



Audit and Risk Management Committee

Date:	Monday, 13 June 2016
Time:	6.00 pm
Venue:	Committee Room 3 - Wallasey Town Hall

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Updated Paper

6. DRAFT ANNUAL GOVERNANCE STATEMENT (Pages 1 - 18)

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DRAFT ANNUAL GOVERNANCE STATEMENT 2015-16

1. Scope of Responsibility

Wirral Council has continued to strengthen its governance arrangements during 2015-16 and is confident that there are robust internal governance controls in place, demonstrated by improvements towards the Council's existing governance issues.

The Council's strengthened position is illustrated by the Council being recognised as Britain's 'Most Improved Council' at the LGC awards in March 2015. This award clearly demonstrates the Council being recognised by its peers for the improvements which have been achieved.

Wirral Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and public money is safeguarded, properly accounted for and used economically, efficiently and effectively. Wirral 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.

In discharging this overall responsibility, including as accountable body for the Merseyside Pension Fund, Wirral Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including activities for the management of risk.

Wirral Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is available on our website at www.wirral.gov.uk. This statement explains how Wirral Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2015, regulation 6 (3), which requires all relevant bodies to prepare an Annual Governance Statement.

2. The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the Authority is directed and controlled, together with the activities through which it accounts to, engages with and, where appropriate, 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.

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 meet the targets in our 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 Wirral Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Wirral Council for the year ending 31 March 2016 and up to the date of approval of the annual statement of accounts.

3. Overview of Council Progress

The Council has continued to improve during 2015-16, continually strengthening its governance arrangements and building on previous improvements. Internal governance controls have been strengthened; demonstrated by improvements delivered during 2015-16 to address the Council's existing governance issues.

The Council has identified one governance issue in 2015-16, which is outlined in this statement. This presents an improved position from four governance issues in 2014-15. The Council has made considerable progress to conclude three of its 2014-15 governance issues. Progress made against each of these issues is detailed below.

ICT Business Continuity and Resilience Plans

The Council had previously identified weaknesses in its business continuity arrangements, due to a lack of robust ICT business continuity plans. The 2014-15 Annual Governance Statement highlighted these plans must be in place for the Council's identified critical services to ensure these can function effectively in the event of an incident.

The following actions have been taken during 2015-16 to ensure that ICT business continuity and resilience plans are in place:

The Business Continuity Policy was reviewed in September 2015 and is available on the Council's intranet, alongside a Business Continuity Planning Template. The Council identified 30 critical service areas where a Business Continuity Plan was required, and work has been completed to prepare these plans in all 30 critical areas, which have been quality assured to ensure an appropriate level of robustness.

An agreement with a local public sector partner has been agreed for the relocation of the Council's primary data centre, in order to strengthen the Council's ICT resilience. Further preparations are required and a project plan is in place to ensure that key milestones are met as work continues towards migration to the new site and completion of the Data Centre project, expected by July 2017. A review of the current Data Centre is to be undertaken to ascertain the remedial works required to strengthen arrangements.

The progress made indicates that this is no longer a Significant Governance Issue. The Data Centre project must be completed successfully, and there is further work required to ensure that the Council's business continuity plans are effective and are kept regularly under constant review. Progress and implementation of these issues will continue to be monitored through the Corporate Governance Group.

Corporate Procurement Arrangements

The Council had identified weaknesses in relation to corporate procurement arrangements and during 2015-16 a number of actions have been taken to address this.

Contract Procedure Rules were been revised and implemented on 1 April 2016. Briefing sessions have been delivered to over 200 key officers and sessions are to be delivered for a further 100 officers. An e-learning module covering the new policy will be delivered during 2016/17 and made compulsory for all officers. Officers must comply in full with Contract Procedure Rules, working in conjunction with the Procurement team, so as to ensure a robust corporate approach.

A fit for purpose structure for the Procurement Team is in the process of being implemented, with recruitment expected to take place during Spring/Summer 2016.

The progress made, coupled with the future action expected to be taken, indicates that this is no longer a Significant Governance Issue in its own right. The requirement for full compliance with the Contract Procedure Rules, including procurement best practice principles, will be regularly monitored as part of the identified significant governance issue relating to compliance. Progress and implementation of this specific issue will continue to be monitored through the Corporate Governance Group.

Absence Management

The Council has identified weaknesses in its absence management arrangements including the reporting of absence and effective management in accordance with Council policies.

The Council has implemented a number of measures during 2015-16 to assist the management and reduction of absence. A new policy and procedure was introduced in October 2015 to help managers to improve effective reporting and management of sickness absence. Briefing sessions were held in November and December 2015 to explain the key changes. Further resources and support around the new Attendance Management policies and procedures are available to managers on the intranet.

It is recognised that mental health absence (particularly stress-related) is a challenge for the organisation. First day referral to Occupational Health for all mental health related absences has been implemented to assist employees in remaining in work or returning sooner. The development of a Health and Wellbeing strategy is planned, focusing on improving the health and wellbeing of the workforce and improving prevention and intervention strategies.

The progress made would indicate that this is no longer a Significant Governance Issue given the actions taken during 2015-16. The Council will continue to monitor sickness levels through regular reports from the HR/Payroll system to Departmental Management Teams. Performance will also be reported as part of Organisational Health Reports. The requirement for full compliance with the Attendance Management policies and procedures will be regularly monitored as part of the identified significant governance issue relating to compliance. Progress and implementation of this specific issue will continue to be monitored through the Corporate Governance Group.

Compliance

The one remaining Significant Governance Issue is related to organisational and managerial compliance with certain Council processes and procedures, including: performance appraisals, absence management, contract procedure rules and essential training. This issue requires further work to demonstrate a sufficiently improved position before it can be removed from the Council's Annual Governance Statement.

On this basis the Council has decided to retain this as a significant governance issue to ensure there are robust review and scrutiny arrangements in place to ensure it is addressed. Corporate Governance Group will lead the development of a robust action plan to address this governance issue which will be regularly monitored.

No 'new' governance issues have been identified during 2015-16 which demonstrates the Council is an organisation which is stable with embedded and consolidated arrangements to strengthen governance.

4. The Governance Framework

The CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' identifies six core principles of governance best practice.

Wirral Council's governance framework is aligned to these six core principles. Key areas of assurance of the systems and processes which comprise the Council's governance arrangements are as follows:

Principle 1: Focusing on the purpose of the Authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area.

The Council's Corporate Plan 2013-16 was refreshed for 2015-16 and agreed by Council in December 2014. The Plan provided the organisation with a clear vision and set of priorities for the Council to deliver on within available resources. The Plan was implemented during 2015-16 through the Council's performance management framework which was based on the Corporate Plan and three Directorate Plans as approved in March 2015. Corporate Plan monitoring reports were provided to the Council's Strategic Leadership Team, Cabinet and Coordinating Committee quarterly. Directorate Plan monitoring reports were provided regularly to Directorate Management Team meetings and quarterly to the relevant Directorate Policy and Performance committee.

Performance reports were based on the key indicators as included within the plans and aligned to the Council's strategic priorities. Red, amber, green ratings were provided against agreed targets at the start of the year. Responsible officers were assigned to all indicators to ensure clear lines of accountability. In cases of under-performance, responsible officers were required to attend scrutiny committees to explain the reasons and the corrective action being put in place to address it.

During 2015-16, the Council led the development of a five year Wirral Plan to follow on from the previous Corporate Plan which concluded its final year in 2015-16. The Wirral Plan 2020, published in June 2015, sets out twenty 'pledges' for the Council and its public sector partners in Wirral to deliver over the next five years. The Plan aims to make the Council more focussed on delivering better outcomes for local people. The Wirral Partnership, which held its inaugural summit meeting in July 2015, saw partners from across the borough jointly endorse the Wirral Plan and adopt its priorities as shared outcomes which all public services would work towards. This partnership will now drive the implementation of the Plan to ensure effective delivery of the pledges by 2020.

The importance of delivering in partnership and maximising resources across Wirral's public sector is fully recognised by the Council, as is the need to look beyond organisational and geographical boundaries to work together with the whole of the public sector in Wirral. This will enable maximum impact to deliver better outcomes to Wirral residents and achieve value for money through developing a single long term vision for the borough.

As part of informing the Wirral Plan, the Wirral Partnership delivered the Residents' Survey in September 2015, the first detailed programme of research into what residents want, need and aspire to since 2008. The Wirral Plan focuses on three key priority areas: people, business and the environment. The Plan is underpinned by a number of strategies and a series of enabling projects have been developed around neighbourhood working, assets, transport, and the partnership's digital agenda to support the delivery of the twenty pledges. The Residents' Survey findings have informed the development of all strategies and the Council is committed to repeating the survey on a regular basis to ensure residents' views continue to inform the Council's decision making processes.

A new performance management framework has been developed during 2015-16 to oversee the performance of the Wirral Plan effective from 1st April 2016. Training on the new performance management arrangements has been rolled out across the Council during April/May 2016.

In November 2015, the Council participated in a LGA Corporate Peer Challenge led by a team of local government experts. The focus of the peer challenge was on the Council's capacity to deliver the Wirral Plan 2020 and associated pledges; the Council's approach to partnership working; and the development of new models for service delivery.

The peer challenge found the Council had made major progress in developing the Wirral Plan and the Wirral Partnership, and endorsed the initial approach for changing the design and operation of the Council. The review findings also confirmed there needs to be a stronger focus on long-term financial planning to ensure that the Council is fully aligning its resources to the Wirral Plan pledges, as well as highlighting a new approach to large-scale transformation is required. The review further highlighted areas where the Council needed to strengthen its capability and capacity, including the need to develop a more commercial approach in how the organisation operates. An action plan has been developed in response to the findings of the Corporate Peer Challenge.

The Council responded promptly to the peer challenge findings to ensure it continues to strengthen its financial management and stability. An overview of the Medium Term Financial Strategy 2016-21 was agreed by Council in February 2016 alongside the 2016-17 budget. Work is now underway to further align the Wirral Plan and its 20 pledges with the Medium Term Financial Strategy by September 2016, and ensure resources are targeted in accordance with the priorities identified in the Wirral Plan. Closer alignment of budget setting to the Wirral Plan, and a move away from annual budget setting to longer term financial planning will provide the Council with strengthened governance and financial management arrangements.

Wirral Council continues to play an influential role in the Liverpool City Region as part of the Combined Authority which has been established to promote economic development of the region, draw down support from central government and European funding streams and work in a targeted and integrated way on transport-related initiatives. The Combined Authority agreed its devolution deal with central government in November 2015 and Wirral Council's Leader is the lead for Economic Development for the Combined Authority.

Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles.

The Council's political leadership provides the strategic direction for the delivery of the long-term vision of the Council, working closely with senior officers, partner organisations and all Elected Members.

The Council's Constitution provides a clear framework to ensure that Members and Officers have clearly defined functions and roles. This includes a scheme of delegation and a protocol on Member / Officer Relations that clarify the expectations and boundaries between Member and Officer roles and responsibilities. The Council has recently reviewed its constitution and scheme of delegation, which were approved by Council in December 2015 and will be kept under regular review to meet Council requirements and provide effective governance.

Additionally, weekly planning sessions take place with Cabinet and the Strategic Leadership Team to develop the future direction of the Council. Cabinet portfolios clearly describe the role and responsibility of Cabinet in promoting and delivering the Wirral Plan and the Council's financial strategy, and to ensure Cabinet Members champion and deliver activities which result in improved outcomes for Wirral residents and create a Council which is fit for the future.

Portfolio briefings take place on a monthly basis between the Cabinet Members and Strategic Directors to discuss items relevant to the portfolio area including performance of services, budget and risk management issues. The Deputy Leader's portfolio includes responsibilities for transformation and improvement, and reports to Cabinet and Council on a regular basis.

In 2015-16, the Leader of the Council appointed Elected Members as Pledge Champions to ensure the Wirral Plan has strong member engagement and involvement. Pledge Champions take responsibility for driving the delivery and profile of their pledges, ensuring high levels of engagement and community stakeholders, partners and residents are able to contribute towards achieving our shared priorities.

Wirral Council's Overview & Scrutiny function is currently delivered through four Policy and Performance Committees. The Committees have clear responsibilities to inform policy development and to enable pre-decision scrutiny of decisions within the remit of the strategic directorate. A Co-ordinating Committee is responsible for overseeing arrangements and allocating crosscutting activities. A total of 41 non-executive Members sit on one or more Policy and Performance Committees, supported by a team of dedicated Scrutiny Officers.

As part of the Council's budget setting process the Policy & Performance committees conducted robust scrutiny of the Council's budget proposals in January 2016. The model adopted by the Council allowed Scrutiny Members to choose which budget proposals they wished to examine in detail. This was facilitated through a series of dedicated workshops to better understand the rationale behind proposals, as well as examining in detail the potential impact, risks and possible mitigation.

Scrutiny findings were fed into Cabinet's considerations and informed its final budget recommendations to Council in March 2016. The impact of Council scrutiny embedded within the budget-setting process has led to proposals being either supported, rejected or re-shaped as a result of the feedback received. This ensures decisions taken through the annual budget setting process are informed by constructive challenge as well as the priorities articulated by local residents.

In order to ensure the scrutiny function can respond appropriately to the drivers for change, a review of the current scrutiny model will be completed to fully align the Wirral Plan themes of People, Business and Environment to the Council's Policy and Performance Committees. This will further enable the Council's scrutiny function to focus on the delivery of outcomes for Wirral residents and the delivery of Wirral Plan pledges.

Arrangements are in place to ensure the Head of Paid Service and Monitoring Officer role and functions are discharged effectively and these functions are set out in the Council's Constitution. This ensures there is compliance with relevant laws and regulations and internal policies and procedures. The Council complies with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government 2015.

The Council also complies with the CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations 2010. The Chief Internal Auditor provides reports to the Council's Strategic Leadership Team and Audit and Risk Management Committee on a monthly basis. The Council's Chief Information Officer has been appointed as the Authority's Senior Information Risk Owner and is a member of the officer Information Governance Board which is chaired by the Strategic Director for Transformation and Resources.

In order to ensure that the Council has the skills, capacity and capability in the right places to deliver the Wirral Plan and associated pledges, the Council, during 2015-16, has been developing a new operating model which will implement a new approach to how the organisation operates and ensure its arrangements continue to be effective. The new operating model will ensure the Council is structured based on delivering better outcomes with our partners for Wirral residents.

The Peer Review team reviewed the proposed model as part of the Council's peer challenge and considered it was an appropriate model and advised the Council to progress implementation promptly. The implementation of the new operating model is an organisational priority for 2016-17.

Principle 3: Promoting the values of the Authority and demonstrating the values of good governance through behaviour.

Wirral Council applies the Nolan principles of public life in its approach to Elected Member conduct. The principles cover Selflessness, Integrity, Objectivity, Accountability, Openness, Honesty and Leadership, and are embedded within the Members' Code of Conduct as part of the Council's constitution to ensure there is clear accountability and clarity. The Council's Standards and Constitutional Working Group have the responsibility to review the protocol on Member / Officer relations to provide a framework to govern how Members and Officers work together. The protocol gained Council approval in March 2015 and is embedded in the Council's Constitution.

The Council has an agreed set of organisational values and behaviours which inform and shape how staff across the Council provide services to Wirral residents, businesses and other stakeholders. The values are for staff to deliver with integrity, ambition, confidence and efficiency. Engagement sessions with staff to embed these values across the Council's workforce took place during 2015-16, however it recognised there is further work required to ensure these values are visible and fully promoted within the organisation. This will be a priority for 2016-17 and the production of a new Organisational Development Plan will put in place the clear actions required to further embed the Council's values and behaviours

A new performance appraisal process was adopted in 2014-15 which required managers and staff to evidence how the organisational values have been demonstrated, review employee performance and set objectives for the future year. The Council did not achieve its target for completing performance appraisals in 2015-16, although there were significant improvements to the previous year's performance levels. Actions that were taken during 2015-16 to improve completion levels included regular communication to managers and staff to provide guidance and timescales for completion, as well as regular reporting to senior managers.

It is recognised that completion of performance appraisals for all employees is an essential part of ensuring the Council's workforce is clear on the vision and direction of the organisation, and to clearly set out objectives and expectations for the forthcoming year. The target set for 2016-17 is for 100% of all Council employees to have received a performance appraisal. To assist with the achievement of this target, the performance appraisal documentation has been revised and additional guidance and training for managers will be provided to ensure they are completed within the agreed timescales. The Council is therefore confident that the measures that have now been put in place, as outlined above, will make this target achievable.

Work is underway to produce a new Organisational Development Plan which will be in place for 2016-17. A short term culture action plan was delivered in 2015-16 to focus on the actions that needed to be taken promptly in response to the peer challenge findings and the detailed cultural diagnostic completed by the senior leadership team. The action plan focuses on communication and

engagement with employees and managers, compliance and accountability and also the steps which need to be taken to develop the Council's capacity and capability to achieve the long term ambitions set out in the Wirral Plan.

The culture action plan has seen the development and delivery of a programme of Chief Executive and SLT roadshows across the organisation. These have increased leadership visibility and given staff opportunities to challenge and question. In addition staff engagement with customers has been improved through opening up social media access to all staff.

As part of the Council's culture action plan, Accountability Statements have been developed for senior managers to improve accountability and compliance across a number of key areas including: budget, performance appraisals, managing attendance, and communication. These statements were signed by senior officers at the end of March 2016. Managerial compliance with certain Council processes and procedures will continue to require further actions to be taken during 2016-17. This includes performance appraisals, absence management, contract procedure rules and essential training. It is recognised that progress has been made, however this will remain as a significant governance issue within the 2015-16 Annual Governance Statement to ensure that remaining actions are completed.

'Dignity at Work' training is essential for all Senior Managers and a programme of training for managers which covers dignity at work, grievance and whistleblowing policies has been delivered during 2015-16. The dignity at work policy provides a process to follow when dealing with allegations of bullying and harassment. Since the implementation of the dignity at work policy, the Council has appointed and trained over 30 dignity at work advisors to support employees through these processes.

A revised Absence Management Policy was introduced in October 2015. The policy was cascaded to managers through email communications to notify them of the new policy and the Council's One Brief article informed all employees. Briefing sessions on the key changes to the policy were held for Managers in November 2015 and frequently asked questions were published. The Council's intranet page has also been revised to ensure the most relevant information is easily accessible; this includes a list of most frequent manager tasks. Since implementation the Council has seen an increase in the number of employees who are being managed in a formal process.

A revised Disciplinary Policy was introduced in July 2015. The policy was cascaded to managers through email communications to notify them of the new policy, and briefing sessions on the key changes to the policy were held for Managers in November 2015.

The Council established a Workforce Equality Steering Group in July 2014 which is chaired by the Director of Transformation and Resources and supported by the Council's Workforce Equalities Officer. The group has representation from all relevant divisions and meets regularly throughout the year to implement the requirements of the Equality Act 2010. The group also monitors the Corporate Equality Plan to progress the Council's aim to achieve the 'excellent level' of the Equality Framework for Local Government.

In order to ensure Council policies and decisions do not directly or indirectly discriminate against Wirral residents, all Cabinet and Committee reports must include an Equality Impact Assessment (EIA). The assessment is used to analyse policies and practices to make sure they do not discriminate or disadvantage people by treating them less favourably or putting them at a disadvantage because of their protected characteristic such as gender, race or disability compared to others without that characteristic.

The Council has a clear conflict of interest policy which applies to all employees. All Council employees are required to complete a conflict of interest declaration form annually as part of their performance appraisal. The Members' Code of Conduct clearly defines disclosable interests and details the obligations of Elected Members in the disclosure of interests to the Monitoring Officer. The Monitoring Officer is required to maintain a Register of Interests.

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

Risk management is high on the agenda both corporately and within directorates. A Corporate Risk Management Policy has been in place during 2015/16 and will be reviewed for 2016/17 to align to the delivery of the Wirral Plan.

The Council has reviewed and refreshed its Corporate Risk Register during 2015-16 to ensure the register reflects the Council's most critical risks. The register now includes a set of redefined risks with descriptions produced for each. This newly defined set of risks focuses on key strategic and tactical risks relating to the Wirral Plan and the delivery of outcomes. This will be reported to Cabinet and to Audit & Risk Management Committee in June 2016.

The Council again participated in a national CIPFA benchmarking exercise with other authorities during 2015-16 to further develop its approach to managing risks and incorporating best practice from others. The exercise highlighted the Council had made progress since the previous year's assessment.

Risk monitoring reports are routinely reported to the Council's Corporate Governance Group and Strategic Leadership Team, and to the Audit and Risk Management Committee for their review of assurance requirements.

In order to ensure the Council has effective arrangements in place to deliver the Wirral Plan and fully understands the risks associated with achieving its ambitions, a risk appetite exercise has been completed with the Council's political and executive leadership to consider their collective appetite for risk. A survey was conducted in December 2015 to assess attitudes to key areas of risk and an action plan is in development to take this work forward including completing an exercise with partners to identify the risk appetite of the Wirral Partnership.

The Council has also launched new risk management e-Learning courses during 2015-16 to equip managers and staff with core skills to handle risk more effectively.

Policy and Performance Committees provide effective scrutiny of key Council decisions. As part of the development of the Wirral Plan, a series of three scrutiny workshops were held for non-executive members, focusing on each of the Wirral Plan themes of People, Business and Environment. This provided Members with an opportunity to be briefed on delivery arrangements around the 20 Wirral Plan pledges as well as being able to challenge and influence the emerging delivery plan. The feedback from these sessions was compiled into a report that went to Cabinet in March 2016. This feedback was also cascaded to all pledge sponsors and leads in order that it could be considered for inclusion, where appropriate, in the Plan's supporting strategies and action plans.

The Council publishes minutes and agendas of all Committees on the Council website in line with the Freedom of Information Act 2000. The Council uses the mod.gov committee management and report writing and reviewing system for all cabinet and committee reports. This provides a streamlined report writing process and the mod.gov workflow strengthens the statutory sign-off process for all reports.

Wirral Council adheres to the requirements of the Transparency Code, as published by the Department for Communities and Local Government (DCLG) and publishes open data in line with this using the Data.gov discovery service.

The Council has a three stage corporate complaints procedure which is well publicised on the Council's website. Complaint responses are required within 15 working days, and responses to Stage 3 complaints are investigated by a senior manager from an unrelated service to which about the complaint has been made. There are separate processes in place relating to schools, councillors and adult and children's social care.

All complaints are recorded and monitored and the corporate health report provides details of the number of complaints received. This information is regularly reviewed by the Council's Strategic Leadership Team and includes the percentage of complaints not resolved at stage 1, and the percentage responded to within the timescales. These figures are available by department so that areas of concern can be investigated further.

Principle 5: Developing the capacity and capability of members to be effective and ensuring that officers, including statutory officers, also have the capability to deliver effectively.

The Authority offers Members, including the newly elected, a programme of training covering the Member Charter, Code of Conduct, Code of Corporate Governance, and Regulatory Framework. All Elected Members also have the opportunity to complete a personal development plan and a new Elected Member development programme will be designed and implemented during 2016-17.

The Council has a 'Skills for Wirral' training and development programme for managers and employees. The 'Wirral Management Development Programme' provides essential training for managers to ensure that they have the support to meet the expectations framework. The Framework has nine essential modules which contain a mixture of workshops and e-learning modules. An online training needs analysis has assisted in identifying priorities for managers,

alongside specific targeted programmes. The Council's online training needs analysis for managers went live on 1 April 2015, in line with the Performance Appraisal process for 2015-16.

The Council has a Leadership Development Programme for senior managers from across the organisation which focuses on the Wirral vision, leadership in a changing context, and how to apply their learning in the leadership of the organisation.

The Council is also taking action to respond to the findings of the Corporate Peer Challenge and is currently designing a new transformation programme, as recommended by the Peer Team. This will ensure that the Council has the capacity and capability to deliver its ambitious programme of change and put in place a strengthened commercialisation approach.

The Council is committed to ensuring that all employees receive regular and timely communication. There is an established 'One Brief' publication that is sent to all managers regularly to cascade outlining key communication messages which managers are expected to discuss with their teams during team meetings. Weekly communications are sent to all staff from the Chief Executive in order to keep the workforce informed of key organisational developments.

In February 2016 a new Managers' Brief was launched; a dedicated briefing system that provides distilled, useful information for all managers with supervisory responsibilities, regardless of grade or level. Managers' Brief includes key communications messages to cascade to staff, HR and policy updates, and feedback from chief officer and senior leader sessions.

Internal Communications in the Council have been strengthened in 2015-16 through making better use of existing opportunities to communicate with staff and using a refreshed, clear, concise, plain English, approach wherever possible. Corporate screensavers have been rolled out across the entire council network of computers and key communications are uploaded to the HR SelfServe system ensuring all staff can access the information.

A series of staff roadshows have been led by the Chief Executive and supported by the Senior Leadership Team. The roadshows have been well attended by staff from across the authority and are the first of a regular six monthly plan for chief officers to meet with staff face to face and discuss the future direction of the Council.

Throughout 2015-16 regular Chief Officer and Senior Manager Conferences have been held to share important information about the Council through updates from the Leader and the Chief Executive as well as updates from a number of key areas across the Council. These sessions enable Chief Officers and Senior Managers to share their views and comments on the changes that are taking place and provides them with the confidence and capability to ensure continued effective delivery within their service area.

Principle 6: Engaging with local people and other stakeholders to ensure robust local public accountability.

As set out in the Wirral Plan 2020, the Council is committed to engaging residents to ensure local priorities are addressed, and empowering communities to deliver more themselves. In 2015 Ipsos Mori, on behalf of Wirral Council, conducted a detailed Resident Survey to find out what Wirral residents want and need. Over 1,200 people responded to the survey which was designed to investigate residents' perceptions of Wirral as a place to live; priorities for residents; satisfaction with the council and public services; workforce patterns; and resident wellbeing and resilience.

The results of the survey has been used to support Wirral's 2020 Vision through informing decisions, tracking performance, and helping the Council to focus on resident priorities for improvement.

Further commitment to engaging with local people is illustrated through stakeholder consultation sessions held around the pledge strategies. Consultation sessions have involved residents, partners and other stakeholders to ensure that there has been extensive engagement in the development of strategies and their priority areas.

A budget consultation exercise took place during 2015-16 with local residents, staff and stakeholders to seek their views on a series of budget proposals put forward to help the council save the money required for 2016/17. Over 10,000 local people responded to the consultation: significantly higher than previous years. The results of the consultation were reported to Cabinet with recommendations approved at the meeting of Council on 3rd March 2016 when the final budget was set.

In Autumn 2015, the Council opened up access to social media sites to all staff. Opening up social media is contributing to an open and effective relationship between the authority and local residents by showing trust and a new, modern, risk aware but not risk averse approach. In November 2015, the Council took part in the LGA's national social media campaign #OurDay. For one day, the Council's main Twitter account shared stories, facts, photos and videos, tagged with #OurDay. The day was a success in terms of reaching the public and showcasing some of the services the Council delivers.

