Annual Governance Statement

The Annual Governance Statement explains the Council's governance arrangements as it meets the requirements of the "Code of Practice for Local Authority Accounting in the UK" (the Code) and reports on the effectiveness of its system of internal control, including the reliance placed on the governance frameworks of our partners. It is included within the Council's Financial Statements to assure stakeholders on how the Council directs and controls its functions and how it relates to communities in order to enhance transparency and scrutiny of the Council's activities.

Scope of Responsibility
The Council 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. It also has a statutory duty to make arrangements to secure best value under the Local Government in Scotland Act 2003.

In discharging this overall responsibility, the Council's Elected Members and Corporate Management Team (CMT) are 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. The Council has established an arms-length external organisation: West Dunbartonshire Leisure Trust – to deliver leisure services more effectively on the Council's behalf, which reports regularly to Elected Members. From 1 July 2015 the West Dunbartonshire Health and Social Care Partnership was established to continue the development of the integration of social care and health services between the Council and NHS Greater Glasgow and Clyde.

The Council has approved and adopted a Local Code of Corporate Governance ("the Local Code"), which is consistent with the principles of the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) Framework: "*Delivering Good Governance in Local Government"*. The Local Code evidences the Council's commitment to achieving good governance and demonstrates how it complies with the governance standards recommended by CIPFA. A copy of this Code is available from the Council website at:

http://www.west-dunbarton.gov.uk/media/4312582/wdc-local-code.pdf

This statement explains how the Council expects to comply with the Local Code and also meets the Code of Practice on Local Authority Accounting in the UK, which details the requirements for the Annual Governance Statement.

The Purpose of the Governance Framework
The governance framework comprises: the systems and processes; and culture and values - by which the Council is directed and controlled and through which it accounts to and engages with communities. It enables the Council to monitor the achievement of the strategic objectives set out in the Strategic Plan. It enables the Council to consider whether those objectives have led to the delivery of appropriate and value for money services.

The Council has put in place a system of internal control designed to manage risk to a reasonable level. Internal controls cannot eliminate risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2022 and up to the date of the approval of the Statement of Accounts.

The Governance Framework

The main features of our governance arrangements are described in the Local Code but are summarised below:

- The overarching strategic vision and objectives of the Council are detailed in the Strategic Plan 2017/22, which sets out the key priorities of the Council and key outcomes the Council is committed to delivering with its partners, as set out in the Local Outcome Improvement Plan;
- Services are able to demonstrate how their own activities link to the Council's vision and priorities through their Delivery Plans. Performance management and monitoring of service delivery is reported through service committees regularly. The CMT monitors performance information regularly. The Council regularly publishes information about its performance;
- The West Dunbartonshire Community Alliance, which supports Community Planning West Dunbartonshire, represents the views of community organisations, communities of interest and geographical communities. In addition the Council has an Engaging Communities Framework in place which sets out our approach to engaging with citizens, community organisations and stakeholders. Consultation on the future vision and activities of the partnership is undertaken in a range of ways, including seeking the views of the Alliance and through specific service consultations and the Council actively engages with its partners through community planning arrangements;
- The Council has adopted a Code of Conduct and associated employment policies for its employees. Elected members adhere to the nationally prescribed Code of Conduct for Members in a localised format. In addition, the Council has in place a protocol on member/ officer relations and an inter-party protocol;
- The Council operates within an established procedural framework which incorporates a Scheme of Delegation, Standing Orders and Financial Regulations. These describe the roles and responsibilities of Elected Members and officers and are subject to regular review. The Council facilitates policy and decision making through the agreed committee structure;
- Responsibility for maintaining and operating an effective system of internal financial control rests with the Council's Chief Officer Resources as Section 95 Officer. The system of internal financial control is based on a framework of regular management information, the Financial Regulations, administrative procedures (including separation of duties), management and supervision, and a system of delegation and accountability. Development and maintenance of the system is undertaken by managers within the Council;
- The Council's approach to risk management is set out in the Risk Management Framework. A strategic risk register is in place and an update report on this is regularly submitted to the Corporate Services Committee and Audit Committee. The approach is embedded within the Council's strategic planning and performance management framework with regular reporting of risk management reported to service committees; and
- Comprehensive arrangements are in place to ensure Elected Members and officers are supported by appropriate training and development.
- The Council has adopted a response that is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.
- The Council continues to assess and monitor ongoing compliance with the CIPFA Finance Management Code.

Review of Effectiveness

The Council has a responsibility to review, at least annually, the effectiveness of its governance framework including the system of internal financial control. The review of effectiveness of the framework is informed by the work of the CMT which has responsibility for the development, implementation and maintenance of the governance environment, the Chief Internal Auditor's annual report; and reports from the external auditors and other review agencies and inspectorates.

The Council's current Code of Good Governance was approved at the Audit & Performance Review Committee on 8 March 2017. An assessment of the Council's compliance with the Code of Good Governance is supported by a process of self-assessment and assurance certification by Chief Officers and the outcome of this assessment was reported to the Audit Committee on 15 June 2022.

Each Chief Officer was presented with a self-assessment checklist to complete and return as evidence of review of seven key areas of the Council's governance framework and provided a certificate of assurance for their service areas.

The Audit Committee performs a scrutiny role in relation to the application of the Code of Good Governance and regularly monitors the performance of the Council's Internal Audit service.

In relation to the effectiveness of governance arrangements and systems of internal control for the Council's group entities, the Council places reliance upon the individual bodies' management assurances in relation to the soundness of their systems of internal control.

The Internal Audit service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) 2017 and reports to the Audit Committee. An annual programme of work is determined and undertaken by Internal Audit, approved by the Audit Committee, based upon an established risk based methodology. The Shared Service Manager – Audit & Fraud provides an independent opinion on the adequacy and effectiveness of the Council's System of Internal Financial Control.

The Audit Committee performs a scrutiny role in relation to the application of PSIAS and regularly monitors the performance of the Internal Audit service. The Council's Shared Service Manager – Audit & Fraud (the Council's Chief Internal Auditor) has responsibility for reviewing independently and reporting to the Audit Committee annually, to provide assurance on the adequacy and effectiveness of the code and the extent of compliance with it.

It is our view that the Council has in place a sound system of internal financial control and that appropriate mechanisms are in place to identify areas of weakness. This is corroborated by an annual assurance statement prepared by the Shared Service Manager – Audit & Fraud stating that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's internal control systems. Due to the COVID-19 pandemic, some audits from 2021/22 could not be carried out and have been rescheduled to take place in early 2022/23. However the overall audit plan is set within the context of a multi-year approach to audit planning such that key risk areas are reviewed over a 5 year cycle.

The system of governance (including the system of internal control) can provide only reasonable and not absolute assurance that the assets are safeguarded, the transactions are authorised and properly recorded, that material errors or irregularities are either prevented or would be detected within a timely period and that significant risks impacting on the achievement of the Council's objectives have been mitigated.

COVID-19

The significant incident which began in late March 2020 and the Council's responses as a Category 1 responder during the COVID-19 pandemic continued to test how well the Council's risk management, governance and internal controls framework operated during 2021/22. This was achieved using amended governance arrangements, embracing new ways of decision-making, leadership and implementation including virtual meetings and secure remote access to systems to allow homeworking for Council employees as the Council moved forward through the recovery phase.

All members of the Council's Senior Leadership Team and key stakeholders participated in a variety of Local Authority specific Covid-19/Business Continuity response groups supported by the Civil Contingencies Service. A comprehensive Covid-19 Impact Risk Register was developed covering all aspects of service delivery affected by the pandemic which was maintained throughout 2021/22.

Governance Issues and Planned Actions
The following main issues and areas for improvement during 2021/22 have been identified through the self-assessment exercise carried out by Chief Officers against key aspects of the Code of Good Governance:

Improvement Area identified by 2021/22 Exercise	Responsible Officer
Embedding Be the Best Conversations within all service teams.	Chief Officer, Citizen, Culture and Facilities Chief Officer, Supplies, Distribution and Property
Work is required in some services to review and update business continuity planning documentation.	Chief Officer, Housing and Employability Chief Officer, Resources
Business Classification Scheme will be rolled out to relevant service areas.	Chief Officer, People and Technology Chief Officer, Resources Chief Officer, Education, Learning and Attainment
Due to ongoing COVID-19 restrictions during 2021/22, some services have been unable to access offices and therefore physical access to hard copy files for destruction has not been possible. This will be resumed in line with easing of restrictions.	Chief Officer, Regulatory and Regeneration Chief Officer, People and Technology
Appropriate and proportionate assurances will be sought from key partners and suppliers in relation to business continuity arrangements in place for managing key risks.	Chief Officer, Education, Learning and Attainment Chief Officer, People and Technology
Although improvement activity stimulated by external inspection and internal improvement activity is monitored by HSCP Board and relevant Projects, it is recognised that HSCP would benefit from establishing arrangements to ensure consistency in monitoring processes.	Chief Officer, HSCP
Staff training and development has been identified as an area for improvement and resources have been identified and agreed to ensure co-ordination of approach to training and development across the HSCP.	Chief Officer, HSCP
An integrated workforce plan is being developed for HSCP for approval by HSCP Board during 2022/23. Succession planning has been identified as an area for improvement for the HSCP and work is ongoing in this regard.	Chief Officer, HSCP
In relation to self-evaluation, work is ongoing to review complaints and consider how all feedback can be captured and used to inform service improvement across HSCP.	Chief Officer, HSCP
Work is ongoing to implement the Council's information classification policy and procedure as part of the Microsoft Office 365 project.	Data Protection/Information Governance Officer
Review of Learning Disability Service to improve on ways of working to ensure the service is fit for the future demands. Service Improvement lead aligned to service. Full review to be picked up as part of renewal and recovery work.	Head of Mental Health, Addictions & Learning Disabilities
A Project Overview document has been developed and approved by the Integrated Housing Project Board in relation to the IHMS. This document is being utilised to manage all remaining Phase 2 implementation items.	Chief Officer, Housing and Employability
At the appropriate time a post-incident review will be carried out in relation to the COVID-19 Pandemic highlighting any lessons learned which will inform future emergency response and recovery arrangements.	Chief Executive

The 2020/21 Annual Governance Statement highlighted a range of areas for improvement during 2021/22. The following table provides an update on progress with these with a number having been completed or are areas which continue to have ongoing focus:

Improvement Area identified by 2020/21 Exercise	**Status**
Embedding Be the Best Conversations within all service teams.	Ongoing. There is improvement to be made to ensure all employees have regular 121s
Following COVID-19 work is required in some services to review and update business continuity planning documentation.	Ongoing
Business Classification Scheme will be rolled out to relevant service areas.	Ongoing. This will be resumed in line with easing of restrictions.
Due to COVID-19 restrictions during 2020-21, some services have been unable to access offices and therefore physical access to hard copy files for destruction has not been possible. This will be resumed in line with easing of restrictions.	Ongoing. This will be resumed in line with easing of restrictions
Improvement activity is ongoing within teams in order to develop and maintain strong supervision practices.	Complete
Although the Health and Safety team undertake the co-ordination role of Health and Safety Executive inspection reports to ensure that action plans are put in place, there is a need to ensure that there is regular review of action plan progress which will be included on agendas for 121 meetings between Chief Executive and Chief Officers going forward.	Complete
Work is ongoing to implement the Council's information classification policy and procedure as part of the Microsoft Office 365 project.	Ongoing as part of the Microsoft Office 365 rollout
Within HSCP, work is ongoing with Healthcare Improvement Scotland in respect of self-evaluation activity.	Complete
Within HSCP, continue to undertake targeted interventions for areas with higher absence levels to support line managers and ensure individual absences are being managed in an appropriate manner to support return to work.	Complete
Within HSCP, governance processes developed for tracking of audit action plans and ensuring action deadlines are met will continue to be embedded.	Complete
Continue to develop plans in response to the ageing population. We continue to develop and review services in response to the changing demographic.	Complete
Review of Learning Disability Service to improve on ways of working to ensure the service is fit for the future demands. Service Improvement lead aligned to service. Full review to be picked up as part of renewal and recovery work.	Ongoing
Improved case recording and assessment for children and families who receive statutory social work services.	Complete

