

2017/18

Flintshire County Council – Annual Governance Statement

What is Governance?

“Governance is at the heart of public services. It underpins how resources are managed, how decisions are made, how services are delivered and the impact they have, now and in the future. It also infuses how organisations are led and how they interact with the public. Governance needs to be robust but it must also be proportionate. Well-governed organisations are dynamic and take well-managed risks; they are not stagnant and bureaucratic.”¹

The governance framework comprises the culture, values, systems and processes by which an organisation is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

Flintshire County Council acknowledges its responsibility for ensuring that there is a sound system of governance. The Council has developed a Local Code of Corporate Governance that defines the principles that underpin the governance of the organisation. The Local Code forms part of the Council Constitution and can be accessed on the Council’s website. A summary of the principles upon which it is based can be found later in this document.

The Council’s governance framework supports its aim as a modern public body which has the **philosophy** of operating as a social business which:

- is lean, modern, efficient and effective
- is designed, organised and operates to meet the needs of communities and the customer; and
- works with its partners to achieve the highest possible standards of public service for the well-being of Flintshire as a County.

To meet these aspirations the Council has set the **standards** of:-

- achieving excellence in corporate governance and reputation.
- achieving excellence in performance against both our own targets and against those of high performing peer organisations.
- being modern and flexible, constantly adapting to provide the highest standards of public, customer, and client service and support.
- using its four resources - money, assets, people and information - strategically, effectively and efficiently.

¹ Wales Audit Office: “Discussion Paper: The governance challenges posed by indirectly provided, publicly funded services in Wales” 2017

- embracing and operating the leanest, least bureaucratic, efficient and effective business systems and processes.

To achieve these standards the Council's **behaviours** are:-

- showing strategic leadership both of the organisation and our partnerships.
- continuously challenging, reviewing, changing and modernising the way we do things.
- being as lean and un-bureaucratic as possible.
- using new technology to its maximum advantage.
- using flexible working to its maximum advantage.

The Council is committed to the **principles** of being:-

- a modern, fair and caring employer.
- fair, equitable and inclusive in its policies and practices.
- conscientious in planning and managing its activities, and making decisions, in a sustainable way.

The Council is committed to specific values and principles in working with its key partners and partnerships. These cover strategic partnerships such as the Public Services Board and with the third sector such as agreeing a set of Voluntary Sector Funding principles.

The Council is the Administering Authority for the Clwyd Pension Fund (the Pension Fund). The governance arrangements detailed in this Annual Governance Statement apply equally to the Council's responsibilities to the Pension Fund.

There are further specific requirements for the Pension Fund which are:

- The Statement of Investment Principles;
- Funding Strategy Statement;
- A full Actuarial Valuation to be carried out every third year.

What is the Annual Governance Statement?

The Council is required by the Accounts and Audit (Wales) Regulations 2018 to prepare a statement on internal control. Alongside many authorities in Wales, Flintshire refers to this as the 'Annual Governance Statement'. This is a public document that reports on the extent to which the Council complies with its own code of governance.

In this document the Council:

- acknowledges its responsibility for ensuring that there is a sound system of governance;
- summarises the key elements of the governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- describes how the Council has monitored and evaluated the effectiveness of its governance arrangements in the year, and on any planned changes in the coming period;
- provides details of how the Council has responded to any issue(s) identified in last year's governance statement;
- reports on any significant governance issues identified from this review and provides a commitment to addressing them.

The annual governance statement reports on the governance framework that has been in place at Flintshire County Council for the financial year 2017/18 and up to the date of approval of the statement of accounts.

How has the Annual Governance Statement been prepared?

The initial review of the Council's governance framework was carried out by the Corporate Governance Working Group. This group prepared assessment questionnaires for each portfolio Chief Officer and also for some specific governance functions such as finance, human resources and legal. The questionnaires were based on the seven principles that follow in the main part of this document and were assessed to identify any areas for improvement. Questionnaires were also completed by the Chairs of Overview and Scrutiny committees. In addition the Audit Committee undertakes a self assessment, which has also informed this work.

- The preparation and content of this year's governance framework has been considered by the Chief Officer Team, with assurance support from Internal Audit, Audit Committee and External Audit (Wales Audit Office). The governance framework cannot eliminate all risk of failure to meet the targets in our policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

In preparing the Annual Governance Statement the Council has:

- reviewed the Council's existing governance arrangements against the local Code of Corporate Governance.
- updated the local Code of Corporate Governance where necessary, to reflect changes in the Council's governance arrangements and the requirements of the new CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities.
- assessed the effectiveness of the Council's governance arrangements and highlighted any planned changes in the coming period.

The Chief Officer Team, which is led by the Chief Executive, have also considered the significant governance issues and principles facing the Council. These are evidenced in pages 6-12 of the document. Principles **highlighted in Green** reflect those which the Chief Officers assessed as being applied consistently well across the Council. Principles assessed as needing further improvement are detailed on pages 18-20.

The Council's Audit Committee, provides assurance to the Council on the effectiveness of its governance arrangements, risk management framework and internal control environment. As part of this role the Committee reviews and approves the Annual Governance Statement.

What are the key principles of the Corporate Governance Framework?

