Draft Annual Governance Statement

Year ended 31 March 2015

Annual Governance Statement 2014/2015

Contents

Annual Governance Statement 2014/2015

1.   What are we responsible for?

We are responsible for carrying out our business in line with the law and proper accounting standards, and for using public money economically, efficiently and effectively, and accounting for it properly. We also have a duty under the Local Government Act 1999 to continually review and improve the way we work, while at the same time offering value for money and an efficient and effective service.

To meet our responsibility, we have put in place proper governance arrangements for overseeing what we do. These arrangements are intended to make sure that we do the right things, in the right way, for the right people, in a timely, inclusive, open and accountable manner. These arrangements consist of all the systems, processes, culture and values which direct and control the way in which we work and through which we account to, engage with and lead our communities.
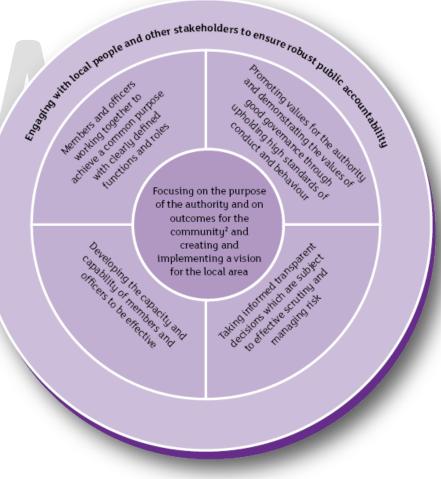
We have approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. You can obtain a copy of the Code from our website: http://www.warwickshire.gov.uk/corporategovernance

This statement explains how the Council has complied with the code and also meets the requirements of the Accounts and Audit (England) Regulations 2011.

2.   The aim of the governance framework

The governance framework is basically the systems and processes, and the culture and values, by which we are controlled and how we account to, engage with and lead the community. The framework allows us to monitor how we are achieving our strategic aims and ambitions, and to consider whether they have helped us deliver appropriate services that demonstrate value for money.

The system of internal control is an important part of the framework

and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failing to achieve our policies, aims and objectives, so it can only offer reasonable assurance and not absolute assurance of effectiveness. The system of internal control is based on continuing processes designed to:

- identify and prioritise the risks that could prevent us from achieving our policies, aims and objectives;
- assess how likely it is that the identified risks will happen, and what will be the result if they did; and
- manage the risks efficiently, effectively and economically.

The framework underpins our Code and set out the commitments we have made about the way that we work. The governance framework has been in place at the Council for the year ended 31 March 2015 and up to the date of approval of the annual report and statement of accounts.

3   The Governance framework

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

Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens, service users and communities

Our core purpose is to 'develop and sustain a society that looks after its most vulnerable members, delivers appropriate, quality services at the right time, and seeks opportunities for economic growth and innovation'. This provides the overarching framework for the One Organisational Plan which sets out our values and the desired outcomes we want to achieve for the people of Warwickshire over the four year period 2014-18. The One Organisational Plan was approved by Council on 25th February 2014 and the business outcomes that support the delivery of the core purpose were agreed by Cabinet in March 2014. http://www.warwickshire.gov.uk/businessplan

The One Organisational Plan was informed by an extensive programme of consultation which was reported to Cabinet in December 2013 http://askwarks.wordpress.com/2014/01/07/feedback-from-the-lets-talk-public-engagement/.

Our annual Quality of Life Report provides a comprehensive assessment of a range of indicators and trends in local conditions experienced by the residents and communities of Warwickshire. The key messages identified in the analysis aid the decision making and priority setting processes; providing the context for our business planning and the evidence base for our policy development: http://www.warwickshireobservatory.org/quality-of-life-in-warwickshire-201415/

We have communicated the One Organisational Plan to citizens through a range of media including dedicated pages on our website and social media. http://oop.warwickshire.gov.uk/

Reviewing the authority's vision and its implications for the authority's governance arrangements

We adopted a Corporate Governance Code of Conduct in October 2004. This was revised in 2007/08 to reflect new CIPFA/SOLACE guidance. The Code

identifies our commitment to corporate governance and supports our Vision and Aims and Ambitions. The Code underlines the critical role governance has in the delivery of objectives, stating that 'good governance is essential for the Authority to improve the quality of its services and has a significant impact on the public's level of trust in the services that the Authority delivers'. The Code can be found on our website: http://www.warwickshire.gov.uk/corporategovernance

Translating the vision into objectives for the authority and its partnerships

Our core purpose provides the overarching framework for the One Organisational Plan which sets out our values and the desired outcomes we want to achieve for the people of Warwickshire over the four year period. The One Organisational Plan fully integrates the corporate and financial planning processes and pulls together the key elements of a number of different existing corporate plans and documents to provide the focus for the delivery of our core purpose and key outcomes. http://www.warwickshire.gov.uk/strategicdirection

- The One Organisational Plan outlines our core purpose and the key outcomes we want to achieve for Warwickshire by 2018. http://www.warwickshire.gov.uk/businessplan
- The Medium Term Financial Plan supports the One Organisational Plan by setting out how we intend to use and raise the resources needed to deliver our services and priorities over the medium term. The 2015/16 Budget and a refresh of the Medium Term Financial Plan for 2015-18 were approved by the County Council on 5th February 2015.

Measuring the quality of services for users, ensuring they are delivered in accordance with the authority's objectives and that they represent the best use of resources and value for money

The performance monitoring and reporting arrangements for the One Organisational Plan were approved by Cabinet in June 2014 and includes the following mechanisms:

- Progress against the One Organisational Plan and the delivery of the savings is reported formally to Cabinet on a quarterly basis followed by Overview & Scrutiny.
- A dashboard has been rolled out to managers providing access to performance information for services. The dashboard provides access to real time HR, Finance and Performance data for their area of the business, and enables managers to interrogate information quickly and efficiently, making key indicators easier to monitor.
- Each Group has arrangements in place for reporting performance to its Group Leadership Team (GLT).

We produce a leaflet each year which details our services and outlines how we spend Council Tax income. The leaflet for the current and previous financial years can be viewed on our website: http://www.warwickshire.gov.uk/counciltaxspending

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

Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication in respect of the authority and partnership arrangements

Elected members are collectively responsible for the governance of the Council. Decision making and scrutiny of member decisions has been separated through the executive arrangements introduced by the Local Government Act 2000. Responsibilities for decision-making, the role of individual members, the Council, Cabinet, and committees are defined in the Constitution

The roles and responsibilities of senior officers, delegation of statutory powers and executive functions, and Protocols on member / officer relations are defined and documented within our Constitution which can be found on our website: http://www.warwickshire.gov.uk/constitution.

Ensuring effective management of change and transformation

The One Organisational Plan sets the high level desired outcomes and is supported by projects and service plans. It provides the necessary framework to deliver change management and transformation and to ensure clear line of sight in the delivery of WCC's Core Purpose and Outcomes at strategic, group and business unit levels. The outcomes framework ensures that Members and Officers have a clear picture of how well the Organisation is progressing against the delivery of the outcomes set out in the One Organisational Plan as well as the key business outcomes that support and underpin it.

The One Organisational Plan is aligned to the medium term financial plan to ensure a joined up approach to delivering the organisational plan outcomes and the agreed 4 year savings plan. These are both reviewed as part of the annual budget setting process to identify future service and budgetary requirements and to respond to further requirements for change.

From attracting and retaining the right people, providing the development they need to allow them to grow and progress, managing the talent and planning for the future the way in which we lead and manage our people is key to the successful delivery of quality services for Warwickshire people. The Workforce Strategy outlines the current and future needs of our workforce, setting out our aspirations for our workforce and how we will lead, support and develop the people within our business. The Strategy sets the overarching principles which are embedded in detailed Workforce Plans developed at Group and business unit level. This ensures that Warwickshire has a fit for purpose workforce and staff resources are deployed most effectively in the delivery of the aims and ambitions as set out in the One Organisational Plan.

Ensuring the authority's financial management arrangements conform with the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government* and, where they do not, explain why and how they deliver the same impact

Arrangements are in place to ensure that we fully comply with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government. They include the following:

- The Head of Finance fulfils the role of Chief Finance Officer. He is actively involved in the financial implications of all material business decisions, leads on promoting good financial management, is professionally qualified and suitably experienced and leads and directs a finance function fit for purpose.
- He is entitled to attend at and offer advice to meetings of the Corporate Board and Cabinet/Corporate Board in relation to any item which he considers raises financial issues.
- Within the Financial Regulations of the Authority he has the responsibility to advise Strategic Directors as necessary on financial arrangements and has access to all documents concerned with finance.

Ensuring the authority's assurance arrangements conform with the governance arrangements of the *CIPFA Statement on the Role of Head of Internal Audit* and, where they do not, explain why and how they deliver the same impact

The Council has delegated responsibility for maintaining an adequate internal audit function to the Strategic Director for Resources. A programme of risk based audits is carried out by the Risk and Assurance Service. A summary of audit work is reported to the Audit and Standards Committee which has responsibility for oversight of probity and audit issues and meets four times a year.

Arrangements are in place to ensure that we fully comply with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit. In particular the Chief Risk and Assurance Manager is designated as the Head of Internal Audit. He has regular formal meetings with the Strategic Director for Resources, Head of Finance and Head of Law and Governance and does not take any part in any audit of risk management or insurance. A self-assessment against the Public Sector Internal Audit Standards (PSIAS) has been completed and compliance will be confirmed by an external assessment in due course. More information can be found on our website: http://www.warwickshire.gov.uk/audit

Ensuring effective arrangements are in place for the discharge of the monitoring officer function

The Strategic Director for Resources fulfils the responsibilities of the Monitoring Officer. The Strategic Director has arrangements in place to ensure that all reports to member bodies are checked by qualified lawyers within the Authority and to ensure compliance with legislation, corporate policies and procedures. All decision making member bodies are supported by a legal advisor who attends meetings. In addition, the Strategic Director receives weekly briefings from senior lawyers in the Authority highlighting if there are any:

- cases or potential cases where questions arise as to the Council's power to take action
- cases or potential cases of breaches of law or internal regulations, especially standing orders, contract standing orders or financial regulations
- proposals to act contrary to corporate policy or legal advice
- new legislation, statutory instruments or government proposals affecting areas of work carried out by the Authority

The Strategic Director has responsibility for reviewing and investigating complaints about elected member conduct (including co-opted members).

Ensuring effective arrangements are in place for the discharge of the head of paid service function

The Chief Executive is designated as the Head of Paid Service and fulfils the responsibilities of the role. The functions of the Chief Executive and group structures that have been put in place are contained within the Constitution which can be found on our website: http://www.warwickshire.gov.uk/constitution

Undertaking the core functions of an audit committee, as identified in CIPFA's *Audit Committees: Practical Guidance for Local Authorities*

The Audit and Standards Committee operates to an agreed terms of reference which defines its core functions, roles and responsibilities. The terms of reference is contained within the Constitution which can be found on our website: http://www.warwickshire.gov.uk/constitution

Incorporating good governance arrangements in respect of partnerships and other joint working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements

A partnership governance toolkit is in place. The purpose of the toolkit is to help the Council and other agencies involved in partnership working to identify the key governance issues that need to be addressed when considering new partnership arrangements or running existing partnerships. The toolkit contains a number of tools designed to help build a partnership framework including partnership objectives, structures, governance arrangements (including performance, financial and risk management arrangements, customer engagement protocols and exit strategies.

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

Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

Our Corporate Governance Framework is supported by a programme of governance training for officers and a range of internal audits. Online governance training for all staff was introduced during 2014.

The expectations for the behaviour of elected and co-opted members are published in the Member's Code of Conduct contained within the Constitution. This was revised and adopted by full Council in July 2012 to take into account changes arising from the Localism Act 2011. Standards of behaviour for staff are defined in the Officers Code of Conduct contained within the Constitution found on our website: http://www.warwickshire.gov.uk/constitution

New members of staff are made aware of codes of conduct as part of their induction. Staff codes of conduct are available through the HR pages on our website: http://www.warwickshire.gov.uk/conduct

Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained

We have a good record in preventing and identifying fraud but cannot afford to be complacent. We have an Anti-Fraud and Bribery Policy and Strategy outlining our commitment to creating an anti-fraud culture and maintaining high ethical standards in its administration of public funds. This was reviewed during 2012 to incorporate changes in best practice and legislation, including the Bribery Act 2010. These documents were reviewed and approved by the Audit and Standards Committee and Cabinet in December 2012 and published on our website: http://www.warwickshire.gov.uk/antifraud

We participate in the National fraud Initiative and counter-fraud activities take place throughout the year including articles published on the intranet to raise fraud awareness.

We are working alongside other local authorities in Warwickshire to establish a Counter-Fraud Partnership to deter and detect fraud.

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

Key roles in relation to ensuring compliance with policies, procedures, laws and regulations are performed by the Strategic Director for Resources, Head of Finance and the Head of Law and Governance.

Financial Regulations were approved by full Council on 26th September 2013 and work is underway to develop a supporting suite of procedures. http://www.warwickshire.gov.uk/financialregulations

A structured approach to contract management is set out in Contract Standing Orders (CSOs). These provide guidance on managing our finances, ensuring compliance with legislation and best value is considered in all purchasing activities. The current set of Contract Standing Orders was approved by full Council in September 2013 and is contained within the Constitution: http://www.warwickshire.gov.uk/constitution

In addition, external audit and external inspection agencies contribute to the review of the Authority's compliance with internal policies and procedures, and relevant laws and regulations. External reviews completed during 2014-15 include:

- A Local Government Association sponsored corporate peer review completed in September 2014. This provided an external 'health-check' of the organisation by considering the core components looked at by all corporate peer challenges.
- A peer review of adult social care was undertaken by West Midlands Association of Directors of Adult Social Care Services (WMDASS) in October 2014. This included Access arrangements with regard to Health and first point of contact, commissioning functions and Governance arrangements with regards to Better Care Fund (BCF), Care Act, People Group Transforms and Quality Assurance.
- A corporate Peer Review of the Health and Wellbeing Board undertaken in January 2015 which assessed our progress towards better integration of health and social care services. This is being followed up with partners and an action plan produced during summer 2015.

Findings and recommendations following these peer challenges (and also incorporating recommendations arising from an operational assessment peer review of the Fire Service completed in November 2013) are being taken forward by the County Council and partner bodies.

Whistleblowing, and receiving and investigating complaints from the public

The Whistleblowing Policy outlines procedures for staff members wishing to raise a concern, the response they can expect from the Authority and the officers responsible for maintaining and operating the code (which is essentially all managers). The Strategic Director for Resources has overall responsibility for the maintenance and operation of this policy. A confidential register of concerns raised and the subsequent outcome of investigations is held by the Resources Group. Details of whistleblowing arrangements have been published on our website: http://www.warwickshire.gov.uk/whistleblowingreporting

Complaints from members of the public are addressed according to the 'Corporate Complaints Procedure' ('making sure positive or negative customer feedback is valued and used to improve services') and managed corporately by the Customer Service business unit. Extensive guidance is available to staff through our intranet site, to the public on our website and through written publications: http://www.warwickshire.gov.uk/complaints

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

Reviewing the effectiveness of the decision making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

The Constitution sets out how the Council operates, how decisions are made, who makes decisions, how citizens, businesses and other organisations can participate, and the procedures which are followed to ensure that the Council is efficient, transparent and accountable to local people. Responsibilities for decision-making, the role of individual members, the Council, Cabinet, Committees and the process for determining the Authority's Key Decisions are defined in the Constitution. Delegations are detailed so that the functions of full Council, Cabinet, Cabinet members, Committees and Officers are specified.

We have a forward plan which provides information about all of the decisions that the Council has scheduled. Formal agendas, reports and minutes for all committee meetings are published on our website. Where a report is considered in private, the reason for that is set out in the description of the decision: https://democratic.warwickshire.gov.uk/cmis5/

The Overview and Scrutiny Committees act as a critical friend and hold Cabinet to account for its decisions. The terms of reference for all O&S Committees are defined in the Constitution. Our governance arrangements will be kept under review in the coming year, with a particular focus on ensuring effective scrutiny . http://www.warwickshire.gov.uk/scrutiny

In compliance with the Freedom of Information Act 2000 procedures for requesting access to information are in place. Our publication scheme guide is available on our website: http://www.warwickshire.gov.uk/foi

Information security is a key issue for us. A robust process for investigating data losses is in place and the Authority continues to protect the data of its staff, customers and business activities and ensure that it is stored securely, legally and in accordance with Council policy. We have reviewed our information security guidance as a method of increasing overall awareness, and signposting staff to our array of more detailed advice and guidance in this arena. To improve awareness, and ensure that all members of staff understand their information security responsibilities, we have introduced mandatory training and

required staff to formally accept their responsibilities. http://www.warwickshire.gov.uk/informationsecurity

Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

Risk management is an integral part of good management and corporate governance and is therefore at the heart of what we do. It is essential to our ability to deliver public services and as a custodian of public funds. Our approach to managing risk is explained in the Risk Management Strategy which has been approved by Cabinet and is available on our website: http://www.warwickshire.gov.uk/riskmanagementstrategy.

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

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

The development and training of elected members is managed by the Law & Governance Business Unit. At the beginning of their term of office, each elected member undergoes an induction programme which includes corporate governance training. A member development programme is agreed each year to ensure core development needs of members aligned to their respective roles are met and to take account of new and emerging issues. Democratic Services maintain a database of the training received by and planned for members.

From attracting and retaining the right people, providing the development they need to allow them to grow and progress, managing the talent and planning for the future the way in which we lead and manage our people is key to the successful delivery of quality services for Warwickshire people. The Workforce Strategy outlines the current and future needs of our workforce, setting out our aspirations for our workforce and how we will lead, support and develop the people within our business. The Strategy sets the overarching principles which are embedded in detailed Workforce Plans developed at Group and business unit level. This ensures that Warwickshire has a fit for purpose workforce and staff resources are deployed most effectively in the delivery of the aims and ambitions as set out in the One Organisational Plan.

The Working for Warwickshire Framework details the knowledge, skills, and qualities we need from our staff. This was made available to all staff from April 2014. As part of this framework a self-assessment tool has been developed which all managers across the organisation use when reviewing performance and agreeing development needs as part of their appraisals and 1:1 sessions. http://www.warwickshire.gov.uk/w4w

The corporate staff appraisal process applies to staff across the organisation and is used as a tool to identify individual objectives and development needs. The process is cascaded down through all tiers of staffing to ensure the objectives of the Authority run through the appraisals of all staff. http://www.warwickshire.gov.uk/corporateappraisal

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

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

We undertake consultation on a wide range of topics to help us engage with the public to inform decision making and to assess the quality of services we provide. Our Consultation and Engagement Framework provides staff with guidance and tools for planning and conducting consultation activities. As part of our approach to consultation the Ask Warwickshire website is a portal for consultation exercises taking place within Warwickshire. We use a variety of methods to undertake consultation including public meetings, public and staff roadshows, strategic meetings with partners and online consultation surveys. This enables us to engage with a greater number of citizens on a wide range of consultation topics and to provide results of completed consultation activities: http://askwarks.wordpress.com/

During the development of the One Organisational Plan we conducted an extensive programme of public and partner consultation. The public were invited to engage with members about what is important to them, and the leader embarked upon a programme of 'Let's talk' roadshows across the county. During the consultation we used MORI 'You Choose' budget simulation software to help gather the views of the local community to help shape the medium term financial plan for 2014-18. We are preparing for a further 'Let's Talk' exercise during 2015. http://askwarks.wordpress.com/2014/01/07/feedback-from-the-lets-talk-public-engagement/

The One Organisational Plan Delivery Group brings together a number of officers from both support functions and services across the organisation and at each meeting updates are given on current and upcoming consultations by officers involved (Legal, Warwickshire Observatory, Communications and Corporate Project Delivery). This allows further support to be given where appropriate, interdependencies to be identified and lessons to be learnt in a timely manner.

A Public Engagement in Overview and Scrutiny Toolkit has been developed to support Members with engaging and involving the public in scrutiny activity. The Toolkit was approved by the Corporate Services Overview and Scrutiny Committee in October 2013: http://warksdemocracy.wordpress.com/2013/10/28/greater-public-involvement-in-overview-and-scrutiny/

Equality and Diversity is an integral part of consultation. Equality Impact Assessments are used as a tool to identify the potential impact of strategies, policies, services and functions on customers and staff: http://www.warwickshire.gov.uk/staffequalityanddiversity

The Petitions Scheme enables citizens to raise and formally present petitions to members and committees. Petitions can be submitted by post or online: http://www.warwickshire.gov.uk/petitions

Our Locality Working Strategy outlines the objectives and working arrangements for engaging with the community alongside our partners and improving working with locality groups. This can be found on our website. http://www.warwickshire.gov.uk/localityworkingstrategy

We operate a network of thirty Community Forums across the county, each of which meets on a minimum of four occasions per year. These are run in partnership with the District/Borough Councils, Warwickshire Police, and Health Service and provide the opportunity for the public to engage with Councillors and public service providers about their concerns and priorities. Agendas and minutes of community forum meetings are available on our website: http://www.warwickshire.gov.uk/communityforums

We have commissioned Healthwatch Warwickshire to undertake an independent role in the provision of information on local health and social care services to the public and also to enable public engagement with health providers. Healthwatch launched in April 2013 and a Memorandum of Understanding has been agreed setting out the framework for the working relationship between Warwickshire Health and Wellbeing Board, Healthwatch Warwickshire, Children and Young People Overview & Scrutiny Committee and Adult Social Care and Health Overview & Scrutiny Committee. http://www.healthwatchwarwickshire.co.uk/

Enhancing the accountability for service delivery and effectiveness of other public service providers

We actively contribute to partnerships including the Coventry and Warwickshire Local Enterprise Partnership (CWLEP) and collaborate with partners to promote good governance and delivery of outcomes. We are members of a number of sub-regional partnerships and groups which have member and / or officer representation. Each partnership has its own governance arrangements in place. http://www.warwickshire.gov.uk/partnerships

The Police Reform and Social Responsibility Act 2011 established the arrangements for Police and Crime Commissioners (PCCs) and for Police and Crime Panels. The Police and Crime Panel is a joint committee of the County Council and the five district and borough councils. The Panel's role is to scrutinise the decisions and actions of the PCC but in a way that supports the effective exercise of the functions of the PCC. http://www.warwickshire.gov.uk/policeandcrimepanel

Governance arrangements are in place for scrutinising health services. The Health and Wellbeing Board is an executive function that has statutory responsibility for developing joint health and wellbeing strategies. It brings together colleagues from the county council, district and borough councils, and the NHS to provide leadership and direction for the health and social care economy in the county.

4.   Review of effectiveness

We have responsibility for conducting, at least annually, a review of the effectiveness of our governance framework including the system of internal control. The review of effectiveness is informed by the work of managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by external auditors and other review agencies and inspectorates.

The review of effectiveness was co-ordinated by an evaluation panel consisting of representatives from each group, the Chief Risk and Assurance Manager (Head of Internal Audit) and chaired by the Head of Law and Governance. In carrying out their review, the evaluation panel:

- considered the approach of the Authority to establishing its principal statutory obligations and organisational objectives;
- considered the approach of the Authority to identifying principal risks to the achievement of those obligations and objectives;
- identified the key control frameworks that the Authority has in place to manage its principal risks;
- obtained assurance from managers on the operation of key control frameworks and on the results of relevant external or internal inspection; and
- evaluated the assurances provided and identified gaps.

The evaluation panel scrutinised the strategic risk register prepared by executive managers and approved by Corporate Board. In addition Heads of Service have confirmed that they have complied with the risk management framework throughout the year. Consideration was also given to the results of reviews carried out by external agencies during the year including the external audit of the accounts. The work of the evaluation panel was scrutinised by the Strategic Director of Resources (Monitoring Officer) and the Head of Finance (Section 151 Officer) before being submitted to the Audit and Standards Committee for further scrutiny and reported to Cabinet and Council.

The Authority's governance arrangements have been reviewed throughout 2014/15 in a number of ways including:

- LGA Corporate Peer Review
- LGA Health and Wellbeing Peer Review
- Review of County Council electoral boundaries by the Local Government Boundary Committee for England (LGBCE)
- WMDASS Peer Review of adult social care services
- scrutiny reviews undertaken by task groups commissioned by Overview and Scrutiny Committees; and
- risk based reviews by Internal Audit.

The results of the Internal Audit work were reported to the Audit and Standards Committee throughout the year and the individual reviews feed into the overall Internal Audit Annual Report. This report concludes that the Authority's control environment provides substantial assurance that the significant risks facing the Authority are addressed. The internal audit findings were duly considered in the preparation of this statement.

5.   Governance issues

We have been advised on the implications of the result of the review of effectiveness of the governance framework by Cabinet and the Audit and Standards Committee. The arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

We have not experienced any significant governance failures during the last year. However the following have been identified as major challenges for the Authority going forward, each carrying significant risks for the County Council. The governance challenges recorded in this statement are reflected in the organisation's Strategic Risk Register and have accompanying actions. The Risk Register highlights the actions taken and successes achieved in addressing the challenges of the past 12 months. A prime purpose of the governance framework is to minimise the occurrence of strategic risks and to ensure that any such risks arising are highlighted so that appropriate mitigating action can be taken. We are satisfied that the challenges identified are addressed by service business plans and that the actions identified in those plans will address the issues highlighted in our review of effectiveness. The

table below summarises the risks contained in the Strategic Risk Register and the planned actions that will help us manage the risks to reduce the likelihood of them occurring or potential impact.

Risk	Further action to be taken
Government policies, new legislation, internal uncertainties and sustained austerity measures present immediate challenges and further significant imposed savings over the medium term. **Causes** • Projected savings of £92m over 4 years threaten existing levels of service provision. • Further uncertainty over post 2015 local and general election financial landscape. • The growing devolution agenda which is already influencing local authority strategic thinking • An accelerated pace of change to respond to new policy timeframes and changes in service expectations. • School financial deficits outside the scope of the one organisational plan impact on the ability to deliver corporate savings. • IT investment is insufficient to fully support transformation process. • Uncertainty in resource and cost implications of implementing Stage 1 of the Care Act from 2015/16. • Legal challenge to decisions made by the Authority. **Effects** • The Council is unable to achieve its key aims and objectives, to meet customer expectations and maintain an effective regulatory framework. • The pace of change and uncertainty about future local government structures stretches and challenges our governance and project management structures. • There is more pressure on expanding traded activity and income generation to protect the organisation's interests and core activities. • Impact on staff morale and productivity arising from transformational change. • Failure to deliver desired outcomes for the Council. Pace and scale of	• As part of an oversight of Transformation, continue to provide clarity about our priorities based on an analysis of need and budget plans which match our resources accordingly. This includes a corporate focus on expanding the commercial awareness of internal services. • On-going and effective communication of change and the reasons for change to all stakeholders and staff. • Clear guidance on consultation processes to be provided to Service Managers together with appropriate legal oversight. • Continue to explore and engage in the debate around greater devolution for England. • Findings and recommendations following the peer challenges to be collated and taken forward • Continue to build relationships with key partners and ensure that governance arrangements are robust. • Continue to monitor the implementation of savings plans.

Risk	Further action to be taken
change could result in reputational risk, increased cost in services and failure to meet the legal requirements of the Care Act. • Actions to implement change and deliver savings are delayed.	
Continuing pressure on Adult Social Services and Health. **Causes** • Demographic trends and a huge national change agenda. • Winter pressures on key services. • Large scale and complex changes arising from the Care Act and Better Care Plan and a delay in co-ordinating and implementing those changes which fails to meet imposed timescales. • Commercial or contractual failure of private or independent care providers leads to disruption to care provision. • Poor quality of data and analysis may result in poor evidence based service planning, or failure to achieve value for money. • The Health and Wellbeing Board is continuing to develop relationships. • Changes in government policy towards adult social care and the NHS. **Effects** • Failing to achieve efficiencies and respond to increasing demand using a commissioned approach to adult services (includes risk of contract failure). • Failing to secure services for people who the Care Act determine that the Local Authority must or should support. • Failing to meet statutory minimum levels of services would result in fines or intervention in services. • Failing to accurately predict the potential demand resulting from the Care Act and increased pressure on existing budgets. • Failure to maintain agreement on use of Better Care Funds and protection of social care, would lead to additional cost pressures through reduced funding support from health partners.	• Strategic Commissioning Unit lead on actions to progress the commissioning approach and respond to concerns about contractor performance and market failures. • Ensure the 5 priority areas in the Reablement Strategy are progressed within a project plan. • Seek potential wider integration opportunities across the health and social care economy to meet the requirements of the Better Care Fund. • Continue to monitor and manage change plans and budgets to ensure sustainability of service. • Implementation Plan for the Care Act Phase 2 taking place during 2015/16.

Risk	Further action to be taken
Safeguarding Children and Vulnerable Adults in our community - inability to take action to avoid abuse, injury or death **Causes** • An increasing volume of referrals and decreasing internal resources. • An increasing national focus on the threat of Child Sexual Exploitation and on historical cases of abuse. • Local pressures such as staff shortages and extreme demand. **Effects** • Failing to deliver one of the Council's key aims to protect vulnerable members of our community. • Severe negative publicity and impact on key staff and future recruitment. • Inspections and possible intervention from regulators.	• To constantly review the controls in place to actively manage down the risk of a Safeguarding incident occurring. • Development of the Multi Agency Safeguarding Hub with partners in Warwickshire • An Integrated Case File Audit tool is being introduced in Adult Social Care from April 2015. This is part of developing a consistent quality assurance framework for People Group based on 5 key standards, including Standard 1 – "People Group Services safeguard their customers and promote their welfare". • Introduction of case file audit tool in Child Safeguarding.
Loss or corruption of personal or protected data held by the Council **Causes** • A breach in our statutory information governance duties. **Effects** • Serious breaches may lead to Information Commissioner investigation, potential for a significant fine and reputational damage. • More minor breaches still require internal investigation and reporting and negative media which damages the Council's reputation	• Exploring options for cloud based information sharing with external parties to reduce paper exchanges and associated risks. • The Information Governance Steering Group to develop pro-active training across the Council..
C&W LEP and regional partnership working fail to deliver optimum economic benefits. **Causes** • Any potential weaknesses in partnership and governance arrangements including the allocation of growth funding. • Potential conflicts of interest protecting strategic and financial interests. • Uncertainty about longer term commitments of all partners given the	• Evidence-based research to inform discussions with all Local Authority Leaders in the area on options around a Combined Authority, and the implications of moving forward on this agenda. • The European Structural & Investment Funds Programme will be launched in 2015/16, providing significant resources to support economic growth activity. Projects, programmes and match funding need to be secured to take advantage of this opportunity. • Successful implementation of and delivery of Growth Fund projects,

