

## ANNUAL GOVERNANCE STATEMENT 2015-16

### 1. SCOPE OF RESPONSIBILITY

- 1.1. Guildford Borough Council is responsible for ensuring that it conducts its business in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs to facilitate the effective exercise of its functions, including arrangements for the management of risk.
- 1.3. The Council has approved and adopted, alongside the Council's Constitution, a local code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government, including compliance with the CIPFA Statement on the role of the Chief Financial Officer in Local Government (2010) . A copy of the code is on the website at [www.guildford.gov.uk](http://www.guildford.gov.uk) or can be obtained from Corporate Services, Millmead House, Millmead, Guildford, Surrey, GU2 4BB (tel. 01483 444854).
- 1.4. This statement explains how the Council has complied with the code and meets the requirements of regulation 4) of the Accounts and Audit Regulations 2015 in relation to internal control.

### 2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

- 2.1 The governance framework comprises the systems, processes, culture and values by which the authority is directed and controlled and the activities through which it accounts to, engages with and leads the community. 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, cost effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed 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 to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and impact should those risks be realised and to manage those risks efficiently, effectively and economically.
- 2.3 The governance framework has been in place for the year ended 31 March 2016 and up to the date of approval of the statement of accounts.

### 3. GOVERNANCE FRAMEWORK

- 3.1 The Council is a complex organisation with an appropriately comprehensive governance framework that works in a dynamic environment and keeps its processes under constant review.

#### **Strategic Framework and Performance Management**

- 3.2 The Governance arrangements start with the Strategic Framework, which sets out the Vision and Mission and establishes the Council's key priorities. In October 2015, the Council approved a Corporate Plan for the period 2015-2020, which can be found on the Council's website <http://www.guildford.gov.uk/corporateplan>. The

Corporate Plan is an essential part of our strategic framework and sets out the vision for the borough for the next five years.

- 3.3 The Corporate Plan has five themes, which have informed the more detailed service plans. The five themes provide a focus for Council activities and there is a clear link between service delivery and the Council's corporate objectives. We monitor progress against the objectives through regular performance monitoring reports to the Corporate Management Team. The five themes are:
- Our Borough
  - Our Economy
  - Our Infrastructure
  - Our Environment
  - Our Society
- 3.4 In February 2015 the Council implemented a new programme and project management system. All projects, whether in the corporate plan or service level projects, are now captured within the system which allows risks and performance to be captured at an individual project level and reported either by project or at summary level.
- 3.5 We have embedded risk management within the organisation. It is an integral part of project management on each project. The format of the risk register conforms to the latest guidance from ALARM, the public sector risk management association.
- 3.6 We record risks at all levels from the basic, but essential, health and safety risks such as slips, trips and falls to high level-risks such as the impact of the financial situation and climate change. We publish a financial risk register to risk assess the Council's budget as part of our annual budget book and medium term financial plan. The financial risk register informs the level of general fund unallocated reserves that the Council holds.
- 3.7 Risk Management is an integral part of project management and we use risk management effectively in all of our significant projects. However, we do not currently apply risk management consistently in all of our smaller projects. This will be the subject of a review in the first part of 2016-17.
- 3.9 We recognised this was an issue and we have reviewed our project management framework. We had already identified a framework that tailors the project management process to the scale of the project but we needed a formal programme management framework to monitor the wide range of projects and activities which are needed to deliver the targets in the Corporate Plan. This was introduced in April 2015 and training has been rolled out to all project management staff during 2015-16.
- 3.10 The Council has always scored well under the External Auditor's annual assessment of Value for Money. In 2015-16, we continued with our Lean Management Programme and Fundamental Service Reviews (FSRs) to improve services and reduce costs. Over the coming years every service will be subject to a FSR and its associated scrutiny and improvement. The FSR reviews will actively look at alternative methods of service delivery through the Lean programme, shared services and partnerships with the public, voluntary or commercial sectors.
- 3.11 We have already started to transfer some administrative tasks into the Customer Service Centre as the first point of contact and resolution. This has released resources in the front line services to concentrate on technical and professional activities.

- 3.12 Our achievements against the 2013-2016 Corporate Plan are stated on page 11 of the 2015-2020 Corporate Plan, overall the Council completed or is on track to complete 89% of the targets its set out to achieve in the Corporate Plan between 2013 and 2016. In addition, the Council has maintained its strong financial performance, including its Aa1 credit rating with Moody's. Our performance over the period 2013 to 2016 demonstrates the Council's sound governance arrangements.

### **The Constitution**

- 3.13 The Council has a comprehensive Constitution that covers, amongst other things, the roles and responsibilities of Councillors and officers. We constantly review the Constitution with amendments agreed and issued throughout the year to ensure that it remains relevant to the objectives contained in the Strategic Framework.
- 3.14 We completed a major review of the Constitution in 2014-15. In November 2015, the Corporate Governance and Standards Committee approved changes to the disciplinary procedures for senior officers (following a change in legislation) and other minor amendments to the Constitution. The Executive approved a new corporate procurement strategy in April 2015 and approved the establishment of a Corporate Procurement Advisory Panel to enhance the governance arrangements and consistency of procurement processes across the Council. We have also undertaken a series of training sessions on procurement for service managers. The procurement panel has met several times during 2015-16.
- 3.15 In November 2014, following a motion to Council, the former Joint Scrutiny Committee set up an overview and scrutiny task and finish group which reviewed the Council's governance arrangements. Council approved the findings from the review in July 2015 and re-established a task and finish group to establish the detailed changes required. The task and finish group's proposals were adopted by Council in October 2015 and the Council implemented the new governance arrangements in January 2016. The key changes were that, from January 2016 the Council:
- operates with an Executive which receives advice from two politically balanced Executive Advisory Boards (EABs)
  - dissolved the existing scrutiny committees and replaced them with one overview and scrutiny committee. Whilst this Committee has the powers and role prescribed for it by the Local Government Act 2000 (as amended), it will focus on post-decision review of Executive decisions and wider external scrutiny
  - recognised the importance of the Corporate Governance and Standards Committee and expanded its role to include treasury management and budget monitoring
  - improves communication with ward Councillors
  - improves public awareness of the decision-making processes at the Council and its governance arrangements.

- 3.16 In July 2015, the then Leader of the Council asked the Monitoring Officer to conduct a review of the Council's Procedures for dealing with allegations of misconduct by Councillors and Co-opted Members (Constitution Part 5). Hoey Ainscough Associates Ltd were instructed to undertake an independent review of the Council's procedures. The review found that the high-level process is broadly in line with processes seen elsewhere, however, a number of recommendations were raised relating to guidance on implementation and communication of the process. The Corporate Governance and Standards Committee considered the findings of the review at their meeting in November 2015 and established a working group to review and implement the recommendations. The working group reported back to the Corporate Governance and Standards Committee at its meeting in March 2016 and also to Council in April 2016.
- 3.17 The main recommendations of the working group (which will continue to meet to finalise and implement the recommendations) were:-
- The protocol for Independent persons be revised
  - guidelines and a policy for communications be established; together with guides for the complainant and councillor against whom a complaint is made;
  - assistance to political groups/group leaders as regards any statements relating to standards and the private capacity of councillors;
  - a protocol with the Police where a complainant alleges criminal behaviour;
  - the redrafting of the Council's Arrangements for dealing with allegations of misconduct by councillors and co-opted member to incorporate the Report and the work described in the preceding paragraphs; and that such redrafting might usefully include a separate version of the Arrangements containing only those elements relevant to allegations of misconduct by parish councillors

### **Forward Plan and Committee Decisions**

- 3.18 We use the Forward Plan to manage the work programme and decisions of the Executive and full Council. The work programme for the two EABs and overview and scrutiny committee are discussed at agenda setting meetings held every two months with the respective Chairmen and Vice-Chairmen.

### **Overview and Scrutiny Committee**

- 3.19 The Committee was established in January 2016 and (subject always to its formal powers and role prescribed by the LGA 2000) has the power to scrutinise decisions or actions in relation to both the Executive and Non-Executive functions of the Council, including decisions taken by officers under delegation. The Committee can also undertake reviews and in-depth investigations in order to provide advice and recommendations. In general, the Overview and Scrutiny Committee undertakes the following activities:
- Scrutinising the decisions of the Executive and non-Executive functions throughout the decision-making process.
  - Contributing to policy development by examining performance and policy outcomes against local service need and provision.

- Reviewing council services to ensure they are achieving customer satisfaction, value for money delivering performance and meeting standards.
- Reviewing how effectively the council delivers services with external agencies.
- Appointing sub-committees to fulfil overview and scrutiny functions;
- Undertaking investigations into such matters relating to the Council's functions and powers as:
  - (i) may be referred by the Council/Leader/Executive; or
  - (ii) has been referred to the committee because of the councillor "call-in" procedure set out in the Overview and Scrutiny Procedure Rules in Part 4 of the Constitution

### **Corporate Governance and Standards Committee**

3.20 Following enactment of the Localism Act 2011, the Standards Committee and Audit Committee were disbanded and a new committee known as the Audit and Corporate Governance Committee was established. In May 2014, the Committees were further re-organised and the committee with responsibility for audit and accounts, corporate governance and ethical standards is now known as the Corporate Governance and Standards Committee. The role and functions of the committee include:

#### Audit and Accounts activity

- monitoring internal audit activity and receiving bi-annual reports from the Executive Head of Organisational Development
- receiving reports from the external auditor, including his annual letter
- review and approve the annual statement of accounts
- review and recommend to Executive / Council the treasury management strategy
- receive treasury management monitoring reports
- receive budget monitoring reports

#### Corporate Governance activity

- monitoring and reviewing the Council's constitution
- corporate governance, risk management, statement on internal control and any issues referred to it
- compliance with the Council's own and published standards
- receiving an annual report regarding complaints about the Council referred to the Local Government Ombudsman
- monitoring the effectiveness of various Council policies

#### Ethical Standards activity

- implementing, monitoring and reviewing the operation of codes of conduct for Councillors and Officers
- promoting and maintaining high standards of conduct by Councillors and co-opted members
- investigating and determining allegations of misconduct where determination by the Monitoring Officer is considered inappropriate

The full role and responsibilities are available on our website, at Part 2 (Article 11) of the Constitution.

- 3.21 We advise the committee, through a regular reporting process, of progress against agreed internal audit recommendations and other governance issues such as equalities, risk management, sickness, health and safety, business recovery and data quality.

### **Compliance with Laws and Regulations**

- 3.22 The Council employs appropriate professional staff in relevant fields to provide guidance and advice as required. Part of their role is to ensure that the actions of the Council and individual councillors and officers comply with relevant laws and regulations, as well as the Council's own policies and procedures.
- 3.23 The Managing Director undertakes both the statutory roles of Head of Paid Service and Chief Finance Officer. The arrangement of one officer performing both roles is unusual but not unique. The Managing Director is supported by two Deputy Chief Finance Officers so that where a conflict of interest could exist, the Managing Director assumes the role of Head of Paid Service, and one of the Deputy Chief Finance Officers assumes the role of the Chief Finance Officer. In this arrangement, the Council ensures separation of duties exists where necessary and the governance framework is maintained.
- 3.24 The Corporate Management Team, led by the Managing Director (Head of Paid Service and Chief Finance Officer), reviews all reports to the Executive. The Director of Corporate Services is the Council's Monitoring Officer and Deputy Head of Paid Service. The director is part of the Corporate Management Team and is supported by two Deputy Monitoring Officers so that in the event that the Director is asked to assume the role of Head of Paid Service, one of the two Deputy Monitoring Officers will assume the role of Monitoring Officer to prevent any conflict of interest. In addition, the Council has comprehensive Financial Procedure Rules and Procurement Procedure Rules as part of the Constitution that provide guidance on spending decisions to ensure that expenditure is lawful and properly controlled.
- 3.25 During 2015-16 there were 13 complaints to the Local Government Ombudsman of which 4, all relating to planning, were upheld, the ombudsman deemed that there had been no injustice in 3 of these upheld cases. The remaining cases were either not upheld, closed after initial enquiries or judged to be either premature or out of the jurisdiction.