The Council aims to achieve good standard of governance by adhering the seven key principles of the new CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities, which form the basis of the Local Code of Corporate Governance. The seven key principles are:

- Principle A Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B Ensuring openness and comprehensive stakeholder engagement
- Principle C Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Principle F Managing risks and performance through robust internal control and strong public financial management
- Principle G Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Principle A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law

Sub Principles:

Behaving with Integrity

Demonstrating strong commitment to ethical values

Respecting the rule of law

How we do this:

- **The behaviour and expectations of Officers and Members are set out in the Council's Codes of Conduct, Constitution, and a suite of policies and procedures relating to Officers and Member induction, supervision, training and appraisals and leadership competencies.**
- Case management both for Members and Officers.
- Codes of Conduct for Members and Officers specify the requirements around declarations of interests formally and at the beginning of meetings, gifts and hospitality etc.
- **The Council takes fraud seriously. Key policies are in place to prevent, minimise and manage such occurrences. Polices include:**
 - Whistleblowing Policy
 - Anti-Fraud and Corruption Strategy
 - Fraud Response Plan
 - Financial and Contract Procedure Rules
- Compliance with policies and protocols e.g. Contract Procedure Rules

- A set of leadership competencies are deployed in each Portfolio and led by each Chief Officer.
- The Council's recruitment policy, training and competencies based appraisal processes underpin personal behaviours with ethical values.
- **Robust policies and procedures are in place, subject to formal approval prior to adoption by formal committees.**
- **All contracts and external service providers, including partnerships are engaged through the robust procurement process and follow the Contract Procedure rules regulations.**
- **Application of the corporate operating model; our way of being organised, working internally to promote high standards of professional performance and ethical behaviour to achieve**

- The Council ensures that statutory officers and other key officers and members fulfil legislative and regulatory requirements through a robust framework which includes: Scheme of delegation; induction, development and training of existing and new requirements; application of standing operating procedures; and engagement of early / external advice where applicable.
- **The full use of the Council powers are optimised by regular challenge and keeping abreast of new legislation to achieve corporate priorities and to benefit citizens, communities and other stakeholders e.g. alternative service models (ADM's)**
- Effective Anti-Fraud and Corruption framework supported by a suite of policies; any breaches are handled in accordance key legislative provision and guidance from appropriate bodies.
- **The Council's Monitoring Officer is responsible for ensuring the Council complies with the law and avoids maladministration. The Council's Constitution promotes high standards of conduct which is monitored by the Standards Committee.**
- Consistent application of risk assessments for both strategic, operational and partnership plans.

Principle B

Ensuring openness and comprehensive stakeholder engagement

Sub Principles:

Openness

How we do this:

- **The Council is committed to having an open culture. This is demonstrated by:**
 - Complaints and Compliments Procedure
 - Meetings are conducted in an open environment
 - Council's website
- **The most appropriate and effective interventions / courses of action are determined using formal and informal consultation and engagement supported by:**
 - Public consultation around the Medium Term, Financial Strategy (MTFS)
 - Consultation principles, e.g. School Modernisation Programme
 - Formal and informal engagement models with employee and communities e.g. alternative delivery models Member workshops
 - County Forum (Town and Community Councils)
 - Engagement with Trade Unions

Engaging comprehensively with institutional stakeholders

- **The Council effectively engages with stakeholders to ensure successful and sustainable outcomes by:**
 - Effective application and delivery of communication strategies to support delivery
 - Targeting communications and effective use of Social Media
 - Formal and Informal meetings with key stakeholder groups
 - Effective stakeholder engagement on strategic issues
 - Service led feedback questionnaires and events
- **Effective use of resources and achievement of outcomes is undertaken by the Council both through informal and formal partnerships:**
 - Extensive range of partnerships to support the delivery of the Council's strategic priorities, including the Public Services Board
 - Open and productive partnership arrangements supported by an effective governance framework
 - Trust and good relations lead to delivery of intended outcomes e.g. community asset transfers
 - Partner representation at Scrutiny committees

Engaging stakeholders effectively, including individual citizens and service users

- **The achievement of intended outcomes by services is supported by a range of meaningful guidance on consultation engagement and feedback techniques with individual citizens, service users and other stakeholders. This includes:**
 - Range of customer channels
 - Undertaking Impact assessments
 - Results from satisfaction surveys to enhance service delivery where applicable
 - Complaints reviewed to assess organisational learning and change
 - Sharing soft intelligence and good practice
 - Committee reports portray all relevant feedback
 - **Services are assessed for value for money and opportunities for efficiencies**
 - **Taking account of the interests of future generations of tax payers and service users**
- **The Council has appropriate structures in place to encourage public participation governed through the Communication and Social Media Policies. These include:**
 - E-newsletters
 - The Council's website
 - Tenants Forums

Principle C

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

Sub Principles:

Defining outcomes

Sustainable economic, social and environmental benefits

How we do this

- **The Council has a clear vision describing the organisation's purpose and intended outcomes which is achieved through:**
 - **Linking of vision and intent to the MTFs which links to the Council Plan, Portfolio Business Plans and other plans and strategies with a focus on priorities for change and improvement**
 - **Organisational objectives are delivered through Programme Boards and political decision making processes**
 - **Service Planning consideration including sustainability of service delivery**
- Risk Management is applied consistently at project, partnership and business plan levels using the corporate performance system (CAMMS) which adheres to the Risk Management Policy and Strategy and ensures consistent application of risk registers and terminology.
- **Risk appetite is also considered whilst developing future scenarios and options with key staff.**
- The development of the County's Well-being Plan and delivery of the Public Services Board's priorities ensure that public services work effectively together to add value.

- The Council takes a longer term view and balances the economic, social and environmental impact of policies, plans etc. along with the wider public interest when taking decisions about service provision. This is supported by a range of governance approaches:
 - **Budget setting of the Capital Programme and MTFs and longer term business planning through the use of effective forecasting models**
 - **Setting longer term objectives regardless of political term**
 - **Delivering defined outcomes**
 - **Multi-disciplinary approach to policy development and wider public interest of economic, social and environment issues e.g. Welfare Reform, Corporate Safeguarding**
 - **Ensuring fair access to services**
 - Procurement strategy defines expectations around economic, social and environment benefits which inform service specifications, tenders and contracts.
 - Communication plans for public and community engagement
 - Clear documented record of route to change

Principle D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub Principles:

Determining interventions

Planning interventions

Optimising achievement of intended outcomes

How we do this

- Good judgement in making decisions is achieved by ensuring decision makers receive objective and rigorous analysis of information and options to achieve intended outcomes including the related risks. This is achieved by:
 - **Full engagement with members on a longer term basis e.g. MTFS and Business Plans**
 - **Delivery of the MTFS and revenue and capital budget setting process providing options for the public, stakeholders and members to be engaged to consider modifications**
 - Development of forecasting models
 - Active engagement of key decision making in the development of initial ideas, options and potential outcomes and risks e.g. ADM Programme, Gateways
 - **Clear option appraisals detailing impacts, savings and risks to ensure best value is achieved**
 - Budget monitoring for each Portfolio and corporate considerations
 - **Managing expectation for key stakeholders**
 - Other key workforce strategies e.g. digital and procurement
 - Application of Impact Assessments

- The Council has established and implemented robust planning and control cycles covering strategic and business plans, priorities, targets, capacity and impact. This is achieved through:
 - Co-design of service solutions with key stakeholders
 - **Application of risk management principles when working in partnership and collaboratively and the active use of risk registers**
 - **Regular monitoring of business planning, efficiency and reliability including feedback on business planning model**
- **Service performance is measured through national performance indicators and establishing a range of local indicators, which are regularly monitored, reported and used for benchmarking purposes**
- **Robust and inclusive methodologies are in place to formulate the MTFS which is an integral part of the Council's governance framework and Portfolio Business plans are linked to the Council Plan**

- Resource requirements for the services are identified through the business planning process and detailed within the MTFPs highlighting any shortfall in resources and spending requirements.
- **To ensure the budget process is all-inclusive, taking into account the full cost of the operations over the medium and longer term, regular engagement and ownership of the budget through the Chief Officer Team and consultation with members through workshops and robust scrutiny process is undertaken.**
- Community benefits are achieved through the effective commissioning of services and compliance with Council procedures.
- Consultation and engagement around the content of the MTFS through public and employee events sets the context for residents and employees. In particular relating to ongoing decisions on significant delivery issues or responses to changes in the external environment

Principle E

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Sub Principles:

Developing the entity's capacity

Developing the capability of the entity's leadership and other individuals

How we do this:

- We review our operations, performance, and use of assets on a regular basis to ensure their continuing effectiveness by:
 - Review of service delivery, performance and risks through team meetings and quarterly formal reporting,
 - Programme boards development and monitoring
- The Council reviews the sufficiency and appropriates of resource allocation through techniques such as:
 - Benchmarking both internal and external review undertaken to identify improvements in resource allocation, including the use of national and local PIs
 - Internal challenge
- Benefits of collaborative and partnership working both regionally and nationally to ensure added value is achieved by linking services and organisation priorities to partnership working
- Develop and maintain the workforce plan to enhance the strategic allocation of resources through the publication of regular workforce data reports and drawing intelligence from supervision and appraisal meetings.
- Future workforce and succession planning is undertaken in each portfolio to identify future workforce capability and progression.

- Effective shared leadership which enables the Council to respond successfully to changing external demands and risks is supported by:
 - a range of management and leadership development programme, run in partnership with Coleg Cambria
 - 'Development workforce' and 'leadership capacity' and 'managing performance' are two of the five priorities within the People Strategy 2016-2019
 - The Leader and the Chief Executive have clearly defined and distinct leadership roles
- Individual and organisational requirements are supported through:
 - Corporate induction for new employees to the Council
 - Inductions for employees in new jobs
 - Continued learning and development for employees identified through the competency based appraisal system and one to one meetings
 - A comprehensive range of training and development opportunities available, in partnership with Coleg Cambria and professional bodies.
 - Feedback and shared learning to the organisations both through reports and interactive sessions such as the 'Academi'
- To support and maintain the physical and mental wellbeing of the workforce a range of interventions is provided including: Occupational Health Service, Signposting employees to Care First (independent Counselling support), Management Awareness and Support, internal training and awareness sessions to support stress related absences

Principle F

Managing risks and performance through robust internal control and strong public financial management

Sub Principles:

Managing risk

Managing performance

Robust internal control

Managing data

Strong public financial management

How we do this:

- Risk Management is an integral part of all activities and decision making through:
 - **Application of risk management policy and strategy**
 - Use of the Council's Risk Management system, CAMMS
 - Identification of all risks and appropriate mitigations and transitional plans reported to Committees
 - **Clear allocation of management for risk responsibility with oversight by senior management and chief officers**
 - **Assurance by Internal Audit and Audit Committee**

- **Members and senior management are provided with regular reports on service performance against key performance indicators and milestones against intended outcomes**
- **Members are clearly and regularly informed of the financial position and implications including environmental and resource impacts**

- **Internal Audit provide the authority, through the Audit Committee, with an annual independent and objective opinion on the adequacy and effectiveness of the Council's internal control, risk management, governance arrangements and associated policies.**
- The Council is dedicated to tackling Council detailed within the Anti-Fraud and Corruption Strategy, Fraud Response Plan, and Whistleblowing Policy

- **The Council has effective strategic direction, advice and monitoring of information management with clear policies and procedures on personal data and provides regular training to ensure compliance with these.**
- The Council requires Information Sharing Protocols to be in place in respect for all information shared with other bodies.
- **The quality and accuracy of data used for decision making and performance monitoring is supported by a guidance from a range professional bodies.**
- **Internal Audit review and audit regularly the quality and accuracy of data used in decision making and performance monitoring.**

- **The authority's financial management arrangements support both the long term achievement of outcome and short term financial performance through the delivery of the MTFS**
- Setting a prudent Minimum Revenue Provision for the repayment of debt
- The integration of all financial management and control is currently being reviewed as part of the finance modernisation project.

Principle G

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

Sub Principles:

Implementing good practice in transparency

How we do this:

- The Council has recently improved the layout and presentation of its reports in order to improve the presentation of key information to decision-makers.
- The Council is mindful of providing the right amount of information to ensure transparency.
- A review of information sharing protocols has been undertaken and new principles adopted.

Implementing good practices in reporting

- **The Council reports at least annually on the achievement and progress of its intended outcomes and financial position. This is delivered through the:**
 - Annual Performance report assessing performance against the Council Plan
 - Annual Statement of Accounts demonstrate how the Council has achieved performance, value for money and the stewardship of its resources
 - Progress against the Well-being Plan
- The Annual Governance Statement is published following robust and rigorous challenge to assess and demonstrate good governance.

Assurance and effective accountability

- Through robust assurance mechanisms the Council can demonstrate effective accountability. These mechanisms include:
 - **Internal Audit undertakes independent reviews to provide an annual assurance opinion of the Council's control, risk management, and governance framework. To allow this Internal Audit has direct access to Chief Officer and members of the Council.**
 - **All agreed actions from Internal Audit reviews are monitored regularly with reports to Chief Officers monthly and each Audit Committee.**
 - **Any 'limited/red' assurance opinion are reported to Audit Committee in full and progress monitored closely**
 - **Peer challenge and inspection from regulatory bodies and external compliance reviews. The outcomes from these inspections are used to inform and improve service delivery**
 - Through effective commissioning and monitoring arrangements and compliance with Council's procedures, the Council gains assurance on risk associated with delivering services through third parties and any transitional risks.
 - Reports are presented to Cabinet and an annual report to Audit Committee of external feedback

Contributors to an effective Governance Framework

Council	<ul style="list-style-type: none">– Approves the Corporate Plan (Improvement Plan)– Endorses the Constitution– Approves the policy and financial frameworks
Cabinet	<ul style="list-style-type: none">– Primary decision making body of the Council– Comprises of the Leader of the Council and Cabinet members who have responsibility for specific portfolios
Audit Committee	<ul style="list-style-type: none">– Help raise the profile of internal control, risk management and financial reporting issues within the Council, as well as providing a forum for the discussion of issues raised by internal and external auditors
Standards & Constitution & Democratic Services Committee	<ul style="list-style-type: none">– Standards Committee promotes high standards of conduct by elected and co-opted members and monitors the operation of the Members' Code of conduct.– Constitution & Democratic Services Committee considers and proposes changes to the Constitution and the Code of Corporate Governance.
Portfolio Programme Boards	<ul style="list-style-type: none">– Track efficiencies, highlighting risk and mitigating actions to achievement– Consider the robustness of efficiency planning and forecasting and consider resourcing of planned delivery– Plan communication and engagement activity
Overview & Scrutiny Committees	<ul style="list-style-type: none">– Review and scrutinise the decisions and performance of Council, Cabinet, and Committees– Review and scrutinise the decisions and performance of other public bodies including partnerships– Assists the Council and Cabinet in the development of the Budget and Policy framework by in-depth analysis of policy issues.
Chief Officers Team & Service Managers	<ul style="list-style-type: none">– Set governance standards– Lead and apply governance standards across portfolios– Undertake annual self assessment
Internal Audit	<ul style="list-style-type: none">– Provide an annual independent and objective opinion on the adequacy and effectiveness of internal control, risk management and governance arrangements– Investigates fraud and irregularity

How does Flintshire Council monitor and evaluate the effectiveness of its governance arrangements?

