

Annual Governance Statement 2015/16

1. Introduction

The preparation and publication of an Annual Governance Statement (AGS) is a statutory requirement. The published AGS provides an open and honest self-assessment of Solihull Metropolitan Borough Council's governance arrangements across all of its activities, with a clear statement of the actions taken or required to address any identified areas of concern.

The Statement covers the Council's significant corporate systems, processes and controls, including in particular those designed to ensure that:

- laws and regulations are complied with
- Council policies are implemented in practice
- required processes are adhered to
- high quality services are delivered efficiently and effectively
- the Council's values and ethical standards are met
- performance and financial statements and other published information are accurate and reliable
- human, financial and other resources are managed efficiently and effectively.

During 2015/16, some of the key tangible outcomes associated with having effective governance arrangements, include:

- there were no significant breaches of the law;
- there were no significant frauds identified;
- no decisions were "called in" by Scrutiny;
- the Ombudsman was generally satisfied with the way the Council resolved complaints, however the Monitoring Officer issued one statutory report under Section 5A of the Local Government and Housing Act 1989 following an Ombudsman's finding of maladministration;
- freedom of information requests were dealt with well within the time tolerance set by the Information Commissioner;
- there was a decrease in the number of complaints received;
- External Audit issued an unqualified opinion on the latest financial statements;
- the Council maintained its good track record of managing within tight financial constraints and achieving savings.

2. Scope of Responsibility

The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty to put in place proper arrangements for the governance of its affairs, and the effective discharge of its functions to secure continuous improvement and the management of significant risks.

To demonstrate commitment to achieving good governance, the Council has embedded good governance principles in its constitution, policies and procedures, as well as adopting a Local Code of Corporate Governance.

The Code accords with the CIPFA/SOLACE¹ Framework 'Delivering Good Governance in Local Government' and is published on the Council's website at www.solihull.gov.uk.

The Accounts and Audit (England) Regulations require the Council to prepare an AGS and the AGS explains how the Council complies with the Code.

The AGS is reviewed by the Audit Committee prior to its approval by the Governance Committee. Once approved, it is signed by the Leader and Chief Executive of the Council before being published on the Council's website.

3. The Purpose of the Governance Framework

Each local Council operates a governance framework that brings together a set of legislative requirements, governance principles, corporate strategies and policies, systems, management processes, culture and values. The quality of these arrangements underpins the level of trust in public services and is fundamental to the Council's statutory and democratic obligations. A framework of good governance allows the Council to be clear about how it discharges its responsibilities.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable tolerable level. However, it cannot eliminate all risk and can therefore only demonstrate reasonable assurance of effectiveness. The management of risk is an on-going process designed to identify and prioritise the risks associated with the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks happening and to manage their impact should they happen.

A robust governance framework has been in place within the Council for a number of years, and in particular for the year ended 31st March 2016 and up to the date of approval of the annual report and statement of accounts.

4. The Governance Framework

The Local Code of Corporate Governance is a statement of the Council's commitment to have an effective governance framework. The Code describes the 6 core principles that underpin the governance framework, including how the Council:

1. Creates and implements a vision for the local area
2. Has members and officers that work together to achieve a common purpose
3. Upholds high standards of conduct and behaviour
4. Takes informed and transparent decisions that are subject to effective scrutiny and risk management
5. Develops the capacity and capability of members and officers to be effective
6. Engages with local people and other stakeholders to ensure robust public accountability

The following details the systems, policies and procedures the Council had in place during the year ended 31st March 2016 to meet these principles.

¹ The Chartered Institute of Public Finance and Accountancy & Society of Local Authority Chief Executives

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

Rationale: Local government bodies need to develop and articulate a clear vision of their purpose and intended outcomes for citizens and service users that are clearly communicated, both within the organisation and to external stakeholders.