Risk	Further action to be taken
early stages of proposals for a West Midlands Combined Authority which may include Coventry City Council. • Changes to central government policy following the 2015 general election. **Effects** • Unable to sustain essential income and resources to support growth in the Warwickshire economy and protect strategic and financial interests in LEP arrangements • Failing to maximise any economic benefits from HS2 proposals either from the infrastructure project itself or subsequent economic drivers.	demonstrating and impact on the local economy. • Engagement with partners to consider and evaluate models of governance which would best enhance the economic prosperity of the County and give greater local control over resources and decision-making.
Inability to sustain risk critical fire and rescue functions. **Causes** • Projected savings agreed by Council and One Council approach to delivering an effective and safe fire and rescue service. **Effects** • Weakening operational support to fire crews through a reduced ability to provide, maintain and review safe systems of work - impacting plant & equipment, operational guidance, effective training and mobilising capability. • The unique nature of fire and rescue is left vulnerable as a result of an inability to recognise the emergency nature of core business and that services need to be maintained 24/7 throughout the year.	• Operational assurance is strengthened through the development of a Command Assurance Team. Its purpose is to seek and improve areas where systemic failure could occur. • Performance measures refined and owned at all managerial levels and reported to Brigade Team level on a monthly basis. • Continue to explore partnership and collaboration opportunities with other fire authorities. • Implementation of new response model and emergency response standards from April 2015.
Inability to maintain critical services during disruptions. **Causes** • Business Continuity Plan and framework are under review but progress with confirming continuity plans and implementing improvements is slow and some current service BCPs may still not be fit for purpose	• Complete the development of business continuity plans and develop a robust testing and maintenance programme.

Risk	Further action to be taken
Effects • Avoidable service interruption and gaps in civil contingency responses. • Reduces staff confidence and engagement in the continuity planning process.	
Ensuring sufficient provision of school places across the County **Causes** • Demographic changes and pressures in some areas of the County. • Changes in our relationship with schools and academies and the impact of significantly reduced capital and revenue resources. • Lack of appropriate in-county placements in particular for areas of growing need including Autism and Emotional Social and Behavioural Difficulties. **Effects** • Provision may not improve quickly enough to ensure that every child in Warwickshire has the opportunity to attend a good or outstanding school. • Potential for negative feedback following an authority wide Ofsted inspection. • Increased numbers of vulnerable children and those with SEND (Special Educational Needs and Disabilities) educated in out of county provision.	• Use the Sufficiency Strategy to address areas of under provision of school places. • Develop SEND capacity and capability within the County including the opening of a new Additional Educational Needs (AEN) school, developing models of partnership between special and mainstream schools and developing designated resourced SEN provision on school sites or satellite provision elsewhere.
Meeting statutory requirements to drive improvement across all schools in the County. **Causes** • Demographic changes and pressures in some areas of the County. • Increasing pressures on centrally managed Dedicated School Grant (DSG) budgets, and in particular, those arising in the High Needs block from Mainstream and Special School top-ups and Independent / Out of Authority placements.	• Commission the development of a medium term recovery plan to bring the centrally managed DSG back into balance. • Development and implementation of Vulnerable Learners Strategy to improve outcomes for our most vulnerable and disadvantaged groups. • Continue to engage with school governors and disseminate good governance practice through training, forums and published guidance.

Risk	Further action to be taken
Effects • Failure to close the gap between the performance of Vulnerable Groups and other children • Provision may not improve quickly enough to ensure that every child in Warwickshire has the opportunity to attend a good or outstanding school. • Potential for negative feedback following an authority wide Ofsted inspection.	
Inability to manage the impact of HS2 on Warwickshire **Causes** • Limited ability to maintain positive relationships with all parties that have an interest in or are affected by HS2 • WCC does not have the capacity or expertise to manage sustained multiple extensive technical consultations or to participate in the legislative processes for the Bill. • Impacts to WCC, communities and businesses are not identified. **Effects** • Loss of public amenities and failure to secure mitigations, enhancements, incentives or benefits. • Impact on delivery of county council services and communities if the scheme progresses.	• Monitor progress with the second reading of the Hybrid Bill and respond accordingly. • WCC needs to hold HS2 Ltd to account for the delivery of the promised mitigation measures.

6. Certification

We propose over the coming year to take steps to address each of the above matters to further enhance our governance arrangements. We are satisfied that the issues we have identified are addressed by the detailed action plans included in each of the service business plans across the Council and the corporate risk register, and that the actions identified will address the need for improvements that were highlighted in our review of effectiveness. These are monitored and reported to members and Corporate Board as part of the corporate performance management framework. We will monitor their implementation and operation as part of our next annual review.

Signed: ……………………………………………… ………………………………………………
        Jim Graham   **Councillor Izzi Seccombe**
        Chief Executive   **Leader of the Council**

Date:

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