

Annual Governance Statement 2023-24

1. Scope of Responsibility

1.1 Dumfries and Galloway Council continues to monitor the effectiveness of the governance framework to ensure that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and accounted for properly. Since the last report the Council has continued to develop its monitoring and reporting of performance indicators and improved good governance practices. Dumfries and Galloway Council fully accepts the responsibility for ensuring that there is a sound system of good governance, supported through its Governance Framework which sets out Dumfries and Galloway's code of governance clearly to ensure the principles of good governance responsibility, accountability, awareness, impartiality and transparency are embedded.

1.2 Dumfries and Galloway Council's Governance Framework ensures that it 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, the Chartered Institute of Public Finance and Accountancy and Society of Local Authority Chief Executives model framework Delivering Good Governance in Local Government ("the CIPFA/SOLACE framework").

1.3 Over the period of 2023-24 Dumfries and Galloway Council has continued to maintain focus on ensuring proper arrangements for governance are in place while seeking to build on the existing good governance practices. Dumfries and Galloway Council continues to facilitate effective exercise of its functions and strategic leadership by making sure the authority's purpose, vision and objectives are clearly communicated to both citizens and service users. Functions of the Audit, Risk and Scrutiny Committee are undertaken as identified in Audit Committees: Practical Guidance for Local Authorities.

1.4 The arrangements for the development of the Annual Governance Statement 2023-24 (AGS) were agreed at Audit, Risk and Scrutiny Committee in September 2023. These reflect the recommendations agreed on 17 December 2020 when Full Council agreed the Findings and Recommendations from the Finance, Procurement and Transformation (FPT) Committee's Review of Internal Financial Controls and Procurement Standing Orders. Recommendation 9 on the Annual Governance Statement included: the use of a Good Governance Questionnaire, greater oversight by Audit, Risk and Scrutiny committee on the development of the AGS and an opportunity for service committees to comment on their delegated areas to inform the final draft.

1.5 A self-assessment of the Council's governance practices was completed by Heads of Service and was designed to provide clarity and describe the actions, documents, strategies, policies, protocols and rigorous controls that are in place to support good governance across Dumfries and Galloway Council and assure its statutory compliance.

1.6 Dumfries and Galloway Council's Good Governance processes, protocols and practices include:

- Communicating clear strategic direction, vision, culture and values of Dumfries and Galloway Council;
- Ongoing and regular improvements in corporate systems, processes and internal controls;
- Continued commitment to engagement with and leading the community;
- Ongoing monitoring and review whether strategic priorities and outcomes have been achieved;
- Ensuring that services are delivered cost-effectively by reviewing our procurement standing orders and initiating a transformational programme for procurement;
- Maintaining and continually reviewing appropriate arrangements for the management of risk;
- Continued operation of the Integrity Group, established to:
 - Monitor and review the Council's Anti-Fraud and Anti-Corruption Policy and Strategy to ensure a continuation of best practice approach and benchmarking;
 - Appoint a Single Point of Contact for Police Scotland;
 - Refresh and improve the Council's whistleblowing policy
 - Improve the Council's mechanism for investigating fraud, corruption and financial irregularity for breach of procurement and Standing Orders.

1.7 The Council assures its operational activities conform to the Governance Principles by implementing clear strategies and policies, the adherence of which are captured through performance monitoring tools to ensure each service is demonstrably striving to meet its service commitments set out in the Service Plans and Council Plan. The Council's use of such monitoring tools acts as self-verification to not just monitor performance progress on activities, projects and particular commitments, but also to measure, monitor and report on key performance requirements and conformity with the Council's Financial Regulations and ensure all required activities have been actioned, lessons are learnt, and any required financial impacts and budget measures are scrutinised, follow up actions are implemented, monitored and reviewed. Each Service reports on its Service Plan performance twice yearly to the relevant Service Committee for scrutiny. Any recommended actions following such scrutiny is captured through the Action Tracker which requires regular input and update.

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 The Governance Framework also enables the Council to monitor achievement of the Dumfries and Galloway Community Planning Partnership outcomes of which are set out in the region's new Local Outcomes Improvement Plan.

2.3 Dumfries and Galloway 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 and 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 focused evaluation of each element of our Local Code.

2.6 The Council adopted the Council Plan setting out the principles, themes, strategic outcomes and core behaviours (these behaviours are included within our People Strategy). Further to this, the Council agreed a Council Plan Annual Delivery plan for 2023-24.

2.7 In October 2023 the Council agreed a number of proposals to reshape and realign the Council's Chief Officer structure based on a one-Council approach to ensure the organisation is best placed to achieve the ambitions of the Council. The Reshaping Review of the Chief Officer structure sought to build on the significant strengths across the leadership team and find solutions to improve the alignment and balance of services to deliver the Council Plan 2023-28.

2.8 The proposals were designed to align strategic leadership towards a one-Council approach, to remove functional boundaries, to create an enabling services

culture to support the delivery of outcomes, to create a renewed focus on customers and to ensure the Council's approach to technology supports an improved customer experience. The agreed proposals will help meet future challenges, building on the Council's ability to manage change, collaborate with partners, develop our workforce, and build a culture where collaboration and empowerment is at the heart of what the Council does.

2.9 In order to successfully deliver a reshaped and realigned Council, able to deliver the Council Plan 2023-28 there are nine areas of strategic focus for the Council's Chief Officers over the coming years:

- Driving **delivery** in line with our key plans, avoiding drift and delay, managing risk, and demonstrating **impact and outcome**
- **Financial sustainability** through sound options appraisal, innovation, and creativity, and supporting Member decision making
- Consistent and quality **customer experience**, through modern and efficient services
- Developing our **strategic relationships** with national and local bodies, be outward looking and able to influence on the national stage
- **Creating our "one-Council" culture**
- Supporting the **workforce** to thrive, bringing vision, clarity and understanding, developing a sustainable and flexible workforce for the future
- Strong and effective **governance** and **financial management** as core foundations for the Council
- A clear focus on our **communities** and their ambitions, and how we can enable and support them to thrive, with a particular focus on models of early intervention and prevention
- Strong and coherent **enabling services** that support delivery of our strategic outcomes and principles

2.10 Following the decision regarding the reshaping of the Chief Officer Structure, the Scheme of Administration and Delegation to Committees and Scheme of Delegation and Responsibilities to Officers and Statutory Appointments were reviewed and amended to be in alignment with the reshaped structure.

2.11 The Council and the local Health Board have chosen to delegate to the Dumfries and Galloway Integration Joint Board (IJB) a number of functions relating to health and social care. The Integration Scheme between Dumfries and Galloway Council and NHS Dumfries and Galloway is the legally binding agreement between the two organisations that lays out what these two organisations do to enable the IJB to meet its responsibilities.

2.12 The IJB is made up of voting Members from the Dumfries and Galloway Council and NHS Dumfries and Galloway. Representation is also present from local medical services, Dumfries and Galloway Council Social Work, staff representation from Dumfries and Galloway Council and NHS, a representative from Scottish Care, the third sector, a workforce advisor appointed to the IJB, a nursing director, unpaid carers, a Chief Finance Officer appointed to the IJB, a governance officer, Director of Public Health and a service user representative to ensure as full representation as

possible ensuring arrangements for integrating health and social care are established to improve outcomes for patients, service users, carers and their families. The Public Bodies (Joint Working) (Scotland) Act 2014 requires Health Boards and Local Authorities to work together effectively to agree a model of integration to deliver quality, sustainable care services and the Dumfries and Galloway IJB strives by working in the spirit of partnership to achieve this whilst adhering to clear governance remits set out in the Scheme.

2.13 In line with Section 44 of the Public Bodies (Scotland) Act 2024, the Council and NHS Dumfries and Galloway was required to carry out a review of the Integration Scheme. This review commenced in December 2022, with a revised Integration Scheme being approved by the Council for submission to Scottish Ministers in December 2023. Changes to the Integration Scheme were:

- Ensure that the Integration Scheme is current and up to date.
- Provide greater detail and clarity with regard to the role of the Integration Joint Board Strategic Planning Group;
- Clarify further the governance arrangements that exist between the Integration Joint Board and the Council and the NHS Board;
- Reflect the current governance structural arrangement the Integration Joint Board now have in place with the recent revision of their 'Scheme of Delegation';
- Highlight the relationship between the Integration Joint Board, the Council, the NHS Board and the Third and Independent sectors as delivery partners.
- Reflect the current 7 Strategic Commissioning Intentions of the Integration Joint Board; and
- Update the performance section of the Integration Scheme to reflect the arrangements set out in the recently revised Performance Management Framework.

2.14 The Council also strives to ensure full and regular engagement with all of its statutory, business and third sector partners to ensure the continuation of effective working with its business partners using established governance structures, protocols and proper protective measure controls with both our statutory and local business partners while always working within the spirit of partnership A list of our statutory and local partners, in addition to other organisations we engage with, can be found in Appendix 1.

2.15 The Council strives to develop and improve its Governance Framework as an ongoing directorate wide activity and seeks to develop new policies, plans, and strategies to ensure that the Governance Framework is robust and aligned with the Council Plan and Principles. New policies, plans and strategies introduced in 2023-24 include:

Digital Strategy Implementation Plan; Early Retirement Policy; Supporting our People through Menopause Policy; New web Platform for Customers; Updated Financial Regulations; Medium Term Financial Strategy; Budget Process; Fees and Charges Framework and Principles; Disposals and Acquisitions Policy and Procedures Update; Local Place Plans Policy and Process; Shared Prosperity Fund Delivery Plan; Waste and Recycling Strategy; Housing Options and Homeless

Service Strategy; Development of a Burial Ground Strategy; Education Improvement Plan 2023 – 2027; Framework for Inclusion; Framework for Improvement; Annual Status and Options report for roads infrastructure asset management; Various 2023 Communities Committee reports considering and agreeing the additional spend of £30m over 5 years allocated to the Roads Service in the Feb 23 Budget; Updated Local Outcomes Improvement Plan for 2023 - 2033 (this is a Community Planning Partnership plan); Curator ad Litem Scheme; Polling Places Review; Standardised Grant Funding Agreements; Local Place Plans Policy; and Process Local Heat and Energy Efficiency Strategy; Service Plans for all Council Services.

3. Governance Principles

3.1 Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

3.1.1 Dumfries and Galloway Council ensures that staff are fully aware of the Council's duties, powers and obligations and ensures it continues to foster a culture of integrity and responsibility. This awareness encourages staff to act in an ethical manner, with senior leadership ensuring this behaviour is thoroughly embedded in service cultures.

3.1.2 Acting in accordance with the rule of law is a fundamental principle of the Council to ensure it acts not just within the public interest, but to demonstrate accountability and integrity. Council Services actively ensure that they operate and deliver for the public in a manner consistent with the rule of law by undertaking proper engagement with the Legal Service when appropriate, by seeking out requisite professional training, by adhering to government guidance and professional body advice and ensuring the recruitment of suitably qualified and experienced staff.

3.1.3 Council Services have structured processes in place to ensure compliance with this principle, with all services frequently reviewing processes to ensure they remain fit for purpose. The Council utilises specialist software to enable and ensure consistent and frequent review of corporate governance compliance is captured, maintained and monitored.

3.1.4 The 9 principles of public life are demonstrated and embedded in Service Plans.

3.1.5 Evidence that staff are aware of their relevant duties, powers and obligations are ensured by the Directorates through the continued monitoring and review of Council Policies and Strategies.

3.1.6 Examples of the Council's measures undertaken by the Council to reinforce its commitment to behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law can be found in Appendix 2.

3.2 Principle B – Ensuring openness and comprehensive stakeholder engagement

3.2.1 All meetings of Dumfries and Galloway Council and its Committees are open to the public unless there are reasons for not doing so due to confidentiality concerns. Council meetings are recorded and available to the public, enhancing the openness of the Council. All decisions taken by the Council and its Committees are available to the public, with reports and minutes published detailing the grounds on which decisions are taken.

3.2.2 All Council Services engage with stakeholders and take part in consultations, with Dumfries and Galloway Council's Community Participation and Engagement Strategy providing guidance on how the Council can engage with communities to improve and sustain services. Our Community Participation and Engagement Framework provides for a range of approaches to meet the needs of our stakeholders including:

- Community Conversations – in person and/or online
- Ward Events – in person and/or online
- Surveys
- Stakeholder Impact Assessments
- Participatory Budgeting
- Participation Requests
- Participation and Engagement Network

3.2.3 Our website details current and recent consultations; feedback from the engagement activity; and each engagement programme is required to complete an Evaluation Report at the end to ensure that there are lessons learned for the future.

3.2.4 Officers from across all Services undertake nationally accredited training to ensure there is consistency and a high standard of competence in our engagement activity.

3.2.5 We also have specific Strategies and Frameworks for targeted groups and subjects including the Youth Participation and Engagement Strategy, the Parental Involvement Strategy and the Climate Change Citizens Panel.

3.2.6 Robust processes and procedures are in place to ensure that feedback (both positive and negative), is captured and responded to timeously, within the time frame and in full accordance with our feedback and complaints handling procedures. Specialist software, structured processes and regular service specific reviews ensure that improvements are identified, captured and implemented and all services monitor the same to ensure they continue to remain effective, appropriate, relevant and up to date in order to serve current needs.

3.2.7 Various engagement tools and measures are utilised to ensure openness and comprehensive stakeholder engagement and examples can be found in Appendix 2.

3.2.8 To ensure that feedback, including complaints, are captured and improvements are implemented the methods used by Council Directorates are:

- Identifying improvement actions in service and business plans;
- Including interactive options on the Council's website;
- Carrying out impact assessments;
- Conducting and participating in consultation processes;
- Exception reporting;
- Performance reporting;
- Forward planning and horizon scanning;
- Customer focussed apps;
- Rigorous freedom of information and complaint handling procedures;
- Team meetings, 1 to 1's, Performance and Development Review (PDR) processes, and other Human Resources (HR) processes;
- Internal and external customer satisfaction and staff surveys;
- Internal communications;
- Global local;
- Attendance at wider public sector forums such as SOLACE/SOLAR;
- Direct engagement with Scottish Government on specific matters;
- Direct engagement with Members of the Scottish Parliament;
- Direct engagement with Elected Members through the Council's EMES service (Elected Member's Enquiry Service);
- Identifying complaints and feedback through partnering networking with the IJB, NHS, SPA etc;
- Ongoing professional development and engagement with governing professional bodies;
- Scottish Assessors Association reporting on key activities and outcomes;
- Maintenance of the Comprehensive Contracts Register;
- Catch up sessions with key solicitors and key clients to ensure good horizon scanning and early intervention and prevention.

3.3 Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits

3.3.1 Following the Local Government Elections in May 2022, Dumfries and Galloway Council agreed a new Council Plan for 2023-28, which defines the Council's strategic outcomes, themes, vision and principles. In addition, the Council agreed the Council Plan Annual Delivery for 2023-24, detailing actions relating to each Strategic Outcome, the relevant Lead Committee and Lead Chief Officer. This approach will support the Council to demonstrate transparency in the delivery of the Council Plan. Service Plans were subsequently developed and agreed by Elected Members over the course of 2023-24, detailing the specific actions from the Council Plan Annual Delivery report that each service has responsibility for. All of these plans are available to the public, Elected Members and other stakeholders through the Council's website and which are reviewed annually. These outcomes demonstrate clear vision and remit, management and monitoring of Key Performance Indicators (KPIs), key project monitoring tools and forward planning to ensure alignment with the Council's budget, principles, priorities and other relevant plans, policies and strategies.

3.3.2 The Council is fully cognisant of the long-term nature and impact of decisions and ensures that it takes care to define and ensure outcomes which further the organisation's purpose deliver economic, social and environmental benefits. Services utilise a variety of methods to develop and define outcomes within their service plans, such as ensuring statutory provision is met, direction from the Scottish Government is recognised, ward working arrangements are effective and impact assessments and stakeholder engagement are realised.

3.3.3 Examples of how the Council defines outcomes in terms of sustainable economic, social and environmental benefits can be found in Appendix 2.

3.3.4 Dumfries and Galloway Council ensures that service plans, strategies and policies clearly demonstrate:

- The principle of SUPPORT;
- Clear vision and remit;
- Defined outcomes;
- Business continuity planning;
- Resilience and succession planning;
- Alignment with the Council's budget, plans, priorities and objectives;
- Alignment with the twelve principles set out in the new Council Plan;
- Reflect the 9 principles of public life;
- Alignment with economic, social and environmental policies;
- Forward planning and horizon scanning;
- Management and monitoring of service KPI's and project progress;
- Identification and management of risk;
- Identifiable sustainable outcomes;
- Customer focussed actions and solutions;
- Service options and links to corporate objectives;
- Identification and management of conflicting needs;
- Training requirements and plans to deliver training;
- Financial impacts and budget pressures;
- Clear operational controls and service protocols.

3.3.5 The Council ensures it follows up actions affecting service delivery and decision making by the use of the Committees Action Tracker allocating actions to an identifiable owner making use of software (Pentana) to track project targets and achievements as well as ensuring all actions are captured appropriately in PDR's and 1:1's.

3.3.6 The Council seeks to maximise its own budgets for capital investment in economic and place-based programmes from external sources. It is a partner in the Borderlands Inclusive Growth Deal and is working towards the confirmation of significant capital investments through the Deal across multiple projects up to 2031.

3.3.7 In the more immediate period the Council has had particular success in the past year in securing investments through the UK Levelling-Up Fund and the Scottish Government Regeneration Capital Grant Fund (RCGF). Levelling-Up funding has been secured for the Stranraer Water Sports Hub (£4.7M), the George

Hotel restoration, also Stranraer (£7.8M) and in Dalbeattie the Rocks and Wheels Centre (£5.2M). From RCGF £2.8M has been secured for the restoration of the Lockerbie Old School as a community and wellbeing hub. It is anticipated that following the conclusion of a validation process that by the end of 2023/24 further LUF investment will be confirmed for Annan Harbour regeneration (£11.8M) and for a series of projects as a collective LUF Transport Programme of £13.7M.

3.3.8 Following the Council's declaration of a Climate Emergency, a Climate Emergency Officer Working Group and a Cross Party Working group were established, both of which are pivotal to the delivery, monitoring and support of the Council's net zero ambition.

3.4 Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

3.4.1 Dumfries and Galloway Council is committed to delivering intended outcomes for the people of the region by focussing on the key themes and strategic outcomes contained in the new Council Plan. The new Council Plan sets out how it intends for services to be planned and delivered. It is a fundamental principle of Dumfries and Galloway Council that decision makers are provided with complete analysis of options and where necessary and appropriate, impartial advice from specialist officers is available in order for decision makers consider and make informed decisions. The Council continuously monitors and reports on performance, and such are made available to the public. Risk management techniques, project management tools and lessons learnt exercises together with appropriate impact assessments and budget monitoring enable the Council to amend its procedures and approaches to ensure intended outcomes are achieved.

3.4.2 All committees and sub-committees are supported by Legal Services, Governance officers and other service experts such as HR and Planning, to provide additional advice and support.

3.4.3 Benchmarking, engaging with other organisations and option appraisals enable Dumfries and Galloway Council to design services to deliver best value for the people of the region, and to ensure intended outcomes are achieved.

3.4.4 Examples of how the Council determines interventions to optimise the achievement of intended outcomes are more specifically listed in Appendix 2.

3.5 Principle E – Determining the entity's capacity, including the capability of its leadership and the individuals within it

3.5.1 The Senior Leadership Team of Dumfries and Galloway Council consists of the Chief Executive, three Directors (of Communities, Economy and Resources and Skills, Education and Learning), the Chief Social Work Officer, along with the Section 95 Officer (Head of Finance and Procurement) and Monitoring Officer (Head of Governance and Assurance). This team meets on a weekly basis to provide strategic oversight of the Council. The Council Management Team, consisting of the Senior

Leadership Team and Heads of Service meet every two weeks to discuss and provide oversight of Council services, address any immediate concerns or developments within the administrative area and any national impacts. The Chief Executive communicates with staff through a monthly email providing an update on various subjects.

3.5.2 Dumfries and Galloway Council ensures that the appropriate people, with the right skills, qualifications and experience are appointed to ensure effective operation and delivery of services. The Council ensures that all staff are appropriately qualified, capable and have the capacity and necessary skillset and experience to carry out their roles. This is achieved through job descriptions specifying relevant qualifications, the provision of mandatory training for all staff on key roles and regular reviews to ensure staff maintain requisite qualifications and continued performance development to ensure robust decision-making protocols are consistently applied and provide resilience.

3.5.3 Dumfries and Galloway Council manages its workforce to ensure optimal service capacity through its service planning and by application of the Council's People Strategy 'Developing our people developed by the Council and designed to deliver the following outcomes:

- Providing a positive experience
- Engaging our people;
- Supporting our people;
- Recognising good performance and;
Creating a positive one team culture.

3.5.4 Vacancies are continuously monitored, and where this results in pressure on service delivery, decisions are taken on prioritisation and alternative resources. Where there is a service impact, the adjusted rate of delivery on services and projects is in part mitigated through additional consultancy/agency resources, prioritisation based on individual need and community safety and bespoke recruitment campaigns.

3.5.5 The Council continues to take advantage of national funding intended to appoint strategic appointments and internships.

3.5.6 Solicitors attend SOLAR to ensure the Council's legal approach is consistent with the approach taken by other Local Authorities in-house legal services, and participate on national legal consultancy groups.

3.5.7 To improve the capacity to deliver outcomes for the region, the Council continues to engage with a wide variety of external organisations as identified by Audit Scotland's Report on the Governance of Partnerships.

3.5.8 Examples of how the Council determines and seeks to improve the entity's capacity, including the capability of its leadership and the individuals within it can be found in 3.5.9-10 below and in Appendix 2.

3.5.9 **Employee Engagement** – The Council strives to ensure that employees are engaged. The Council's employees are both valued and treated as a fundamental

resource to be valued. The Council is committed to providing its employees with a voice through its annual supportive conversations programme, The Council conducted a People Survey in June 2023 and communicated the results to its employees on 7 December 2023. The Council has developed its three-year Employee Engagement Framework and People Survey Action Plan. The aim of the action plan was not only to inform the development of the Council's Employee Engagement Framework, but more importantly to demonstrate to its workforce that it has listened to employees, and detail what action is being taken as a direct result of their feedback.

3.5.10 Leadership and Management Development - The Council is committed to leadership and management development. The Council holds two leadership events per year where approximately 100 leaders and managers come together to actively work and learn together in supporting communities with delivering the Council Plan. The Council has also developed a Leadership Development Framework that incorporates leadership development accredited programmes in partnership with Chartered Management Institute (CMI). This framework also supports 'growing our own' leaders and managers through a leadership development hub accessed in our My Learning platform, this hub is open to all, to support career progression through different levels of the Council. Educational Leadership and Management is developed and supported through the annual Introducing School Leadership Programme, recruitment to the Into Headship programme, the ongoing induction programme for school leaders and the support and challenge for Headteachers in their role, all of which are underpinned by the GTCS Standards for Headship and Middle Leadership.

3.6 Principle F – Managing risks and performance through robust internal control and strong public financial management

3.6.1 The Council rigorously conforms to its Financial Regulations and Codes, the Capital Investment Strategy, Capital Revenue Reporting, the Scottish Government Public Sector Finance Manual, Audit Scotland Guidance, CIPFA Guidance, Scottish Government Guidance, Dumfries and Galloway Council's Budget Development Process, reference to the Finance, Procurement and Transformation Committee as and when required, political scrutiny the budget setting process, use of software (Integra), application of Anti-Fraud and Anti-Corruption Policy Statement and Strategy, benchmarking and best practice techniques, engagement with auditors and financial advisors and national strategies among other techniques and controls.

3.6.2 The Council has implemented a robust risk management protocol which has continued to be further developed in 2023-24 in the form of a wider Corporate Risk Management Group which captures high risk matters and enables thorough scrutiny, from both Elected Members and officers. A benchmarking exercise undertaken via the national Chief Audit Officers peer group has demonstrated that the risk themes identified by the Council are in line with those identified by other local authorities. Risk management software designed to effectively manage a risk register together with rigorous internal controls allow for healthy inquiry and analysis.

3.6.3 Council services manage their own service risk registers, and key risks are escalated to the Council's Risk Management Group for capture on the Corporate Risk Register. The Risk Management Group identifies, monitors and reviews key risks within the corporate risk register. Corporate risks reviewed by the Risk Management Group are then reviewed by the Senior Leadership Team and Council Management Team and thereafter by the Audit, Risk and Scrutiny Committee. Service risks and key corporate risks are encapsulated within the risk registers and regularly monitored and updated.

3.6.4 The Council has robust internal controls in place, ranging from Council wide controls such as the Scheme of Administration and Delegation to Officers, Financial Regulations and Codes, to service specific controls. All staff are subject to management supervision, receive mandatory training where appropriate and are required to comply with Council policies and procedures. Services regularly review arrangements to ensure robust internal controls and risk management assure their effectiveness.

3.6.5 Dumfries and Galloway Council in 2023-24 has continued to operate an Integrity Group to monitor functions, complaints, financial risks, information and anti-fraud and corruption. The protocols and procedures for monitoring and managing the same are rigorously reviewed and updated.

3.6.6 The Council has clear whistleblowing policy on receiving and investigating complaints from the public, and such is accessible through the Council's EthicsPoint hotline. Both staff and members of the public can raise serious issues anonymously through the use of EthicsPoint.

3.6.7 The Head of Finance and Procurement is the authorised Proper Officer (S.95 Local Government (Scotland) Act 1973) for the administration of Dumfries and Galloway Council's financial affairs and his role is outlined in Dumfries and Galloway's Scheme of Delegation to Officers. The Head of Finance and Procurement is a member of the Council Management Team.

3.6.8 Dumfries and Galloway Council has an appointed Monitoring Officer with two Deputies, who act when the Monitoring Officer is absent from the office or considers there is a conflict of interest. In carrying out any enquiries, the Monitoring Officer has unqualified access to any information held by the Council and to any employee who can assist in the discharge of the Monitoring Officer's functions.

