

## DRAFT Annual Governance Statement 2019/20

### 1. Scope of Responsibility

1.1 Dumfries & Galloway Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and accounted for properly. The Council also has a statutory duty of Best Value under the Local Government in Scotland Act 2003 to make arrangements to secure continuous improvement in performance, while maintaining an appropriate balance between quality and cost; and in making those arrangements and securing that balance, to have regard to economy, efficiency, effectiveness and equalities and to contribute to the achievement of sustainable development.

1.2 In discharging this overall responsibility, Dumfries and Galloway Council is responsible for putting in place proper arrangements for the governance of the Council's affairs and facilitating the effective exercise of its functions. Good governance is about exercising strategic leadership by developing and clearly communicating the authority's purpose, vision and its intended outcomes for citizens and service users.

1.3 This includes:

- setting the strategic direction, vision, culture and values of the Council
- the effective operation of corporate systems, processes and internal controls
- engaging with and leading the community
- monitoring whether strategic priorities and outcomes have been achieved
- ensuring that services are delivered cost-effectively
- maintaining appropriate arrangements for the management of risk
- ensuring that the Council complies with the requirements on the Role of the Chief Financial Officer in Local Government, contained in the Chartered Institute of Public Finance and Accountancy's (CIPFA's) 2010 Statement, and the Local Authority Accounts (Scotland) Regulations 2014.

### 2. The Governance Framework

2.1 The Governance Framework comprises the systems and processes, culture and values which direct and control Dumfries and Galloway Council's activities and through which the Council accounts to, engages with, and leads the community.

2.2 It enables the Council to monitor achievement of the Council Plan and also Community Planning Vision and Principles and the Outcomes which are set out in the region's Local Outcomes Improvement Plan and Locality Plan on food sharing.

#### Local Code of Corporate Governance

2.3 The Council's governance arrangements are reviewed and reported in accordance with statutory requirements and under a framework and guidance for Scotland called "Delivering Good Governance in Local Government" (CIPFA, 2016). The Council's Local Code of Corporate Governance was agreed in 2019. It provides details of our key documents, policies and evidence which support our Governance Framework.

2.4 The Local Code adopts the seven core principles from the Framework:-

- Behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- Ensuring openness and comprehensive stakeholder engagement
- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity. Including the capability of leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

2.5 These principles are broken down into sub-principles which facilitates a focussed evaluation of each element of our Local Code. A list of supporting evidence and documentation assists with determining the self- assessment and identifying improvement actions.

2.6 During 2019/20 we undertook an evaluation of our compliance with our Local Code of Corporate Governance. This was considered by the Senior Leadership Team prior to officer recommendations being published and reviewed on 22 May 2020 by the Ad Hoc COVID-19 Sub Committee. The identified improvement actions and evaluation agreed by Members inform this Governance Statement.

[Review of Council's Code of Corporate Governance Minute - Ad Hoc Covid-19 sub committee 22 May 2020](#)

2.7 In the last month of 2019/2020, the Ad Hoc COVID-19 Sub Committee was established by Full Council on 20 March 2020 in response to the COVID19 Pandemic. The Council remains confident sound governance continues to operate during the period of disruption and is fully committed to maintaining the system to deliver this. The suspension of the Scheme of Administration and Delegation to Committees, and operation of the Sub Committee, is subject to review on a monthly basis and will be for a short a time as possible.

[Minute - Dumfries and Galloway Council 20 March 2020](#)

### **3. Improvements and changes to Governance arrangements during 2019/20**

The areas for Improvement identified in the 2018/19 Annual Governance Assurance Statement were:

- Elected Member Training
- Transformation Programme
- Integration Joint Board – Governance Arrangements
- Public Engagement in Budget Process

- The Best Value Audit Improvement Plan
- Community Councils

The progress we have made in these six issues is set out below, along with other actions undertaken during 2019/20.

### **3.1 Identifying and Communicating the Authority's Vision of its Purpose and Intended Outcomes for Citizens and Service Users**

Innovative approaches to sharing information about the Council's Priorities, Transformation Programme and Budget were introduced in 2019, using animation and webinars

[Council-budget-2019-20](#)

### **3.2 Reviewing the Authority's Vision and its Implications for the Authority's Governance Arrangements**

- During 2019/20, the Council agreed a Climate Emergency Declaration which included within its Action Plan, the addition of an additional Priority for the Council Plan.