Improvement Area identified by 2020/21 Exercise	Status
A Project Overview document has been developed and approved by the Integrated Housing Project Board in relation to the IHMS. This document is being utilised to manage all remaining Phase 2 implementation items.	Ongoing
At the appropriate time a post-incident review will be carried out in relation to the COVID-19 Pandemic highlighting any lessons learned which will inform future emergency response and recovery arrangements.	Ongoing

Best Value Assurance Report
Audit Scotland reported a Best Value Assurance Report on West Dunbartonshire Council to the Accounts Commission on 28 June 2018 which contained five recommendations, all of which are complete.

Health and Social Care Integration
The Council, as the funder of the Social Care services within the West Dunbartonshire Health and Social Care Partnership (HSCP) has an interest in the governance arrangements within the HSCP. Internal Audit arrangements for the HSCP is provided jointly by the Council's Internal Audit service and the Health Board's Internal Audit Service, with the Council's Internal Audit service providing audit arrangements for social care services and the general oversight of the HSCP's governance arrangements.

The HSCP has arrangements in place to review its own ongoing compliance with the revised Code of Governance. Due to the Council's role as social care service provider Internal Audit's process outcomes on such services are reported to the Council's Audit Committee as well as that of the HSCP. The Chief Social Worker provides Council with an annual report on the performance of the HSCP.

The financial arrangements for the Council's funding to the HSCP are aligned and budget processes run parallel to ensure that appropriate budgets for the HSCP are aligned with Council policy and budgeting approaches, particularly in relation to ensuring any efficiency targets for the HSCP funding from the Council are planned for and appropriate efficiencies are approved by the HSCP. On an ongoing basis Council continues to receive budgetary control information in relation to HSCP services funded by the Council.

Compliance with Best Practice
Statement on the role of the Chief Financial Officer in local government
The Council complies with the requirements of the CIPFA Statement on *"The Role of the Chief Financial Officer in Local Government 2010".* The Council's Chief Financial Officer (Section 95 Officer) has overall responsibility for the Council's financial arrangements, and is professionally qualified and suitably experienced to lead the Council's finance function and to direct finance staff.

Statement on the role of the Head of Internal Audit in Public Service Organisations
The Council complies with the requirements of the CIPFA Statement on "The Role of the Head of Internal Audit in Public Service Organisations 2019". The Council's Chief Internal Auditor has responsibility for the Council's Internal Audit function and is professionally qualified and suitably experienced to lead and direct the Council's Internal Audit staff. The Internal Audit service generally operates in accordance with the CIPFA "Public Sector Internal Audit Standards 2017".

Assurance
Subject to the above, and on the basis of the assurances provided, we consider the governance and internal control environment operating during 2021/22 provides reasonable and objective assurance that any significant risks impacting on the achievement of our principle objectives will be identified and actions taken to avoid or mitigate their impact. Systems are in place to continually review and improve the governance and internal control environment with plans in place to address improvement areas.

Martin Rooney	**Joyce White**	**Laurence Slavin**
Leader of the Council	**Chief Executive**	**Chief Officer – Resources**
Date:	**Date:**	**Date:**