

# Our Approach to the Annual Governance Statement **Enclosure 1**



2023 - 2024

*Mae'r ddogfen hon hefyd ar gael yn Gymraeg. Gweler y dudalen Gymraeg ar ein gwefan.*  
*This document is also available in Welsh. See Welsh page on our website.*



# What is the purpose of this document?

This document outlines our approach to the assessment of the Council's governance arrangements and the completion of the Annual Governance Statement. This document 'Our approach to Approach to the Annual Governance Statement' (Enclosure One) explains:

- What Governance is;
- What is the Annual Governance Statement;
- How has the Annual Governance Statement been prepared;
- What are the key principles of the Corporate Governance arrangements;
- Contributors to effective Governance arrangements; and
- How have we monitored and evaluated the effectiveness of our governance arrangements.

The outcome of our assessment identifying areas of best practice and areas for further improvement is detailed within the document Annual Governance Statement 2023/24 – Enclosure 2.

# What is Governance?

*“Governance is at the heart of public services. It underpins how resources are managed, how decisions are made, how services are delivered and the impact they have, now and in the future. It also infuses how organisations are led and how they interact with the public. Governance needs to be robust, but it must also be proportionate. Well-governed organisations are dynamic and take well-managed risks; they are not stagnant and bureaucratic.”<sup>1</sup>*

The governance arrangements comprises the culture, values, systems and processes by which an organisation is directed and controlled. The arrangements bring together an underlying set of legislative requirements, good practice principles and management processes.

Flintshire County Council acknowledges its responsibility for ensuring that there is a sound system of governance. We have developed a Local Code of Corporate Governance that defines the principles that underpin the governance of the organisation. The Local Code forms part of the Council Constitution and can be accessed on our website. A summary of the principles upon which it is based can be found later in this document.

Our governance arrangements supports our aim as a modern public body which has the **philosophy** of operating as a social business which refers to it:

- being lean, modern, efficient and effective;
- being designed, organised, and operated to meet the needs of communities and the customer; and
- working with our partners to achieve the highest possible standards of public service for the well-being of Flintshire as a County

To meet these aspirations, we have set the **standards** of:

- achieving excellence in corporate governance and reputation;
- achieving excellence in performance against both our own targets and against those of high performing peer organisations;
- being modern and flexible, constantly adapting to provide the highest standards of public, customer, and client service and support;
- using its four resources - money, assets, people, and information - strategically, effectively and efficiently; and
- embracing and operating the leanest, least bureaucratic, efficient, and effective business systems and processes

To achieve these standards, our **behaviours** are:

- showing strategic leadership both of the organisation and our partnerships;
- continuously challenging, reviewing, changing and modernising the way we do things;
- being as lean and un-bureaucratic as possible;
- using new technology to its maximum advantage; and
- using flexible working to its maximum advantage

We are committed to the **principles** of being:

- a modern, fair and caring employer;
- fair, equitable and inclusive in its policies and practices; and
- conscientious in planning and managing its activities, and making decisions, in a sustainable way

We are committed to specific values and principles in working with our key partners and partnerships. These cover strategic partnerships such as the Public Services Board and with the third sector such as agreeing a set of Voluntary Sector Funding principles.

<sup>1</sup>Wales Audit Office: “Discussion Paper: The governance challenges posed by indirectly provided, publicly funded services in Wales” 2017

# What is the Annual Governance Statement?

We are required by the Accounts and Audit (Wales) Regulations 2018 to prepare a statement on internal control. Alongside many authorities in Wales, we refer to this as the 'Annual Governance Statement'. This is a public document that reports on the extent to which we as the Council comply with our own code of governance.

In this document, we, the Council:

- acknowledge our responsibility for ensuring that there is a sound system of governance;
- summarise the key elements of the governance arrangements and the roles of those responsible for the development and maintenance of the governance environment;
- describe how we have monitored and evaluated the effectiveness of our governance arrangements in year, and any planned changes in the coming period;
- provide details of how we have responded to any issue(s) identified in last year's governance statement; and
- report on any governance issues identified from this review and provide a commitment to addressing them.

The Annual Governance Statement reports on the governance arrangements that has been in place at Flintshire County Council for the financial year 2023/24 and up to the date of approval of the Annual Statement of Accounts.

## How has the Annual Governance Statement been prepared?

The initial review of our governance arrangements was carried out by the Corporate Governance Working Group. This group worked with each corporate Chief Officer and also for some specific governance functions such as finance, human resources and legal. Our approach was based on the seven principles that follow in the main part of this document and were assessed to identify any areas for improvement. A challenge workshop for Governance and Audit Committee members was held to go through the initial scores of the Annual Governance Statement and a Questionnaire summarising these from the workshop were completed by some Cabinet and Chairs of Overview and Scrutiny Committees members.

