

# Annual Governance Statement

2018/19



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# Scope of Responsibility

Gloucestershire County Council (GCC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The 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 this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

GCC acknowledges its responsibility for ensuring that there is effective governance within the Council and as such has developed a Code of Corporate Governance that defines the principles and practices that underpin the governance arrangements operating within the Council.

The Code is reviewed and updated annually and is consistent with the seven core principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) guidance 'Delivering Good Governance in Local Government framework - 2016 Edition', the key focus being on sustainability i.e. economic, social and environmental and the need to focus on the longer term and the impact actions may have on future generations.

A copy of the Code can be accessed on the Council's website. However, a summary of the seven core principles upon which it is based can be found on page 9 of this document.

This statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit Regulations 2015, regulation 6(1) (a) and (b), which requires the Council to prepare and publish an Annual Governance Statement (AGS).

The responsibility for leading and directing the annual reviews of the effectiveness of the Council's governance arrangements against the Code and providing ongoing oversight and robust challenge, is the Council's Statutory Officers, comprising, the Chief Executive, Chief Financial Officer (S151) and the Monitoring Officer and when completed, the findings are reported to and improvement actions identified are monitored by the Audit and Governance Committee.

# What is Governance?

Governance is about how the Council ensures that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Good governance leads to effective:

- leadership and management;
- performance and risk management;
- stewardship of public money; and
- public engagement and outcomes for our citizens and service users.

# What is the purpose of a Governance Framework?

The governance framework comprises the culture, values, systems and processes by which an organisation is directed and controlled. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money. The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It assures that in conducting its business, the Council:

- operates in a lawful, open, inclusive and honest manner;
- makes sure that public money and assets are safeguarded from inappropriate use, or from loss and fraud, properly accounted for and used economically, efficiently and effectively;
- has effective arrangements for the management of risk;
- secures continuous improvement in the way that it operates;
- enables human, financial, environmental and other resources to be managed efficiently and effectively;
- properly maintains records and information; and
- ensures its values and ethical standards are met.

# What is the Annual Governance Statement?

The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement, in order to report publicly on the extent to which we comply with our own Local Code of Corporate Governance, including how we have monitored the effectiveness of our arrangements in year and on any planned changes to our governance arrangements in the coming year.

In this document the Council:

- acknowledges its responsibility for ensuring that there is a sound system of governance;
- summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period;
- provides details of how the Council has responded to any issue(s) identified in last year's governance statement; and
- reports on any key governance matters identified from this review and provides a commitment to addressing them.

The Annual Governance Statement reports on the governance framework that has been in place at Gloucestershire County Council for the year ended 31st March 2019 and up to the date of approval of the statement of accounts.

It should be noted however, that any system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness.

The Council's Governance Assurance Framework, which underpins the AGS, has been in place at the Council for the year ended 31st March 2019 and up to the date of approval of the AGS and Statement of Accounts.

# What is a Governance Assurance Framework?

Assurance provides confidence, based on sufficient evidence, that internal controls are in place and are operating effectively and that objectives are being achieved. An Assurance Framework is a structure within which Members and Senior Management identify the principal risks to the Council meeting its key objectives, and through which they map out both the key controls to manage them and how they have gained sufficient assurance about the effectiveness of those controls. The assurance framework underpins the statements made within the Annual Governance Statement.

A governance assurance process is in place to provide a framework for the annual assessment of the effectiveness of the governance arrangements operating within the Council. This includes Cabinet Member overview and oversight and robust challenge by the Council's Statutory Officers i.e. the Chief Executive, Monitoring Officer and Chief Financial Officer.

In addition, 'the three lines of defence assurance model' is in place which helps Members and Senior Management to understand where assurances are being obtained from, the level of reliance they place on that assurance and identify potential gaps in assurance.

## **The Three Lines of Defence in effective Risk Management and Control**

Assurance can come from many sources within the Council. The Three Lines of Defence is a concept for helping to identify and understand the different sources of assurance.

By defining these sources into three categories i.e. the First Line (functions that own and manage risks e.g. management and supervisory controls), the Second Line (functions that oversee risks e.g. Governance structures and processes such as Audit and Governance Committee, Scrutiny, Boards) and the Third Line (functions that provide independent assurance on the management of risks e.g. OFSTED, Internal/External Audit), helps the Council understand how each contributes to the overall level of assurance and how best they can be integrated and supported. Please see page 7 below which summarises the Council's governance assurance framework, which is based on the three lines of defence model.

