

**Report to:** Audit, Governance and Improvement Review Committee  
Standards Committee  
Cabinet

**Date:** 10<sup>th</sup> July 2014  
5<sup>th</sup> August 2014  
21st August 2014

**Subject:** Annual Governance Statement

**Report of:** Director – Resources & Contracts (Deputy Chief Executive)

**Contact officer:** Nicola Welch - 01942 827550

**Cabinet Portfolio Holder:** Councillor P Kenny

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**Purpose / summary:** To review / approve the Authority's Annual Governance Statement for the year ended 31<sup>st</sup> March 2014.

**Alternative options considered and reason for selecting the one recommended:** The requirement to produce an Annual Governance Statement is a statutory responsibility (Accounts and Audit Regulations 2011). The Annual Governance statement has been produced in accordance with legislation and structured to accord with the latest CIPFA and Audit Commission guidance.

**Recommendation / decision:** Audit, Governance and Improvement Review and Standards Committees are requested to review the Annual Governance Statement.

Cabinet is requested to approve the Annual Governance Statement.

**Risks / Implications:**

Financial:	Good governance ensures financial risks are properly managed
Staffing:	n/a
Policy:	Enhancement of current practice.
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	Not needed
Wards affected:	None directly

**Property Implications – Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?**

No.

**If yes, have the property implications been agreed with the Property Division?**

Has the Assistant Director Legal (Monitoring Officer) (John Mitchell) confirmed that the recommendations within this report are lawful and comply with the Council’s Constitution?	<b>Yes *</b>
Has the Director Resources & Contracts (Deputy Chief Executive) (Paul McKeivitt) confirmed that any expenditure referred to within this report is consistent with the Council’s budget?	<b>N/A *</b>
Are any of the recommendations within this report contrary to the Policy Framework of the Council?	<b>No *</b>

\* delete which applicable

**For Cabinet reports only :**

Categorisation of the report:	<b>X</b>		<b>X</b>
Key Decision		Corporate Issues	<b>X</b>
Non-key Decision	<b>X</b>	Performance Monitoring	

**Tracking/Process:**

	Consultation	Ward Members	Partners
Committee		Cabinet	Council
Audit, Governance and Improvement Review Committee 12/07/14 Standards Committee 05/08/14		21/08/14	

Proper Officer P. McKeivitt

Date 9<sup>th</sup> June 2014



## **ANNUAL GOVERNANCE STATEMENT FOR** **THE YEAR ENDED 31<sup>ST</sup> MARCH 2014**

**Wigan Council is committed to the highest standards of corporate governance.**

**Governance is about how bodies ensure that they do the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner.**

**It comprises the systems and processes, and culture and values, by which bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.**

**A key aspect of governance is the requirement to put into place *“effective risk management systems, including systems of internal control”*.**

**This Annual Governance Statement supports the Council’s Statement of Accounts and outlines how it manages its affairs to deliver high quality services and ensure that public money is efficiently and effectively spent**

## **Annual Governance Statement for the year ended 31<sup>st</sup> March 2014**

### **1. Introduction and background to the Annual Governance Statement**

The preparation of the Annual Governance Statement, to support the Annual Statement of Accounts, is a statutory requirement for local authorities. Its purpose is to demonstrate and evidence that there is a continuous review of the effectiveness of the Council's internal control, performance, and risk management systems. This allows an assurance on their effectiveness to be provided so that users of the Accounts can be satisfied that proper arrangements are in place to govern spending and safeguard assets. The process also enables the production of a corporate action plan to address any identified weaknesses.

CIPFA have confirmed that "proper practice" in relation to internal control is as detailed in the *Delivering Good Governance in Local Government* publication (CIPFA/SOLACE 2007) and this has statutory backing.

A description of the key elements of the Council's assurance and internal control environment is detailed at Appendix 1.

### **2. Council Purpose**

The Council's Corporate Strategy brings together on a single page the Council's thinking on the challenges and opportunities it needs to tackle in the short to medium (3-5 years) term.

The vision within the Corporate Strategy presents as a 3-5 year plan with a simple clear set of priorities for the organisation, i.e. *Confident Place – Confident People*, the priorities the Council is focussing on to achieve its vision, and the long term outcomes to be used to measure progress, supported by the key delivery projects to bring about the changes to achieve the required outcomes.

Each individual key delivery project has an end date but may not be concluded within a financial year and will be revised throughout the 5 year tenure of the strategy. Appropriate senior officer and Member monitoring has been developed at individual project and also overall strategy level to ensure appropriate delivery. Project performance is reviewed through the Corporate Dashboards. These are allocated to the responsible Director and lead Member and delivery linked to the relevant Directors Individual Performance Assessment (IPA).

The Corporate Strategy is subject to annual refresh. The purpose of the annual refresh is to agree the key delivery projects for the year against the previously agreed vision, values and long term outcomes. SMT and Cabinet have agreed a clear set of priorities that align both financial and operational issues 2014/15-2016/2017 in the Revenue Budget and Medium Term Financial and Transformational Plan bringing together the Corporate Strategy with financial reporting. This was discussed at Cabinet and Confident Council Scrutiny Committee prior to being signed off by Council on the 5<sup>th</sup> March 2014.

### **3. Scope of Responsibility**

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

Wigan Council, through its elected Members and Officers, 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. In discharging this accountability, members and senior officers are responsible for putting in place proper arrangements for the governance of Wigan Council's affairs and the stewardship of the resources at its disposal. To this end Wigan Council has approved and adopted a Constitution and a Code of Corporate Governance, which is consistent with the principles and reflects the requirements of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*.

This statement explains how the Council has complied with the CIPFA/SOLACE Framework, and also seeks to identify areas in which our governance arrangements can be strengthened. This statement also meets the requirements of regulation 4 (4) of the Accounts and Audit (England) Regulations 2011 in relation to the approval by Members of *"an annual governance statement, prepared in accordance with proper practices in relation to internal control"*.

The Council is committed to fulfilling its responsibilities in accordance with the highest standards of good governance, underpinned by the ethical behaviour of officers and Members.

The governance framework has been in place at the Council for the year ended 31<sup>st</sup> March 2014 and up to the date of the approval of the annual report and statement of accounts.

### **4. Purpose of the Assurance Framework and System of Internal Control**

The Council sets the overall strategy and policy (via its Constitution), and has put in place a well-defined organisational structure, with clearly understood lines of responsibility and delegation of authority to help ensure that strategies and policies are effectively implemented and adhered to.

The Chief Executive and Directors are ultimately responsible to the Council for the system of internal control and reviewing its effectiveness. Any system of internal control can only provide reasonable assurance, and not absolute assurance, that all significant risks will be mitigated. The key issue is that risks, their potential for occurring and possible impact are identified. A conscious decision can then be made on how to prioritise and deal with those risks.

The system, therefore, is designed to effectively manage, rather than eliminate, the risks that are attached to the fulfilment of the Council's Vision of "*Confident Place – Confident People*". *The associated values of "Confidence in the Borough, Putting People First, Efficient and Businesslike, Always Keen to do Better, One Team One Council"* provide a focus on being responsive, responsible, efficient, and effective in the way the Council delivers public services.

## **5. The Assurance Framework and Internal Control Environment**

The Council's Assurance Framework (Appendix 1) is based on ongoing management and review processes developed to minimise the impact of risks to the achievement of the Council's vision and associated objectives.

The Council has a Constitution which sets out how the Council operates, how decisions are made and the processes which are followed to ensure that these are efficient, transparent and accountable to local people. Many of these processes are required by statute, while the Council has determined others locally. The Constitution is divided into appropriate articles that set out the basic rules governing the Council's business.

The Council's internal control environment is fundamental to the operation of the assurance framework and is designed to manage risk to acceptable levels. It is not possible to eliminate all levels of risk of failure in respect of Council aims and actions, and accordingly can only provide reasonable but not absolute assurance of effectiveness.

In summary, the Council's Assurance Framework and Internal Control Environment includes:-

- A high level vision embedded in the service planning, delivery, risk management, and performance management frameworks.
- A Monitoring Officer responsible for maintaining the Council Constitution, supporting the Standards Committee, and ensuring the legality of Council actions.
- A Standards Committee to promote and maintain high standards of conduct by the Elected Members and co-opted Members of the Council.
- The Council has a scrutiny function to support and challenge the work of the Executive. The scrutiny committee structure is aligned to the Corporate Strategy:-
  - i. Confident Council Scrutiny Committee (Confident Council)
  - ii. Children & Young Peoples Scrutiny Committee (Confident People)
  - iii. Confident Places Scrutiny Committee (Confident Places)
  - iv. An additional scrutiny committee was introduced during 2013/2014 to cover public health and adult care matters (Health and Social Care Scrutiny committee).

- An Audit, Governance, and Improvement Review Committee, including 2 independent (non-elected) Members, to oversee the work of the Internal and External Audit functions and provide independent assurance of the effectiveness of:-
  - a. The governance arrangements of the Council and its services.
  - b. The Council's risk management framework and the associated control environment.
  - c. The Council's financial management framework processes and the way this relates to the performance of individual services and the Council as a whole.
- An Internal Audit function that consistently meets current professional standards, (as assessed by the Council's External Auditor – Grant Thornton and validated by the Audit, Governance and Improvement Review Committee) supports the Council in the achievement of its improvement and inspectorate agenda and has responsibility for the continual review of major financial controls and the wider internal control environment.

A recent self assessment against the new Public Sector Internal Audit Standards established a 93% full compliance rate with the standard's requirements with an additional 3% part compliance rate.

- Comprehensive budget setting and monitoring framework with clearly defined guidelines and responsibilities with frequent reporting of performance to the Executive.
- A local Code of Corporate Governance based on the CIPFA/SOLACE Framework that is reassessed bi-annually by Internal Audit.
- A risk management policy framework approved and monitored by the Audit, Governance and Improvement Review Committee. During 2013/2014 the Council's approach to risk management was refined slightly and an updated Strategic Risk Register presented to the Audit, Governance, and Improvement Review Committee (20th March 2014). The Strategic Risk Register includes both strategic and corporate risks, viz:-
  - i. strategic risks are those impacting on the performance of the Council and, in particular, on its ability to deliver its Corporate Strategy
  - ii. corporate risks relate to corporate systems underpinning the Council's overall governance and its ability to deliver services.
- A consistent and clear commitment to countering fraud and corruption that is demonstrated within core policy documents and associated investigatory practices with outcomes reported annually to Members.
- The introduction of a portfolio of change programmes and a series of strategies that support the achievement of the Council's strategic business objectives and Medium Term Financial Plan (MTFP).
- Employee Individual Performance Agreement process to ensure that at an individual employee level each employee's performance is measured and managed to ensure they have access to support and development opportunities to ensure their role in contributing to the delivery of the Council's corporate objectives.

- A system of internal control based on a detailed framework contained within the constitution and supported by an extensive range of policy documentation covering all aspects of governance, rules of procedure, codes of conduct, and operational/governance related rules. In addition, a suite of policies cover all aspects of fraud related activity/conduct. Flowing from the above, Members of the Council are regularly and fully briefed on all significant financial, operational, and strategic decisions.
- Following a further Senior Management Review, a new organisational structure was introduced. There are now 3 Directorates led by, 6 Directors (supported by 20 Assistant Directors) who (with Legal, Media, and Strategy/Partnerships senior officer input) form a corporate Strategic Management Team (SMT) that meets on a fortnightly basis for strategic policy debate, Association of Greater Manchester Authorities (AGMA) information sharing, and responsibility for business items and decision making. In addition a fortnightly “Keep in Touch” meeting of all SMT members and their respective Assistant Directors takes place to ensure that corporate priorities are appropriately actioned, monitored, and delivered.
- A Responsible Financial Officer (S.151 Officer), supported by statute, to ensure the effective administration of the financial affairs of the Council.

The Chief Finance Officer (CFO) role (S.151 Officer) is undertaken by the Director – Resources & Contracts (Deputy Chief Executive) who is responsible to the Chief Executive. In terms of statutory responsibilities, the CFO reports directly and independently to the Chief Executive and Leader of the Council.

In addition the CFO is a key member of SMT and provides a pivotal link to all Directors on all financial and governance related matters.

The CFO is at the core of the organisation leading, challenging, and holding to account SMT (collectively) and the CEO and individual Directors.

It is considered that this approach meets best practice as determined by CIPFA guidance in that the CFO is a key member of the leadership team to develop, resource, implement and monitor financial strategy via SMT. The CFO has direct and independent access to the CEO and the Leader of the Council on all financial, Value for Money, and governance related matters.

## **6. Review of Effectiveness**

The Council has a statutory responsibility to conduct, 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 Committees and management with responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's Annual Report and also work completed by external inspectorates.

The application of the Council's Constitution and the effectiveness of the Council's system of internal control is demonstrated by a range of independent procedures and protocols, including :-

- Strategic Management Team's procedures and associated management action
- Financial Management reporting
- Performance Management reporting (including the formal review of Risk Management)
- Cabinet, Audit, Governance, and Improvement Review Committee, and Committee reporting
- Overview and Scrutiny and Standards functions
- Statutory Officers (Head of Paid Service, Monitoring Officer, S151 Officer and authorised deputies)
- Internal Audit

Collectively, these form the basis of the Council's governance arrangements and are further validated by independent assessments from various external agencies, viz.:-

- External Audit
- External Inspectorate

The Director – Resources & Contracts (Deputy Chief Executive) and Assistant Director - Legal (Monitoring Officer) have been formally given the responsibility for overseeing the implementation and monitoring the operation of the Local Code of Corporate Governance, reviewing the operation of the Local Code in practice, and reporting annually to Cabinet on compliance with the Local Code and any changes that may be necessary to maintain it and ensure its effectiveness in practice. This is supported by the continuous review work performed by Internal Audit.

The Internal Audit remit is under continual review to reflect and support the legislative requirements of the Section 151 Officer, the required professional standards, the revisions to the responsibilities of external audit, and the key priorities of the Council. The effectiveness and detailed remit of Internal Audit are reviewed through the Audit, Governance and Improvement Review Committee who approve all Internal Audit Plans and receive reports on Internal Audit Activities (reports 28<sup>th</sup> November 2013 and 10<sup>th</sup> July 2014). The latter report is contained within the Annual Report for the Section which, in accord with the Accounts and Audit Regulations, provides an annual review of the Service and demonstrates that a high quality and effective Internal Audit service is provided.

The Council current strategic risks and associated management arrangements were reappraised by the Audit, Governance, and Improvement Review Committee on 20<sup>th</sup> March 2014. The Council's Risk Framework was refined, viz.:-

- i. The Strategic Risk Register includes both strategic and corporate risks. Strategic risks are those impacting on the performance of the Council and, in particular, on its ability to deliver the Council's Corporate Strategy. Corporate risks relate to corporate systems underpinning the Council's overall governance and its ability to deliver services.
- ii. Operational risks are those relating to individual services. These risks are managed and monitored at departmental level and as such are not included in Strategic Risk Register but are instead recorded on Departmental Risk Registers.

- iii. As part of its Corporate Strategy, the Council has a number of significant change and transformation programmes, each of which are managed by a programme board. Risk registers are in place for each programme which record the individual risks relating to the delivery of each specific programme.

Although risk management is the responsibility of each Director, the Council's Section 151 officer undertakes this responsibility at a corporate level.

Significant Internal Audit reviews on governance arrangements, Members Standards, internal control validation, risk management and service planning, budget reductions programme, system development/ and implementation, and facilitation of the NFI have been completed during the financial year and reported accordingly.

In addition, the Chief Internal Auditor has the responsibility to review independently and report to Members at least annually, to provide assurance on the adequacy and effectiveness of the Code of Corporate Governance in practice and the extent of management compliance with it. Progress reports were reported to the Audit, Governance and Improvement Review Committee on 30<sup>th</sup> January 2014 and 10<sup>th</sup> July 2014.

The Council's External Auditors who review various aspects of Internal Audit work (as required under their statutory Code of Practice) to ensure that the section satisfies statutory requirements and maintains the required competence in all Internal Auditing Professional Standards.

On the basis of the above, assurance can be gained that the Council is committed not only to properly managing its affairs but to striving to improve in respect of all governance related aspects of its functions. This is particularly evident in the key areas of risk management, performance management, service planning, and corporate governance. **In conclusion, it is the opinion of the Director – Resources & Contracts (Deputy Chief Executive) that the Council operates an effective overall internal control environment.**

The Council is subject to a programme of independent external audits and statutory inspections. The above assurance opinion is supported by the independent review work performed by external agencies allowing the Council to draw assurance on its governance arrangements from additional external sources, viz.:-

### **External Audit – Grant Thornton**

In December 2010 the Audit Commission revised its VFM methodology with the statutory conclusion being based on two criteria specified by the Audit Commission, viz.:-

- *“Securing financial resilience – focussing on whether the Council is managing its financial risks to secure a stable financial position for the foreseeable future.*
- *Securing economy, efficiency, and effectiveness – focussing on whether the Council is prioritising its resource within tighter budgets and improving productivity and efficiency.”*

The above conclusion being supported by risk-based work focussing on the robustness of the Authority's arrangements relating to financial governance, strategic financial planning and financial control.

Appropriate External Audit reports (relating to the 2012/2013 financial year) were presented to the Audit, Governance, and Improvement Review Committee during 2013/2014 as follows:-

- External Audit Plan and Audit Fees (20<sup>th</sup> March 2013)
- Audit Committee Update (27<sup>th</sup> June 2013)
- External Audit Opinion (2012/2013 Accounts) (26<sup>th</sup> September 2013)
- Wigan Council Audit Findings (26<sup>th</sup> September 2013)
- Annual Audit and Inspection Letter (including VFM Conclusion) (28<sup>th</sup> November 2013)
- Audit Committee Update (28<sup>th</sup> November 2013)
- Grants Certification Report 2012/2013 (20<sup>th</sup> March 2014)
- Audit Committee Update (20<sup>th</sup> March 2014)

The opinions within the above reports continue the previous years' trends and again commented positively on the Council's internal control and performance frameworks as outlined below: -

Key consistent governance related messages from these reports are that the Council has arrangements in place to deliver both Value for Money conclusion elements. Viz.:-

- *“The Council has robust systems and processes to manage effectively financial risks and opportunities, and to secure a stable financial position that enables it to continue to operate for the foreseeable future.”*
- *“Our review found that the Council continues to have appropriate arrangements in place to deliver financial targets and monitor performance. The “dashboard” reports are prepared monthly and clearly set out key financial and performance indicators and are closely monitored by Members”.*
- *“Overall our work highlighted that the Council has good arrangements in place to secure financial resilience. The Council clearly recognises that significant challenges remain but arrangements have been established that have delivered required savings to date.”*

## **Other Inspectorates**

### **Corporate Peer Challenge**

As part of their approach to sector led improvement the Local Government Association (LGA) offered the opportunity for forward looking, improvement orientated peer challenge.

This Peer Challenge process was undertaken in Wigan during October 2013 and focussed on three specific high level issues, viz.:-

- i. Corporate Governance
- ii. Local Economy and Skills
- iii. Adult Social Care and Health

Key high level positive messages from the Peer Review were:-

*“Wigan has responded well to national economic challenges affecting the borough. Its achievements and economic position compared to other areas in the region is generally good. The Council is undergoing a period of restructure and is laying the foundations to respond well to future challenges.”*

*“The Council has placed a strong strategic emphasis on strengthening the local economy through the “Confident Places” theme in its Corporate Strategy. There are strong strategic frameworks in place including the recently adopted development Core Strategy. These are key parts of the strategic planning architecture for the local economy. The Council has developed a number of key development projects.”*

*“The degree of commitment from leaders across Wigan’s partner organisations to health and social care integration is impressive. There is clear ambition and a place based approach to integration. The political leadership has demonstrated an ability to take difficult decisions.”*

*“Adult social care reforms are gaining confidence. There is a restructured leadership team in place supported by strong political leadership. There is an internal transformation programme which is tackling difficult issues and making changes to service delivery to support better outcomes.”*

Following the conclusion of the Peer Challenge and receipt of the final report from the LGA, members of SMT and Cabinet developed an appropriate detailed action plan to address the areas for improvement identified by the process and linked improved action to the Corporate Strategy.

The improvement plan was reported to SMT in January 2014 and progress against the action plan was reported to SMT on 1<sup>st</sup> April 2014. The progress report established that “significant progress has been made to mainstream the work into our refreshed Corporate Strategy”.

The final report and associated action plan has been circulated to all Members of the Council

### Ongoing Improvements

Outline areas where the Council recognises Grant Thornton and other inspectorate and regulator concerns and is seeking to make improvements include :-

- Identification of all key information assets that comprise or contain personal data to ensure information risks are effectively identified, assessed and controlled on a continuous basis in line with Cabinet Office guidelines.

- Ensuring returns data from core systems is collected and reported accurately to avoid potential qualifications.

## **7. Significant Partnerships Assurances**

The Statement on Recommended Practice (SORP) 2006 placed an additional responsibility on Councils in that their Statement on Internal Control should embrace controls over partnership activities where an Authority undertakes significant activities through a partnership. The “proper practices” guidance has extended this responsibility to controls over partnerships considered by the Council to be *significant* i.e. have a detrimental effect on the Council if the partnership failed.

For this purpose the Council considers that the bodies involved are:-

- Wigan and Leigh Housing Company
- Wigan Development Company
- Leigh Sports Village
- Wigan Leisure, and Culture Trust
- Norfolk Property Services
- Wigan Borough Clinical Commissioning Group

Assurance on the control environment of the individual bodies has been assessed as follows:-

### **Wigan and Leigh Housing Company**

A comprehensive Assurance Statement has been provided by the Management Team of Wigan and Leigh Housing Company detailing that they are satisfied overall that the company has operated a sound system of governance throughout the financial year.

On 3<sup>rd</sup> July 2014 an annual assurance opinion is scheduled to be presented to the Company’s Governance, Standards, and Audit Committee by the Chief Internal Auditor within the Annual Internal Audit Report viz.:-

*“From the Internal Audit work undertaken in 2013/2014, the positive relationships with Senior Managers and the members of the Governance, Standards, and Audit Committee, together with the actions taken by management to improve control arrangements in line with audit recommendations, it is the opinion of the Chief Internal Auditor that Wigan and Leigh Housing operates an effective overall control environment.”*

### **Wigan Metropolitan Development Company**

Wigan Metropolitan Development Company provides good quality office space, industrial units and workshops to over 250 businesses throughout the Wigan Borough all located in prime sites. The company has a property portfolio with a current market value in the region of £10m, with the potential (if all 130 units and offices were let) to generate rental income in the region of £1m per annum.

An Assurance Statement has been provided by the Company Accountant that he is satisfied that the company demonstrates “satisfactory” governance arrangements across most of the governance framework.

It is reported that since last year when the Property Manager was made redundant they have improved a number of areas which were not satisfactory. Further work is to be done in staff development and sickness management over the coming year.

### Leigh Sports Village

Leigh Sports Village was created as the result of a public/private/community partnership venture leading to the creation of sporting, retail, educational and leisure assets in Leigh. Wigan Council have made financial and land asset contributions to the scheme. The major partners are Greenbank Partnerships Ltd, Wigan Council, Wigan Leisure and Culture Trust, Wigan and Leigh College, Leigh Sports Village Company, and a number of local sports clubs.

All the sporting partners previously agreed and signed a Memorandum of Association which sets out terms of proposed working arrangements across the site. The Council retains all shares in the company, the Council having appointed the Chairman, Company Secretary, and two non-Executive Directors of the company. The Council’s Director – Resources and Contracts (Deputy Chief Executive) sits on the Board.

The Stadium and sporting facilities are owned by the Council. This is and remains the most efficient arrangement as recommended by PricewaterhouseCoopers based on company tax and securement of public funds perspectives.

As the commercial element of the Leigh Sports Village site is being developed in partnership with a local developer, the Council continues to proactively engage and influence the future of the site both from the sporting, cultural and economic regeneration perspective.

A council working group meets regularly to monitor and direct developments. This group is chaired by the Assistant Director - Legal and attended by the Assistant Director - Finance and representatives from the Places Directorate and Corporate Property team.

Members from this group often attend the Leigh Sports Village board to maintain an ongoing dialogue.

### Wigan Leisure and Culture Trust (WLCT)

An enhanced Assurance Statement has been provided by the Chief Executive of Wigan Leisure and Culture Trust that he is satisfied that the company has operated a sound system of governance throughout the financial year.

## Norfolk Property Services

In 2005 the Council entered into a partnership agreement with Norfolk Property Services (NPS) for the delivery of a range of property related services. A client function was retained by the Council to manage the contractual relationship including performance and governance issues.

A new client officer has been in post since June 2013 and has built an effective working relationship with the key personnel at NPS. The monitoring and management regime has been reviewed and changes made are beneficial to both parties.

The performance of NPS Wigan continues to be reported to their local board, which includes the Council's Deputy Chief Executive and a Cabinet Member to ensure the Council's interests are effectively represented. It is anticipated that NPS will generate a profit during the financial year 2013/14 (on closure of the final accounts), which is beneficial to the council as it gets a share of any profit made by the company.

## Wigan Borough Clinical Commissioning Group

The former Primary Care Trust was disestablished on 31<sup>st</sup> March 2013 and was replaced by a Wigan Borough Clinical Commissioning Group (WBCCG). This was part of the national reforms of the Health service by the Coalition Government and WBCCG is now the statutory body responsible for commissioning local health services in Wigan.

WBCCG has five local partners, one being Wigan Council with whom it has a collaborative commissioning arrangement. To support this arrangement a joint Associate Director post has the responsibility to take forward and co-ordinate formally commissioning arrangements with Wigan Council

The Council and CCG has agreed a local Integrated Care Strategy which was endorsed at the Health and Wellbeing Board meeting on the 19th March 2014. This provides the context to the work required in activity shifts required in the local health and adult social care economy. At the same meeting the Better Care Fund submission was provisionally endorsed, but with delegated authority to Wigan leaders. Feedback from NHS England has been positive about the ambition and detail of the plan.

In addition a Joint Commissioning group was set up between the Council and the CCG. It is jointly chaired by the Director of Finance of the CCG and the Deputy Chief Executive, Wigan Council. This group meets quarterly to approve investment proposals that will help deliver the integrated care strategy and health and adult social care objectives. £10m of funding has been put into this split equally between the two organisations.

The WBCCG publishes its own Annual Governance Statement detailing the processes in place by which it provides assurance to stakeholders and the public. Assurance can be taken from the structure and extent of governance processes outlined within the statement and the positive assurance opinions from the CCG's Director of Internal Audit and also its Chief Officer.

## **8. Significant Internal Control Issues**

Two additional significant internal control issues (Teachers Pensions Agency Return and Let Estate Management) have been identified during the year. In addition, the Council continues to address a previously identified issue, that continues to be problematic, involving Information Governance and Data Protection. These issues are detailed in Appendix 2 (Significant Internal Control Issues).

The recent review by Internal Audit re-assessed each component of the Local Code of Corporate Governance and concluded that the *“The Council’s position against its local code of corporate governance is still considered to be good, which considering the continuing significant change due to the budget cuts the Council has gone through and continues to go through is a continuing significant achievement. Whilst new structures improve clarity and focus in some areas, other areas are subject to increased pressure in meeting governance requirements. The ongoing changes clearly impact on the findings of this review and are reflected in the number of areas recognised as development work in progress or work identified that will continue to strengthen the Council’s position and improve alignment with the Council’s priorities set out in the Corporate Strategy. In the ever changing world of local government, there are always new challenges and ongoing work needed to address these.”* The important issue is the Council is accurately identifying and promptly and appropriately dealing with these challenges.

A summary of progress and further agreed action is included at Appendix 2. It also highlights some sensitive issues within the public arena that the Council is addressing and which provide practical illustrations of the Council’s continued commitment to effective governance.

On the basis of the opinion of the Director – Resources & Contracts (Deputy Chief Executive) as detailed above, we are satisfied that Wigan Council’s internal control and corporate governance arrangements are adequate and are operating effectively. We are satisfied that the enhancements identified will further improve our governance and internal control arrangements. We will assess their implementation and the effectiveness of dealing with the issues outlined as part of the formal risk management process.

Signed: .....

Lord Smith, Leader of the Council & Donna Hall, Chief Executive on behalf of the Members and Senior Officers of Wigan Council.

Date: .....

## **Appendix. 2**

### ***Corporate Governance Annual Statement of Assurance***

Areas where improvement work is ongoing include:-

Principle 1 Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area.

#### **Strategic Partnership Working**

The LGA Peer Review made some recommendations to improve Strategic Partnerships Working in the Borough including refreshing the Economic Strategy and developing the sub-structures of the Health and Well Being Board. An action plan is in place to implement these recommendations.

#### **Partnership Guidance**

Though delayed, work is ongoing on corporate guidance on partnerships by Internal Audit and the Service Manager- Programme and Partnerships. This is being developed as part of a toolkit by the Strategy and Partnerships team.

#### **Corporate Strategy Annual Report 2013/2014**

Discussions are ongoing about the details of the external publication of the Corporate dashboard. As part of this work, it is proposed that an annual review for 2013/2014 is included on the website.

#### **Performance Indicators 2014/2015**

Work is currently ongoing on a refresh of the dashboard PIs for 2014/2015, particularly linked to the Wigan Deal. The main set will be on the Corporate Dashboard but there will be elements of the Wigan Deal on the Assistant Director (AD) dashboards as well. The AD PIs will continue to monitor the operation of the business as introduced in September 2013.

#### **Customer Complaints Procedure**

Following the creation of a centralised team for complaints, FOI, standards and members enquires within the Legal section, work is ongoing on reviewing policies and procedures and identifying system requirements for a new IT solution. Part of this work will include looking at possible alignment of procedures with the Complaints and Quality Standards Team.

#### **Annual reporting on Customer Complaints**

Arrangements for the 2013/2014 annual complaints report are being made by the new centralised team.

Principle 2 Members and officers working together to achieve a common purpose with clearly defined functions and roles.

### **Verification of Dashboard Data**

An Internal Audit Review is currently underway on the verification of the data reported through the dashboards.

### **Change Programme Reporting**

The content of the Change Programme Overview section of the dashboards is under review. As part of this, a decision will be made about what supplementary information will also be provided to Strategic Management Team.

Principle 3 Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

### **Anti Fraud, Bribery & Corruption Policy Statement and Strategy**

The Anti Fraud, Bribery and Corruption Policy Statement and Strategy should be updated to make reference to the Fraud Prosecution Policy when the Fraud Prosecution Policy is updated.

### **Electronic employee register of interests**

Action is to be taken during 2014/2015 to improve the use of the electronic employee register of interests.

Principle 4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

### **Public Sector Internal Audit Standards**

The Public Sector Internal Audit Standards (PSIAS) were introduced from April 2013, replacing the CIPFA Code of Practice for Internal Audit. An assessment against the PSIAS has been undertaken by the Chief Internal Auditor and will be reported in the 2013/2014 governance reports.

### **Independence of Audit, Governance and Improvement Review Committee**

In order to improve the independence of the Audit, Governance and Improvement Review Committee, in future only one member of Confident Council Scrutiny Committee will be allowed to serve on the Audit, Governance and Improvement Review Committee.

### **Directorate Risk Registers**

Up to date Directorate Risk Registers are currently not maintained. These will be developed during 2014/2015, following the format of the revised Strategic Risk Register. Work is ongoing with the Programme Office on the recording of programme risks and the incorporation into the Directorate Registers.

## **Business Continuity Management Information System (BCMIS)**

Further follow up work on the Business Continuity Management Information System has been delayed in 2013/2014 by the long term sickness of Civil Contingencies Service Manager and the section restructure which resulted in the transfer of the Civil Contingencies function to Public Health.

Principle 5 Delivering the capacity and capability of officers and members to be effective.

### **Corporate Training and Development**

The menu of Learning and Development opportunities is currently being repackaged and will be available on the Intranet during quarter 1 2014/2015.

### **HR Policy Development Programme**

The HR Policy Development Programme is subject to review and reprioritisation during the year.

Current priorities are as follows

- Agile Working Policy. This is currently being finalised and will be launched in early May, following sign off by the Assets & Accommodation Project Board on 25 April 2014.
- Organisational Change Policy. Final amendments are being made following a recent ET case. The timing of the policy launch is currently being discussed.
- Reservists Policy. This is currently in draft and awaiting sign off from HR Management Team before TU consultation. Implementation is planned for early June 2014.

### **Schools Policy Development Programme**

The following policies are all still under development; progress has not been as fast as anticipated, due to other work priorities. It is hoped that these will go to Governing bodies for consideration in the Autumn Term 2014/2015.

In the interim the current procedures/policies remain legitimate processes that can be relied upon in working with schools:

- Procedure for Managing Reductions in Staffing Levels
- Policy for Early Retirement of Employees in School
- Alternative Employment Policy for School Employees

The following policies are still under development; again, progress has been delayed because of high levels of casework which have taken priority, and the consultation process has yet to take place.

In the interim the current procedures remain legitimate, usable documents:

- Disciplinary Procedure - final draft prepared, and to go for consultation with TUs during the summer term 2013/14
- Grievance Procedure - final draft prepared, and to go for consultation with TUs during the summer term 2013/14

The development of the Pay Policy for Schools 2014/15 has commenced, and is scheduled to go to Governing Bodies in Autumn Term 2014/15 (September 2014).

## **Community Investment Fund**

Arrangements for round 2 of the Community Investment Fund are being made. A report with recommendations for implementation and enhanced governance arrangements to oversee delivery was taken to SMT on 13th May 2014. This included ensuring that monitoring and evaluation are appropriate so that there is a balance between the need to promote innovation and the need to protect public funds.

Principle 6 Engaging with local people and other stakeholders to ensure robust public accountability.

## **Borough Survey and Citizens Panel**

Plans are in place to carry out a borough wide survey during the first half of 2014/2015. The Citizens Panel is retained as an option for follow up after the Borough Survey to gather further information/more detail.

## **Significant Internal Control Issues**

### **Information Governance - Data Security**

The Council's arrangements for managing the safe custody of the information it holds, were reviewed by the Office of the Information Commissioner (ICO) in November 2010. The overall conclusion of the review was "*The arrangements for data protection compliance - with regard to governance and controls - provide only a limited assurance that processes and procedures are in place and are being complied with.*" An Action Plan covering 47 recommendations was agreed that was subject to re-inspection by the ICO in October 2011.

The ICO report of 5<sup>th</sup> March 2012 (following the scheduled re-inspection) showed actual and planned improvements in key processes and concluded "*The ICO considers that the actions taken by the Council to implement the agreed recommendations provide a reasonable assurance that effective controls and processes are in place to mitigate the risks of non-compliance with the DPA. The ICO recognises the improvements made by the Council since the original audit report was issued in February 2011.*"

There is therefore, a clear recognition that the work performed has improved the overall position, although there is no room for complacency as it is acknowledged that further work is still needed in a number of areas.

However, it should be noted that even though the Council continues to suffer data breaches that have been referred to the ICO, following their assessment no further action has been taken against the Council. The ICO are satisfied with the processes introduced by the Council to mitigate such losses and also with the associated investigatory and employee disciplinary actions taken. Full details of each data loss will be reported to Members during the August Committee cycle.

## Teachers Pensions Agency Return 2012/2013

Following initial assessment by the Council's External Auditor (Grant Thornton) it was determined that there were significant errors in the Council's Draft Teachers Pensions Return as submitted for formal certification audit.

A submission time extension was sought and received from the Teachers Pensions Agency and actions agreed with the External Auditor to correct the anomalies. The issues arose due to the introduction of a revised percentage banding contribution scheme that the Council's payroll system (iTrent) was not configured to report against. This issue was not unique to Wigan and has been reported as widespread with numerous claims still open with the Teachers Pensions Agency. External Audit, Internal Audit, Finance, Payroll teams worked together to determine the most appropriate way forward to identify and correct errors and submit a correct return. A significant staffing resource was required within a very short timeframe to correct the identified errors. A revised submission established a total underpayment of £19.5k on an initial claim value of £19m made up of a significant number of nominal financial adjustments. The revised submitted return contained a minor imbalance of 0.003% which did not impact on any individual teachers or the Teachers Pensions Agency. From initial contact with the Teachers Pension Agency, this error rate is reported to be within acceptable tolerances and the Teachers Pensions Agency are currently consulting with the National Audit Office on its acceptability.

Management have confirmed that iTrent updates have been applied to correct the need for the manual allocation of percentage bands and any incorrect application of pension contributions thereby removing the main source of last year's errors.

It has been agreed with Management that the TPA Return will be pre-audited by Internal Audit and Finance section officers to ensure that any possible errors are identified in a timely manner to allow correction before submission for formal External Audit Certification.

## Let Estate Management

Following a Management investigation it was determined that a Council employee had not consistently followed the correct policies and procedures in respect of various aspects of property lettings associated with the Let Estate for a protracted period of time. An initial assessment identified a number of properties that had not been let correctly with a significant potential loss of income. In addition, although the properties had been occupied there were no formal agreements between the Council and the building occupiers. Additional financial concerns were also established in respect of unauthorised rent levels and abatements, unauthorised and inappropriate repairs completion, and account adjustments.

The Council has procured short term external specialist resources to complete the property portfolio inspections and provide legal advice on a case by case basis.

The employee was suspended to allow the investigation to be completed and was subsequently dismissed for a wide range of negligent and unlawful actions each constituting gross misconduct.

The Hearing established that the employee had the required understanding of the Council's policies and procedures and how to apply them correctly to every letting and of the implications if such processes were not followed.

An appeal against dismissal has been received from the ex-employee and is currently being processed. Since no evidence of criminality was established the matter could not be referred to the Police.

Revised controls have been introduced by Management and additional performance management processes are being developed.

Due to the ongoing nature of the employee disciplinary process the information disclosed above has been restricted; however, this will be expanded in due course prior to the Council's accounts being formally certified in September 2014.