### **Whistleblowing and Complaints**

- 3.26 The Council has a Whistleblowing policy as part of its Constitution.
- 3.27 In 2014-15, the Council introduced a new corporate complaints process. This has shortened and simplified the process for the customer and improved the timeliness and quality of complaint handling. We have created a new post of Complaints and Improvement Officer to monitor complaints, identify trends and work with managers to drive service improvements.

### **Development of Councillors and Senior Officers**

- 3.28 Our Corporate Plan 2015 - 2020 includes a priority of developing our people (councillors and officers) to prepare for the future. All officers (including senior officers) have two performance reviews (appraisals) a year. Officers also have a series of one to one meetings with their line manager to discuss individual performance against agreed targets. This is also an opportunity to identify development needs and training requirements against the Council's objectives.
- 3.29 Each post has a set of linked behavioural competencies against which staff performance is assessed during the annual performance review.
- 3.30 The Council also recognises the importance of ensuring that its councillors receive all necessary training and development in order to carry out their various roles. In September 2013, the Council received accreditation under the South East

Employers Charter for Elected Member Development by demonstrating that we had a strategic approach to councillor development, which linked to the Council's corporate objectives and priorities. The Councillor Development Steering Group has put in place a comprehensive member development programme that meets councillors' ongoing training and development needs. The processes and procedures put in place give us a robust framework for responding to future challenges and legislative changes. The Council continues to meet the standard of the Charter as demonstrated recently in our 18-month interim assessment carried out by South East Employers in March 2015. The Council will be seeking reaccreditation in November 2016.

- 3.31 We offer training for Councillors on a wide range of topic areas such as Ethical Standards, Planning, Licensing, Overview and Scrutiny, local government finance, media skills, charring skills and time management.
- 3.32 During 2015-16 the steering group undertook a comprehensive induction programme for new councillors following the Borough elections in May 2015.
- 3.33 The Council has adopted a Corporate Plan which clearly set out its aims and objectives over the 2015-2020 period, but they need to be underpinned by a clear set of values that are understood and adhered to by staff at all levels. The work that we have carried out on values and performance and development provides staff with an understanding how they contribute to the achievement of our corporate priorities.
- 3.34 We successfully retained our IIP Bronze status. We also retained our Customer Service Excellence Standard. The assessor found a deep understanding and commitment to customer service excellence from senior management through to front line staff.

#### **Communication, Consultation and Accountability**

- 3.35 The Council has well-established processes to manage and provide effective communication with residents, businesses, visitors and stakeholders. As part of this, we produce and deliver four editions a year of our Council newspaper, About Guildford, to all households in the borough to update local people about the Council's activities, services and performance. We also use online and social media tools to reach as many people as possible with the latest news and information. The Council provides a comprehensive media service for proactive releases and reactive requests for local, regional and national press, as many residents use online, broadcast and other news sources.
- 3.36 In addition, we have a corporate procedure for producing individual services' publications for residents and customers to provide information and education (for example, to encourage behaviour changes in recycling and litter). Also to support individual services in their own social media and other communications.
- 3.37 The Council has a corporate identity, which is used to brand communications and services. This helps customers and taxpayers to understand and recognise which services we provide or are responsible for.
- 3.38 We are continuing to look at ways to improve customer service and access through our website. We have reviewed the way that our residents are using the website and have started moving towards a self-service model for our report/pay/apply section. We are also continuing to expand our use of social media to improve our customer engagement.
- 3.39 The Council realises the importance of consultation with our residents and community. We already consult widely in line with our Community engagement strategy and consultation standards using publications, surveys, focus groups and our Citizens' Panel. We recognise the need for greater engagement and involvement with residents and stakeholders in our strategic decision-making and

service delivery and are working on an action plan to improve our consultation processes still further.

- 3.40 Many of our services actively consult with the community as an integral part of their service delivery, for example our widespread consultation on the draft new Local Plan. However, our community is changing and we need to be responsive to their developing needs. We have identified consultation as part of the overall process of transparency and engagement with our residents and customers.
- 3.41 As part of our commitment to openness and transparency, we have increased the amount of information available on our website. This should reduce the demand from Freedom of Information (FOI) requests.
- 3.42 During 2015 (our current system reports on calendar rather than financial years) the number of FOI requests received was 672. This was down from the previous year (848).
- 3.43 We are required to respond to FOI requests within 20 working days. The Information Commissioner sets an informal Minimum Compliance threshold for this target of 85%. In 2014, we achieved 69% due to a significant increase in the number of FOI's received. As a result, we introduced regular reports on performance to the Corporate Management Team and are introducing a new system to manage the process. This has resulted in performance of 81% for 2015 and continued improvement into 2016. During 2015-16, 5 referrals were made to the ICO regarding the Council's responses to FOI requests, of these two cases were closed by the ICO without further investigation, 2 cases were found in the Council's favour and in the remaining case the Council was requested to release previously withheld information.

### **Partnerships**

- 3.44 Our mission statement emphasises the importance of partnership working in providing first class services. At the strategic level, we established a new Guildford-Surrey Board in September 2013 to replace the former Guildford Local Strategic Partnership. The Board, which comprises senior Councillors and officers from the Borough Council and Surrey County Council, together with representatives of the University of Surrey, Royal Surrey County Hospital, Guildford College and Enterprise M3, focuses on the overseeing the delivery of the following shared priorities:
- a. infrastructure improvements, including roads (trunk roads and town centre), rail and future transport innovations
  - b. economic development, including sustainable business and jobs growth and access to learning and skills
  - c. promoting sustainable development, including housing
  - d. delivering public health improvements
  - e. supporting families and our less advantaged communities, including in the light of welfare and benefit reforms
  - f. maximising the use of our assets and estates to drive income and community benefit
  - g. maximising the value extracted from waste.
- 3.45 At the same time, we established the Guildford Health and Wellbeing Board comprising representatives of the Council and other major public and voluntary



sector organisations, such as Guildford and Waverley Clinical Commissioning Group, Royal Surrey County Hospital and Surrey County Council. The Board supports and promotes the public health agenda in its widest sense. This incorporates health improvement (including people's lifestyles, inequalities in health and the wider social influences of health), health protection and health services. The Board is responsible for developing and implementing the Guildford Health and Wellbeing Strategy.

- 3.46 We have also forged a strong relationship with the Enterprise M3 Local Enterprise Partnership (LEP). The Leader of the Council joined the Board in 2014, and the Council enjoys regular representation at all levels of the LEP through strategic working groups. The Council provided significant input into the formation of the LEP's Strategic Economic Plan and subsequent Local Growth Deal submission and European Funding Investment Strategy. This included formulating a broad and comprehensive growth package for consideration by government covering infrastructure, housing, skills and enterprise.
- 3.47 Through Enterprise M3, we are able to access capital funding and borrowing at preferential rates for key strategic projects. We have recently:
- been successful in obtaining financial support for the Clay Lane Link road,
  - received funding to deliver Walnut Bridge, a key gateway to the town from the station and part of the sustainable movement corridor
  - received funding to implement an improved cycle path along the riverside in Guildford
  - continue to work with Surrey County Council (as the local transport body) to bid for funding under the Local Growth Fund for schemes set out in our Guildford Transport Strategy
- 3.48 We are also involved in a large number of service specific partnerships. Examples of best practice include Surrey Strategic Waste Partnership, Safer Guildford Partnership and the Choice-Based Lettings housing scheme.
- 3.49 The Council worked with Surrey Lifelong Partnership, Oakleaf Enterprise and Guildford YMCA to establish GLADE (Guildford Learning and Development Enterprise) This is social enterprise was developed to provide training, skills, qualifications and employment opportunities for young unemployed people in Westborough and Stoke. The Council contracts with Glade to provide gardening services on behalf of the Council at day centres, sheltered housing schemes, elderly tenant's homes and street cleansing services in Westborough.
- 3.50 We also support the Guildford Bike Project, another Social Enterprise, which has a shop in Westborough and a workshop at Woking Road Depot. The bike project provides employment opportunities for jobseekers and is accredited by City and Guilds Centre for training.
- 3.51 We are looking to build on the success of these two schemes, by continuing to develop new social enterprise partnerships. Most recently, we have supported the establishment of a PC refurbishment business based on the bike project model.
- 3.52 In response to the Government's current devolution agenda, the Council has actively engaged with other councils across Surrey, East Sussex and West Sussex to explore the opportunities that this presents. We will continue this engagement to ensure that any devolution deal maximises the benefits for our residents.

#### **4. REVIEW OF EFFECTIVENESS**

- 4.1. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. The review of effectiveness is informed by the work of the senior managers within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and by comments made by the external auditors and other review agencies and inspectorates.
- 4.2. Internal Audit has conducted an ongoing review of the Council's Corporate Governance processes and carried out audits according to the annual Audit Plan, which was approved by the Corporate Management Team, and the Corporate Governance and Standards Committee. We base the Audit Plan on a risk assessment that provides guidance as to the frequency of audits. It covers four main themes (Financial Control, Asset Management, Management Control and ICT) specifically to address the main concerns of corporate governance.
- 4.3. Internal Audit has produced an annual report on Corporate Governance, which is an assessment of corporate governance against CIPFA guidelines. They also review standards of internal control including risk and performance management. The overall conclusion is that the system of Internal Control at Guildford Borough Council for the period to 31 March 2016 was sound.
- 4.4. We have used all of this activity to inform the Annual Governance Statement.
- 4.5. We have a Corporate Governance Group that meets quarterly to discuss any governance issues or concerns. The group comprises the Managing Director (as Head of Paid Service), either the Head of Financial Services or Principal Accountant for financial management and projects (as deputy Chief Financial/S151 Officers), the Director of Corporate Services (as Monitoring Officer), the Audit and Performance Manager and the Democratic Services Manager. From June 2016, this group will report, through Statutory Officer reports, to the Corporate Governance and Standards Committee on current issues.
- 4.6. We also have an Information Security Risk Group to review the Council's information governance and have appointed a senior manager as the Senior Information Risk Owner who is working with a group of officers to improve information security.
- 4.7. The Corporate Governance and Standards Committee receive reports on progress against the audit plan, activities and findings of Internal Audit, risk management, health and safety, equalities, treasury management, ethical standards, Ombudsman complaints and progress against audit recommendations. It also receives interim and annual reports from Grant Thornton, the Council's external auditors, and is responsible for approving the Council's Statement of Accounts.

#### **5. INTERNAL AUDIT STATEMENT**

During 2015-16, internal auditors completed 87 per cent of the audit plan. The shortfall was the result of a number of unplanned audits, which were requested by managers. There were six audits in progress at the end of the year on which we have not yet given an opinion but there are no indications so far of any material or significant issues arising from this work, which would affect this statement. The table below shows assurance levels of the work carried out in the year to 31 March 2015:

Assurance Rating	Number of Audits	
Substantial	16	18%
Reasonable	41	47%
Limited	3	3%
No Assurance	0	0%
No Opinion (one-off projects)	9	10%
Ongoing (Inc. fundamental service reviews)	14	16%
Carried over to 2016-17	4	4%

- 5.2 Where appropriate the audit report provides management recommendations designed to address weaknesses in the system of internal control. We report the outcomes of these audits to the Corporate Governance and Standards Committee every six months giving councillors an opportunity to understand the Council's compliance with key controls and to discuss any areas of concern with the auditors. We also update councillors on the progress of recommendations.
- 5.3 The Council has very high levels of assurance in respect of all its main financial systems and its governance arrangements. The main financial systems, tested in 2015-16 and which feed into the production of the Council's financial statements, achieved substantial or reasonable assurance levels following internal audit reviews.
- 5.4 Each year the Head of Internal Audit, provides an opinion on the Council's assurance and control framework in her Annual Opinion Report April 2015 to March 2016.

## **6. SIGNIFICANT GOVERNANCE ISSUES**

- 6.1. This year has been a period of change and there have been ongoing financial pressures. Despite this challenging environment, there have been significant achievements and continuing improvement in the Council's overall governance arrangements. Where we have identified areas for further improvement we will take the necessary action to implement changes that will further develop our governance framework.
- 6.2. During 2015-16, we carried out a review of taxi-licensing fees following a history of previous challenges to the accounts and the fees. The review included the data and calculations on which the fees are based. The data quality review found that there were some errors in the methodology and a formula error which changed the fees. Where the need for improvement have been identified they will be actioned by the Licensing team.
- 6.3. Following a problem with premises licensing in 2014-15 we started a review of the controls and reconciliation processes on all income streams across the Council. The initial review found that not all fees and charges had been agreed and authorised by Council and some were not included fees register. There was another issue with a lease where we found that for a number of years we had not recovered the utility costs from the leaseholder. This is now being rectified. This is

an on-going review and forms part of a larger project to identify all income, fees and charges and the true cost of the services. The objective is to create an income map which will not only strengthen our financial governance but which can be used to inform future business decisions.

- 6.4. In 2015-16 there was one fraud investigation which is currently under police investigation. Although it was disappointing that it occurred the problem was quickly identified through our monitoring and reconciliation controls.
- 6.5. The Council is not fully compliant with the requirements under the Local Government Transparency Code 2015 for the publication of data, which the code mandates 'must be published'. The Council publishes a majority, rather than all, of the data and is currently unable to meet the requirements for publication of procurement and contract information. The Council recognises the need to improve its transparency by publishing the remaining data and improving the accessibility of the data on its website. The Monitoring Officer has commissioned an internal audit review of the Council's compliance with the Transparency Code and to develop an action plan for full compliance which will be implemented by the corporate procurement advisory panel. Internal Audit will report their findings during 2016-17.
- 6.6. Due to measures introduced last year, the Council's performance in dealing with FoI requests has continued to improve steadily. The overall performance for 2015 was 81% (up from 69% in 2014) which is below the target performance level set by the ICO of 85%. The Council is in the process of implementing a new FOI case management system which is expected to support continued improvements. Further information is set out in the Council's annual report on Compliance with Information Rights.
- 6.7. The Openness of Local Government Bodies Regulations, adopted in August 2014, and The Local Authorities (Executive Arrangements) (Meetings and Access to Information) (England) Regulations 2012 place a requirement on Councils to publish on its website and make available to the public for inspection, reports on decisions taken under authority delegated to Officers or Councillors, where the effect of the decision is to:
  - (a) grant a permission or license;
  - (b) affect the rights of an individual;
  - (c) award a contract or incur expenditure, which in either case, materially affects the Council's financial position.

The Council's process for recording decisions taken under delegated authority is not consistently applied across all services, there is no central library of such decisions and the decisions themselves are not currently reported to a committee of the Council. Where decisions have been properly documented, they are available for public inspection on request; however, the Council does not currently publish delegated decisions on its website. The Corporate Governance Group are reviewing the process for documenting decisions made under delegated authority and will consider how to provide this information on our website and report it to a relevant Committee in future.

- 6.8. As outlined in paragraph 3.19, the Corporate Governance and Standards Committee is the responsible committee for ensuring ethical standards at the Council, however, its work programme on ethical standards has traditionally been reactive. Officers consider that there is scope to provide the committee with a proactive work programme and that decisions relating to ethical standards, made by the Monitoring Officer under delegated authority within the Council's constitution should be reported to the Committee in line with paragraph 6.8. This will be included in the proposed new statutory officer reports to the corporate governance and standards committee to be introduced in 2016-17.
- 6.9. Following receipt of a valid petition, the Council will be holding a referendum on 13 October 2016 on whether it should be run in a different way and adopt a directly elected mayor and cabinet form of governance. As a result, the Council is drawing up proposals on how such a form of governance would operate in the event that it is approved in the referendum. The possible change to an elected mayor form of governance will mean a significant change in the Council's governance arrangements.

**7. ASSURANCE SUMMARY**

- 7.1. Good governance is about running things properly. It is the means by which the Council shows it is taking decisions for the good of the people of our area in an equitable and open way. It recognises the standards of behaviour that support good decision-making: collective and individual integrity, openness and honesty. It is the foundation for the delivery of good quality services and fundamental to showing that public money is well spent.
- 7.2. From the review, assessment and monitoring work undertaken and the ongoing work of internal audit we have reached the opinion that overall key systems are operating soundly and that there are no fundamental control weaknesses.
- 7.3. We confirm, to the best of our knowledge and belief, that this statement provides an accurate and fair view.

SIGNED: .....  
 Leader of the Council on behalf of Guildford Borough Council

SIGNED: .....  
 Managing Director on behalf of Guildford Borough Council