

Annual Governance Statement 2021 - 2022

Annual Governance Statement

Contents

Contents	2
Introduction	4
The Governance Framework	5
Principle A - Behaving with integrity, with commitment to ethical values, and respect for the rule of law	5
Principle B - Ensuring openness and comprehensive stakeholder engagement.....	5
Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits	6
Principle D - Determining the intervention necessary to achieve intended outcomes	6
Principle E - Developing capacity, including the capability of leadership and individuals within the Council	7
Principle F - Managing risks and performance through strong internal control and financial management	7
Principle G - Implementing good practices in transparency, reporting and audit to deliver effective accountability	8
Covid-19 Impact on Governance.....	9
Key contributors to developing and maintaining the Governance Framework	11
Review of Effectiveness.....	13
Internal Sources of Assurance	133
Assurances from External Regulators:	19
Action Taken in Response to 2020/21 Annual Governance Statement.....	22
Improvement Actions Arising from 2021-22 Annual Governance Statement	255

Annual Governance Statement

Certification27

Annual Governance Statement

Introduction

Denbighshire County Council (the Council) is responsible for making sure that its business is carried out in accordance with the law and proper standards. The Accounts and Audit (Wales) Regulations 2014 (as amended by the Accounts and Audit (Wales) (Amendment) Regulations 2018) require the Council to conduct a review on the effectiveness of its system of internal control and include an Annual Governance Statement reporting on the review with the Statement of Accounts.

The statement has been prepared in accordance with the guidance produced by the Chartered Institute of Public Finance & Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) – ‘Delivering Good Governance in Local Government Framework’ (2016). This is to show that the Council:

- Conducts its business in accordance with relevant laws and regulations;
- Properly accounts for and safeguards public money;
- Uses its resources economically, efficiently and effectively to achieve agreed priorities that benefit local people.

The Council has adopted the ‘Core Principles’ which underpin the CIPFA / SOLACE framework to form its Corporate Governance Framework. The seven core principles are set out below:

- A. Behave with integrity
- B. Engage with stakeholders
- C. Define outcomes
- D. Ensure planned outcomes are achieved
- E. Develop capacity, capability and leadership
- F. Manage risks and performance effectively
- G. Demonstrate transparency and accountability

The review against the CIPFA/SOLACE framework highlights if there are opportunities to improve the Council’s arrangements. Where this is the case, an action plan is included to ensure that the necessary action is taken.

Annual Governance Statement

The Governance Framework

Principle A - Behaving with integrity, with commitment to ethical values, and respect for the rule of law

The Council's Constitution includes the Codes of Conduct for members and officers and demand a high standard of behaviour. Mandatory training for officers has been deployed to ensure that staff are aware of the code of conduct and other key policies. These are supported by more detailed guidance such as the Strategy for the Prevention and Detection of Fraud, Corruption and Bribery, Whistleblowing Policy, Financial Regulations and Contract Procedure Rules. The Head of Legal, HR & Democratic Services (Monitoring Officer) and Head of Finance & Property Services (Section 151 Officer) both have responsibilities to ensure that Council decisions meet legal requirements.

Principle B - Ensuring openness and comprehensive stakeholder engagement

The Council engages with stakeholders and partners through joint working arrangements, partnership boards and representation on external bodies' governing boards. Stakeholder engagement in response to Covid-19 has developed to ensure coordinated response involving multiple organisations and agencies.

The resident survey was replaced this year by the Stakeholder Survey to meet the requirements of the Local Government and Elections (Wales) Act 2021 and inform the Council's Self-Assessment of performance against its functions. The engagement was carried out during September and October 2021, and the results have been published within the Self-Assessment.

The Council publishes information on the website and all Council meetings are now webcast. Online meetings have been set up to maintain social distancing in response to Covid-19 and all council meetings are now held virtually.

Communication channels involve press releases and online releases through social media channels (Facebook and Twitter) and the County Conversation portal.

Annual Governance Statement

The Council has continued to make shielding calls to persons vulnerable to Covid-19 in response to the pandemic and these calls have been well received by members of the community.

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

The strategic vision for Denbighshire is set out in its Corporate Plan. Within it, the Council defines specific priorities and outcomes to be achieved and this is overseen by the Corporate Plan Programme Board.

During 2021 to 2022, the majority of Corporate Plan projects have been able to recover from delays caused by the pandemic. The Corporate Plan Board formerly closed the programme in March, with projects either having already delivered and closed; ending imminently with their funding; or continuing as usual business within services. A separate programme board is focused on ensuring the Council's finances and services are sustainable.

A Wellbeing Impact Assessment is completed to inform significant decisions this has been updated to consider impact on Climate Change and Socio-economic equality duty.

Transaction are increasingly made available online with a superfast broadband project in progress to increase the availability to Denbighshire households and businesses.

The Council's Climate and Ecological Change Strategy sets out how the Council will achieve its ambition of becoming a net carbon zero authority by 2030. Work is underway to ensure that this is embedded throughout the council's decision making processes and systems.

Principle D - Determining the intervention necessary to achieve intended outcomes

Senior Management and Members (via Scrutiny committees and the Governance & Audit Committee), ensure the Council remains focussed on achieving its objectives and priorities. A new Chief Executive has been appointed and he is currently looking at

Annual Governance Statement

restructuring the Corporate Executive Team (CET) and Senior Leadership Team (SLT).

The Council has approved the new CET structure and next year will see the Council move from two to three two Corporate Directors.

The council's Self-Assessment of Performance for 2021-22 is being drafted, and continues to include an assessment against our governance functions, as recommended by the statutory guidance for the Local Government & Elections (Wales) Act 2021, which came into effect in May 2022. The Quarterly Performance Reports that make up the Self-Assessment have also continued to catalogue the activity of our principle meetings (Council, Cabinet, Scrutiny, and Governance and Audit), key news items, and reports by our internal audit and external regulators.

Principle E - Developing capacity, including the capability of leadership and individuals within the Council

Development is directed by the leadership strategy, apprenticeship schemes and an e-learning portal is used to develop staff at all levels.

The Council also works across a broad set of partnerships and collaborative arrangements, and uses commissioning and procurement processes to maximise capacity by delivering services in the most effective and efficient way. A partnership (Alternative Service Delivery model) toolkit has been approved to set out key requirements and tools for ensuring partnerships are managed effectively.

The new ways of working for staff and members has now been imbedded over the last 12 months and home working is now seen as the norm with ICT support in place.

Principle F - Managing risks and performance through strong internal control and financial management

Corporate risk registers are updated twice yearly, with significant risks brought to the attention of senior management and members. Risk Appetite statement has been defined and reviewed with members and senior management to ensure acceptable level of risk is being taken and recently updated to set the risk appetite for safeguarding and

Annual Governance Statement

environmental risk. Internal Audit assess the overall quality of risk management, governance and internal control and agree actions for improvement as necessary.

The Council has a strong track record in financial management, delivering services within budget and timely production of the accounts in response to the early closure requirements. Despite limited restrictions caused by the pandemic, the Council has managed to close its accounts for 2020/21 in keeping with the original deadline.

The Covid-19 response, including increased expenditure (e.g. PPE) and loss of income (leisure, parking etc) has caused significant pressure on the Council's financial situation, with administration of Welsh Government grants relating to business rates, social care bonus payments and free school meals at speed. Welsh Government support has enabled the council to continue its essential services and, in doing so, support its communities and businesses. The council undertook a review against the Financial Management Code to meet new requirements.

While information governance was considered to be sound overall; the pandemic has exposed instances of weaknesses caused in part by different working practices (e.g. majority of staff working from home) that previously were not considered a concern; revised Data Protection e-learning training has been deployed to refresh staff awareness.

