

ANNUAL GOVERNANCE STATEMENT

This statement meets the requirement to produce a Statement of Internal Control pursuant to Regulation 5 of the Accounts and Audit (Wales) Regulation 2014.

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 available 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 5(5) of the Accounts and Audit (Wales) Regulations 2014 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 the governance 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 on-going 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 2017 and up to the date of approval of the statement of accounts.

Part 3: GOVERNANCE ARRANGEMENTS AND THEIR EFFECTIVENESS

- 3.1 The **Governance Arrangements Assessment Group** keeps a continuous, disciplined overview on matters of governance, raising a wider awareness of them and promoting a wider ownership of the Annual Governance Statement. The Group comprises the Chief Executive, the Monitoring Officer, the Head of Corporate Support, two Corporate Support Senior Managers, the Senior Manager Revenues & Risk and the Risk & Insurance Manager.
- 3.2 Following the publication of a new version of the CIPFA/Solace Framework *Delivering Good Governance in Local Government* in 2016, the Group has modified the Council's arrangements for identifying and assessing its governance arrangements to reflect the new framework. The result of this was to set out the local framework in the form of a Governance Risk Register, which is part of the Corporate Risk Register, which identifies 22 areas of governance risk.
- 3.3 An outline of the Governance Areas, the relevant risks and the Council's arrangements for dealing with them, and the effectiveness of these arrangements, is given in the rest of this part of the Annual Governance Statement.
- 3.4 For each of the Governance Risks, a current risk score is shown, which is the score after an objective assessment of the control arrangements that are currently in place. Two factors are considered:
- The Impact of the risk if the event were realised
 - The likelihood of this happening
- 3.5 The Impact scores vary from 1 (visible effect) to 5 (catastrophic effect), and the Likelihood scores from 1 (very unlikely) to 5 (is happening now). The risk score is calculated by multiplying these scores together.
- 3.6 The comparative risk levels are assessed as follows:

Score 20-25	Very High Risk
Score 12-16	High Risk
Score 6-10	Moderate Risk
Score 1-5	Low Risk

Culture

Risk: Inappropriate culture within the Council can hinder our ability to do the right things in the correct manner

Assessment:

An appropriate culture can promote all aspects of governance noted in the register, and in the same manner an inappropriate culture can hinder all aspects of governance.

If the culture is correct, this can dominate everything else that affects our ability to achieve, as the principles of good governance are an inevitable part of the day to day conduct of each individual within the establishment. The Ffordd Gwynedd Strategy now notes that one of the Council's main aims is to place the people of Gwynedd at the heart of everything we do. In reality, this also describes the Council's values - namely anything that is in keeping with that objective.

Ffordd Gwynedd work has already commenced at eight work locations within the Council with further substantial work proceeding to try and permeate a change in culture throughout the Council by highlighting what this means to them and their teams. By now there are continuous signs that the culture linked to Ffordd Gwynedd is rooting in the conversations that arise within the Council, and even in some of the talks that happen outside the Council. The hope is that a development programme that is proposed to be given to all Council managers, and commences in 2017/18, will intensify the permeation of the culture within the establishment.

Current Risk Score:

Impact	Likelihood	Risk score
4	4	16

Conduct

Risk: Lack of integrity, ethics and respect in the conduct of members and officers, undermining the public's confidence in the Council

Assessment:

Appropriate behaviour is essential in order to ensure that the County's residents have confidence in those who make decisions on their behalf, and that they do so in a manner whereby they can be confident in them.

The Council has adopted codes of conduct for its members and officers, based on national regulations (codes such as the Member/Officer Relationship Code; Members' Code of Conduct; Officers' Code of Conduct; Anti-fraud and Anti-corruption Policy and the Whistle blowing Code of Practice) and these together set the foundation to ensure integrity and ethics. There is evidence of action when it appears that these codes of conduct have been breached.

In the past, some evidence existed of tension between members as the new Cabinet arrangements were implemented within the Council and the change of roles linked to this, and there is no evidence to suggest that those tensions have completely disappeared, with a recent report by the External Auditor on Scrutiny reinforcing this message. Nevertheless, there are signs that the tensions have started to diminish. Tensions are inevitable and are to be expected when there are any significant changes.

There is clear evidence that the Council gives valid consideration to the Ombudsman's reports as part of the work of the Standards Committee, which works effectively.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Lawfulness

Risk: Ignoring the rule of law, that means that the Council is open to challenges from the courts.

Assessment:

Everything the Council does has to be in compliance with the law.

Statutory Officers (the Monitoring Officer and the Head of Finance) have to offer comments on any formal decision, as part of a comprehensive Constitution that is regularly reviewed. There are formal protocols in place in order to safeguard the rights of statutory officers.

Current Risk Score:

Impact	Likelihood	Risk score
3	1	3

Openness

Risk: A Council that is not open means that it is not possible to hold it accountable for its decisions.

Assessment:

Being open is essential for accountability and a healthy democracy.

Whilst there is a law that allows reports to be considered exempt for publication, only the minimum of Committee reports are exempt, and in addition to publishing the minutes of full committees, publicity is given to the decision notices of individual members, with procedures to ensure that this occurs. Background papers are published with committee reports in order to ensure that the decisions are made with full information. A number of committee meetings that make decisions are web-broadcast.

The Cabinet regularly considers performance reports as part of its meetings that are open and the Council publishes its Corporate Plan, Annual Performance Report and the Statement of Accounts to seek to give as much information as the residents need for us to be accountable.

Various other methods are also used such as the website, 'Newyddion Gwynedd' and social media to try to ensure that Gwynedd residents are aware of what is happening within the Council.

Current Risk Score:

Impact	Likelihood	Risk score
2	1	2

Stakeholders

Risk: Weak relationship with institutional stakeholders, ending with sub-optimal services

Assessment:

The willingness of public sector bodies, including Gwynedd Council, other neighbouring unitary councils, the Police, the Health Board and others to collaborate in order to deliver public services jointly will have a substantial and visible effect on Gwynedd people.

Work is currently proceeding to respond to the requirements of the Well-being of Future Generations (Wales) Act 2015 that facilitates such a principle. Amongst these requirements is the statutory need to establish a Public Services Board, which includes local authorities and several other bodies. Work has been undertaken to conduct an assessment of well-being, this is part of the initial work of the Public Services Board and has been published.

The Council will consider this assessment when drafting its own Plan from 2018 onwards.

The Council is committed to the Public Services Board, introduced as a result of the Well-being of Future Generations Act, as a means of maintaining a constructive relationship with other public sector stakeholders. The Partnerships Criteria have been established for several years so that Gwynedd Council only goes into partnership when this is for the benefit of the people of Gwynedd.

Collaboration also occurs at a regional level which is not always as effective as it could be due to the footprint size and the difficulty of building a relationship with such a large number of people. There are some examples of success (e.g. Ambition Board) and one of the Council's responses to the recent White Paper was that collaboration should be sought according to the benefit that would stem from it rather than dogmatically adhering to one model. It was also noted that there was a need to ensure that collaboration does not hinder local accountability for services.

Collaboration also occurs at a county level and the success is varied.

There is work to review the system in the Care field; this includes close collaboration with Health and others, which is showing promising signs. Work has been undertaken to identify plans to be commissioned in the future.

Current Risk Score:

Impact	Likelihood	Risk score
3	4	12

Engagement

Risk: Failure to engage with service users and individual citizens, leading to not doing things correctly.

Assessment:

Clear engagement with the People of Gwynedd to establish clear communication and to get a true understanding of the needs, is one of the principal elements of the governance arrangements.

During 2015/16 the Gwynedd Challenge, a plan to discuss the financial position with Gwynedd residents, demonstrated that a significant increase had been made in our engagement arrangements.

The Gwynedd Challenge exercise was extremely successful and attracted a response from over 2,000 Gwynedd residents; this enabled the Council to take logical decisions in terms of future priorities in light of the views of the people we serve. Whilst there is a need to ensure that this good practice permeates amongst all Council departments, the score now reflects the improvement seen in this area bearing the Gwynedd Challenge in mind and the work done specifically in the area of Waste.

The purpose of Council's Engagement Strategy is to ensure that the Council receives the views of the public and other stakeholders as appropriate, with the Communication and Engagement Unit supporting services to consult in a suitable method and give support by analysing the results.

Furthermore, the Research and Information Team supports services to make better use of the information we have in order to increase inclusivity. There are guidelines in order to respond to the Well-being of Future Generations Act for us to consider smaller units than the Council's footprint and the County has been split into eight well-being areas. The residents of those areas were consulted when drafting the well-being assessment.

