

**FULL COUNCIL – 26<sup>th</sup> July 2018**

**ANNUAL GOVERNANCE STATEMENT 2017 / 18**

**1. Purpose of the Report**

- 1.1 To consider and approve the Annual Governance Statement for 2017 / 18, attached as Appendix One to this report.

**2. Recommendations**

- 2.1 **Full Council are asked to consider and approve the Annual Governance Statement for 2017/18.**

**3. Background**

- 3.1 The process and guidance that underpins the Annual Governance Review (AGR) for 2017 / 18 was considered by the Audit Committee on 17<sup>th</sup> January 2018, and the Committee Members were given the opportunity to comment on these arrangements prior to the AGR commencing with officers.
- 3.2 The draft Annual Governance Statement was considered by the Audit Committee on 6<sup>th</sup> June 2018.

**4. The Annual Governance Statement 2017 / 18**

- 4.1 The AGS is attached as Appendix One to this report. The statement outlines the following:
- i. The purpose of the Governance Framework;
  - ii. The Governance and Internal Control Framework;
  - iii. The process of annually reviewing the effectiveness of the Governance and Internal Control Framework; and,
  - iv. Identifying development and improvement opportunities arising from the Annual Governance Review, to be addressed in 2018 / 19.

**5. Review Process**

- 5.1 The AGS is an important document as it is one form of providing assurances to residents and other stakeholders, including the Councils partners, that its decision making processes and procedures have integrity.
- 5.2 In order to ensure the AGS Action Plan contain relevant and significant governance issues, the following criteria have been applied when considering and determining if an issue is significant:
- It has seriously prejudiced or prevented the achievement of the Authority's objectives;
  - It has resulted in the need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business;
  - It has led to a material impact in the accounts;
  - It is identified in the Head of Internal Audit's report;

- The Authority requires progress / action reports;
- It has attracted media or public attention and has seriously affected the reputation of the Authority; and / or,
- It has resulted in formal action by the Treasurer or Monitoring Officer.

5.3. An action plan has been prepared to capture the issues raised throughout the review process. This document will form the basis for Audit Committee monitoring throughout the year. The action plan is attached as Appendix One to the AGS itself. An update of the action plan will be reported to the Audit Committee throughout the year ahead.

## **6. Financial Implications**

6.1 There are no direct financial implications arising through the preparation and publication of the Council's Annual Governance Statement.

6.2 However, the draft statement includes an assessment as to the extent to which the Council's financial and other internal control related procedures are being complied with.

## **7. Risk Management Considerations**

7.1 The Council's Risk Management Strategy forms one of the key elements of the Council's Internal Control Framework.

## **8. Consultations**

8.1 The statement was developed through a comprehensive evaluation process which has included input from the Council's Corporate Assurance Group and the Council's Senior Management Team (SMT).

## **9. List of Appendices**

9.1 Appendix One: Annual Governance Statement 2017 / 18 plus 2018 / 19 Action Plan

## **10. Background Papers**

10.1 Previous Audit Committee reports covering the monitoring of the 2017 / 18 AGS Action Plan, the Council's Local Code of Corporate Governance and the Council's Annual Governance Review Process 2016 / 17.

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**Date: 17<sup>th</sup> July 2018**

# BARNSLEY METROPOLITAN BOROUGH COUNCIL

## ANNUAL GOVERNANCE STATEMENT 2017 / 18

### 1. **Scope of Responsibility**

- 1.1 Barnsley Metropolitan Borough Council is responsible for ensuring that its business is conducted in accordance with the law and all relevant standards, and that public money is safeguarded and properly accounted for.
- 1.2 The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way its functions are exercised, having regard to a combination of economy, effectiveness and efficiency.
- 1.3 In discharging this overall requirement, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.4 The council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE framework detailed in their report 'Delivering Good Governance in Local Government (2016 Edition)' insofar as the Council will:

**Principle A.** Behave with integrity, demonstrating strong commitment to ethical values and respect the rule of law;

**Principle B.** Ensure openness and comprehensive stakeholder engagement;

**Principle C.** Define outcomes in terms of sustainable economic, social and environmental benefits;

**Principle D.** Determine the intervention necessary to optimise the achievement of intended outcomes;

**Principle E.** Develop the entities capacity, including the capacity of its leadership and the individuals within it;

**Principle F.** Manage risk and performance through robust internal controls and strong public financial management; and,

**Principle G.** Implementing good practice in transparency, reporting and audit to deliver effective accountability.

- 1.5 A copy of the Councils recently revised Local Code of Corporate Governance can be found on the [Councils Document Store](#). This document was considered and approved by the Councils Audit Committee at their meeting dated 17<sup>th</sup> January 2018.

### 2. **Purpose of the Governance Framework**

- 2.1 The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled. It also includes the activities through which it is accountable to,

engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.

- 2.2 The system of governance and internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risks relating to the failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurances regarding overall effectiveness. The system of governance and internal control is based on an ongoing process of risk review, designed to identify and prioritise risks to the achievement Council policies, aims and objectives and to evaluate the likelihood and potential impact of those risks being realised. It is then a case of managing and mitigating risks to reasonable levels in an efficient, effective and economic manner.

### **3. The Governance Framework**

- 3.1 The scope of the governance and internal control framework spans the whole range of Council activities. The following sections consider the various main components of the Councils governance framework and the activities within each of them. Within the Annual Governance Statement, job roles, titles and organisational structures reflect the Councils arrangements during 2017 / 18.

#### 4. Principle A: Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.

##### 4.1 Behaving with Integrity

4.1.1 Barnsley Metropolitan Borough Council (BMBC) has developed an organisational culture that is based on the principles of the '[Future Council](#)'. The journey towards Future Council began in 2013, and is intended to shape the organisation into a customer focused, modern, efficient and business minded Council.

4.1.2 Since 2013 there has been large scale innovation and improvements in the ways the Council works. This includes communities changing, with more people getting involved and helping in their local areas. Organisationally, we are stronger, more customer focused and more sustainable in the face of increasing pressures and reducing budgets.

4.1.3 In the next few years the Council will focus on long term issues including driving growth, helping the people most in need and helping local communities to thrive. This focus on long term planning will assist the Council in understanding and respond to future challenges, such as:

- **Driving growth** – investments to support changes and growth in high priority areas like our town centre development and motorway junction business parks;
- **Early help** - giving people the help they need as early as possible and supporting communities and residents to do more for themselves;
- **Communities working together** – recognising our community assets when we plan, design and deliver;
- **Brexit** - making the most of Brexit and managing any challenges;
- **Technology** – a digitally confident council and community, maximising the opportunities that technology brings; and,
- **Improvement and growth fund** – driving change through investment and innovation.

4.1.4 Although financial austerity is very much a challenge for the Council, the opportunities to grow, to do things differently and to use new technology are really positive. The Council is tighter, stronger and more efficient, and these plans will ensure the Council continues with the progress that has already made in creating a thriving and vibrant economy, helping people to achieve their potential and developing strong, resilient communities.

4.1.5 There are a number of activities that the Council continues to focus on the assist in changing the way we work:

- **Clear Vision and Values** – we have developed these together and they define what we are trying to achieve in our communities and for our customers;
- **Customer Focus** – we will understand all of our customer needs, and put them at the heart of everything we do;
- **Commercial and Business Acumen** – we will focus on outcomes and making every penny count, removing bureaucracy and running the organisation really well for our customers and residents;
- **Efficient Delivery of Projects and Programmes** – we have strengthened and standardised our approach to and we are better at working together to ensure accountability and value for money;

- **Innovative and Managed Risk Taking** – we will remove barriers to change, encourage, support and empower our employees to develop great new ideas and implement improvements;
- **Learning Organisation** – we will invest in our employees, recognise success and achievement and become stronger from our mistakes;
- **Leaders at every Level** – we will have leaders at every level of the organisation who are highly skilled, and able to inspire and empower their teams to respond effectively to local needs;
- **Flexible Workforce** – we will ensure our employees are healthy, agile, skilled and flexible so that we can continue to meet our customers changing needs;
- **Working with our Partners, Communities and Residents** – we will work better together to identify and meet local needs by joining up our work, and playing to our different strengths;
- **Enabling Organisation** – we will enable our partners, communities and residents to do more for themselves, rather than stepping in where we are not needed or where others can do something better than we can.

4.1.6 The Councils four main values, detailed in the [Councils Performance Management Arrangements](#) are as follows:

- We are Proud;
- We are Honest;
- We will be Excellent; and,
- We are a Team.

4.1.7 BMBC has a Whistleblowing Policy which forms an element of the Councils [Anti-Fraud and Corruption arrangements](#). The Whistleblowing Policy is supported by two senior managers who are designated contact officers. The Councils [Audit Committee](#) oversees the effectiveness of these arrangements on a regular basis. The Councils Internal Audit Section, as well as having a role in investigating matters brought to its attention also takes the lead in promoting preventative measures.

## 4.2 Demonstrating a strong commitment to Ethical Values

4.2.1 BMBC has a Member Panel in place to consider any allegations of misconduct, where the [Monitoring Officer](#) determines the need to undertake a formal investigation. The Monitoring Officer exercises their judgement in consultation with three independent persons who have been appointed as part of the Localism Act. This panel comprises three Elected Members chosen from those Members who comprise the [Appeals, Awards and Standards Panel](#) by the Monitoring officer, in consultation with the Chairperson of the Panel. The majority of members are selected from a political group different to that of the member who is the subject of the complaint.

4.2.2 The Council has developed and adopted formal Codes of Conduct which define the standards for both personal and professional behaviour for [Elected Members](#) and [officers](#). Formal induction training packages have been developed for Members and officers that include mandatory training regarding areas such as information governance and financial and procurement responsibilities. Both Elected Members and officers are required to register relevant interests as required by law, and by the relevant Code of Conduct. The Council maintains a [Register of Councillor Interests](#), as Councillors are obliged to keep their registration up to date and inform the Monitoring Officer of any

changes within 28 days of the relevant event. The need for disclosure of any conflicts of interest is a standard agenda items at all Council meetings. [Standing Orders](#) have been amended to require a member to withdraw where they have a disclosable pecuniary interest as defined by law.

### **4.3 Respecting the Rule of Law**

- 4.3.1 The Council has designated the Executive Director of Core Services as the Monitoring Officer. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations and to oversee its arrangements in respect of ethical standards complaints.
- 4.3.2 The Executive Director of Core services attends, or is represented by a senior lawyer at all meetings of the [Cabinet](#) and [Council](#). A senior lawyer is always in attendance at meetings of the [Planning Regulation Board](#) and [Licensing Regulatory Board](#) and as a clerk to any Appeal meetings.
- 4.3.3 All decision making reports take account of a number of control factors, including risks, legal considerations and financial, policy and performance implications. The Councils [Senior Management Team](#) (SMT) reviews all significant reports prior to them being included on the Cabinet agenda and discusses forthcoming Cabinet agenda a week prior to the meeting to address any particular issues arising or outstanding in respect of the specific report on the agenda. Any decisions taken by Cabinet members under their delegated powers are subject to prior scrutiny by SMT.
- 4.3.4 All Cabinet decisions are subject to scrutiny by the [Overview and Scrutiny Committee](#).
- 4.3.5 All documents that require execution by the Executive Director of Core Services require evidence of appropriate authority; either via a decision made by an Elected Member or delegated approval prior to being executed.
- 4.3.6 Legal implications regarding consultation and statutory quality obligations are addressed specifically as part of the Councils budget setting process. The Monitoring Officer and the Service Director (Finance) who acts as the [Section 151 Officer](#) are aware of the statutory duties to report in respect of concerns and unauthorised activity or expenditure and consult with each other periodically in relation to their complementary statutory roles.
- 4.3.7 There is a periodic review of decision making and 'authority to act' through the role of the Internal Audit and where appropriate, by external regulators such as the [Information Commissioner](#), the [Surveillance Commissioner](#) and the [Local Government Ombudsman](#).

## **5. Principle B: Ensuring openness and comprehensive stakeholder engagement.**

### **5.1 Openness**

- 5.1.1 The [Council Constitution](#) sets out how the Council operates regarding how decisions are made and the procedures that are followed to ensure that these rules are efficient, effective, transparent and accountable to local people. The Constitution sets out rules governing the manner in which the Council conducts its business.
- 5.1.2 The constitution includes the [Scheme of Delegation](#) whereby functions and decision making responsibilities are allocated between the Full Council, the Cabinet, individual Cabinet Members, Regulatory Boards, Committees and officers.
- 5.1.3 The Councils Officer Code of Conduct and Member Code of Conduct encourages the effective transaction of business by setting out the respective roles of members and officers and provides guidelines for good working relationships between them.
- 5.1.4 A limited number of items of business, such as approving the level of Council Tax must be approved by the Full Council. For other decisions, the [Leader](#) and Cabinet Members hold decision making powers through the Cabinet where each Member of the Cabinet holds a portfolio which supports the priorities and [structures of Future Council](#).
- 5.1.5 In order to comply with the Governments [Local Government Transparency Code](#) we make sure that local people can see and access data regarding:
- How we spend our money;
  - How we use Council assets;
  - How we make decisions; and,
  - Those issues that are important to local people.

### **5.2 Engaging comprehensively with Institutional Stakeholders**

- 5.2.1 When working in partnership with others, the existence of sound governance arrangements helps to ensure that shared goals are achieved and resources are controlled in an effective manner.
- 5.2.2 The Local Strategic Partnership, One Barnsley has benefitted from two key partnership bodies, the [Health and Wellbeing Board](#) (which has focused on the delivery health and wellbeing strategies) and the [Barnsley Economic Partnership](#) (which has focused on the delivery of economic and regeneration strategies). The emphasis for these partnership arrangements has been to ensure partner agencies actively contribute towards, and are responsible for the delivery of shared outcomes for Barnsley, rather than servicing and attending meetings.
- 5.2.3 Council officers and Councillors are nominated as Council representatives within or when dealing with significant partnering organisations. Partners are encouraged where appropriate to align their objectives with the Councils ambitions to ensure a robust contribution to the delivery of high quality, efficient and effective services that are in accordance with the arrangements of the Council.
- 5.2.4 A practical Partnership Governance Framework has been designed to assist Partnership Lead Officers provide suitable assurances that the partnership is making a valuable contribution to the Council's objectives and priorities, and is a well governed and controlled relationship. The development of this document has been driven by the outcomes of previous Annual Governance



Reviews and is intended to recognise the role and responsibilities of Service Directors (where relevant) in terms of their accountabilities as part of normal working practices, where the requirement for a useable and proportionate framework is required.

5.2.5 The [Sheffield City Region](#) (SCR) benefits from its own governance arrangements that are supported by BMBC. Internal control support functions such as meetings administration, human resourcing, health and safety and internal audit are delivered to the SCR via a service level agreement.

### **5.3 Engaging with individual Citizens and Service Users more effectively**

5.3.1 All Councillors must be accountable to their communities for the decisions that they have taken and the rationale behind them. Barnsley Council is subject to external review through external auditing of financial statements and performance management outcomes against national standards and targets.

5.3.2 Councillors and officers are both subject to code of conducts. Additionally, where maladministration may have occurred, the aggrieved person may wish to appeal through their local Councillor or directly to the Local Government Ombudsman.

5.3.3 The Council has numerous arrangements in place to communicate with its customers and wider stakeholders, including the use of social email such as [Facebook](#) and [Twitter](#). The Area Council and Ward Alliance arrangements also encourage community involvement, engagement and participation.

5.3.4 Whilst the journey to become a more customer focused, modern, efficient and business minded Council began in 2013 with the inception of the 'Future Council' model, there has been significant progress made in 2017 / 18 in terms of the delivery of new, improved ways of working, which are detailed in the Councils [Corporate Plan 2017 – 2020](#). These include:

- A genuine focus on customers by putting them at the heart of what we do;
- A re-shaped organisation, designed to deliver what we have promised;
- New, innovative ways of working that deliver sustainable services; and,
- More people getting involved locally, making their communities stronger.

## 6. Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.

### 6.1 Defining outcomes

6.1.1 The Council has identified the following priorities or outcomes, which are detailed in the Corporate Plan 2017 – 2020:

- **Thriving and Vibrant Economy:**

We are investing to build Barnsleys economy to achieve the following outcomes:

- ✓ Create more and better jobs and good business growth;
- ✓ Increase skills to get more people working;
- ✓ Develop a vibrant Town Centre;
- ✓ Strengthen our visitor economy; and,
- ✓ Create more and better housing.

- **People Achieving their Potential:**

We are creating a healthier, safer and better educated population to achieve the following outcomes:

- ✓ Every child attends a good school and is successful in learning and work;
- ✓ Reducing demand through access to early help;
- ✓ Children and adults are safe from harm; and,
- ✓ People are healthier, happier, independent and active.

- **Strong and Resilient Communities:**

We are helping people get the most out of where they live now and in the future to achieve the following outcomes:

- ✓ People volunteering and contributing towards stronger communities;
- ✓ Protecting the Borough for future generations by recycling and using renewable energy; and,
- ✓ Customers can contact us easily and use more services online.

6.1.2 The progress made towards these outcomes are detailed in the [Council's Performance Management reports](#) which include a 'RAG' rating against each outcome, and a detailed narrative against each individual area of activity.

6.1.3 The [Councils Medium Term Financial Strategy](#) (MTFS) supports the delivery of the Councils key outcomes and underpins the development of individual business and service delivery plans, and is currently designed to ensure the sustainable delivery of services to 2020. The MTFS identifies a number of key assumptions and constraints that are regularly tested to ensure they remain robust and accurate. Each Business Plan also considers issues such as finances, workforce and equalities to ensure appropriate risks are identified and mitigated to acceptable levels. Under Section 25 of the Local Government Act 2003 the Council is required to report on the robustness of estimates made for the purposes of setting budgets, and the adequacy of the proposed financial reserves, which is discharged via the annual reporting of the [Councils Statement of Accounts](#).

6.1.4 The MTFS also includes a brief section which considers the financial implications relating to relationships with key partners.

