

## **ANNUAL GOVERNANCE STATEMENT**

This statement meets the requirement to produce a Statement of Internal Control pursuant to Regulation 4 of the Accounts and Audit (Wales) Regulation 2005.

### **Part 1: SCOPE OF RESPONSIBILITY**

Gwynedd 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. Gwynedd Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

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

Gwynedd Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/Solace Framework Delivering Good Governance in Local Government. A copy of the code is on our website or can be obtained by writing to the Gwynedd Council, Council Offices, Shirehall Street, Caernarfon, Gwynedd LL55 1SH. This statement explains how the Authority has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit (Wales) Regulations 2005 in relation to the publication of a statement on internal control.

### **Part 2: THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Gwynedd 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 described above has been in place at Gwynedd Council for the year ended 31 March 2011 and up to the date of approval of the statement of accounts.

### **Part 3: THE GOVERNANCE FRAMEWORK**

The key elements of the systems and processes that comprise Gwynedd Council's governance framework arrangements are as follows:

#### **Identify and communicate the authority's vision**

- 'Gwynedd Together' – a strategic partnership of key agencies across the County – has developed the Gwynedd Community Strategy, "Improving Gwynedd Together". The purpose of the Community Strategy is to promote economic, social and environmental welfare in Gwynedd. The Strategy itself outlines a series of results and sub-results that the Council and its partners are working together to achieve. The strategy targets five principal strategic results:-
  1. An area where the economy prospers
  2. An area with a sustainable environment
  3. An area where children and young people succeed
  4. A vibrant area to live with safe communities
  5. An area with good health and the best care in the community
- **In addition**, the following principles are central to the work:
  - Promoting the economic social and environmental welfare of people and communities, ensuring a better quality of life for our generation and the generations of the future
  - Promoting local services that concentrate on the citizen
  - Deal with social matters that contribute to deprivation, poor health and a lack of equal opportunities
  - A commitment to joint working across the public sector, the private sector and the third sector
  - A commitment to be accountable to the residents of the county
  - Promote equal opportunities
  - Promote the Welsh language
- The Council's objectives and the transformation programmes within the Council's Three-Year Plan have been co-developed with the Community Strategy and support the work and vision of the Strategy. The aim of the Council is to seek "The Best for the People of Gwynedd Today and Tomorrow".
- During 2010/11, the Council followed specific operational steps in order to develop a Three-Year Plan for 2011-14. The Plan was adopted by the Council on 12 May 2011. The Three Year Plan is a key document for the Council since it is a strategic plan that summarises the improvement objectives that the Council wishes to address over the next three years.
- In accordance with the requirements of the Wales Programme for Improvement, the Council reviews the plan on an annual basis and sets out the ways that the main priorities will be responded to. The Plan is an important link between the Community Strategy and the Council's service business plans, and its indicators and plans for improvements at business unit levels.

#### **Review the authority's vision and its implications for the governance arrangements**

- During 2010/11, a self assessment was undertaken of the Council's leadership, engagement and governance arrangements and specific proposals were formulated by the Council's Transformation Programme Board to respond to this assessment. The aim was to ensure that the Council agreed to areas where arrangements are adequate and also on steps to undertake further development work where necessary.

The Council Board decided to use the standard IDeA (Improvement and Development Agency) benchmark, adapted to reflect the different requirements in Wales, as a basis for undertaking the assessment. That framework considers and seeks to provide a description of the ideal council across a number of areas, Achievements and outcomes, Leadership and governance, Engaging with customers, communities and partners, Resource and performance management and Organisation and people. The benchmark was adapted to simplify the language and also the conclusions of discussions with managers and lead members about "what sort of a council do we want to be."

- A Medium-Term Financial Strategy is presented to the Council each February.

**Measuring the quality of services for users, to ensure they are delivered in accordance with the authority's objectives and best use of resources**

- The Strategic and Improvement Department's mission statement is “to develop, establish and support a culture and robust systems for performance and project management in order to support the principle of continuous improvement and making the best use of resources”.
- Local performance indicators are developed as a result of the Council's business risk assessments. Each indicator is shown as being a key indicator either at Unit, Service or a Three-Year Plan level. The Three-Year Plan lists the Council's main key corporate indicators.
- The business planning process starts with a business risk assessment by every business unit within the authority. As part of this process, it is required of all units to consider performance compared with previous years, as well as performance compared with other local authorities (where such information is available).
- Once business unit indicators have been determined and targets set, the indicators are the subject of challenge by the Strategic and Improvement Department and elected members. Part of this challenge process is to recognise action processes for each area of low performance, and challenge targets that appear to be unduly low when compared with previous years' performance. The Council's Three-Year Plan identifies the areas that should be the focus of substantial improvements.
- In April 2011 a Local Code of Governance was adopted. The Local Code is based on six core principles of the CIPFA/SOLACE Framework for corporate governance in local authorities, and their supporting principles, which had been in turn adapted from the “Good Governance Standard for Public Services” that had been published by the Independent Commission on Good Governance in Public Services in 2004. The CIPFA/SOLACE Framework sets out the requirements for meeting each principle and also what should be reflected in the local code of governance.

**Define and document the responsibilities, with clear delegation arrangements for effective communication**

- The Council has adopted a management structure that includes a Chief Executive (who is also the Head of Paid Service) and 3 Corporate Directors. Together, they form the Council's Corporate Leadership Team. The members of the Corporate Leadership Team together with the Monitoring Officer and the Head of Finance form the Council's Management Group.
- The Council has nominated the Head of Democracy and Legal as the Monitoring Officer pursuant to Section 5 of the Local Government and Housing Act 1989, and the Head of Finance as the Chief Financial Officer pursuant to Section 151 of the Local Government Act 1972. The Council's Constitution contains protocols for the discharge of the functions of the Monitoring Officer and Chief Financial Officer.
- The Constitution contains details of the schemes for delegating power to committees, members and officers together with a distribution of functions that are not the responsibility of the Council Board.
- The Constitution includes a protocol on Members' duties and responsibilities. The protocol contains details on the purpose and responsibilities of members, chairperson, vice-chairperson, portfolio leader, senior leaders and the Council leader.
- Gwynedd Council has developed its Members Allowance Scheme on the basis of the Local Authorities (Allowances for Members) (Wales) Regulations 2007.
- In the Annual Meeting of the Council on 13 May 2010, the Members' Allowances scheme was amended to reflect the report by the Independent Remuneration Panel for Wales.
- Gwynedd Council has established a Standards Committee to safeguard standards of conduct and propriety in all the Council's transactions.
- The Overview and Scrutiny Strategy 2009/12 was published in order to ensure that the Council's members and officers jointly understand good practice in the area of scrutiny, together with the methods that will be used to stride ahead with the scrutiny function at Gwynedd Council.

**Develop and communicate codes of conduct for members and staff**

- The Council's values are as follows:

- Serving
- Positive
- Working as a team
- Value for Money
- Respect
- The Council has adopted “The Code of Conduct (Qualifying Local Government Employees) (Wales) Order 2001” as its code of conduct for all staff.
- The Code of Conduct for the Council's elected members is lead by the Members Conduct Order (Principles) (Wales) 2001. The Order identifies the principles that should govern the conduct of local authority members in Wales; the principles are:
  - Selflessness,
  - integrity,
  - Rectitude and decency,
  - Duty to uphold the law,
  - Stewardship,
  - Objectivity when making decisions,
  - Equality and respect,
  - Openness,
  - Accountability,
  - Leadership.
- The Members Code of Conduct includes specific parts on interests and the register of interests for members. The declaration of interests for staff is retained centrally by the Monitoring Officer. Staff are expected to present their declaration of interests in writing in the first instance to the Chief Officer and then sent to the Monitoring Officer.

#### **Review and update processes and controls required to manage risks**

- Every committee report that requires an executive decision are presented to the 3 statutory officers for comments.
- Audit and Risk Management Services within the Finance Department has developed a Risk Management Policy and Strategy for the whole authority. The policy and strategy have been approved by the Corporate Leadership Team, with the objective of ensuring that the management of risks has been formally embedded in all aspects of the Authority’s work. This is a continuous process to ensure all managers receive training on identifying risks and opportunities. Identifying risks and developing implementation plans are a part of the Authority’s "Cyflawni" business cycle.
- The Internal Audit Strategy sets out clearly the intention to provide a service which undertakes risk based audits, and the reliance placed on the corporate risk management arrangements when planning Internal Audit work. As there is uncertainty with regards to how exactly Internal Audit will be provided to Gwynedd Council after March 2012, the Audit Committee agreed in its meeting on 10 March 2011 to approve the extension of the 3-year Internal Audit Strategy for a further year, to 31 March 2012.
- Managers are expected to manage the risks that are relevant to their area of work. This has been incorporated into the Risk Management Strategy. It is expected that job descriptions contain specific reference to certain risks, in particular to those in the areas of Health and Safety and Equality.
- The Financial Procedure Rules form part of Gwynedd Council’s constitution and sets out a framework for managing the Council’s financial affairs. They are regularly reviewed.

#### **Function of the audit committee**

- In 2010/11 the Council had an Audit Committee discharging the following functions:-
  - I. Promoting internal audit, establishing a timetable to conduct review control, develop an anti-fraud culture and review financial operation;

2. To focus the Council's audit resources by agreeing on audit plans and monitoring the provision of audit;
  3. To monitor audit performance by ensuring that officers' work is on schedule, that audit reports are produced promptly and that they are responded to in the same manner, monitoring the completion of the accounts and ensuring action on audit recommendations;
  4. Considering observations and concerns about individual services, on the basis of reports by Council officers or the Wales Audit Office on behalf of the Auditor General for Wales.
  5. To approve the Council's statement of account under the Accounts and Audit (Wales) Regulations 2005, along with any accompanying documents.
  6. Consider the reports of the Public Services Ombudsman for Wales under Section 16 of the Public Services Ombudsman (Wales) Act 2005 and decide how to act
  7. Receive an annual report on complaints under the Council's complaints procedure.
- The Internal Audit service is provided in accordance with CIPFA's Code of Practice for Internal Audit in Local Government in the United Kingdom. The Code states that Internal Audit is an assurance function that provides an independent and objective opinion to the organisation on the control environment, by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. An annual audit plan prepared on the basis of the Internal Audit Strategy.
  - In accordance with the requirements of the CIPFA Code of Practice, the Senior Manager, Audit and Risk prepares an annual report that summarises the results of internal audit work during the year on the overall system of internal control within the authority.

**Ensuring compliance with relevant laws, regulations, internal policies and that expenditure is lawful**

- The Council's internal and external auditors are expected to report to relevant officers on any failure to comply with either policy or legislation, and to report to the Audit Committee in accordance with its Terms of Reference. The heads of department receive a copy of every relevant internal audit report, and the result of follow-up work on recommendations is reported to the Audit Committee with a view to maximising the impact of audit work.
- Gwynedd Council has prepared a Corporate Health, Safety and Welfare Policy in accordance with the Health and Safety in the Workplace Act 1974. The policy states that the Council recognises and accepts, as far as is reasonably practicable, its duties as an employer towards its workers and others that may be affected by its activities. The aim of Gwynedd Council is to attain the highest standard in managing health, safety and welfare.

**Whistle blowing and receiving complaints from the public**

- The Council has adopted a Whistleblowing Policy and Arrangements, a scheme which gives staff a safe and reliable method for reporting honestly any concerns regarding illegal, fraudulent or corrupt behaviour, financial malpractice, endangering the public or the environment, abuse of clients, etc. During May 2009 cards that promoted awareness of the whistle blowing arrangements were distributed to all Council staff.
- The Council has introduced a standard procedure across the Council to deal with complaints. The Council is of the opinion that the procedure is easy to use, it investigates thoroughly every complaint, guarantees a quick response and proposes the chance to take the matter further if individuals are not happy with the response. Further, the complaints procedure is in accordance with statutory requirements within the departments e.g. Social Service arrangements in relation to Children Act 1989 and Care in the Community Act 1990. A "Complaints Form" is available to record the complaint.

**Identify and develop the needs of members and senior officers**

- The Council has devised a training matrix for staff, and has identified 6 training categories: Corporate Management Team, Head, Managers, Field Leaders, Supervisors, Staff and direct workers. Specific features were used to identify the appropriate training category for staff. A training programme has been developed for every category.
- The Authority continues to implement and develop the Member Training and Development Strategy adopted by the Council in May 2009.

### **Establishing clear channels of communication with the community and other stakeholders, ensuring accountability and open consultation**

- There is a member and officer relations protocol within the Constitution with the purpose of guiding members and officers of the Council in their relations with one another. The protocol seeks to offer guidance on some of the issues which most commonly arise, and promote greater clarity and certainty.
- Gwynedd Together holds an annual meeting for the people of Gwynedd to receive feedback on the work undertaken and to contribute towards the next steps to be taken by the partnership.

### **Incorporating good governance arrangements in respect of partnerships and reflecting these in the governance arrangements**

- During 2010/11 a review of partnerships across North Wales was undertaken under the leadership of North Wales Police, due to the perception that the system that was in place was unsustainable:
  - The reductions in funds for public services mean that there will have to be an agreed focus / reduction of priorities, underpinned by fewer meetings and in some areas, less funding to support partnership employees.
  - Some grants enabling local authorities to provide functions to support certain partnerships have been reduced.
  - Radical reductions in funding available to statutory partners, e.g. the Police and the Health Board impacts on their capacity to support the current volume of partnerships at local level.
- The aim was to:-
  - Provide improved collaborative working between all agencies and easier access to a wider range of expertise by reducing complexity and fragmentation.
  - Set out a direction of travel with changes which will be made to the present structure of partnerships in North Wales.
  - Make broad recommendations about how to make partnerships more effective, efficient and outcome focused.

### **Arrangements for ensuring adequate and effective financial management**

- The Financial Procedure Rules form part of Gwynedd Council's constitution and sets out a framework for managing the Council's financial affairs. The rules were reviewed in May 2009.
- It is the duty of the Council Board, subject to such directions as may from time to time be given by the Council, to regulate, supervise and control the whole of the finances and accounts of the Council and all its departments and to co-ordinate financial and accounting arrangements.
- It is the duty of the Audit Committee to monitor and review the accounts and financial management of the Council and all its services with regard to financial propriety by reviewing financial operations, promoting internal control and developing an anti-fraud culture.
- It is the duty of the Main Scrutiny Committee to monitor and review the accounts and financial management of the Council and all its departments regarding reviewing the Council Board's decisions, development of relevant policies, monitoring the financial position of the Council and promoting value for money.
- The Head of Finance is the officer responsible for the administration of financial affairs as required by Section 151 of the Local Government Act 1972.
- In addition to the responsibility under Section 151 of the Local Government Act 1972, the Head of Finance also has statutory duties in relation to the financial administration and stewardship of the Council. This statutory responsibility cannot be overridden. These further statutory duties arise from:
  - The Local Government Finance Act 1988
  - The Local Government and Housing Act 1989
  - The Accounts and Audit (Wales) Regulations 2005
  - The Local Government Act 2003
- The Head of Finance is responsible for:

- The proper administration of the Council's financial affairs;
- Setting and monitoring compliance with financial management standards;
- Reporting on the robustness of estimates, and also the adequacy of the proposed financial and controlled reserves for the purposes of making budgetary calculations.
- In accordance with Section 114 of the Local Government Act 1988, the Head of Finance shall report to the Full Council, the Council Board and external auditor if it appears to him that the Council, a committee of the Council, a joint committee on which the Council is represented, or one of its officers:
  - Has made, or is about to make, a decision which involves incurring unlawful expenditure;
  - Has taken, or is about to take, an unlawful action which has resulted or would result in a loss or deficiency to the Council;
  - Is about to make an unlawful entry in the Council's accounts.
- No report shall be presented to the Council Board (or to the Full Council, Human Resources Committee, or other committee with executive powers) unless it has first been submitted to the Head of Finance for comments on financial propriety or financial implications of recommendations. Before issuing financial information to outside bodies and individuals, officers or members shall consult with the Head of Finance or relevant finance manager to ensure accuracy. The Head of Finance must be consulted personally where relevant finance manager deems that the information is commercially sensitive.
- Each head of department shall ensure that sound principles of internal check are applied in his or her department to the satisfaction of the Head of Finance. In particular:
  - The duties of providing information regarding sums due to or from the Council and of calculating, checking and recording these sums shall be separated as completely as possible from the duty of collecting or disbursing them;
  - Officers charged with the duty of examining and checking the accounts of cash transactions shall not themselves be engaged in any of these transactions.