It was possible to achieve all the elements of the Engagement Strategy; however a recent analysis indicates that we have not yet reached our destination.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Direction and vision

Risk: Direction and vision that is not rooted in the outcomes for individuals, ending with something on paper that does not realise the needs of the People of Gwynedd.

Assessment:

The Strategic Plan is the high level statement that outlines what the Council aims to achieve during the life of the current Council and this ensures that we are clear and open about what it is intended to achieve. The current Plan ends in 2018 and the work of drafting the new plan will commence immediately following the May 2017 election.

The current Plan comprises a number of projects in order to ensure an improvement for the people of Gwynedd, and arrangements are in place to monitor progress of individual projects within the Plan. The Council acknowledges that the nature of the existing Plan means that it is not easy to interpret from it what is the Council's core work. The Plan in its present form is a catalogue of the matters that need to be changed within the Council and in the Gwynedd area, rather than a comprehensive plan for the Authority. Work has been undertaken to see how this can be changed with a view to change the Plan's format for 2018 onwards.

In addition to the content of the document there remains an element of vagueness in the Plan about what exactly what benefit will flow to the people of Gwynedd from the delivery of some projects and what exactly we intend to do.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Sustainability

Risk: A risk of creating unsustainable answers that do not comply with the five principles of the Well-being of Future Generations Act and do not therefore look at the long-term.

Assessment:

The Council has acknowledged the importance of acting in accordance with the Well-being of Future Generations Act and, jointly with its partners on the Public Services Board, have done initial work to identify what needs to be done to operate in accordance with the five principles - Long term, Prevention, Integration, Collaboration and Involvement.

The Council is already complying with all the principles but to a different extent. We have submitted an explanation of the principles of the Act to the Management Group who have agreed that the best way for this to root is that the Department Management Teams pay attention to the principles in forward planning. Whenever reports come before the Cabinet the Corporate Support Department will also review them in order to keep an eye out for areas where perhaps those principles have not been followed as well as they could. Through this it is hoped that we will root the principles naturally rather than tick boxes but time will tell if we are successful. The principles mean that every group of society will of course be included and the Council already has appropriate arrangements to ensure that we improve our provisions for those with protected features.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Decisions

Risk: Unwillingness to make decisions on action which means a delay to achieve the outcomes for the people of Gwynedd

Assessment:

There is a danger that decisions will not be made as they are too difficult or unpopular, but over the last few years there is evidence that this is not the case in Gwynedd with decisions taken to look at the area of schools, externalising Council houses and acting on the difficult results of the Gwynedd Challenge.

Current Risk Score:

Impact	Likelihood	Risk score
2	3	6

Planning Operations

Risk: Intervention without sufficient planning, that could mean either acting on impulse or excessive planning wasting time and resources.

Assessment:

The Council is striving to maintain a suitable balance between Project Management procedures and working efficiently. In this respect, the Council is already supporting robust project management arrangements for the largest projects, using the less comprehensive version but based on the same principles for other projects. In order to ensure that the right matters are measured the achievement measures for every service will be based on achieving the purpose by trying to ensure that any action will improve our ability to achieve this.

We will try to strike a balance between the need for order and the need to achieve as soon as possible by doing as little paperwork as is consistent with this, encouraging simple, brief reports that set out the main key points.

The Council has a Medium Term Financial Strategy, with annual budgets based on this. The Council's work on financial planning is regularly praised by the external auditors, and the Audit and Governance Committee takes a leading role with financial scrutiny. When reviewing our scrutiny arrangements we will include more forward scrutiny and it is hoped that this will assist the Cabinet to choose the appropriate steps to take in various fields.

However, if we wish to do this we have already recognised that getting the Scrutiny Committee to look at something immediately before it is adopted is not the way, but rather for Scrutiny members to be part of the assessment at the very start. This means that matters need to be known early in the process and Scrutiny used early enough. Time will tell if the new arrangements will do this.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Reviewing Outcomes

Risk: Failure to review the outcomes of our actions, which means that we do not learn lessons by continuing to do the same things incorrectly.

Assessment:

The Council's arrangements for risk assessment, formulating a Corporate Plan and project management will ensure that the intended outcomes to be achieved are clear at the start of any project. The annual performance report will try to focus on assessing to what extent these outcomes have been achieved. There are good examples of where this happened, but there are other examples where it is not as clear that this has occurred.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Property Assets

Risk: The Council's property assets are not used to their full potential

Assessment:

Physical assets, be they buildings, vehicles or structures are essential to achieve for the people of Gwynedd but it is necessary to ensure that those assets meet the requirements of our residents whilst ensuring that we do not spend unnecessarily on assets where the cost of provision is higher than the benefit received.

The Council has an Assets Strategy in place for the period 2009 - 2018 that is updated regularly. The result is that a number of buildings that were not required any more have been disposed.

In terms of vehicles, there is a plan implemented to try and improve the use of the Council's fleet that has already presented some financial savings and is likely to achieve more.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Information Technology Assets

Risk: The Council's IT assets are not used to their full potential

Assessment:

Using technology in an effective way is a crucial tool to ensure that services are provided in a manner that meets with the requirements of our residents, doing this in a cost effective way.

Over the years Information Technology activities have focused on ensuring appropriate infrastructure to guarantee basic support for services. Whilst there are examples where we can use information technology more extensively to improve how we achieve services for the residents of Gwynedd, there is no evidence that this is consistent across the authority and that it happens at the speed we would wish.

The Information Technology Strategy adopted for the coming period will try to extend the use made of technology in order to support the improvement aims in the Strategic Plan, by also improving the ability of the services to take advantage of the opportunities available to use technology effectively.

There is an element of evidence that this is bearing fruit with self-service becoming more and more of a part of using technology to make it easier for residents to receive services.

Current Risk Score:

Impact	Likelihood	Risk score
2	3	6

Workforce Planning

Risk: Council's workforce not being developed, this means that we cannot provide the best services for the people of Gwynedd.

Assessment:

To ensure that the Council is in a position to provide services that always place the residents of Gwynedd at the centre, we must ensure that we have the right staff in place with the correct skills. This means that we need to continuously train staff, evaluate their performance and foster and develop their talent. Staff training arrangements are an important way of promoting and dissipating Ffordd Gwynedd thinking across the Council and of course it is vitally important that the Council has officers with the skills to carry out their duties.

Difficulties in filling some senior posts within the Council suggest that there is a need to improve our ability to create progression at least for senior posts. This has been identified as a basis to develop internal talent within the People Plan. Furthermore, there are recruiting difficulties for some posts in specific geographical areas within Gwynedd (e.g. care workers in Meirionnydd).

A 360° evaluation system has been established for heads of departments, senior managers and some managers; however, it needs to continue to be developed. If we wish to spread one culture of placing the people of Gwynedd at the heart of everything we do, we need a method of ensuring that this occurs consistently across the Council and it is essential that we give the appropriate tools to managers and staff to be able to do this.

The People Plan was adopted for 2016-18 by the Cabinet in November 2016, this will try to improve our arrangements to foster talent within the Council, improve our workforce planning arrangements; and ensure that our learning and development arrangements focus on the essential matters.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Leadership

Risk: Weaknesses in the Council's leadership means that we are not doing the right things.

Assessment:

Leadership establishes the standard that every member and employee in the Council follows. Therefore, its impact is great – good Leadership can overcome everything else, whilst poor Leadership can destroy what the Council is trying to achieve. It is this that facilitates the rooting of the Council's culture.

The roles of the Council, Cabinet, Individual Members and the Chief Officers, together with a clear delegation plan, are set out in the Council's Constitution. Gwynedd Council has also prioritised the development of its Leadership Programme and this is part of the People Plan adopted by the Cabinet.

Whilst there is a clear commitment to try and continuously improve leadership, we have not always been clear regarding what this entails nor how to improve it. There is concern that we do not sufficiently differentiate between staff and members when we think of this.

There is an element of evidence (via self-assessment) that leadership within the Council is improving with many examples of transformational leadership shown rather than transactional leadership.

Current Risk Score:

Impact	Likelihood	Risk score
4	3	12

Risk Management

Risk: Weaknesses in our risk management arrangements that increase the threat of something going wrong or failure to take an opportunity to improve.

Assessment:

Our risk management arrangements are an integral part of the Authority's management arrangements. Robust, correct and proportionate risk management arrangements support innovation and do not inhibit it.

Self-assessment of the Council's risk management arrangements indicated that the procedure for identifying the main risks occur instinctively, but by being systematic when recording these risks there are gaps and in one or two examples this leads to a lack of action or action where it is not required.