## **6.2 Sustainable Economic, Social and Environmental Benefits**

- 6.2.1 The Council ensures that it considers the impact of its decisions in terms of economic, social and environmental consequences and requires all [decision making reports](#) to include an appropriate analysis of issues such as financial implications, health and safety, consultation, implications for local people / service user, risk management, equality and inclusion and social inclusion. Reports are also required to provide assurances regarding the impact the decision may have on the Councils Corporate Plan and Performance Management arrangements.
- 6.2.2 The Council has an [Equality and Diversity Policy](#) which sets out the Councils commitment, together with the specific responsibilities of employees, managers and Elected Members in implementing the policy and meeting our [Public Sector Equality duties](#). Furthermore, the [Councils Equality Scheme](#) sets out how the policy and Public sector Equality duties are put into practice.

## **7. Principle D: Determining the interventions necessary to optimise the achievement of intended outcomes.**

### **7.1 Determining Outcomes**

7.1.1 The Council ensures its decision makers are able to make informed and evidence-based decisions through the development of objective decision making reports that include an analysis of available options (including a 'preferred' option) and considers the potential financial, resource and risk implications of any decisions that are to be made.

7.1.2 In order to honour its commitment to seek feedback and opinion from its stakeholders, the Council has a dedicated 'Tell us what you Think' campaign, which is designed to elicit feedback relating to a number of Council services. The Council values feedback from our stakeholders and considers all comments and suggestions that have been made.

### **7.2 Planning Interventions**

7.2.1 In terms of strategic planning, the Council has benefitted from two thematic Boards, which have been comprised of partners from across the Borough who have an interest in delivering the outcomes associated with the thematic Board:

- Health and Wellbeing Board – Terms of reference included agreeing Health and Wellbeing related strategies and working with all relevant organisations to join up health and social care across the Borough. The Board was made up of Elected Members and officers of the Council, representatives from Barnsleys Clinical Commissioning Group (CCG) and other health providers, as well as the local HealthWatch, which represents the interests of patients and service users. Representatives from other organisations that have an impact on Health and Wellbeing, such as South Yorkshire Police have also attended these meetings; and,
- Barnsley Economic Partnership – The Barnsley Economic Partnership (BEP) brought together a group of high levels influential people from the public and private sectors with the skills and experience to assist with the delivery of the [Jobs and Business Plan](#) for Barnsley. The BEP looked to contribute towards the rebalancing of the economy by stimulating private sector job growth through enterprise, business growth and inward investment.

7.2.2 The effectiveness of interventions is considered and assessed as part of the Councils Performance Management arrangements. Performance Reports include a brief narrative relating to the activities and outputs of the Health and Wellbeing Board and BEP.

### **7.3 Optimising the achievement of Intended Outcomes**

7.3.1 The Councils activities are considered at a strategic level through the development of the Councils MTFs and complementary [Service and Financial planning arrangements](#). These set out the context in which the Council operates in terms of significant financial pressures arising from ongoing austerity measures and changes to local government funding arrangements. They also attempt to ensure that the activities of the Council and its key partners are aligned and that appropriate resources are in place to enable the delivery of intended outcomes.

7.3.2 The Council has developed an Efficiency Plan which seeks to outline the framework that is in place to ensure that it is a self-sustaining, evolving organisation that will deliver against the MTFs, in spite of reducing resources. This is complemented by the Councils [Future Council 2020 Plan](#) which has

set out the journey towards a more modern, efficient and business minded organisation through planned change, improvement and growth. In response to austerity measures, the Council has made £87M efficiency savings up to 2017. Over the next three years the Council has £15M more efficiencies to realise and an income target of £36M to achieve by 2020. In order to maintain a balanced , sustainable budget in the context of these challenges and to achieve our Future Council aspirations we have developed a [Commercial Strategy](#).

- 7.3.3 The Council procures a variety of goods and services in accordance with EU, UK and local regulations, which are set out in the [Councils Procurement Policies](#).
- 7.3.4 In terms of social value the Council has developed a policy / statement during 2017 / 18 which will be launched across the organisation during 2018 / 19. It is envisaged that Social Value will be embedded into the procurement process and evaluation.

8. **Principle E: Developing the entity's capacity, including the capability of its leadership and individuals within it.**

8.1 **Developing Organisational Capacity**

8.1.1 The Organisational Improvement Strategy 2017-2020 sets out plans for the future to ensure that the Council is efficient, effective and in the best position possible to support the achievement of its priorities and to meet customer needs and expectations. Building on progress and improvements already made as a result of the implementation of the Future Council Strategy 2014-2017, the [new strategy](#) is built around our ten One Council priorities and focuses on four key areas of improvement. These areas of improvement will enable us to continue to drive forward changes at a pace to ensure we meet the demands required of a modern Council. The areas of improvement are:

- **Culture and behaviour change** – Continue to build and develop a healthy and positive organisational culture to ensure we are a customer focused, modern, efficient and business minded Future Council;
- **Efficient and effective processes and technology** – Ensure our processes and procedures are reflective of a modern Council and provide efficiency and value for money as well as supporting creativity and innovation. Provide reliable and efficient technology to mobilise our workforce and members and enable better and more efficient ways of working;
- **Agile, healthy and engaged workforce** – Ensure our workforce is healthy, resilient and able to work flexibly to meet the needs and expectations of our customers. Ensure our employees and members are engaged, motivated, empowered, able to share ideas and get involved in decision making to shape the future organisation; and,
- **Developing the skills of our workforce and Elected Members** – Ensure that our employees, members and wider workforce take ownership for their own learning and development and have the right skills, knowledge and behaviours to perform effectively in their role, to support achievement of our priorities and plans and to meet our customers' needs and expectations.

8.1.2 Performance is monitored by the Organisational Improvement Board against the One Council priorities to ensure we are making sufficient progress and improvements.

8.1.3 A number of service areas make use of benchmarking opportunities to measure performance and consider and compare outputs and outcomes against resource inputs such as financial and human resources to ensure the Council is delivering efficient and effective value for money services.

8.2 **Developing the Capability of the Organisations Leadership and other Individuals**

8.2.1 A robust performance framework has been developed aligned to the priorities and outcomes included in our Corporate Plan. Performance for all areas of the Council is measured on a quarterly basis and progress reported into Cabinet. Areas of performance are subject to further scrutiny through the Councils Overview and Scrutiny Commission.

