

ANNUAL GOVERNANCE STATEMENT 2017/18



Introduction

Both the Leader and the Chief Executive recognise the importance of having a system of rules, policies and procedures in place to ensure that information is available to help, shape and direct the way in which services are managed and delivered.

Each year, the Council is required to produce an Annual Governance Statement (AGS) which explains how its corporate governance arrangements have been working in practice.

The AGS in respect of 2017/18 was presented to the Audit Committee at its meeting in May 2018, along with a new Local Code of Governance for 2018, for their review and comment prior to submission of the AGS to the Leader and Chief Executive for formal sign off alongside the Annual Accounts.

Scope of responsibility

This statement covers the period 1 April 2017 to 31 March 2018

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

Wycombe District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

This statement explains how Wycombe District Council meets the requirements of the Accounts and Audit Regulations, which are made under the Local Audit and Accountability Act 2016, in that it must have in place a sound system of internal control that:

- (a) facilitates the effective exercise of the Council's functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the Authority is effective; and
- (c) includes effective arrangements for the management of risk.

In discharging this overall responsibility, Wycombe District Council is responsible for putting in place proper arrangements for the governance of its affairs.

The purpose of the governance framework

Our governance framework comprises the systems and processes, and cultural values, by which the Authority is directed, 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.

Our system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate risks of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of Wycombe District Council 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.

This governance framework has been in place at Wycombe District Council for the year ended 31 March 2018 and up to the date of approval of the statement of accounts.

The governance framework

In 2016, guidance was issued by the Chartered Institute of Public Finance and Accountancy (CIPFA) and Society of Local Authority Chief Executives (Solace) "Delivering Good Governance in Local Government Framework 2016 Edition" (referred to as Delivering Good Governance) and this formed the basis of the Councils Local Code of Governance as well as this AGS. The guidance is split into seven core principles which are detailed below:

- 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 aspects.
- 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 risks and performance through robust internal control and strong public financial management.
- G Implementing good practice in transparency, reporting, and audit to deliver effective accountability

Commitments

It is important that Wycombe District Council's approach to effective governance is understood by all. The following 7 goals demonstrate Wycombe District Councils' approach to good governance.

- ❖ Clearly set out Wycombe's objectives and what it is trying to achieve.
- ❖ Measure and publicise how effective Wycombe's services are and take action to improve where performance is below target.
- ❖ Making best use of public money by taking prudent and risk based financial decisions and measuring the value for money it achieves.

- ❖ Clear Constitution that sets out who can take which decisions.
- ❖ Members and Officers behaving in ways that reflect Wycombe's values and high standards of conduct.
- ❖ Record and publish the decisions that Wycombe takes and the reasons for them and where possible makes the most important decisions in public.
- ❖ Have in place a scrutiny function that holds the Executive to account.

Review of effectiveness

Wycombe District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, Internal Audit annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

Each year all Heads of Service and their Management Teams are required to complete and sign-off with their line manager the Annual Assurance Statement. This return identifies whether the service area has full, partial or non-compliance, based on evidence, with improvement tasks identified as appropriate. The statement for the period 1 April 2017 to 31 March 2018 covered the following areas, against which the level of compliance is recorded.

1. Service objectives – full compliance.
2. People - partial compliance.
3. Use of resources –partial compliance
4. Health and safety – full compliance
5. Information Governance and records management – partial compliance.
6. Business risk and business continuity –partial compliance
7. Transparency and Accountability – full compliance.
8. Partnership working – full compliance
9. Project management – partial to full compliance
10. Contracts – full compliance

KEY THEMES ARISING FROM THE 2017/18 AAS PROCESS

Of the 5 areas where partial compliance was recorded, these are briefly explained below:

People

Partial compliance in that job descriptions (JD's) need to be reviewed in line with individual performance development plans.

Use of Resources

Partial compliance in regards to the Services being able to demonstrate performance levels across the range of services provided.

NB this was a theme from the 2016/17 AAS process

Information Governance and Records Management

Partial compliance in that further work was required in relation to the management of paper and electronic records which would enable both the ease of location and disposal of records at the appropriate time.

NB this was a theme from the 2016/17 AAS process

Business Continuity (BC)

Partial compliance in that further work was required in ensuring that Services had made adequate arrangements to ensure continued service delivery and that the arrangements have been communicated to all relevant staff.

In addition to the above, a test (dry run) should be undertaken to validate the process detailed in the BC Plan on a corporate or on a Service by Service basis.

NB this was a theme from the 2016/17 AAS process

Project Management

Partial compliance in that Lessons Learnt reports are not produced and shared corporately for projects completed within a Service, during the year.

NB this was a theme from the 2016/17 AAS process

LOCAL CODE OF CORPORATE GOVERNANCE

It is important to acknowledge that many of the key governance mechanisms referred to in the Local Code are relatively static in terms of currency and do not tend to alter over time.

However it is the review of their effectiveness in practice rather than a review of their existence that demonstrates the efficacy of the Council's AGS for 2017/8.

During 2017/18, Officers have fully implemented 4 of the 9 Areas for Improvement from the review of the Local Code in 2016/17, with 3 due to be implemented in 2018/19 and a further 3 are to be considered by SMB as regards:

Implemented

1. Introduced an Annual report process outlining the work of the Standards Committee.
2. Reminders have been issued to all Members of the need to ensure that all disclosures are made.
3. Revised Whistleblowing policy introduced.

4. New revised Corporate Plan introduced for 2018/19

Due for implementation in 2018/19

1. Annual report summarising service improvements completed as a result of feedback the Council has received.
2. Progress to be reported on annual basis to assess the implementation, delivery and monitoring of the refreshed corporate plan.
3. Progress to be reported to assess the purpose and applicability the quarterly financial and performance process to be introduced in 2018/19.

However the following 4 Areas for Improvement from the 2017/18 review process that have not been implemented and have therefore been restated below in order that Management can consider their applicability as individual work streams for implementation during 2018/19:

The "minded to" announcement (March 2018) by the Secretary of State with regard to the future of local government in Buckinghamshire has had an impact on the delivery of work streams during 2017/18 and these have therefore been restated in the Areas of Improvement Plan for 2018/19. This will enable senior management the opportunity to discuss the future relevance of each of the affected separate work streams.

1. Review covering both the Constitution and the wider decision making & governance arrangements to be undertaken.
2. Review to be undertaken to assess the purpose and content of the current Communications policy.
3. Review to be undertaken to refresh and update the current Engagement strategy and toolkit.
4. Consider the commissioning of a Household Survey during 2018/19.

The publication of our Local Code and the Annual Governance Statement meets the requirement of the Accounts and Audit (England) Regulations 2016, and the AGS accompanies the Annual Financial Accounts report which is available on the Council's website.

OVERALL ASSESSMENT

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, and will ensure that the Identified Areas for Improvement are implemented so as continually improve our processes and procedures. .

Leader of the Council

**Chief Executive
On behalf of Wycombe District Council**

Date:

Date:

DRAFT