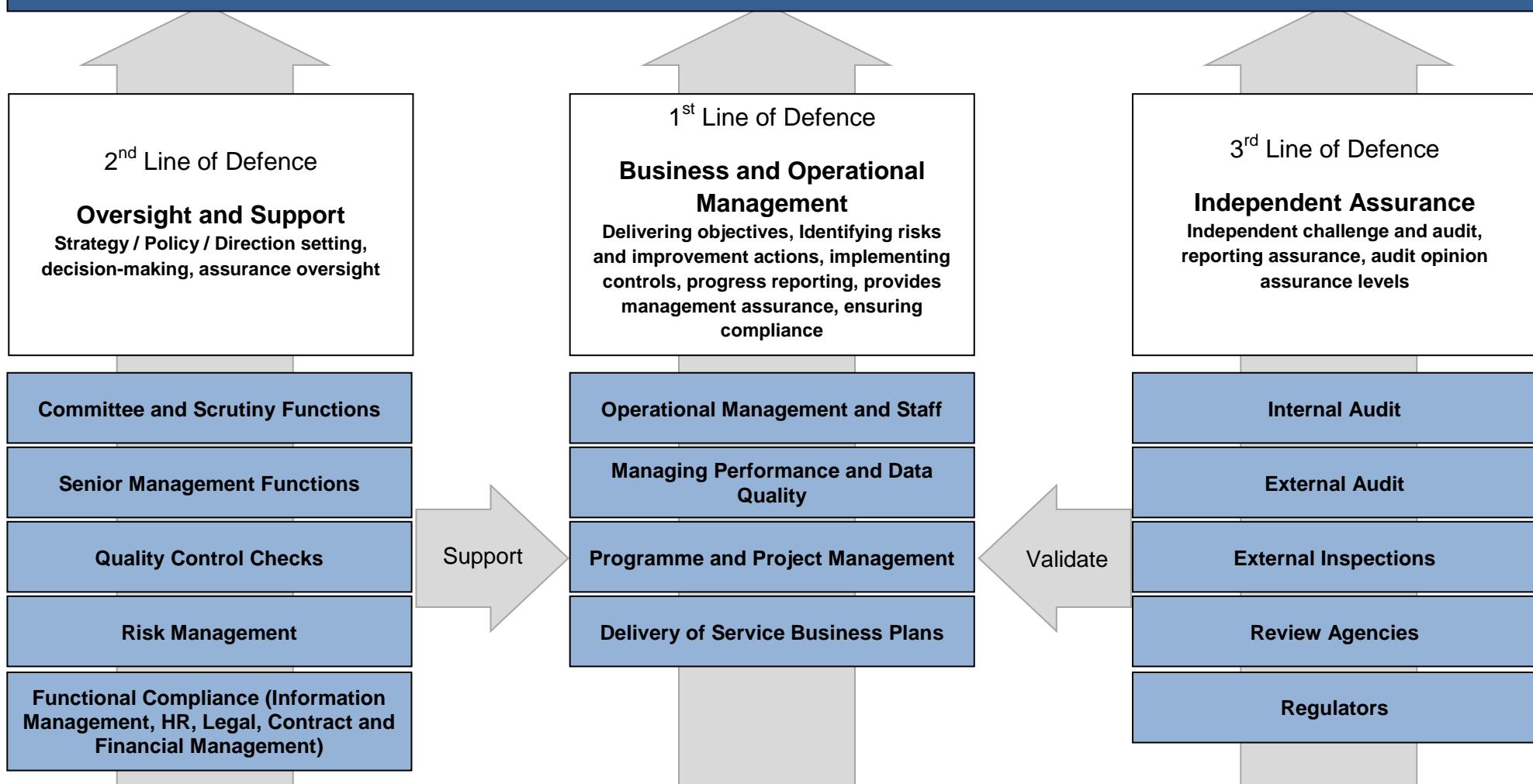
# What is the Council's Governance Assurance Framework?

## Annual Governance Statement (AGS)

### Audit and Governance Committee

(AGS Approval Committee)

Leader, Cabinet Members, Chief Executive, Chief Financial Officer, Monitoring Officer, Corporate Management Team  
(Provides oversight of the 3 lines of defence assurance framework)



# How has the Annual Governance Statement been prepared?

In preparing the Annual Governance Statement the Council has:

- reviewed the Council's existing governance arrangements against the revised CIPFA / SOLACE 'Delivering Good Governance in Local Government framework - 2016 Edition' good practice guidance;
- updated the Council's Local Code of Corporate Governance to reflect this guidance which includes the revised seven principles of good governance and associated required actions and behaviours taken by the Council that demonstrate good governance; and
- assessed the effectiveness of the Council's governance arrangements against the revised Local Code of Corporate Governance.

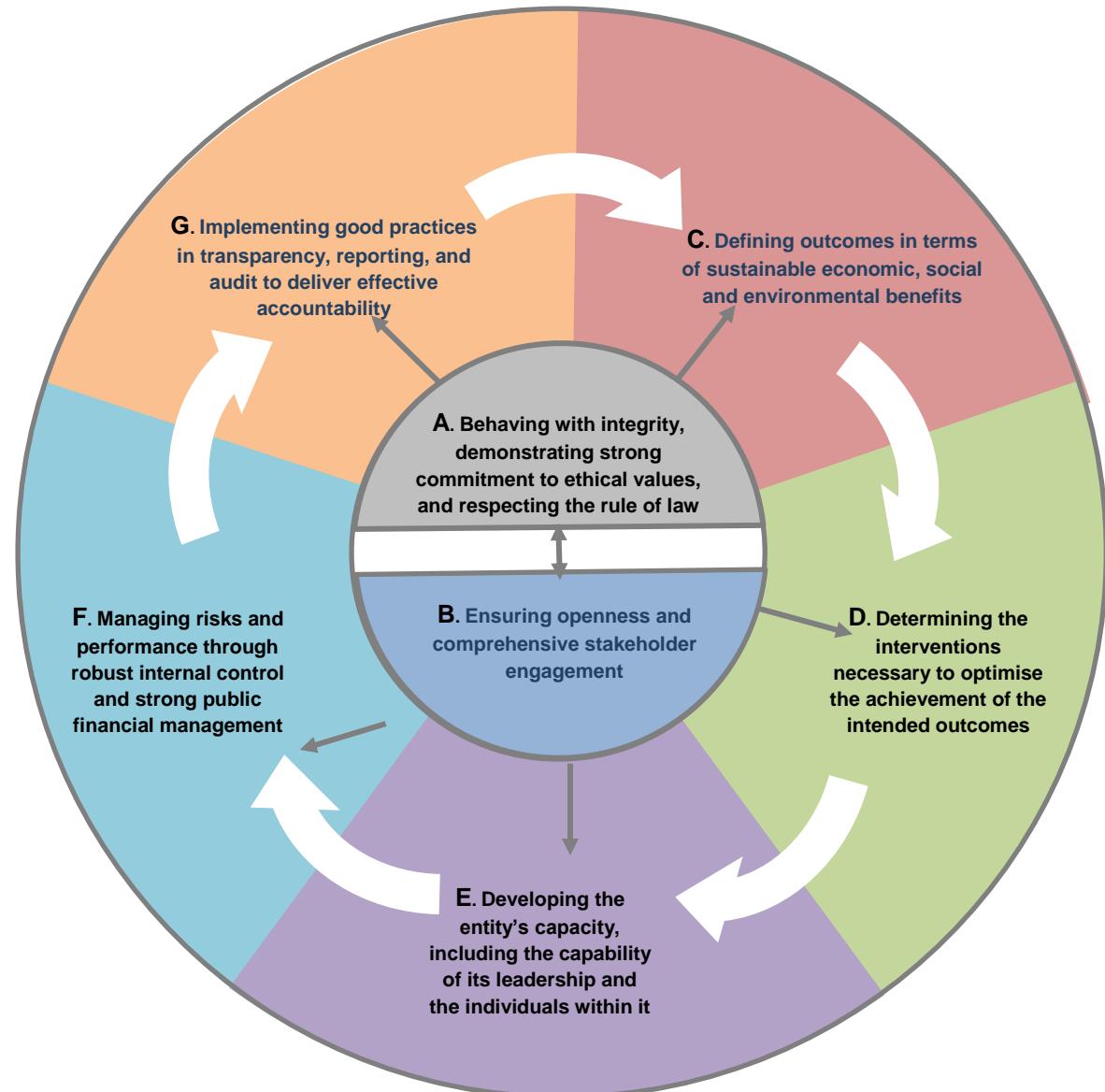
# How does the Council monitor and evaluate the effectiveness of its governance arrangements?

The Council annually reviews the effectiveness of its governance arrangements. The key sources of assurance that inform this review are:

- The development and implementation of a Member / Management governance assurance framework which enables the Council to gain assurance that good governance actions and behaviours are operating within the Council;
- The work of Members and Senior Officers of the Council who have responsibility for good governance;
- Internal Audit's independent review of the effectiveness of the Local Government Pension Scheme's governance arrangements, which includes the administration of the pension fund;
- The Chief Internal Auditor's annual opinion which, except for those matters identified in relation to Children's Services and the Fire Service, is that the Council's control environment provides **satisfactory** assurance that the significant risks facing the Council are being addressed;
- The annual report on Risk Management Activity 2018/2019; and
- Any comments made by the Council's External Auditors and any other review agencies and inspectorates.

# What are the key elements of GCC's Governance Framework?

The Council aims to achieve good standards of governance by adhering to the seven core principles below, which form the basis of the Council's Code of Corporate Governance:



The following pages provide a summary of actions and behaviours taken by the Council in relation to each of these seven core principles and associated sub principles.

## Principle A

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

Supporting Principles:

#### Behaving with integrity

#### Demonstrating strong commitment to ethical values

#### Respecting the Rule of Law

How we do this:

- ❖ The Council has an [Audit and Governance Committee](#) to promote high standards of member conduct. Elected members must follow a [Code of Conduct](#) to ensure high standards in the way they undertake their duties. The Monitoring Officer advises members on the Code of Conduct.
- ❖ Officer behaviour is governed by the Employees' Code of Conduct. The Code has been formulated to provide a set of standards of conduct expected of employees at work.
- ❖ External providers of services acting on behalf of the Council are also required to comply with the Code of Conduct.
- ❖ These Codes are regularly reviewed to ensure they are operating effectively.

- ❖ Arrangements exist to ensure that members and officers are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders. These include:
  - Registers of disclosable conflicts of interests;
  - Declarations of disclosable conflicts of interests and disclosable other interests at the start of meetings; and
  - Registers of gifts and hospitality.
- ❖ A [corporate complaints](#) procedure exists to receive and respond to any complaints received.
- ❖ Actively seek to deter and prevent fraud and corruption and ensure where irregularity is suspected that it is thoroughly investigated.
- ❖ The required leadership and staff 'behaviours' are embedded into performance appraisals.

- ❖ The [Constitution](#) sets out the responsibilities of the [Council](#), the [Cabinet](#), [Scrutiny](#) and other Committees, as well as officers, including decision making powers.
- ❖ The Council has a duty to appoint three of its staff to specific roles, these being:
  - The Head of Paid Service (Chief Executive), who has overall accountability for the governance arrangements operating within the Council.
  - The Monitoring Officer who has a key role in ensuring that decisions taken by the Council are within the law and the Council complies with the provisions of its Constitution.
  - The Chief Financial Officer is the principal financial adviser to the Council and is responsible for the proper administration of the Council's financial affairs and internal control environment.

## Principle B

### Ensuring openness and comprehensive stakeholder engagement

Supporting Principles:

#### Openness

#### Engaging comprehensively with institutional stakeholders

#### Engaging stakeholders effectively, including individual citizens and service users

How we do this:

- ❖ Progress against the [Council Strategy](#) is monitored on a quarterly basis through [strategic performance / financial / risk reports](#) to the Cabinet and Scrutiny Committees, which are publicly available.
- ❖ [Cabinet Member decisions](#) and significant officer decisions are also reported on the Council's website.
- ❖ The Council publishes an [annual report](#) on the activity of the Scrutiny function.
- ❖ The Council publishes certain data in accordance with the Local Government [Transparency Code](#) which enables more power to be placed into citizens' hands to increase democratic accountability and make it easier for local people to contribute to the local decision making process and help shape public services.

- ❖ Elected members are democratically accountable to their local area and this provides a clear leadership role in building sustainable communities.
- ❖ The Council's planning and decision-making processes are designed to include consultation with stakeholders and the submission of views by local people.
- ❖ Developed and implemented alternative service delivery models to allow for resources to be used more efficiently and effectively.

- ❖ The long-term vision for the Council is set out in the Council Strategy which is updated annually and informed by public consultation.
- ❖ Call-in is for Cabinet decisions or decisions by the Leader or a Cabinet Member and a key decision taken by Officers under delegated powers. This allows an opportunity for further consideration of the issue before implemented.
- ❖ Formal Public [Consultation](#) arrangements and public meetings held to ascertain stakeholder views prior to developing and implementing key policy changes.
- ❖ Consult Gloucestershire: [The People's Panel](#) has been set up which is made up of Gloucestershire residents from all different backgrounds. Members of the panel are asked to give their views about Council services and issues affecting Gloucestershire.

## Principle C

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

Supporting Principles:

#### Defining outcomes

- ❖ The long term vision and Council's priorities are set out in the Council Strategy.
- ❖ A Budget and Medium Term Financial Strategy, Capital Programme and annual budget process ensure that financial resources are directed to the Council's priorities.
- ❖ The Council works with partner organisations where there are shared objectives and clear economic benefits from joint working.
- ❖ The Council has a co-ordinated and structured approach to commissioning services and defining outcomes.
- ❖ Contract management and monitoring arrangements are in place to ensure that services provided are delivered to a high standard.
- ❖ The Council's corporate planning, performance and risk framework reports progress against business objectives and targets. These are reported and monitored by the Corporate Management Team, Overview and Scrutiny Management Committee and Cabinet Members.