8.2.2 Individuals are able to identify how they contribute to the council's priorities and objectives through business plans, team plans and individual performance objectives set during the annual Performance Development Review (PDR) process. Progress against these objectives are reviewed

regularly throughout the year at one-to-one and supervision meetings and quarterly against the performance framework. Personal development requirements are also identified and discussed at PDR, one-to-one and / or supervision meetings to ensure individuals are able to achieve their potential and contribute to the delivery of the Councils priorities.

- 8.2.3 The Barnsley Leadership Programme continues to develop the leadership skills and behaviours of Council leaders with over 450 completing the programme to-date and a further 165 due to complete this year/early next year. The programme is linked to the Chartered Management Institute Certificate in Leadership and Management enabling employees to formalise their skills with an accredited professional qualification if they wish to do so.
- 8.2.6 A corporate development offer has been available to all employees to develop their skills for now and the future. Key focus areas for this development include developing digital skills, commercial awareness and a practical approach to using coaching conversations to support and encourage people to be the best that they can be.
- 8.2.7 Effective two-way communication between employees and the organisation is enabled through regular activities including employee surveys and employee engagement events ('Talkabouts'). These provide employees with an opportunity to raise concerns, share ideas and get involved with decision making and improvements to shape the future organisation.
- 8.2.8 A Corporate Health and Safety Committee, chaired by the Head of Corporate Health, Safety and Emergency Resilience is in place and includes membership from a number of employee representatives. The committee meets on a regular basis, and includes within its terms of reference the following activities:
- Consideration of accident and incident statistics;
  - Consideration of occupational health statistics;
  - Health and Safety Audit Reports;
  - The development, introduction and monitoring of health and safety management systems;
  - The effectiveness of health and safety training; and,
  - The adequacy of safety and health communication and publicity within the workplace.

## **9. Principle F: Managing risks and performance through robust internal control and strong public financial management.**

### **9.1 Managing Risk**

9.1.1 The Councils [Risk Management Framework](#) (RMF) positions risk management as not being about eliminating risk, or being risk averse, but about being aware and managing acceptable levels of risk in the pursuit of agreed objectives. The RMF includes the Policy Objectives Statement and the Risk Management Strategy, which sets out how the Council will seek to embed this approach to risk into its normal business activities through the ongoing development of a positive risk management culture. The RMF, including the Policy Objective Statement and the Risk Management Strategy are key elements in the implementation of good governance arrangements and form key elements of the Councils own Annual Governance Review (AGR) process.

9.1.2 The Councils [Strategic Risk Register](#) (SRR) is intended to be a robust and dynamic document that sets out the culture and tone for risk management across and throughout the Council. The engagement of SMT in the risk management process through their ownership and review of the SRR demonstrates a strong commitment to lead and champion risk management 'from the top' and to further reinforce the continuing development of a positive risk management culture. The risks in the SRR are owned by SMT, with the management of individual risks being allocated to a Risk Manager (being a member of SMT), and measures to mitigate risks are allocated to Risk Mitigation Action Managers (being those senior managers best placed to take responsibility to drive the implementation of those actions). The SRR is subject to regular six-monthly review, the outcomes of which are reported to the Audit Committee, and subsequently, Cabinet.

9.1.3 Individual Business Units benefit from maintaining Operational Risk Registers (ORR) which relate to the key risks to the provision of Council services. These risk registers are aligned to individual Business Unit Business Plans. Service Directors are asked to review these risk registers on a bi-annual basis, and following each review there is an expectation that 'red' risks (in terms of 'current' and 'target' risk assessments) are escalated to Business Unit Management Teams for further consideration.

9.1.4 Risk management is an essential part of the Councils decision making report structure, and it is expected that all decision making reports include a section on the risk implications of the decision in hand.

### **9.2 Managing Performance**

9.2.1 The Council measures its performance against the key priorities and outcomes included in the Corporate Plan 2018 – 2020. To assess progress and performance against these priorities and outcomes, along with performance against individual service objectives, a performance management framework has been developed which consists of three elements:

1. Corporate Plan Priorities;
2. Corporate Health of the Organisation; and,
3. Directorate Performance.

9.2.2 Each quarter, the Council produces a [performance report](#), summarising the performance against the priorities and outcomes.



9.2.3 Through effective contract management, the Council is also able to identify and assess the performance of its partners and contractual relationships.

### **9.3 Effective Overview and Scrutiny**

9.3.1 The Overview and Scrutiny Committee (OSC) is responsible for reviewing and challenging the decisions made by the Councils Cabinet and Executive Officers. The committee meets once per month and consists of 26 Councillors, 3 members of the public (referred to as co-opted members) and a Parent Governor Representative. It monitors the work and performance of the Council as well as other organisations such as local healthcare providers, to ensure the effective delivery of local services and that appropriate safeguarding arrangements are in place to protect vulnerable adults and children in the Borough. The Committee also sets up smaller 'Task and Finish' groups, which supports the work of the Committee by undertaking more detailed investigations on specific topics.

### **9.4 Robust Internal Control**

9.4.1 The Councils system of internal controls are designed to support the achievement of corporate objectives and outcomes whilst ensuring that there is an appropriate level of compliance in terms of laws, regulations and internal arrangements. The internal control framework acts as robust control measure against risks such as loss of assets, fraud, misuse of equipment and the misuse of data and information.

9.4.2 The Council benefits from a [suite of policies](#) in respect of counter fraud and corruption activities, including a Whistleblowing Policy, anti-Money Laundering Policy and an anti-Bribery Policy.

9.4.3 The Councils Audit Committee is made up of four Elected Members and five independent people, who are not councillors. It ensures that the Council is complying with its rules and regulations for governance and finance, including the value for money of Council services.

### **9.5 Managing Data**

9.5.1 The Council has information governance accountabilities that are required to be in place in accordance with legislation and accreditation standards such as the Information Governance toolkit and Public Services Network accreditation. The Information Governance Toolkit is in use by the Council and is an online self-assessment tool used for publishing the standards of practice organisations must comply with regarding information governance.

9.5.2 Information Governance arrangements within the Council are based on the [8 Data Protection Principles](#) and these are overseen by the Councils Senior Information Risk Owner (SIRO), which is a role undertaken by the Executive Director of Core Services. The SIRO also chairs the Councils Information Governance Board, which takes the lead in the development of policies, procedures, training arrangements and lessons learned from previous information governance incidents.

9.5.3 The Council is increasingly managing, storing and maintaining personal data and information as part of the delivery of services. With data held in a vast array of places and transferring between supply chain partners, it becomes susceptible to loss, protection and privacy risks. As a result, the Council has in place information sharing protocols and agreements that partners are required to endorse prior to any information being shared with them.

9.5.4 The Council responds to a significant number of information access requests as a result of the Freedom of Information Act 2000 and the Environmental Information regulation 2004. Furthermore,

a number of requests for information are received as a result of [subject access requests](#) as part of the Data Protection Act 1998.

9.5.5 During October 2017, the Council welcomed a consensual audit of its processing of personal data by the Information Commissioners Office (ICO), who recognised the strong leadership and good practice the Council has embedded. In particular, the ICO cited the excellent online training provision, comprehensive case management system for processing Freedom of Information requests and the Councils Records Management base, Shortwood, which was identified as having very well established processes for managing paper records. In total, 110 recommendations were made for the Council to act upon, with the majority being classed as medium or low priority. An action plan was developed by the Council and is facilitated by Internal Audit, the Information Governance Board and the Audit Committee.

9.5.6 In preparation for the General Data Protection Regulations (GDPR), which are new regulations that come into effect on the 25th May 2018 (alongside a new UK Data Protection Act which completely replaces the existing Data Protection Legislation in the UK), the Council has been preparing during 2017 / 18 to ensure that it specifically addresses:

- The individual rights of our customers;
- The changes to accountability and governance surrounding information management;
- The appointment of a Data Protection Officer;
- Processes relating to breach notifications;
- Reviewing and updating policies; and,
- Rolling out training and awareness to all network users.

## **9.6 Strong Public Financial Management**

9.6.1 The Council has a pragmatic approach to the management of finances and endeavours to ensure that value for money outcomes are obtained through the spending of public money. This approach is intended to support the achievement of short term operational performance, alongside longer term strategic outcomes. Strategies including the Councils [Value for Money](#) and Commercial strategy underpin both long and short term objectives.

9.6.2 The Councils Service Director (Finance) acts as the Section 151 officer, and ensures that the Council benefits from robust financial advice and is compliant in terms of its accounting and fiduciary responsibilities. This includes ensuring that financial management is embedded within the annual Business and Service Planning processes which includes the control and mitigation of financial risk.

## **10. Principle G: Implementing good practices in Transparency, Reporting and Audit to deliver Effective Accountability.**

### **10.1 Implementing good practice in Transparency**

10.1.1 The Councils commitment to be a customer focused organisation that puts the customer at the heart of everything we do is underpinned by ensuring that any information that is published for stakeholders is done so in a manner that is accessible and transparent. Information published on the Councils website conforms with branding and [accessibility](#) requirements.

10.1.2 The Council is required to publish information as part of the [Local Government Transparency Code 2015](#), which has been designed to make sure that local people can now [see and access data](#) about subject such as:

- How the Council spends its money;
- How Council assets are used;
- How the Council make decisions; and,
- Issues important to local people.

10.1.3 The Council benefits from a [Social Media policy](#) which aims to maximise positive engagement with stakeholders by the Council and individual officers, whilst protecting its own reputation and ensuring compliance with relevant standards and regulations.

### **10.2 Implementing Good Practice in Reporting**

10.2.1 It is important for the Council to be able to demonstrate that it has been able to deliver on its priorities and ambitions and that it has been able to deliver value for money outcomes. This is achieved through the publication of Performance Reports.

10.2.2 Performance reporting is complemented by the Councils [Statement of Accounts](#) report, which is prepared and published in accordance with legislative requirements and the [Code of Practice on Local Authority Accounting in the United Kingdom](#). The Annual Statement of Accounts report is made available for local electors, stakeholders and other interested parties to inspect.

10.2.3 There is a legal responsibility to undertake (at least annually) a full review of the Councils own internal control and corporate governance arrangement, and details the outcomes and findings of that review in its own [Annual Governance Statement](#). This is complemented by an [improvement Action Plan](#) that is monitored by the Councils Audit Committee.

### **10.3 Assurance and Effective Accountability**

10.3.1 It is important that the Council is challenged, audited and reviewed both internally and externally to ensure that Council services, priorities and outcomes are making a positive impact on the Borough. Following such reviews, the Council ensures recommendations and improvements that have been identified are translated into operational actions that are achievable, measurable and have suitable accountability built into them. Where appropriate, Elected Member engagement can provide clear oversight on the recommended actions, and their consequential outcome or output.

10.3.2 In order to deliver the Councils own vision and values, it is important that partnership working is carried out in a way that ensures robust governance arrangements are in place in terms of finance, resources and risk. A practical Partnership Governance Framework has been designed to assist

Partnership Lead Officers provide suitable assurances that the partnership is making a valuable contribution to the Council's objectives and priorities, and is a well governed and controlled relationship.

## **11. Review of the Effectiveness of the Governance Framework**

### **11.1 Annual Governance Review**

11.1.1 Barnsley Metropolitan Borough Council has responsibility for conducting (at least annually) a review of the effectiveness of its governance framework, systems of internal control and risk management arrangements. The review of effectiveness is informed by the work of senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audits (HoIA) annual report and also by the comments made by external auditors and other regulators or inspectors.

### **11.2 Senior Management Team**

11.2.1 The Councils SMT are responsible for ensuring compliance with, as well as improvement against the governance, risk and internal control framework. As part of this function, each member of SMT is provided with details of their Directorates assurance information for the year. This assurance information includes:

1. Significant and Fundamental Internal Audit recommendations that have been made to individual Business Units within the Directorate;
2. Significant and Fundamental Internal Audit recommendations that have been identified following 'themed' audits; and,
3. Other Sources of Assurance information which has been sourced from Internal Control and Governance lead officers.

11.2.2 Following receipt of this information by each individual Service Director, each SMT member is then asked to provide assurances regarding the overall governance arrangements for their Directorate.

11.2.3 This information is then evaluated and where appropriate included in the Annual Governance Statement Action Plan.

### **11.3 Internal Control Arrangements**

11.3.1 The Council has adopted a comprehensive set of internal policies and procedures that govern key aspects of its operational, as part of the drive to develop high quality local public services. Collectively, these are referred to as the Internal Control Framework.

11.3.2 Each of these policies, plans and procedures has a senior lead officer with overall responsibility for their maintenance and application.

11.3.3 Each element that makes up the Internal Control Framework is subject to cyclical, risk informed reviews by the Councils Internal Audit Section.

### **11.4 Internal Audit**

11.4.1 The HoIA is responsible for providing assurances as to the robustness of the Councils internal control arrangement to the Audit Committee. An annual report on Internal Audit activity and performance is also presented. In terms of the 2017 / 18 report, which the Audit Committee will have considered as a draft at their meeting dated 6<sup>th</sup> June 2018, the HoIA gave a controls assurance

opinion which reflected that systems concerning internal controls were **adequate** and that no fundamental breakdowns of any such systems had occurred. Whilst the overall opinion is positive, there are some key issues arising from Internal Audit work in the year that senior management should consider. In general terms these continue to relate to the challenges in moving to Future Council in terms of changed structures, new and changed systems, increasing workloads, all of which have had an impact on the organisations capacity to maintain reasonable and effective controls in some areas of activity.

11.4.2 It is recognised that the Future Council approach has required a change in risk appetite and that there is a natural period during which new operational arrangements will embed. This has been openly acknowledged and again discussed with senior management during the year but it is nevertheless important that during 2017/18 senior managers remain alert to, and focussed on, maintaining an appropriate, risk-based and effective framework of controls. The audit work undertaken and planned for the current year has sought to take into account the change in risk appetite necessary to embrace and implement such significant change and achieve financial savings. Although the overall assurance opinion is adequate, it is essential that senior management retain a focus on embedding new operational and governance arrangements. This is reflected in the fact that 50% of the completed audits resulted in a substantial or adequate assurance opinion which is a decrease from 2016/17. However, if we include the 2017/18 Internal Audit reviews that are substantially complete, as at 25th May, all have an indicative opinion of at least adequate, this would increase to 60%. With regards to the implementation of agreed management actions only 37% were implemented by the original date set by management.

11.4.3 The role of Internal Audit within the governance, risk and internal control framework is to operate both independently and objectively in reviewing and reporting on the effectiveness of the Annual Governance Review process and the Corporate Risk Management framework. This work has been undertaken by a Principal Auditor reporting directly to the Executive Director of Core services in order to preserve that independence.

## **11.5 Strategic Risk Management**

11.5.1 During 2017 / 18, the Risk and Governance Manager has supported (and where appropriate challenged) the management and development of the Councils SRR, and has prepared a number of reports to SMT, Audit Committee and Cabinet regarding the outcomes of the bi-annual reviews of the SRR. Work has also included the promotion and embedding of good risk management practice throughout the Council and its partners.

## **11.6 External Audit, Assessment and Inspection**

11.6.1 Barnsley Metropolitan Borough Council is subject to external assessment and regulation by auditors and service inspectorates such as OFSTED and the CQC. Services are responsible for ensuring that relevant findings from external audit or inspection activity informs the annual governance review which in turns underpins the production of the Annual Governance Statement.

11.6.2 In summary, the following principle sources of evidenced were considered when carrying out this review:

- Assurances provided by Service Directors and Executive Directors regarding the overall governance arrangements for Business Units and Directorates;
- Internal Audit Annual Report;
- Risk Management Annual Report;

- The Annual Audit Letter;
- Key issues arising from the Annual Corporate Health and Safety Annual Report;
- The Local Government Ombudsman Annual Monitoring Report regarding complaints handled by BMBC;
- The independent Internal Audit annual review of Corporate Risk Management arrangements and the annual review of Annual Governance Arrangements;
- A review of the action taken and progress made in relation to the issues raised in the 2016 / 17 Annual Governance Statement and Associated Improvement Action Plan.

## **12. Significant Governance Issues**

12.1 Only the more significant and strategic governance and internal control issues should be included in the AGS. The following criteria have been applied when considering and determining if an issue is significant:

- It has seriously prejudiced or prevented the achievement of the Authority's objectives;
- It has resulted in the need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business;
- It has led to a material impact in the accounts;
- It is identified in the Head of Internal Audit's report;
- The Authority requires progress / action reports;
- It has attracted media or public attention and has seriously affected the reputation of the Authority; and / or,
- It has resulted in formal action by the Treasurer or Monitoring Officer.

12.2 The annual review of the Councils governance, risk and internal control arrangements in place for 2017 / 18 has identified issues relating to:

- The delivery of actions identified by the Information Commissioners Office as part of the Councils consensual audit in 2017 (action 3); and,
- The monitoring of the implementation and embedding of effective compliance arrangements in respect of the General Data Protection Regulations 2018.

12.3 The review has confirmed that the general level of compliance with the Councils governance and internal control framework remains robust and effective.

12.4 The review process has taken into account the action taken against control issues on previous Annual Governance Statements.

12.5 The Action Plan to be monitored during 2018 / 19 is comprised of the issues that have been carried forward from previous years, along with issues identified from the 2017 / 18 review.

## **13. Statement by the Leader of the Council and Chief Executive**

13.1 We are satisfied that the comprehensive review process undertaken has identified the relevant areas for attention over the forthcoming year. The Action Plan put in place will be monitored by the Councils Audit Committee will (when implemented) further enhance the Councils governance, risk and internal control framework.

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Councillor Sir Stephen Houghton CBE  
Leader of Barnsley MBC

Date:

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Diana Terris  
Chief Executive of Barnsley MBC

Date:

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## **14. Glossary**

CIPFA – Chartered Institute of Public Finance and Accountancy

SOLACE – Society of Local Authority Chief Executives

BMBC – Barnsley Metropolitan Borough Council

SMT – Senior Management Team

SCR – Sheffield City Region

ICO – Information Commissioners Office

MTFS – Medium Term Financial Strategy

H&WB – Health and Wellbeing Board

BEP – Barnsley Economic Partnership

CCG – Clinical Commissioning Group

P&DR – Performance and Development Review

RMF – Risk Management Framework

SRR – Strategic Risk Register

ORR – Operation Risk Register

OSC – Overview and Scrutiny Commission

SIRO – Senior Information Risk Owner

GDPR – General Data Protection Regulations

AGS – Annual Governance Statement

AGR – Annual Governance Review

HoIA – Head of Internal Audit

OFSTED – Office for Standards in Education, Children's Services and Skills

CQC – Care Quality Commission



**Appendix One: Annual Governance Statement Action Plan 2017 / 18**

Ref	Annual Governance Statement Action	Responsible Executive Director	Timescales	Current Position – Action Taken / Planned
1	<p>To further develop and embed a practical framework to assist on the effective governance and control of the Council's partnerships, contracts and general relationships with external organisations. This has increased significance in the context of the Future Council programme.</p> <p><i>(Carried forward from 2016 / 17)</i></p>	<p>Executive Director, Core Services</p>	<p>Revised to 30/09/2018</p> <p>(Audit Committee Meeting 19/09/2018)</p>	<p><u>December 2017:</u> Targeted correspondence was sent to relevant Service Directors in October 2017. Subsequently, the Risk and Governance Manager has met with a number of Service Directors and Risk Owners to consider partnership risks. The majority of Business Units now have risks regarding specific partnerships included within their Operational Risk Registers. Further work during the remainder of the financial year will focus on ensuring the remaining risk registers are updated to reflect partnership risk.</p> <p><b><u>July 2018:</u></b> <b>Analysis relating to overall compliance with the Framework will be undertaken, and reported to the Audit Committee at their meeting dated 19/09/2018.</b></p>
2	<p>Internal Audit Annual Report: A corporate issue relating to non-compliance with Contract Procedure Rules and the overall adequacy of Contract Management Arrangements</p> <p><i>(Carried forward from 2016 / 17)</i></p>	<p>Executive Director, Core Services</p>	<p>Revised to 30/09/2018</p>	<p><u>December 2017:</u></p> <p>Non-compliance with CPR:</p> <ul style="list-style-type: none"> <li>▪ The Strategic Procurement Team continue to track and challenge waivers on an ongoing basis. The team also provides information on waivers to key stakeholders on a monthly basis;</li> <li>▪ The 'Document Review' is now complete and a new set of standardised procurement processes, documentation and guidance is available via SharePoint for staff to utilise when procuring at all levels of expenditure;</li> <li>▪ A review of the Contract Procedure Rules is also underway which is planned for completion by end</li> </ul>

Ref	Annual Governance Statement Action	Responsible Executive Director	Timescales	Current Position – Action Taken / Planned
				<p>March 2018.</p> <ul style="list-style-type: none"> <li>▪ All waivers over £100,000 require the Monitoring Officer and S151 Officer approval.</li> </ul> <p>Adequacy of Contract Management Activity:</p> <ul style="list-style-type: none"> <li>▪ A scoping paper to review contract management activity was approved by SMT in December 2017. Activity will now be undertaken by the Strategic Procurement Team during 2018 to establish the ‘as is’ situation whilst also developing a new ‘to be’ approach with a view to Council wide adoption.</li> </ul> <p><b><u>July 2018:</u></b></p> <ul style="list-style-type: none"> <li>▪ <b>The ‘Non-Compliance with CPR’ activity is now closed, with the exception of the action relating to the review of CPRs, which is completed and is now going through an approval process.</b></li> <li>▪ <b>The contract management review was initiated in January and is ongoing with a planned completion by end September. A session to present an update to SMT is scheduled for 31st July. This session will present the findings of the ‘As Is’ approach to contract management within the council currently and also give an indication of recommendations for the ‘To Be’ solution going forward.</b></li> </ul>

Ref	Annual Governance Statement Action	Responsible Executive Director	Timescales	Current Position – Action Taken / Planned																									
3	Following a consensual audit from the Information Commissioners Officer (ICO) in October 2017, a total of 110 recommendations were made for the Council to act on (the majority of actions being medium or low priority).	Executive Director, Communities	31/12/2018	<p><b>July 2018:</b> The current status of the actions identified by the ICO is detailed below:</p> <table border="1"> <thead> <tr> <th>Area</th> <th>Total</th> <th>Completed</th> <th>In Progress</th> <th>Not started</th> </tr> </thead> <tbody> <tr> <td>Training and Awareness</td> <td>25</td> <td>13</td> <td>11</td> <td>1</td> </tr> <tr> <td>Records Management</td> <td>48</td> <td>29</td> <td>10</td> <td>9</td> </tr> <tr> <td>FoI / EiR</td> <td>31</td> <td>25</td> <td>6</td> <td>0</td> </tr> <tr> <td><b>Total</b></td> <td><b>104</b></td> <td><b>67</b></td> <td><b>27</b></td> <td><b>10</b></td> </tr> </tbody> </table> <p>(A full analysis and action plan has been developed and is available upon request)</p>	Area	Total	Completed	In Progress	Not started	Training and Awareness	25	13	11	1	Records Management	48	29	10	9	FoI / EiR	31	25	6	0	<b>Total</b>	<b>104</b>	<b>67</b>	<b>27</b>	<b>10</b>
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FoI / EiR	31	25	6	0																									
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4	Monitoring the implementation and embedding of effective compliance arrangements in respect of the General Data Protection Regulations 2018.	Executive Director, Core Services	31/03/2019	<p><b>July 2018:</b> The Councils compliance with the Data Protection Act (DPA) 2018 and the General Data Protection Regulations (GDPR) will be monitored through the Information Governance Board alongside other areas of information governance and management.</p> <p>The Council's Data Protection Officer (DPO) will report to the Board, providing assurances regarding compliance based on a programme of independent review work. The DPO will also report periodically to SMT and will provide the Audit Committee with assurance reports.</p> <p>It is the responsibility of all senior managers to ensure the personal data they use in the delivery of services is</p>																									

Ref	Annual Governance Statement Action	Responsible Executive Director	Timescales	Current Position – Action Taken / Planned
				<p><b>maintained in compliance with the Council's policies, the DPA 2018 and GDPR. The DPO provides independent advice and assurance regarding that compliance.</b></p>