[Climate Emergency Declaration](#)

### **3.3 Translating the Vision into Objectives for the Authority and its Partnerships**

- During 2019, our approach to Business Planning saw a move from four Directorate Plans to 11 Service Business Plans with each one being agreed by the relevant Service Committee. Each Plan sets out how the Service is contributing to the Council Plan; resources (including staff and assets); risk register; and key performance measures.

[Service Business Plans](#)

### **3.4 Measuring the Quality of Services for Users, ensuring they are delivered in accordance with the Authority's Objectives and ensuring that they represent the best use of resources and Value for Money**

A range of benchmarking and qualitative comparison is carried out in individual Services, through professional organisations, national groups and dedicated quality and benchmarking organisations.

[Local Government Benchmarking Framework](#)

- School Inspection Reports were circulated to Elected Members and summaries reported in Business Plan performance monitoring reports to Committees.

[Education Inspectorate Reports](#)

### **3.5 Defining and Documenting the Roles and Responsibilities of the Executive, Non-Executive, Scrutiny and Officer Functions, with Clear Delegation Arrangements and Protocols for Effective Communication in respect of the Authority and Partnership Arrangements**

- The Scheme of Delegation to Officers and Statutory Appointments was updated in June 2019.

[Updating of the Scheme of Delegation – June 2019](#)

- Information about the relationship between the Council and the Integration Joint Board was set out in a report to Full Council September 2019  
[IJB report to Full Council](#)

The Community Council Elections took place in October 2019 and the first meetings during November were supported by over 20 Council Officers and Members acting as Returning Officers/Depute Returning Officers  
[Community Councils webpage on dumgal.gov.uk](#)

### **3.6 Developing, Communicating and Embedding Codes of Conduct, Defining the Standards of Behaviour for Members and Staff**

- Training for the new Members elected in By-Elections in 2019 and early 2020 was undertaken by the Democratic Services Manager

### **3.7 Reviewing the Effectiveness of the Authority's Decision-Making Framework, including Delegation Arrangements, Decision Making in Partnerships and Robustness of Data Quality**

- The Review of Standing Orders Sub-Committee met twice during 2019/20  
[Meetings of the Review of Standing Orders Sub Committee in 2019/20](#)
- The Council's generic Impact Assessment toolkit was updated in September 2019 to enhance the section on climate change, following the adoption of the Climate Emergency Declaration in June 2019.  
[Updated Impact Assessment toolkit](#)
- A Review of the arrangements for the quarterly meetings of the Area Committee Chairs and Vice Chairs and the Senior Leadership Team, and the Senior Leadership Team meeting annually with the Members of each of the four Area Committees in their locality, took place in February 2020 and refinements were agreed.
- A Review of our Appointments to strategic Outside Bodies was undertaken in 2019 and reported to Full Council in September 2019.  
[Appointments to Outside Bodies Report](#)
- Elected Member Champions for Armed Forces and Young People Annual Reports were submitted and approved in September 2019 and February 2020 respectively.  
[Armed Forces Champion Annual Report](#)  
[Young Persons Champion Annual Report](#)
- The first joint meeting between Dumfries and Galloway Council and the Dumfries and Galloway Youth Council took place on 18 February 2020  
[Joint meeting of DGC and D&GYC – February 2020](#)
- The introduction of an Action Tracker for Committee decisions was agreed as a project in the Democratic Services Business Plan in November 2019 and after a pilot in autumn/winter is now being rolled out  
[Democratic Services Business Plan](#)

### **3.8 Reviewing the Effectiveness of the Framework for Identifying and Managing Risks and Demonstrating Clear Accountability**

- Each of the new 11 Business Plans includes a Risk Register for the Service.
- A Risk Register was developed for the region in relation to the UK Exiting the EU and reported to Full Council in September 2019  
[UK Exiting the EU Report – September 2019](#)
- The Corporate Risk Register was agreed as a project in the Democratic Services Business Plan in November 2019, which sees a refreshed Risk Register presented to Members for approval by 30 June 2020.  
[Democratic Services Business Plan](#)

### **3.9 Ensuring Effective Counter-Fraud and Anti-Corruption Arrangements are Developed and Maintained**

- To implement the Corporate Anti-Fraud and Corruption Policy, the Integrity Group which met regularly during 2019/20 has developed an online awareness course which is now mandatory for all staff and Members.

### **3.10 Ensuring Effective Management of Change and Transformation**

- The Council's Transformation Programme has been developed during 2019 with regular reports to the Finance, Procurement and Transformation Committee. A key achievement was a series of Stakeholder Events for areas of change  
[Finance Procurement and Transformation meetings](#)
- A Transformation Engagement Group made up of officers from across Services and Trades Unions developed and implemented a Communications Plan that ensured all stakeholders (citizens, customers, Members, staff and partners) were appropriately engaged.
- The COVID19 emergency which was declared in March 2020 demanded significant change in the arrangements for the conduct and management of Council business. This required an update to Standing Orders, agreed on 20 March 2020 and regular meetings of an Ad Hoc COVID-19 Sub Committee; as well as the establishment of a management structure to co-ordinate the work of different 'Cells' dealing with the Council's Response  
[Ad Hoc COVID19 Sub Committee meetings](#)

### **3.11 Ensuring the Authority's Financial Management Arrangements Conform with the Governance Requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) and the Local Authority Accounts (Scotland) Regulations 2014 and, where they do not, Explain Why and How They Deliver the Same Impact**

- The Council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
- The draft Annual Accounts were approved by the Full Council in June 2019
- Annual Reports on Treasury Management and Procurement were approved by the FPT Committee in September 2019  
[Annual Reports](#)
- The External Audit Plan for 2019/20 was considered by Members in February 2020 and is now being implemented  
[External Audit Plan for 2020/21](#)

### **3.12 Ensuring the Authority's Assurance Arrangements Conform with the Governance Requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010) and, Where They Do Not, Explain Why and How They Deliver the Same Impact**

- The Strategic Internal Audit Plan for 2019-22 and the Annual Plan for 2019/20 was agreed by Members in February 2019 and has been progressed at each meeting of the Audit Risk and Scrutiny Committee.  
[Internal Audit Plan](#)
- PSIAS external quality assessment of internal audit was agreed by Members in December 2019  
[Internal Audit Conformance with Professional Standards](#)

### **3.13 Ensuring Effective Arrangements Are in Place for the Discharge of the Monitoring Officer Function**

- The Chief Executive meets with the Monitoring Officer, and other statutory appointments monthly to consider and recommend action in connection with current governance issues and other matters of concern regarding probity.
- Interim arrangements were put in place in October 2019 and homologated by Full Council November 2019.  
[Interim arrangements for Monitoring Officer and Deputies](#)

### **3.14 Ensuring Effective Arrangements are in Place for the Discharge of the Head of Paid Service Function**

- Delegations to the Chief Executive are set out in the Council's Scheme of Delegation to Officers and Statutory Appointments which was updated in June 2019  
[Scheme of Delegation and Responsibilities and Statutory Appointments to Officers](#)

### **3.15 Undertaking the Core Functions of an Audit Committee, as Identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities**

- The membership of the Audit, Risk and Scrutiny Committee was amended in June 2019 following detailed consideration of this aspect of our Council's business by the Review of Standing Orders Sub Committee. The membership is now on a proportional basis from all political groups, whereas previously the administration had been excepted.

[Scheme of Administration and Delegation to Committees](#)

### **3.16 Ensuring Compliance with Relevant Laws and Regulations, Internal Policies and Procedures, and that Expenditure is Lawful**

Annual Reports on key aspects of our business are presented to Members for approval, including Procurement, Treasury Management, Internal Audits, Scrutiny Reviews.

### **3.17 Whistleblowing and for Receiving and Investigating Complaints from the Public**

- The Council has implemented the national Complaints Handling Procedure for Council's services and we are in the process of implementing the updated one that has to be in place by April 2021.
- An Information Governance Team was established as part of Democratic Services and the full staffing complement was in place by end 2019.

### **3.18 Identifying the Development Needs of Members and Senior Officers in Relation to their Strategic Roles, Supported by Appropriate Training**

- The Elected Member training and development arrangements were updated as part of the Best Value Assurance Improvement Plan and refreshed arrangements agreed in November 2019.

[Elected Member training programme – November 2019](#)

- An annual Performance Development Review was undertaken for all Members of the Corporate Management Team during 2019/20.

### **3.19 Establishing Clear Channels of Communication with all Sections of the Community and Other Stakeholders, Ensuring Accountability and Encouraging Open Consultation**

- Consultation Mandates are now submitted for forthcoming consultation to the relevant Committee or senior manager as appropriate in line with our Consultation Guidance
- Four Ward Events took place during 2019/20 and feedback published [Ward Events page](#)
- A monthly Community Council newsletter has been published since 2019

- The Consultation Institute awarded Dumfries and Galloway Council 'Council of the Year' presenting the award before the meeting of Full Council on 17 December 2019.

### **3.20 Enhancing the Accountability for Service Delivery and Effectiveness of Other Public Service Providers**

- The Local Outcomes Improvement Plan first full year Annual Report was agreed by the Community Planning Partnership Board in November 2019.  
[CPPB meetings](#)

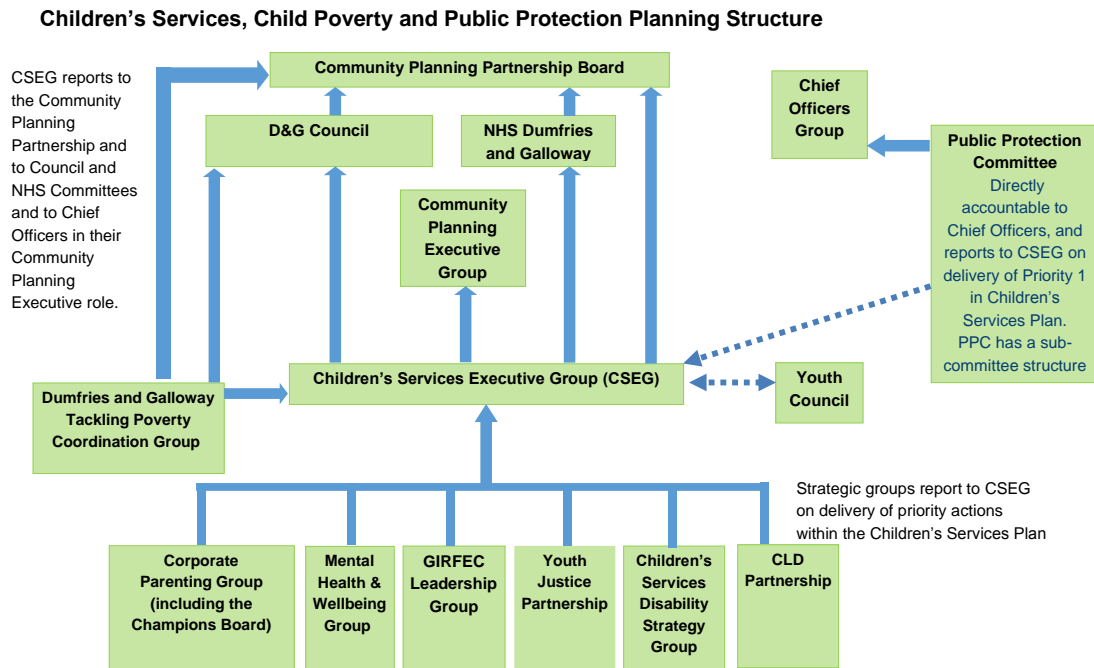
Our Full Council and the Social Work Committee has considered reports about the relationship with the Integration Joint Board, including the Annual Report and the Clinical and Care Governance report, required as part of the Scheme for Integration.