To demonstrate its commitment to achieving good governance, Solihull Council has:

- a) Published a Council Plan setting out its direction between now and 2020.
- b) Developed a Medium Term Financial Strategy.
- c) Arrangements in place to ensure that progress made against the Council Plan is regularly reported.
- d) Arrangements in place to publish the annual external auditors report.
- e) Produced a Procurement Strategy and Rules for Contracts, as well as The Compact Plus for Solihull which describes the working arrangements with third sector organisations in Solihull.
- f) Encouraged businesses to sign up to the Council's Business Charter which describes the spirit, style and behaviours expected from suppliers to maximise the level of customer satisfaction and value.

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

Rationale: A constructive working relationship between members and officers, with clear roles and responsibilities, is essential to the achievement of the Council's vision.

To demonstrate its commitment to achieving good governance, Solihull Council has:

- a) An agreed Constitution that sets out roles and responsibilities, decision making and financial management arrangements.
- b) A protocol and guidance to assist both members and officers to work effectively together.
- c) A member structure that includes a Leader of the Council and a Cabinet; Overview and Scrutiny Boards that check and monitor what the Cabinet does; a Governance Committee to deal with terms and conditions of staff appointments and constitutional matters, promote and maintain high standards of conduct by councillors, co-opted members, parish and town councillors; a Planning Committee to determine planning applications and consider planning policies; a Licensing Committee to deal with all aspects of the Licensing Act.
- d) Within the Scrutiny arrangements, a facility for decisions to be "called in" by Members.
- e) A management structure that includes a Chief Executive (also known as the Head of Paid Service); a Corporate Leadership Team whose membership comprises of the Chief Executive, a Director of Resources & Deputy Chief Executive and the Directors of Public Health & Commissioning, Communities & Adult Social Care, Children's Services & Skills, and Managed Growth.

Core Principle 3: Promoting values for the Council and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Rationale: A hallmark of good governance is the development of shared values, which become part of the culture, underpinning policy and behaviour throughout the organisation.

To demonstrate its commitment to good governance, Solihull Council has:

- a) A Local Code of Corporate Governance.
- b) A culture of behaviour based on shared values (known as the Council brand of being Open, Honest, Approachable and Keeping its Promises), and good conduct that includes the following:
 - Code of Conduct for Councillors
 - Code of Conduct for Employees
 - Dignity at Work Policy
 - Whistleblowing Policy
 - Money Laundering and a Counter Fraud and Corruption Strategy
 - Prevention of Bribery Policy
- c) A process for considering any complaint that a Councillor has breached the Councillor Code of Conduct.
- d) An Equality and Diversity Policy and a process for taking due regard, as well as annual reports describing how the Council ensures fair treatment for employees and customers, whatever their background or circumstances.

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

Rationale: Members need the support of appropriate systems to help ensure that decisions are well informed, implemented and that resources are used legally and efficiently. An effective risk management system identifies and assesses risks, decides on appropriate responses and then provides assurance that the chosen responses are effective.

To demonstrate its commitment to good governance, Solihull Council has:

- a) Arrangements in place to ensure effective and transparent decision making by:
 - holding meetings in public (including webcasting certain meetings) unless there are good reasons for confidentiality
 - providing the public with an opportunity to ask questions or make representations at full Council, Cabinet and Regulatory Committees
 - publishing a Forward Plan of Key Decisions as well as agendas and minuted decisions
 - maintaining an effective scrutiny function to provide constructive challenge, determine whether decisions follow the agreed process, are in accordance with the Council's policy framework and within approved budget
- b) An Audit Committee (which includes independent members as well as Councillors) and an Internal Audit Service.

- c) A Risk Management Policy that includes both strategic and operational risk management, a Corporate Risk Group and regular reporting to the Audit Committee.
- d) Whistle-blowing arrangements and a complaints process for dealing with complaints in an effective, transparent and accessible way.
- e) Published information online in accordance with the Local Government Transparency Code 2015.
- f) A Publication Scheme that describes the kinds of information available and provided guidance about how to access personal information and submit a Freedom of Information request.
- g) Published corporate risks online.

Core Principle 5: Developing the capacity and capability of members and officers to be effective

Rationale: Authorities need people with the right skills to direct and control them effectively. In addition, governance is strengthened by the participation of people with different types of knowledge and experience.

To demonstrate its commitment to good governance, Solihull Council has:

- a) Robust recruitment and selection processes and induction programmes for new employees and Members.
- b) An induction programme for newly elected Members and opportunities for longer serving Members to update their training and skills.
- a) A programme of monthly 1 to 1's and annual performance appraisals to measure individual performance targets and identify further development opportunities, with pay progression related to performance.
- b) Published a Pay Policy that sets out the Council's approach to pay.

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

Rationale: Elected members are democratically accountable to their local area and provide a clear leadership role in building sustainable communities. Local government bodies are responsible for ensuring that their business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for and is used economically, efficiently and effectively.

To demonstrate its commitment to good governance, Solihull Council has:

- a) Agreed role definitions for Councillors, which support accountability by providing transparency and clarity about the role of Councillors.
- b) A Petition Scheme.
- c) An active role in the work of Solihull's Local Safeguarding Children Board and the Safeguarding Adults Board.
- d) Arrangements in place to publish an annual report detailing all complaint and compliment activity
- e) Promoted new initiatives and received national recognition for the Rental Exchange Programme (in conjunction with Solihull Community Housing) and the Independent Travel Training Service.

5. Review of Effectiveness

The Council is required to undertake at least annually, a review of the effectiveness of its governance framework, including the system of internal control. Accordingly, the Council has developed a methodology for reviewing its governance framework and producing this Annual Governance Statement. This methodology accords with proper practice and is co-ordinated by the Audit Manager (Governance). The outcomes of the review are considered by the Chief Executive with support from the relevant statutory officers, Audit Committee and Governance Committee (who approve the final Statement). Once approved, the Annual Governance Statement is published alongside the Statement of Accounts.

The following describes the process that has been applied in maintaining and reviewing the effectiveness of the governance framework, in particular assurances gathered from:

- Full Council (the authority)
- Cabinet Members (the executive)
- Scrutiny Boards
- Audit Committee
- Governance Committee
- Director of Resources and Deputy Chief Executive (the Chief Financial Officer)
- The Head of Democratic and Legal Services and Monitoring Officer
- Management
- Internal Audit
- Risk, Performance and Financial Management Arrangements
- Equalities Framework
- Health and Safety
- Customer Feedback
- External Audit
- External Inspections and Peer Challenges

5.1 Assurance from Members

5.1.1 Full Council

The Council consists of 51 councillors who are elected by the local community. In terms of reviewing the governance framework and producing this Annual Governance Statement, during 2015/16, Full Council:

- a) approved the Council Plan and revised Financial Regulations;
- b) approved the Council budget for 2016/17 and the Medium Term Financial Strategy;
- c) approved the Council's Pay Policy Statement;
- d) determined the numbers of seats and the terms of reference of Boards, Committees and Sub-Committees;
- e) were advised of the main decisions taken at the Leader's and Portfolio Holder's Decision Sessions and Cabinet Meetings;
- f) received the minutes of scrutiny boards as well as from the Audit, Governance, Planning and Appeals Committees;
- g) Received the Overview and Scrutiny Annual Report
- h) received various petitions on behalf of local residents, and deputations from members of the public wishing to address the Council;
- i) approved changes to the Articles of Association and Memorandum of Understanding of the Coventry and Solihull Waste Disposal Company Limited (CSWDC);
- j) approved the proposals for a combined West Midlands Authority;
- k) received the LSCB Annual Report and a Child Sexual Exploitation Briefing.

5.1.2 Cabinet Members

The Cabinet is an executive group responsible for the overall business of the council. In terms of reviewing the governance framework and producing this Annual Governance Statement, during 2015/16, Cabinet:

- a) received regular reports on the Council's financial position and given the size of the Council, External Audit have confirmed that reporting is at an appropriate level of detail;
- b) approved the council tax base for Solihull and the parish areas;
- c) received the annual risk management report and various other performance reports;
- d) approved the establishment of an Urban Growth Company.

5.1.3 Scrutiny Boards

The decisions of the Cabinet are subject to scrutiny by a different group of councillors. In terms of reviewing the governance framework and producing this Annual Governance Statement, during 2015/16, Overview and Scrutiny Boards met regularly to monitor the work of Cabinet, to provide policy development support and to monitor the Council's performance against its stated objectives.

