

DRAFT ANNUAL GOVERNANCE STATEMENT 2019/20

1 Purpose

- 1.1 The purpose of this report is to present the committee with the draft Annual Governance Statement for 2019/20 prior to its inclusion in the Statement of Accounts.
- 1.2 The Annual Governance Statement has been prepared in accordance with the CIPFA Code of Practice on Local Authority Accounting 2015/16 following the principles set out in the CIPFA Delivering Good Governance in Local Government Framework (2016).
- 1.3 The preparation and publication of the Annual Governance Statement (AGS) is a statutory requirement of the Accounts and Audit Regulations 2011. The Council is required to conduct a review at least once in a year of the effectiveness of its governance framework including the system of internal control, and to prepare a statement on internal control "in accordance with proper practices".

2 Recommendations for decision

- 2.1 The Audit Committee is requested to:
 - (i) Review the Draft Annual Governance Statement 2019/20.
 - (ii) Consider the robustness of the Council's governance arrangements
 - (iii) Approve the Draft Annual Governance Statement 2019/20 on behalf of AVDC prior to its inclusion in the Statement of Accounts

3. Supporting information

- 3.1 Once it has been approved by the Audit Committee, the draft Annual Governance Statement will be handed over to Buckinghamshire Council and taken forward for conclusion alongside the Annual Statement of Accounts. This will occur after vesting day.
- 3.2 It will be signed by the Leader of the new Council and the Head of Paid Service at the same time as they sign the Annual Statement of Accounts.
- 3.3 The assurance gathering process is based on the management and internal control framework of the Council.
- 3.4 There are several statements in the draft AGS that will require updating after the year end and up to the date at which the accounts are signed. These are highlighted in the attached document, but do not significantly change the content of the report.

4. Options considered

- 4.1 None – this is a statutory requirement.

5. Reasons for Recommendation

- 5.1 To comply with legislation

6. Resource implications

- 6.1 There are no resource implications to report.



Annual Governance Statement 2019/20

Introduction

The annual governance statement is a valuable means of communication. It enables an authority to explain to the community, service users, tax payers and other stakeholders its governance arrangements and how the controls it has in place manage risks of failure in delivering its outcomes.

Aylesbury Vale District Council (AVDC) 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. AVDC 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.

AVDC is responsible for putting in place proper arrangements for ensuring good corporate governance. These are embedded in the constitution, policies and procedures. We have not approved and adopted a separate single code of corporate governance. However, the principles to which the Council operates are intended to be consistent with those contained in the CIPFA / SOLACE Framework Delivering Good Governance in Local Government.

What is Corporate Governance?

Corporate Governance refers to “*the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved*” (The International Framework: Good Governance in the Public Sector, CIPFA/IFAC, 2014). The International Framework also states that:

“To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity’s objectives while acting in the public interest at all times.

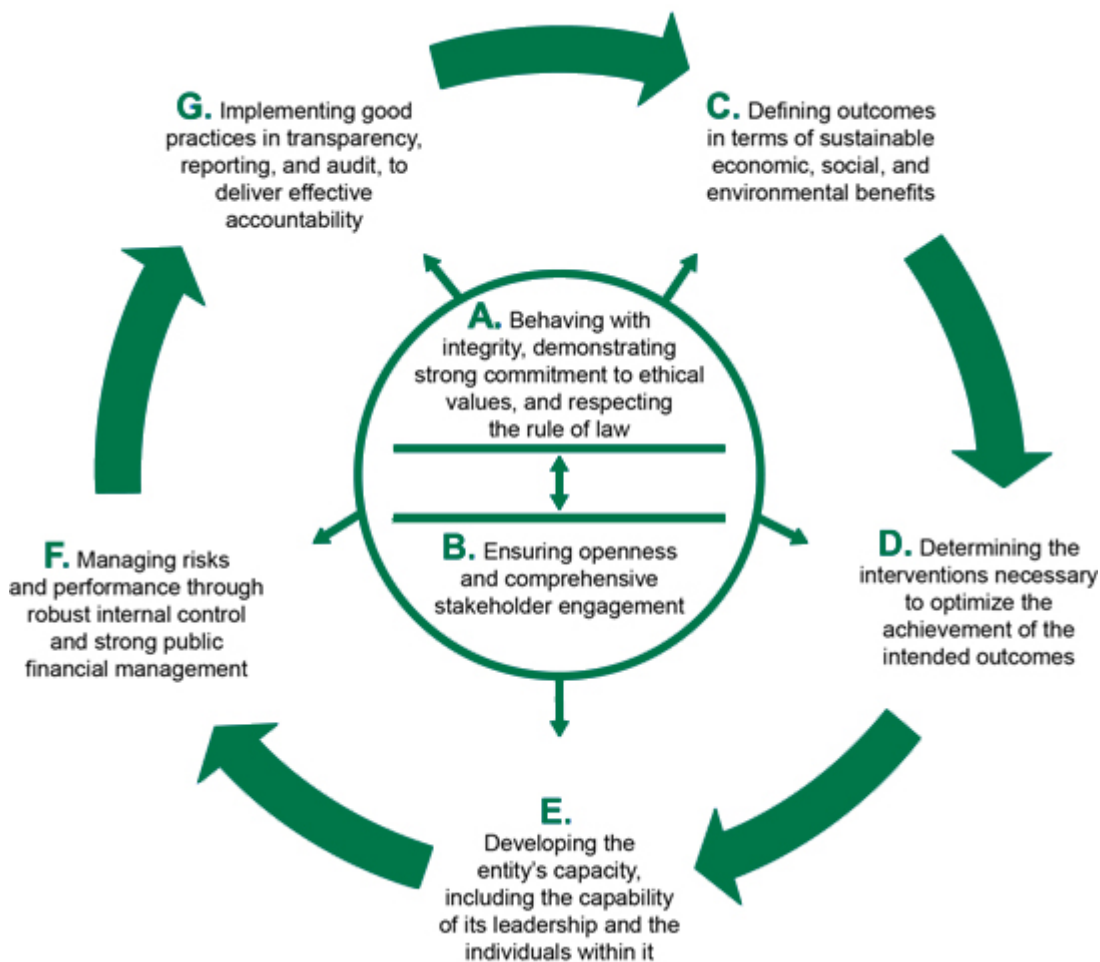
Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders”.