3.6.9 Dumfries and Galloway Council is subject to regular audit and inspection through a number of external scrutiny agencies acting on behalf of the Scottish Government. The Accounts Commission, whose role is to hold councils to account in Scotland, appoints external auditors to undertake a detailed annual review of the Council's annual financial statements and assesses the effectiveness of financial management, the use of resources to improve outcomes and leadership and governance arrangements. The findings of the most recent audit process, and the resultant Action Plan, were reported to the Audit, Risk and Scrutiny Committee at its meeting of 3 November 2023.

3.6.10 In addition, once every five years, the Accounts Commission arranges for the Council to be subject to a wider report focussing on Best Value considerations. The most recent Best Value Review was undertaken in 2023 with the findings and resultant Action Plan reported to Full Council at its meeting of 28 March 2024.

3.6.11 Audit and inspection of specific areas of Council activities are also subject to external regulation and review through bodies including the Care Inspectorate and Education Scotland.

3.6.12 Examples of Dumfries and Galloway Council measures to manage risks and performance can be found in Appendix 2.

3.7 Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability

3.7.1 The Council publishes all committee reports and minutes (except those where confidentiality is a concern in which case such may be reported as exempt items), which are available to members of the public. Committee times are published well in advance and are livestreamed, which ensures that decisions are made in an open and transparent environment. Recordings of meetings are made available for viewing.

3.7.2 The Council has report writing guidance, as well as a Communications Strategy to ensure effective communication, and part of the Council's project management procedures includes a communications plan. Dumfries and Galloway Council's communications, reports and other documentation are designed to be fair, balanced and presented in a manner understandable to the intended audience. Services aim to use plain English, with limited use of jargon (where possible) when dealing with members of the public. Committee reports are presented in a standardised template, which was renewed in 2023, with training being delivered by the Governance Team to report authors. This template ensures a uniformity of presentation across all Committees, whilst allowing flexibility for officers in presenting information. Communication approaches and reporting styles are regularly reviewed.

3.7.3 The Council responds to the findings and recommendations of Internal Audit and External Audit, and other professional bodies and ensures corrective actions are taken where required.

3.7.4 Examples of how the Council implements good practices in transparency, reporting and audit to delivery effective accountability can be found in Appendix 2.

3.7.5 The Council ensures it follows up requests for changes, actions arising from earlier decisions and other risks to ensure no matters are outstanding by:

- Implementation of a Committee Action Tracker;
- Allocating actions to an identifiable owner;
- Use of software (Pentana) to track project targets and achievements;
- PDR's and 1:1's;
- KPI monitoring and management.

4. Update on Improvement Actions identified in the 2022-23 Annual Governance Statement

Throughout the development of the Annual Governance Statement 2022-23, Council services were consulted with to assist in the identification of improvement actions and the updates on these actions are noted below:

Improvement Action	Update
Training requirements across several Governance Principles have been identified and which will be taken forward and supported through the People Strategy	The Council has developed a Council Workforce Plan and a People Plan, which will support staff learning and development to ensure that the Council has a workforce in place to support the delivery of the Council Plan
Further development is required to ensure written delegated authority procedures for authority delegated downwards is in place, and a process will be developed going forward	This will continue to be developed and a process will be developed for this by the end of 2024/25
A legal guidance note for UK Subsidy Level Controls is to be developed and circulated	This is being developed and will be circulated by the end of 2024/25
Additional training requirements on the best use of Dumfries and Galloway's software tools and other processes has been identified by some Services and will be addressed for the forthcoming year	The Council has developed a Council Workforce Plan and a People Plan, which will support staff learning and development to ensure that the Council has a workforce in place to support the delivery of the Council Plan
It had been identified in 2021/2022 that staff organisation wide required more training on procurement practice, protocols and policy and this has recently been delivered over a course of two training days to service managers across Dumfries and Galloway	Complete
Regulation of Investigatory Powers (Scotland) Act 2000 (RIPSA) training will be delivered to appropriate Council staff in the summer of 2023	RIPSA training was delivered in May 2023 to appropriate staff
The Common Good and Trusts Register is undergoing improvement and development	This project is ongoing and will report to Committee by the end of 2024/25
Dumfries and Galloway's Digital Strategy Programme is currently in process	The Economy and Resources Committee receives 6 monthly updates on the Digital Strategy Implementation Plan
A review of the Dumfries and Galloway Council and NHS Dumfries and	The final draft of the refreshed Dumfries and Galloway Health and Social Care

Galloway Integration Scheme is to be carried out 2023/2024	Integration Scheme was approved by the Council in December 2023, alongside approval to submit the final draft to Scottish Ministers
Governance and Assurance shall progress a review of the Schemes of Delegation and Member-Officer Protocol during 2023/2024	A review of the Schemes of Delegation to both Committees and Officers took place in accordance with the Reshaping Review of Chief Officer Structure, with the resulting refreshed Schemes of Delegation being agreed by Council in March 2024 The Member-Officer Protocol was review was carried out, with Council agreeing the updated Protocol in October 2023
Governance and Assurance will carry out a review of the Local Code of Corporate Governance during 2023/2024	This will continue to be reviewed in 2024-25

5. Future Improvements and Next Steps

Improvement Actions
Further development is required to ensure written delegated authority procedures for authority delegated downwards is in place, and a process will be developed for this by the end of 2024/25
A legal guidance note for UK Subsidy Level Controls is to be developed and circulated in 2024/25
The Common Good and Trusts Working Group is continuing to improve and develop our Council's approach to Common Good and Trusts and is expected to report to Committee in 2024/25
Governance and Human Resources will complete a review of the Local Code of Corporate Governance by the end of 2024/25

6. Review of Effectiveness

6.1 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, the Chief Social Work Officer, Head of Governance and Assurance (Monitoring Officer) and Head of Finance and Procurement (Section 95 Officer)) which meets weekly, and the Corporate Management Team (consisting of the Senior Leadership Team and all Heads of Service) with

additional senior officers participating as and when required meet on a fortnightly basis.