Neighbourhood working arrangements are in place to bring communities closer to the decision-making process via the four constituency areas. The Constituency Committees meet on a quarterly basis and the focus of the neighbourhood working model is designed to engage locally Elected Members and their communities in discussions to identify solutions to local issues together.

The Wirral Partnership is currently reviewing the borough's neighbourhood working arrangements and is developing its future strategic approach which is fully aligned to delivering the Wirral Plan and associated pledges through a set of constituency plans. The strategy and plans will be presented for approval by Elected Members in 2016-17.

5. Review of Effectiveness

Wirral 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 Internal Audit and the Chief Internal Auditor's Annual Report; findings and reports issued by the external auditors and other review agencies and inspectorates; and feedback and comments provided by Chief Officers and managers within the Authority who have responsibility for the development and maintenance of the governance environment.

Internal Audit has completed a self-assessment of its compliance with the Public Sector Internal Audit Standards. The overall assessment was a very high level of compliance with the Standards, with an external assessment to be completed before 2018, in accordance with the requirements.

Corporate Management Assurance

The Council's Strategic Leadership Team has managed the development of the Annual Governance Statement to ensure a high level of corporate engagement and ownership. A quarterly review of performance management, audit and risk takes place to review and consider emerging governance issues and ensure that appropriate action is in place.

An officer Corporate Governance Group is chaired by the Strategic Director for Transformation and Resources. The group includes strategic leads for Performance, Risk, Internal Audit, Improvement and Strategy to ensure it has an appropriate profile within the organisation and significant governance issues are monitored and responded to in a timely manner.

Council

Council sets the authority's overall policies and budget each year and holds the Cabinet to account. Council has an agreed policy framework that is embedded within its constitution.

Cabinet

Cabinet has a leading role in ensuring good governance arrangements are in place to drive forward transformation and improvements across the Council. The Deputy Leader has responsibilities within their portfolio for governance, commissioning and improvement to ensure that there is a strong and robust leadership approach to governance and compliance across the organisation.

Audit and Risk Management Committee

The Audit and Risk Management Committee has an important role in maintaining the Council's system of internal control. It provides an independent assurance and scrutiny of the Council's financial and non-financial performance, including an assessment of the adequacy of the Council's risk management arrangements.

Audit and Risk Management Committee receive and review internal and external audit report and the Chair of the Committee produces an annual report. The Committee also complete an annual self-assessment based on CIPFA guidance.

External Audit

Grant Thornton is the Council's independently appointed External Auditor with a broad remit covering the Council's finance and governance matters. The annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the National Audit Office and includes nationally prescribed and locally determined work. The Auditors work considers the Council's key risks when reaching its conclusions under the Code.

Standards and Constitutional Oversight Committee

The Standards and Constitutional Oversight Committee is responsible for keeping the Council's constitutional arrangements under review and recommends constitutional amendments which will support the Council to better achieve its purposes. The Committee also oversees and agrees minor changes to the Council's constitutional arrangements as recommended by the Monitoring Officer.

Merseyside Pension Fund

Wirral Council is also the administering authority for the Merseyside Pension Fund which publishes its own statement of accounts on an annual basis and includes a "Governance Compliance Statement". The statement outlines compliance to industry specific governance principles.

6. Significant Governance Issues

Description of Governance Issue	Responsibility / Lead Officer	Expected Delivery
<p>The Council has identified that further action is required to address organisational and managerial compliance with certain Council processes and procedures, including performance appraisals, absence management, contract procedure rules and essential training.</p> <p>Corporate Governance Group will lead the development of a robust action plan to address this governance issue.</p>	Strategic Director – Transformation & Resources	March 2017

7. Conclusion

On the basis of the programme of work undertaken, the Chief Internal Auditor has concluded that there is a sound system of internal control, designed to meet the Council's objectives, and controls are generally being applied consistently.

The Council regards that its governance arrangements continue to be regarded as fit for purpose in accordance with the governance framework, and will ensure appropriate action is taken to address the 2015-16 significant governance issue.

Signed: _____ Date: _____

Chief Executive

Signed: _____ Date: _____

Leader of the Council

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