During 2015/16, no executive decisions were subject to "call in".

5.1.4 Audit Committee

Audit Committee provide independent, effective assurance about the adequacy of the Council's governance environment. In terms of reviewing the governance framework and producing this Annual Governance Statement, during 2015/16, the Audit Committee:

- a) received the Council's Annual Governance Report and regular updates from the Council's External Auditors;
- b) received monitoring reports on aspects of internal control, treasury management, and risk management;
- c) received regular reports on the work undertaken by Internal Audit;
- d) received updates of progress against the Local Government Transparency Code 2015;
- e) endorsed the revised Counter-Fraud and Corruption strategy.

5.1.5 Governance Committee

Governance Committee is responsible for promoting and maintaining high standards of conduct by councillors, co-opted members, parish and town councillors. In terms of reviewing the governance framework and producing this Annual Governance Statement, during 2015/16, Governance Committee:

- a) recommended the revised Financial Regulations to Full Council for approval;
- b) approved the final Statement of Accounts for 2014/15;
- c) approved the Disclosure Policy (employees);
- d) endorsed the DBS Policy for councillors;
- e) approved the Social Media Policy;
- f) approved the Counter Fraud and Corruption Policy;
- g) approved the Webcasting Protocol;
- h) approved the Monitoring Officer Protocol;
- i) approved updated role descriptions for Councillors;
- j) reviewed the induction programme for new Councillors.

There were two complaints about Member conduct during 2015/16. These complaints were resolved informally by the Monitoring Officer.

5.2 Assurance from the Director of Resources and Deputy Chief Executive (the Chief Financial Officer and Section 151 Officer) and the Head of Legal and Democratic Services and Monitoring Officer

The statutory functions undertaken by these two officers ensures legality, financial prudence and transparency, providing a key source of assurance that the systems and procedures of internal control are effective, efficient and are complied with. Both officers are involved in the production of this Annual Governance Statement and provide individual assurances that it accurately describes the Council's governance environment.

5.3 The Role of the Chief Financial Officer

At Solihull Council the Chief Financial Officer is the Director of Resources and Deputy Chief Executive.

An internal review of the CIPFA Statement on the Role of the Chief Financial Officer (CFO) in Local Government (2010) was completed during 2011/12 and reported to the Audit Committee in November 2011. A desktop review completed in 2012/13 concluded that the core CFO requirements, in addition to an overall assessment of the governance requirements and the personal skills and professional standards matched the overall profile of the Council's current CFO.

Given that there has been no change in either the Council's Chief Financial Officer or any new guidance from CIPFA that differs from the original review, these conclusions are valid for 2015/16.

5.4 Assurance from Management

Individual directors, Heads of Service and managers have provided appropriate assurance that the Council has effective governance arrangements in place. Whilst none are viewed as significant, the exercise has identified some operational actions are needed to improve the Council's overall internal control environment. As a result, an action plan has been developed and progress to implement the required improvements will be monitored.

5.5 Other Internal Assurance

5.5.1 Audit Services

The Council's internal audit arrangements are reviewed annually and considered to be effective for 2015/16, conforming to minimum requirements of the Public Sector Internal Audit Standards. The Head of Audit Services works closely with the Audit Committee and the Corporate Leadership Team to provide regular updates on work performed, including the Council's counter-fraud initiatives. An Annual Report of all work undertaken by the Council's Audit Services is presented to the Audit Committee each year.

No major frauds were identified during 2015/16.

In conclusion, and taking into account all available evidence Internal Audit has independently rated the standard of internal control in operation across the Council as "operating effectively".

5.5.2 Risk Management

The Council's approach to risk management is outlined in its Risk Management Policy. The Council utilises a corporate risk management software system to record identified risks and the mitigation that will be taken to manage these risks. Risks are regularly reviewed and there is an escalation process for the most significant risks which ensures that senior management and Members are aware of those risks that pose the most serious threat to the Council and how they are being managed.

Regular risk management reports are presented to the Corporate Risk Group, all Directorate Leadership Teams (DLT's), the Corporate Leadership Team (CLT) and Audit Committee.

As at the 31st March 2016, the Council's strategic risk register did not identify any net red risks.

5.5.3 Performance Management

The Council's approach to performance management continues to evolve in response to the changing context nationally and locally. At the highest level, the Council's Priorities are set out within the Council Plan, which is reviewed annually.

Progress on the Council Plan was reported to the Resources and Delivering Value Scrutiny Board in April 2016. The scrutiny boards also looked at the Key Programmes that make up the Council Plan during 2015/16. Information regarding this was summarised and also reported to the Resources and Delivering Value scrutiny board in April 2016. The plan consisted of 32 programmes which were key to the delivery of the Council's priorities. During 2015/16 new scrutiny boards were created in line with the 4 Council priorities and these Boards then formed their work programmes to both scrutinise the delivery of and help to inform policy and strategy over the whole year. This activity has been extensive and the alignment of Boards to the Priorities has been successful in placing the Council Plan at the heart of scrutiny.

Each of the Priorities has a level 1 Policy Deployment Matrix which sets out annual delivery tactics. These are cascaded through the organisation using a range of approaches and are combined with directorate level performance reporting arrangements with key measures and feature in individual performance and development appraisal objectives.

The Council uses a corporate performance system which has been successfully deployed across the Council and wider Solihull Partnership to record aims, objectives, milestones, performance indicators and the latest performance commentary. The system serves a variety of established scorecards and reporting arrangements both within Directorates and to Cabinet portfolio holders.

5.5.4 Financial Management

The Council adopts a cash limited approach to its budget and Cabinet Members and Corporate Directors are responsible for ensuring services are delivered within budget.

5.5.5 Equalities Framework

The Council publishes equalities information annually on its internet pages. The latest report (published in January 2016) reflects that:

- a) there have been no substantiated employee grievances raising equality issues;
- b) none of the employee disciplinary cases or Dignity at Work complaints related to any protected characteristics;

- c) there have been no due regard issues relating to the age, disability, race or ethnicity, religion or belief, sex or sexual orientation of employees or potential employees.

5.5.6 Health and Safety

The annual health and safety performance report for 2015/16 is presented to the Cabinet Portfolio Holder for Resources & Delivering Value each year. The Report provides an overview of key performance statistics, including the number of accidents, commentary on key aspects of health and safety and looks into the next reporting year to describe the Council's objectives for the coming twelve months. As such, the report confirmed that:

- there have been no fatalities and no prosecutions or enforcement notices issued by either the Health and Safety Executive (HSE) or the Fire Service during 2015/16;
- the continuing delivery of a structured programme of training has enabled over 4200 employees (Schools and core Council) to receive some form of health and safety training (both by e-learning and face to face);
- the number of employee reported accidents has decreased from 285 (2014/15) to 227.

5.6 Assurance from Customers

Overall, 503 complaints were received in 2015/16 which is a reduction of 16% compared to the 599 complaints recorded in 2014/15. The reduction was expected as there have been no significant changes in services which affect all households and there has been no significant disruption to services due to inclement weather.

The Council also received 995 compliments in 2015/16, which is a decrease of around 6.5% compared to the 1064 compliments received in 2014/15.

Full details of the numbers and reasons for complaints and compliments are published in an Annual Complaints and Compliments Report that is expected to be presented to Stronger Communities and Neighbourhood Services Scrutiny Board during 2016.

5.7 Assurance from External Inspections

5.7.1 External Audit

The last "Audit Findings" Report issued by Grant Thornton was presented to both Audit and Governance Committees in September 2015. The Report was very positive, did not identify any control weaknesses and made no recommendations for management to consider.

External Audit provided an unqualified opinion on the accounts, an unqualified conclusion in respect of the Council's arrangements for securing economy, efficiency and effectiveness in the use of resources and an unqualified opinion on the Council's Whole of Government Accounts submission. In addition, External Audit reported that the Council:

- continues to be financially sound and has robust financial forecasting and monitoring;
- is prioritising its resources within tighter budgets, has been forward thinking and innovative in delivering savings and continues to deliver value for money;
- has a Medium Term Financial Strategy (MTFS) that is realistic and reflects the Council's objectives.

5.7.2 Peer Challenges

A peer challenge is a supportive but challenging 'critical friend' approach to assist councils and their partners to identify what is going well and where improvements can be made. During 2015/16 the following peer reviews were undertaken:

- a) A Planning Advisory Service (PAS) Peer Review was undertaken during February and March 2015. Feedback on the recommendations from the Review were shared with Planning Committee and then drafted into an Action Plan.

The PAS Review, and proposed Action Plan, was referred to the Managed Growth Scrutiny Board for consideration on 13 January 2016. It was also recommended that the comments of current Planning Committee Members were sought. This was undertaken on 22 January 2016. A report was then submitted to the Managed Growth Cabinet meeting on 4 February 2016 asking for approval of the Action Plan.

The Cabinet Member for Managed Growth:

"Noted the findings of the PAS Review and approved the Action Plan as an appropriate response, subject to the removal of action 1.e regarding a 'Term of Office' approach.

Recommended that all Group Leaders be encouraged to ensure their Members participated in on-going Planning training and support.

Recommended that as many Members as possible be encouraged to participate in the mandatory training, for the purpose of acting as substitutes at Planning Committee.

Agreed to receive an update upon the implementation of the Action Plan in 6 months' time (September 2016)."

5.7.3 Ofsted

Ofsted is the Office for Standards in Education, Children's Services and Skills. It inspects:

- services that care for children and young people;
- services providing education and skills for learners of all ages;
- local authorities to find out how well they carry out their statutory duties in relation to schools and other providers.

Inspection reports are available on the Ofsted website at www.ofsted.gov.uk. During 2015/16 there were no Ofsted reports published for Solihull Council.

5.7.4 Care Quality Commission (CQC)

The Care Quality Commission (CQC) monitors, inspects and regulates health and social care services to make sure they meet fundamental standards of quality and safety. The CQC publishes performance ratings to help people choose care that is:

1. Safe
2. Effective
3. Caring
4. Responsive
5. Well-led

The latest inspection reports for each home are available on the Council's website at www.solihull.gov.uk and on the CQC website at www.cqc.org.uk

All Council provided accommodation for people who need nursing or personal care fully meets the required standards.

5.7.5 Ombudsman Complaints

The Local Government Ombudsman (LGO) provides a complaints handling service to make sure that local public services are accountable to the people that use them and that local authorities put things right when they go wrong. The LGO produces an annual review report (previously called annual letters) for each council about their performance in dealing with complaints made about them to the Ombudsman. A copy is published on their website at www.lgo.org.uk.

For 2015/16, in terms of overall administration, all complaints were dealt with to the Ombudsman's satisfaction. However, the Monitoring Officer did issue a statutory report under Section 5A of the Local Government and Housing Act 1989 following an Ombudsman's finding of maladministration.

6. Group Activities

Where the Council is in a group relationship with another entity to undertake significant activities, the Annual Governance Statement includes a review of the effectiveness of the system of internal control within such group activities. The following describes the group activities for the year ended 31 March 2016:

Coventry and Solihull Waste Disposal Company Ltd (CSWDC)

CSWDC is owned jointly by Coventry City and Solihull Metropolitan Borough Councils. A formal agreement sets out the operating arrangements between the two councils. The company is subject to the Waste Incineration Directive and the conditions of its Environmental Permit issued by the Environment Agency. Furthermore, the company monitors its activities through an Environment, Health & Safety Management System which is independently certified for compliance with the ISO14001 and OHSAS18001 standards.

The company has appointed Ernst & Young LLP as its auditors. The latest published Annual Report and Financial Statements (for the year ended 31st March 2015) and the draft statements submitted (for the year ended 31st March 2016) do not highlight any significant control weaknesses.

