

ANNUAL GOVERNANCE STATEMENT

This statement meets with the requirement to produce an Internal Control Statement in accordance with Regulation 5 of the Accounts and Audit Regulations (Wales) 2014.

Part 1: SCOPE OF RESPONSIBILITY

Gwynedd Council is responsible for ensuring that it conducts its business in accordance with the law and to proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Gwynedd 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.

In discharging these overall responsibilities, Gwynedd Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk and adequate and effective financial management.

Gwynedd Council has approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE Framework, *Delivering Good Governance in Local Government*. A copy of the code is available on our website, or may be obtained by writing to Gwynedd Council, County Offices, Shirehall Street, Caernarfon, Gwynedd LL55 1SH. This statement explains how the Authority has complied with the code and also meets the requirements of regulation 5(5) Accounts and Audit (Wales) Regulations 2014 in relation to publishing a statement on internal control.

Part 2: THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with, and leads its communities. 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 and cost effective services.

The system of internal control is a significant part of that framework and is designed to enable the Council to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives; and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks that are relevant to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework described above has been in place at Gwynedd Council for the year ending 31 March 2018 and remains applicable up to the date of the approval of the Statement of Accounts.

Part 3: GOVERNANCE ARRANGEMENTS AND THEIR EFFECTIVENESS

- 3.1 The **Governance Arrangements Assessment Group** monitors matters of governance continuously in a disciplined manner, raising a wider awareness of these, and promoting a wider ownership of the Annual Governance Statement. The Group comprises the Chief Executive, the Monitoring Officer, Head of Corporate Support, two Senior Corporate Support Managers, the Senior Manager Revenue and Risk and the Risk and Insurance Manager.
- 3.2 As a result of the publication of a new version of the CIPFA/SOLACE Framework - *Delivering Good Governance in Local Government* in 2016, the Group has adapted the Council's arrangements for identifying and assessing its governance arrangements in order to reflect the new Framework. Consequently, the local framework was set out in the form of a Governance Risk Register that is part of the Corporate Risk Register, identifying 22 area of governance risks.
- 3.3 An outline is given of the Governance Areas, the relevant risks and the Council's arrangements to deal with these, and the effectiveness of these arrangements, in the remainder of this section of the Annual Governance Statement.
- 3.4 For each Governance Risk, a current score is shown, which is the score following an objective assessment of the control arrangements that are currently in place. Consideration is given to two factors:
- The **Impact** of the risk in the event of it being realised
 - The **Likelihood** that it will occur.
- 3.5 Impact scores vary from 1 (Visible impact) to 5 (Catastrophic impact), and the Likelihood scores from 1 (very unlikely) to 5 (occurring now). The risk score is calculated by multiplying the impact score and the likelihood score.
- 3.6 The comparative level of the risks are calculated as follows:

Score 20-25	Very High Risk
Score 12-16	High Risk
Score 6-10	Medium Risk
Score 1-5	Low Risk

Culture

Risk: Inappropriate culture within the Council can hinder our ability to do the right things in the correct manner

Assessment:

An appropriate culture can promote all aspects of governance noted in the register and in the same manner, an inappropriate culture can hinder all aspects of governance.

If the culture is correct, this can dominate everything else that affects our ability to achieve as the principles of good governance are an inevitable part of the day to day conduct of each individual within the establishment. The Ffordd Gwynedd Strategy notes that one of the Council's main aims is to place the people of Gwynedd at the heart of everything we do. In reality, this also describes the Council's values - namely anything that is in keeping with that objective.

The 6 day training programme for Service Managers on the principles of Ffordd Gwynedd (including robust performance management principles) was introduced in the Summer of 2017. The vast majority of Service Managers, as well as some other officers with a lead role to support and promote the culture, have already received training, whilst there is a specific plan in place to ensure that this training will be available continually for new managers in the future. This intensive training has not lead to results thus far, but early indications are heartening with encouragement for managers and their teams to undertake reviews within their own services. Intensive reviews receive the support of two consultants who focus on this work.

Current Risk Score:

Impact	Likelihood	Risk score
4	3	12

Conduct

Risk: Lack of integrity, ethics and respect in the conduct of members and officers, undermining the public's confidence in the Council

Assessment:

Appropriate behaviour is essential in order to ensure that the County's residents have confidence in those who make decisions on their behalf, and that they do so in a manner whereby they can be confident in them.

The Council has adopted codes of conduct for its members and officers, based on national regulations (codes such as the Member/Officer Relationship Code, Members' Code of Conduct, Officers' Code of Conduct, Anti-fraud and Anti-corruption Policy and the Whistle blowing Code of Practice) and these together set the foundation to ensure integrity and ethics. There is evidence of action when it appears that these codes of conduct have been breached.

In the past, some evidence existed of tension between members as the new Cabinet arrangements were implemented within the Council and the change of roles linked to this, and there is no evidence to suggest that those tensions have completely disappeared. Nevertheless, there are signs that the tensions have started to diminish. Tensions are inevitable and are to be expected when there are any significant changes.

There is clear evidence that the Council gives valid consideration to the Ombudsman's reports as part of the work of the Standards Committee, which works effectively.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Lawfulness

Risk: Ignoring the rule of law, which means that the Council is open to challenges from the courts.

Assessment:

Everything the Council does has to be in compliance with the law.

Statutory Officers (the Monitoring Officer and the Head of Finance) have to offer comments on any formal decision, as part of a comprehensive constitution that is regularly reviewed. There are formal protocols in place in order to safeguard the rights of statutory officers.

Current Risk Score:

Impact	Likelihood	Risk score
3	1	3

Being open

Risk: A Council that is not open, meaning that it is not possible to hold it accountable for its decisions.

Assessment:

Being open is essential for accountability and a healthy democracy.

Whilst there is a law that allows reports to be considered exempt for publication, only the minimum of Committee reports are exempt, and in addition to publishing the minutes of full committees, publicity is given to the decision sheets of individual members, with procedures to ensure that this occurs. Background papers are published with committee reports in order to ensure that the decisions are made with full information. A number of committee meetings that make decisions are web-broadcast.

The Cabinet regularly considers performance reports as part of its meetings that are open and the Council publishes its Corporate Plan, Annual Performance Report and the Statement of Accounts to seek to give as much information as the residents need for us to be accountable.

Various other methods are also used such as the website, 'Newyddion Gwynedd' and social media to try to ensure that Gwynedd residents are aware of what is happening within the Council.

Current Risk Score:

Impact	Likelihood	Risk score
2	1	2

Stakeholders

Risk: Weak relationship with institutional stakeholders, ending with sub-optimal services

Assessment:

The willingness of public sector bodies, including Gwynedd Council, other neighbouring unitary councils, the Police, the Health Board, the third sector and others to collaborate in order to deliver public services jointly may have a substantial and visible effect on the people of Gwynedd.

Work is currently proceeding to respond to the requirements of the Well-being of Future Generations (Wales) Act 2015 that facilitates such a principle. Amongst these requirements is the statutory need to establish a Public Services Board, which includes local authorities and several other bodies. Work has been undertaken to conduct an assessment of well-being, this is part of the initial work of the Public Services Board and has been published. It is now a Draft Plan published by the Board and has been consulted upon.

The Board's Plan is consistent with the Council's Plan.

The Council is committed to the Public Services Board, introduced as a result of the Well-being of Future Generations Act, as a means of maintaining a constructive relationship with other public sector stakeholders. The Partnerships Criteria has been established for several years so that Gwynedd Council only goes into partnership when this is for the benefit of the people of Gwynedd.

Collaboration also occurs at a regional level which is not always as effective as it could be due to the footprint size and the difficulty of building a relationship with such a large amount of people. There are some examples of success (e.g. Ambition Board) and one of the Council's responses to the recent White Paper was that collaboration should be sought according to the benefit that would stem from it rather than dogmatically adhering to one model. It was also noted that there was a need to ensure that collaboration does not hinder local accountability for services.

Collaboration also occurs at a county level with varied success.

There is work to review the system within Care, this includes close collaboration with Health and others, and the indications are promising. Work has been undertaken to identify plans to be commissioned for the future.

Current Risk Score:

Impact	Likelihood	Risk score
3	4	12

Engagement

Risk: Failure to engage with service users and individual citizens, leading to not doing things correctly.

Assessment:

Clear engagement with the People of Gwynedd to establish clear lines of communication and to get a true understanding of their needs, is one of the principal elements of governance arrangements.

During 2015/16 the Gwynedd Challenge, a plan to discuss the financial position with Gwynedd residents, demonstrated that significant progress had been made in our Engagement arrangements.

The Gwynedd Challenge exercise was successful and attracted a response from over 2,000 Gwynedd residents, this enabled the Council to take logical decisions in terms of future priorities in light of the views of the people we serve. Whilst there is a need to ensure that this good practice permeates amongst all Council departments, the score now reflects the improvement seen in this area bearing the Gwynedd Challenge in mind and the work done specifically in the area of waste.

The purpose of Council's Engagement Strategy is to ensure that the Council receives the views of the public and other stakeholders as appropriate, with the Communication and Engagement Unit supporting services to consult using a suitable method and to give support in analysing the results.

Furthermore, the Research and Information Team supports services to make better use of the information we have, in order to increase inclusivity. There are guidelines in order to respond to the Well-being of Future Generations Act for us to consider smaller units than the Council's footprint and the County has been split into eight well-being areas. The residents of those areas were consulted when drafting the well-being assessment. The well-being areas were used as a basis for early discussion on the Council's Plan in October 2017, and it is also possible to analyse the data of consultations based on these areas.

It was possible to achieve all the elements of the Engagement Strategy and a review will be conducted in 2018 on the Engagement Handbook in order to ensure that it complies with the new performance management arrangements. New arrangements have also been established to specifically engage with the young people of Gwynedd as a result of the work on the Youth Service review.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Direction and vision

Risk: Direction and vision that is not rooted in the outcomes for individuals and therefore do not realise the needs of the People of Gwynedd.

Assessment:

The Council's Plan 2018-23 was approved by the Full Council of Gwynedd on 8 March 2018. The new Plan this time includes our Well-being Statement, 7 Improvement Priorities and every Department Plan. A great effort was made to ensure that it is clear and easy to read and understand.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Sustainability

Risk: A risk of creating unsustainable answers that do not comply with the five principles of the Future Generations Act and do not therefore look at the long-term.

Assessment:

The Council has acknowledged the importance of acting in accordance with the Well-being of Future Generations Act and, jointly with its partners on the Public Services Board, have done initial work to identify what needs to be done to operate in accordance with the five principles - Long term, Prevention, Integration, Collaboration and Involvement.

The Council is already complying with all the principles but to a different extent. We have submitted an explanation of the principles of the Act to the Management Group who have agreed that the best way for this to root is for the Departmental Management Teams to pay attention to the principles in forward planning. It is recognised that the success, or not, of this method will need to be assessed. Reports that come before the Cabinet are forwarded beforehand to the Corporate Support Department to be reviewed to keep an eye out for areas where perhaps those principles have not been followed as well as they could. Through this it is hoped that we will root the principles naturally rather than ticking boxes, but time will tell if we are successful. The principles mean that every group of society will be included and the Council already has appropriate arrangements to ensure that we improve our provisions for those with protected characteristics.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Decisions

Risk: Unwillingness to make decisions on action, which means a delay to achieve the outcomes for the people of Gwynedd

Assessment:

There is a danger that decisions will not be made as they are too difficult or unpopular, but over the last few years there is evidence that this is not the case in Gwynedd with decisions taken to look at the area of schools, externalising Council houses and acting on the difficult results of the Gwynedd Challenge.

Current Risk Score:

Impact	Likelihood	Risk score
2	3	6

Planning Operations

Risk: Intervention without sufficient planning, that could mean either acting on impulse or excessive planning wasting time and resources.

Assessment:

The Council strives to maintain a suitable balance between Project Management procedures and working efficiently. In this respect, the Council is already supporting robust project management arrangements for the largest projects, using the 'less' comprehensive version but based on the same principles for other projects. In order to ensure that the right matters are measured the achievement measures for every service will be based on achieving the purpose by trying to ensure that any action will improve our ability to deliver this.

We will try to strike a balance between the need for order and the need to deliver as soon as possible by doing as little paperwork as is consistent with this, encouraging simple, brief reports that set out the main key points.

The Council has a Medium Term Financial Strategy, with annual budgets based on this. The Council's work on financial planning is regularly praised by the external auditors, and the Audit and Governance Committee takes a leading role with financial scrutiny. When reviewing our scrutiny arrangements we will include more forward scrutiny and it is hoped that this will assist the Cabinet to choose the appropriate measures to take in various area.

However, if we wish to do this we have already recognised that getting the Scrutiny Committee to look at something immediately before it is adopted is not the way, but rather for Scrutiny members to be part of the assessment at the very start. This means that matters need to be known early on in the process and Scrutiny used early enough. Time will tell if the new arrangements will achieve this.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Reviewing Outcomes

Risk: Failure to review the outcomes of our actions, which means that we do not learn lessons by continuing to do the same things incorrectly.

Assessment:

The Council's arrangements for risk assessment, formulating a Corporate Plan and project management will ensure that the intended outcomes to be achieved are clear at the start of any project. The annual performance report will try to focus on assessing to what extent these outcomes have been achieved. There are good examples of where this has occurred and the situation is improving.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Property Assets

Risk: The Council's property assets not used to their full potential

Assessment:

Physical assets be they buildings, vehicles or structures are essential to deliver for the people of Gwynedd but it is necessary to ensure that those assets meet the requirements of our residents whilst ensuring that we do not spend unnecessarily on assets where the cost of provision is higher than the benefit received.

The Council has an Assets Strategy in place for the period 2009 - 2018 that is regularly updated. The result is that a number of buildings that were not required any more have been disposed. A new Assets Strategy is being prepared for 2019 - 2028.

In terms of vehicles, a plan has been implemented to try and make better use of the Council's fleet that has already presented some financial savings and is likely to achieve more.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Information Technology Assets

Risk: The Council's Information Technology assets not used to their full potential

Assessment:

Using technology in an effective way is a crucial tool to ensure that services are provided in a manner that meets with the requirements of our residents, doing this in a cost effective way.

Over the years, Information Technology activities have focused on ensuring appropriate infrastructure to guarantee basic support for services. Whilst there are examples where we can use information technology more extensively to improve how we deliver services for the residents of Gwynedd, there is no evidence that this is consistent across the authority and that it is happening at the speed we would wish.

The Information Technology Strategy adopted for the coming period will try to extend the use made of technology in order to support the improvement aims in the Strategic Plan, by also improving the ability of services to take advantage of the opportunities available to use technology effectively.

There is an element of evidence that this is bearing fruit with self-service increasingly becoming part of using technology to make it easier for residents to get services.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Planning the Workforce

Risk: Council's workforce not being developed, this means that we cannot provide the best services for the people of Gwynedd.

Assessment:

To ensure that the Council is in a position to provide services that always place the residents of Gwynedd at the centre, we must ensure that we have the right staff in place with the correct skills. This means that we need to continuously train staff, evaluate their performance and foster and develop their talents. Staff training arrangements are an important way of promoting and dissipating the mind-set of Ffordd Gwynedd across the Council, and of course it is vitally important that the Council has officers with the skills to carry out their posts.

Difficulties in filling some senior posts within the Council suggest that there is a need to improve our ability to create progression, at least for senior posts. This has been identified as a basis to develop internal talent within the People Plan. Furthermore, there are recruiting difficulties for some posts in specific geographical areas within Gwynedd (e.g. care workers in Meirionnydd).

A 360° evaluation system has been established for heads of departments, senior managers and some managers, however, it needs to continue to be developed. If we wish to disseminate one culture of placing the people of Gwynedd at the heart of everything we do, we need a method of ensuring that this occurs consistently across the Council and it is essential that we give the appropriate tools to managers and staff to be able to do this.

The People Plan for 2016-18 was adopted by the Cabinet in November 2016, this will seek to improve our arrangements to foster talent within the Council; improve our workforce planning arrangements; and ensure that our learning and development arrangements focus on the essential matters.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Leadership

Risk: Deficiencies in the Council's leadership means that we are not doing the right things.

Assessment:

Leadership sets the expected standard that every Member and Council employee should follow. Therefore, its impact is great – good Leadership can overcome everything else, whilst poor Leadership can destroy what the Council is trying to achieve. It is this that facilitates embedding the Council's culture.

The roles of the Council, Cabinet, Individual Members and the Chief Officers, together with a clear delegation plan are set out in the Council's Constitution. Gwynedd Council has also prioritised the development of its Leadership Programme and this is part of the People Plan adopted by the Cabinet.

Whilst there is a clear commitment to try and continuously improve leadership, we have not always been clear regarding what this entails nor how to improve it. There is concern that we do not sufficiently differentiate between staff and Members when we think of this.

There is an element of evidence (via self-assessment) that leadership within the Council is improving with many examples of transformational leadership shown rather than transactional leadership. The increasing emphasis placed on "leading" rather than "managing" within the Ffordd Gwynedd culture is another strong indication of the strides made by Cabinet members in taking a leading role to promote good leadership by committing to their development as leaders. Furthermore, the definition of leadership within Gwynedd Council was agreed upon and is reflected in amended job descriptions for every manager within the Council. It is premature, however, to be able to state that these positive steps have come to fruition thus far, and we need to allow time for these leadership behaviours to take root.

Current Risk Score:

Impact	Likelihood	Risk score
4	3	12

Risk Management

Risk: Weaknesses in our risk management arrangements that increase the threat of something going wrong or failure to take an opportunity to improve.

Assessment:

There has been recent work to develop one Corporate Risk Register for the whole authority, and in order to undertake this in parallel with a system where business units record barriers and go about trying to resolve those immediately, has started to show success.

Our risk management arrangements are an integral part of the Authority's management arrangements. Robust, correct and balanced risk management arrangements support innovation and do not inhibit it. A key part of the work completed during 2017/18 was that the Governance Group and the Insurance and Risk Unit ensured each risk in the Corporate Risk Register had been considered from the perspective of the risk to the People of Gwynedd, not from the Council's inward looking viewpoint.

Nevertheless, the danger continues that a procedure is being followed, and the permeation of risk management amongst individual business units continues to be a little inconsistent. Therefore, there is work that still needs to be done to ensure that all Council departments maintain the system of recording their main risks and review them regularly.

There are robust arrangements to monitor our compliance with some specific types of operational risks, such as Health and Safety, Safeguarding Children and Adults and Emergency Planning and Service Continuity. There is quantitative evidence that performance in these areas is improving – although there are examples of places to improve further.

System tests indicate that not all the workforce is aware of the risks that could prevent delivery for the People of Gwynedd and take ownership of them – risk management tends to be seen as a matter for Managers. Substantial work has already been done in this area, to prepare the authority better for unforeseeable events.

Council risk management arrangements continue to develop and they will evolve further as Ffordd Gwynedd and the culture permeate throughout the Council.

Current Risk Score:

Impact	Likelihood	Risk score
5	2	10

Performance

Risk: Weaknesses in our performance management arrangements mean that we cannot take appropriate steps to achieve our purpose.

Assessment:

In the past, the perception was that the effectiveness of Performance Management was inconsistent across the Council. By now, officers and Members continually question if we are measuring the right things. Regular meetings take place with Cabinet Members and managers to assess the latest performance, with members of the relevant Scrutiny Committee also present to challenge. Regular performance reports are submitted by Cabinet members on their fields of responsibility to Cabinet meetings.

The Council's Performance Management system has evolved considerably over the last few years. More than anything we now focus on ensuring that business units achieve their purpose and this is done by continuously reviewing if we are measuring the right things. A Performance Handbook has been developed, it is not prescriptive, but sets out the general principles to be followed.

The General Auditor will also observe our performance in different areas by publishing various reports and the Audit and Governance Committee is responsible for ensuring that any recommendations receive attention. Whilst reports include constructive criticism, the Council will try to implement the matters raised, but sometimes there may be conflict between what the Council feels should be addressed and some matters raised in terms of the effort required to be given to them, and the level of risk they represent. However, these examples are not numerous; there were no recommendations in the most recent report and in general the messages are positive.

Complaints are also a key way of getting information for improvement. The new Corporate Complaints Procedure continues to develop well. The Services Improvement Officer ensures that we learn lessons from any complaints, and try to avoid repeating mistakes.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Internal Control

Risk: Unsuitable internal control arrangements that entail that we either do not protect ourselves from risks or waste resources on over-control.

Assessment:

Getting suitable levels of internal control is core to the aim of placing the people of Gwynedd at the heart of everything we do. That is, do the tasks undertaken by staff actually add value, or are they bureaucratic actions that are done without much thinking about their real purpose?

Getting rid of barriers is part of everyone's work, leading to a suitable level of internal control. On the other hand, the principles of public stewardship mean that it is not desirable to dispose of all internal controls (i.e. there are some risks that are not acceptable), and therefore a combination of risk management procedures and an Internal Audit service that meets with professional standards is a vital tool.

The efficiency of the Internal Audit system is under continuous review and self-assessment indicates that the service satisfies professional standards in accordance with expectation; however, there is a need to continue to consider whether it is reviewing the correct matters, and if it operates in a manner that is in keeping with Ffordd Gwynedd.

Gwynedd Council's Audit and Governance Committee has been established since 1999, and it has an agreed terms of reference.

There is evidence that the Audit and Governance Committee is very effective in delivering its functions. However, there may be a tendency here and there for the Committee to try and duplicate the work of others (e.g. scrutiny committees), rather than keeping an overview of the arrangements.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Information

Risk: Failure to control information leading to the failure of safeguarding the information we hold, or not to make the best use of it.

Assessment:

Having the correct information is essential if the Council wishes to provide the right services to the right people in the correct way. The information collected and retained needs to be current and relevant, not only in order to comply with the Data Protection Act but also to ensure that the services we provide do the right things. Good Information Governance is the foundation to good decisions.

Despite efforts to improve the arrangements of Information Governance, the Council continues to retain a great deal of information, and we need to continue to work to ensure that it does not maintain more data than is required.

It is expected that the project to introduce an ERDMS system will contribute to a significant improvement in this, and the Governance Arrangements Assessment Group have also commissioned further work on the arrangements within individual departments.

Whilst there are examples where information is used to make effective decisions, there is room to challenge if the practice is as good as it can be and as wide across all the Council's service units.

Research has shown that there is a continuous need to raise awareness about the principles of Data Protection and improving attitudes in the field. This work continues.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Finance

Risk: Weaknesses when controlling public finance that entails that the Council's finance is not used and prioritised.

Assessment:

It is the Financial Strategy that sets the key context for everything the Council wishes to do. The financial forecast for the Council suggests that substantial savings must be identified in the next few years. It is the Financial Strategy that sets out how we will achieve this and, therefore, it is a critical statement that outlines how the Council will deal with the situation.

Clear evidence exists that the Council's arrangements are strong, and the reviews by external auditors - not only of the Annual Statements of Accounts but also reviews of financial resilience - offer an independent opinion that confirms this.

Current Risk Score:

Impact	Likelihood	Risk score
3	1	3

Accountability

Risk: Poor reporting without transparency and unsuitable for the audience, does not highlight to the public what the Council does for them, undermining the democratic position.

Assessment:

The Council has provided guidelines on preparing reports and on making good decisions, in order to ensure that the reports available to the public are clear. As well as formal reports for making decisions, the reports produced also include the Annual Performance Report, the Council's Plan (that includes departmental business plans) and the Annual Governance Statement produced in accordance with the CIPFA/Solace framework. The Council also produces regular reports on its financial position.

However, despite the Council's efforts, and apart from cases where there is a fairly fundamental change in question, it appears that there is no great aspiration amongst the public to hold the Council accountable. This may be because they are satisfied with what the Council is doing or that it is not their priority.

Even with the Gwynedd Challenge consultation where we prioritised (and considered ending) some fairly key services only 2,000 residents responded out of a 18+ population of nearly 100,000.

Monitoring of Cabinet reports will naturally continue with the Chief Executive taking a look at each one.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Assurance

Risk: Lack of assurance and accountability that raises suspicion amongst the public regarding what the Council is doing.

Assessment:

There are many ways available within the Council in order to provide independent assurance that the Council's governance arrangements are working as they should. Statutory officers ensure that matters comply with the law and the arrangements of the Constitution, whilst the Chief Executive and the Directors continually challenge if the departments are doing the right things. Cabinet members also meet often to challenge each other regarding developments.

The Audit and Governance Committee keeps an overview of the governance arrangements as well as the implementation of the external auditors' recommendations.

Supporting this is the Internal Audit Service that operates in accordance with the statutory professional standards, namely the Public Sector Internal Audit Standards.

However, formally it is the scrutiny procedure that should continue to hold the Cabinet to account. There is transparent and objective scrutiny and challenging of decisions and policies, however, there is uncertainty regarding how effective this is. This has received attention in the Scrutiny Review commissioned by the Audit Committee in 2016/17, but at its meeting on 3 March 2017 the Council resolved contrary to the Audit Committee's decision to adopt a different procedure in the future.

The new procedure was implemented following the May 2017 elections. It is premature now to reach a conclusion regarding the success of the new arrangements, however, it is proposed to undertake an evaluation of effectiveness of these arrangements, with the focus on assessing the value the new scrutiny arrangements have added.

Current Risk Score:

Impact	Likelihood	Risk score
2	3	6

We have been advised on the implications of the result of **the review of the effectiveness of the governance framework** by the Audit and Governance Committee, and that the arrangements **continue to be regarded as fit for purpose in accordance with the governance framework**. The areas that have already been addressed and those which the Council will address specifically have new ongoing action plans and are outlined below.

Part 4: SIGNIFICANT GOVERNANCE ISSUES

- 4.1 The above scores indicate that it is not considered that any of the 22 areas of governance present a very high risk, however, there are 3 high risks and 10 medium risks.
- 4.2 Actions for the areas that are a high or medium priority are noted below. Where a specific project within the Council's Plan has been noted as a response, progress is reported regularly to the Cabinet in the Performance Report of the relevant Cabinet Member.

HIGH RISKS

Governance Field	Response Arrangements	Department Responsible
The Council's Culture	We will continue to hold intensive reviews with a number of services to ensure that they place the people of Gwynedd at the centre of their work as well as continuing to hold training for managers and others. We will resurrect the Managers' College, where there will be an emphasis on supporting embedding the culture and its regular implementation across the Council. This will include supporting managers to ensure an awareness and full understanding of the principles and implementation of Ffordd Gwynedd amongst the members of each team.	Corporate Support
Stakeholders	<p>By now, the Public Services Board has considered its Well-being Plan and the Council has played a leading role in the development of that Plan for Gwynedd and Anglesey. It is Council staff who provide the administrative support. The relationship between the various agencies has matured over the last few months and there is a sense of an 'Anglesey and Gwynedd Team' developing.</p> <p>We will continue to try and ensure that the Public Services Board adds value for the residents of Gwynedd and try to simplify the relationship of that body with various other regional bodies being established.</p> <p>It is fair to say that the relationship with the Part 9 Board is not as good, and Council officers and members have been trying to make sense of the confusing joint working environment that has developed. During the year the intention will be to try and further simplify this environment in order to ensure a smooth operation.</p> <p>Our relationship with the Third Sector continues to evolve and we try to ensure that we use that relationship to maximise the benefit that may derive from this for the people of Gwynedd. This journey continues with the relevant departments continuing to develop the relationship.</p>	Leadership Team and Legal

Governance Field	Response Arrangements	Department Responsible
Leadership	<p>There is a project on Developing Leadership within the Council's Plan and the purpose of this project is to arm and sharpen leaders' skills across the Council in order to reach this aim. This will be achieved via a development programme that focuses on the behaviours of leaders and on the full understanding of the implementation principles that are part of establishing and maintaining the new culture. The project will continue to focus on this programme.</p>	Corporate Support

MEDIUM RISKS

Governance Field	Response Arrangements	Department Responsible
Engagement	Continue to strengthen the Engagement arrangements including reviewing internal arrangements, strengthening the central engagement resource and support. This work will include a definition of what is meant by 'engagement' in the context of the Ffordd Gwynedd culture. Ensure that the Gwynedd Council brand appears prominently on services and schemes funded by the Council. The Group looking at engagement arrangements for young people during 2018 will specifically look at the needs of looked-after-children.	Corporate Support
Direction and vision	It is proposed to review the Council Plan 2018-23 during Summer 2018 in order to deliver any improvements or inevitable changes in the financial climate in March 2019.	Corporate Support
Sustainability	We reviewed the original set of well-being objectives adopted for the Council in its Council Plan for 2017/18 as part of the process of creating the Council Plan for 2018-23. The new set of adopted well-being objectives reflect the main messages that were highlighted by the review. The Council's day-to-day work and the improvement priorities will both contribute to the aforementioned well-being objectives. When carrying out our work, we will seek to ensure that we act in accordance with the five sustainable development principles adopted nationally and a record of this will be expected in reports to the Cabinet. We will also review and then promote the impact of the Act on our day-to-day work. The Governance Group will conduct an assessment during the year in order to come to a conclusion regarding the best way to embed principles of the well-being of future generations across the Council.	Corporate Support
Decisions	The control measures that are in place have brought the risk down to an acceptable level.	Leadership Team and Legal
Reviewing Outcomes	The risk is accepted at its present level.	Leadership Team and Legal

Governance Field	Response Arrangements	Department Responsible
Information Technology Assets	<p>Operate in accordance with the work programme included in the Information Technology Strategy. This includes:</p> <ul style="list-style-type: none"> • Extending the use of self-service in order that the people of Gwynedd can get hold of a service at a time that is convenient for them. • Ensure that we use the power of Information Technology to improve what we do for the people of Gwynedd. • Electronic document and records management system (EDRMS) 	Finance
Planning the Workforce	<p>The Project Group has officer representation from front-line and central services and was established to lead on this important work. The priority focus during next year is the recruitment and retention of staff in the care field which will include setting up a register of key posts where there is a danger of not being able to ensure service continuation. Furthermore, the People Plan will be reviewed during 2018/19 to reflect the next measures to be taken to ensure workforce planning and the continuation of a service of the highest level in the future.</p>	Corporate Support
Risk Management	<p>Work in 2018/19 will build upon what has been achieved in previous years. This work will include maintaining a relationship between the Insurance and Risk Service and all departments that support and challenge the contents of the Corporate Risk Register in order to ensure that it is a fair reflection of the Council's main risks. The procedure of considering the contents of risk registers when monitoring the performance of departments will develop further.</p>	Finance
Information	<p>Based on the work undertaken under the Council Plan 2013-18, Council Departments are developing their use of information for every day work and forward planning. There is also better information available about the Council on the website. A great deal of preparatory work has been done for the requirements of the new data protection legislation including creating data assets registers and improving our safeguarding arrangements as well as training staff and members. This is the focus of the work that will continue to receive attention during 2018/19.</p>	Corporate Support
Assurance	<p>A review of the effectiveness of new scrutiny arrangements will take place during 2018/19.</p>	Corporate Support

Part 5: OPINION

We intend to take measures to deal with the above matters during next year in order to improve our governance arrangements. We are satisfied that these measures will deal with the need to improve as identified in the effectiveness review, and we will monitor their operation as part of the next annual review.

DILWYN O. WILLIAMS
CHIEF EXECUTIVE, GWYNEDD COUNCIL

Cllr. DYFRIG SIENCYN
LEADER, GWYNEDD COUNCIL

DATE

DATE