The preparation and content of this year's governance arrangements has been considered by the statutory officer's, with assurance support from Internal Audit, Governance & Audit Committee and Audit Wales. We recognise that our governance arrangements cannot eliminate all risk of failure to meet the targets in our policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

In preparing the Annual Governance Statement, we have:

- reviewed the Council's existing governance arrangements against the Local Code of Corporate Governance.
- updated the Local Code of Corporate Governance where necessary, to reflect changes in the Council's governance arrangements and the requirements of the new CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities.
- assessed the effectiveness of the Council's governance arrangements and highlighted any planned changes in the coming period.
- considered the findings in the Corporate Self-Assessment.

The Chief Officer Team, which is led by the Chief Executive, have also considered the governance issues and principles facing the Council. These are evidenced in the Annual Governance Statement (Enclosure 2) from [Page 11](#) of the document. Principles assessed as needing further improvement are detailed in the Annual Governance Statement from Page 25.

Our Governance and Audit Committee provides assurance to the Council on the effectiveness of its governance arrangements, risk management framework and internal control environment. As part of this role the Committee reviews and approves the Annual Governance Statement. The Governance and Audit Committee were also asked to consider and comment on the progress made on the last Annual Governance Statement and any further matters to be considered. They expressed general satisfaction with the Annual Governance Statement.

The five Overview and Scrutiny Chairs have also considered and commented on issues within the remit of their respective committees as well as Cabinet members. They expressed general satisfaction and agreement with the findings of the with the Annual Governance Statement.

# What are the key principles of the Corporate Governance Arrangements?

We aim to achieve a good standard of governance by adhering to the seven key principles of the CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities, which form the basis of the Local Code of Corporate Governance. The seven key principles are:

- Principle A** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Principle B** Ensuring openness and comprehensive stakeholder engagement
- Principle C** Defining outcomes in terms of sustainable economic, social, and environmental benefits
- Principle D** Determining the interventions necessary to optimise the achievement of the intended outcomes
- Principle E** Developing our organisation's capacity, including the capability of its leadership and the individuals within it
- Principle F** Managing risks and performance through robust internal control and strong public financial management
- Principle G** Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Please note whilst the Code refers to an 'entity' for the purpose of greater clarity we have replaced this with 'our organisation'.

# Contributors to effective Governance Arrangements

Council	<ul style="list-style-type: none"> <li>• Approves the Council Plan</li> <li>• Endorses the Constitution</li> </ul>
Cabinet	<ul style="list-style-type: none"> <li>• Primary decision making body of the Council</li> <li>• Comprises of the Leader of the Council and Cabinet Members who have responsibility for specific portfolios</li> </ul>
Governance and Audit Committee	<ul style="list-style-type: none"> <li>• Help raise the profile of internal control, risk management and financial reporting issues within the Council, as well as providing a forum for the discussion of issues raised by internal and external auditors</li> </ul>
Standards Committee	<ul style="list-style-type: none"> <li>• Standards Committee promotes high standards of conduct by elected and co-opted Members and monitors the operation of the Members' Code of conduct</li> <li>• Constitution and Democratic Services Committee considers and proposes changes to the Constitution and the Code of Corporate Governance</li> </ul>
Portfolio	<ul style="list-style-type: none"> <li>• Track efficiencies, highlighting risk and mitigating actions to achievement</li> <li>• Consider the robustness of efficiency planning and forecasting and consider resourcing of planned delivery</li> </ul>
Overview and Scrutiny Committees	<ul style="list-style-type: none"> <li>• Review and scrutinise the decisions and performance of Council, Cabinet, and Committees</li> <li>• Review and scrutinise the decisions and performance of other public bodies including partnerships</li> <li>• Assists the Council and Cabinet in the development of the Budget and Policy framework by in-depth analysis of policy issues</li> <li>• Established the Chair/Vice Chair Liaison Group</li> </ul>
Chief Officer Team and Service Managers	<ul style="list-style-type: none"> <li>• Set governance standards</li> <li>• Lead and apply governance standards across portfolios</li> <li>• Undertake annual self-assessment</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• Provide an annual independent and objective opinion on the adequacy and effectiveness of internal control, risk management and governance arrangements</li> <li>• Investigates fraud and irregularity</li> </ul>

## How we monitored and evaluated the effectiveness of our Governance Arrangements?

On an annual basis, we review the effectiveness of our governance arrangements including the system of internal control. The key elements of assurance that inform this governance review are detailed below:

Chief Officers Team	Monitoring Officer	Section 151 Officer	Information Governance	Internal Audit
<ul style="list-style-type: none"> <li>• Corporate oversight and strategic planning</li> <li>• Annual Corporate Governance Assessment</li> <li>• Implement and monitor regulatory and other governance protocols</li> </ul>	<ul style="list-style-type: none"> <li>• Legal and regulatory assurance</li> <li>• Monitors the operation of the Constitution</li> <li>• Ombudsman investigations</li> <li>• Designated Senior Information Risk Owner (SIRO)</li> </ul>	<ul style="list-style-type: none"> <li>• Proper administration of the Council's financial affairs</li> </ul>	<ul style="list-style-type: none"> <li>• The Monitoring Officer is designated as our Senior Information Risk Owner (SIRO)</li> <li>• The Information Governance Manager is our Data Protection Officer (DPO)</li> <li>• Information Compliance including associate policies, procedures and systems (Data Protection, Freedom of Information)</li> <li>• Information Security, Information Standards and Records Management</li> </ul>	<ul style="list-style-type: none"> <li>• Annual opinion report on adequacy of internal controls, risk management and governance arrangements</li> <li>• Internal Audit plan and report tracking / performance by Audit Committee</li> <li>• Provision of advice and consultancy</li> </ul>
Overview & Scrutiny Committees	Governance & Audit Committee	Risk Management	External Audit / Inspections	Counter Fraud
<ul style="list-style-type: none"> <li>• Policy review and challenge</li> <li>• Overview and scrutiny of topics</li> <li>• Corporate and Portfolio Performance and Risk monitoring</li> </ul>	<ul style="list-style-type: none"> <li>• Self-assessment of Governance and Audit Committee</li> <li>• Review effectiveness of internal and external audit</li> <li>• Consider the adequacy of the internal control, risk management and Governance arrangements</li> </ul>	<ul style="list-style-type: none"> <li>• Risk Management Framework and procedure</li> <li>• Quarterly monitoring and reporting of Strategic Risks to Cabinet, Overview and Scrutiny Committees and Governance and Audit Committee</li> </ul>	<ul style="list-style-type: none"> <li>• Financial statements audit</li> <li>• Thematic and national reviews</li> <li>• Other external inspections</li> </ul>	<ul style="list-style-type: none"> <li>• Anti-Fraud and Corruption and Whistleblowing arrangements</li> <li>• Codes of Conduct for Officers and Members</li> <li>• Financial and Contract Procedure Rules</li> </ul>



## FLINTSHIRE COUNTY COUNCIL CORPORATE GOVERNANCE ARRANGEMENTS

### Public Key Documents: Annual Review / Production

- Annual Governance Statement
- Annual Outturn Finance Report
- Annual Performance Report
- Annual Information Governance Statement
- Capital Strategy and Asset Management Plan
- Code of Corporate Governance
- Code of Ethical Practice on Procurement
- Contract Procedure Rules
- Council Plan
- Digital Strategy
- Equal Pay Audit (Gender Pay Reporting)
- Financial Procedural Rules
- Medium Term Financial Strategy
- Members' Allowance Scheme
- Overview and Scrutiny Annual Report
- People Strategy
- Portfolio Business Plans
- Public Services Board Wellbeing Plan
- Statement of Accounts
- Strategic Equality Plan
- Strategic Risk Register
- Treasury Management Strategy
- Annual Audit Report
- Pay Policy Statement

### Key Documents: Ad-hoc Review / Production

- Anti-Fraud Work plan
- Business Continuity Plans
- Communications Principles
- Constitution
- Digital Strategy
- Data Protection Policy
- Equality and Diversity Policies
- Employment Policies
- Health and Safety Policies
- Internal/External Audit Protocol
- IT Policies
- Members Code of Conduct
- Officers Code of Conduct
- Procurement Strategy
- Social Media Policy
- Welsh Language Standards
- Whistle Blowing Policy

### Contributing Processes Regulatory Monitoring

- Appraisal and Supervision
- Attendance management
- Governance and Audit Committee
- Budget Monitoring Reports
- Comments, Complaints and Compliments
- Corporate Governance
- Corporate Health and Safety
- Council (Plan) Governance arrangements
- Council Meetings
- Engagement and Consultation
- External Audit
- Flintshire County Council website
- Inspectorate Reports
- Induction (Corporate and Service)
- Internal Audit
- Job Descriptions / Person Specifications
- Manager Toolkits
- Member Training
- Monitoring Officer
- Partnership Self Assessments
- Performance Management
- Risk Management
- Scrutiny arrangements
- Your Council newsletter