

APPENDIX 1

Royal Borough of Windsor and Maidenhead Annual Governance Statement (AGS) 2018/19

1. WHAT THE COUNCIL IS RESPONSIBLE FOR

- 1.1 The Council is responsible for: carrying out its business in accordance with the law and; in accordance to proper accounting standards and a duty to use public money economically, efficiently and effectively, and to account for it properly. The Local Government Act 1999 requires the Council to keep under review and improve the way the Council work, to offer value for money and provide an efficient and effective service.
- 1.2 To ensure adherence to these requirements the Council has arrangements (“governance framework”) to oversee its activity. These arrangements are intended to ensure that the Council do the right things, in the right way, for the right people, in good time and in a fair, open, honest and accountable way.
- 1.3 This 2018/19 Annual Governance Statement explains how the Council has followed its governance framework to assure compliance with its responsibility and duty in line with the Accounts and Audit Regulations 2015.

2. THE GOVERNANCE FRAMEWORK

- 2.1 The Council’s Annual Governance Statement follows the completion of a six stage process:
 - **Stage 1:** Distribution of Management Assurance Statements (MAS) to Heads of Service/Deputy Directors.
 - **Stage 2:** Completion and return of MAS.
 - **Stage 3:** Analysis of completed MAS.
 - **Stage 4:** Compilation of Corporate Action Plan and production of AGS using analysis of MAS.
 - **Stage 5:** Recommendation by Corporate Overview & Scrutiny (previously the Audit & Performance Review Panel) for sign off of AGS by the Leader and the Managing Director.
 - **Stage 6:** Sign off of AGS by Leader and the Managing Director.
- 2.2 Senior Officers are required to use the MAS to provide assurance about the internal systems of control, and any exceptions that have been identified throughout the financial year, and the sources of assurances which they have used. The MAS are used to inform the annual, 2018/19, AGS which identifies the material governance issues affecting the Council.

3. THE AIM OF THE GOVERNANCE FRAMEWORK

- 3.1 The governance framework is comprised of the systems, processes, culture and values which govern the Councils behaviour, and by which the Council engage with and lead the community, and the standards to which the Council is held to account. The framework allows the Council to monitor how it is achieving its long-term aims and to consider whether these aims have helped deliver appropriate services which represent value for money.

3.2 The Council approved a four year plan in July 2017 through to March 2021 and this has informed the 2018/19 Annual Service Plans. Together these documents help the Council focus on its six strategic objectives:

1. Healthy, skilled and independent residents
2. Safe and vibrant communities
3. An excellent customer experience
4. Growing economy, affordable housing
5. Attractive and well-connected borough
6. Well-managed resources delivering value for money

3.3 The governance framework cannot eradicate risk of failure, is it designed to identify risk and the internal audit function seeks to ensure risk is addressed and or mitigated. It is part of a wider system of internal control. All internal controls are designed to:

- Identify and prioritise the risks that could prevent the Council from achieving its policies, strategic vision and priorities.
- Assess the likelihood, and likely consequences or the risks.
- To manage the risks efficiently, effectively and economically.

3.4 The AGS supports the published approved statement of accounts.

4. REVIEW OF EFFECTIVENESS OF THE GOVERNANCE STATEMENT

4.1 The current 'Public Sector Internal Audit Standards' (PSIAS) came into effect from 1 April 2013 and were revised in March 2017. The standards recognise that a professional, independent and objective internal audit service is a key element of good governance and they encompass the mandatory elements of the Chartered Institute of Internal Auditors International Professional Practices Framework. A PSIAS external assessment has been carried out for internal audit activities during 2017/18 which concluded that the Internal Audit Service is assessed at the current draft stage as "generally compliant" for 2017/18, with areas identified where compliance could be improved. An Action Plan was prepared and the Internal Audit Service have worked to implement those Recommendations/Suggestions during 2018-19. The main recommendation was to update the RBWM Internal Audit Charter; this was undertaken and this was reported to and agreed by the former Audit & Performance Review Panel in February 2019.

5. GOVERNANCE MEASURES

5.1 In addition to the external PSIAS assessment, the Chief Audit Executive reviews Internal Audit through gathering information and feedback from council's management, panels and committees and by comments from other review agencies and inspectorates such as CQC and Ofsted.

5.2 Value-for-money is a strategic priority. The Council maintains Contract Rules which govern Council spend.

5.3 The Council maintains Anti Fraud and Anti Corruption strategies and policies alongside the Shared Audit and Investigation Service.

5.4 The Council is still undergoing a Transformation Programme, which is recorded in the Corporate Risk Register and assigned to the Managing Director. RBWM also consults its staff and their unions.

5.5 The Council's Constitution details the responsibilities of the Managing Director, Executive Directors and Senior Leaders, including the Monitoring Officer and Chief

Financial Officer (Head of Finance). The Managing Director has specific objectives agreed with the Leader of the Council. These are monitored and reviewed as part of an annual performance appraisal.

- 5.6 Self-assessment has revealed three areas carried over from the 2017-2018 AGS still requiring improvement. Accordingly, these are reiterated in the 2018-2019 Action Plan, which will be progressed during 2019-20. In addition the analysis of the MAS has identified one further area which have corporate wide implications and are included in the new plan.
- 5.7 The review of governance is overseen by the Council's Corporate Overview & Scrutiny (previously the Audit & Performance Review Panel) which is responsible for ensuring the production of the AGS and recommending it to the Leader and Managing Director for signature, while noting progress in addressing any governance issues.
- 5.8 This review has confirmed that the Council have the main processes and documents in place. These processes and documents are defined in the framework.

6. SIGNIFICANT GOVERNANCE ISSUES

- 6.1 Completion of the MAS by the Senior Management Team ensure identification of the most serious risks in relation to governance. The most serious risks, identified in the 2018/19 are captured in a corporate action plan alongside expected outcomes and target dates, see appendix 2.

Over the next year, the Council will be taking steps to tackle the issues listed in the Corporate Action Plan so that the Council can further improve its governance arrangements. The Council is satisfied that these steps will bring about the improvements that the Council identified in its review of effectiveness and the Council will monitor these improvements as part of its next annual review.

Signed on behalf of the Royal Borough of Windsor and Maidenhead:

Duncan Sharkey
Managing Director
Date:

Cllr Simon Dudley
Leader of the Council
Date: