

Annual Governance Statement for the year ending 31 March 2015

1. This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE) which is contained in the 'Delivering Good Governance in Local Government Framework'. It embraces the elements of internal financial control required by the Code of Practice on Local Authority Accounting in the United Kingdom.

2. Scope of Responsibility

2.1 Torfaen County Borough Council (TCBC) is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The Council also has a duty 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.

2.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs which facilitate the effective exercise of its functions, and include arrangements for the management of risk.

2.3 During 2013/14 the Governance Review Group reviewed the Local Code of Corporate Governance. The Council's revised Code was presented to the Audit Committee and the Leadership Team for their observations and then approved by Cabinet on 2 December 2014 which decision was, as is usual, reported to Council on 9 December. The Code is consistent with the six principles of the CIPFA/SOLACE framework, 'Delivering Good Governance in Local Government'. It is publicised on the Council's intranet and internet web site.

3. The Purpose of the Governance Framework

3.1 The governance framework comprises the systems, processes, culture and values, by which the Council is directed and controlled and the activities through which it accounts to, engages with and leads the community. The Governance Group is chaired by the Chief Legal and Monitoring Officer and meets on a quarterly basis to review aspects of the Governance Framework.

3.2 The system of internal control is a significant part of that framework. The system of internal control is based on an ongoing process designed to:

- identify and prioritise the risks to the achievement of the Council's policies, aims and objectives;
- evaluate the likelihood and impact of those risks being realised, and
- manage the identified risks effectively.

4. The Governance Framework

The key elements of the Council's governance framework (as aligned to the six principles) are as follows

4.1 Principle One – PURPOSE, VISIONS & OUTCOMES - Focusing on the purpose of the Authority and outcomes for the community whilst creating and implementing a vision for the local area.

4.1.1 The Corporate Plan sets out the priorities of the Council for a five year period from 2011 to 2016. These priorities are defined by a number of statements which are used on an annual basis to set the Council's short term improvement objectives as required under the Local Government (Wales) Act 2009.

4.1.2 The Corporate Plan links to the Local Service Board's Single Integrated Plan, "Torfaen Together" and sets out the Council's contribution to developing and improving collaborative working across public services through the seven strategic shared outcomes and key projects. Together, these documents show how public sector organisations across Torfaen will work to improve the quality of life in terms of the social, economic, educational and environmental well being of the whole community.

4.1.3 The Council's annual service and team planning process establishes and communicates how agreed priorities and improvement objectives will be achieved across the organisation. A Performance Management Framework including a comprehensive suite of performance indicators has been established as part of the Council's service planning process to assist in the monitoring and managing of service delivery. This monitoring function is undertaken through Ffynnon, an IT based performance management system. It is used by the Council to bring together in one place the key information required to monitor performance against activities and targets and enable decision making that supports service improvement.

4.1.4 In response to the continuing work with the Recovery Board in the Council's Education provision, there are new arrangements in place establishing a Children's and Young Persons' Improvement Board (CYPIB) which will eventually become the successor to the Recovery Board and oversee all outcomes for children and young people across the partnership arena.

4.2 Principle Two – FUNCTIONS & ROLES - Members and officers working together to achieve a common purpose with clearly defined functions and roles in order to achieve the best possible outcomes for citizens.

4.2.1 The Council is fully committed to the Welsh Government's Collaboration Agenda and there are a number of ongoing initiatives in various stages of development. In March 2014 the Council's Cabinet received and agreed a report from the Interim Head of Public Services Support Unit (PSSU) which outlined the principles that should form the basis for entering into future

collaborative arrangements and suggested a framework to monitor such arrangements. This Framework provides the whole Council with a clear set of criteria, protocols and guidance to help ensure that there is a clear rationale for entering into collaboration with other organisations and to monitor that the expected benefits are being achieved. The Council requires that Collaboration agreements provide for regular reporting back to the Executive and to Scrutiny.

4.2.2 The Audit Committee considers the effectiveness of the Council's Governance arrangements through a planned work programme. It monitors the work of auditors (internal and external) and inspectors and has an overseeing role in ensuring action plans in relation to external reports are monitored by the appropriate overview and scrutiny committees. It also has responsibility for scrutinising this Annual Governance Statement prior to consideration and approval by Council.