6.2 The agendas of these management groupings during 2023/2024 covered all aspects of the Council's corporate arrangements including the Council Budget, capital investment, roads improvement and included representation from property; business planning; health and safety; and participation from officers involved in key strategic projects and programmes.

6.3 The Risk Management function within Dumfries and Galloway Council is responsible for maintaining the Council's Risk Management framework and through the Council Risk Management Group scrutinises Council Wide Risk, the interdependencies between Service level Risk and Council Wide Risk, mitigations and risk management approaches such as Business Continuity as well as horizon scanning for emerging Risks.

6.4 The Risk Management Group reports to Council Management Team and further provides Elected Members opportunity to scrutinise Council Wide Risks through regular reporting to Audit, Risk and Scrutiny Committee.

6.5 The Internal Audit function within Dumfries and Galloway Council is responsible for independent appraisal of the Council's systems of internal control. The internal audit team works to obtain sufficient, relevant and reliable evidence to support a conclusion on the adequacy and effectiveness of the Council's internal control systems, additionally, the internal audit team further meets its remit by assisting Services to consider their control environment and by supporting the development of risk management in the Council. In identifying priorities for internal audit activity, the nature and value of financial transactions is a factor, but the maintenance of public confidence in the Council's financial arrangements is equally important. The audit plan therefore sought to strike a balance across the full range of activities that the Council is involved in, while prioritising the main financial systems.

6.6 Internal Audit communicates its findings through reports to operational management. These reports are also reviewed by the Audit, Risk and Scrutiny Committee particularly in respect of the effectiveness of Internal Audit's work and the adequacy of management's response. The recommendations in Internal Audit's reports are tracked and reported through to completion to provide assurance that necessary control improvements have been implemented by management.

7. Conclusion

On the basis of the review of governance arrangements for 2023/2024, it is confirmed that the Council:

- Is committed to and will focus on the new Council Plan;
- Continues to work with its partners to deliver shared outcomes for its citizens and customers, notwithstanding a challenging budget environment;

- Continues to demonstrate and improve on 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;
- It has ensured Elected Members and Officers have the capacity and capability to deliver its purpose effectively.
- The use of the Good Governance self assessment questionnaires has illustrated that generally the governance practices across the organisation are good.

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 2024.

Appendix 1 **National, Statutory and Local Partners and Organisations**

Individual Services work with a wide range of organisations and partners such as:

- Audit Scotland
- Borderlands Partnership
- Community Councils
- Community Planning Partnership
- Convention of Scottish Local Authorities (COSLA)
- Historic Environment Scotland
- Local Community Groups/Organisations
- Local Resilience Partnership
- National Health Service
- Police Scotland
- Public Health Scotland
- Public Protection Partnership
- Regional Economic Partnership
- Registered Social Landlords
- Scottish Environment Protection Agency (SEPA)
- Scottish Fire and Rescue Service
- Scottish Government
- Scottish Natural Heritage
- Scottish Qualifications Authority
- Scottish Water
- South of Scotland Enterprise
- SportScotland
- Transport Scotland
- UK Government
- VisitScotland

Officers contribute to a wide range of professional bodies including:

- Association of Local Authority Risk Managers (ALARM)
- Chartered Institute of Public Finance and Accountancy (CIPFA)
- Society of Local Authority Chief Executives (SOLACE)
- Society of Local Authority Lawyers and Administrators in Scotland (SOLAR)

Appointments to Outside Bodies – any Member appointment to an Outside Body requires a lead support officer to be identified; the constitution and basis of the appointment to be clear before any appointment is made; and an annual report to be submitted.

We have a strong relationship with the Dumfries and Galloway Youth Council having an annual joint meeting between the Council and the Youth Council and Youth Councillors being non-voting members of Area Committees and some service Committees.

Appendix 2**The Good Governance Questionnaire generated the following examples of good governance practice**

Examples of the Council's commitment to behaving with Integrity, demonstrating strong commitment to ethical values, and respecting the rule of law (Principle A):
We have hierarchical oversight based on delegations to ensure any expenditure or legal commitments are fully reviewed for risk and commitment. We engage internal consultation on all proposed decisions of higher risk or delegations to ensure these are fully scrutinised. We have oversight structures for significant programmes. projects or workstreams to ensure the relevant advice is provided at the early stages in the development of proposals. We engage in review of all Financial monitoring reports as a senior team to ensure that any emerging risks or actions are fully considered in response to pressures. All recruitment for vacancies; creation of new or changed posts and any requests for Job Evaluation is authorised through the Director. We escalate any concerns to statutory officers on matters as they arise, where that is required by the Council's processes
Transport provision review
Staff working in Resettlement Programme from across a number of Council Services have come together in two Development Sessions which included discussions on values, equalities, UK and Scottish Government legislation and regulations relating to Resettlement
The team conducts themselves with a high level of integrity, we challenge and scrutinise one another's work to ensure consistency and integrity

Examples of how the Council ensures openness and comprehensive stakeholder engagement (Principle B)
Public consultation as part of review of Polling Places
Pre-engagement with school communities regarding status of small schools
Annual forum for Planning and Building Standards agents and regular e-mail updates to agents
Use of Groupcall to keep parents and carers updated with urgent messaging from schools
Engagement with the school community on priorities for improvement planning and use of the Pupil Equity Fund
Regular staff focus groups
Community Bulletin, Borderlands Quarterly Updates, Stranraer Place Communications Plans and Delivery
Community Councils monthly Newsletter (cited as good practice by the Improvement Service) -Cost of Living Board getting updates about national research relating to cost of living issues (extracted from the Insights Report) - Council activities relating to our Equality Outcomes reported to the Community Planning Equality and Diversity Working Group quarterly meetings - Council activities relating to our Poverty and Inequalities Projects reported to the Community Planning Poverty and Inequalities Partnership bimonthly meetings - fortnightly 'New Scots' Newsletter sent to all refugees/citizens/guests and hosts of

Ukrainian guests in the three Resettlement Programmes and also made available to asylum seekers - confidential Briefings issued on average 2/3 months (circulated when there's been particular developments) for CPP Board, all Elected Members, MPs and MSPs with updates on the Resettlement Programmes and asylum seekers

Examples of how the Council defines outcomes in terms of sustainable economic, social and environmental benefits (Principle C)

Refreshed service plans in line with new Council Plan Regular reporting to committees, Council Management Team, Leaders Panel and other relevant forums

Submissions to UK and Scottish Government external funding programmes such as Levelling Up Fund and Regeneration Capital Grant Fund

Learning for sustainability. Use for labour market intelligence to inform actions within YPG and DYW priorities within the LEP plan. SEF and PEF directed to support our most disadvantaged young people

The Community Asset Transfer Procedure includes a social value assessment of a Business Plan and this is included in the Committee report to Members to inform their decision Evaluation

Examples throughout reporting to Economy and Resources Committee re addressing environment, and securing natural capital; tackling poverty through supporting employment and opportunity - for example No-one Left behind; UKSPF; Economy - a wide range of reports on CLERF funding; inward investment in projects; economic recovery investment; Local place planning

Examples of how the Council determines interventions to optimise the achievement of intended outcomes (Principle D)

Leisure and Sport service review. Public transport review

Production at a local level of 114 School Improvement Plans based around rigorous evaluation of triangulated school level outcomes

Key decision makers, including all of CMT, received training on decision making in a crisis

Undertaking surveys of stakeholders in their communities

UK Shared Prosperity Fund Programme Panel

CPP Improvement Plan and Operating Protocol is reviewed and updated each year Resettlement Programme has a specific Workstream and Workstream Action Plan on Finance, Governance and Performance to ensure there is adequate focus on these issues which are subject to change due to UK and Scottish Government requests and arrangements changing to reflect the dynamic situation. An Evaluation Report is underway (due for completion in January 2024) which will inform the Board and DGC of the optimum future arrangements

Examples of how the Council determines the entity's capacity, including the capability of its leadership and the individuals within it (Principle E)

We invest in leadership development opportunities through personal development and structured training. We support coaching and mentoring for staff where needed or requested. We support grow your own processes for new starts and for talent management. We encourage participation in national professional networks

to develop capability. We recruit for skills and experience to provide for succession planning
Welfare and Housing Options team in terms of contribution to cost of living crisis
Leadership Conferences. Training programmes for Middle and Senior Leaders. Professional Learning Frameworks
Regular Staff Development Sessions to ensure staff are up to date with Council-wide initiatives and issues Positive promotion of training opportunities and secondments e.g. the Resettlement Programme has given c10 staff in Community Services a unique opportunity in temporary roles through secondments
SOLACE aspiring leaders course and shared the learning with the Management Team
Effective Headteacher Induction processes. Effective coaching and mentoring approaches
Use of flexible contract with external providers Arrangement with North Lanarkshire Council re processing of Building Warrant applications
Building resilience across the wider service Building closer working relationships with client services (horizon scanning, early intervention and prevention techniques)
Prioritising what we do based on the individual and public safety

Examples of Dumfries and Galloway Council measures to manage risks and performance (Principle F)

Update of Financial Regulations
Welfare service ongoing Member reporting and case studies
Regular connection with Education Finance Manager and finance links to S95 Officer on compliance with the agreed Devolved School Management arrangements
The Resettlement Board has a Finance, Governance and Performance Workstream that brings together expert finance staff from various services to ensure effective monitoring and forecasting; Board receives a regular monitoring report; Workstreams forecast expenditure for a year ahead and update this regularly
Maintaining risk register, risk monitoring and report part of most legal transactions
Capital Projects management through application of SCIM guidance

Examples of how the Council implements good practices in transparency, reporting and audit to delivery effective accountability (Principle G)

Rigorous scrutiny and reporting processes in place for all schools to Scottish Government and Local Authority. These plans feed into the Service plans and subsequent reporting.
Evaluation Reports to Committee/CPP Board on YouthBeatz; Summer of Play and Mental Health Evaluation Report on Resettlement Programme
In process of reviewing and proposing training options for Elected Members on Trusts and Common Good and senior officers on subsidy level controls
Effective governance within the context of empowerment of school leadership where decision-making is shared and policy making made jointly with Headteachers
Welfare service Major Festivals and Events. Inclusive Play across region