The Council annually reviews the effectiveness of its governance framework including the system of internal control. The key elements of assurance that inform this governance review are detailed below:

<p>Chief Officers Team</p>	<p>Monitoring Officer</p>	<p>Section 151 Officer</p>	<p>Information Governance</p>	<p>Internal Audit</p>
<ul style="list-style-type: none"> • Corporate oversight and strategic planning • Annual Corporate Governance Assessment • Implement and monitor regulatory and other governance protocols 	<ul style="list-style-type: none"> • Legal and regulatory assurance • Monitors the operation of the Constitution • Ombudsman investigations 	<ul style="list-style-type: none"> • Proper administration of the Council's financial affairs 	<ul style="list-style-type: none"> • Designated Senior Information Risk Owner (SIRO) • Data Protection procedures • Information Security & Records Management procedures 	<ul style="list-style-type: none"> • Annual opinion report on adequacy of internal controls, risk management and governance arrangements • Internal Audit plan and report tracking / performance by Audit Committee • Provision of Advice & Consultancy • Undertake Investigation and proactive Fraud work
<p>Overview & Scrutiny</p>	<p>Audit Committee</p>	<p>Risk Management</p>	<p>External Audit / Inspections</p>	<p>Counter Fraud</p>
<ul style="list-style-type: none"> • Policy review and challenge • Overview & scrutiny of topics • Corporate & Portfolio Performance & Risk monitoring 	<ul style="list-style-type: none"> • Self-assessment of Audit Committee • Review effectiveness of internal and external audit • Consider the adequacy of the internal control, risk management and Governance arrangements 	<ul style="list-style-type: none"> • Risk Management Policy and Strategy • Quarterly monitoring and reporting of Strategic Risks 	<ul style="list-style-type: none"> • Financial statements audit • Thematic & national reviews • Other external inspections 	<ul style="list-style-type: none"> • Anti-Fraud and Corruption & Whistleblowing arrangements • Codes of Conduct for Officers and Members • Financial and Contract Procedure Rules

How has the Council addressed the governance and strategic issues from 2016/17?

The 2016/17 Annual Governance Statement contained 14 key improvement areas as i) Internal Council Governance issues – those derived from the portfolio, Overview and Scrutiny and Audit Committee annual self-assessments that affect the internal governance arrangements of the Council; and, ii) Strategic Improvement Plan issues – those that were identified as part of the Improvement Plan for 2016/17 which remain un-mitigated i.e. a 'Red' risk status.

The issues and how they were addressed are below:

Internal Council Governance issues	Risk	Mitigation	Management Comment	Current Status
Views and experiences of citizens, service users and organisations of different backgrounds including reference to future needs are taken into account	<ul style="list-style-type: none"> • Service planning does not take into account service user's needs in the future • Legal and or judicial challenges 	Development of an integrated impact assessment approach to inform budget decisions and longer term sustainability of services.	<p>Integrated impact assessments (IAA) now developed and used to inform 2018/19 budget. CAMMS system been updated with IAA for all new efficiency projects; process to be operational from April 2018.</p> <p>Although the Council has policies and procedures to ensure the lawfulness of its decisions the potential for legal and judicial challenges remain an ongoing risk to the authority.</p>	<p>Open</p> <p>Until Integrated Impact Assessment fully embedded.</p>
Identifying and managing risks to the achievement of outcomes	<ul style="list-style-type: none"> • Risks are not mitigated during transitional or implementation phases 	Consistent application of the Council's risk management approach across all strategic, operational and partnership	Risks are well managed during transitional and implementation phases. An implementation template has been developed to track implementations and	<p>Open</p> <p>Risks managed well in practice and Policy and Strategy been updated;</p>

Internal Council Governance issues	Risk	Mitigation	Management Comment	Current Status
	<ul style="list-style-type: none"> Outcomes are under-achieved 	working.	associated risks. Early indications identify risks are well managed throughout all phases of strategic delivery. Outcomes have been achieved as demonstrated by regular performance monitoring. The Council's Risk Management Policy and Strategy has been reviewed to reflect consistency of approach across all strategic, operational and partnership working.	however, not yet consistently embedded.
Establishing and implementing robust planning and control cycles that cover strategic and operational plans, priorities and targets.	<ul style="list-style-type: none"> Misalignment of plans and strategies Missed opportunities for joint and collaborative working 	Refresh of business plan approach across all portfolios including contributions to key corporate strategies.	Council Plan and other related plans and strategies have been mapped to ensure that there are no inconsistencies or duplication.	Closed Council plan, Well-being Plan, Financial Business Plans all in place. Service and portfolio plans in place for operational services.
Ensuring capacity exists to generate the information required to review service quality regularly	<ul style="list-style-type: none"> Reduction in service quality Inability to benchmark and compare service quality 	Ensure that service reform, succession and workforce planning takes into account information requirements.	Services review where benchmarking is going to improve information to inform service quality. The Council has corporate membership of APSE Performance Networks providing the	Open Identified as risk in the 2017/18 AGS questionnaire

Internal Council Governance issues	Risk	Mitigation	Management Comment	Current Status
			opportunity to a high number of services to benchmark.	
Developing and maintaining an effective workforce plan to enhance strategic allocation of resources.	<ul style="list-style-type: none"> • Sustainability of service provision • Ineffective allocation of resources 	<p>Workforce planning for senior levels within each portfolio assessing workforce demographics, changing requirements and market demand.</p> <p>Development of a succession plan, identifying areas of talent and additional support for growth and continued service delivery.</p>	Comprehensive workforce planning continues to be carried out across the authority. The risk to the sustainability of service provision remains moderate.	Open Identified as risk in 2017/18 AGS questionnaire
Effective arrangements for safe collection, storage, use and sharing data	<ul style="list-style-type: none"> • Legal challenge and fines • Personal confidentiality breached 	<p>Provision of clear guidelines, awareness and appropriate training.</p> <p>Oversee and supervision of arrangements by managers.</p>	Policies and procedures remain in place covering all aspects of data protection. These are being reviewed as part of the implementation of the General Data Protection Regulation (GDPR) on 2nd May 2018. From this date the financial penalties increase to 20 million Euros and data subjects can seek compensation. Despite mitigation the risk of legal challenges and fines relating to a breach of data protection remains a real and significant risk for the Council.	Open Insufficient evidence that all is embedded. Supported by Internal Audit report.
Ensure there is effective	Mis-management of	Financial Procedure Rules (FPR's) and Contract	The management controls in place	Closed

Internal Council Governance issues	Risk	Mitigation	Management Comment	Current Status
internal financial management in place	public funds	Procedure Rules (CPR's) are in place and regularly reviewed. The Council has an internal audit function who periodically test the Councils internal control and provides an annual report on assurance.	from Internal Audit review and the Financial Procedure Rules are still in place and subject to regular review.	Supported by WAO report.

Strategic Issues from the 2016/17 Improvement Plan	Risk	Mitigation	Management Comment	Current Status
Fragility and sustainability of the care home sector	Reduced quality of care, increased difficulties with recruitment and retention of staff and reduced capacity in the care home sector.	Refocus specialisms within in-house provision to fit with changing demands. Continue to monitor capacity in the sector.	Regional work with providers to discuss fragility and the impact of admissions into acute hospitals and early discharge has been undertaken. Work with new providers to support their entry into the Flintshire market is ongoing. The Welsh Government cap on day care has increased from £60 to £70 per week with incremental progression to £100 per week over time to support the sector.	Open Although progress has been made the level of risk remains due to the ongoing fragility of the sector.
Council funding for adaptations and home	Adaptations are a statutory duty for the	Monthly management monitoring of budgets and	New commissioning framework is in place to speed up the allocation	Open The new framework will

Strategic Issues from the 2016/17 Improvement Plan	Risk	Mitigation	Management Comment	Current Status
loans will not be sufficient to meet demand	Council. Demand in excess of current budgets would create a financial pressure on the capital programme	case load. Co-ordination across Council teams to ensure the approach to adaptations makes best use of the available budget.	of work to address the increase in demand for Disabled Facilities Grant (DFG) funding. Further process improvements have been identified.	need to be monitored to ensure value for money. Supported by the Internal Audit report.
Numbers of school places not matching the changing demographics	High teaching ratios, unfilled places and a backlog of maintenance pressures.	Continuation of School Modernisation Programme will reduce unfilled places, reduce backlog maintenance, and remove unwanted fixed costs and infrastructure	Reducing unfilled school places via school organisation change is an ongoing process. School change projects can take between three and five years from inception to delivery before reductions of unfilled places can be realised. This continues to be an ongoing process linked to the School Modernisation Programme. To supplement this Council working closely with schools to consider innovative ways for reduction in capacity on a school by school basis with the objective of meeting national targets of circa 10% unfilled places in all school sectors.	Open Work is ongoing to meet the national target.
Limited funding to address the backlog of known repair and maintenance work in Education and Youth assets	Fabric of Education and Youth buildings will continue to decline leading to an increase in health and safety issues and imbalance between surplus and unfilled	Condition surveys continue to identify priorities for investment. Implement County Policy for School re-organisation and modernisation.	The School Modernisation Programme is one of the strategic options to address the repairs and maintenance backlog.	Open Capital business cases for improvement and repair and maintenance projects in schools are

Strategic Issues from the 2016/17 Improvement Plan	Risk	Mitigation	Management Comment	Current Status
	places.			considered through the Council's business case process.
Available funding for energy efficient measures may fall short of public demand	<ul style="list-style-type: none"> Public frustration and reduced funding may impact upon the Council's reputation Opportunities to reduce household costs and fuel poverty may not be fully realised 	<p>All potential sources of external funding proactively targeted for support.</p> <p>Use made wherever possible of innovative forms of finance.</p> <p>Managing public expectation as far as possible.</p>	There remains more demand for energy efficiency measures than the current level of funding allows.	<p>Open</p> <p>Expectations are being managed as far as possible and other sources of funding are being actively considered.</p>
Funding will not be secured for priority flood alleviation schemes	Flood alleviation schemes will not be delivered leading to increased risks of damage to infrastructure and community disturbance.	Review our approach to funding capital projects	Flintshire's local risk management strategy contains an action to 'identify projects and programmes that are affordable, maximising capital funding from internal and external sources'.	<p>Open</p> <p>A service review is intended to create a more effective approach / structure that balances the ability to secure funding for flood elevation works with the delivery of statutory duties under the flood and water management act.</p>
The scale of the financial challenge	The Council has insufficient funding to meet its priorities and	The Council's Medium Term Financial Strategy and efficiency programme.	The impact of the final settlement for Flintshire was a 0.2% decrease in funding.	<p>Open</p> <p>The initial forecast for</p>

Strategic Issues from the 2016/17 Improvement Plan	Risk	Mitigation	Management Comment	Current Status
	obligations.	National negotiations on local government funding.	Budget options were considered in two stages with members and agreed in principle by the Council in December 2017. Final budget options were agreed in February 2017.	2019/20 has been considered by Cabinet in April 2018 and will continue to be closely monitored.

What are the significant governance and strategic issues identified during 2017/18?

The review of the effectiveness of the Council’s governance framework has identified the following significant issues that will need to be addressed during 2018/19. These are categorised as:

- i) Internal Council Governance issues – those derived from the portfolio, Overview and Scrutiny and Audit Committee annual self-assessments that affect the internal governance arrangements of the Council.
- ii) Strategic Council Plan issues – those that have been identified as part of the Council Plan for 2017/18 which remain un-mitigated i.e. a ‘Red’ risk status.

i) Internal Council Governance issues	Risk	Mitigation
Communication and Engagement	<ul style="list-style-type: none"> • The views and experiences of citizens, service users and organisations of different background including reference to future needs will not be taken into account in decision making and communication of decisions • Lack of effective feedback mechanisms to inform stakeholders how their views have been taken into account: stakeholders remain uninformed and less likely to support service change • Lack of structures to encourage public participation 	<ul style="list-style-type: none"> • Embedding of the Integrated Impact Assessment • Communication strategies developed and actioned for all major decisions affecting the public • Ensure that effective feedback mechanisms are built into communication strategies, taking into account the diversity of communication methods
Capacity to provide effective information to support service decisions	<ul style="list-style-type: none"> • Absence of rounded and robust information to inform decisions 	<ul style="list-style-type: none"> • Review organisational capacity to support information, research and data as a collective
Workforce planning	<ul style="list-style-type: none"> • Absence of effective workforce planning leads to poor allocation of strategic resources and 	<ul style="list-style-type: none"> • Creation of robust workforce planning tools to promote discussion and further planning

i) Internal Council Governance issues	Risk	Mitigation
	potential loss or under-utilisation of skills and capacity	<ul style="list-style-type: none"> Support 'build our own' ethos with appropriate tools
Appropriate induction processes	<ul style="list-style-type: none"> Council's ethos, objectives and ways of working will not be provided to new recruits on a timely basis; new recruits will lack the knowledge, ambition and drive that the Council portrays 	<ul style="list-style-type: none"> Review of both corporate induction and individual service induction approaches
Training and development	<ul style="list-style-type: none"> Absence of employee / organisation requirement mapping to optimise individual's skills and ambition with the objectives and capacity of the organisation 	<ul style="list-style-type: none"> Review to ensure that all individual and organisational requirements are supported with ongoing training and development opportunities
Risk management	<ul style="list-style-type: none"> Risks are not clearly escalated within the organisation with a clear allocation of responsibility 	<ul style="list-style-type: none"> Embedding of new escalation protocol as part of the revised Risk Management Policy and Strategy
Performance management: (Identified by Overview and Scrutiny Committee chair)	<ul style="list-style-type: none"> Council's approach to performance management and monitoring is not fully understood; leading to ineffective challenge and scrutiny 	<ul style="list-style-type: none"> Member workshop: understanding the Council's performance management approach and supporting systems
Agreed actions within the Red / limited (4) assurance Internal Audit reports are implemented.	<ul style="list-style-type: none"> Failure to address control and governance issues identified as part of the audit work undertaken 	<ul style="list-style-type: none"> Detailed actions plan in place to address the findings, including the establishment of an oversight board.
ii) Strategic Issues from the Council Plan	Risk	Mitigation
<p>Supportive Council: Availability of sufficient funding to resource key priorities – with particular reference to Disabled</p>	<ul style="list-style-type: none"> Demand for DFGs and adaptations are not met due to budget availability DFGs are not delivered in a timely manner; under-performance nationally 	<ul style="list-style-type: none"> Response to Internal Audit recommendations to improve processes

ii) Strategic Issues from the Council Plan	Risk	Mitigation
Facilities Grants (DFGs)		
<p>Supportive Council: Debt levels will rise if tenants are unable to afford to pay their rent or council tax</p>	<ul style="list-style-type: none"> • Council will not recover income to offset costs • Tenants will fall into more categories of debt • Potential rise in homelessness presentations 	<ul style="list-style-type: none"> • Early intervention for tenants claiming Universal Credit to tackle rent arrears and encourage payment of rent • Avoid new or escalating arrears to ensure that homelessness is prevented where possible
<p>Supportive Council: Demand outstrips supply for residential and nursing home care bed availability</p>	<ul style="list-style-type: none"> • Lack of residential and nursing home care bed availability leading to more hospital stays • Increased stress on carers • Primary care resources stretched further 	<ul style="list-style-type: none"> • Expansion of Marleyfield to support the medium term development of the nursing sector is ongoing. • Re-phasing of Integrated Care Fund capital to fit in with the Council's capital programme has been agreed by Welsh Government • Other active workstreams, including the development of resources to support the sector, diagnostic reviews for providers and Care Conferences
<p>Supportive Council:</p> <ul style="list-style-type: none"> • Knowledge and awareness of safeguarding not sufficiently developed in all portfolios • Failure to implement safeguarding training may impact on cases not being recognised at an early stage. 	<ul style="list-style-type: none"> • Lack of optimisation of using the Council's resources and workforce to support safeguarding 	<ul style="list-style-type: none"> • Inclusion of safeguarding in Corporate Induction • Employee training opportunities provided on a regular basis • Mentor support provided by senior managers and link officers
<p>Learning Council: Sustainability of funding streams</p>	<ul style="list-style-type: none"> • Reductions to Education Improvement Grant and other grants at short notice lead to reduced service delivery, when demand for pupil support is increasing 	<ul style="list-style-type: none"> • Collective working with Head Federations to consider options and opportunities • Internal and external campaigning for a reversal of WG policy