4.2.3 During 2013/14, the Council acquired a new Committee and Decision Management System (Modern.gov). Once fully operational, this will provide the Council with an IT solution that not only manages decisions but automates the entire democratic process. It currently runs all committee agendas and reports and (as at April 2015) is about to rollout devolved agenda management and report upload. It is now in place for executive decision making in Resources and is being extended to other service areas.

4.2.4 The Constitution is a key document and sets out:

- how the Council, Cabinet and other committees operate and make decisions;
- the procedures to ensure that decision-making is transparent and accountable to local people and other stakeholders;
- the key roles of all members and senior officers, including the Leader, Chief Executive and other designated senior officers;
- a scheme of delegated powers for decision-taking and call-in arrangements;
- related codes and protocols.
- A Members' Constitution Working Party has been tasked with reviewing a model form of Constitution which may be adopted in due course but meanwhile the current constitution continues to operate and is periodically updated.

4.2.5 As regards the governance and operational practices of schools, these are also covered by the Council's Constitution including the embedded Financial Orders and Employee Code of Conduct. The framework for the financial relationship between the Council and its maintained schools is further outlined within the Scheme for Financing of Schools.

4.3 Principle Three – VALUES, GOOD GOVERNANCE, CONDUCT & BEHAVIOUR – Promoting values for the authority and demonstrating the

values of good governance through upholding high standards of conduct and behaviour.

- 4.3.1 There are robust arrangements for effective financial control through the Council's accounting procedures and Financial Regulations. These include established capital and revenue budget planning procedures. Through these procedures the Council has been able to settle balanced budgets despite the challenges posed by increasingly difficult financial settlements. The difficult decisions required have been taken in an open and transparent manner. Regular reports are produced for Councillors comparing actual revenue and capital expenditure to annual budgets. Additionally the Council's Medium Term Financial Plan outlines both the financial forecasts for three years and the suggested activities to address the shortfall. The Assistant Chief Executive (Resources) is designated as the officer responsible for the proper administration of the Council's financial affairs, as required by Section 151 of the Local Government Act 1972. The Council's financial management arrangements conform to the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government* (2010).
- 4.3.2 Procedures for tendering and contract letting are included in the Financial Regulations and Contract Standing Orders.
- 4.3.3 The Council's Treasury Management arrangements follow professional practice and are subject to annual review by the Audit Committee and adoption by Council.
- 4.3.4 The principles of the ethical governance framework in Wales are set out in the Local Government Act 2000 and the Council's arrangements include:
- an Ethics and Standards Committee;
 - codes of conduct for officers and members;
 - corporate whistle-blowing policy;
 - registers of personal and business interests;
 - an agreed policy and associated corporate procedures for ensuring that complaints about services can be properly made and investigated, and for ensuring that any lessons can be applied.
 - a local protocol and procedure for more 'low level' complaints in respect of member or officer behaviour.
- 4.3.5 The Chief Legal Officer is the designated 'Monitoring Officer' in accordance with the Local Government and Housing Act 1989, and ensures compliance with established policies, procedures, laws and regulations.
- 4.3.6 Anti-fraud and corruption arrangements and procedures are established and designed to combat money-laundering.
- 4.3.7 Internal Audit operates to the standards set out in the 'Public Sector Internal Audit Standards (PSIAS) 2013. The Head of Internal Audit provides a quarterly report to the Audit Committee summarising audit findings and

activity and also reports annually an opinion on the overall adequacy and effectiveness of the Council's control environment.

4.3.8 The Council's recruitment procedures provide equality of employment opportunities. An equality-assessed pay structure meets the requirements of the Single Status Agreement of 1997. The Council approved its 2015 'Pay Policy Statement' at the Council meeting in March 2015. This is in accordance with the requirements of the Localism Act 2011.

4.3.9 In accordance with its statutory responsibilities, the Council has in place a Health and Safety Policy and related procedures.

4.3.10 The Council has a Data Protection policy and has procedures in place to meet its responsibilities under the Freedom of Information Act, the Environmental Information Regulations and the Regulation of Investigatory Powers Act 2000 (RIPA).

- In 2014/15 there were two breaches under the Data Protection Act. The first, in April 2014, was due to a software vendor issue around the Electoral Register that affected all Councils and the Information Commissioner has taken no further action. The second, in December 2014, was a loss of a social care notebook and the Information Commissioner's response is awaited.
- In the financial year 2013/14 there were 863 Freedom of Information requests and in 2014/15 there were 924 Freedom of Information requests which is a 7.7% increase.
- During this same period the Council's performance on replies within the prescribed 20 day deadline was 99.13%.
- In March 2015 the Council was inspected by the Office of the Surveillance Commissioner in relation to its policies and procedures under RIPA. The report was positive with only two recommendations relating to formal ongoing training and some amendments to policy documents, both of which have been implemented.

4.3.11 The Council has an Information Management Strategy explaining how it will make the most of its information assets to improve services in Torfaen and ensure that personal information is stored and processed securely. In terms of information security the Strategy has already secured:

- accountabilities;
- an Information Asset Register;and
- a register of Information Sharing Protocols.

4.4 Principle Four DECISIONS, VALUE FOR MONEY, SCRUTINY & RISK –
Taking informed and transparent decisions, which are subject to effective scrutiny and managing risk in order to foster innovation.

- 4.4.1 The Council's Risk Management Framework requires the proactive participation of all those responsible for planning and delivering services in identifying, evaluating and managing significant risks to the Council's priorities, services and major projects. The risks and the controls necessary to manage them are recorded in the Authority's risk registers. The Council's Strategic Risk Management Group is chaired by the Assistant Chief Executive (Resources) and comprises the Head of Internal Audit, the Head of Improvement and Scrutiny, the Head of Emergency Management and Business Continuity. It reviews, provides feedback to Service Areas and reports to the Leadership Team on a quarterly basis throughout the year on the risk management framework. The monitoring of risks is managed through the Council's Ffynnon system which allows the mitigating actions associated with each risk to be updated and monitored on a regular basis.
- 4.4.2 Processes are in place to ensure the economic, effective and efficient use of resources and for securing continuous improvement in the way that functions are exercised. These include reviews undertaken both internally and by the external auditors and the various inspection regimes.
- 4.4.3 Actions proposed in response to any proposals for improvement received by the Council from external inspection agencies are actively monitored by either one of the Council's Overview and Scrutiny Committees and / or the Council's Audit Committee. The respective roles of the Overview and Scrutiny Committees and the Audit Committee are set out in the Council's Constitution. Any proposals for improvement received about the governance arrangements of the Council are monitored through a the Council's Action Plan for Governance and Improvement, which is updated and reviewed by the Council's Audit Committee on a quarterly basis.
- 4.4.4 All reports considered by the Council and all its Committees and the minutes of decisions taken are, unless confidential, made fully available on the Council's website. In addition the minutes of the LSB Executive and Tactical group are also made available via both the Council's website and the LSB's web page at www.torfaenlocalserviceboard.org.uk
- 4.4.5 The Council's Overview and Scrutiny function has continued to be strengthened during the past year. The arrangements outlined in the booklet entitled, "A Guide to Overview and Scrutiny in Torfaen" which was approved by Council in June 2012 has been further embedded, placing particular emphasis on:
- conduct of meetings;
 - setting clear focused work programmes;
 - setting the right agenda and getting focused reports and presentations;
 - undertaking independent scrutiny research; and

- making sure the right action is taken by making clear recommendations for consideration by the relevant Executive Member(s) and/or Chief Officer(s).

4.4.6 During the past year a sub committee of the Council's Learning Communities Overview and Scrutiny Committee has been established to look specifically at individual school's performance and the effectiveness of the support they receive from the Local Authority and the Education Achievement Service.

4.4.7 The School Standards Monitoring Sub Committee was set up in response to one of the recommendations arising out of recent Estyn inspections of the Council's Education Service. It now meets on a monthly basis, reporting their findings back to the main committee on a quarterly basis.

4.4.8 The Council has also introduced quarterly Corporate Performance Assessment Sessions to complement the Executive Member Performance Review Sessions that have been in place for several years. These new sessions bring together the Council's Executive and Leadership Team to collectively review and challenge key areas of the Council's performance throughout the year.

4.5 **Principle Five CAPACITY & CAPABILITY**– Developing the capacity and capability of members and officers to be effective.

4.5.1 The Council has also achieved the Welsh Local Government Association (WLGA) Charter for Member Support and Development. This Charter is considered by Welsh Government as a key factor with regard to local authorities being able to demonstrate the appropriateness of their approach to Member Support and Development. In achieving the Charter the Council has:

- adopted role descriptions for the posts of leader, deputy leader, executive member, scrutiny member, chairs of scrutiny and chairs of statutory and area committees;
- agreed and published a Member Development Strategy;
- established arrangements for Members to undertake, should they wish, a Personal Development Review with a suitably qualified person and
- provided elected Members with 'reasonable' training and development opportunities.
- And whilst post April 2015 the WLGA will no longer be in a position to formally support or further develop the Charter provision as a result of the loss of the WLGA Improvement grant, Members and Democratic Services will continue to support members in accordance with the development principles previously established when awarded the Charter and now embedded into organisational practice.

4.5.2 Working with the WLGA, the Council has strengthened its self evaluation arrangements during the past year with the introduction of a formal process

across all service areas. A pilot of the new process has commenced, aimed at producing a position statement to inform the Council's future financial and service planning. These arrangements will be further developed in the year ahead.

- 4.5.3 The Council has developed and worked with higher education establishments to develop leaders for the future, where successful completion of a Leadership Programme leads to a MA in Professional Practice (Public Service Leadership). The two year programme is open to both Councillors and employees from across the Public Service and the programme is now underway with the second cohort.
- 4.5.4 The Council supports its employees in achieving qualifications through courses run by the Institute of Leadership and Management. There were 12 who successfully completed level 2, 3 or 4 in 2014 while there are currently 60 undertaking courses in levels 2-5 in 2015.
- 4.5.5 The Council has a Worksmart process which is a review of an individual's role in the organisation. It provides the opportunity for employees and line managers to discuss the work done, how they did it and what needs to be done in the future. It also provides time to discuss performance, relationships with colleagues, personal development needs and how their individual and team work is connected to the aims of the organisation. The Council's last annual employee survey however showed a reduced level of take up and deemed usefulness. In response, the Council is looking to review the approach with a goal for a revised process that is designed to be easily understood and is flexible enough to be used by all employees.

4.6 Principle Six ENGAGEMENT & ACCOUNTABILITY – Engaging with local people and other stakeholders to ensure robust public accountability.

- 4.6.1 Citizens and the Council's key stakeholders are encouraged to play an active part in determining the priorities, improvement objectives and desired outcomes of the Council's Corporate Plan and Torfaen's Single Integrated Plan.
- 4.6.2 The Council's second Corporate Plan was approved in April 2011. It was finalised following an extensive exercise informed by local demographic data, and the views of councillors, service professionals and citizens. These views were collected through the Council's "What matters to you" campaign. The campaign consisted of a survey and one issue postcards, which were available to complete on-line, through Torfaen Talks and presented at road shows and meetings. The survey was also completed by service professionals and Councillors. The results along with geographical data were presented to Councillors to enable them to make informed choices when deciding what the Council's priority outcomes should be over the coming years.
- 4.6.3 To ensure consistency in approach, the 25 outcome statements which underpin the seven priorities from the Corporate Plan were selected as the

Council's improvement objectives for the duration of the Plan, subject to annual review, to ensure they remain relevant for citizens and affordable within any budget constraints. In February 2014, a joint meeting of the Council's Overview and Scrutiny Committees undertook the annual review and recommended that a smaller number of improvement objectives should be prioritised by the Council for the 2014/15 financial year based on the budget discussions and decisions undertaken at that time. The Improvement objectives set in 2014/15 have been rolled forward to 2015/16 as part of the budget report to Cabinet in February 2015 and subsequently approved by Council in March.

- 4.6.4 The Council recognises the importance of testing its published improvement objectives with Torfaen citizens and to date, each year it has invited citizens to play a part in deciding which areas should be prioritised. However, this year, due to the very difficult funding climate facing the Council, engagement with citizens focused primarily around the formulation of the 2014/15 budget and the associated changes to services it will deliver.
- 4.6.5 The Council consulted with the community as part of its 2015/16 budget setting process to raise the awareness of the scale of the change faced. To assist the Council in understanding what services matter the most to our communities a 'What matters to you' engagement campaign was launched. The engagement exercise comprised three activities. Firstly a headline article in the August 2014 edition of Torfaen Talks; secondly the use of an online simulator where users have to set a balanced budget by reducing service areas funding by £6 million; and lastly a series of road shows were held for members of the public to come along and discuss how they think the Council should prioritise its services and also join in wider conversations about the discretion of local government and public services.
- 4.6.6 The Council has further embedded the use of regular joint meetings of all the Council's Overview and Scrutiny Committees to consider and scrutinise cross-cutting issues such as the proposed budget and savings mitigations; proposed activities to deliver the Council's selected improvement objectives; performance of the Council's service areas; impact of the Council's collaboration arrangements; and learning lessons from complaints received.
- 4.6.7 The Council has established an annual staff survey, with its results being published. Senior and middle management teams are analysing those results in greater detail than previously, to improve return rates and establish a greater understanding leading to more effective action on issues raised.

5. Review of Effectiveness

- 5.1 The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The main elements of such a review are the ongoing processes identified in paragraph 5.2 and discussions involving Key Officers within the Council to update and refresh the previous year's statements.

5.2 The main ongoing processes that have been applied throughout the year to maintain, review and improve the effectiveness of the governance framework include:

5.2.1 Ongoing updates to the Constitution, with proposals at the June 2014 Council to commence work on the adoption of the modular constitution already produced for use on an all Wales basis through the (former) Association of County Secretaries and Solicitors and now Lawyers in Local Government (LLG) with support from the WLGA. This will ensure not only legislative accuracy but greater clarity and accessibility for officers, members and the public through a consistent and user friendly format.

5.2.2 The Contract Standing Orders have been reviewed and updated by the Head of Procurement and the Head of Internal Audit and will be submitted to Cabinet for approval and a request for Council to agree to include in the Constitution. The reason for the review was to provide for e purchasing/tendering and to update them with suitable financial levels to make decision taking more efficient throughout the organisation.

5.2.3. A new committee management system (Modern.gov) has already been referred to in 4.2.3 with all directorates expected to be using the system by Autumn 2015. A follow up audit of the Council's executive decision making processes highlights the need for updating of the Constitution and use of Modern.gov which are underway.

5.2.4 During 2014/15 the Council's Information Management Strategy has delivered:

- electronic training on information security for all employees via Cardinus on line training;
- a Governance review from an external expert to test what the Council has in place and recommend any improvements required;
- revised information security procedures and re-accreditation of ISO27002 for the SRS at the new standard;
- a definitive location for paper records at the Pavilion Industrial Estate that is back in working order and a new process in place for placing and recalling records;
- reviewed and revised disaster recovery arrangements as a collaborative provision with Monmouthshire CC.

During 2015/16 the Strategy will deliver:

- classroom training for all Information Asset Owners in April 2015;
- a Roadmap to be developed for Information Management for the next three to five years;
- a Records Manager in post and managing Information Management in Torfaen CBC and

- an Action Plan for improvement based on the recent audit recommendations.

5.2.5 Regular reviews of the financial controls and guidance by the Head of Financial Services. In 2014/15 the operational practices of treasury management activities were reviewed following the change of the Council's transactional bank, the operational practices of creditor invoice processing following the introduction of the digital take on, and also the procedures for asset accounting following the introduction of a new asset accounting ICT system. No control issues were identified as part of these reviews.

5.2.6 Regular reports to appropriate member forums on the financial performance of the Council and the financial challenges ahead were completed during the year to ensure transparency and understanding.

5.2.7 The Council's Risk Management Policy was reviewed, updated and approved by the Executive Member Resources and Corporate Governance in December 2014 in an attempt to streamline the Council's risk management process, making it more efficient and the documents more user-friendly. The new policy makes a reduction to the number of risk registers held by the Council resulting in one Strategic Risk Register and a set of Service Risk Registers (one for each service area).

The policy also includes a new risk scoring matrix which allows a more even spread between likelihood and impact. This means the Council's identified risks (and most importantly, the risk mitigation) are more accurately captured and allows a more credible reduction in the risk score when effective risk management controls have been implemented.

5.2.8 The Council's Anti Money Laundering Policy and guidance notes have been updated and approved by Audit Committee in December 2014. There were no significant changes required and the section on Customer Due Diligence was updated.

5.2.9 The work of Internal Audit is on going. This work takes account of identified risks through regular audits of the major systems, establishments, and major projects in accordance with the annual internal audit plan, and which includes 'follow-up' work to ensure agreed recommendations are implemented. The Head of Internal Audit's annual opinion on the systems of Internal Control operating within the Council is that it is 'Sound with scope for Improvement'. There are no issues that are deemed to be significant enough to warrant inclusion in section 6 of this Statement. The Head of Internal Audit's Annual Report can be accessed on the Audit Committee Agenda section of the Torfaen website for May 2015 (www.torfaen.gov.uk). The following table outlines the core audit findings for the last 2 years, and demonstrates a continually improving position and a change in overall opinion from Reliable to Sound (with scope for improvement).

	2013/14				2014/15			
	High	Medium	Low	System Opinion	High	Medium	Low	System Opinion
HR & Payroll	1	4	-	Moderate		3	-	Substantial
Purchase to Pay	-	6	-	Moderate	-	4	-	Substantial
Revenue Budgetary Control	-	2	-	Full	-		-	Full
Debtors	-	6	1	Substantial	-	7		Moderate
NNDR	-	1 2	-	Substantial	-	5	-	Substantial
Council Tax	-	5	-	Substantial	-	9	1	Substantial
Housing Benefits	-	2	-	Substantial	-	8	1	Substantial
Treasury Management	-	-	-	Full	-	-2	-	Full
Main Accounting (inc Bank Reconciliation)	-	2	1	Full	-	1	3	Substantial
Cashiering	-	2		Full	-	5	2	Full
Capital Programme		2		Full				Full

5.2.10 The annual assessment of Internal Audit by the Council's external auditors has identified no concerns. The Head of Internal Audit continues to self-assess the Internal Audit function against the Public Sector Internal Audit Standards (PSIAS) and implement actions where necessary.

5.2.11 The work of the Council's Overview and Scrutiny and other Committees, including its Audit and Ethics and Standards committees with the latter and the Overview and Scrutiny function presenting annual reports to full Council. The 2014/15 Annual Report of the Ethics and Standards Committee was presented to Council on 14 April 2015. There has been one case referred to the committee under the Local Protocol and one Monitoring Officer investigation. Ethics and Standards will receive a report in the summer reviewing the policy on unacceptable actions by service users. Otherwise the report contained satisfactory references to the level of ethical standards practised by members. The 2014/15 Annual Review of Overview and Scrutiny will be presented to Council in June 2015.

5.2.12 The opinions and recommendations of the Council's external auditors and other inspection and review agencies are monitored by the appropriate committees subject to the content of the report.

5.2.13 Guidance on service planning has been updated in year. The regular monitoring of performance and progress against the activities and targets set

out in service and team plans are reported on a quarterly basis to senior management and members. This leads to a collective understanding and, if appropriate, response to areas of concern across all services areas.;

5.2.14 The Corporate Complaints Officer records the outcomes and reports back to Leadership Team. Complaints Officers meet regularly to learn from complaints and feedback to service areas.

5.2.15 Ongoing Monitoring – the Council's Action Plan for Governance and Improvement. This Action Plan has been in place now since 2011. It was established as a key document to demonstrate how the Council was addressing all proposals for improvement with regards to corporate governance received by the Council from the Wales Audit Office. As further proposals for improvement are accepted by the Council, these are added to the action plan to ensure they are addressed in a timely manner. By doing this, a single rolling programme of improvement for the Council's corporate improvement and governance functions is in place. The Action Plan has now been extended to include an assurance role around the actions being implemented to address all recommendations received by the Council from external regulation and inspection bodies (e.g. Estyn and CSSIW).