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

The external assessment of Internal Audit confirms it conforms to the Public Sector Internal Audit Standards. External regulators provide independent assessments, notably: Audit Wales, Care Inspectorate Wales, Estyn and Ombudsman for Wales; overall positive results with no significant issues raised.

The Council provides clear and accurate information, and has developed both its website and the format of Council reports to improve transparency and accessibility. The website has been updated to meet Accessibility Standards. Minutes of meetings and key decisions are published on the Council's website.

Annual Governance Statement

Council meetings are carried out online and are now also available to the public in accordance with legislative requirements.

Covid-19 Impact on Governance

The Covid-19 pandemic has continued to cause an impact to the Council and our residents, requiring us to adapt the way we deliver services to our residents as well as creation of new services. The Council had a significant role in responding to the pandemic under the Civil Contingencies Act. This has resulted in changes to governance arrangements, with council meetings moving to online, and prioritisation of service delivery to cope with changing demand. The Council continues to work in partnership with Welsh Government, NHS Wales and Public Health Wales to take necessary action in containing and delaying the spread of the virus. The Council established the Strategic Emergency Management Team (SEMT) comprising senior management, HR, ICT and Lead Members to monitor and respond to the emergency situation.

As reported in last year's Annual Governance Statement:

"Social distancing requirements mean that all Council meetings are now carried out online and comply with the legislative requirements and the Local Authorities (Coronavirus)(Meetings)(Wales) Regulations 2020 under powers granted to Welsh Government under the Coronavirus Act 2020.

As indicated in last year's Annual Governance Statement, alternative arrangements were initially introduced as agreed between Cabinet and Group Leaders to ensure proactive engagement of the wider elected membership. Group Leaders met remotely with the Chief Executive, Leader, Monitoring Officer and s151 Officer met on a regular basis for a briefing on the management of the crisis and proposals for recovery. Group Leaders could then brief their respective groups and call upon Lead Members and Lead Officers to attend Group Leaders' meetings or Group meetings where further information or discussion is required. Formal call-in arrangements were also available should the requisite number of members wish to challenge a decision.

The Council now has simultaneous translations to virtual meetings which are now able to be webcast to allow public access and increase transparency and openness.

Annual Governance Statement

The council's response also included the following:

- The Council implemented, with some adaptation, its emergency management processes and was represented on the regional emergency infrastructure.
- Enactment of business continuity processes through identification of essential services and redeployment of staff from non-critical services to support where there were capacity shortages.
- Delivery of core services has continued throughout the pandemic.
- As restrictions have been lifted, the Council implemented new rules to allow key employees access to work from a council office. The Council has also left shielding arrangements for employees classed as high risk.
- Communications arrangements put in place to support providing public health advice and information and council service and support to reach key audiences e.g. residents and businesses.
- A Covid-19 Financial Recovery Strategy covering the council's response to the significant financial pressures caused by Covid-19.
- Implementing processes at speed in response to Welsh Government grants for financial support to small businesses, and those in retail, hospitality and leisure sectors. Also, social care bonus payments, free school meal payments.
- Communications and support to staff with health messages to ensure that health and wellbeing was actively considered and managed.

The impact that Covid-19 has had on our communities including businesses will continue to be reviewed as the economy re-opens and restrictions are lifted. The Council is committed to ensuring it responds appropriately to the opportunities, challenges and issues Covid-19 presents.

