

ANNUAL GOVERNANCE STATEMENT

This statement meets with the requirement to produce an Internal Control Statement in accordance with Regulation 5 of the Accounts and Audit Regulations (Wales) 2014.

Part 1: SCOPE OF RESPONSIBILITY

Gwynedd Council is responsible for ensuring that it conducts its business in accordance with the law and to proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. Gwynedd Council also has a duty under the Local Government (Wales) Measure 2009 to make arrangements to secure continuous improvement in the exercise of its functions, having regard in particular to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation.

In discharging these overall responsibilities, Gwynedd Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk and adequate and effective financial management.

Gwynedd Council has approved and adopted a Code of Corporate Governance which is consistent with the principles of the CIPFA/SOLACE Framework, *Delivering Good Governance in Local Government*. A copy of the code is available on our website, or may be obtained by writing to Gwynedd Council, County Offices, Shirehall Street, Caernarfon, Gwynedd LL55 1SH. This statement explains how the Authority has complied with the code and also meets the requirements of regulation 5(5) Accounts and Audit (Wales) Regulations 2014 in relation to publishing a statement on internal control.

Part 2: THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with, and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost effective services.

The system of internal control is a significant part of that framework and is designed to enable the Council to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks that are relevant to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework described above has been in place at Gwynedd Council for the year ending 31 March 2021 and remains applicable up to the date of the approval of the Statement of Accounts.

Part 3: GOVERNANCE ARRANGEMENTS AND THEIR EFFECTIVENESS

- 3.1 The **Governance Arrangements Assessment Group** monitors matters of governance continuously in a disciplined manner, raising a wider awareness of these, and promoting a wider ownership of the Annual Governance Statement. The Group comprises the Chief Executive, the Monitoring Officer, Head of Corporate Support, the Assistant Head (Revenue and Risk), Assistant Head of Corporate Support, Assistant Head (Supporting Families), the Risk and Insurance Manager and the Council Business Service Support Manager.
- 3.2 As a result of the publication of a new version of the CIPFA/SOLACE Framework - *Delivering Good Governance in Local Government* in 2016, the Group has adapted the Council's arrangements for identifying and assessing its governance arrangements in order to reflect the new Framework. Consequently, the local framework was set out in the form of a Governance Risk Register that is part of the Corporate Risk Register, identifying 22 areas of governance risks. One additional area has been defined by the group during 2020/21, namely risk in terms of the governance of Health, Safety and Well-being.
- 3.3 An outline is given of the Governance Areas, the relevant risks and the Council's arrangements to deal with these, and the effectiveness of these arrangements, in the remainder of this section of the Annual Governance Statement.
- 3.4 For each Governance Risk, a current score is shown, which is the score following an objective assessment of the control arrangements that are currently in place. Consideration is given to two factors:
- The **Impact** of the risk in the event of it being realised
 - The **Likelihood** that it will occur.
- 3.5 Impact scores vary from 1 (Visible impact) to 5 (Catastrophic impact), and the Likelihood scores from 1 (very unlikely) to 5 (occurring now). The risk score is calculated by multiplying the impact score and the likelihood score.
- 3.6 The comparative level of the risks is calculated as follows:

Score 20-25	Very High Risk
Score 12-16	High Risk
Score 6-10	Medium Risk
Score 1-5	Low Risk

- 3.7 Since March 2020, to the date of publication of the 2020/21 Statement of Accounts, the Council has continued to respond to the Covid-19 pandemic crisis. Where this has had a significant and visible impact on the council's governance arrangements, this has been noted below.

Culture

Risk: Inappropriate culture within the Council can hinder our ability to do the right things in the correct manner

Assessment:

We have assessed that this is currently a **High** risk, because:

- An appropriate culture can promote all aspects of governance noted in the register and, in the same manner, an inappropriate culture can hinder all aspects of governance.
- If the culture is correct, this can dominate everything else that affects our ability to achieve as the principles of good governance are an inevitable part of the day-to-day conduct of each individual within the establishment. The Ffordd Gwynedd Strategy notes that one of the Council's main aims is to place the people of Gwynedd at the heart of everything we do. In reality, this also describes the Council's values - namely anything that is in keeping with that objective.
- The six-day training programme for Service Managers on the principles of Ffordd Gwynedd (including robust performance management principles) was introduced in the summer of 2017. Each service manager has now followed this training and this training has been available for new managers as well as potential managers for the future. The Managers' Network has been re-established and has held its first series of meetings in March 2019. The early signs are reassuring, with the encouragement for managers and their teams to undertake reviews within their own services rather than the previous focus on undertaking intensive reviews. There is a significant progress in general but evidence remains that that progress is not consistent across the Council.
- The Ffordd Gwynedd Plan and work programme for the 2019-2022 period were adopted by the Cabinet on 23 July, 2019. The plan identifies nine areas that we will focus on in order to further embed the "way of working". With a view of ensuring that everyone is clear about the behaviours that are expected of them, a new job description was circulated to each manager/senior manager outlining the expected behaviours from them and generic content was agreed for a new job description for heads and assistant heads of departments. A consultation is ongoing on the final generic content of job descriptions for team leaders and staff in general.

Current Risk Score:

Impact	Likelihood	Risk score
4	3	12

Conduct

Risk: Lack of integrity, ethics and respect in the conduct of members and officers, undermining the public's confidence in the Council

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council has adopted codes of conduct for its members and officers, based on national regulations (codes such as the Member/Officer Relationship Code, Members' Code of Conduct, Officers' Code of Conduct, Anti-fraud and Anti-corruption Policy and the Whistle-blowing Code of Practice) and these together set the foundation to ensure integrity and ethics. There is evidence of action when it appears that these codes of conduct have been breached.
- There is clear evidence that the Council gives due consideration to the Ombudsman's reports as part of the work of the Standards Committee, which works effectively.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Lawfulness

Risk: Ignoring the rule of law, which means that the Council is open to challenges from the courts

Assessment:

We have assessed that this is currently a **Low** risk, because:

- Statutory Officers (the Monitoring Officer and the Head of Finance) have to offer comments on any formal decision, as part of a comprehensive constitution that is regularly reviewed.
- There are formal protocols in place in order to safeguard the rights of statutory officers.
- These arrangements have not changed during the period of the pandemic.

Current Risk Score:

Impact	Likelihood	Risk score
3	1	3

Being open

Risk: A Council that is not open, meaning that it is not possible to hold it accountable for its decisions

Assessment:

We have assessed that this is currently a **Low** risk, because:

- Only the minimum of Committee reports are exempt
- Publicity is given to the decision sheets of individual members, with procedures to ensure that this occurs.
- Background papers are published with committee reports in order to ensure that the decisions are made with full information.
- Many committee meetings that make decisions are web-broadcast.
- The Cabinet regularly considers performance reports as part of its meetings that are open and the Council publishes its Corporate Plan, Annual Performance Report and the Statement of Accounts to seek to give as much information as the residents need for us to be accountable.
- Various other methods are also used such as the website, 'Newyddion Gwynedd' and social media to try to ensure that Gwynedd residents are aware of what is happening within the Council.

Current Risk Score:

Impact	Likelihood	Risk score
2	1	2

Stakeholders

Risk: Weak relationship with institutional stakeholders, ending with sub-optimal services

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The willingness of public sector bodies, including Gwynedd Council, other neighbouring unitary councils, the Police, the Health Board, the third sector and others to co-operate for the joint delivery of public services can have a significant, visible impact for the People of Gwynedd.
- Work is still ongoing to respond to the requirements of the Well-being of Future Generations (Wales) Act 2015 which facilitates such a principle.
- Work has been undertaken to create a Well-being Plan and the relationship between organisations has matured.
- The Council is committed to the Public Services Board
- However, members have questioned if the Board has yet discovered the place where the true value that is available has been maximised or whether there is still an element of finding our way. The situation is gradually maturing..
- The Board's Plan is consistent with the Council's Plan.
- The Public Services Board is not the only vehicle for working with other agencies and there is a risk that the wide range of joint working structures can hinder the whole objective of working together, creating confusion.
- The Council has had Partnership Criteria in place for several years, so that Gwynedd Council only enters partnerships where it is in the interests of the people of Gwynedd.
- Collaboration also occurs at a regional level which is not always as effective as it could be due to the footprint size and the difficulty of building a relationship with such a large number of people. There are some examples of success (e.g. Ambition Board) and one of the Council's responses to the published White Paper on the future of Local Government was that there was a need to work together according to the benefits that would be generated rather than adhering dogmatically to a single model. It has also been noted that there is a need to ensure that no collaboration hinders local accountability for services.
- The Council is trying to play its part in simplifying the extremely complex working environment that has developed.
- There is also collaboration taking place at county level with varying success. Our relationship with the Third Sector continues to evolve and we try to ensure that we use that relationship to maximise the benefits that can flow from that to the people of Gwynedd. This journey will continue with the relevant departments continuing to develop the relationship.
- During the pandemic period there has been a marked enthusiasm among volunteers to help our communities, and the Council has been active in trying to assist those groups to succeed.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Engagement

Risk: Failure to engage with service users and individual citizens, leading to not doing things correctly

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The purpose of the Council's Engagement Strategy is to ensure that the Council receives the views of the public and other stakeholders as appropriate, with the Communication and Engagement Service supporting services to consult using a suitable method.
- All elements of the Engagement Strategy have been achieved.
- Arrangements are in place so that groups and cohorts such as young people, LGBT+ people, ethnic minorities, refugees, adults with learning disabilities and Gwynedd businesses can be effectively engaged.
- Arrangements are in place in conjunction with the Research and Information Service to ensure that supported service level projects meet the Council's principles of engagement.
- Over 700 individuals are now members of the new Residents Panel established following the introduction of GDPR legislation.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Direction and vision

Risk: Direction and vision that is not rooted in the outcomes for individuals and therefore does not realise the needs of the People of Gwynedd

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The Council is effective in setting its priorities and managing expectations because of the culture of concentrating on what is important to the people of Gwynedd, with the performance measures that are used across all services derived from this.
- The Council's Plan 2018-23 (2021/22 review) was approved by the Full Council of Gwynedd on 4 March 2021. The Plan includes our seven Well-being Objectives, eight Improvement Priorities and every departmental plan. A great effort was made to ensure that it is clear and easy to read and understand.

Current Risk Score:

Impact	Likelihood	Risk score
3	2	6

Sustainability

Risk: A risk of creating unsustainable answers that do not comply with the five principles of the Well-being of Future Generations Act and do not therefore look at the long term

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The Council has acknowledged the importance of acting in accordance with the Well-being of Future Generations Act and, jointly with its partners on the Public Services Board, has done initial work to identify what needs to be done to operate in accordance with the five principles - Long term, Prevention, Integration, Collaboration and Involvement.
- The Council is already complying with all the principles but to different degrees. The Management Group decided that the best way would be for Departmental Management Teams to pay attention to the principles when planning ahead. It is recognised that an assessment is needed if this way is successful or not. Reports coming before Cabinet are submitted in advance to the Corporate Support Department for review to keep track of situations where perhaps appropriate attention has not been given to the principles. By doing this we hope that we will embed the principles naturally rather than ticking boxes but time will tell if we will be successful.
- An audit was carried out by the Internal Audit Service in early 2020 to assess how the 5 ways of working are embedded within individual Departments. It was suggested that further work was needed to train and raise awareness of Senior Managers/Managers/Project Officers on the Act.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Decisions

Risk: Unwillingness to make decisions on action, which means a delay in achieving the outcomes for the people of Gwynedd

Assessment:

We have assessed that this is currently a **Low** risk, because:

- Over the last few years there is evidence that Gwynedd Council is willing to take difficult or unpopular decisions, e.g. schools, externalising Council houses, acting on the difficult results of the Gwynedd Challenge, changing the Youths arrangements and taking steps to ensure implementation principles within Education.
- The Cabinet and full Council have met virtually through video conferencing software in accordance with the Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Planning Operations

Risk: Intervention without sufficient planning, that could mean either acting on impulse or excessive planning wasting time and resources

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council strives to maintain a suitable balance between Project Management procedures and working efficiently. As such, the Council is already maintaining robust project management arrangements for the largest projects, and uses a less comprehensive version for other projects, but based on the same principles.
- To ensure that the right things are measured each service's delivery measures are based on achieving a purpose and trying to ensure that any action improves our ability to achieve that.
- The Council tries to strike a balance between the need for order and the need to deliver as soon as possible by doing as little paperwork as is consistent with this, encouraging simple, brief reports that set out the main key points.
- The Council has a Medium Term Financial Strategy, with annual budgets based on this. The Council's work on financial planning is regularly praised by the external auditors, and the Audit and Governance Committee takes a leading role with financial scrutiny.
- In reviewing our scrutiny arrangements we will include more forward scrutiny and it is hoped that this will help cabinet to choose the appropriate actions to take in various areas. However if we are to do that we have already recognised that the way to achieve this is not by having a Scrutiny Committee look at something immediately before it is adopted, but rather for Scrutiny members to be involved in the assessment at the outset. This means that issues need to be known early in the process and Scrutiny used early enough. It remains to be seen whether the new arrangements will do so.
- There is an element of evidence that there remains a need to improve the communication between the Cabinet and the body responsible for co-ordinating the scrutiny.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Reviewing Outcomes

Risk: Failure to review the outcomes of our actions, which means that we do not learn lessons by continuing to do the same things incorrectly

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The Council's arrangements for risk assessment, formulating a Corporate Plan and project management will ensure that the intended outcomes to be achieved are clear at the start of any project.
- The annual performance report will try to focus on assessing to what extent these outcomes have been achieved. There are good examples of where this has occurred and the situation is improving.
- Discussions continue to seek to ensure that the Improvement Priorities in our Corporate Plan are more clear in terms of outcomes, with the Performance Plan assessing the extent to which those outcomes have been achieved. Our intention in due course is to combine them into a single document that will be a vehicle for improving the situation.

Current Risk Score:

Impact	Likelihood	Risk score
3	2	6

Property Assets

Risk: The Council's property assets not used to their full potential

Assessment:

We have assessed that this is currently a **Low** risk, because:

- A new Asset Strategy for the 10 year period from 2019/20 to 2028/29 has been developed and was approved by the full Council on 07/03/2019.
- The result is that a number of buildings that were no longer needed have been disposed of.
- In terms of vehicles, a plan has been implemented to try and make better use of the Council's fleet that has already presented some financial savings and is likely to achieve more.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Information Technology Assets

Risk: The Council's Information Technology assets not used to their full potential

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The effective use of technology is an essential tool in ensuring that services are delivered in a way that meets the needs of residents, doing so in a cost-effective way.
- Information Technology activities over previous years have focused on securing appropriate infrastructure to guarantee basic support for services. Whilst there are examples where we have been able to use information technology more widely to improve how we deliver services to the residents of Gwynedd, there is no evidence that this is consistent across the authority and is happening at the speed at which we would like it to happen.
- The Information Technology Strategy sets out steps to extend the use of technology to support the improvement objectives of the Strategic Plan, while also strengthening the capacity of services to take advantage of opportunities for effective use of technology. There is an element of evidence that this is bearing fruit with self-service becoming more and more part of using technology to make it easier for residents to access services.
- In extending the use of technology we face further risks in terms of security and cybersecurity, with this element being an essential assessment of any new development or review of an inherent solution.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Planning the Workforce

Risk: Council's workforce not being developed; this means that we cannot provide the best services for the people of Gwynedd

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The People Plan prioritises improving arrangements for nurturing talent within the Council, improving our Workforce Planning arrangements, and ensuring that our learning and development arrangements are focused on the necessary things.
- To ensure that the Council is in a position to provide services that put the People of Gwynedd at the centre at all times, we must ensure that we have the right staff in the right place with the right skills. This means that we need to continually train staff, evaluate their performance, and nurture and develop their talent. Staff training arrangements are an important way of promoting and spreading the Ffordd Gwynedd mentality across the Council, and of course it is vital that the Council has officers who have the skills to carry out their jobs.
- The need to develop individuals to carry out specialist and key functions is being met in a number of ways with the focus on extending the number of existing apprenticeships, the “Arbenigwyr Yfory” scheme and developing leadership skills among the existing workforce by introducing the existing developing potential plan for implementation across all Departments in the Council..
- Difficulties in filling some senior roles within the Council suggest that there is a need to improve our ability to create succession, at least for senior positions. This has been identified in the People Plan as a basis for developing internal talent.
- Further, there are recruitment difficulties for some posts in specific geographical areas within Gwynedd (e.g. care workers in Meirionnydd). The Project Group and HR Team officers are currently working closely with the managers of the Adult, Health and Well-being Department and are focussing on identifying key posts and functions there. This Scheme has evolved over the last twelve months and since January 2021 incorporates work that includes the development of the apprenticeship scheme and Talent Identification and Development schemes within and beyond the existing workforce.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Leadership

Risk: Deficiencies in the Council's leadership means that we are not doing the right things

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- Leadership sets the expected standard that every Member and Council employee should follow. Therefore, its impact is great – good Leadership can overcome everything else, whilst poor Leadership can destroy what the Council is trying to achieve. It is this that facilitates embedding the Council's culture.
- The roles of the Council, Cabinet, Individual Members and the Chief Officers, together with a clear scheme of delegation, are set out in the Council's Constitution. Gwynedd Council has also prioritised the development of its Leadership Programme and this is part of the People Plan adopted by the Cabinet.
- Whilst there is a clear commitment to try and continuously improve leadership, we have not always been clear regarding what this entails nor how to improve it.

- There is an element of evidence (via self-assessment) that leadership within the Council is improving with many examples of transformational leadership shown rather than transactional leadership. The increasing emphasis placed on "leading" rather than "managing" within the Ffordd Gwynedd culture is another strong indication of the strides made by Cabinet members in taking a leading role to promote good leadership by committing to their development as leaders. Furthermore, the definition of leadership within Gwynedd Council was agreed upon and is reflected in amended job descriptions for every head and manager within the Council. The commitment at the political and executive level demonstrates that these positive steps have borne fruit and that the need and the ability to lead is embedded as the norm within the Council.
- The recent recommencement of the Management Network, with the emphasis on developing leadership skills, is another key step in the shift in emphasis from a "management" to a "leadership" culture within the Council while the revised Management Review and job descriptions have also contributed to clarity in relation to the expectation of leadership.
- In light of all this, this work is considered to be something that continues to be key, but with the recognition that it is not as great a risk as it has been in the past.
- To reflect that, this work has been incorporated within the Ffordd Gwynedd Plan work programme rather than being a stand-alone project although a specific project continues to have a high improvement priority in relation to Women in Leadership within the Council.
- The Council recognises that the number of women performing a managerial function within the Council is disproportionate to the division of the whole workforce and therefore looks to boost the number of women applying and reaching senior positions within the Council.

Current Risk Score:

Impact	Likelihood	Risk score
4	2	8

Risk Management

Risk: Weaknesses in our risk management arrangements that increase the threat of something going wrong or failure to take an opportunity to improve

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- There are strong arrangements for monitoring our compliance with certain types of operational risks.
- Each risk in the Corporate Risk Register has been considered from the perspective of the risk to the people of Gwynedd, not from the Council's introverted point of view.
- A new Corporate Risk Register was launched on 6 March 2021. The new system offers a user-friendly facility in each department as they consider their priorities and identify what needs to be done, and to assist members in challenging performance and ensuring that the expected action has been taken.
- The Covid-19 pandemic has been a significant test for the Influenza Pandemic Plan and for the Council's service continuity plans. We immediately saw what happens with any such plan, that there were things that were not addressed in the plan. For example, the flu pandemic plan did not envisage that society itself would be locked down and there would be a need to cope not only with staff absences but also with staff all working from home.
- However, a response was achieved and the comparatively lower incidence of cases than predicted in the original projection; the limiting of the number of deaths and the fact that the Council has been able to continue to deliver its Priority 1 services is evidence of this.

Current Risk Score:

Impact	Likelihood	Risk score
5	2	10

Performance

Risk: Weaknesses in our performance management arrangements mean that we cannot take appropriate steps to achieve our purpose

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council's Performance Management system focusses on ensuring that business units achieve their purpose and this is done by continuously reviewing if we are measuring the right things.
- Regular meetings take place with Cabinet Members and managers to assess the latest performance, with members of the relevant Scrutiny Committee also present to challenge. Regular performance reports are submitted by Cabinet members on their areas of responsibility to Cabinet meetings. However, it is noted that this arrangement was postponed in spring 2020 due to the pandemic, but has restarted in 2021.
- The Auditor General also observes our performance in different areas by publishing various reports and the Audit and Governance Committee takes an overview that any recommendations receive attention.
- The new Corporate Complaints Procedure continues to develop well. The Services Improvement Officer ensures that we learn lessons from any complaints, and try to avoid repeating mistakes. The Complaints and Service Improvement Services has been able to continue to take action to address public concerns and support services throughout the pandemic period.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Internal Control

Risk: Unsuitable internal control arrangements which means that we either do not protect ourselves from risks, or waste resources on over-control

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Audit Manager's annual report confirms that the Council's internal controls can be relied upon.
- Reviewing and adapting internal controls so that they are proportionate to what is necessary is central to the goal of placing the people of Gwynedd at the centre of everything we do, by removing overly bureaucratic tasks. The removal of barriers is part of everyone's work, leading to a suitable level of internal control.
- The efficiency of the Internal Audit system is under continuous review and self-assessment indicates that the service satisfies professional standards in accordance with expectation.
- Gwynedd Council's Audit and Governance Committee has an agreed terms of reference. There is evidence that the Audit and Governance Committee is very effective in delivering its functions.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Information

Risk: Failure to control information leading to the failure of safeguarding the information we hold, or not to make the best use of it

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The ERDMS system, iGwynedd, has now rolled out to everyone in the Council and is a foundation for sharing information more effectively, reducing duplication and enabling fewer stages in processes. . The upgrade of the system to the latest version of the technology is progressing during 2021.
- The Research and Information Service supports departments in using information to make decisions with a focus on the highest priorities in the Council plan.
- There is a continuing need to raise awareness about Data Protection principles, and improving the approach in the field. This work continues.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Finance

Risk: Weaknesses when controlling public finance which mean that the Council's finance is not used on its priorities

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- The Council has good financial planning arrangements, which have already identified many efficiency savings to reduce service cuts for Gwynedd residents.
- The work that has already been undertaken over a number of years suggests that we have harvested a large proportion of the available efficiency savings, but there is a need to continue to monitor the approved plans of all Council departments to ensure that the bulk of the proposed savings are achieved.

Current Risk Score:

Impact	Likelihood	Risk score
3	3	9

Accountability

Risk: Poor reporting, without transparency and unsuitable for the audience, does not highlight to the public what the Council does for them, undermining the democratic position

Assessment:

We have assessed that this is currently a **Low** risk, because:

- The Council has provided guidelines on preparing reports and on making good decisions, in order to ensure that the reports available to the public are clear.
- As well as formal reports for making decisions, the reports produced also include the Annual Performance Report, the Council's Plan (that includes departmental business plans) and the Annual Governance Statement produced in accordance with the CIPFA/Solace framework.
- The Council produces regular reports on its financial position.
- Monitoring of Cabinet reports will continue naturally with the Chief Executive taking a look at each one.

Current Risk Score:

Impact	Likelihood	Risk score
2	2	4

Assurance

Risk: Lack of assurance and accountability that raises suspicion amongst the public regarding what the Council is doing

Assessment:

We have assessed that this is currently a **Medium** risk, because:

- There are many ways available within the Council to provide independent assurance that the Council's governance arrangements are working as they should. Statutory officers ensure that matters comply with the law and the procedures in the Constitution, whilst the Chief Executive and the Director continually challenge whether or not the departments are doing the right things. Cabinet members also meet often to challenge each other regarding developments.
- The Audit and Governance Committee keeps an overview of the governance arrangements as well as the implementation of the external auditor's recommendations.
- Supporting this is the Internal Audit Service that operates in accordance with the statutory professional standards, namely the Public Sector Internal Audit Standards. Covid-19 has had an adverse effect on Internal audit's ability to undertake as many audits during during 2020/21 as in a usual year.
- However, formally it is the scrutiny procedure that should continue to hold the Cabinet to account. There is transparent and objective scrutiny and challenging of decisions and policies; however, there is uncertainty regarding how effective this is. This has received attention in the Scrutiny Review commissioned by the Audit Committee in 2016/17, but at its meeting on 3 March 2017 the Council resolved contrary to the Audit Committee's decision to adopt a different procedure in the future.
- The new procedure was implemented following the May 2017 elections. A promise was made to review the effectiveness of the amended arrangements and the Scrutiny Working Group, which includes members of the Cabinet, Scrutiny Forum and senior officers, has presented options for further reform of the arrangements. Workshops were held with Members during October 2019 to clarify and consider the options but the Council, at its meeting on 19 December 2019, accepted the recommendation of the Audit and Governance Committee to refuse to change the basic arrangements and thereby continue with three scrutiny committees, as established in May 2017.

Current Risk Score:

Impact	Likelihood	Risk score
2	3	6

Health, Safety and Well-being

Risk: Inadequate arrangements and action by Council Services to manage health and safety risks effectively

Assessment:

We have assessed that this is currently a **High** risk, because::

- The vast majority of Service Managers have attended an IOSH course over the last three years (with the exception of a small minority who do not manage significant risks).
- Health and safety workshops held for staff and managers as a follow-up to the IOSH training in Departments where there are high risks.
- Work to assess managers' competence to manage health and safety across the Council started before the Covid crisis. That has identified weaknesses in the accurate completion of risk assessments or failure to put adequate mitigation measures in place. That work will need to be re-addressed as a matter of priority once the situation has been restored to a safe level in order to carry out programmed monitoring visits.

Current Risk Score:

Impact	Likelihood	Risk Score
4	3	12

We have been advised on the implications of the result of **the review of the effectiveness of the governance framework** by the Audit and Governance Committee, and that the arrangements **continue to be regarded as fit for purpose in accordance with the governance framework**. The areas that have already been addressed and those which the Council will address specifically have new ongoing action plans and are outlined below.

Part 4: SIGNIFICANT GOVERNANCE ISSUES

- 4.1 The above scores indicate that it is not considered that any of the 23 areas of governance present a very high risk. However, there are 2 high risk and 12 medium risks.
- 4.2 Each of the areas of governance has been reviewed in the context of the Covid-19 pandemic and we are satisfied that Gwynedd Council has been able to modify its working arrangements in order to cope with the crisis weakening governance and internal control arrangements in a way that needs to be highlighted in this Annual Governance Statement.
- 4.3 Actions for the areas that are a high or medium risk are noted below.

HIGH RISKS

Governance Area	Response Arrangements	Department Responsible
The Council's Culture	We will develop training to help managers understand the close link between the culture of Ffordd Gwynedd and the requirements of the Well-being of Future Generations Act and deliver that session to the Managers Network while releasing a job description for team leaders and the rest of the Council's staff that will confirm the expected behaviours of them. We will establish methods of measuring the progress of the culture sought through a combination of self-assessment and consistent challenge.	Corporate Support
Iechyd, Diogelwch a Llesiant	Hold an open discussion with the heads / senior managers / managers of each Department to understand their needs, clarify the principle behind change in a business model, and find the most effective way of resolving the situation.	Corporate Support

MEDIUM RISKS

Governance Area	Response Arrangements	Department Responsible
Stakeholders	<p>There are ongoing efforts in various areas to try to simplify a complex working relationship. However it must be acknowledged that there is only so much that can be done and there is room to question that the solution now is to try to find ways to work around the legislative barriers that have been set by the Government. We are already doing so quite successfully.</p>	Leadership Team and Legal
Engagement	<p>During 2020/21 and 2021/22 we will:</p> <ul style="list-style-type: none"> • continue to work with Youth Services to further develop our ability to engage with 11-25 year olds • continue to assess and identify progress across the Council in highlighting the opportunities and supporting services to engage proactively with the people of Gwynedd • continue with the recruitment of members of the public to be members of the new Residents Panel • in line with the Council's Equality Scheme (2020-24) we will undertake a comprehensive public engagement exercise to identify barriers facing people with protected characteristics as they access council services and identify possible ways of removing these barriers. 	Corporate Support
Direction and vision	The risk is accepted at its present level.	Corporate Support
Sustainability	<p>We will consider the findings of the work of the Internal Audit Service and consider options for training and raising Senior Managers/Managers/Project Officers' awareness of the principles of the Dead and submit them to the Governance Arrangements Assessment Group before the end of the year. The Future Generations Commissioner has published the Future Generations Report 2020 during the summer and we will consider and conclude whether there are any relevant recommendations to the Council.</p>	Corporate Support
Reviewing Outcomes	The risk is accepted at its present level.	Leadership Team and Legal

