

West Suffolk Annual Governance Statement 2017/18

1. Scope of Responsibility

- 1.1 St Edmundsbury Borough Council and Forest Heath District Council (working together and referred to hereafter as the Councils) are responsible for ensuring that their businesses are conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Councils also have a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Councils are responsible for putting in place proper arrangements for the governance of their affairs and facilitating the effective exercise of their functions which includes arrangements for the management of risk.
- 1.3 The Councils have approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the [Local Code](#) is available on the Councils' website. This statement explains how the Councils have complied with the Local Code and also met the requirements of Accounts and Audit (England) Regulations 2015, regulation 6(1)(b), which requires all relevant authorities to prepare an Annual Governance Statement

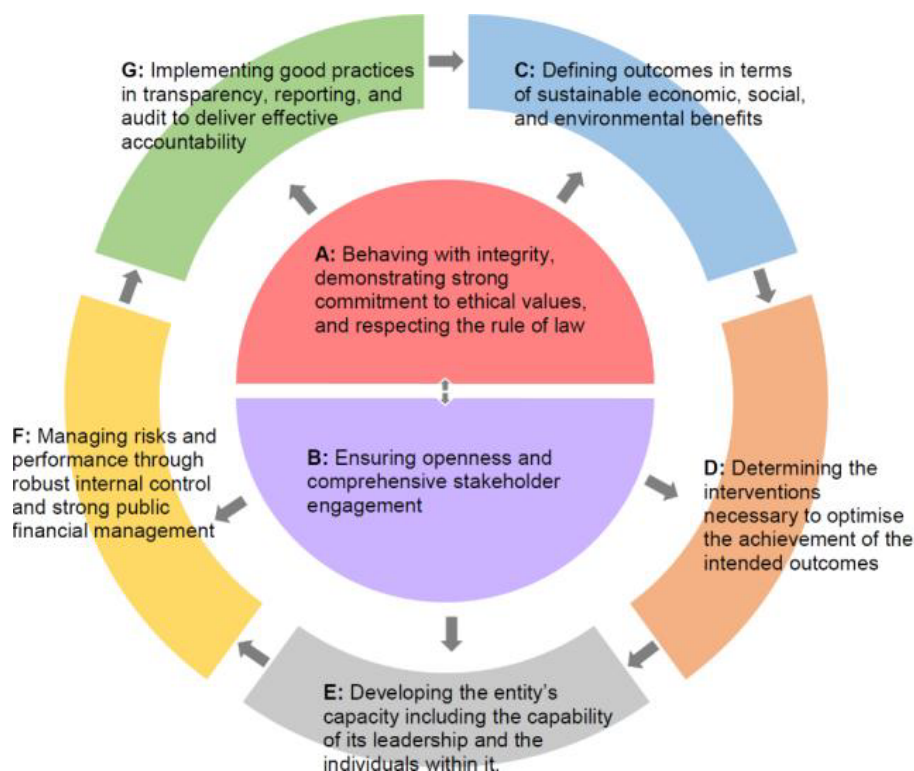
2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems, processes, culture and values by which the Councils are directed and controlled and the activities through which they account to, engage with and lead the community. It enables the Councils to monitor the achievement of their strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to an acceptable level. It cannot eliminate all risk of failure to achieve the Councils' aims and objectives, but it seeks to provide reasonable rather than absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify, prioritise and manage the risks to the achievement of the Councils' aims and objectives.
- 2.3 The governance framework has been in place at the Councils for the year ended 31 March 2018 and up to the date of approval of the annual statement of accounts.

3. The Governance Framework

- 3.1 The Councils have adopted a Local Code of Corporate Governance in accordance with the core principles of good governance outlined within the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016.
- 3.2 There are seven core principles of good governance identified in the CIPFA/SOLACE Delivering Good Governance in Local Government Framework 2016 as follows:



- 3.3 The Local Code of Corporate Governance sets out the principles of good governance and describes in full the arrangements the Councils have put in place to meet each of these.
- 3.4 During 2017-18, the Councils undertook a number of actions to continuously improve their corporate governance arrangements. A summary of the highlights

Corporate Governance Activities in 2017-18 – highlights

During 2017-18, the Councils:

- Made preparations for the new single West Suffolk Council (to be created on 1 April 2019) and its new governance arrangements
- Published a new Strategic Framework for 2018-2020
- Created new project and programme management arrangements
- Appointed staff on joint contracts with Suffolk County Council and the West Suffolk Clinical Commissioning Group
- Provided training for councillors on standards, social media and GDPR compliance

is shown in the box below:

- 3.5 A detailed description of the Councils' recent activities and proposed activities for the coming year is set out in the table below, against a summary of each of the principles in their Local Code of Corporate Governance.

Principle A	Key Elements of West Suffolk Governance Framework
Behaving with integrity,	<ul style="list-style-type: none"> • Constitution

<p>demonstrating strong commitment to ethical values, and respecting the rule of law</p>	<ul style="list-style-type: none"> • Employees Code of Conduct • Members Code of Conduct • Contract Procedure Rules • Anti-Fraud and Anti-Corruption Policy • Whistle Blowing Policy • Anti-Money Laundering Policy • Registers of Interest • ICT Security Policy • Monitoring Officer
<p>Activity within Principle A in 2017/18</p>	
<ul style="list-style-type: none"> • The Constitution document was updated in December 2017 and February 2018 in respect to changes in legislation and amending the delegations to implement the Growth Investment Strategy. • Work commenced in December 2017 to review the Codes and Protocols within the existing Constitutions documents with a view to adopting a new framework, to ultimately be adopted into the West Suffolk Council Constitution. • Periodic messages regarding fraud and ICT Security have been included on the councils' intranet. • Training for Councillors on Standards and Social Media, GDPR compliance training. • Appointed a new Independent Person and provided training for Suffolk and Norfolk Independent Persons. • Refocussed the Standards Committee to ensure regular reporting on the ethical governance standards across West Suffolk. • Review of reporting to the Suffolk Safeguarding Boards including developing a new self-assessment template to be rolled out in 2018/19. 	
<p>Proposed activity for the coming year / areas for improvement</p>	

- A review will be undertaken of existing working arrangements for Cabinet meetings with a view to combining into a joint Cabinet structure ahead of the creation of West Suffolk Council.
- Work over the next year will focus upon developing the necessary corporate governance structures for the shadow WS Council and WS Council itself. This will incorporate production of a shadow constitution and a new formal constitution for West Suffolk Council.

Principle B	Key Elements of West Suffolk Governance Framework
Ensuring openness and comprehensive stakeholder engagement	<ul style="list-style-type: none"> • Annual Report • Reports and Minutes available on Councils' website • Consultation Statement • Undertakes Equality Statements • Uses Complaints and feedback to understand how it can learn for future service development.
Activity within Principle B in 2017/18	
<ul style="list-style-type: none"> • The annual report format was refreshed and is now simple, concise and accessible. • On consultation we procured new survey software to ensure GDPR compliance and to improve functionality. • Consultation was conducted on Single Council and Bury Town Master Plan, as well as smaller consultations. • The complaints and feedback policy is under review to identify vexatious and persistent complainants. 	

Proposed activity for the coming year / areas for improvement	
<ul style="list-style-type: none"> • Work to be undertaken on the Modern.gov system to enable public and stakeholders to access information in relation to the new Council, the Shadow Council, and both Forest Heath and St Edmundsbury Councils once they cease to exist. 	
Principle C	Key Elements of West Suffolk Governance Framework
Defining outcomes in terms of sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> • Strategic Plan • Growth Investment Strategy • Business Plans • Medium Term Financial Strategy • Local Plans • Risk Management Policy and Toolkit • Investment Framework
Activity within Principle C in 2017/18	
<ul style="list-style-type: none"> • A 2018-20 Strategic Framework was published in December 2017 to establish the vision and priorities for the remainder of the current administration and the new West Suffolk Council. It has a greater emphasis on partnership and integrated working with other bodies, and a focus on families and communities and inclusive growth. • The Single Issue Review and Site Allocations Local Plan has been through 3 stages of consultation and the documents have been independently examined by a Planning Inspector. The Councils are now at modifications stage. The Local Plans set out the long term policy framework for delivering the housing and employment need in the Districts together with the social, environmental 	

and economic infrastructure requirements to 2031.
Proposed activity for the coming year / areas for improvement
<ul style="list-style-type: none"> • The adoption of already aligned policies by the Shadow West Suffolk Council and the agreement of new policies where the Councils' policies are not aligned, or where they are due to expire.

Principle D	Key Elements of West Suffolk Governance Framework
Determining the interventions necessary to optimise the achievement of the intended outcomes	<ul style="list-style-type: none"> • Consultation Strategy • Families and Communities Strategy • Balanced Scorecards • Procurement Policy • Medium Term Financial Strategy • Business Partners Model
Activity within Principle D in 2017/18	
<ul style="list-style-type: none"> • The Councils have remodelled the MTFS to 2021/22 to reflect the new Strategic Framework and new changes in funding. • Balanced Scorecards have been reviewed and new key performance indicators identified. • The new Place/Transformation based project/programme management approach is now embedded in Bury, Haverhill and Newmarket Place programmes and the ICT and Commercial Transformation programmes. This approach will be extended to cover Mildenhall Place and Service Delivery Programmes in 2018/19 and will be further developed and enhanced as necessary. The overall programme approach has also been enhanced by the introduction of a quadrant approach which enables the authority to risk manage and prioritise the various projects, this quadrant approach is re-evaluated quarterly to ensure that the Leadership Team is focused on the key projects. 	
Proposed activity for the coming year / areas for improvement	
<ul style="list-style-type: none"> • The Procurement Policy, Contract Procedure Rules to be revised alongside the Constitution, to include current practices. 	

Principle E	Key Elements of West Suffolk Governance Framework
Developing the entity's capacity, including the capability of its leadership and the individuals within it	<ul style="list-style-type: none"> • Workforce Plan • Learning and Development Policy • Member Development Group • Constitution • Employees Performance Review Framework • Disciplinary Procedure • Job Descriptions
Activity within Principle E in 2017/18	
<ul style="list-style-type: none"> • Gender Pay Gap publication – the gender pay report for the Councils was published on the website and reported no gender pay gap between men and women. • The Councils were awarded the Wellbeing Charter in December 2017 achieving 4 achievement and 4 excellence against the 8 standards. • Apprentices / Graduate / Career pathways – work has continued to support apprentices/graduates and career pathways across the Councils. • Joint staff appointments between the West Suffolk Clinical Commissioning Group and the Councils, and Suffolk County Council and the Councils. • Staffing capacity was reviewed in the year and additional resources brought in to enable delivery of the Growth Investment Strategy, projects and statutory duties arising from the Homelessness Reduction Act. 	
Proposed activity for the coming year / areas for improvement	
<ul style="list-style-type: none"> • Review of the payline for the Councils' workforce. • Adoption and commencement of the work involved in the Workforce Strategy which links the Councils' priorities of development in terms of skills and behaviours; recruitment and retention; pay, reward and recognition; health and wellbeing and workforce planning and data. • Development of the Induction Plan for Members elected in May 2019 to a new council. 	

Principle F	Key Elements of West Suffolk Governance Framework
Managing risks and performance through robust internal control and strong public financial management	<ul style="list-style-type: none"> • Financial Procedure Rules • Contracts Procedure Rules • Treasury Management Strategy and Growth Investment Strategy • Budget Monitoring • Performance and Audit Scrutiny Committee • Strategic Risk Register • Investment framework • Risk Management Toolkit • Balanced Scorecards • Business Continuity Plan • Complaints
Activity within Principle F in 2017/18	
<ul style="list-style-type: none"> • Revised Treasury Management Strategy and Code of Practice. • Created new Capital Strategy 2018/19. • Budget monitoring reporting has been enhanced and improved with focus on income and expenditure. • Strategic Risk Register reviewed and updated. • Business Continuity Plan has been updated. 	
Proposed activity for the coming year / areas for improvement	
<ul style="list-style-type: none"> • Alignment of treasury management strategy to ensure suitability for single council. • Capital Strategy will need to be revised to ensure full compliance with the Prudential Code. 	

Principle G	Key Elements of West Suffolk Governance Framework
<p>Implementing good practices in transparency, reporting and audit to deliver effective accountability</p>	<ul style="list-style-type: none"> • Councils' Website • Statement of Accounts • Annual Governance Statement • Annual Report • Medium Term Financial Strategy • Anti-Fraud and Anti-Corruption Policy • Whistle Blowing Policy • Data Protection Policy • Officer Information Governance Group • Balanced Scorecards • Annual Internal Audit Report and Opinion
<p>Activity within Principle G in 2017/18</p>	
<ul style="list-style-type: none"> • In October 2017 both Cabinets agreed a report as to the necessary steps to achieve compliance with General Data Protection Regulation (GDPR) • Appointment of GDPR Project Co-ordinator to review practices and procedures at an organisational and service level • Development of necessary corporate practices and implementation of these • Liaising with and working with the Suffolk Information Governance Board • The Suffolk Observatory is a product of a partnership between Suffolk Constabulary and all Local Authority organisations across Suffolk and was launched in 2001. The website was re-designed and re-launched in September 2017 and now provides easier access to the most up-to-date third-party, published data and information about Suffolk and its residents, businesses and communities. • Internal audit within the public sector in the United Kingdom is governed by the Public Sector Internal Audit Standards. The standards require periodic self-assessments and an assessment by an external person every five years. In March 2018 the Internal Audit team were subject to their first external 	