Arrangements are in place for every department to maintain a departmental risk register and there are also cross-departmental registers in place with protocols to support them. Nevertheless, the danger is that they only follow a procedure and the permeation of risk management amongst individual business units continues to be a little inconsistent.

There are strong arrangements to monitor our compliance with Health and Safety risks and quantitative evidence that performance in this field is improving - although there are examples of where to improve further.

System tests indicate that not all the workforce is aware of the risks that could prevent achievement for the People of Gwynedd and take ownership of them – risk management tends to be seen as a matter for Managers. Substantial work has already been done in the field of Emergency Planning and Service Continuity to prepare the authority better for unforeseeable events.

Arrangements to deal with risks around Arrangements for Safeguarding Children and Adults continue to receive attention in order to maintain the progress made since 2013. Additional work specified for the Safeguarding Panel during 2016/16 is the PREVENT agenda in relation to radicalisation.

Council risk management arrangements continue to develop and they will evolve further as Ffordd Gwynedd and the culture permeate throughout the Council, and when preparing the Strategic Plan 2018-2022.

Current Risk Score:

Impact	Likelihood	Risk score
5	2	10

Performance

Risk: Weaknesses in our performance management arrangements mean that we cannot take appropriate steps to achieve our purpose.

Assessment:

In the past, the perception was that the effectiveness of Performance Management was comparatively low and reflected inconsistency across the Council. By now, officers and members continually question if we

are measuring the right things. Regular meetings take place with Cabinet Members and managers to assess the latest performance with members of the relevant Scrutiny Committee also present to challenge. Regular performance reports are submitted by Cabinet members on their fields of responsibility to Cabinet meetings.

The Council's Performance Management system has evolved considerably over the last few years. More than anything we now focus on ensuring that business units achieve their purpose and this is done by continuously reviewing if we are measuring the right things. A performance handbook has been developed, it is not prescriptive, but sets out the general principles to be followed.

However, whilst there has been a significant improvement there is evidence that this has not yet permeated every corner of the Council and is not understood by all.

The Auditor General will also observe our performance in different areas by publishing various reports and the Audit and Governance Committee is responsible for ensuring that any recommendations receive attention. Whilst reports include constructive criticism, the Council will try to implement the matters raised but sometimes there may be conflict between what the Council feels should be addressed and some matters raised in terms of the effort required to be given to them and the level of risk they represent. However, these examples are not numerous; there were no recommendations in the most recent report and in general the messages are positive.

Complaints are also a key way of getting information for improvement. The new Corporate Complaints Procedure continues to develop well and the Services Improvement Officer ensures that we learn lessons from any complaints, and try to avoid making the same mistakes again.

Current Risk Score:

Impact	Likelihood	Risk score
2	3	6

Internal Control

Risk: Unsuitable internal control arrangements that entail that we either do not protect ourselves from risks or waste resources on over-control.

Assessment:

Getting suitable levels of internal control is core to the aim of placing the people of Gwynedd at the heart of everything we do. Namely, do the tasks undertaken by staff actually add value, or are they bureaucratic actions that are done without much thinking about their real purpose?

Getting rid of barriers is part of everyone's work, leading to a suitable level of internal control. On the other hand, the principles of public stewardship mean that it is not desirable to dispose of all internal controls (i.e. there are some risks that are not acceptable), and therefore a combination of risk management procedures and an Internal Audit service that meets with professional standards is a vital tool.

The effectiveness of the Internal Audit system is under continuous review and although the service satisfies the professional standards in accordance with expectation, there is a need to consider further whether it reviews the right things and if it operates in a manner that complies with Ffordd Gwynedd. The service's capacity has been reduced significantly since April 2015, down from 10 to 7 full time officers. It is expected that adopting the principles of Ffordd Gwynedd will ensure that the service effectiveness is maintained, however there might be some reduction in the short term.

Gwynedd Council's Audit and Governance Committee has been established since 1999 and it has agreed terms of reference.

There is evidence that the Audit Committee is very effective in achieving some of the functions that it has undertaken for some time, its capacity to deal with new responsibilities by virtue of the Local Government (Wales) Measure 2011 continue to develop.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Information

Risk: Failure to control information leading to the failure of safeguarding the information we have, or not to make the best use of it.