ii) Strategic Issues from the Council Plan	Risk	Mitigation
<p>Learning Council: Numbers of school places not matching the changing demographics</p>	<ul style="list-style-type: none"> • Unfilled school places do not meet national targets • Increased repair and maintenance burden 	<ul style="list-style-type: none"> • School modernisation programme • Council and schools work to consider innovative ways for reduction in capacity
<p>Learning Council: Limited funding to address the backlog of known repair and maintenance works in Education & Youth assets</p>	<ul style="list-style-type: none"> • Inefficient school estate • Surplus places • Poor condition and suitability of school estate 	<ul style="list-style-type: none"> • School modernisation programme • Capital business cases submitted through council process
<p>Green Council: Funding will not be secured for priority flood alleviation schemes</p>	<ul style="list-style-type: none"> • Flood alleviation works will not be implemented effectively with appropriate funding 	<ul style="list-style-type: none"> • Service review to balance ability to secure funding for flood alleviation works alongside statutory duties
<p>Green Council: Adverse weather conditions on the highway network</p>	<ul style="list-style-type: none"> • Road conditions across the Council are adversely affected 	<ul style="list-style-type: none"> • Resurfacing and permanent patching schemes prioritised for summer period • Timely responses to repair network as defects identified
<p>Service Council: The scale of the financial challenge</p>	<ul style="list-style-type: none"> • The Council has insufficient funding to meet its priorities and obligations 	<ul style="list-style-type: none"> • The Council's Medium Term Financial Strategy and efficiency programme. • National negotiations on local government funding.

Certification

The review provides good overall assurance that Flintshire County Council's arrangements continue to be regarded as fit for purpose in accordance with the governance framework requirements for Local Authorities within Wales.

Opportunities to maintain and develop the Council's governance arrangements have been identified through this review. We pledge our commitment to addressing these issues over the coming year and we will monitor their implementation and operation as part of our next annual review.

Signed on behalf of Flintshire County Council

Colin Everett – Chief Executive

Cllr. Aaron Shotton – Leader of the Council

**Flintshire County Council Corporate Governance Framework
Principal Statutory Obligations and Organisational Objectives**

Behaving with integrity, demonstrating strong commitment to ethical values & respecting the rule of the Law

Ensuring Openness & Comprehensive Stakeholder Engagement

Defining Outcomes in terms of Sustainable Economic, Social & Environmental Benefits

Determining the Interventions to optimise the achievements of the intended outcomes

Developing the Council's capacity, including capability of its leadership & individuals within it

Managing risks & performance through robust internal control & strong financial management

Implementing good practices in transparency, reporting & audit to deliver effective accountability

Assurance Statement

Corporate Governance comprises the systems and processes, cultures and values, by which Flintshire County Council are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities

Public Key Documents: Annual Review / Production

Key Documents: Ad-hoc Review / Production

Contributing Processes Regulatory Monitoring

- Annual Governance Statement
- Annual Outturn Finance Report
- Annual Performance Report
- Annual Information Governance Statement
- Capital Strategy and Asset Management Plan
- Code of Corporate Governance
- Code of Ethical Practice on Procurement
- Contract Procedure Rules
- Digital Strategy
- Financial Regulations
- Council Plan
- Medium Term Financial Strategy
- Members' Allowance Scheme
- Overview and Scrutiny Annual Report
- People Strategy
- Portfolio Business Plans
- Public Services Board Wellbeing Plan
- Statement of Accounts
- Strategic Equality Plan
- Strategic Risk Register
- Treasury Management Strategy

- Anti-Fraud Work plan
- Business Continuity Plans
- Communications Principles
- Constitution
- Data Protection Policy
- Equality and Diversity Policies
- HR Policies
- Health & Safety Policies
- Internal/External Audit Protocol
- IT Policies
- Members Code of Conduct
- Officers Code of Conduct
- Procurement Strategy
- Social Media Policy
- Welsh Language Standards
- Whistle Blowing Policy

- Appraisal and Supervision
- Attendance management
- Audit Committee
- Budget Monitoring Reports
- Comments, Complaints and Compliments
- Corporate Governance
- Corporate Health & Safety
- Council (Plan) Governance Framework
- Council Meetings
- Engagement and Consultation
- External Audit
- FCC Web site
- Induction
- Inspectorate Reports
- Internal Audit
- Job Descriptions
- Manager Toolkits
- Member Training
- Monitoring Officer
- Partnership Self Assessments
- Performance Management
- Risk Management
- Scrutiny Framework
- Staff induction
- Your Council newsletter