[Social Work Services Committee  
Annual Report 2018/19](#)

### **3.21 Incorporating Good Governance Arrangements in respect of Partnerships and Other Joint Working as identified by Audit Scotland's Report on the Governance of Partnerships, and reflecting these in the Authority's Overall Governance Arrangements**

- The Community Planning Partnership has an Operating Protocol which is kept up to date and which details the memberships, remits and communications arrangements of CP groups.  
[CP Operating Protocol](#)
- The Community Planning Partnership Improvement Plan for 2019/20 and Risk Register 2019/20 were agreed by the Executive Group in October 2019 and noted by the CPP Board in November 2019
- A new Employability and Skills Partnership was agreed by the CPP Board in March 2020; and a new structure for dealing with Children's Issues was developed in early 2020.
- A new planning and reporting structure for Public Protection and Children's Services was supported by the CPP Board in March 2020





### CPPB meetings

#### 4. Review of Effectiveness

- 4.1 The Council continuously reviews the effectiveness of its governance arrangements. Senior Management arrangements have been strengthened with the strategic focus placed on the Senior Leadership Team ( Chief Executive, three Directors and the Chief Social Work Officer) which meets weekly ;and the Corporate Management Team (all Heads of Service) meets fortnightly with a rotating chair.
- 4.2 The agendas of these management groupings during 2019/20 covered all aspects of the Council's corporate arrangements particularly finance, OD and HR; property; business planning; Health and Safety; participation and engagement; key strategic projects and programmes.
- 4.3 Elected Members are central to the Council's governance arrangements and there is a healthy culture of questions and challenge, evidenced by some modernisation in adopting remote access.

#### 5. Improvement Plan for 2020/21

- 5.1 Four Improvement Actions were identified as part of the Annual Review of the Code of Corporate Governance with timescales and responsible Directors set out below:-
- Ensure consistent process for early stage legal advice as appropriate – to review legal advice and input across the Council, such as committee papers, Procurement Strategy, business planning and key programmes and projects.

Work with procurement already in progress – by December 2020 – Director Communities.

- Review of Committee report arrangements (also referenced in the Best Value Assurance Action Plan) - including consultation with Legal and other Services – by December 2020 – Director Communities
- Re-establishing regular senior-level review and refresh of the Corporate Risk Register – The Corporate Risk Register is due to be refreshed by 30 June 2020; Implementation will be monitored.– Director Communities
- Develop the Council’s understanding of balancing conflicting interests (including the roll out of social value assessment) – training and use of a Social Value online tool will be rolled out across a wider range of service areas and projects, building on the Member Briefing and staff training already undertaken to date and its use for Community Asset Transfers and some funding applications - Director Communities

5.2 In addition to the Improvement Actions above agreed on 22 May 2020, the following work is being undertaken which relates to Governance Assurance

- Mid point Review and updating of the Corporate Plan to include the Climate Change Priority – by end 2020 – Director Economy and Resources
- Review of Member Appointments to Outside Bodies – by May 2021 – Director Communities
- Permanent arrangements agreed for Monitoring Officer, Democratic, Legal and Internal Audit and Risk Services - by October 2020 – Director Communities

## 6. Conclusion

On the basis of the review of governance arrangements for 2019/20, it is confirmed that the Council:

- has continued to focus on its Council Plan and appropriately committed to add a Priority on Climate Change
- has introduced an improvement to its business planning arrangements with new Service Business Plans in place that will deliver the Priorities and Commitments in the Council Plan
- has worked with its partners to deliver shared outcomes for its citizens and customers, notwithstanding a challenging budget environment
- has sought to demonstrate the principles of good governance in the behaviours of its Elected Members and Officers

- in consultation with local people it has made informed and transparent decisions which are subject to effective scrutiny
- has managed its risks effectively
- has responded appropriately when performance has not been adequate
- has made good progress in the Best Value Assurance Report Improvement Plan;
- and it has ensured Elected Members and Officers have the capacity and capability to deliver its purpose effectively.

We are therefore satisfied that the Council has in place appropriate arrangements for the governance of its affairs and that reasonable assurance can be placed on the adequacy and effectiveness of the Council's corporate governance systems in the year to 31 March 2020.

**Signed:**

Elaine Murray, Leader,  
Dumfries & Galloway Council

Gavin Stevenson, Chief Executive,  
Dumfries & Galloway Council