Annual Governance Statement

Key contributors to developing and maintaining the Governance Framework

Key Contributors	Contribution
Council	<ul style="list-style-type: none"> • Approves the Corporate Plan • Endorses the Constitution • Approves the policy and financial frameworks
Cabinet	<ul style="list-style-type: none"> • Primary decision making body of the Council • Comprises of the Leader of the Council and Cabinet members who have responsibility for specific portfolios
Governance & Audit Committee	<ul style="list-style-type: none"> • Help raise the profile of internal control, risk management and financial reporting issues within the Council, as well as providing a forum for the discussion of issues raised by internal and external auditors
Standards Committee	<ul style="list-style-type: none"> • Standards Committee promotes high standards of conduct by elected and co-opted members and monitors the operation of the Members' Code of conduct
Programme & Project Boards	<ul style="list-style-type: none"> • Track efficiencies, highlighting risk and mitigating actions to achievement • Consider the robustness of efficiency planning and forecasting and consider resourcing of planned delivery • Plan communication and engagement activity
Scrutiny Committees	<ul style="list-style-type: none"> • Review and scrutinise the decisions and performance of Council, Cabinet, and Committees • Review and scrutinise the decisions and performance of other public bodies including partnerships
Licensing and Planning Committees	<ul style="list-style-type: none"> • Licensing Committee considers issues relating to taxis, entertainment, alcohol, food premises and miscellaneous licensing functions. • Planning Committee makes decisions on development control issues, including applications for planning permissions.
Corporate Executive Team, Senior Leadership Team & Managers	<ul style="list-style-type: none"> • Responsible for developing, maintaining and implementing the Council's governance, risk and control framework

Annual Governance Statement

Key Contributors	Contribution
	<ul style="list-style-type: none"> • Contribute to the effective corporate management and governance of the Council
Internal Audit	<ul style="list-style-type: none"> • Provide an independent opinion on the adequacy and effectiveness of internal control, risk management and governance arrangements • Delivers a programme of risk based audits, including counter fraud and investigation • Identifies areas for improvement in the management of risk
External Audit	Audit 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

[Caption; Key contributors to developing and maintaining the Governance Framework]

The Governance Framework above have now resorted back to pre-pandemic arrangements, with the exception of meetings taking place face to face. Meetings are now carried out online and webcast to allow the public to attend. Members and Officers have adapted to the new way of working and it ensures transparency and openness.

Annual Governance Statement

Review of Effectiveness

The effectiveness of governance arrangements is measured in several ways, and in 2020/21, the first year in which the Council has prepared group accounts, the Council has considered its relationship with its group entities, i.e. Denbighshire Leisure Limited, in conducting its review.

The Corporate Governance Officer's Group reviewed the Council's arrangements against the CIPFA/Solace Framework in March and April 2021 and confirmed that governance arrangements such as the Code of Conduct, Financial Regulations, and other corporate processes have broadly operated as intended during the year; there were instances of non-compliance as highlighted by Internal Audit reviews. The Corporate Governance Framework is updated to reflect the current arrangements and will continue to be updated to reflect developments and any further implications due to the Covid-19 pandemic.

Internal Sources of Assurance

The [Annual Performance Report 2020-21](#) is the first report to present information responding to the new duty, under the Local Government and Elections (Wales) Act 2021, for the council to self-assess its performance. This summarises performance against seven governance areas: Corporate Planning, Financial Planning, Performance Management, Risk Management, Workforce Planning, Assets, and Procurement. Our Self-Assessment report for 2021 to 2022 will be going through committees in June, before final approval by Council in July.

Internal Audit Annual Opinion

One of the key assurance statements, in reviewing effectiveness, is the annual report and opinion of the Chief Internal Auditor. Internal Audit operates a flexible audit plan which enables it to refocus on changing priorities during the year. The focus of Internal Audit work in 2021/22 was to again audit areas considered to be a higher risk due to the pandemic and the resultant changes to control processes. The Chief Internal Auditor's opinion is that the council's governance, risk management and internal control arrangements in the areas audited continue to operate satisfactorily. While the scope of assurance work was reduced due to the pandemic and redeployment of audit staff,

Annual Governance Statement

reasonable assurance can be given that there have been no major weaknesses noted in relation to the internal control systems operating within the Council. Improvement in the following areas were recommended:

Annual Governance Statement

Internal Audit Low Assurance Reports Issued in 2021/22	Agreed actions relating to significant risks/issues
<p>Exceptions, Exemptions and Variations from Contract Procedure Rules (CPRs)</p>	<p>Presentation (awareness for new managers and refresher) to be delivered by all Procurement Business Partners at various DMG (or equivalent); and whole Service meetings where appropriate.</p> <p>Procurement Business Partners to support Services on improved awareness and understanding of CPRs and highlight at service management meetings areas of noncompliance or poor practice.</p> <p>Quick Guide (already produced) to be used as a starting point in any presentation</p> <p>Amend the Quick Guide if necessary to give greater clarity on sequence of legal/procurement comments in advance of Authorised Signatories.</p> <p>Utilise LINC and other methods to highlight good practices</p> <p>Variation Form – to be amended to include a section asking if previous variations have been sought and attaching copies of such signed variations; amend to reflect sequence of legal/procurement comments.</p>

Annual Governance Statement

<p>Contract Management follow up</p>	<p>Report to SLT highlighting the weakness identified with contract management and non-compliance with CPRs with a view to SLT reviewing arrangements in their own services to ensure:</p> <ul style="list-style-type: none"><input type="checkbox"/> All contracts are recorded on the Proactis contract management module or other suitable systems (until a decision is taken to replace it);<input type="checkbox"/> Signed contracts are obtained for all contracts over £25,000 and held on the Proactis system (or suitable approved contract management system);<input type="checkbox"/> Contract management activity is recorded in the contract management module within Proactis, or other method as agreed corporately;<input type="checkbox"/> Ensure that the delivery of community benefits is monitored;<input type="checkbox"/> Ensure appropriate performance indicators are included within contracts with suitable monitoring of the contractor's performance; <p>Ensure staff involved with managing contracts are suitably trained. Training will be rolled out across the council to all staff who are involved in contract management and delivered in two parts:</p> <ol style="list-style-type: none">1.Proactis Contract Management module2.Contract management principles (to explore the use of e-learning). <p>Contract Management framework will be produced to document the stages of contract management and include a task list with the minimum recommended activities to undertaken. Scope to develop standard templates at a later stage.</p> <p>Contract Managers Forum to be set up to share best practice.</p> <p>Once framework circulated and e-learning and training provided, guidance notes to be developed to provide staff with additional information around contract management.</p> <p>Procurement business partners to run a Proactis report showing a list of contracts by service area and share with service management teams in order for the Heads of Service to ensure that contracts are appropriately uploaded.</p>
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Annual Governance Statement

	<p>Scope to include contract risk categorisation score down the line once the contract management framework is launched.</p> <p>A review of the current contract management system (Proactis) to be undertaken to establish if the system is still fit for purpose. If the current system is considered unfit, then a business case will be formed to justify replacement.</p> <p>Review the commissioning form to include a section on KPIs to prompt for their inclusion in relevant contracts e.g. high and medium risk/strategic contracts.</p> <p>Proactis has the potential to send out reminders if monitoring is not completed/uploaded through creation of tasks. This will be included as part of the Proactis contract management training (see action 2.1).</p> <p>Review of the contract management system confirms it has the functionality to record contract risks. Mandatory field to be added to Proactis to capture the information and enable reporting</p> <p>All risks associated with operating a contract need to be recorded on a pre-contract risk form.</p> <p>A Contract Management framework will be taken to SLT for approval with the view for it to be adopted for all new contracts and applied by all services.</p> <p>Contract risk scores will be picked up in Proactis reports generated for service management teams to review and Heads of Service to ensure that the framework is applied appropriately.</p> <p>See also action 1.1, Heads of Service to ensure that any contracts deemed as a significant risk to the service or council are captured on the service risk register where appropriate.</p> <p>Community Benefit Hub will monitor all community benefits centrally to coordinate and ensure that they are delivered. Links to Internal Audit review of Section 106 agreements</p>
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[Caption; Issues identified by internal Audit 2021/22 and agreed actions to mitigate the issues.]

Annual Governance Statement

Chief Finance Officer Statement on Compliance with the Financial Management Code

The CIPFA Financial Management Code (CIPFA FM Code) is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The CIPFA FM Code therefore sets the standards of financial management for local authorities.

The Code is based on a series of principles supported by specific standards and statements of practice which are considered necessary to provide the strong foundation to:

- Financially manage the short, medium- and long-term finances of a local authority;
- manage financial resilience to meet foreseen demands on services; and
- financially manage unexpected shocks in their financial circumstances.

Each local authority must demonstrate that the requirements of the Code are being satisfied.

As Section 151 Officer I have the Statutory Responsibility (supported by the Corporate Leadership Team and Elected Members) for ensuring compliance with the FM Code. I have carried out a full assessment of Denbighshire's compliance with the FM Code, as part of the annual review of the Annual Governance Statement and I can confirm that in my opinion Denbighshire is compliant with the code in the majority of areas. However, areas of improvement have been identified, many of which are already underway, including:

- Review and document complete Capital Process including SIG Terms of Reference, clear decision making, accounting and project management processes.
- Development a clear long-term capital strategy.
- Monitor on-going impact of Covid on services.
- Further develop the Budget Process to embed long term decision-making and consultation as core principles
- We will continue to lobby for multi-year indicative settlement figures from Welsh Government.
- Complete the annual review of the Medium Term Financial Strategy.

Annual Governance Statement

- Include Unearmarked Reserves figure in the Corporate Dashboard to compliment the annual outturn projections.
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Key indicators

The adequacy of governance arrangements can also be gauged using several key outcome indicators:

Key performance indicators	Outcomes 2021/22
Statutory reports issued by the Monitoring Officer (Section 5 - Local Government and Housing Act 1989)	None issued
Proven frauds by councillors or members of staff	None in 2021/22
Ombudsman referrals 2021/22	No complaints upheld
Internal audit reports	2 low assurance reviews
Complaints about elected members	2 in 2021/22
Number of negative reports from our External Regulators	None in 2021/22

Assurances from External Regulators:

Audit Wales

The Council's external auditor, Audit Wales, provides assurance on the accuracy of the year-end Statement of Accounts and the overall adequacy of arrangements for securing and improving value for money. The Auditor General gave an unqualified true and fair opinion on the council's financial statements on 29 November 2021.

Annual Audit Summary Report 2021 provided a summary of their audit work which included:

- Continuous Improvement – The Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year

Annual Governance Statement

2020-21, as saved by an order made under the Local Government and Elections (Wales) Act 2021.

- Financial Sustainability - In Denbighshire County Council we concluded that the Council is well placed to maintain its financial sustainability over the medium term – it has a good track record of managing its budget and continues to work to further improve its financial position.
- Recovery Plan - Denbighshire County Council's recovery from the impact of the pandemic benefited from proactive engagement at both a regional and local level and the Council's planning and decision-making processes showed strong and consistent collective leadership. The Council's approach to recovery benefited from positive officer/member relations and addressed the challenges posed by the pandemic. Some actions taken during the response to the crisis, such as maintaining a focus on its climate change ambitions and well-established financial reporting arrangements were particularly positive.
- Delivering Environmental Ambitions - We concluded in our report that the Council is making excellent progress in embedding its environmental ambitions. We noted that the Council has moved quickly to embed its environmental ambitions in its strategic planning frameworks, it is communicating its ambitions well and has put baseline measures in place using an established performance framework. The full cost of the ambition is not yet known, more comprehensive stakeholder mapping would further strengthen engagement, and reporting over the next year will help the environmental ambitions to embed and the measures to evolve.
- Commissioning Older Peoples Care Home Placements - In concluding this work, we recognised that responsibility for the current challenges in the commissioning arrangements was widespread. The Welsh Government sets the national framework which is complex, and local partners have responsibility for the way that national policy and guidance are implemented. We have therefore reported locally to councils and the Health Board, and nationally to the Welsh Government, recommending actions that these bodies should take.