#### Sustainable economic, social and environmental benefits

- ❖ An Efficiency Programme identifies and implements efficiency savings across the organisation in a systematic and considered manner.
- ❖ The Council aims to ensure that the purchase or commissioning of goods, services or works required to deliver services is acquired under Best Value terms.
- ❖ The Council has developed business continuity plans to ensure that critical service delivery can be maintained or recovered during an emergency.
- ❖ The Council's decision making process requires consideration of the economic, social and environmental impacts of policies and plans when taking decisions about service provision. In addition a sustainability check list is also included to ensure sustainability is also fully considered.
- ❖ Programme and project management arrangements require consideration of Political, Environmental, Societal (i.e. increased demand for a service and demographic changes), technological, legislative, economic and efficiency issues, risks and opportunities and value for money.

How we do this:

## Principle D

### Determining the interventions necessary to optimise the achievement of the intended outcomes

Supporting Principles:

#### Determining interventions

- ❖ The Council's decision making process ensures that decision makers receive objective and robust analysis of a variety of options indicating how the intended outcomes will be achieved, providing information on the risks and opportunities associated with those options, thus helping to inform those decisions.
- ❖ Public consultation is undertaken to ensure that feedback from citizens and service users are fully considered when making decisions about service improvements / changes.

#### Planning interventions

- ❖ [The Gloucestershire Vision 2050](#) plan, which stretches three decades, strives to help Gloucestershire grow - shaping it into a vibrant and welcoming place to live, work and study.
- ❖ The Council Strategy defines the Council's key priorities and plans, following full consultation with the communities of Gloucestershire.
- ❖ The Council has developed Strategic Commissioning Plans, Service Level Agreements, Outcome Agreements and Annual Business Plans with clearly defined outcomes and a balanced set of measures and risks to evaluate performance.
- ❖ Quarterly performance reports analysing trends and latest budget position are monitored by Cabinet and Scrutiny Committees and mitigation strategies are implemented to manage current and emerging risks.

#### Optimising achievement of intended outcomes

- ❖ The Council has developed and implemented a Budget and Medium Term Financial Strategy.
- ❖ The financial plans demonstrate how the Council's financial resources will be deployed over the next three years to deliver declared aims and priorities.
- ❖ The strategy sets out the overall shape of the Council's budget by determining the level of resources that will be available and how these are currently allocated between services.
- ❖ The Council ensures the achievement of 'social value' (i.e. a way of thinking about how scarce resources are allocated and used when awarding a contract) when commissioning services and service planning.

How we do this:

## Principle E

### Developing the entity's capacity, including the capability of its leadership and the individuals within it

Supporting Principles:

#### Developing the Council's capacity

#### Developing the capability of the Council's leadership and other individuals

How we do this:

- ❖ The Council participates in relevant benchmarking exercises and peer reviews to help inform how the resources are allocated, so that outcomes can be achieved effectively and efficiently.
- ❖ Collaborative working and alternative service delivery models are fully considered as part of the option appraisal process, when looking to determine how the Council's resources are allocated in order to meet our priorities.
- ❖ The Council has currently drafted and organisational and workforce strategy.
- ❖ The Council has an Occupational Health Service that offers health assessments, health screening, health and well-being advice, ill health retirement advice, rehabilitation advice and advises managers on health related performance or attendance issues and an Employee Assistance programme which provides staff counselling and advice.
- ❖ Implementation of the Aspiring Leaders Programme which enables the development of our future leaders. Leadership and Management courses are available to support learning and development.

- ❖ The Council's Constitution clearly defines the statutory and distinctive leadership roles of the Leader of the Council and the Chief Executive, whereby the Chief Executive leads on implementing strategy and managing the delivery of services and other requirements set by members.
- ❖ A Member Development Programme approved by Group Leaders is in place, which supports continued Member development. This includes six key skills needed to be an effective councillor, namely local leadership, partnership working, communication, political understanding, scrutiny and challenge and regulation and monitoring skills.
- ❖ The Council's Performance Development Review is a 1:1 meeting for all leaders and employees. It is an opportunity to reflect on how the individual is performing, what is going well and also where the individual may need further support or development as part of their role.
- ❖ The above includes leadership skills and behaviours as these behaviours are essential for the delivery of our key priorities, to continue to support our savings targets, and form part of our on-going commitment to personal and professional development.

## Principle F

### Managing risks and performance through robust internal control and strong public financial management

Supporting Principles:

#### Managing Risk

How we do this:

- ❖ The Council has a [Risk Management Policy / Strategy](#) which clearly defines the roles and responsibilities for managing risk, confirming that risk management is an integral part of all our business activities including all aspects of business planning, option appraisals and decision making.
- ❖ Business Continuity arrangements are in place for critical services to ensure they can continue to operate in an emergency.
- ❖ The Audit and Governance Committee monitor the adequacy of the risk identification, monitoring and control of strategic and operational risk within the Council.

#### Managing Performance

- ❖ The Council Strategy outlines our priorities which are built on five clear values i.e. Acting with Integrity, Focusing on Citizens/Communities and People, Proactively Challenging, Respecting and Valuing each other and Being Accountable. A business planning framework is in operation which includes our Commissioning Plans which set out our strategic commissioning priorities and annual business plans which set out the key priorities/ tasks / targets / risks for the day job.
- ❖ Priorities are monitored through our performance management and programme and project management frameworks and overseen by, and reported to, the Overview and Scrutiny Management Committee and Cabinet Members.

#### Robust internal control

- ❖ The Internal Audit (IA) service is 100% compliant with Public Sector Internal Audit Standards.
- ❖ Whilst improvement areas have arisen during the year from IA activity, action plans have been agreed with management to address them.
- ❖ Three lines of defence risk assurance model in place within the council (Page 7 above).
- ❖ Fraud is taken very seriously and policies and processes are established to deal with such occurrences: [Anti Fraud and Corruption Policy and Strategy and whistleblowing policy](#).

#### Managing Data

- ❖ Data is managed in accordance with the law. The [key information management and security policies](#) in place are: The Data Protection Policy, Freedom of Information Policy, Information Security Policy and the overall Information Strategy.
- ❖ Information Sharing protocols are in place when sharing data with third parties.
- ❖ Strategy ownership rests with Information Board members who are responsible for agreeing, monitoring, promoting and reviewing its implementation.
- ❖ Monitoring also includes reports to Audit and Governance Committee, internal / external audits and Information Commissioner reviews as appropriate.

#### Strong public financial management

- ❖ Robust budget management arrangements are in place including monitoring and review by the Overview and Scrutiny Management Committee and Cabinet.
- ❖ [External Audit review](#) and report on the Council's financial statements (including this Annual Governance Statement), providing an opinion on the accounts and concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion).
- ❖ The Audit and Governance Committee monitor the effectiveness of the Chief Financial Officer's responsibility for ensuring an adequate internal / financial control environment.

## Principle G

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

Supporting Principles:

#### Implementing good practices in transparency

#### Implementing good practices in reporting

#### Assurance and effective accountability

How we do this:

- ❖ Agendas and minutes of Cabinet and Committee meetings including Scrutiny are publically available on the Council's website.
- ❖ The Council has a [Freedom of Information Act](#) publication scheme (to ensure the members of the public have access to all recorded information held by the Council).
- ❖ Working towards compliance with the [Local Government Data Transparency Code](#) which sets out the minimum data that the Council should be [publishing](#), the frequency it should be published and how it should be published e.g. expenditure exceeding £500, grants to voluntary, community and social enterprise organisations, senior salaries etc. This makes it easier for local people to contribute to the local decision making processes and help to shape public services.

- ❖ The published [Annual Statement of Accounts](#) is the statutory summary of the Council's financial affairs for the financial year. The purpose of the Annual Statement of Accounts is to give clear information on the income and expenditure of the Council and to demonstrate the Council's stewardship of public money for the year.
- ❖ The Council publishes an [Annual Governance Statement and Local Code of Corporate Governance](#) in order to report how we have monitored the effectiveness of our governance arrangements (self assessed against the seven key principles set out within our Code of Corporate Governance) in year and on any planned changes in the coming year.
- ❖ The Audit and Governance Committee review and approve the Annual Statement of Accounts and Annual

- ❖ Accountability and decision making arrangements are clearly defined within the Council's Constitution. These accountabilities include arrangements when delivering services with our key partners.
- ❖ The Audit and Governance Committee provide independent assurance to the Council on the adequacy and effectiveness of the governance arrangements and internal control environment operating within the Council.
- ❖ Risk based internal auditing provides ongoing assurance that the key risks material to achieving the Council's objectives are being managed.
- ❖ Peer reviews and benchmarking undertaken to ascertain good practice and implement improvements as identified.

# What are the key roles of those responsible for developing and maintaining the Governance Framework?

## The Council

- Approves the Council Strategy.
- Approves the Constitution (including Standing Orders and Financial Regulations).
- Approves key policies and budgetary framework.

## Cabinet

- The main decision-making body of the Council.
- Comprises the Leader of the Council and nine Cabinet Members who have responsibility for particular portfolios.

## Audit and Governance Committee

- Provides independent assurance to the Council on the adequacy and effectiveness of the governance arrangements, risk management framework and internal control environment.
- Promotes high standards of member conduct.
- Approves the Annual Statement of Accounts and Annual Governance Statement.

## Scrutiny Committees

- There are five Scrutiny Committees aligned to the Council's corporate priorities.
- They hold Cabinet and Officers to account and scrutinise performance.

## Chief Executive Corporate Management Team

- Implements the policy and budgetary framework set by the Council and provides advice to Cabinet and the Council on the development of future policy and budgetary issues.
- Oversees the implementation of council policy.