### BACS Payment Fraud

We have recently been notified (16th June 2014) that the Authority has been one of the victims of a high value fraud linked to a contractor payment made over 11 months ago (3rd September 2013) . The fraud related to the fraudulent amendment of contractor bank details held by the Authority. The Authority is fully aware that such fraud is currently prevalent and does have appropriate control processes in place that are designed to prevent such occurrences; and the matter is being investigated internally by Management and Internal Audit. The Authority is alert to such attempts and has restricted the intelligence that is available publicly although doing so does current contradict government transparency/publication guidance. However, the government is in the process of making the publication of such financial data mandatory in the very near future.

The matter is currently being addressed on several fronts with the Police, contractor, National Anti Fraud Network, and the Assistant Director of HR&OD. The Authority has recently received full repayment of the funds involved from the third party bank and accordingly has not suffered any financial loss

### School Meals Income

Following an audit investigation it was identified that an Authority employee had misappropriated a significant amount of cash over a number of years relating to school meals income.

The employee admitted to the theft but resigned prior to a disciplinary hearing being held. The hearing was subsequently held in her absence and the allegations of gross misconduct found to be proven. The matter is currently with the Police, and the Authority will be taking action to recover the money misappropriated.

A detailed audit report has been provided to Management making a number of recommendations to improve procedures in relation to cash handling, banking and income monitoring.

### Other Significant Issues

A range of issues, involving the Council , has attracted press and public interest during the financial year. Many of these issues have been recognised as significant risks to the Council and are and will be included in the Corporate Risk Register which outlines the mitigating actions along with providing a high level mechanism to monitor the effectiveness of the actions being taken.

A précis of the issues with the remedial action taken/scheduled is detailed below, viz.:-

## **Members Issues**

### Members Conduct

A significant number of press articles have been published outlining the conduct of individual Members and a number of Members have subsequently been reported and investigated under the Council's standards regime and/or by the Police, viz.:-

- June 2013* - *"Council Member in Fraud Probe"*
- June 2013* - *"Unions Fury Over Town Hall Forgery"*
- June 2013* - *"Exposed Secret Plot Calling for Sacking of Chief Exec."*
- September 2013* - *"Councillor Arrested in Fraud Probe"*
- October 2013* - *"Probe Call Over Spending Ban"*
- November 2013* - *"Councillor's Grit Bins go Unfilled"*
- November 2013* - *"Late Night Hospital Visit Probe"*
- January 2014* - *"Council Meeting is no Corrie"*
- January 2014* - *"Recording of Council Staff Causes Anger"*
- February 2014* - *"Guilty of Doctoring Officials emails"*

- March 2014 - *"It's Time to Get Tough on Bad Behaviour"*
- March 2014 - *"Councillor Used Work Computer for Porn"*
- April 2014 - *"Mayor Kept Rule Breach Under Wraps"*
- April 2014 - *"Police Eject Tweeting Councillor From Meeting"*
- April 2014 - *"Porn Councillor is Blasted During "Atrocious" Meeting"*

The Council accepts that it receives a regular flow of complaints, each of which is dealt with by a prescribed procedure to determine whether an investigation is necessary and completed accordingly. Additional commentary on Members Conduct is within the "other issues" section below.

### **Economic Downturn and Financial and Service Delivery Issues**

A range of articles have been reported in the media stemming from the continuing economic and fiscal downturn, the impact of Coalition Government actions particularly in respect of funding, and the Council budget position. The articles generally concerned the ongoing impact of the Government funding cuts and the effect on Council finances, jobs and service provision. Key articles included.:-

- April 2013 - *"Service Defended"*
- May 2013 - *"Residents Consulted on Care Homes Cuts"*
- June 2103 - *"Council Expects More Budget Cuts"*
- July 2013 - *"Town Hall Chases Missing Millions"*
- July 2013 - *"Care Homes Changes Explained"*
- August 2013 - *"Childrens Homes To Close After Review"*
- August 2013 - *"Children in Care Figures Increase"*
- October 2013 - *"Disabled Man "hit hard" by Closures"*
- October 2013 - *"Council Defends its Care Home Policy"*
- November 2013 - *"Council Managers Reported to Police"*
- November 2013 - *"Council to Lose £500 per Person"*
- January 2014 - *"Soaring Costs of Respite Care"*
- January 2014 - *"Council Blasted for Zero Hours"*
- March 2014 - *"Slow Responses to Complaints Blasted"*

Although the above articles presented a negative slant on the Council's actions other positive articles covering associated issues have also been published, including :-

- May 2013 - *"Council outsources IT in a £47m Deal"*
- June 2013 - *"Council Ahead of the Curve in its Quest to Make More Savings"*
- June 2013 - *"£2m Community Group Cash Bonanza?"*
- July 2013 - *"Good Housekeeping Limiting the Damage"*
- July 2013 - *"Town Hall £6m Revamp Will Save More Money"*
- July 2013 - *"New Super Depot Facility"*
- August 2013 - *"Windfall Should be Spent on Youth Jobs"*
- October 2013 - *"Residents Show Their Support for Dementia Care Projects"*
- November 2013 - *"Council One of Top Performers in UK"*
- January 2014 - *"Good News Council Tax Frozen"*
- March 2014 - *"Council Strikes a New Deal with Community"*
- March 2014 - *"Tax Freeze to Trigger Windfall"*

The Council's consistent response to these issues is that formal Impact Assessments are performed to analyse the impact of proposed service reductions on vulnerable members of the community and it has prepared promptly for the financial downturn and addressed all issues in a structured way with the ongoing intention of safeguarding the front line services it provides to residents and minimise compulsory job losses. This action as part of the Council's financial planning and management processes has been consistently endorsed by the Council's External Auditor (most recently within the 2012/2013 Audit Findings Report), viz.:-

- *"The Council has established sound financial governance arrangements. Both Members and officers have an appropriate focus on the Council's financial position with clear engagement and reporting process. Effective budget monitoring and reporting processes are in place to identify variances at an early stage and take appropriate remedial action."*
- *"The Council continues to have appropriate arrangements in place and a clear methodology to help deliver its financial targets and monitor on-going performance. Reports to Members are detailed and give a clear indication of the Council's financial position."*

## **Other Issues**

### Housing Benefits Subsidy

The Council's Housing Benefit Subsidy claim has been qualified each year since 2005/2006. During this year Customer Service, Internal Audit, and Finance staff have worked with the Council's External Auditor and have been successful in overturning significant subsidy financial clawbacks based on extrapolating numbers and values of errors from very small testing samples. Some of the issues overturned resulted from DWP policy opinions differing from those of key Authority officers and consultants and were also finally overturned via Counsel's opinion. The alleged Council indebtedness of £1.7m was finally reduced to £333k and finalised.