Solihull Community Housing (SCH)

SCH is a 'not for profit' company set up and owned by the Council to manage its housing services. A Management Agreement and Annual Delivery Plan set out the arrangements between SCH and the Council for delivering services and managing performance. SCH is managed by an independent Management Board, has appointed its own external auditors, RSM UK LLP and is subject to internal review by the Council's own Internal Audit.

SCH produces its own Annual Governance Statement and the latest published Statement and the draft accounts submitted (for the year ended 31st March 2016) do not highlight any significant control weaknesses.

Blythe Valley Innovation Centre Ltd (BVIC)

BVIC provides medium term accommodation for small, innovative companies and is managed by the University of Warwick Science Park Ltd. A Management Agreement sets out their responsibilities for managing and operating the Centre.

BVIC has appointed BDO LLP as its auditors and the latest published Report and Accounts (for the year ended 31st December 2015) did not highlight any significant control weaknesses.

7. Significant Governance Issues

Using the Council's established risk management approach, "significant" governance issues are those that could potentially lead to one or more of the following impacts:

- avoidable death
- financial implications of more than £250k
- legal action or intervention from a statutory body, partner or enforcement agency
- national media attention, potential Public Interest Report or Judicial Review

Following completion of the annual review of the Council's governance framework, the following action plan details any governance issues that have been assessed as significant.

Annual Governance Statement 2015/16 – Action Plan for any Identified Significant Governance Issues

Brought Forward Issues From Previous Year(s):

Identified From	Issue	Description	Responsible Officer(s)	Progress
<p>The Annual Governance Statement in 2014/15</p>	<p>Safeguarding</p>	<p>An internal audit of the Council's overall safeguarding arrangements identified some areas for improvement.</p>	<p>Director of Resources and Deputy Chief Executive</p>	<p>Implementation of an improvement action plan is well underway and a Corporate Safeguarding Steering Group (CSSG) has been established. During 2015/16:</p> <ul style="list-style-type: none"> • the level of safeguarding training required for each post has been assessed • induction now includes foundation training • more advanced safeguarding training has been made available to identified job roles • safeguarding training has been recorded corporately and take up will be monitored by the CSSG <p>Going forward:</p> <ul style="list-style-type: none"> • there is a robust system for identifying the Council's training requirements; • the CSSG will monitor the continued implementation of the agreed improvement action plan, as well as developing its own work plan to monitor and evaluate the continued effectiveness of a wide range of policies, procedures and practice designed to cover all aspects of safeguarding.

New Issues Identified During 2015/16:

Identified From	Issue	Description	Responsible Officer(s)
Internal Audit 2015/16	Limited Assurance	<p>There were 4 internal audit reviews undertaken during 2015/16 where the level of internal control fell below the required standard:</p> <ul style="list-style-type: none"> • Adult Social Care Billing • Catering Services • Use of Consultants • Abandoned Vehicles <p>Immediate action has been taken to respond to the findings of the audit reports, and in the case of Adult Social Care Billing and Catering Services include the appointment of new senior leads for each area of work. In addition, a dedicated team has been set up to address the issues identified in the Adult Social Care Billing report.</p> <p>Each of these areas will be subject to follow up work by Internal Audit, to confirm management assurances that recommendations have been implemented and the level of internal control has improved.</p>	Senior Management and Head of Audit Services
CIPFA Delivering Good Governance in Local Government Framework 2016	Implementation of the Framework	<p>CIPFA have recently introduced a revised Good Governance Framework (April 2016) which all local authorities need to adhere to in preparation for the 2016/17 accounts.</p> <p>An exercise will be undertaken during 16/17 to assess the Authority's existing arrangements against the revised Framework and to introduce improvements where necessary.</p>	Director of Resources and Deputy Chief Executive

8. Conclusion and Evaluation

As Leader and Chief Executive, we have been advised on the results of the review of the effectiveness of the Council's governance framework. Our overall assessment is that this Annual Governance Statement is a balanced reflection of the governance environment and the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

We are also satisfied that over the coming year, the Council will take appropriate steps to address any significant governance issues and we will monitor their implementation and operation as part of our next annual review.



Nick Page
Chief Executive



Bob Sleight
Leader of the Council