## Chief Financial Officer (s151)

- Accountability for developing and maintaining the Council's governance, risk and control framework.
- Contribute to the effective corporate management and governance of the Council.

## Monitoring Officer

- To report on contraventions or likely contraventions of any enactment or rule of law. To report on any maladministration or injustice where the Local Government Ombudsman has carried out an investigation. To establish and maintain registers of member interests and gifts and hospitality. To advise Members on the interpretation of the Code of Conduct for Members and Co-opted Members.
- Overall responsibility for the maintenance and operation of the Confidential Reporting Procedure for Employees. (Whistleblowing) and contributes to the effective corporate management and governance of the Council.

## Internal Audit

- Provides independent assurance and annual opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework.
- Delivers an annual programme of risk based audit activity, including counter fraud and investigation activity.
- Makes recommendations for improvements in the management of risk.

## External Audit

- Audit / review and report on the Council's financial statements (including the Annual Governance Statement), providing an opinion on the accounts and use of resources, concluding on the arrangements in place for securing economy, efficiency and effectiveness in the use of resources (the value for money conclusion).

## Managers

- Responsible for developing, maintaining and implementing the Council's governance, risk and control framework.
- Contribute to the effective corporate management and governance of the Council.

# How has the Council addressed the governance improvement actions from 2017/18?

The Annual Governance Statement 2017/18 contained the following key improvement actions. Details of the issues and how they have been addressed during the year have been reported to the Audit and Governance Committee at their meeting on 25<sup>th</sup> January 2019. Please note that whilst improvement plans are in place to address these issues, due to their significance in relation to governance and inherent risk, three of these actions have been carried forward into the 2018/2019 Action Plan to enable their ongoing monitoring.

2017/18 Review Reference	Action	Current Status
Chief Financial Officer Assurance Statement	Future Financial Sustainability	C/F into the 2018/ 2019 AGS Action Plan
Safeguarding Inspection	Ofsted Inspection of Children's Services	C/F into the 2018/ 2019 AGS Action Plan
Director's Assurance Statement	Contracting / Commissioning Care Services	<p>Whilst the situation with regards to the provision of Health and Social Care sector provision continues to be both fragile and volatile on a national level, within Gloucestershire we have managed to work with our local providers in a proactive and positive manner.</p> <p>We are a national exemplar with regards to a significant programme of work focused as securing an increase in the workforce available within our system.</p>

2017/18 Review Reference	Action	Current Status
Revised CIPFA Audit Committees: Practical Guidance for Local Authorities and Police (2018 Edition)	CIPFA Audit Committees: Practical Guidance for Local Authorities and Police (2018 Edition)	Initial self assessment against the guidance completed. Audit and Governance Committee workshop arranged 17 <sup>th</sup> May 2019 to finalise assessment and agree an action plan to deliver any improvements identified.
Corporate Governance	Gloucestershire Fire and Rescue Service (GFRS)	C/F into the 2018/ 2019 AGS Action Plan

# What are the key 2018/19 Governance matters identified?

The review of the effectiveness of the Council's governance framework has identified the following actions that will need to be addressed during 2019/20, which includes the carried forward actions from 2017/2018.

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Financial Governance	<p><b>Future Financial Sustainability</b></p> <p>The Council identified savings of £20.935m as part of the 2019/2020 budget setting process. Delivery of this level of savings will be challenging for the Council.</p> <p>A contingency has been set aside in case this is not fully delivered in 2019/2020.</p>	31st March 2020	Chief Financial Officer

## Actions in response to the above:

- To continue to review the financial resilience, strategic risks, the robustness of financial planning and the accuracy of outturn forecasts in order to ensure long term financial sustainability;
- Ongoing regular review and reporting of funding, cost pressures and savings plans, with particular emphasis on the Adult Single Programme savings and financial pressures within Children and Families; and
- Update future years funding forecasts as more details of the Comprehensive Spending Review are announced.

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Safeguarding Inspection	<p><b>Ofsted Inspection of Children's Services</b></p> <p>The Council continues to be monitored by Ofsted as part of an ongoing refreshed improvement plan after an inspection during 2017 rated children's social care as inadequate. The Improvement Plan is overseen by the Improvement Board comprising of the Leader of the Council, Chief Executive, partner agencies and key officers. The Board is chaired by a Department of Education Improvement Adviser. The latest Ofsted visit on 15th January 2019 (the fifth monitoring visit) reported that the Council has:</p> <ul style="list-style-type: none"> <li>➤ established a permanent senior leadership team;</li> <li>➤ a clear vision for children's services;</li> <li>➤ progressed a number of areas of the refreshed improvement plan; and</li> <li>➤ strong political commitment to and significant financial investment in children's services.</li> </ul> <p>However, significant turnover of staff and social work vacancies continue to impact negatively, the quality of practice is still inconsistent and the Council is making insufficient progress in improving services for its children and young people.</p> <p><b>Actions taken in response to the above:</b></p> <ul style="list-style-type: none"> <li>➤ Revised Practice Standards which outline expectations of practitioners and managers in meeting the requirements of Working Together 2018, national minimum standards and legislative requirements;</li> </ul>	March 2020	Director of Children's Services (DCS)

