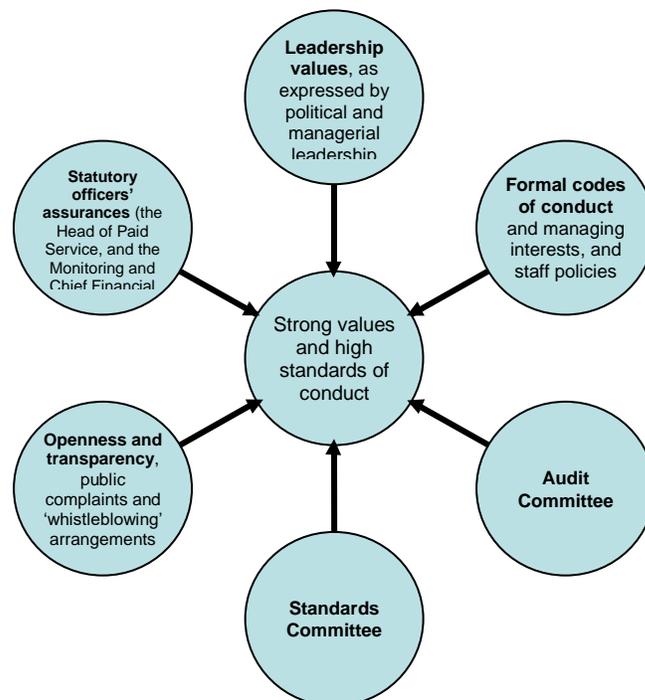
Other Assurances Received

Behaving with integrity

25. The Council's current code of conduct for councillors was adopted on 20 July 2012 and has since been the subject of minor amendments. This code is based on Localism Act principles and was developed as a collaborative project by Kent Monitoring Officers in consultation with task groups of councillors within individual councils. The vast majority of district and parish councils in Kent have adopted this "Kent Model Code of Conduct".
26. Complaint activity has been very low since adoption of the new code of conduct in 2012. During 2016 no new formal complaints about members were submitted.
27. All council meeting agendas now include an early item seeking declarations of interest and this item has been updated to assist members who may need to declare different types of interest. *Ad hoc* advice on interests is regularly sought from the Monitoring Officer and his staff by borough councillors and parish clerks/councillors

particularly in relation to Planning Committee matters. This process continues to demonstrate a good general level of understanding by borough councillors and a desire to comply with the code of conduct.

28. All new staff and members receive induction and training upon arrival. For staff, the induction pack includes both a copy of the staff Code of Conduct, and the council's customer service values. These, as part of an overarching customer care policy, were updated during the year.
29. The council's shared corporate values – principles that guide how it interacts with customers, colleagues and partners - were also revised during the year, following consultation with all staff during the first three months of 2017. The final values are currently being compiled, and may underpin appraisals as well as support recruitment, retention and staff engagement – and may also be used by members. In doing so they also act as important corporate values to the organisation - guiding the decision-making of the council at both a strategic and day-to-day level.
30. To respond to the particular challenge of introducing new councillors quickly and effectively into the governance framework, the Council produced 'A Framework – Documents for elected members' to coincide with the May 2015 elections. This document provided an introduction, and comprehensive overview, of how the Council operates - to help new members assimilate quickly into their role as councillors – helping them to understand the standards required of them (whilst serving as a useful guide to others). This was followed by a period of intensive Member induction.
31. The council has a Standards Committee, which met in January 2017 to receive the annual report of the Monitoring Officer. Noting activity in relation to the Code of Conduct (above), the Monitoring Officer's 2016 report concluded that he was "satisfied that the Borough Council's code of conduct is generally well understood and widely observed."



32. The council's Anti-Fraud and Corruption, Whistleblowing and Complaints policies are all up to date, but whilst the Complaints policy is available on the public website at present the Anti-Fraud and Corruption and Whistleblowing policies, although publicly available, have not been easily accessible. With the refresh of the council website of June 2017, this has been amended.
33. In September 2016 the Audit Committee received the results of a four-council audit review of the Council's preparedness for the revised CIPFA /SOLACE Good Governance Framework. This report highlighted that the council's 'clear and financed approach to tackling fraud and corruption' was a strength of its current governance processes.