Assessment:

Having the correct information is essential if the Council wishes to provide the right services to the right people in the correct way. The information collected and retained needs to be current and relevant, not only in order to comply with the Data Protection Act but also to ensure that the services we provide do the right things. Good Information Governance is the foundation to good decisions.

Despite efforts to improve the arrangements of Information Governance, the Council continues to retain a great deal of information, and we need to continue to work to ensure that it does not maintain more data than is required.

It is expected that the project to introduce an ERDMS system will contribute to a significant improvement in this, and the Governance Arrangements Assessment Group have also commissioned further work on the arrangements within individual departments.

Whilst there are examples where information is used to make effective decisions, there is room to challenge if the practice is as good as it can be and as wide across all the Council's service units.

Research has shown that there is a continuous need to raise awareness about the principles of Data Protection and improving attitudes in the field. This work continues as part of the Council's Strategic Plan, and shows progress.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Finance

Risk: Weaknesses when controlling public finance, that entails that the Council's finance is not used and prioritised.

Assessment:

It is the Financial Strategy that sets the key context for everything the Council wishes to do. The financial forecast for the Council suggests that substantial savings must be identified in the next few years. It is the Financial Strategy that sets out how we will achieve this and, therefore, it is a very important statement that outlines how the Council will deal with the situation.

Clear evidence exists that the Council's arrangements are robust and the reviews of the external auditors - not only of the Annual Statements of Accounts but also reviews of financial resilience - offer an independent opinion that confirms this.

Current Risk Score:

Impact	Likelihood	Risk score
3	1	3

Accountability

Risk: Poor reporting without transparency and unsuitable for the audience, does not highlight to the public what the Council does for them, undermining the democratic position.

Assessment:

The Council has provided guidelines on preparing reports and on making good decisions, in order to ensure that the reports available to the public are clear. As well as formal reports for making decisions, the reports produced also include the Annual Performance Report, the Strategic Plan (that includes departmental business plans) and the Annual Governance Statement produced in accordance with the CIPFA/Solace framework. The Council also produces regular reports on its financial position.

However despite the Council's efforts, and apart from cases where there is a fairly fundamental change in question, it appears that there is no great aspiration amongst the public to hold the Council accountable. This may be because they are satisfied with what the Council is doing or that it is not their priority.

Even with the Gwynedd Challenge consultation where we prioritised (and considered closing) some fairly key services only 2,000 residents responded out of a 18+ population of nearly 100,000.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Assurance

Risk: Lack of assurance and accountability that raises suspicion amongst the public regarding what the Council is doing.

Assessment:

There are many ways available within the Council in order to provide independent assurance that the Council's governance arrangements are working as they should. Statutory officers ensure that matters comply with the law and the arrangements of the Constitution whilst the Chief Executive and the Directors continually challenge if the departments are doing the right things. Cabinet members also meet often to challenge each other regarding developments.

However, formally it is the scrutiny procedure that continues to hold the Cabinet to account. The Scrutiny arrangements have been subject to a detailed review in 2016/17 and the Audit and Governance Committee keeps an overview of the governance arrangements as well as the implementation of the external auditors' recommendations.

Supporting this is the Internal Audit service that operates in accordance with the statutory professional standards, namely the Public Sector Internal Audit Standards.

The External Auditor's report was published during 2015/16 noting that in his opinion there were still significant problems with the Scrutiny Procedure and the Council's internal 360° Review has also confirmed that several elements within the system required further attention for improvement.

There is transparent and objective scrutiny and challenging of decisions and policies, however, there is uncertainty regarding how effective this is. This has received attention in the Scrutiny Review

commissioned by the Audit Committee in 2016/17, but at its meeting on 3 May the Council resolved contrary to the Audit Committee's decision and to adopt a different procedure in the future.

The new system will be implemented and the proposals to further refine the purpose of scrutiny and the value it adds with more scrutiny before a decision is made. Some of the proposals of the action plan have already been implemented with others receiving attention with a view on the scrutiny procedure following the elections in May 2017.

Current Risk Score:

Impact	Likelihood	Risk score
2	3	6

We have been advised on the implications of the result of the **review of the effectiveness of the governance framework** by the Audit and Governance Committee, and that the arrangements **continue to be regarded as fit for purpose in accordance with the governance framework**. The areas that have already been addressed and those which the Council will address specifically have new on-going action plans and are outlined below.