Our governance arrangements aim to ensure we meet our objectives and responsibilities in a lawful, timely, open, inclusive and honest manner and that our public money and resources are safeguarded, properly accounted for and used economically, efficiently and effectively.

The principles of good governance

The diagram below, taken from the International Framework, illustrates the various principles of good governance in the public sector and how they relate to each other. Both the Accounts and Audit Regulations 2015 and the national Code of Practice on Local Authority Accounting in the United Kingdom 2016 require that the Framework be adopted as ‘proper practice’.

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



How do we know our arrangements are working?

Each year we (AVDC) review our corporate governance processes, systems and the assurances on the governance framework and report this in the Annual Governance Statement. This Annual Governance Statement builds upon those of previous years. It summarises the governance framework which has been in place for the year ending 31 March 2020 and up to the date of approval of the statement of accounts and records any significant governance issues that need to be addressed over the coming year.

As we are continually changing and seeking improvement it is important that the governance arrangements are robust and flexible enough to manage change effectively and positively support our aims and objectives. We recognise that the governance framework cannot eliminate all risk and therefore only provides reasonable and not absolute assurance of effectiveness.

A

Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law

All our councillors meet regularly together as the council. Most of these meetings are open to the public who can either attend in person or view the meeting via a live webcast. The conduct of AVDC's business is defined by formal procedures and rules, which are set out in the constitution.

The constitution explains the roles and responsibilities of the executive, non-executive, scrutiny and officer functions and the delegation arrangements that are in place. It also contains the 'Codes of Financial Management and Procurement' and the 'Code of Conduct for Members'.

Council

Consists of 59 elected councillors, covering 33 wards. The council appoints the Leader who in turn appoints the cabinet. Council holds the cabinet and committees to account. They decide the council's overall policies and set the budget each year.

Overview & Scrutiny

Four scrutiny committees, support the work of cabinet and council as a whole. They can hold public inquiries into matters of local concern. These lead to reports and recommendations which advise the cabinet and the council on its policies, budget and service delivery.

Scrutiny committees monitor the decisions of the cabinet. They can 'call-in' a decision which has been made by the cabinet but not yet implemented. This enables them to consider whether the decision is appropriate and they can recommend that the cabinet reconsider the decision. They may also be consulted by the cabinet or the council on upcoming decisions and the development of policy.

Leader & Cabinet

Cabinet is made up of a leader and 8 councillors, each appointed for 4 years. The Leader is appointed by the council and then appoints a Deputy Leader and Cabinet Members.

The cabinet meets every month. Meetings are generally open to the public although some meetings or parts of meetings are held in private.

Cabinet's role is to develop, propose and implement policy. It guides the council in the preparation of its policy framework, including setting the budget and council tax levels. It discharges all executive functions not discharged either by a cabinet member or through delegation to officers.

Regulatory Committees

Strategic Development Management

Carry out council's functions as a local planning authority for large growth related developments.

Development Management

Carry out council's functions as a local planning authority for functions not falling under the remit of the Strategic Development Management Committee.

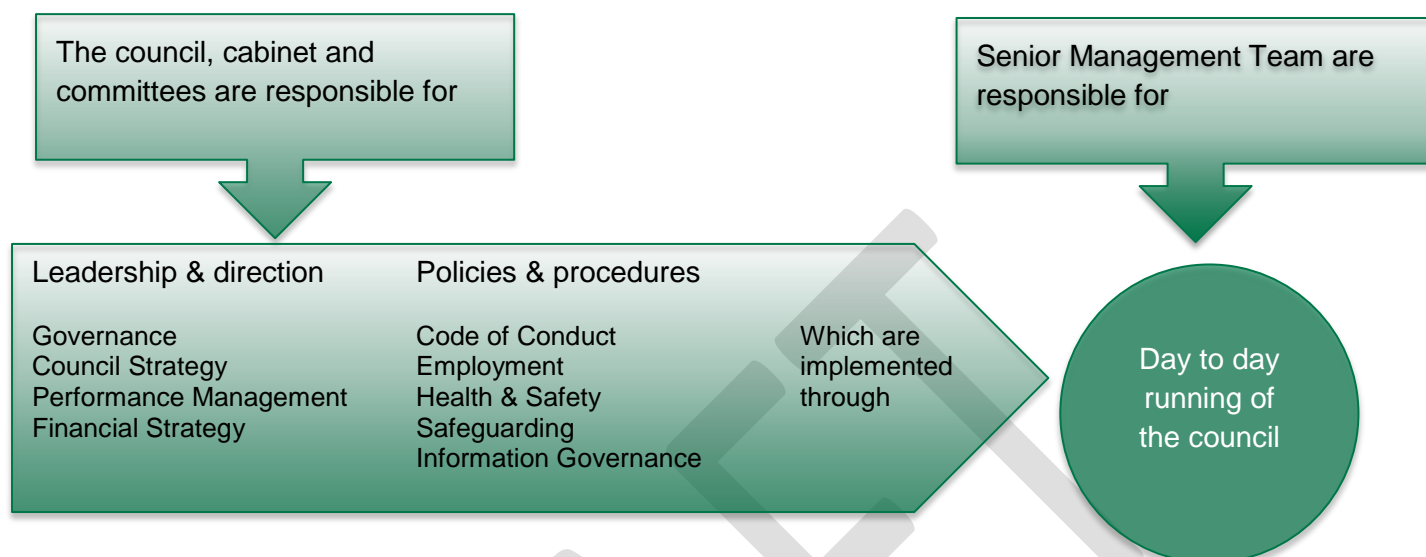
Licensing

Carry out council's non-executive functions relating to licensing and registration.

Audit

Provide independent assurance of the adequacy of risk management framework and associated control environment, independent scrutiny of the authority's financial and non-financial performance, and oversee financial reporting process.

Our Head of Paid Service is supported by the Senior Management Team



During 2019/20 financial year the Chief Executive and one Director resigned. The Head of Paid Service and Section 151 Officer posts are currently fulfilled by the remaining Director. In the context of the move to a new single council for Buckinghamshire, the vacant positions have not been filled.

Our constitution

[Our constitution is available on our website](#) and sets out how we operate, how decisions are made and the processes that are followed to ensure decision making is efficient, transparent and accountable to local people. A number of the codes of practice and procedures within the constitution are required by law, whilst some are chosen to reflect good practice arrangements.

The constitution further sets out the role of key governance officers, including the statutory posts, and explains the role of these officers in ensuring that processes are in place to ensure we meet our statutory obligations and also for the provision of advice to councillors, officers and committees on staff management, financial, legal and ethical governance issues.

The statutory posts are:

- Head of Paid Service
- Chief Finance Officer (Section 151)
- Monitoring Officer
- Returning Officer/Electoral Registration Officer

Standards of behaviour for members and staff

Member behaviours are governed by a code of conduct which is set out in the constitution. The code covers disclosable pecuniary interests as required by the Localism Act 2011 and also retains the requirements to disclose personal and prejudicial interests and those to register gifts and hospitality received in a member's official capacity together with interests in outside bodies, charities and pressure groups. The Code of Conduct was reviewed earlier this year having regard to the

guidance issued by the Parliamentary Committee on Standards in Public Life. The revised Code was adopted by full council on 17 April 2019.

All members of the council have completed a register of their pecuniary and personal interests. Specific refresher training, covering various aspects of the Code of Conduct and the completion of the Register of Interests form, has been provided to members this year.

The constitution also includes protocols covering member/officer relations, member involvement in commercial transactions, arrangements for working with commercial companies owned by the council and with companies in which AVDC has a commercial interest, and a members' planning code of good practice.

There is a three-stage procedure for dealing with complaints that members have broken the code of conduct.

A code of conduct for employees was approved in 2013 in conjunction with trade unions and employee representatives. This covers all aspects of conduct at work from how to treat colleagues, to any conflicts of interest and deals with matters such as accepting gifts and hospitality.

All new officers undertake mandatory online training within their first few days at work covering areas such as:

- Comments, Compliments and Complaints procedure
- Equality and Diversity
- Acceptable IT use
- Health and Safety
- General Data Protection Regulations
- Safeguarding

Information regarding our most up-to-date policies and procedures is also easily available to all employees and members via Workplace, our internal communications tool. Workplace enables easier access to information whether in the office or out and about and also encourages open discussion about policies, best practice and new ideas.

B

Ensuring openness and comprehensive stakeholder engagement

We appreciate the importance of engaging openly with all our stakeholders to ensure we continue to meet their needs and expectations efficiently and allowing them to be part of the decisions that affect them. Some examples of how we have communicated with our stakeholders over the past year include:

- Following the announcement in 2018 of a single **unitary authority** for Buckinghamshire, we are continuing to collaborate closely with the other Buckinghamshire councils (Buckinghamshire County, Wycombe District, South Bucks District and Chiltern District) to create a brand new council for the future, with the unitary authority taking effect from 1 April 2020. To enable the new council to provide residents, businesses and other stakeholders with the best possible service, we are continuing to work with stakeholders including Parish/Town councils and local businesses to understand what really matters to them and develop a council that meets their needs most effectively.
- We, in collaboration with the other Buckinghamshire councils commissioned a **Residents Survey** in October and November 2019 to inform the new council's priorities and measure satisfaction with local services. A representative sample of 1,400 residents were called and their opinions analysed.
- **The Vale of Aylesbury Local Plan (VALP)** will manage and direct the growth of our district, including new homes, infrastructure and commercial opportunities, through to 2033 in a way that will protect what makes our district a special place. Each of the 5 significant stages of the Plan since 2014 has been subject to extensive public consultation and engagement with Parishes, surrounding districts, county councils, Local Economic Partnerships and central government. Consultation took place on the proposed main modifications in November and December 2019. In March 2019, it was concluded, in consultation with the Highways Authority, that to be able to respond fully to issues raised in representations regarding transport infrastructure that the Countywide Transport Model should be re-run. This will inevitably delay AVDC's ability to provide the requested responses to the issues raised in the recent consultation. The responses to the Inspector will now go forward for his consideration after vesting day for the new Buckinghamshire Council. A summary of the key updates from the VALP process is available on the website.
- Aylesbury will accommodate most of the growth identified in VALP and this has been reflected in the Government awarding Aylesbury with **Garden Town status** in 2017. We are working in partnership with Buckinghamshire County Council, Homes England plus two Local Enterprise Partnerships (Buckinghamshire Thames Valley and South East Midlands) to make the best use of the Government funding provided. **The Masterplan, and Vision 2050 were adopted by the new unitary authority at the end of March 2020** following extensive consultation with residents, local businesses, partners, stakeholders and community groups.

We use a variety of methods for consulting and communicating with local residents and other interested parties both to help guide our decision making and ensure everyone is kept up-to-date.

For maximum effectiveness, the channels used on each occasion are selected based on the target audience and the purpose of the communication. Our regular communication channels include:

- AV Times - a residents' magazine delivered to all households within the district
- Media relations - a pro-active programme with our local media (radio, TV, newspapers)
- Parish and community noticeboards
- Poster sites across the town centre including digital screens
- Targeted literature
- Social media - our social media platforms include Twitter, Facebook, LinkedIn, Next Door and Instagram, giving different parties the opportunity to engage with us in the most convenient way for them
- Monthly eNewsletter - sent to 37,000 registered residents with news from around the Vale
- [Council website: www.aylesburyvaledc.gov.uk](http://www.aylesburyvaledc.gov.uk) and [tourism-focus website: www.visitaylesbury.co.uk](http://www.visitaylesbury.co.uk)

For consultations we use methods ranging from quantitative self-completion questionnaires to focus groups. Details of how to join these consultations are communicated through the channels above.

We also use our communication channels to support partner organisations such as an annual survey on behalf of the Community Safety Partnership, which in 2020 received over 2300 responses.

To help our residents, we also work with our partners to provide additional support and/or advice. This includes:

- Running Buckinghamshire's first **hoarding conference** in conjunction with Bucks and MK Fire and Rescue Service in February 2020
- Promoting local and national campaigns such as the **Great British Spring Clean** and the **#TrueCosts** campaign which focuses on the negative impact of cocaine use.
- In Nov 2019 Building Control ran the first in a series of training courses in partnership with LABC to uphold high building regulations. The training was for agents, architects, building control officers and staff connected to the construction industry.

C

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

Our vision statement sets out what AVDC is working to achieve.

“To secure the economic, social and environmental wellbeing of the Vale”

To enable us to realise our vision, everyone at AVDC is working:

- To enable essential infrastructure for growth and sustainability of the area, be it physical or social
- To ensure fair and speedy access to essential services and their referral to partners
- To **provide a healthy and dynamic institution** for making effective decisions about the area, to which everyone can contribute
- To **stimulate, innovate and enable economic growth** of the area, its regeneration and the attraction of inward investment
- To **provide or commission services and products** that customers and businesses have agreed add value to their lives

Our vision is the foundation for everything we do, across all services. By referring back to the vision statement, we ensure that we continue to move in the same direction, adapting and growing, whilst keeping the wellbeing of our residents and businesses at the centre of everything we do.

Improving customer service

The Customer Charter outlines our commitment to Aylesbury Vale residents, which includes providing them with effective communication and being knowledgeable about their services. This underpins all communication with customers and provides the targets against which we measure the effectiveness of the service.

As part of the move to a unitary authority, a key focus has been ensuring continuity of service for our customers, ensuring they can continue to contact Buckinghamshire Council and access all the services, information and support they need in a user-friendly and efficient way.

D

Determining the interventions necessary to optimise the achievement of intended outcomes

AVDC is organised into five business sectors; Business Strategy and Support, Digital and Transformation, Commercial Property and Regeneration, Community Fulfilment and Customer Fulfilment. This structure helps us operate as a streamlined and efficient organisation focused on providing the services our customers and communities really want in a cost-effective way.

Transition to Buckinghamshire Council

Considerable work has taken place during 2019/20 to ensure a smooth transition into the unitary authority. A Shadow Authority was created in May 2019 with a Shadow Executive to oversee the creation of the new Buckinghamshire Council. It consists of 17 members: eight from the four district councils, eight from the County Council and a leader.

The Chief Executives' Implementation Group (CIG) brings together senior officers from across the county and district councils as the Implementation Team to manage the change to the new council. Under the CIG are five Programme Boards which drive the work to create Buckinghamshire Council.

The Shadow Authority Programme Management Office (PMO) is a team of colleagues from across the county and district councils, who have been brought together to oversee the programme to deliver the new Buckinghamshire Council. The team supports the work of the Programme Boards and manages the meetings of the Shadow Authority and the Shadow Executive. They also work to keep work-streams on track throughout the transition period and regularly share updates with staff.

Programme and project management

The AVDC Programme Management Office (PMO) team is responsible for defining and maintaining standards for programmes and projects at AVDC. The team create, maintain and supply standard documentation, guidance and metrics to be used by the whole organisation in order to ensure good governance in delivering programmes and projects. The team has delivered 25 projects and 64 pieces of Business Analysis work in 2019/20. During the final year of AVDC, the PMO put in place a prioritisation process for projects through Strategic Board which enabled the effective allocation of resources in the context of the transition to a new unitary authority.

Social Enterprise Entrepreneurial Development team

Our SEED (Social Enterprise Entrepreneurial Development) team was established in 2017 to help AVDC and other councils and public sector organisations develop and implement new ways of working to create value for themselves, their residents and customers. In this last year the team has been reduced by half with personnel changing roles and leaving, and a decision not to replace due to the move towards a single unitary authority.

During 2019/20 support and commissions have been delivered to 12 other councils and another 23 have visited/hosted conference calls with AVDC. Work has included Thought Leadership and Strategy workshops as well as helping councils set up the pioneering community lottery. There are now over 80 local authority lotteries operating throughout the country raising over £3 million for small charities and good causes local to their residents. The team has also helped set up a new single Buckinghamshire Lottery for the new unitary authority, extending the geographical area within which good causes can benefit.

Following the success of the Vale Lottery, AVDC has also introduced Our Vale, a crowdfunding initiative to further help local good causes. Our Vale offers the chance for individuals and organisations to donate to projects which will help transform shared spaces, inspire visitors and enhance Aylesbury Vale. Since it began in 2018, Our Vale has successfully funded four projects and over £275,000 has been pledged.

Connected Knowledge

Our Connected Knowledge Technology Strategy 2017-2022 sets out the vision and strategic aims we have for our future use of technology and data. Due to the transition to a unitary authority, priorities have shifted towards ensuring a smooth transition and combined vision, therefore the Connected Knowledge Programme is coming to an end in 2020. The closure report will be shared with Cabinet providing a detailed overview of the programme, its achievements and challenges, financials and any follow-on activities.

Pembroke Road Redevelopment

Redeveloping the full depot and waste transfer infrastructure was ongoing during 2019/20. It will give the council certainty regarding health and safety and environmental compliance in the mid term, and allow for the growth in households and accommodate additional waste during this period.

For more than 20 years, Aylesbury's street cleansing and horticultural services have been delivered by a contractor. In January 2020, 50 members of staff came in-house to deliver services such as cutting grass, removing fly tipping and graffiti, emptying dog waste bins and sweeping the roads. This change enables both financial savings and quality improvement.

Medium term financial strategy and budget planning

Creating the 2019/20 Medium Term Financial Plan (MTFP) and budgets followed the process adopted over recent years and delivered a balanced proposal in 2019/20. The budget framework reflected the need to identify efficiency savings and new income streams whilst at the same time delivering on corporate priorities. In formulating the budget for 2019/20 the process took account of:

- General Fund reserves and balances mapped against identified financial and operational risks. They were deemed sufficient against the potential financial risk within the Medium Term Financial Plan, provided the council stayed focused on delivering its targets.
- Budget planning allowed full understanding of the issues in an operational and financial context. Every effort was been made to include members in the financial planning process.
- Consideration was given to corporate priorities, residents' views and the Risk Register.
- The budget formulation process at officer level was subject to on-going review which tested the validity of pressures and savings options to ensure that members were aware of all aspects and implications of actions when formulating the budget proposals.
- That robust monitoring arrangements existed to identify pressures within the budget and adapt during the budget timeframe to ensure a managed outcome within set parameters.

Looking ahead to 2020/21, transition into the new unitary Buckinghamshire Council in April 2020 required a different approach for development and approval of the initial MTFP. The core elements of that process involved:

- Collation of the agreed 2020/21 MTFP values from each of the five authorities making up the unitary authority into a combined budget plan. This process incorporated budget changes or pressures that had been identified.
- A scrutiny process was created to receive and review the consolidated budget position for each service area. Given the shadow nature of the unitary, full engagement with officers responsible for future service delivery was not possible.
- Consolidation of balances, provision and reserves ensured creation of a sound MTFP and financial strategy for the new unitary authority, balancing ongoing service needs against available resources and risks identified.

The 2020/21 budget was approved by the Shadow Unitary Authority in February 2020. It is recognised that this budget will need to be managed prudently to ensure the agreed budget and any subsequent changes are managed within the overall financial strategy. It is also planned that savings can be achieved from service transformation activity once the new unitary authority is reshaped.

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We offer a comprehensive training and development programme for all our staff and members. Details of all the training opportunities available are communicated through Workplace, digital screens, internal posters and where appropriate, targeted emails. This programme includes:

- Induction process with an introduction to how we work
- Online training modules
- Bite-size training and 'drop-in' sessions on a variety of topics to help individuals understand how processes and/or other teams work within the organisation
- Joint coaching scheme with Buckinghamshire County Council
- Events focused on particular areas of development for example Mental Health Week

Through Workplace we also encourage employees to share best practice or top tips with colleagues. The interactive communication tool enables employees to easily ask for help from their colleagues from across all teams.

We also run regular surveys to encourage staff and members to share their views regarding various aspects of working for the council including how they are communicated with. This includes giving the opportunity to suggest future training and development sessions.

As part of the move towards a unitary authority, staff have been given extra support to manage the transition. This has included training sessions on resilience and coping with change, advice, support sessions and resources on interview skills, employability and transferrable skills.

Staff were trained as Mental Health First Aiders in November 2019 to support staff's wellbeing and signpost them to organisations who can offer additional support and advice.

Apprenticeships are encouraged across the council, for both new and existing members of staff. Our Apprenticeship Strategy for 2017-2022 identifies the potential for Apprentices to make a huge contribution to creating the skilled and aspirational workforce that meets the needs of Aylesbury Vale for the future.

The Town Planners Graduate Scheme has been developed alongside the Apprenticeship Strategy to attempt to bridge the recruitment gap with qualified Planners. The scheme targets students nearing the end of relevant degrees offering them the chance to join AVDC to develop their skills in town planning. We currently have 3 Graduates working with the Council on fixed term posts.

In 2018, we also implemented our innovative Grow Our Own programme to help us find and develop enthusiastic, commercially-minded, motivated people to help us deliver our ambitious plans. Through the programme we offer 12-month fixed term contracts for returners to work and school leavers, giving them the opportunity to work across a variety of teams while learning new skills and building confidence. We recruited 4 individuals in January 2019 on fixed term contracts and three went on to be recruited as permanent members of staff in January 2020.

An all-party Member Development Steering Group is also in place to oversee, monitor and help progress delivery of learning and development for elected members to meet individual and corporate needs and in particular planning, licensing and safeguarding.

Continuous improvement

Our commitment to supporting continuous improvement is underpinned by our REACH programme. This flexible approach to performance reviews focuses on individual and team development, supported by ongoing feedback. REACH conversations between employees and their line manager take the form of regular (at least 4 times a year) “check-ins”. Individuals and teams are encouraged to actively seek feedback from colleagues, customers and managers to help develop and improve what they do.

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We have a process in place for identifying, assessing, managing and reviewing the key areas of risk and uncertainty that could impact on the achievement of our objectives and service priorities. Responsibilities for managing individual risks are clearly allocated. Risks are regularly reviewed with the Strategic Board and the corporate risk register is routinely reported to Audit Committee and Cabinet.

Oversight and assurance over the management of key risks is also provided by a number of corporate governance groups, including, for example:

- Information Governance Group
- Health and Safety Strategic Board
- Safeguarding Group
- Business Continuity and Emergency Planning
- Finance Steering Group
- Major Capital Projects Development
- Connected Knowledge Programme Board
- Waste and Operations Transformation Board

Performance is monitored through regular review and reporting of real-time management information against service level and corporate targets. Dashboard reports are shared regularly with the Senior Management Team and Cabinet. Enhanced use of technology platforms is being embraced to ensure accurate, reliable information is available to inform decisions.

Compliance with relevant laws and regulations, internal policies and procedures

We ensure compliance with established policies, procedures, laws and regulations through a range of measures, including:

- Awareness, understanding and training carried out by internal officers and external experts
- The drawing up and circulation of guidance and advice on key procedures, policies and practices
- Proactive monitoring of compliance by relevant key officers including the Section 151 Officer (Director with responsibility for Finance) and the Monitoring Officer

The Corporate Governance Manager develops a risk based annual audit plan which includes consideration of compliance across all areas of AVDC. Reports are produced for management, recommendations for improvements agreed and implementation of actions monitored through to completion. Internal and external audit updates and reviews are reported to the Audit Committee.

Under Section 5 of the Local Government and Housing Act 1989, the Monitoring Officer is required to report to AVDC where, in his opinion, a proposal, decision or omission by AVDC, its members or officers is, or is likely to be, unlawful and also to report on any investigation by the Local Government Ombudsman (LGO). It has not been necessary for the Monitoring Officer to issue any reports for the year 2019/20. There have been 2 findings of administrative fault with no payment of compensation. In respect of both these matters the corrective measures were minor and were

taken. On 1st April 2020 the new Buckinghamshire Council will be vested and any future LGO decisions will be carried into the new authority.

The Section 151 officer also has a legal responsibility to issue formal reports if they have particular concerns about the financial arrangements or situation of the council. No such formal reports have been issued during the 2019/20 financial year.

Our policies and procedures are reviewed and updated to respond to changes in legislation or enhancements in best practice working.

New regulations on the accessibility of websites and mobile applications of public sector bodies comes into force in September 2020 for existing websites and June 2021 for Apps. An action plan is being undertaken to ensure the new requirements are met by the compliance deadlines, including reviewing existing website content and providing staff training.

Information governance and data protection

Information governance is overseen by the Information Governance Group (IGG) which is chaired by the Director with responsibility for Finance who fulfils the role of Senior Information Risk Owner (SIRO). This group comprises of managers from key departments who are empowered to take decisions on information management. The IGG's key responsibility is to ensure that the Information Management Strategy is maintained and that actions are taken to implement the strategy and keep it up to date. The IGG routinely receives reports on any data breaches and monitors the actions taken in response to them.

In July 2019 a new system for managing Freedom of Information, Environmental Information Regulations, Subject Access and Disclosure requests was implemented. The streamlined process allows officers to monitor and manage requests more easily and effectively and publish relevant FOI and EIR request on our website.

G

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

As part of our commitment to transparency and making information available to residents and businesses, we publish relevant data such as our contracts register on our [website](#). Most of our council meetings are also open to the public with agendas and minutes available to download from our [website](#).

Our commitment to transparency is further demonstrated through the open publication of all internal audit reports and the corporate risk register.

Whistle-blowing and complaints procedures

The Whistleblowing Policy and reporting procedures are available on [our website](#). This forms part of the Anti Fraud and Corruption Policy Strategy. There have been no whistle-blowing reports that have resulted in further investigation during 2019/20.

[TO UPDATE - There has been no use of the Regulation of Investigatory Powers Act during 2018/19. There was an Inspection Report by the Office of the Surveillance Commissioner (dated 9 June 2016) which recommended that the council revise its RIPA Policy document with some minor amendments. These amendments have been made and were purely for clarification and updating purposes. There was no criticism of the council and the arrangements were considered satisfactory. The next inspection was due in 2019 and was in the form of a questionnaire on a risk assessed basis, there was no physical inspection.]

Our updated Customer Comments, Compliments and Complaints Policy includes a public document explaining the process. There are also detailed procedures for employees who are dealing with a complaint. All employees are required to complete the Customer Comment, Compliments and Complaints e-learning module.

The Standards Committee considers any complaints made against members relating to breaches of the code of conduct. Details of how to make a complaint and the committee's procedure for dealing with member complaints are available on our [website](#). There were no complaints against councillors which led to a full investigation in 2019/20 (as at 2nd March 2020). There were a total of 5 councillor Code of Conduct complaints (against 4 parish/town councillors and 1 district councillor) in respect of which 2 did not proceed beyond Stage 2 Initial Assessment. There are currently 3 Code of Conduct complaints that are still at Stage 1. The Code of Conduct was reviewed during the course of the year to improve clarity and ease of understanding. The Code was approved by Council on 17 April 2019 after having compared it with the guidance resulting from a review by the Committee on Standards in Public Life. The Standards and Complaints process was due for review but this work has been put in abeyance pending the need for the new Buckinghamshire Council to have its own Code of Conduct and Standards Complaints process.

Anti-fraud and corruption

The Corporate Governance Manager and the Director responsible for Finance are responsible for developing and maintaining AVDC's anti-fraud and corruption strategies. During the year an internal audit Fraud Risk Assessment was undertaken to identify any areas of fraud, corruption and bribery risks and if necessary prioritise actions to address them. The Fraud Risk Assessment did not identify any 'urgent' priority risks. Overall, the results of the assessment indicated that there is an established control environment designed to mitigate the risk of fraud occurring. Officers had good

awareness of the fraud risks and internal controls in their area. Two 'important' priorities were identified relating to training and guidance being provided to staff, and the inherent risk of fraud occurring prior to the transition to the new unitary Buckinghamshire Council in April 2020. One action was raised to address this risk.

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Review of Effectiveness

AVDC has responsibility for conducting, at least annually, a review of effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within AVDC who have responsibility for the development and maintenance of the governance environment, the Corporate Governance Manager's (Head of Internal Audit) annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The governance framework enables us to identify any areas of our activities where there are significant weaknesses in the financial controls, governance arrangements or the management of risk. The annual review of effectiveness has considered the following areas:

- the authority
- the executive
- the audit committee / finance and scrutiny committees
- the standards committee
- Internal audit
- Chief Financial Officer
- Other explicit review/assurance mechanisms

The key governance officers have been involved in the preparation of this statement and are satisfied that the arrangements in place are working effectively and that no matters of significance have been omitted.

Internal Audit

Our internal audit operates under regulation 6 of the Accounts and Audit Regulations and in accordance with the CIPFA Public Sector Internal Audit Standards.

The Head of Internal Audit (Corporate Governance Manager) is required to deliver an annual internal audit opinion and report that can be used by the organisation to inform its Annual Governance Statement. The annual internal audit opinion must conclude on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control (i.e. the Council's system of internal control).

This is achieved through the completion of a risk-based plan of work, agreed with management and approved by the Audit Committee, which is designed to provide a reasonable level of assurance. The opinion does not imply that Internal Audit has reviewed all risks relating to the organisation.

Where recommendations for the improvement of controls or systems are made at the end of an internal audit review, these are agreed with the responsible managers together with details of the required action and an expected date for implementation. Any concerns regarding overdue actions are reported to the Audit Committee as part of the regular progress reports.

Based on the results of the work undertaken during the year, the Head of Internal Audit's overall opinion is that governance, risk management and control in relation to business critical areas is generally satisfactory. However, there are some weaknesses in the framework of governance, risk management and control which potentially put the achievement of AVDC's objectives at risk. Improvements are required in those areas to enhance the adequacy and effectiveness of governance, risk management and control. Further details are provided below.

Significant governance issues and action plan

The work of internal audit has been reported to Audit Committee throughout the year. One area of significant control weakness was identified that should be reported in the Annual Governance Statement. This relates to the 'high risk' finding identified in the review of Housing – Homelessness.

Housing - Homelessness

Homelessness prevention and relief is a statutory function, which falls within the remit of Local Authorities. AVDC's current Homelessness Strategy (approved December 2018) was developed in line with the Homelessness Reduction Act 2017 (HRA) and covers the period 2019-2022. The HRA significantly reformed Homeless legislation, placing duties on local authorities to intervene at earlier stages to prevent homelessness. The Homelessness Code of Guidance provides the framework for practitioners in order to correctly apply the legislation.

The audit review assessed the design and effectiveness of controls in place around the housing application process and whether the authority is acting in accordance with the Act, including acceptance of duty for homelessness prevention or relief, case management, quality and performance monitoring, record keeping and the escalation of potential safeguarding cases.

The audit concluded that the Housing Team made appropriate decisions based on documentation received and generally operated in accordance with the Homelessness Code of Guidance. Areas of good practice were identified but there were also a number of areas where improvement to local internal controls and operation of procedures was required to strengthen the management of this inherently high risk service.

The high risk finding relates to exceptions noted in the completion and communication of 'Personal Housing Plans' (PHPs). It is a requirement of the Act that where a person is homeless or threatened with homelessness and eligible, a local authority should draw up a PHP based on its assessment of the applicant's need. The plan should contain the steps to be taken to prevent or relieve the applicant's homelessness and should be communicated and agreed with the applicant.

Action plan

The issues identified in the previous year's annual governance statement relating to Commercial Waste and General Ledger Reconciliations have been addressed. During the year the agreed actions arising from audit reports have been kept under review by Internal Audit and regular reports on completed and overdue actions have been provided to the Audit Committee.

In the context of transition to a unitary authority, follow up work during the final year of AVDC considered, for each action, whether the associated systems, processes and policies will remain post vesting day, and whether or not the level of resource required to complete is proportionate to the risk being addressed. The result of the follow up work performed during the year is as follows:

- A total of 86 audit actions have been completed during the year (113 were completed during 2018/19). This includes all actions rated as 'high' risk
- 14 audit actions have been 'closed' as they are no longer considered to be relevant or appropriate for AVDC to complete, or have been superseded by unitary activity
- 15 actions are to be transferred to Buckinghamshire Council for further review and consideration as new controls, processes and systems are developed

There are no issues to report regarding the follow up of any audit recommendations.

Approval of the Annual Governance Statement

This statement explains how AVDC has complied with the principles of corporate governance and also meets the requirements of regulations 4(2) and 4(3) of the Accounts and Audit Regulations, which requires all relevant bodies to prepare an annual governance statement in accordance with proper practices in relation to internal control.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by Audit Committee and plan to address weaknesses and ensure continuous improvement of the systems in place.

Signed:.....

Leader

Signed:.....

Head of Paid Service

On behalf of Aylesbury Vale District Council