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
	<ul style="list-style-type: none"> <li>➤ Enhanced performance management and quality assurance arrangements, with a particular focus on delivering core standards for timeliness of visits to children, timely completion of plans, reviews and assessments;</li> <li>➤ Due to children's services experiencing significant budget pressures during 2018/2019 with a projected overspend of circa £11.5m, which is driven in the greater majority by an increase in Children in Care and associated placement costs alongside ongoing agency staffing costs, a High Cost Placement Panel, chaired by the DCS has been implemented to ensure placement costs deliver value for money, alongside a revised entry into care process;</li> <li>➤ Increased monitoring of agency timesheets by Heads of Service and Business Support to ensure agency spend is appropriate; and</li> <li>➤ The Sufficiency Strategy has been revised to ensure, over the long term, the Council has a wider range of options to meet children's needs on a sustainable and affordable basis, whilst also delivering better outcomes.</li> </ul> <p>These measures are beginning to have an impact but will take some time to mature fully, particularly in developing additional in house foster care capacity, edge of care and residential options. In addition a 'grow your own' approach is key to our workforce strategy through expanded cohorts of new and student practitioners. This will begin to reduce the Council's agency dependency over the medium to long term.</p> <p>All Council Ofsted monitoring reports can be viewed <a href="#">here</a>.</p>		

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Corporate Governance	<p><b>Gloucestershire Fire and Rescue Service (GFRS)</b></p> <p>A whistleblowing allegation covering probity issues in GFRS was received by the Council. This resulted in an independent investigation by Internal Audit. On completion of this investigation Internal Audit reported to management outlining recommendations, which formed the basis of an action plan. The allegations in relation to the sale of a land rover defender have been passed to the police.</p> <p>This action plan and progress against it has been overseen by the Audit and Governance Committee (AGC), thereby providing the relevant assurances that these recommendations are being addressed in a timely manner. The Internal Audit GFRS Investigation report and associated action plan was presented to the AGC on 12th October 2018.</p>	26th July 2019.	Chief Executive

**Additional Actions taken in response to the above:**

- A Scrutiny Task Group was set up to review the GFRS culture;
- Progress against each action continues to be provided to the AGC until all actions have been fully completed to the satisfaction of the AGC. To date progress reports have been presented to the AGC on 25th January 2019 and 25th April 2019; and
- All internal audit activity that has provided a limited assurance opinion on the control environment will be followed up by Internal Audit in 2019/2020.

The GFRS Action Plan and associated reports relating to the above can be found [here](#).

Review Reference	Governance matters identified/actions taken	Target Date	Lead Officer
Directors	<b>The recruitment and retention of employees in hard to fill, critical positions</b>	March	Head of HR
Assurance Statement	There is increasing evidence that we are struggling to recruit and retain qualified and experienced staff in certain critical positions. There are a number of factors influencing this including a lack of those with the right skills and experience, the increasing buoyant job market, our salaries are falling behind other councils and the private sector as well as the perception of local government. In addition, the aging profile of our workforce means that there is an ongoing loss of key experienced workers.	2020	and OD

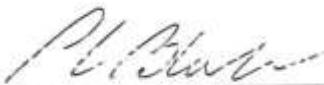
**Actions taken to resolve:**

- Development of a workforce plan that highlights critical, hard to fill roles and areas where critical individuals are likely to move on with targeted succession plans;
- Review of our employment offer and recruitment practice to improve promotion of Gloucestershire County Council as a place to work and the County as a place to live;
- Review of our pay and grading structure and benchmarking of key roles to ensure that our offer is competitive including use of market supplements and other payments where appropriate;
- A targeted recruitment and retention programme for children's social workers;
- A 'grow our own' programme for key roles utilising the apprenticeship levy including areas such as future managers, lawyers, project managers, social workers, planning, highways and professional support roles; and
- An apprenticeship programme targeted at schools and college leavers to encourage them to work in local government.

# Certification

I can confirm that the Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government 2016.

Signed:



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Paul Blacker  
Acting Chief Financial Officer (S151 Officer)

Date:

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26th July 2019

To the best of our knowledge, the governance arrangements, as defined above and within the Council's Code of Corporate Governance, have been effectively operating during the year with the exception of those areas identified on pages 20 - 24 above. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation during the year and as part of our next annual review.

Signed:



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Mark Hawthorne

Leader of the Council



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Peter Bungard

Chief Executive

Date:

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26th July 2019

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26th July 2019