Governance Area	Response Arrangements	Department Responsible
Information Technology Assets	<p>To act in accordance with the work programme included in the Information Technology Strategy. This includes:</p> <ul style="list-style-type: none"> • A programme of introducing digital self-service for the people of Gwynedd is busy maturing with a number of solutions already introduced, including: apGwynedd, my account and a number of opportunities to apply for a timely citizen-appropriate service, with an opportunity to follow progress against the application. • The self-service services continue to develop, with a number of additional services or adaptations being introduced during the pandemic period, such as creating appointments for visiting recycling centres and Siop Gwynedd. 	Finance
Planning the Workforce	<p>Gap identification and proactive action, which has started with the Adults Department, will be rolled out to the rest of the Council during 2021. We will also extend the number of existing apprentices and trainees across an increasing number of services across the Council.</p>	Corporate Support
Leadership	<p>We will introduce a potential development programme for women, conduct an audit of our recruitment and appointment methods for managerial posts and create a forum for women leaders and potential leaders within the Council. We will also develop the leadership behaviours expected of managers in general primarily through a combination of training relating to the "way of working" and by challenging the behaviours as part of the ongoing evaluation being promoted as part of establishing the culture.</p>	Corporate Support
Risk Management	<p>Work still needs to be done to ensure that all Council departments maintain the procedure of recording their major risks and review them regularly. The Insurance and Risk Service will support all departments to ensure that the use of the Corporate Risk Register is consistent across the Council, and that risks are continuously updated. The procedure of considering the contents of risk registers when monitoring the performance of departments will develop further.</p>	Finance

Governance Area	Response Arrangements	Department Responsible
Information	<p>A new Information Plan is being produced for 2021-26 which will look to:</p> <ol style="list-style-type: none"> 1. Extend the support of services in the use and interpretation of data about their services and about Gwynedd 2. Establish and promote Data Standards for areas where inconsistencies exist or have arisen. 3. Reduce the risk in information security that exists across the Council (as a result of conducting a comprehensive assessment on the basis of the ICO audit framework) 4. Introduce ways of ensuring that staff receive appropriate training on protecting the Council's data. 5. Sort out information and dispose of information in a timely manner 6. Expand the use of iGwynedd so that we make the most of what it offers 7. Make information readily available 8. Reduce the use of paper 9. Strengthen CCTV management arrangements by appointing a contact person for non-town centre systems and body cameras. 	Corporate Support
Finance	<p>After a long period of finding and delivering savings, over £30m in the period since 2015/16, the plans are now so much more difficult to deliver with efficiency projects much more work than cutting services. All savings plans were reviewed to assess which are now unacheable, and a revised programme of savings has been drawn up for 2021/22. Through the robust arrangements we have in place to monitor how departments are delivering savings, we will ensure that this revised programme is delivered. We will also support departments with transformation costs, as they introduce new work arrangements.</p>	Finance
Assurance	<p>The new team established to strengthen support for scrutiny arrangements within the Council, works closely with the chairs/vice chairs of individual committees to ensure clarity and share best practice. This will extend to the development of regional scrutiny arrangements in conjunction with other authorities where relevant during 2021/22.</p>	Corporate Support

Part 5: OPINION

We are of the opinion that the governance arrangements described above offer assurance that our governance arrangements work well overall. However, we intend to take measures to deal with the matters noted in Part 4 above during next year in order to improve our governance arrangements. We are satisfied that these measures will deal with the need to improve as identified in the effectiveness review, and we will monitor their operation as part of the next annual review.

DAFYDD GIBBARD
CHIEF EXECUTIVE, GWYNEDD COUNCIL

Cllr. DYFRIG SIENCYN
LEADER, GWYNEDD COUNCIL

DATE

DATE