

CEREDIGION COUNTY COUNCIL



Annual Governance Statement 2018-19

Approved by Council 21st March 2019

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1. Scope of responsibility

Ceredigion County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

The Authority also has a duty under the Local Government (Wales) Measure 2009 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.

The Well-being of Future Generations (Wales) Act 2015 also introduces new governance arrangements for public services in Wales. Public bodies are required to carry out sustainable development. It places a well-being duty on public bodies to set and publish well-being objectives designed to maximise their contribution to the seven national well-being goals. They are also expected to take all reasonable steps towards achieving their objectives.

In discharging this overall responsibility, the Authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes the arrangements for the management of risk.

A Governance Framework was developed in 2010 and has been revised in accordance with the CIFA/SOLACE Delivering Good Governance in Local Government Framework 2016. The framework has been used to review the existing governance arrangements.

Following the review and in accordance with the requirements of the Framework a Local Code of Corporate Governance was approved by Council on the 29th June 2017 and amended on the 22 March 2018.

The local Code of Corporate Governance brings together in one document all the governance and accountability arrangements the Council currently has in place and highlights areas where more work is required. The code is based on best practice guidance set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

This new framework is based on the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) and the following seven principles;

- A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B: Ensuring openness and comprehensive stakeholder engagement
- C: Defining outcomes in terms of sustainable economic, social and environmental benefits.
- D: Determining the interventions necessary to optimise the achievement of the intended outcomes
- E: Developing the entity's capacity, including the capability of its leadership and the individuals within it

- F: Managing the risks and performance through robust internal control and strong public financial management
- G: Implementing good practices in transparency reporting, and audit to deliver effective accountability

this statement explains how the Authority has complied with the seven core principles and sub-principles contained in the framework and in our Local Code of Corporate Governance.

This statement also meets the requirement of The Accounts and Audit (Wales) Regulations 2014

2. Assessment of the effectiveness of key elements of the governance framework

Ceredigion County Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively

The Leader of Ceredigion County Council provides clear strategic direction and the Constitution clearly defines the roles of Councillors and officers. Internal and External Audit, Ethics and Standards Committee and the Audit Committee are committed to ensuring the governance arrangements are effective and robust.

Ceredigion County Council has conducted an annual review of the effectiveness of its governance against the CIPFA/SOLACE Delivering Good Governance Framework (2016). The review involved member/officer workshops and included the following members; The Chair and Vice Chair of Audit Committee, The Lay member, Audit Committee, the Chair of Overview and Scrutiny Co-ordinating Committee. In addition the Monitoring Officer, Corporate Manager Internal Audit, S151 Officer, Corporate Lead Officer ICT and Customer Services, Corporate Lead Officer Economy & Regeneration, Corporate Lead Officer Policy & Performance, Corporate Lead Officer Democratic Services, Corporate Performance & Improvement Officer and the Corporate Manager – Partnerships and Performance also took part. During the workshops each behaviour was introduced and scored against a scoring mechanism as follows;

- 1/2 Unacceptable Immediate action required
- 3/4 Below satisfactory – urgent Action Required (within 3-6 months)
- 5/6 Satisfactory - Action Required (before end of year 9-12 months)
- 7/8 Acceptable Minor adjustments may be required
- 9/10 Good - overall Governance considered to be good and meets best practice no further action required

The review of effectiveness conducted at officer level was also informed by managers within the Authority who have responsibility for the development and maintenance of the

governance environment and also by comments made by the external auditors, other inspection agencies, Leadership Group and Corporate Lead Officers. The review framework was presented to Audit Committee in January 2019.

The effectiveness of the governance framework draws on evidence and assurances from:

- Internal and external audit and inspection
- Financial Controls
- Risk and Performance Management
- Legal and ethical standards
- Corporate Directors and other senior management, including the s151 Officer and the Monitoring Officer
- The Audit Committee
- Overview and Scrutiny Committees

In addition The Corporate Manager – Internal Audit has undertaken an independent review of the Annual Governance Framework and the method of scoring and evidence.

The Council has drawn together a Local Code for Corporate Governance which sets out the systems and processes, and cultures and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that code 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 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 the 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.

The Local Code for Corporate Governance is available on the Council's website at www.ceredigion.gov.uk

3. Corporate Governance Achievements for 2018-19

The local code for Corporate Governance sets out the Local Authorities commitment to the principles of good governance. The following paragraphs outline the Corporate Governance achievements during 2018-19.

- A. Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of law
 - The Constitution has been the subject of a comprehensive review during 2018 with a revised edition being published on the Council's website in January 2019

- CeriNet has been developed to include information for new starters, the Employee Handbook, Corporate Managers and Head teachers Toolkit and access for staff to arrange Learning and Development information and opportunities.
- The Well-being & Improvement Objectives progress report 2017-18 was published on the 31st October 2018 and included a review of the well-being objectives for 2019-20.
- The Anti-fraud and corruption Strategy has been approved and published in March 2018

B. Ensuring openness and comprehensive stakeholder engagement

- The Freedom of Information policy and Environmental Information Regulations Policy were both updated in March 2018.
- A Helping us to Help You Survey has been launched to give a voice to citizens on the future of service delivery.
- All consultations are made available on the Council website
- Consultations are promoted through Social Media
- The Well-being & Improvement Objectives 2017-18 Performance Report including a review of the well-being objectives 2019-20 was published on the 31/10/2018
- The AIR 2017-18 report did not make any formal recommendations for improvement.

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

- The Well-being and Improvements Objectives performance Report for 2017-18 was published in October 2018.
- A public engagement toolkit has been developed in accordance with the National Principles of Public Engagement
- Updates on the budget savings and the work of the Development Group are reported to the Cross Party Transformation and Efficiency Consultative Group.
- The Authority has undertaken the following steps towards the implementation of the Well-being of Future Generations (Wales) Act 2015
 - ✓ Prepared Well-being and improvement objectives 2019-209 and Well-being statement
 - ✓ Embedded the Well-being Goals and Sustainable development principal into the business planning process
 - ✓ Implemented a new Integrated Impact Assessment tool
 - ✓ Established a WFGA group and action plan
 - ✓ Completed the review of the Constitution
 - ✓ Completed the PSB assessment of Local Well-being
- The Integrated Impact Assessment Tool and guidance is available and used to support decision making

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

- The Integrated Impact Assessment Tool and guidance is available and training has been rolled out for officers and Members
 - Corporate Performance Management Arrangements have been reviewed to ensure achievement of intended outcomes
- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Members training
 - i. Scrutiny and the Wellbeing of Future Generations
 - ii. GDPR
 - iii. Audit Committee Training
 - iv. LGBT Training
 - v. Adverse Childhood Experiences
 - Safeguarding Thresholds A Ceredigion Manager Programme has been developed and implemented. All managers must complete 6 mandatory courses, a range of optional courses have also been developed.
 - Two cohorts of Managers will undertake ILM Level 4 Leadership & Management programme during 2018/2019
 - Senior Managers have attended Regional and National Leadership events throughout the year including the Wales Academi Summer School.
 - An apprenticeship scheme has been developed the first 5 apprenticeship opportunities were advertised during September and commenced their posts in November 2018.
 - Implementation of the learning and development and performance management modules within Cerinet
 - A number of training courses for staff are available via e-learning modules
 - A new Workforce Plan 2017-2020 has identified four themes
 - Engagement and Opportunity
 - Flexible & Agile Workforce
 - Promote a bilingual workforce that will serve the community
 - Leadership and Management development
- F. Managing risks and performance through robust internal control and strong financial management
- The Corporate Risk Register is updated quarterly
 - The Well-being & Improvement Objectives 2017-18 Performance Report was published in October 2018
 - The Medium Term Financial Strategy was updated and approved in February 2018
 - An ICT and Digital strategy was approved by Council in March 2018
 - Internal Audit Section was fully resourced on 4 June 2017, however as one member of the team has since taken a 12 month career break in January 2018, specialist auditors from other local authorities were requested to undertake part of the audit plan work identified for 2017/18 and 2018/19 to bridge the gap.
- G. Implementing good practices in transparency, reporting and audit to deliver effective accountability
- Annual reports are published including
 - i. Improvement Plan progress report (Oct 2017)

- ii. Annual Financial Statement including the Annual Governance Statement (September 2017)

4. Opinion on the level of assurance that the governance arrangements can provide

The Corporate Manager Internal Audit prepares an Annual Report which is presented to Audit Committee in June. The report sets out the individual and collective outcomes of the audit reviews undertaken during the year, and provides the overall audit opinion of assurance based on this audit work. The assurance provided also takes into account progress in implementing improvements, consideration of the risk register and assurances provided in reports issued by external regulators. The scope of audit work and how the need to constantly reprioritise to ensure sufficient work is undertaken for the assurance is detailed in the report.

Concerns were raised by WAO in the 2015-16 and 2016-17 ISA260 regarding the reduced staffing levels due to both long and short-term absences within Internal Audit which had led to a number of planned audit reports not being finalised. The issues relating to capacity were addressed with the appointment of additional 2 members of staff to the team in June 2017, however as one member of the team has since taken a 12 month career break in January 2018, specialist auditors from other local authorities were requested to undertake part of the audit plan work identified for 2017-2018 and 2018-19 to bridge the gap.

The Annual Governance Statement has been the subject of review by Wales Audit Office to ensure that it is consistent with their knowledge and with legislation in addition the Internal Audit section has undertaken an independent review of the Annual Governance Framework and the method of scoring and evidence..

The Internal Audit Section undertaken annual self-assessment at each year-end and an external peer assessment of the service was also conducted during 2016-17. The resultant improvement plans from these assessments have been included in the Internal Audit Annual Report, identifying improvements made and planned against the recommendations arising, along with the results of the service's Quality Assurance Improvement Plan as required by the PSIAS to ensure the Audit Committee is able to monitor progress. The improvement plan is also monitored throughout the year by Audit Committee, via the periodic Internal Audit Progress Reports.

The Corporate Manager - Internal Audit expects to conclude in her Annual Report, based on:

- the number, scope and assurances from internal and external reviews and follow-up audits undertaken during the year to 31 March 2019, and
- the acceptance of actions by management (especially those deemed significant),

that Cyngor Sir Ceredigion continues to have a satisfactory framework of governance, risk management and internal controls in place to manage the achievement of the organisation's objectives.

The Council's Corporate Lead Officer Customer Contact acts as the Authority's Senior Information Risk Owner and also has responsibility for Data Protection and ICT Security.

The SIRO Forum traditionally included subject matter experts: E.g. Facilities, Data Protection, IT Security, Head of IT Legal, and HR. and some departmental representation. This meets every quarter to discuss information risk and information management issues.

The current key roles and scrutiny of Information Assets are as follows:

- An IT Security Officer (ITSO) who advises on data security and external advisers and consultants are employed from time to time to test and advise on the Authority's security arrangements.
- An Information and Records Management Officer (IRMO) who advises on legal compliance and ensures that policies and procedures are in place and are being adhered to.
- Corporate Data Protection (Known internally as Corporate Data Protection / FOI / EIR Group Meeting) meets quarterly and is chaired by Head of Service Policy (Deputy HOS ICT&CS).
- Emergency and Business Continuity Meeting held quarterly Chaired by Cabinet Member for Corporate Services, Improvement and Performance Management. This predominately considers Information Availability.
- Annual Reports as required to the Council's Audit Committee.

Additionally:

- ITSO is the Vice-chair of Wales National Public Sector Security Forum (CymruWARP) which meets quarterly.
- IRMO Chairs the Information and Records Management Society Wales/Cymru and arranges events across Wales.
- IRMO is part of the WASPI - Mid and West Wales Quality Assurance Panel.

Following the Governance Framework review, overall governance arrangements are considered to be acceptable or good on the basis that average scores applied were 7/8.

The introduction of the Local Code for Corporate Governance outlining how the Council is committed to the core principles of the CIPFA/SOLACE delivering good Governance in Local Government Framework provides guidance to all members and officers on the governance agenda.

Regular review of the Local Code of Governance will provide a high level of assurance that the governance arrangements are fit for purpose.

5. Issues identified for last year (2018-2019)

The following table records the actions that have been taken during 2018-19 to resolve the issues identified in the Annual Governance Statement for 2017-2018

Issue	Progress to date	Lead Officer	Completion Date
(A) Audit of Ethics is due in 2018	Carmarthen CC to provide audit. commencement now scheduled for February 2019.	AR	Mar 2019
(B) Freedom of information There is a Freedom of Information Publication scheme operating within Ceredigion but this and the FOI policy requires update.	FOI policy updated and EIR policy created, both of which were approved by Cabinet on 6 th March 2018. Work is currently underway to update the Publication Scheme in collaboration with all Council services. The organisational changes will be factored into this piece of work and it will be maintained as a live document.	AW	Sept 2018
(B) Consultation and Engagement Although there are processes in place for the dissemination of the results of consultation and engagement exercises, there is some concern that these do not always reach the appropriate decision makers within the Authority	A new Engagement and Equalities Officer post has been created through the restructure of the Policy and Performance service. The new member of staff will commence in post on the 01 st December 2018. This post will be responsible for the monitoring of consultation feedback. In the meantime, guidance has been issued on the Ceredigion council intranet to all staff to follow with regards to the dissemination of feedback to decision makers.	AW	Mar 2019
(B) The existing structure of the PSB and its partnerships is not fit for	The new Partnership Structure to deliver the Local Well-being Plan is being implemented across the County. All 6 of the new PSB Project Groups are now fully established and are meeting regularly. Each group is progressing well	AW	Mar 2019

purpose for delivering the new Local Well-being Plan.	with action reports prepared following each meeting that are presented to the PSB, the Co-ordinating Overview and Scrutiny Committee and Cabinet.		
(C) Managing Service Users expectations Only some of the data that is collected and reported regarding service performance is made available to the public.	A new Corporate Performance Management System has been procured and development is in progress. As development progresses it is anticipated that the Councils web site will be used to publish relevant service performance data.	RHP/AW	Mar 2019
(D) A review of the risks across collaboration projects and agreements is required	A review of collaboration projects is underway under the direction of the Corporate Director. It is hoped that the work will be collated and presented by the end of the financial year.	AW	Mar 2019
(F) To ensure Internal Audit is adequately resourced to provide reliable assurances. (Loss of 1 member of the audit team to a career break)	As per (A) above; plus Carmarthen CC to provide specialist ICT audit. Currently in progress (January 2019)	AR	Mar 2019

Note: Any actions not fully completed by the completion date will be carried forward into the 2019-20 Action Plan

6. Agreed action plan for matters to be considered during 2019-20

Following the implementation and review of the CIPFA/SOLACE Delivering good governance in Local Government Framework (2016) the following issues have been identified for resolution during 2019-20

Issue	Action	Outcome	Lead Officer	Completion Date
(A1.3) Leading by example and using these standard operating principles or values as a framework for decision making and other actions	Recommendation Audit Committee to carry out benchmarking exercise.	Further assurance on the review process for the Annual Governance Statement	CJ	March 2020
(A2.2) Demonstrating strong commitment to ethical values	Recommendation: A training needs analysis should be carried out and an action plan to deliver training in 19/20 should be prepared	Provision of ethical awareness training	AR	March 2020
(B1.1) Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	Recommendation – Complete the review of the FOI publication scheme	FOI Publication scheme	MNH	March 2020
(B1.4) Using formal and informal consultation and engagement to determine the most appropriate and effective interventions/ courses of action	Recommendation – Carry out actions to improve engagement activity	Making use of consultation feedback	MS	March 2020
(B3.1) Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service (or	Recommendation – Carry out a review of the Community Engagement Policy	A clear policy that is up to date	DD	March 2020

other) provision is contributing towards the achievement of intended outcomes				
(B3.5) Balancing feedback from more active stakeholder groups with other stakeholder groups to ensure inclusivity	Recommendation: To liaise with other LA's to establish Best Practice	Processes for dealing with competing demands within the community for example consultation	DD	March 2020
(C1.5) Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	Complete the Risk Management Framework Review (From 17-18) Introduce a Performance Management system and publish service performance data online including costs per service and value for money data.	Risk Management protocols Making data more available would help the public understand the performance of services and value for money better.	CJ	Sept 2019
(D2.3) Considering and monitoring risks facing each partner when working collaboratively including shared risks	Recommendation; Audit Committee to receive a paper on a review of collaboration projects. This be followed with an action plan for improvement.	Risk management protocol	DD	March 2020
(F3.4) Ensuring additional assurance on the overall adequacy and effectiveness of the framework of governance, risk management and control is provided by the internal auditor	Recommendation; Ensure capacity and capability are considered during the impending re-structure of Internal Audit.	Effective Internal Audit service is resourced and maintained	AR	March 2020

7. Conclusion

The annual governance framework review measured progress against the new CIPFA/SOLACE Delivering Good Governance Framework (2016) and overall governance arrangements were found to be acceptable or good.

The Council has made good progress during the year with recorded achievements against each of the seven core principles.

The development of a Local code of Corporate Governance bringing together all the local codes and documents together in one document provides assurance that there are clear governance arrangements in place.

The Council has identified a number of minor issues for resolution during 2019/20 and set these out in an action plan for completion.

8. Certification of Annual Governance Statement

We propose over the coming year to take steps to 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 as part of our next annual review.

Signed

Chief Executive

Leader of the Council