Part 4: SIGNIFICANT GOVERNANCE MATTERS

- 4.1 The scores above show that none of the 22 governance areas present a very high risk, but 3 are high risk and 11 are moderate risk.
- 4.2 Action steps for those areas that are of high or moderate priority are noted below. Where a specific project within the Strategic Plan has been noted as a response, progress will be reported regularly to the Cabinet in the Performance Report of the relevant Cabinet Member.

HIGH RISKS

Governance Area	Response Arrangements	Responsible Department
The Council's Culture	<p>The Council's Culture is receiving attention under the Ffordd Gwynedd priority area in the Strategic Plan, project FfG1 – Empowering Units to Implement Ffordd Gwynedd.</p> <p>By the end of March 2018, it is anticipated that 15 formal service reviews will have been completed and the majority of Service Managers will have been trained in the Ffordd Gwynedd principles (including robust performance management principles) in order for them to be able to undertake their own reviews.</p>	Corporate Support
Stakeholders	<p>Continue to ensure that any collaboration occurs when that is for the benefit of the people of Gwynedd. We will continue to attempt to ensure that the Public Services Board adds value for Gwynedd residents and attempt to simplify the relationship of that body with the various other regional boards that are being established. We will also review our relationship with the Third Sector to ensure that it maximises the benefit that can be derived from having a good relationship with the sector.</p> <p>Assessing the Council's working arrangements to ensure that they are consistent with the Wellbeing Aims and Sustainable Development Principles of the Well-being of Future Generations Act, and sustaining the effort to embed the sustainability principles in the ways of working.</p>	Leadership Team and Legal
Leadership	<p>Continue to develop and implement the Leadership Programme by implementing Project FfG2 in the Strategic Plan - Leaders development programme. This means focussing on developing the leadership amongst Cabinet Members following the Election in May 2017.</p>	Corporate Support

MODERATE RISKS

Governance Area	Response Arrangements	Responsible Department
Engagement	Continue to strengthen Engagement arrangements by implementing Project FfG3 in the Strategic Plan. This will include reviewing internal arrangements, strengthening the engagement resource and support and ensuring that the Gwynedd Council brand appears prominently on services and schemes funded by the Council.	Corporate Support
Direction and vision	When preparing a new Corporate Plan the Council will address the contents of the plan to ensure that it gives details of what the Council is currently doing and what plans it wishes to commission in order to do things differently. We will need to ensure that in doing this we note clearly and simply what exactly we intend to do and what benefits will derive to the people of Gwynedd from accomplishing the schemes.	Corporate Support
Sustainability	Continue to assess the Council's working arrangements to ensure that they are consistent with the Wellbeing Aims and Sustainable Development Principles of the Well-being of Future Generations Act, and sustaining the effort to embed the sustainability principles in the ways of working.	Corporate Support
Decisions	Accept the current risk level.	Leadership Team and Legal
Reviewing Outcomes	Accept the current risk level.	Leadership Team and Legal
Information Technology Assets	Acting in accordance with the work programme contained in the Information Technology Strategy - Project FfG5 in the Strategic Plan.	Finance
Workforce Planning	The new People Plan will be completed, and implementation will begin.	Corporate Support
Risk Management	The significant steps that have been taken during 2016/17 will be accelerated further, in order to ensure that risk management is becoming an integral part of service planning and the culture of the Council. For the first time, in 2017/18 the contents of risk registers will be taken into account when monitoring the performance of departments.	Finance
Performance	The arrangements that have been established over the last few years will continue to be refined, so that they become increasingly effective.	Corporate Support

Information	Project FfG7 in the Strategic Plan - Information Governance . By the end of March 2018, the Council will have moved on to assess how departments use their information for their daily work and forward planning, the Council will have placed more of the Council's information on the website in order for it to be available for others to use and it will have put arrangements in place to prepare for the new data protection legislation.	Corporate Support
Assurance	Adopt the new Scrutiny arrangements following the 2017 Election. Continue to evolve the role of the Audit and Governance Committee, including consideration of the sufficiency of the information it receives on the governance of partnerships, joint committees etc.	Corporate Support

Part 5: 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.

DILWYN O WILLIAMS
CHIEF EXECUTIVE GWYNEDD COUNCIL

CIIR DYFRIG SIENCYN
LEADER OF GWYNEDD COUNCIL

DATE

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