The 2012/2013 subsidy claim has again been qualified but this is for routine issues with minimal financial consequences. Due to the widespread qualification of Housing Benefits Subsidy claims the DWP are currently collecting data to try to understand the associated logic and may carry out (based on current guidance) a visit to the Council to complete an on site assessment to understand the reasoning behind the qualification. This visit would give Council officers the opportunity to fully explain the reasoning behind the qualifications, the concerns with the then Audit Commission methodology and the fact that the Council had correctly applied legislation and associated guidance that the DWP appeared to neglect (even when challenged).

### Members Standards

The Council has this year again received a high volume of complaints (highest in AGMA) involving Members conduct that necessitated formal assessment and investigation. As in previous years the complaints although high in number relate, generally, to a small number of consistent Member offenders.

All such cases are assessed and investigated in accordance with Council protocols and appropriate Standards Hearings have been held/are scheduled. The conduct of several Members has been referred to the Police for their investigations with their proposed actions in several cases still being determined.

A detailed annual report of the Standards Committee was presented to Council on 27<sup>th</sup> April 2014. The report's opening remarks by the Standards Committee Chairman clearly outlines the problem and the Council's actions to mitigate, viz.:-

*"It is unfortunate that a small number of Members continue to behave inappropriately and receive the most complaints, in many cases, I believe not because they were unaware of what was expected of them but because they did not find it expedient to do so and this must be challenged.*

*The challenge to poor behaviour has not only come from within the Council but externally as well with a number of recent media articles presenting the behaviour of Councillors in a poor light. This makes for uncomfortable reading but if the public are to make informed decisions at the ballot box as expected by this government they must be made aware when Members are found to have breached the Councils code of conduct.*

*The Standards Committee have introduced a number of changes this year to help the Council meet its challenges and will be developing a programme of support to help ensure that Wigan has a strong ethical culture throughout everything it does. This is not just about ticking the right boxes but about ensuring we embed in our culture and processes the high standards of behaviour expected of our Members.”*

It is fully accepted that the Council's options when Members transgress are restricted by the current standards regime legislation. This issue has been recognised nationally and is subject to a proposed review by the Committee for Standards in Public Life during 2014/2015, viz.:-

*“Throughout 2013-14 we will continue to monitor the implementation of the new local government standards regime, through analysis both of media reporting and issues of principle brought directly to our attention by members of local councils and the public. Barring any unforeseen developments in the interim we expect to undertake an assessment of the state of local government standards in 2014-15, potentially together with other relevant bodies.”* (Committee on Standards in Public Life - Annual Plan 2013/14)

In all of the above instances, appropriate and prompt action was taken within a controlled framework to mitigate any potential financial and/or reputational loss to the Council.

The Council's governance and risk management arrangements enable it to deal openly and effectively with situations such as those highlighted above. The nature of the organisation means that there will always be difficult situations to deal with, but its internal control mechanisms ensure that actions are taken appropriately and promptly, and it is openly accountable for those actions. This is a major strength of the Council and a significant factor in its continued external assessment categorisation.

**ANNUAL GOVERNANCE STATEMENT FRAMEWORK**

- INTERNAL CONTROL FRAMEWORK**
- Constitution and Rules of Procedures (Contract Procedures and Financial Procedures)
  - Local code of corporate governance
  - Statutory Officers
  - Role of CFO
  - MTFs/Budget Setting and Control Framework
  - Business strategy and service planning framework.
  - Performance Management.
  - Annual budget and budgetary control.
  - Project management system.
  - Risk Management Policy and Framework.
  - Anti Fraud and Corruption Policy and Framework.
  - Codes of conduct (Members/Officers).

*Authority Service Planning, Performance, Risk Management and BCM Frameworks.*

Independent reviews by SMT, and the Audit Governance and Improvement Review Committee to examine draft AGS and supporting evidence and recommend approval via Cabinet.

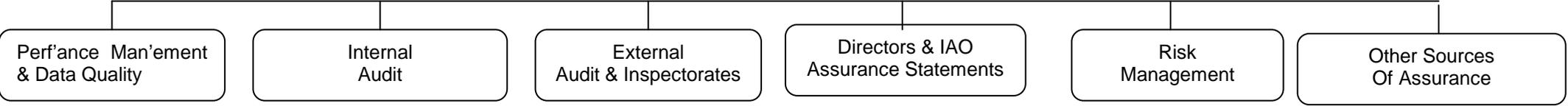
*IA Team with responsibility for reviewing controls, drafting AGS, evaluating assurances and supporting evidence.*

Annual review of the effectiveness of the system of Internal Audit (Audit, Governance, & Improvement Review Committee)

**Annual Governance Statement**  
approved by Cabinet, signed by Leader and Chief Executive and (published with the statement of accounts).

Directorate Management Teams and SMT, Cabinet, and individual committees  
Formal record of debates and decisions

- Monitors risk and management.
- Monitors risk profiles.
- Considers risk relating to new projects and initiatives.
- Receives risk monitoring. reports.



- Performance Management & Data Quality**
- Embedded system throughout organisation.
  - Internal & external reviews.
  - Action orientated.
  - Dashboard reporting to SMT
  - Regular progress reports (SMT, committees, AG&IRC, Cabinet).

- Internal Audit**
- Strategic & annual plans AG&IRC approved
  - Interim and annual reports to AG&IRC
  - Chief Internal Auditor annual opinion
  - Operates under terms of reference.
  - Risk-based plan.
  - Managed audit process
  - Anti-Fraud Work

- External Audit & Inspectorates**
- Annual plan.
  - Annual Audit letter.
  - Audit opinion (Governance Report).
  - Departmental governance
  - Inspectorate Reports
  - Peer Review

- Directors & IAO Assurance Statements**
- Ongoing assurance (SMT).
  - Annual assurance statements
  - Regular, scheduled governance reports to A,G,&IR Committee

- Risk Management**
- Embedded in policies & planning
  - Effectiveness evaluated
  - Annual approval of risk management processes via Members
  - Results analysed by IA and support Strategic Risk management.

- Other Sources Of Assurance**
- Scrutiny & Standards Committees (including annual reports)
  - S.151 Officer
  - Monitoring Officer
  - Partnerships Governance
  - Fraud reports and investigations.
  - Project Management
  - Ombudsman