## Part 4: EFFECTIVENESS OF THE GOVERNANCE FRAMEWORK

Gwynedd Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the authority, who have responsibility for the development and maintenance of the governance environment, and also by comments made by the external auditors and other review agencies and inspectorates.

The review described herein was undertaken by reviewing the findings of the Council's internal and external auditors and through discussions with key officers within the authority. The process that has been applied to maintain and review the effectiveness of the system of internal control includes:

- The Gwynedd Together Partnership Framework, the Community Strategy, is currently the subject of consultation.
- As part of the process of developing the new Three-Year Plan, for the period 2011-14, consultation occurred at a number of locations across the county to seek the views of groups from the public on the issues requiring attention in the coming years. In addition, there were three workshops for all councillors and senior officers that led in turn to:
  - a list of key issues and expected results presented at and agreed by the Council's Board
  - key conclusions and messages from the workshop presented to the Programme Boards as they prepared detailed plans
  - opinions, comments and input on the work of the Boards before completing the detailed plans.
- In his review of the Council's Improvement Plan, the Wales Audit Office's Appointed Auditor reported that the Council's Improvement Plan 2010-11 meets statutory requirements and provides a balanced view of its performance in 2009-10. However, the Auditor noted that the Council should consider restructuring the plan so that the reader can more readily understand the Council's performance.
- The work of preparing the new Three-Year Plan was started with a detailed assessment of the main drivers that are influencing the county now and are likely to do so over the coming years. That work was undertaken with partners under the banner of the Community Strategy and other key partnerships within the county.
- In accordance with the commitment in the Three-Year Plan, the Council will undertake a formal annual review to consider whether any change in direction is required.
- In order to further strengthen the governance and implementation arrangements, the main issues of the Three-Year Plan now sit under the following 6 Strategic Programmes:
  - Transforming the Council
  - Economy and Regeneration
  - Environment and Infrastructure
  - Children and Young People
  - Savings
  - Care

Each of these strategic programmes has its own Programme Board in order to ensure implementation, with robust arrangements in place for each of the main issues, reporting to the Programme Board. Members as well as officers sit on the Programme Boards in order to enhance the democratic arrangements. In addition, there are three Strategic Projects that sit outside the programme board arrangements, namely Health Improvement, Language and Local Development Plan.

- In February 2011, a Four-Year Financial Strategy for the period 2011/12 to 2014/15 was presented to the Council. In his report, the Corporate Director noted "whilst it appears that we have managed to find the savings we will need to ensure a balanced budget in 2011/12 and 2012/13, it is certainly the case that the proactive stance taken by the Council has paid dividends, but we must ensure that we do not now take the foot off the pedal as we must ensure that various schemes which are chosen are implemented to achieve the savings targets".