Demonstrating strong commitment to ethical values

34. During late 2016, the council's Member Training Panel agreed that several new areas of member training should be provided during 2017. A number of the topics have significant relevance to probity, good governance and general code of conduct compliance, including data protection, equality and diversity and planning as a ward member. On equality and ethical awareness, this was instituted in response to an internal audit during the year which had recommended that equalities training be included as both part of member induction and ongoing training.
35. For staff, the annual appraisal process is based on a 'Competency Framework', agreed in December 2014 which sets out key behaviours (or competencies) that if demonstrated by staff will contribute to the success of the council's long term aspirations. Key agreed competencies include –
- a. Inspiring trust by demonstrating honesty and integrity
 - b. Treating others with respect and dignity at all times, ensuring that there is no discrimination regardless of background

Respecting the rule of law

36. As a statutory body the Council's structures for decision-making, its rules and its processes are influenced by legislation and associated regulatory needs. A fundamental part of our governance, therefore, is the Constitution. An important aim of the Constitution is to reinforce the principle of members and officers working together, and in partnership with others, to achieve common goals.
37. The Constitution is a legal requirement and sets out how the Council runs, how it should make decisions and the guidance it should follow to ensure these are efficient, transparent and accountable to local people. Some of these processes are needed by law, while others were chosen by the Council.
38. It has several chapters, which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are set out in accompanying rules and protocols.

39. Parts of the Constitution are periodically reviewed to ensure the Council's arrangements remain relevant. Thus changes are made as necessary to ensure our arrangements support effective performance of our responsibilities to residents and taxpayers, whilst fully supporting effective achievement of the Council's aims.

The Constitution's principal features



40. The most effective way to deliver efficient and cost effective services is for officers and members to work together with our partners to agree and achieve a common goal. A number of working groups comprising officers and members have met during the year to steer and monitor progress of high profile projects and service delivery. All working groups should have clear objectives which are set out in terms of reference.

Principle B – Ensuring openness and comprehensive stakeholder engagement

Sources of Assurance

Openness	
	Annual Report
	Council tax information available online
	Corporate Plan setting goals
	Sustainable Community Strategy
	Resident's Survey (2014)
	FOI – list of frequently asked areas
Engaging comprehensively with institutional stakeholders	
	Communications Strategy
Engaging stakeholder effectively, including individual citizens and service users	
	Communications Strategy
	Joint Strategic Needs Assessment

Other Assurance Received

Openness

41. In December 2015 the council agreed a new Corporate Plan - "The Five Year Corporate Plan – for Aspiration, Action and Achievement". This sets out what the council aims to achieve in the following priority areas –

- Enterprising Ashford – economic growth & investment
- Living Ashford – quality housing and homes for all
- Active & Creative Ashford – healthy choices through physical, cultural & leisure engagement
- Attractive Ashford – countryside & townscape, tourism & heritage

42. This is publicly available from the Council's website and was also subject to regular scrutiny by the Overview and Scrutiny Committee – primarily through the quarterly performance report.

43. For staff, various internal communications are used to promote awareness of the organisation's overarching priorities, including the on-line monthly staff magazine, Root and Branch, and the Chief Executive's periodic 'walk about' briefings.

44. The Cabinet report template and associated guidance were revised in September 2016. These changes, alongside a revised impact assessment template, clarify the information available to decision-makers, providing clearer reasoning and evidence for recommendations. Since their adoption, all Cabinet reports have included suitable background information, and impact assessment, to enable decision-makers to make informed considerations.

45. The Annual Report, introduced in 2014, provides a user friendly and easy to

read document which ensures residents, partners and stakeholders are informed of achievements made by the Council and its key partners during the year, progress against the Council's key priorities and the projects underpinning them. A financial summary is also included.

46. All member decisions across the formal and democratic decision-making process are published under statutory requirements. There is a presumption that information and decisions are taken in public, but occasionally (under access to information regulations) some information is regarded as 'exempt' and not published. However, the Council aims as far as is possible to keep this type of information and decisions to the minimum.
47. The agendas, minutes and background papers of all committees (other than those which are exempt) are currently all published through the council website. In areas, such as Planning, where important decisions are also taken by officers, these decision notices are also published. Further proposals to strengthen the council's transparency, 'Modern.Gov', were agreed in March 2017.
48. Modern.Gov will offer a transparent, easily accessible central source for all information relating to the council's decision-making. Whilst allowing meetings and members to go 'paperless', the system also provides easy access for residents and others to agenda papers, minutes, committee details and memberships, declarations, interests and decisions. **As part of the rollout of this 'Modern.Gov' platform over the coming year, the organisation will be reviewing and enhancing the accessibility of all decisions - including those of officer delegation.**
49. This is an important corporate initiative, and as such is subject to the council's programme management process. Accordingly, phase 2 of the project envisions that access for all committee agendas, paperwork and outcomes will be managed and available through Modern.Gov by the end of 2017/18.

Engaging comprehensively with institutional stakeholders

50. The Ashford Strategic Delivery Board ensures effective and timely delivery of key projects, and includes key local partners engaged in delivering agreed priorities. Continued progress towards key actions is monitored by the Strategic Co-ordination Team whose membership comprises high level officers from all stakeholder organisations. Quarterly updates are reported on progress towards key actions and a traffic light system is used to highlight areas of concern.
51. The council is also an active member of the Ashford Health and Wellbeing Board and Community Safety Partnership, which both bring together local partners to deliver important shared outcomes. These both met regularly during the year, and are attended by both senior officers and the relevant Cabinet portfolio Holder.

52. Ashford Borough Council and Kent County Council work in accordance with an agreed 'Delivery Deal'. This deal offers a short, clear statement of the two councils' shared commitment to work together to deliver the council's key priorities and better quality outcomes – including the 'Big 8' projects and future service improvements.

Engaging stakeholder effectively, including individual citizens and service users

53. Consultation and engagement with residents and communities on a number of issues and projects continues in a number of ways, including:

- The Local Plan to 2030 - An extensive consultation exercise to inform the emerging local plan. This included the formal first-stage consultation on the draft Local Plan – an exercise which generated almost 3,000 individual comments from over 650 individuals. A considerable range of consultation has also taken place in the context of the evidence base that supports the Local Plan in both the completed studies and those still emerging. This has involved local organisations, professional bodies, statutory consultees, infrastructure providers, developer interests as well as residents and parish / local councils where appropriate.
- Chilmington Green development – since the planning application was approved, and subject to the necessary s106 agreement, ongoing community engagement is being conducted on the proposals and will extend through the lifetime of the project.
- Repton Community Development – extensive consultation to name the new community building.
- On proposed changes to the council tax support scheme, and the introduction of Public Space Protection Orders.
- Engagement with representative of service users, including disabled, ahead of the introduction of a community toilet scheme for the Ashford town centre.
- On any Neighbourhood Plans proposed for local areas.

54. The council's equalities objectives, revised in May 2016, commit the organisation to working "with Ashford's communities to tackle disadvantage and discrimination through consultation and involvement, while utilising councillors' personal knowledge and understanding of their communities".

55. A number of services also hold databases of stakeholders with whom they engage with in the development and review of their processes, and all planning consultations are conducted through a central online portal.

56. The Impact Assessment template, used with all Cabinet reports, allows report authors to highlight engagement and insight from service users when asking decision-makers to agree amendments to policy.

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

Sources of Assurance

Defining Outcomes	
	Five Year Corporate Plan
	Service Planning
	Sustainable Community Strategy
	Risk management processes
Sustainable economic, social and environmental benefits	
	Medium term Financial Plan – Capital Programme and Investment Strategy
	Records of key Cabinet decisions and supporting materials
	Equality Objectives ensure fair access

Other Assurance Received

Defining Outcomes

57. The Council’s new Corporate Plan provided an opportunity to refresh the way in which performance against this new Corporate Plan (and its priority areas) was monitored, presented and engaged with by officers and members.
58. As noted above, the update report to the September 2016 meeting of the committee concluded that this quarterly-reported Performance ‘Dashboard’ was suitably embedded. The online system provides trend data and contextual information alongside the achievements made in delivering the council’s corporate objectives.
59. The council’s programme management has also been refreshed during the year, including a new Project Initiation Document and central management process which allows for the competing needs, inputs and outcomes of the council’s project work to be considered.
60. During the year the council’s Management Team have begun to receive a regular update on the council’s Policy Register, following work by the Corporate Policy and Performance Team during the year to compile a full understanding of the council’s policy landscape. This register includes the details of any policy coming up for review or is out of date enabling services to better plan for refreshing the council’s policy framework at the appropriate time.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

Sources of Assurance

Determining interventions	
	Cabinet reports include options appraisals
	Medium-Term Financial Plan
Planning and programming Interventions	
	Five Year Corporate Plan
	Cabinet forward plan
	Risk management processes
	Service planning aligns budgets, plans and objectives
	Communications Strategy
Optimising achievement of intended outcomes	
	Procurement Strategy includes Social Value

Other Assurances Received

Determining Interventions

61. This year has seen the continuation of forward planning sessions for Cabinet members, alongside a process of early A4 summary of upcoming Cabinet reports and a Cabinet Callover meeting to discuss emerging recommendations with Cabinet members. Facilitated by managers and directors, these sessions facilitate better joint working and a shared understanding of the strategic issues effecting the organisation, leading to the development of the council’s strategic direction. Regular written Leader’s briefings on relevant strategic issues and topics of interest given to all members aim to inform them about important and interesting matters happening in the Borough. These briefings have been widened to include distribution to key external stakeholders, including Parish Council and Urban Forum representatives. The council’s approach to financial planning was highlighted as a governance strength in the aforementioned internal audit governance review.
62. Following the interventions noted on page five, our approach to risk management at the strategic level is now solid, with a focus on exploring ways of making it more effective.
63. Programme and Service risks were also revised during the year, and are routinely considered by the management team (with the highest of these risks also included in the Strategic Risk Register to members).

Planning and programming interventions

64. A new service planning process was developed by the Programme Manager and instituted by the Management Team during the year. This, alongside the Project Initiation Document (PID) and Delivery Programme, has brought additional discipline to how the organisation plans for, and manages, the allocation of its resources in order to deliver its corporate objectives. The Cabinet received an update on the progress of this delivery plan (and the Medium Term Financial Plan) in October 2016.

Optimising achievement of intended outcomes

65. Accordingly, service planning also underpinned the budget setting process for the upcoming year, and the work of the Budget Scrutiny Taskgroup. In summarising its findings from the scrutiny process, the committee felt that the new service plan template and risk registers were helpful in providing clarity over the resource requirements for the various service activities. It also heard evidence from across the authority that the programme management and PID processes had not only been well-received by officers and members but were also beneficial in terms of supporting the authority's commercial approach.

66. A recent internal audit into equalities highlighted the need for service planning to include a section on equalities. This, alongside other important governance features such as social value, will be included in the second year service plan template. The Cabinet also agreed revised corporate equalities objectives in May 2016, which seek to eliminate discrimination, harassment and victimisation whilst advancing equality of opportunity.

67. In July 2016, the Cabinet approved a Statement of Intent to explore a potential merger of the five East Kent district councils. As a result of this a business case was jointly commissioned to examine the advantages, disadvantages and feasibility of forming a single East Kent district council. Following this due diligence, the Cabinet agreed in February 2017 to not proceed with a merger at this point, but to retain sufficient flexibility to enable the council to work with other authorities and partners throughout Kent and outside the county as and when appropriate.

Principle E – Developing the entity’s capacity, including the capability of its leadership and the individuals within it

Sources of Assurance

Developing the entity’s capacity	
	Regular Management Team meetings
	Regular extended Corporate Management Team meetings
	Ashford Strategic Delivery Board
Developing the capability of the entity ‘s leadership and other individuals	
	All staff have job descriptions and person specifications
	Roles and responsibilities agreed and published for all Cabinet members, including Leader
	Deputy Portfolio Holder roles created
	Induction programme
	Staff competency framework
	Member Training Panel
	Staff development plan
	Full suite of up-to-date HR policies

Other Assurances Received

Developing the entity’s capacity

68. For staff the past year has again seen a particular focus on leadership and management development, as part of our ongoing workforce development programme. Following changes in February 2016 and conclusions to the East Kent merger discussions in 2017, a revised senior management structure was agreed by the Cabinet in February 2017. The new structure seeks to further enhance cross functional working, improve resilience, increase capacity at senior levels and improve the drive for the authority to take a more commercial approach in the delivery of public services. At the same time, the Chief Executive – at the time serving on a two-year contract – was appointed permanently.

69. The September governance audit report recommended two areas of additional work to boost the organisation’s preparedness. One, the broadening of the scope of risk management, was dealt with through previous governance exceptions follow-up work noted above. The other, corporate benchmarking, was agreed by the Audit Committee as being important – and agreed a recommendation to endorse that officers investigate the opportunities presented by the *LG Inform* data benchmarking platform in more detail, with a view to incorporating more benchmarking information where appropriate. Subsequent training was received by the Senior Policy, Performance and

Scrutiny Officer, and further benchmarking data will be incorporated into future corporate performance reporting.

Developing the capability of the entity's leadership and other individuals

70. The Council is committed to identifying and fulfilling the learning and development needs of members and officers. As community leaders, it is vital that our councillors are supported to be as effective as possible. Members' training needs are considered through a Member Training Panel. These needs are recognised as an important issue to develop and the issue is recognised as one of our strategic risks. Focusing on this is particularly important given the changes in external influences (the results of economic factors and government policies) and the breadth and complexity of some issues facing the Council and its members. A number of training and briefing sessions have been delivered during the year, especially in support of members' roles on planning and licensing committees, and these are detailed in a report to Cabinet each year by the Member Training Panel.
71. During the year, the previous 'lead member' regime was developed further to incorporate a more regimented 'Deputy Portfolio Holder' regime. These deputies are able to substitute for the Portfolio Holder in their absence, increasing resiliency within the Cabinet – while there remain a small number of lead members for distinct areas not covered by a wider Portfolio.
72. The council is embracing digital technology to provide more effective support to members. In March 2017 an initial project was agreed to digitise committee and management team agendas, whilst rolling out tablet devices to management team and cabinet members in the first instance.
73. In line with the review of senior management arrangements noted above, the recent internal audit review on Ashford's governance noted succession planning and officer development as being a particular strength of the organisation. Personal development planning toolkits are available to all staff through the intranet and e-learning staff development portal.
74. The council's senior management and Cabinet are supported in policy development by fortnightly policy updates (including a tracker of government consultation and the progress of key parliamentary legislation), supplemented by wider horizon-scanning and policy development support.
- 75. Until now, the council has not commissioned a peer challenge review, as part of the LGA's sectoral self-improvement programme (whilst it should be noted that senior officers have taken part in peer review teams elsewhere). The council is currently investigating the opportunities presented by such a peer review for the next financial year.**

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

Sources of Assurance

Managing Risk	
	Agreed risk management processes
	Risks regularly considered by Audit Committee
Managing Performance	
	Quarterly performance reporting, including to Overview and Scrutiny
	Publication of all public committee minutes and agendas
	Active Overview and Scrutiny Committee
Robust internal control	
	Internal and External Audit plans and reports
	Effective, resourced Internal Audit function
Managing data	
	Designated Data Protection Officer
	Quarterly budget monitoring reports to Cabinet

Other Assurances Received

Managing Performance

76. As noted in Principle C, over the last year the council has revised its performance management regime, changes informed through engagement with both officers and members on the content and form of both the online ‘Dashboard’ and highlight summary reports – so that they may best assist decision-makers in challenging assumptions and driving forward delivery. The programme management system also brought on-stream during the year will further assist in this way. This is a naturally-evolving process, and further engagement was conducted via an online survey to all users of the Dashboard to gather insight ahead of the 2017/18 reporting cycle.

77. The Council is required to follow statutory guidance for the publication of its accounts. Each year, this guidance is reviewed and updated, and this is reported to the Audit Committee. This informs members of any updates on the Council’s accounts for 2016/17, and on the lessons learnt from the accounts process in 2015/16.

78. In July 2016 officer support for the Overview and Scrutiny Committee transferred from Member Services to the Corporate Policy and Performance

Team. The intention was to help inform the research and scrutiny of the committee by aligning this more closely to the work already done by the team. The committee's 2016/17 Annual Report concluded that this change had led to a deepening of the work undertaken by members. During the last twelve months the committee has agreed a new 'flowchart' for codifying the way in which topics are selected for review, and amended the work tracker to incorporate a means of capturing recommendations and ensuring that they lead to evidence of improvement. Members of the committee, and its officer support, have undertaken a number of training sessions during the year in order to enhance the work of the committee.

Robust internal control

79. As in previous years, the council's internal audit function provided an interim annual report in December 2016 covering their work in the year to-date. This provided key performance indicators against the internal audit workplan.

Managing Data

80. A March 2016 Internal Audit provided a 'Weak' assurance rating for the council's approach to data protection, concluding that whilst "the council has documented policies and procedures, also allocated roles and responsibilities...there are weaknesses as policies are not operated". A Data Protection Officer was recruited in response, as well as other measures being taken.

81. A number of follow-up reports were presenting to the committee, both alongside the initial audit and following implementation of a number of the audit recommendations. This included Cabinet agreeing a new overarching Data Protection policy in July 2016. Accordingly, the follow-up report of December 2016 concluded that 'the Council is making further substantive progress on meeting the recommendations including speeding up implementation through appointing a specialist consultant', whilst the appointment of a new Data Protection Officer was made during early 2017. That officer, now in post, is taking forward the revised policies and procedures developed by the interim consultants, and creating an action plan for the council implementing the GDPR in 2018.

82. Accordingly, following the quarter 3 2016/17 follow-up audit review, the assurance rating for data protection was subsequently raised to Sound.

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

Sources of Assurance

Implementing good practice in transparency	
	Annual Report
	Accessible website
	Transparency page
Implementing good practice in reporting	
	Annual financial statements
	Annual Governance Statement
Assurance and effective accountability	
	Head of Internal Audit
	Quarterly update on governance exemptions to Audit Committee
	Sustainable Community Strategy

Other Assurances Received

Implementing good practice in transparency

83. The Council has continued its commitment to transparency and meeting relevant legislative requirements. Wherever possible, information is made readily available to the public through the ‘transparency’ section of the Council’s website. The Council is responding to incorporate fully the requirements of the Transparency Code 2015, further increasing the breadth and depth of information provided to the public on the services provided by the authority.

84. **However, transparency is an ongoing, and developing, requirement. There are a small number of datasets which do not have the very latest data published (for various reasons), and officers are working with data owners to ensure that this is updated.**

85. **The Transparency Code also encourages datasets to be made available in the most accessible way possible, usually as a machine-readable CSV file. Most datasets published by the council are in Excel format, or as data within a website page - which although perfectly admissible against the Code, is a less accessible format. This enhancing of the council’s transparency arrangements will be resolved over the coming year.**

Implementing good practice in reporting

86. As noted above, the Cabinet report template and associated summaries were updated during the year. A flowchart (see below) for how reports should be compiled and considered at the stages ahead of final Cabinet decision has also

How effective is our governance in meeting these principles?

87. The assurances noted above – both the component ‘sources’ and the other developments made within the year – provided a comprehensive overview of the council’s governance framework.

88. Generally these arrangements work well for the Council and allow it to uphold good standards of accountability and effectiveness.

Additional Governance Areas

89. Through the review work which accompanies this Annual Governance Statement, a small number of governance areas where additional developments will take place have become apparent. These are in bold within the report, with a short action plan summarised below –

Governance Area	Responsible Department	To be delivered by
Modern.Gov	Legal and Democratic Services	March 2018 (as set out in PID)
Peer Challenge	Directors / Management Team	January 2018
Compliance with the Transparency Code	Corporate Policy and Performance	March 2018

90. Through further action during 2017/18 in the areas noted above, the council’s overall governance arrangements will remain strong – and indeed will strengthen further.

91. These developments will be monitored regularly and reported on to the Audit Committee quarterly, and will be considered fully within the next Annual Governance Statement.