5.2.16 The Council has robust arrangements in place for service planning which require any activities proposed in the Council's Action Plan for Governance and Improvement to be captured in relevant service and team plans for delivery. This ensures that teams responsible for the agreed activities effectively deliver, monitor and report their progress on a regular basis through the Ffynnon performance management system. To date, good progress has been made in addressing the proposals for improvement. Where activities have been completed or the practices firmly embedded in the work of the Council, it is recommended that these should be removed from the template of the main action plan. All completed actions remain referenced in a separate document for information. In summary, the Action Plan gives a collective picture of all the activities being undertaken across the Council to address the identified areas of improvement. It is updated on a quarterly basis and presented to the Council's Audit Committee for assurance purposes. The Plan also provides the necessary evidence to show the Council is actively attempting to secure improvement in the areas highlighted by external audit.

5.2.17 The Council has reviewed its Leadership Team following the departure of the Chief Officer Neighbourhood Services, choosing in the interim to combine the role with that of the Chief Officer of Planning & Public Protection. A separate Peer review has also been commissioned and we await the findings.

5.2.18 The annual staff survey results are scrutinised by leadership teams across the Council in order to learn from and improve their workforce planning and staff engagement activities. All service areas analysis their individual feedback and put appropriate actions in place to address the highlighted issues.

6. Significant Governance Issues

6.1 The significant governance issues or actions that have been identified in the construction of this Statement are:

6.1.1 Implementation of the new Committee Management System (Modern.gov) to replace the Council's current Decision Making Process (DMS) which allows pre scrutiny of Executive decisions for all Councillors. All service areas which have not adopted this process to date are currently being trained to implement the system. The matter remains a standing item on the Leadership Team agenda to ensure compliance. It is anticipated that all service areas will be utilising the system by Autumn 2015.

6.1.2 The Council still finds itself in Special Measures for Education. As part of its drive to improve educational attainment and outcomes for young people it is now working in partnership with a Recovery Board established by the Welsh Government. Headteachers are formally part of this recovery process and are playing a critical and very positive role.

The Council has received both significant support and appropriate challenge from the Board that has helped hone the post-inspection action plan and subsequent partnership plan.

Since this intervention, the Council has received positive feedback from two Estyn Monitoring Visits on the Council's progress in delivering improvements in three of the five recommendations - namely NEETs (those young people not in education, employment or training), performance management and partnership working.

The Council is continuing to work closely with the Recovery Board to ensure it makes further significant improvement on all five recommendations before Estyn undertake their next monitoring visit which is likely to happen just before Christmas 2015.

6.1.3 As indicated in the previous year's statement legal action was taken against the Council's Director of Technology Led Transformation. The criminal process concluded last year. Though that officer's contract has now been terminated, there remain legal employment matters which are continuing. At the conclusion of those matters, full reporting will take place to each of the Shared Services partner organisations, and appropriate recommendations implemented. Whilst at the time of writing, no materials or issues involving the internal investigations have yet been discussed with the Audit Committee, it is however expected that any governance issues will be addressed by them as and when appropriate. In the meantime the view of the Head of Internal Audit is that there are no significant control issues that currently need addressing at the Shared Resource Service (SRS).

6.1.4 In October 2013, the Council received a statutory recommendation from the Auditor General for Wales in relation to the slow progress made in addressing

the issues raised by the WAO in their Data Quality Review undertaken in 2012.

Actions to address their concerns have been put in place and are being monitored by the Council's Audit Committee through the Council's Action Plan for Governance and Improvement. Good progress has been made in addressing the issues highlighted by the Wales Audit Office in 2012, and no significant issues were highlighted during the 2014 data quality review exercise.

We propose over the coming year to continue to address and implement the actions identified and to further enhance our existing governance arrangements. We will monitor their implementation and operation.

Signed:

Councillor R. G. Wellington
Leader of the Council,
[INSERT DATE]

Signed:

Alison Ward
Chief Executive Officer,
[INSERT DATE]