Annual Governance Statement

Estyn and Care Inspectorate Wales

The Council is subject to Statutory External Inspections from various bodies including ESTYN and Care Inspectorate Wales (CIW). Recent work is summarised below:

- CIW and Healthcare Inspectorate Wales published their joint National review of the use of Deprivation of Liberty Safeguards (DoLS) in Wales.
- In November 2021, CIW also published its national overview report of assurance checks in Wales and Let me flourish, a national review of early help, care and support and transition for disabled children in Wales.
- In November 2021, CIW published its Assurance Check letter for the Council which summarises the findings of the CIW assurance check carried out in June and July 2021.

Annual Governance Statement

Action Taken in Response to 2020/21 Annual Governance Statement

Last year's Annual Governance Statement highlighted seven areas for improvement. The table below sets out the action taken to address these issues during 2021/22:

Improvement areas identified in 2020/21	Progress to date
Review and update Officers' code of conduct and the process for capturing and response taken to declaration of interest, gifts and hospitality.	<p>This is still ongoing as the service over the last year has gone through a number of changes and has struggled with recruiting staff.</p> <p>It has been agreed at the HoS meeting in March 2022 that this would be rolled over into 2022/23.</p>
Continuing budget pressures and uncertainty over funding. Also, address any actions arising from the review of the Financial Management Code	<p>Welsh Government provided multi-year indicative settlement figures in 2021/22 for 2023/24 and 2024/25 and we will lobby for this practice to continue.</p> <p>We reviewed the Medium Term Financial Strategy and will continue to review on an annual basis.</p> <p>Work on the following areas are continuing and will be rolled over to 2022/23:</p> <ul style="list-style-type: none"> • Review and document complete Capital Process including SIG Terms of Reference, clear decision making, accounting and project management processes. • Develop a clear long-term capital strategy. • Monitor on-going impact of Covid on services. • Further develop the Budget Process to embed long term decision-making and consultation as core principles <p>Include Unearmarked Reserves figure in the Corporate Dashboard to compliment the annual outturn projections.</p>
Address contract management weaknesses highlighted by Internal Audit.	<p>Internal audit completed the follow up review and the outcome was improvements had been made and the low assurance has been changed to a medium assurance rating. The next follow up has been scheduled for June 2022.</p>

Annual Governance Statement

Improvement areas identified in 2020/21	Progress to date
Implement requirements of the Local Government & Elections (Wales) Act 2021.	The Head of Legal, HR & Democratic Services and Strategic Planning & Performance Manager have completed this task.
Workforce capacity and resilience and reliance on key positions	<p>The appointment of the appointed of a new Chief Executive has been completed and on 14 March 2022 the Chief Executive took a report to Full Council to consider the strategic direction of the Council, including a proposal to restructure the Council's Senior Leadership Team (SLT).</p> <p>The report was approved by Council and going forward the Council will have three Corporate Directors, one is already in post and the other two will be appointed in 2022/23.</p> <p>The HOS for Education & Children Services post has been split into a Head of Education Services and Head of Children Services and have both been filled.</p> <p>The review and update of the workforce plan is still ongoing as the service has been through a number of recruitments including filling the HR Manager post following a secondment. This process has been made harder as the team have struggled to recruit staff into the vacant positions.</p> <p>Internal Audit has not carried out the workforce planning process review, but has agreed with the Head of Legal, HR, & Democratic Services in March 2022, to put the review back to the end of quarter 2, so that the service has sufficient time to carry out the review.</p> <p>As the Council is now moving out of the Pandemic and staff are slowly returning to the office, the emphasis is now on developing the New Ways of Working Project.</p>
Review the Whistleblowing Policy	This review has not been completed and has been agreed to roll into the following year.
Uncertainty over future funding arrangements following EU Exit.	Resources and processes put in place to ensure that the Council maximises the opportunities in relation to the new UK Funding Initiatives including the UK Levelling Up Fund, UK

Annual Governance Statement

Improvement areas identified in 2020/21	Progress to date
	<p>Community Renewal Fund and the forthcoming UK Shared Prosperity Fund. Also, ensure coordination with other funding streams e.g. WG Transforming Towns Fund.</p> <p>Matrix team established and work will continue to maximise opportunities from these new initiatives.</p>

[Caption; Areas of improvements for 2020/21 and progress to date]

Annual Governance Statement

Improvement Actions Arising from 2021-22 Annual Governance Statement

Looking ahead, the following areas for improvement have been identified to be addressed in 2022/23. This takes into consideration the continued impact of the coronavirus pandemic on governance:

Improvement areas identified for 2022/23	Agreed action
Review and update Officers' code of conduct and the process for capturing and response taken to declaration of interest, gifts and hospitality.	<p>Review and update Officers' code of conduct and the process for capturing and response taken to declaration of interest, gifts and hospitality.</p> <p>Revised system to capture officer declaration of interests and gifts and hospitality</p> <p>Strategic HR Manager by 31/03/2023</p>
Workforce capacity and resilience and reliance on key positions	<p>Recruit vacant Senior Management Team positions i.e. Two Corporate Directors.</p> <p>CET / Strategic HR Manager, Leader & Director Communities by 31/07/2022.</p> <p>Review and update the workforce plan and coordinate an assessment with services.</p> <p>Strategic HR Manager by 30/09/2022</p> <p>Internal Audit review of workforce planning process.</p> <p>Chief Internal Auditor by 31/10/2022.</p> <p>New Ways of Working Project includes a work-stream developing new HR policies to support future work patterns</p> <p>Head of Customer, Communications & Marketing / Head of Legal, HR & Democratic Services by 30/09/2022</p>
Review the Whistleblowing Policy	Update the policy capturing lessons learned from recent concerns raised.

Annual Governance Statement

Improvement areas identified for 2022/23	Agreed action
	Head of Legal, HR & Democratic Services by 31/03/2023
Address exceptions, exemptions and variations from Contract Procedure Rules (CPRs)	Internal Audit will review progress in quarter 2, when the first follow up review is completed and findings will be reported to the next Governance & Audit committee.
Continuing budget pressures and uncertainty over funding. Also, address any actions arising from the review of the Financial Management Code	<p>Welsh Government provided multi-year indicative settlement figures in 2021/22 for 2023/24 and 2024/25 and we will lobby for this practice to continue.</p> <p>We reviewed the Medium Term Financial Strategy and will continue to review on an annual basis.</p> <p>Work on the following areas are continuing and will be rolled over to 2022/23:</p> <ul style="list-style-type: none"> • Review and document complete Capital Process including SIG Terms of Reference, clear decision making, accounting and project management processes. • Develop a clear long-term capital strategy. • Monitor on-going impact of Covid on services. • Further develop the Budget Process to embed long term decision-making and consultation as core principles <p>Include Unearmarked Reserves figure in the Corporate Dashboard to compliment the annual outturn projections.</p>

[Caption; Areas of improvements for 2022/23 and agreed actions]

The areas for improvement that we have identified will be monitored by the Governance & Audit Committee and the Corporate Governance Officers Group. This plan also includes any issues raised in last year's action plan that have not yet been fully addressed.

Annual Governance Statement

Certification

We propose over the coming year to take steps to address the issues identified in our Governance Improvement Action Plan to 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 as part of our next annual review.

Name Cllr Jason McLellan, Leader of the Council

Signed

Dated

Name Graham Boase, Chief Executive

Signed

Dated