- In September 2010 the Auditor General produced a Corporate Assessment on how the Council is organised and managed. The overall conclusion of that report was that the Council's leadership is addressing the need for change, but some key building blocks are not yet well enough embedded to assure continuous improvement. The auditor explained, "In other words, the Council has recognised that it needs to change the way in which it manages some of its services and has put plans in place to do so. The Council has already taken significant steps forward in areas such as school reorganisation and the transfer of its housing stock. We also found that the Council is taking a critical look at many of its own arrangements, as well as responding to reports issued by the Wales Audit Office and other inspectorates. In doing so, the pace of change has increased, but it is too early to say whether some of the Council's plans will have the desired impact."
- The Local Code of Governance sets out the Council's position as it is today. The Council's Self-Assessment has identified some areas of weakness which an action plan will be required to address, especially in relation to the last principle which is engagement. As the Council's processes develop in this area, it will be possible to add to the local code of governance.
- The intention behind the code is to summarise in one document the principles which the Council uses in governance and also to demonstrate how its processes relate in practice to the principles. The Council has acknowledged that it is a document which will require constant review as those processes develop. Every year, an annual corporate governance statement is presented and that will be an opportunity to review the local code and to revise it if necessary.
- No reports have been presented to the Council, the Council Board, the Human Resources Committee, the Pensions Committee nor, in the case of individual properties, to the Area Committees nor to individual members without having first been presented to the three statutory officers for comment on any matter regarding policy, legality, propriety and financial obligations of any recommendations.
- The Council's Overview and Scrutiny arrangements will be reviewed further during 2011/12 following enactment of the Local Government (Wales) Measure 2011.
- In order to ensure that the Council's values are emphasised, they are used as a footer of correspondence, on the Council's intranet site and on publications.
- The Wales Audit Office undertake an annual review of the Council's Internal Audit service. In its latest review the external auditors concluded that Gwynedd Council has an effective Internal Audit service that achieved fully 10 out of 11 professional standards. It complies partially with the "Independence" standards as the Senior Manager Audit & Risk has other responsibilities beyond Internal Audit.
- The Senior Manager, Audit and Risk reported that Gwynedd Council, in his opinion, has a sound framework of control to provide reasonable assurance regarding the effective and efficient achievement of the Council's objectives, as the steps taken by the Council during the financial year to establish and strengthen internal controls and to ensure that recommendations to remedy weaknesses identified by the Internal Audit service have, overall, been satisfactory.
- There are regular meetings of the Audit Committee. The Committee closely supervises Internal Audit's completion of the audit plan and its success in conducting follow-up audits in areas where internal control failings have been identified. The Committee calls managers and Heads to account where there has been a failure to implement expected improvements to internal controls.
- Internal Audit undertook during 2010 a review of awareness of the Whistleblowing Policy across the Council. The main conclusion of the review was that there was a substantial increase in the awareness of Council employees of the Whistleblowing Policy since the last similar audit in 2003. Nevertheless, when analysing the results of the questionnaire, it was seen that only 25.5% of employees expressed that they had received a Whistleblowing contact card. However, the actual percentage could be higher because the cards were distributed to the employees some time ago now. It was seen that the best way of promoting the policy amongst Council employees was through the intranet. It was suggested on many occasions that the policy was much too difficult to find there.
- On 1 March 2011, the following was adopted by the Council to be part of the Member Training and Development Strategy:
  1. Description of Role and Responsibilities for Chairs and Vice-chairs
  2. Description of Role and Responsibilities for Scrutiny Members
  3. Competencies and Behaviours document for Chairs and Vice chairs

#### 4. Competencies and Behaviours document for Scrutiny Members

- The project to transfer the Council's housing stock to Gwynedd Community Homes was successful, with the transfer occurring on 12 April 2010.
- Following the review of the effectiveness of North Wales partnerships, under the leadership of North Wales Police, the Council Board resolved:
  1. To support the move to a two-county pattern for the partnerships of the Community Strategy and Local Services Boards, the Health, Care and Well-being Partnership and the Children and Young People Partnership, but that the effectiveness of those arrangements be reviewed within a year.
  2. To co-operate with the development of proposals for a two-county pattern for the above partnerships and that those proposals be further scrutinised before submission to the Council Board.
  3. To support the move to set a strategic direction for the areas of Community Safety and Youth Justice across the north provided those arrangements afford sufficient attention to more local priorities arising in those areas to reflect how different areas vary across the north.
  4. To emphasise the importance of safeguarding the status of the Welsh language in any partnership deliberations under the new pattern.
  5. To state that there should be no further changes to the regional structures for partnerships until a review of the new sub-regional arrangements has been considered.
- The Council was subject to **x** reviews by the Ombudsman following allegations of maladministration.

We have been advised on the implications of the result of the review of the effectiveness of the system of internal control, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

## **Part 5: SIGNIFICANT GOVERNANCE ISSUES**

The processes outlined in previous sections of this statement describe the methods used by the Council to identify the most significant governance issues that need to be addressed:

- A number of external bodies have conducted reviews on the Council's arrangements. The relevant departments will give attention to the issues identified.
- Programme Management procedures have been introduced in order to ensure the effective implementation of steps that need to be achieved in order to complete the tasks identified in the Three-Year Plan, together with other key actions. As a result, the successful implementation of the Programme Management regime is in itself a significant governance issue.
- The main issues in the revised Three-Year Plan, which will receive attention during 2010/11 in accordance with the Programme Management regime, include the following governance issues:

### **CARE PROGRAMME**

#### **Transforming Business Management Arrangements Project**

- **Commissioning** – Clarity for stakeholders on the commissioning proposals for the next 5 years in the field of Older People and Learning Disabilities, which will correspond to the Department's vision, financial capacity and needs of users.
- **Performance Management** - Department Officers, down to Team Leader / Senior Practitioner level having fully participated in a self-evaluation, identifying where there's a need to plan to improve experiences and outcomes for service users. Results Count exercise completed in all fields identified during the self-evaluation as fields where there was a need to turn a corner in terms of performance in order to improve the quality of the performance.
- **Review of financial systems** - Human resources funded and identified to install RAISE financial modules, which, after it is realised, will provide the benefit of ensuring improved financial propriety, increase the efficiency of processes and provide users with better experiences, as personal and financial information will be on one system.
- **Information Management** - Departmental information filing and storage procedure in place which will mean that staff can work more effectively and that information about service users and other stakeholders is more secure.

### **REGENERATION AND ECONOMY PROGRAMME**

#### **Keeping the Benefit Local Project**

- We will have identified the full potential of deploying social clauses within contracts.
- The Loans Fund will have been established and will be available to support Gwynedd businesses

### **CHILDREN AND YOUNG PEOPLE PROGRAMME**

#### **Breaking the Cycle Project (Supporting Families)**

- Clarity regarding the cost to the public sector of supporting vulnerable families.
- Models in place for providing integrated support to families across the continuum of need.

#### **Transforming Services for Disabled and Sick Children and Young People Project**

- Agreement in place between the Council and the BC University Health Board regarding the new pattern of providing an integrated service to disabled and sick children and young people and their families.
- Clarity regarding the possibility of including education services fully in the formal collaborative arrangement.

## **TRANSFORMATION PROGRAMME**

### **Engagement Project**

- An increase of engagement awareness among key officers (including an appropriate management system).
- The opinion of a Residents' Panel voiced on a number of the Council's main matters

### **Customer Care Project**

- A direction agreed to improve Customer Care by re-defining the strategy and identifying a specific service for intensive work. A series of measures identified which indicate the quality of service to the customer.

### **The Workforce Project**

- Better awareness of the work that needs to be done in order to improve internal communication
- Develop a "Visible Leadership" system in which Leadership discusses issues face-to-face with staff

### **Democratic Arrangements Project**

- Agreement of the Full Council regarding final proposals for a model to be submitted the Assembly with regards to changes to operational arrangements for governance (i.e. Cabinet)
- Develop and implement schemes to develop the culture, members and arrangements of the new Council, with prospective candidates aware of the changes.
- Develop an alternative role for councillors as local representatives – a system of governance that holds the cabinet to account.

### **Commissioning with a focus on Results Project**

- Develop the Three Year Plan to ensure that the main projects are commissioned on the basis of results

## **SAVINGS PROGRAMME**

### **Services' Efficiency Target Project**

- A package of efficiency plans for the following years adopted by the Council.

### **Corporate efficiency Project**

- Regional collaboration business cases agreed and accepted by the Council.

### **Savings Realisation Project**

- Achieve the total planned savings for the year of £5.0m.

### **Outcome Agreement Project**

- Agreement by the Assembly Government that the Council has shown that it has achieved the intended progress, and confirmation that we will receive 100% of the possible sum (£1.3m).

**Part 6: OPINION**

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

---

**HARRY THOMAS  
GWYNEDD COUNCIL CHIEF EXECUTIVE**

---

**Councillor DYFED WYN EDWARDS  
LEADER OF GWYNEDD COUNCIL**

**DATE**

**DATE**