<p>assessment. This resulted in a favourable report from the assessor which concluded that no areas of non-compliance with the standards which would affect the overall scope or operation of the internal audit activity were identified.</p>
<p>Proposed activity for the coming year / areas for improvement</p> <ul style="list-style-type: none"> • GDPR and the Data Protection Act 2018 came into effect in May 2018 • We will continue to work towards compliance with data protection requirements over the next year. • The Councils continue to recognise the importance of Information Security, and continue to regularly review and update access controls and systems in line with the recommendations of the National Cyber Security Centre and other National advisory bodies. Regular external penetration/vulnerability tests have also proved that our defences are adequate relating to the current threat environment. To ensure we remain secure further assurance activities will continue into 18/19 to further validate our internal controls and processes to provide an additional level of organisational reassurance. • The recently issued Information Framework recognises the value of data to the Councils and the Framework represents a new approach for the Councils, and provides a 'Direction of Travel' – i.e. how we are aiming to use Data and Information more effectively. • Although the external assessment of Internal Audit produced a favourable result a number of minor recommendations were raised to further improve Internal Audit operations and these will be implemented as appropriate during the year.

4. Review of effectiveness

- 4.1 The annual review of the governance framework and system of internal control involves:
- a self-assessment exercise;
 - the Internal Audit Team's annual report which includes the Service Manager (Internal Audit)'s annual audit opinion;
 - the external auditor's comments, and other review agencies and inspectorates' reports; and
 - where appropriate, production of an action plan where progress is assessed and recorded.
- 4.2 The Leadership Team reviews the draft Annual Governance Statement prior to submission to each Performance and Audit Scrutiny Committee, which approves this Statement.
- 4.3 The Internal Audit Team is responsible for giving assurance to members, the Head of Paid Service, s151 Officer, Leadership Team and the Performance and Audit Scrutiny Committees on the design and operating effectiveness of the councils' risk and internal control arrangements.
- 4.4 Based upon the audit work undertaken during the financial year 2017/18, as well as assurances made available to the Councils by other assurance providers, the Service Manager (Internal Audit) has confirmed that reasonable assurance can be provided that the systems of internal control within these areas of the councils, as well as the risk management systems, are operating adequately and effectively. Similar to previous years, Internal Audit work has however identified a number of areas where existing arrangements could usefully be improved, and agreed actions will be followed up by Internal Audit in the usual way.
- 4.5 The Councils are subject to an annual programme of independent external audits and inspections. The external auditor summarises the findings from his audit of the financial statements and the councils' systems which support them and his assessment of arrangements to achieve value for money.

- 4.6 The review of the effectiveness of the governance framework concluded that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

5. Significant governance issues

- 5.1 In determining the significant issues to disclose, the Councils have considered whether issues have:

- seriously prejudiced or prevented achievement of the Councils' objectives;
- resulted in a need to seek additional funding to allow it to be resolved or had resulted in a significant diversion of resources from another aspect of the Councils' services;
- led to material impact on the accounts;
- received adverse commentary in external inspection reports;
- been reported by the Service Manager (Internal Audit) as significant in his annual audit opinion on the councils' internal control environment;
- attracted significant public interest or had seriously damaged the Councils' reputation;
- resulted in formal action being taken by the s151 Officer and / or the Monitoring Officer; or
- members had advised that it should be considered significant for this purpose.

- 5.2 There are no significant governance issues to disclose for 2017/18.

6. Focus for 2018/19

- 6.1 In September 2017, the Councils resolved to support a business case to become a single Council for West Suffolk from April 2019. The business case has subsequently received support from the Secretary of State and the Houses of Parliament. The Houses of Parliament have agreed that Forest Heath and St Edmundsbury Councils will cease to exist on 1 April 2019; until that point, they will continue to be responsible for delivering effective public services to their residents.
- 6.2 A full implementation programme is being developed to support the work ongoing to harmonise policies, develop new governance arrangements, and a new constitution as outlined within this statement.



7. Assurance by Chief Executive and Leaders of the Councils

We approve this statement and confirm that it forms the basis of the Councils' governance arrangements and that these arrangements will be monitored and strengthened in the forthcoming year as described above.

Signed:

Signed:

James Waters
Leader of the Council

John Griffiths
Leader of the Council

Date:

Date:

Signed:

Ian Gallin
Chief Executive

Date: