

# Report

## Governance and Audit Committee

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### Part 1

Date: 27<sup>th</sup> July 2023

**Subject** **Draft Annual Governance Statement (AGS) 2022/23**

**Purpose** To inform and give Members an opportunity to contribute to the Council's Annual Governance Statement, which will accompany the Annual Statement of Accounts for 2022/23.

**Author** Acting Chief Internal Auditor / Head of Finance

**Ward** General

**Summary** In order to meet the requirements of the Accounts and Audit (Wales) Regulations 2014, Newport City Council needs to prepare and present an Annual Governance Statement with its Annual Statement of Accounts. This Statement is based on how well the Council meets its own Code of Corporate Governance. A review of Governance is also a requirement of the Local Government Measure and the Local Government and Elections (Wales) Act 2021. The recommendations and actions from this Statement for the Council to improve will be integrated into the Council's Annual Well-being and Self-Assessment Report.

**Proposal** **To review the draft Annual Governance Statement and provide appropriate comments before recommending its presentation alongside the Annual Statement of Accounts 2022/23.**

**Action by** The Governance & Audit Committee

**Timetable** Immediate

This report was prepared after consultation with:

- Chief Financial Officer
- Monitoring Officer
- Head of People, Policy & Transformation

**Signed**

## Background

1. In order to meet the requirements of the Accounts and Audit (Wales) Regulations 2014, Newport City Council needs to prepare and present an Annual Governance Statement (AGS) alongside its Annual Statement of Accounts. The AGS is based on the Council's Code of Corporate Governance. A review of Governance is also a requirement of the Local Government Measure.
2. The Code sets out Newport City Council's approach to achieving and maintaining good corporate governance. It follows guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE), and also takes account of the Welsh Government's 'citizen-centred governance principles for Wales'.
3. Newport City Council (the Council) is by nature, a complex organisation which affects the lives of all citizens in the area: As well as providing a diverse range of services, it also works with partner organisations who provide other public services. The Council's aims and priorities reflect these responsibilities.
4. The Council sees Corporate Governance as aiming to do the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and also the culture and values, by which the Council is directed and controlled and how it accounts to and engages with its citizens.
5. Strong, transparent and responsive governance enables the Council to put citizens first by pursuing its aims and priorities effectively, and by underpinning them with appropriate mechanisms for managing performance and risk. In order to maintain citizens' confidence, these mechanisms must be sound and be seen to be sound.

### Governance Principles

6. The Council operates through a governance framework that brings together its legislative responsibilities and management processes. The Council's Governance arrangements are in line with the following principles:

Overarching requirements for acting in the public interest:

- A.** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B.** Ensuring openness and comprehensive stakeholder engagement.

Achieving good governance in the public sector also requires effective arrangements for:

- C.** Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D.** Determining the interventions necessary to optimise the achievement of the intended outcomes.

- E. Developing the entity's capacity, including the capability of its leadership and the individuals within it.
  - F. Managing risks and performance through robust internal control and strong public financial management.
  - G. Implementing good practices in transparency, reporting, and audit to deliver effective accountability.
7. The Council's AGS, shown at **Appendix 1**, is based around these governance principles and demonstrates how it ensures that its business is conducted in accordance with the law and to proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. The Council is now required to self-assess its governance and performance as outlined in the Local Government and Elections (Wales) Act 2021.
  8. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which includes arrangements for the management of risk.
  9. The governance framework comprises the systems and processes, and culture and values, by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
  10. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically. The overall Council Internal Audit Opinion for 2022/23 is **Reasonable**.
  11. The governance framework has been in place at the Council for the year 2022/23.

### **Financial Summary (Capital and Revenue)**

12. There are no financial issues related to this report.

### **Risks**

13. If Members are not involved in the endorsing the Annual Governance Statement it would weaken the overall governance arrangements of the Council and be non-

compliant with the Public Sector Internal Audit Standards, which therefore, could be subject to adverse criticism from the external auditor, currently Audit Wales.

<b>Risk Title / Description</b>	<b>Risk Impact score of Risk if it occurs* (H/M/L)</b>	<b>Risk Probability of risk occurring (H/M/L)</b>	<b>Risk Mitigation Action(s)</b> What is the Council doing or what has it done to avoid the risk or reduce its effect?	<b>Risk Owner</b> Officer(s) responsible for dealing with the risk?
Members not involved with the annual governance process.	M	L	The Acting Chief Internal Auditor has compiled the AGS in conjunction with Senior Management and taken it to Governance & Audit Committee for discussion and comment.	Acting Chief Internal Auditor

\* Taking account of proposed mitigation measures

#### **Links to Council Policies and Priorities**

14. The Governance framework and arrangements supports all of the Council's priorities and plans.
15. Giving management assurance on the systems in operation gives them confidence that there is sound financial management in place, that more effective services can be provided and the risk of theft, fraud and corruption is minimised. Better service provision and looking after the public pound makes our City a better place to live for all our citizens, hence delivering an ambitious, fairer, greener Newport for everyone. (Corporate Plan 2022-2027).

#### **Options Available and Considered**

16. This is a factual report and therefore there are no specific options to be considered. The Annual Governance Statement is a statutory requirement and forms part of the Annual Statement of Accounts. The statement sets out how the Authority is meeting its own Code of Corporate Governance.
17. That the Annual Governance Statement be accepted and presented alongside the Annual Statement of Accounts 2022/23, subject to any amendments suggested by the Governance & Audit Committee.

#### **Preferred Option and Why**

18. As per paragraphs above as it is a requirement of the Accounts and Audit (Wales) Regulations 2014, the Public Sector Internal Audit Standards and ensures good governance.

## **Comments of Chief Financial Officer**

19. In accordance with the Accounts and Audit (Wales) Regulations 2014, an Annual Governance Statement must be prepared with the Annual Statement of Accounts, setting out how well the Council complies with its Code of Corporate Governance. The Council has a comprehensive set of arrangements, processes and policies in place which meets the requirements of the Code. As expected, there are a number of improvements and developments required and these are identified in the self-assessments.

## **Comments of Monitoring Officer**

20. In accordance with the Accounts and Audit (Wales) Regulations 2014, an Annual Governance Statement must be prepared with the Annual Statement of Accounts, setting out how well the Council complies with its Code of Corporate Governance. The Council's internal governance arrangements are set out in various constitutional framework documents under the umbrella of the Code of Governance. The Code has been prepared in accordance with relevant Guidance and incorporates the seven core governance principles developed by the Independent Commission on Good Governance in Public Services. It also reflects legislative requirements and ethical principles of democratic decision-making. Compliance with the Code will ensure that decisions continue to be made lawfully and with propriety and in a fair and transparent manner.

## **Comments of Head of People, Policy & Transformation**

21. There are no other specific HR issues arising as a result of the report. Newport City Council is now required to self-assess its governance and performance as outlined in the Local Government and Elections (Wales) Act 2021. The Annual Governance Statement supports the Council's approach to self-assessing the effectiveness and efficiency of its performance and governance arrangements. The recommendations and actions for the Council to improve will be integrated into the Council's Annual Well-being and Self-Assessment Report. This work also aligns to the Council's statutory responsibilities under the Well-being of Future Generations Act (2015).

## **Scrutiny Committees**

22. Not applicable.

## **Fairness and Equality Impact Assessment:**

- **Wellbeing of Future Generation (Wales) Act**
- **Equality Act 2010**
- **Socio-economic Duty**
- **Welsh Language (Wales) Measure 2011**

23. For this report, a full Fairness and Equality Impact Assessment is not required to be undertaken. This is because this report is not seeking any strategic decisions or

policy changes, with its purpose being to update Governance and Audit Committee on the Draft Annual Governance Statement of the Council for 2022/23. Equalities is considered in all audit work and fairness is a central principal to governance and a core principle of the Council's Corporate Plan.

24. The role of Internal Audit supports the Council in complying with the principles of the Wellbeing Act and providing assurance on the activities undertaken across the Council. In compiling this report the principles of this Act have been considered:

**Long term** - The Internal Audit workload is based on an annual operational plan supported by a 5 year strategic plan that is aligned to the Council's Corporate Plan.

**Prevention** - Internal Audit identify strengths and weaknesses within the control environment of Newport City Council; addressing the weaknesses gives management the opportunity of preventing gaps in service provision getting worse. This should also minimise the potential for fraud, theft, loss or error.

**Integration** - Internal Audit opinions provide an objective opinion on the adequacy of the Council's corporate governance, internal control and risk management environment in operation and support sound stewardship of public money.

**Collaboration** - Internal Audit work in collaboration with operational managers to develop an appropriate action plan in order to address identified concerns.

**Involvement** - Heads of Service and Senior Managers are invited to contribute to the audit planning process each year in order to prioritise audit resources. The involvement of the Governance & Audit Committee provides assurance and oversight of an effective internal audit provision to carry out its duties.

## Consultation

25. Not applicable.

## Background Papers

26. 2022/23 Approved Internal Audit Plan; 2022/23 Annual Internal Audit Report; Corporate Plan; Cabinet and Scrutiny papers; Council policies and procedures. NCC Code of Corporate Governance 2020/21.

Dated:

# **APPENDIX 1**

**ANNUAL GOVERNANCE STATEMENT 2022/23**

**DRAFT Version 8 – (Subject to CMT Comments - Deadline 24.07.23)**



# **Annual Governance Statement**

**Newport City Council**

**2022/23**

**DRAFT REVISED FORMAT – V8**



## **What is Corporate Governance?**

Corporate governance is the system of rules, practices and processes by which an organisation is directed and controlled. Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

## **What does 'Good' Corporate Governance look like?**

Good governance is about the processes for making and implementing decisions. It's not about making 'correct' decisions, but about the best possible process for making those decisions, ensuring that it is doing the right things, in the right way, for the right people in a timely, inclusive, open, honest and accountable manner. Good governance leads to effective:

- Leadership and management;
- Performance and risk management;
- Stewardship of public money; and
- Public engagement and outcomes for our citizens and service users.

## **What this statement will tell you**

The Annual Governance Statement is a requirement of the Accounts and Audit (Wales) Regulations 2014. It also takes account of the Local Government and Elections (Wales) Act 2021. This Statement will be incorporated into the Council's Annual Wellbeing Self-Assessment Report. This Statement demonstrates that Newport City Council is compliant with these regulations for 2022/23.

It describes the governance framework in place within the Council, how the effectiveness of the governance arrangements has been monitored and evaluated during the year with evidence and examples and sets out any changes planned for 2023/24.

This Statement has been prepared in accordance with guidance produced by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives and Senior Managers (SOLACE); the 'Delivering Good Governance in Local Government Framework 2016' and 'Delivering Good Governance in Local Government Guidance Notes for Welsh Authorities 2016'. It embraces the elements of internal financial control required by the 'Code of Practice on Local Authority Accounting in the United Kingdom'.

The sound governance framework in place at Newport City Council is detailed in the revised [Code of Corporate Governance 2020/21](#) which includes a detailed list of all governance arrangements.

## **1 Scope of Responsibility**

- 1.1 Newport City Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and to proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.
- 1.2 The Council also has a duty under the Local Government (Wales) Measure 2011 and the Local Government and Elections (Wales) Act 2021 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to strategic effectiveness, service quality, service availability, fairness, sustainability, efficiency and innovation. The Council is now required to self-assess its governance and performance as outlined in the Local Government and Elections (Wales) Act 2021.
- 1.3 The Local Government and Elections (Wales) Act 2021 provides for a new and reformed legislative framework for local government elections, democracy, governance and performance. Section 89 of the Act requires the Council to keep under review the extent to which it is fulfilling the 'performance requirements' that is, the extent to which:-
  - It is exercising its functions effectively;
  - It is using its resources economically, efficiently and effectively; and
  - Its governance is effective for securing the above.
- 1.4 Section 91 of the Act requires the Council produce and publish a self-assessment report in respect of each financial year. The completion and publication of the Council's Annual Governance Statement supports the Council's annual self-assessment report and will provide assurances on its governance arrangements. Recommendations and actions (including those from previous years) from the Annual Governance Statement will be integrated into the Council's Self-Assessment Report.
- 1.5 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and arrangements for the management of risk.
- 1.6 'CIPFA's Statement on the Role of the Chief Financial Officer in Local Government (2010)' sets out the governance arrangements which are in place within the Council to ensure sound financial management.
- 1.7 The Council's Code of Corporate Governance sets out its commitment to good Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. This was initially approved by Cabinet and then Council in July 2013 with a further update approved by Cabinet in July 2014. The Code was updated in 2019/20 and approved by Cabinet in April 2021.
- 1.8 The Code of Corporate Governance outlines the key governance arrangements in place at Newport City Council and as such will be cross referenced to where relevant throughout this Annual Governance Statement.

## **2 The Purpose of the Governance Framework**

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an on-going process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at the Council throughout the year 2022/23, and up to the date of approval of the statement of accounts.

## **3 The Governance Framework**

- 3.1 The Council's Governance arrangements are in line with the following principles:

Overarching requirements for acting in the public interest:

- A.** Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.
- B.** Ensuring openness and comprehensive stakeholder engagement.

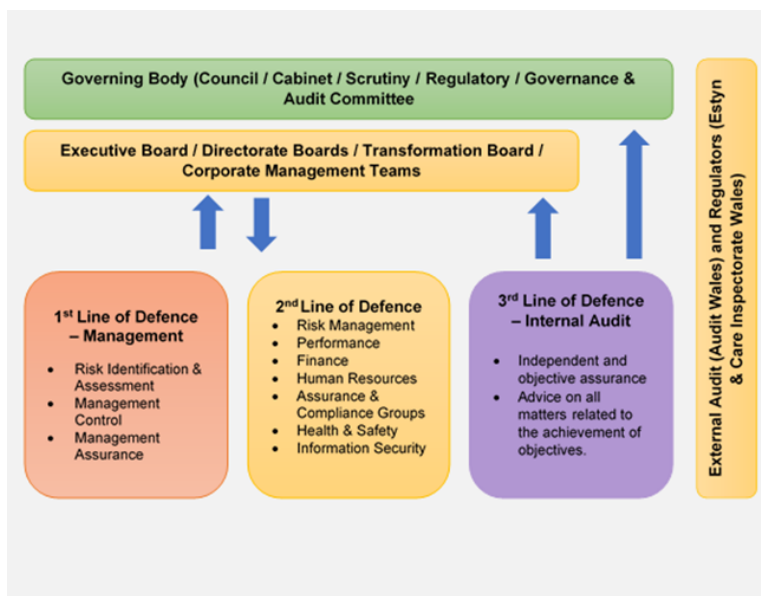
Achieving good governance in the public sector also requires effective arrangements for:

- C.** Defining outcomes in terms of sustainable economic, social, and environmental benefits.
- D.** Determining the interventions necessary to optimise the achievement of the intended outcomes.
- E.** Developing the entity's capacity, including the capability of its leadership and the individuals within it.
- F.** Managing risks and performance through robust internal control and strong public financial management.
- G.** Implementing good practices in transparency, reporting, and audit to deliver effective accountability.

The Statement will cover these principles in more detail from Section 9 onwards.

## 4. The Three Lines in effective Risk Management and Control

4.1 Assurance can come from many sources within the Council. The Three Lines is a concept for helping to identify and understand the different sources of assurance. The model helps the Council understand how each area contributes to the overall level of assurance and how good governance can be integrated and supported. These are:



**First Line** - functions that own and manage risks e.g. management and supervisory controls.

**Second Line** - functions that oversee risks e.g. Governance structures and processes such as Scrutiny Committees, policies and procedures.

**Third Line** - functions that provide independent assurance on the management of risks e.g. Internal Audit.

4.2 Additional assurance activity is also provided by External Audit (Audit Wales) and Regulators (Estyn and Care Inspectorate Wales). Reports from these are publicly reported.

## 5. Corporate Plan 2022-27

5.1 The Council's [Corporate Plan](#) for 2022 to 2027 "An Ambitious, Fairer, Greener Newport for everyone" sets out the 5 year vision and direction for the Council. This was signed off during 2022/23. The Corporate Plan forms part of the Council's policy framework, and prior to agreement had been through the necessary consultation with scrutiny and members of staff.

5.2 The Corporate Plan outlines four Well-being Objectives which will support the Well-being of Future Generations Act and local, regional and national delivery. The Well-being Objectives are:

- **Well-being Objective 1 (Economy, Education & Skills)** – Newport is a thriving and growing city that offers excellent education and aspires to provide opportunities for all.
- **Well-being Objective 2 (Newport's Environment & Infrastructure)** – A city that seeks to protect and enhance our environment whilst reducing our carbon footprint and preparing for a sustainable and digital future.
- **Well-being Objective 3 (Preventative and Equitable Community and Social Care)** – Newport is a supportive city where communities and care are at the heart of what we do.
- **Well-being Objective 4 (An Inclusive, Fair and Sustainable Council)** – Newport City Council is an inclusive organisation that places social value, fairness and sustainability at its core.

5.3 To deliver the Corporate Plan, the Council has developed four principles:

- Fair and Inclusive
- Empowering each other

- A Listening Council
- Newport's Values

5.4 The Corporate Plan is delivered through service area plans. Service plans are set in conjunction with Cabinet Members and scrutiny committees to ensure oversight and accountability for the delivery of the actions.

5.5 An annual report of progress against the Corporate Plan is presented to Cabinet and published so that it can be shared with all employees and members of the public to present an open and transparent view of how the Council is working towards its vision and objectives and how further work will be focused to ensure further improvement.

## **6 Gwent Public Services Board (PSB)**

6.1 PSBs were established by the Well-being of Future Generations (Wales) Act 2015 (WFG) and must work in accordance with the sustainable development principle and achievement of the seven wellbeing goals by:

- Assessing the state of the City's economic, social, environmental and cultural wellbeing;
- Setting local objectives that are designed to maximise their contribution within the City to achieving those goals;
- Taking all reasonable steps to meet those objectives.

6.2 The One Newport Public Service Board (PSB) Newport merged with other local boards during 2021/22 to form the regional Gwent Public Services Board (Cabinet October 2021). During 2022/23, One Newport PSB group concluded the delivery of the 2018-23 Well-being Plan.

6.3 From 2023/24, the One Newport group will deliver the priorities of the Gwent PSB in addition to the local priorities of Newport.

## **7 Cardiff Capital Region (Corporate Joint Committee)**

7.1 The implementation of the Local Government and Elections (Wales) Act 2021, allowed for the creation of Corporate Joint Committees (CJCs) to oversee the delivery of regional development plans, transport plans and economic plans.

7.2 The [South East Wales CJC](#) has been established in 2022/23 and is made up of 10 local authorities (including Newport City Council) within the region. Similar to local authorities, the CJC has to publish and deliver a [Well-being Plan](#) and further governance arrangements in relation to the CJC are in progress. Further detail on CJC activities can be found [here](#).

## **8 Internal Audit (IA) and Annual Audit Opinion 2022/23**

8.1 The Public Sector Internal Audit Standards (PSIAS) state that the 'Chief Audit Executive must deliver an annual internal audit opinion and report that can be used by the organisation to inform its governance statement.' Internal Audit is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organization accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance process.

- 8.2 IA provides assurance to the Executive Board, Heads of Service and the Governance & Audit Committee that services are being delivered effectively, efficiently and economically with fraud and error minimised.
- 8.3 In the Chief Internal Auditor's opinion, adequate assurance was obtained over the course of 2022/23 resulting in an overall '*Reasonable*' assurance audit opinion to be issued for the Council's internal controls. This was based on audit work undertaken by the team; the Revised Internal Audit Annual Plan was approved by the Governance & Audit Committee in July 2022. 77% of the approved Audit Plan was completed against the target of 80%, with 38 audit opinions issued. Further detail regarding the Internal Audit work undertaken and the team's performance is included within the Internal Audit Annual Report 2022/23 which was presented to the Governance & Audit Committee in May 2023.
- 8.4 4 unfavourable audit opinions were issued during 2022/23, 2 within Social Services, 1 within Finance and 1 within Infrastructure. These have been brought to the attention of the Governance & Audit Committee and call ins to Committee have taken place during the year and/or are due to take place during 2023/24.
- 8.5 The Corporate Governance Follow Up audit commenced during 2022/23. This audit was previously rated as unsatisfactory. The audit was concluded in June 2023 and a draft report issued. An improved draft opinion rating of 'Substantial' (level of Assurance) was given, demonstrating the improvements made and actions taken by managers to improve the overall governance arrangements.

## SECTION 9: Annual Governance Statement Summary and Overall Conclusion for 2022/23

The Council has overall assessed its governance arrangements to be **effective**. The Council has based this upon the assessment completed in **Section 10** (below) of this Statement. Any actions outstanding from the 2021/22 Annual Governance Statement and any further actions to improve can be seen in the Action Plan in **Section 11**.

Summary of the Council's Assessment against the Code of Corporate Governance Principles:

Principle	Red (R)	Amber (A)	Green (G)	No. of Actions
<b>Principle A:</b> Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law.				4
<b>Principle B:</b> Ensuring openness and comprehensive stakeholder engagement.				0
<b>Principle C:</b> Defining outcomes in terms of sustainable economic, social and environmental benefits.				0
<b>Principle D:</b> Determining the interventions necessary to optimise the achievement of the intended outcomes.				1
<b>Principle E:</b> Developing the entity's capacity, including the capability of its leadership and the individuals within it.				2
<b>Principle F:</b> Managing risks and performance through robust internal control and strong public financial management.				1
<b>Principle G:</b> Implementing good practices in transparency, reporting and audit to deliver effective accountability.				1

Key:

	Generally sound governance arrangements in place, moderate issues for improvement identified.
	Significant issues identified that could impact on the overall governance arrangements. Actions required.
	Critical issues have been identified. Improvements required urgently.

## SECTION 10:

### 1. COMMITMENTS TO GOVERNANCE PRINCIPLES

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



The Council is accountable not only for how much it spends, but also for how we use the resources under our stewardship. This includes accountability for outputs, both positive and negative, and for the outcomes we have achieved. In addition, we have an overarching responsibility to serve the public interest in adhering to the requirements of legislation and government policies. It is essential that, as a whole, we can demonstrate the appropriateness of all our actions and have mechanisms in place to encourage and enforce adherence to ethical values and to respect the rule of law.

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
<b>Behaving with integrity</b>	<ul style="list-style-type: none"> <li>▪ Members Code of Conduct in Constitution which reflects Local Authorities (Model Code of Conduct) (Wales) Order 2016.</li> <li>▪ Employee Code of Conduct in Constitution (Feb 2023).</li> <li>▪ Registers of employee declarations / interests and gifts &amp; hospitality.</li> <li>▪ Induction training for Members and Employees.</li> <li>▪ Member/Officer Protocol in Constitution.</li> <li>▪ Council Values</li> <li>▪ Whistleblowing Policy (July 2022)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Newport City Council is developing its new People Plan which will support new Council Values. This is identified as a key action in the People, Policy &amp; Transformation Plan.</li> <li>▪ New online processes introduced for employee declarations and gifts &amp; hospitality.</li> <li>▪ New e-Learning module on Whistleblowing introduced for all staff. There were 4 Whistleblowing cases raised during 2022/23, all of which were not upheld.</li> <li>▪ Revised Policy Customer Feedback: Compliments, Comments and Complaints (April 2023)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Launch / Introduce new People Plan.</li> <li>▪ Development of a Fraud Risk Assessment.</li> <li>▪ Review Counter Fraud arrangements and strengthen reporting in this area.</li> <li>▪ NCC Code of Corporate Governance to be reviewed / updated.</li> </ul>



Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
	<ul style="list-style-type: none"> <li>▪ Anti-Fraud, Bribery and Corruption Policy (Cabinet – April 2021)</li> <li>▪ Standards Committee</li> <li>▪ Standards Committee Annual Report presented to Council.</li> <li>▪ Member Dispute Resolution</li> <li>▪ Compliments, Comments and Complaints Policy.</li> <li>▪ Code of Corporate Governance</li> <li>▪ Monthly staff communications through staff newsletters.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Standards Committee 2021-22 Annual Report to Council Nov 2022.</li> <li>▪ Regular update to Standards Committee on complaints made to the Ombudsman about City &amp; Community Councillors. (April 2022, July 2022, Jan 2023).</li> </ul>	
<p><b>Demonstrating strong commitment to ethical values</b></p>	<ul style="list-style-type: none"> <li>▪ Corporate Plan 2022-27 has set four principles for delivery.</li> <li>▪ Contract Standing Orders (2020).</li> <li>▪ Codes of Conduct for Members and Employees.</li> <li>▪ Financial Regulations (2016).</li> <li>▪ Standards Committee.</li> <li>▪ Whistleblowing Policy (July 2022)</li> <li>▪ Employee HR policies and engagement.</li> <li>▪ Compliments, Comments and Complaints Policy and Annual Report.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Corporate Plan 2022-27 has four principles which will support its delivery: Fair and Inclusive, Empowering each other; Listening Council; Newport's Values (People Plan).</li> </ul>	
<p><b>Respecting the rule of law</b></p>	<ul style="list-style-type: none"> <li>▪ Member and Employee Codes of Conduct in Constitution.</li> <li>▪ Role of Head of Paid Service, Section 151 Officer and Monitoring Officer established in Constitution.</li> <li>▪ CIPFA statement on the Role of the Chief Financial Officer.</li> <li>▪ Anti-Fraud, Bribery and Corruption Policy (Cabinet – April 2021)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Newport Constitution updated 1<sup>st</sup> March 2023.</li> </ul>	

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
	<ul style="list-style-type: none"> <li>▪ Governance &amp; Audit Committee</li> <li>▪ Internal Audit Section</li> <li>▪ Internal Audit Annual Report presented to Governance &amp; Audit Committee.</li> <li>▪ Audit Wales Annual Audit Letter</li> <li>▪ Standards Committee</li> <li>▪ Whistleblowing Policy (July 2022)</li> <li>▪ Customer Compliments, Comments and Complaints Policy.</li> <li>▪ Disciplinary Policy (Dec 2021)</li> </ul>	<ul style="list-style-type: none"> <li>▪ IA Annual Report 2021/22 to G&amp;AC May 2022.</li> </ul>	

**Principle B: Ensuring openness and comprehensive stakeholder engagement.**



Local government is run for the public good; organisations therefore should ensure openness in their activities. Clear, trusted channels of communication and consultation should be used to engage effectively with all groups of stakeholders, such as individual citizens and service users, as well as institutional stakeholders.

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve															
<p><b>Openness</b></p>	<ul style="list-style-type: none"> <li>▪ Committee meeting agendas and papers published in advance of meetings.</li> <li>▪ Minutes published following meetings.</li> <li>▪ Decision making process described in Constitution.</li> <li>▪ Forward Work Programmes published on website showing key decisions to be made by Council and Cabinet.</li> <li>▪ Consultation and Engagement Strategy &amp; Consultation.</li> <li>▪ Annual budget consultation Publication Scheme.</li> <li>▪ Freedom of Information and Subject Access Requests.</li> <li>▪ Customer Compliments, Comments and Complaints Policy.</li> <li>▪ Public questions at Council and Cabinet Engagement with hard to reach groups such as BME, Disability and LGBTQ+ communities. As well as engagement with</li> </ul>	<ul style="list-style-type: none"> <li>▪ Customer Compliments, Comments and Complaints Policy updated and now reported to Governance &amp; Audit Committee. (29<sup>th</sup> September 2022 &amp; 30<sup>th</sup> March 2023)</li> <li>▪ The Council has responded to Freedom of Information Act requests within the required 20 days:</li> </ul> <table border="1" data-bbox="1070 1043 1563 1412"> <thead> <tr> <th></th> <th>2021-22</th> <th>2022-23</th> </tr> </thead> <tbody> <tr> <td>No' of FOI requests</td> <td>953</td> <td>992</td> </tr> <tr> <td>No' responded to within 20 days</td> <td>853</td> <td>903</td> </tr> <tr> <td>% of FOIs responded to within 20 days</td> <td>89.5%</td> <td>91%</td> </tr> <tr> <td></td> <td>Target 88%</td> <td>Target 88%</td> </tr> </tbody> </table>		2021-22	2022-23	No' of FOI requests	953	992	No' responded to within 20 days	853	903	% of FOIs responded to within 20 days	89.5%	91%		Target 88%	Target 88%	
	2021-22	2022-23																
No' of FOI requests	953	992																
No' responded to within 20 days	853	903																
% of FOIs responded to within 20 days	89.5%	91%																
	Target 88%	Target 88%																

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve												
	<p>children and young people to meet the requirement of the UNCRC.</p>														
<p><b>Engaging comprehensively with institutional stakeholders</b></p>	<ul style="list-style-type: none"> <li>▪ Public Service Board and One Newport Plan/Well- Being Plan.</li> <li>▪ South East Wales Corporate Joint Committee.</li> <li>▪ Community Safety Partnership.</li> <li>▪ Partnership agreements including TOR / Contract arrangements.</li> <li>▪ Partnerships Scrutiny Committee.</li> <li>▪ Consultations, Surveys and Engagements.</li> </ul>	<ul style="list-style-type: none"> <li>▪ The South East Wales CJC was established in 2022/23 and governance arrangements are still in progress.</li> <li>▪ Partnerships Scrutiny Committee role is to assess the effectiveness of arrangements in place.</li> </ul>													
<p><b>Engaging with individual citizens and service users effectively</b></p>	<ul style="list-style-type: none"> <li>▪ Review of Public Engagement in Newport City Council.</li> <li>▪ Participation Strategy 2022-2026</li> <li>▪ Have Your Say consultations on NCC Webpage</li> <li>▪ Consultation principles and toolkit available on Intranet.</li> <li>▪ Compliments, Comments &amp; Complaints Policy and Annual Report.</li> <li>▪ Medium Term Financial Plan (Budget Proposals) – Public Engagement.</li> <li>▪ Public wi-fi on Newport Transport buses.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Participation Strategy was implemented in 2022/23 as part of Local Government and Elections (Wales) Act 2021.</li> <li>▪ Annual Report on Compliments, Comments &amp; Complaints for 2021/22 to G&amp;AC 29<sup>th</sup> September 2022 &amp; Cabinet 16<sup>th</sup> November 2022.</li> <li>▪ The following table shows the number of complaints received for the past two years:</li> </ul> <table border="1" data-bbox="1070 999 1626 1318"> <thead> <tr> <th data-bbox="1070 999 1357 1066"></th> <th data-bbox="1357 999 1491 1066">2021-22</th> <th data-bbox="1491 999 1626 1066">2022-23</th> </tr> </thead> <tbody> <tr> <td data-bbox="1070 1066 1357 1137">Stage 1 Complaints</td> <td data-bbox="1357 1066 1491 1137">271</td> <td data-bbox="1491 1066 1626 1137">341</td> </tr> <tr> <td data-bbox="1070 1137 1357 1209">Stage 2 Complaints</td> <td data-bbox="1357 1137 1491 1209">31</td> <td data-bbox="1491 1137 1626 1209">46</td> </tr> <tr> <td data-bbox="1070 1209 1357 1318">Complaints to PSOW</td> <td data-bbox="1357 1209 1491 1318">24</td> <td data-bbox="1491 1209 1626 1318">37</td> </tr> </tbody> </table>		2021-22	2022-23	Stage 1 Complaints	271	341	Stage 2 Complaints	31	46	Complaints to PSOW	24	37	
	2021-22	2022-23													
Stage 1 Complaints	271	341													
Stage 2 Complaints	31	46													
Complaints to PSOW	24	37													

**Principle C: Defining outcomes in terms of sustainable economic, social and environmental benefits.**



The long-term nature and impact of many of local government's responsibilities mean that it should define and plan outcomes and that these should be sustainable. Decisions should further the Authority's purpose, contribute to intended benefits and outcomes, and remain within the limits of authority and resources. Input from all groups of stakeholders, including citizens, service users and institutional stakeholders, is vital to the success of this process and in balancing competing demands when determining priorities for the finite resources available.

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
<p><b>Defining Outcomes</b></p>	<ul style="list-style-type: none"> <li>▪ Corporate Plan produced and reviewed annually in accordance with Local Government &amp; Elections (Wales) Act 2021 and 'Wellbeing Objectives' in Wellbeing of Future Generations (Wales) Act 2015.</li> <li>▪ Other strategic plans to support Corporate responsibilities e.g. Climate Change Plan, Welsh Language Plan etc.</li> <li>▪ Annual and Mid-year Performance Monitoring Reports.</li> <li>▪ Annual Self-Assessment Review.</li> <li>▪ Well-being Plan 2018-23 produced by Public Service Board (One Newport)</li> <li>▪ Service Plans reviewed annually by each Head of Service.</li> <li>▪ Monthly Performance and Financial</li> </ul>	<ul style="list-style-type: none"> <li>▪ Corporate Plan 2022-27 approved by Council in November 2022.</li> <li>▪ Other strategies updated in 2022/23 were Digital Strategy 2023-2027, Participation Strategy 2022-2026, Welsh Language Strategy 2022-2027 and Welsh in Education Strategic Plan 2022-2032.</li> <li>▪ Annual Self-Assessment Report 2022/23 to be published in October / November.</li> <li>▪ Mid-year review 2022/23 paused but replaced with Scrutiny review of new service plans to support new Corporate Plan.</li> <li>▪ 2022/23 End of Year Reviews to be completed in July 2023.</li> <li>▪ Performance and Planning Policy updated and finalised in June 2023.</li> </ul>	

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
	<p>Monitoring meetings held for each service area.</p> <ul style="list-style-type: none"> <li>▪ Corporate Performance and Planning Policy and Risk Management Policy.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Risk Management Policy to be updated in Autumn 2023.</li> <li>▪ New Regional PSB Well-being Planned in development. Launched in 2023/24</li> </ul>	
<p><b>Sustainable economic, social and environmental benefits</b></p>	<ul style="list-style-type: none"> <li>▪ Medium Term Financial Plan covering 3 financial years approved annually by Council.</li> <li>▪ Strategic Plan for Procurement 2020-2024</li> <li>▪ Corporate Plan 2022-2027</li> <li>▪ Climate Change Plan 2022-2027</li> <li>▪ FEIAs including Socio-Economic Duty.</li> <li>▪ Performance and Planning Policy and Risk Management Policy</li> <li>▪ Cabinet Reports and Scrutiny Reports</li> <li>▪ One Newport (PSB) / Marmot Principles (Fair Society Healthy Lives)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Developed an NCC Core List of TOMs (Themes, Outcomes &amp; Measures) for measuring Social Value delivery through Commissioning, Procurement and Contract Management and associated reporting. (Cabinet – March 2023)</li> </ul>	

**Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes.**



Local government achieves its intended outcomes by providing a mixture of legal, regulatory and practical interventions. Determining the right mix of these courses of action is a critically important strategic choice that local government has to make to ensure intended outcomes are achieved. They need robust decision-making mechanisms to ensure that their defined outcomes can be achieved in a way that provides the best trade-off between the various types of resource input while still enabling effective and efficient operations. Decisions made need to be reviewed continually to ensure that achievement of outcomes is optimised.

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
<p><b>Determining interventions</b></p>	<ul style="list-style-type: none"> <li>▪ Corporate Plan 2022-27.</li> <li>▪ PSB Well-being Plan 2018-22 and new one 2023-28.</li> <li>▪ Officer review of Welsh Government Legislation including Cabinet / Cabinet Member reports as necessary.</li> <li>▪ Scrutiny function.</li> <li>▪ Performance &amp; Planning Policy and Risk Management Policy.</li> <li>▪ Finance and Legal implications considered in all Council, Cabinet and Committee reports.</li> <li>▪ Options for decision making considered in all Council, Cabinet and Committee reports.</li> <li>▪ Council / Cabinet / Cabinet Member reports.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Transformation Plan will support delivery of the new Corporate Plan. New programmes and projects supported by improved business cases to enable evidence based decision making.</li> <li>▪ Annual Self-Assessment of performance and governance aligned with new Local Government &amp; Elections (Wales) Act 2021.</li> </ul>	

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
	<ul style="list-style-type: none"> <li>▪ Results of consultation exercises</li> <li>▪ Fairness Equality Impact Assessment process.</li> </ul>		
<b>Planning interventions</b>	<ul style="list-style-type: none"> <li>▪ Review of Public Engagement in Newport City Council.</li> <li>▪ Performance (Finance, Human Resources and service plans), Risks and strategic planning reported to Executive Board, CMT, DMT and service management teams.</li> <li>▪ Mid-year and End of Year performance reports to Scrutiny and Cabinet.</li> <li>▪ Quarterly reporting of performance and risk.</li> <li>▪ Annual budget setting process in place including consultation exercise.</li> <li>▪ Annual Service Plan review and updates.</li> <li>▪ Financial Regulations (2016).</li> <li>▪ Senior Management Structure.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Service plans updated in November / December 2022 subject to Scrutiny and Cabinet Member sign off.</li> </ul>	
<b>Optimising achievement of intended outcomes</b>	<ul style="list-style-type: none"> <li>▪ Quarterly Financial Monitoring reports to Cabinet.</li> <li>▪ Medium Term Financial Plan.</li> <li>▪ Budget consultation.</li> <li>▪ Mid-year and End of year performance reviews to Scrutiny and Cabinet.</li> <li>▪ Quarterly performance updates.</li> <li>▪ Service area Challenge Reviews and Deep Dive Reviews by Executive Board.</li> </ul>		<p>Establishment of an ‘assurance group’ to provide time and focus on:</p> <ul style="list-style-type: none"> <li>(i) Review of new capital projects for inclusion on the Capital Programme, including capital funds bidding.</li> <li>(ii) Review of progress in delivering capital projects and budget.</li> </ul>



**Principle E — Developing the entity's capacity, including the capability of its leadership and the individuals within it.**



Local government needs appropriate structures and leadership, as well as people with the right skills, appropriate qualifications and mindset, to operate efficiently and effectively and achieve their intended outcomes within the specified periods. A local government organisation must ensure that it has both the capacity to fulfil its own mandate and to make certain that there are policies in place to guarantee that its management has the operational capacity for the organisation as a whole. Because both individuals and the environment in which an authority operates will change over time, there will be a continuous need to develop its capacity as well as the skills and experience of the leadership of individual staff members. Leadership in local government entities is strengthened by the participation of people with many different types of backgrounds, reflecting the structure and diversity of communities.

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
<p><b>Developing the entity's capacity</b></p>	<ul style="list-style-type: none"> <li>▪ Governance structure to ensure leadership and governance arrangements in place.</li> <li>▪ Service planning process includes workforce planning.</li> <li>▪ Quarterly financial and performance reports to Cabinet.</li> <li>▪ Partnership &amp; collaborative working arrangements e.g. PSB, Regional working.</li> <li>▪ Graduate and apprenticeship schemes in place.</li> </ul>	<ul style="list-style-type: none"> <li>▪ New governance structure to support the 11 service areas.</li> <li>▪ Executive Board (Chief Executive / Strategic Directors).</li> <li>▪ Directorate Management Teams (Director and Heads of Service)</li> <li>▪ Service Management Teams (Heads of Service / Service Managers).</li> <li>▪ Restructures and service area redesigns ongoing to meet service users needs.</li> <li>▪ Internal Audit reviews highlighted weaknesses in control and as a result management have identified resourcing and resilience as a priority.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Understanding the workforce capacity and capability to deliver the Transformation Plan and Corporate Plan objectives.</li> </ul>

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
<p><b>Developing the capability of the entity's leadership and other individuals</b></p>	<ul style="list-style-type: none"> <li>▪ Regular performance review for all staff as part of Wellness at Work Policy.</li> <li>▪ Member/Officer Protocol in Constitution.</li> <li>▪ Scheme of Delegation published in Constitution.</li> <li>▪ Monthly One to One meetings are held involving the Leader, Cabinet Members, Chief Executive, Strategic Directors, Heads of Service and 3rd tier staff.</li> <li>▪ Councillor Training Programme developed based on a Training Needs Assessment.</li> <li>▪ Continual performance review for all staff under check-ins (iTrent).</li> <li>▪ Occupational Health and Wellness at Work policy exists with aim of promoting the health and wellbeing of all employees to enable them to achieve their full potential at work.</li> <li>▪ Action plans within Internal Audit reports.</li> <li>▪ Lessons Learnt – Central Accountancy / External Audit.</li> <li>▪ Graduate and apprenticeship schemes in place.</li> </ul>	<ul style="list-style-type: none"> <li>▪ People, Policy &amp; Transformation Service Plan Outturn.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Increase the number of required performance reviews/one to one meetings/return to work meetings/budget management forecasting which are completed.</li> </ul>

Principle F — Managing risks and performance through robust internal control and strong public financial management.



Local government needs to ensure that the organisations and governance structures that it oversees have implemented, and can sustain, an effective performance management system that facilitates effective and efficient delivery of planned services. Risk management and internal control are important and integral parts of a performance management system and crucial to the achievement of outcomes. Risk should be considered and addressed as part of all decision making activities. A strong system of financial management is essential for the implementation of policies and the achievement of intended outcomes, as it will ensure financial discipline, strategic allocation of resources, efficient service delivery and accountability. It is also essential that a culture and structure for scrutiny is in place as a key part of accountable decision making, policy making and review. A positive working culture that accepts, promotes and encourages constructive challenge is critical to successful scrutiny and successful delivery. Importantly, this culture does not happen automatically, it requires repeated public commitment from those in authority.

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
<b>Managing Risk</b>	<ul style="list-style-type: none"> <li>▪ Risk Management Policy in place including risk appetite statement.</li> <li>▪ Corporate / service area risks monitored every quarter.</li> <li>▪ Corporate Risk Register reviewed by the Executive Board and Directorate Management Teams.</li> <li>▪ Governance &amp; Audit Committee &amp; Cabinet reporting on risk once a quarter.</li> <li>▪ Risk Management integrated into Cabinet and Cabinet Member reports.</li> <li>▪ Annual Digital report presented to Overview Scrutiny Management</li> </ul>	<ul style="list-style-type: none"> <li>▪ New Risk Management Policy is in draft and will be finalised by Autumn 2023.</li> <li>▪ Corporate Risk Register Qtr1 2022-23 to G&amp;AC Sept 2022.</li> <li>▪ Corporate Risk Register Qtr2 2022-23 to G&amp;AC Jan 2023.</li> <li>▪ Corporate Risk Register Qtr3 2022-23 to G&amp;AC Mar 2023.</li> <li>▪ 2021/22 Digital Report to O&amp;SM July 2022.</li> <li>▪ 2021/22 Annual Information Risk Report to O&amp;SM Sept 2022.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Finalise and Implement new Risk Management Policy.</li> </ul>

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
	<p>Committee.</p> <ul style="list-style-type: none"> <li>▪ Regulatory bodies and Cabinet / senior officers annual risk assessment.</li> </ul>		
<b>Managing Performance</b>	<ul style="list-style-type: none"> <li>▪ Performance and Planning Policy is in place.</li> <li>▪ Performance against Corporate Plan reviewed annually (reported in Autumn).</li> <li>▪ Mid-Year Review and End of Year Review of service plan delivery with Scrutiny and Cabinet.</li> <li>▪ Quarterly performance reviews by Executive Board and Directorate Management Teams.</li> <li>▪ Service Plans and performance measures reviewed annually.</li> <li>▪ Scrutiny function</li> <li>▪ Other annual performance reports produced on subject topic areas and regulatory requirements.</li> <li>▪ Annual Report from Director of Social Services.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Performance and Planning Policy to be finalised in June 2023 following Scrutiny.</li> <li>▪ Internal Challenge Reviews and Deep Dives into service area performance and specific areas of underperformance, risk and areas of concern.</li> <li>▪ New annual performance reports on specific areas produced e.g. Climate Change Plan annual report, Digital Strategy annual report, Strategic Equalities and Welsh Language annual reports.</li> <li>▪ Director of Social Services Annual Report 2022/23 presented to Cabinet June 2023.</li> </ul>	
<b>Robust Internal Control</b>	<ul style="list-style-type: none"> <li>▪ Governance &amp; Audit Committee provide assurance on effectiveness of internal control, risk management and governance processes.</li> <li>▪ Governance &amp; Audit Committee Annual Performance Review</li> <li>▪ Governance &amp; Audit Committee Annual Report to Council.</li> <li>▪ Anti-Fraud, Bribery and Corruption Policy (Cabinet April 2021)</li> <li>▪ Role of Internal Audit Section (Internal Audit Charter)</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2021/22 IA Annual Report presented to G&amp;AC 26<sup>th</sup> May 2022.</li> <li>▪ 2022/23 Revised IA Plan presented to G&amp;AC 28<sup>th</sup> July 2022.</li> <li>▪ Qtr1 2022/23 Progress v Plan presented to G&amp;AC 29<sup>th</sup> September 2022.</li> <li>▪ Qtr2 2022/23 Progress v Plan presented to G&amp;AC 27<sup>th</sup> October 2022.</li> <li>▪ Qtr3 2022/23 Progress v Plan presented to G&amp;AC 26<sup>th</sup> January</li> </ul>	<ul style="list-style-type: none"> <li>▪ Refer to Principle A actions (4, 5)</li> </ul>

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
	<ul style="list-style-type: none"> <li>▪ Annual IA Plans approved by Governance &amp; Audit Committee.</li> <li>▪ Annual IA Reports &amp; quarterly Plan v Progress reports to Governance &amp; Audit Committee.</li> <li>▪ G&amp;AC Call in of Unfavourable audit opinions.</li> <li>▪ All waivers of Contract Standing Orders and urgent decisions are reported through the Governance &amp; Audit Committee quarterly.</li> <li>▪ Annual Governance Statement</li> <li>▪ Financial Regulations (2016)</li> <li>▪ Contract Standing Orders (2020)</li> </ul>	<p>2023.</p> <ul style="list-style-type: none"> <li>▪ Call ins of unfavourable audit opinions to G&amp;AC during 2022/23.</li> </ul>	
<b>Managing data</b>	<ul style="list-style-type: none"> <li>▪ Data Protection Policy (2019)</li> <li>▪ Information Governance Group in place.</li> <li>▪ Senior Information Risk Officer (SIRO) in place.</li> <li>▪ Information Asset Register</li> <li>▪ Information sharing guidance published.</li> <li>▪ Information Risk Policy</li> <li>▪ Annual Information Governance report to Governance &amp; Audit Committee and Cabinet.</li> <li>▪ Freedom of Information and Subject Access Request policies and procedures.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2021/22 Annual Information Risk Report to O&amp;SM Sept 2022.</li> </ul>	

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
<p><b>Strong public financial management</b></p>	<ul style="list-style-type: none"> <li>▪ Financial Regulations (2016) in Constitution</li> <li>▪ Contract Standing Orders (2020) in Constitution</li> <li>▪ Accounting Instructions on Intranet.</li> <li>▪ Treasury Management Strategy &amp; Annual Outturn Report</li> <li>▪ Capital Strategy (inc Capital Programme)</li> <li>▪ Capital Strategy Asset Management Group (CSAMG)</li> <li>▪ Monthly monitoring and reporting of service area budgets.</li> <li>▪ Monitoring reports presented to Executive Board, DMT, CMT and service area management teams.</li> <li>▪ Peer / challenge reviews on finance / budget setting.</li> <li>▪ Revenue Budget Monitor &amp; Capital Reports to Cabinet.</li> <li>▪ Regular reporting on NCC response to External Pressures impacting Council Services (cost of living crises)</li> </ul>	<ul style="list-style-type: none"> <li>▪ Half yearly report on Treasury Management for 2022/23 presented to G&amp;AC Oct 2022.</li> <li>▪ Treasury Management Outturn Report 2022/23 presented to Cabinet June 2023.</li> <li>▪ New five year Capital Programme from 2023/24.</li> <li>▪ People Services Capital Board</li>   <li>▪ Monthly update to Cabinet members on the key pressures facing our communities, businesses, and council services, along with updates on how we are working collaboratively with our partners to help support our residents.</li> </ul>	

**Principle G: Implementing good practices in transparency, reporting and audit to deliver effective accountability.**



Accountability is about ensuring that those making decisions and delivering services are answerable for them. Effective accountability is concerned not only with reporting on actions completed but also ensuring that stakeholders are able to understand and respond as the organisation plans and carries out its activities in a transparent manner. Both external and internal audit contribute to effective accountability.

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
<b>Implementing good practice in transparency</b>	<ul style="list-style-type: none"> <li>▪ Report templates exist to ensure consistency in reports.</li> <li>▪ Annual Reports and Self-Assessment of Governance and performance arrangements.</li> <li>▪ NCC Transparency Webpage.</li> </ul>		
<b>Implementing good practices in reporting</b>	<ul style="list-style-type: none"> <li>▪ Annual Statement of Accounts audited by external auditor and approved by Council.</li> <li>▪ NCC Code of Corporate Governance based on CIPFA/SOLACE Framework 2016 (2020/21)</li> <li>▪ Annual Governance Statement as part of the Statement of Accounts.</li> <li>▪ Annual Self-Assessment of Performance.</li> <li>▪ Annual Performance report</li> <li>▪ 6 monthly service plan reviews and reports to Scrutiny and Cabinet.</li> </ul>	<ul style="list-style-type: none"> <li>▪ 2021/22 Statement of Accounts to G&amp;AC Jan 2023. Late sign off, mainly due to external factors.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Timely sign off of 2022/23 Statement of Accounts.</li> </ul>

Sub-Principles	What is in place to support this?	Evidence / Updates 2022/23	Further Action(s) to improve
	<ul style="list-style-type: none"> <li>▪ Annual reports to Scrutiny and Cabinet.</li> </ul>		
<p><b>Assurance and effective accountability</b></p>	<ul style="list-style-type: none"> <li>▪ External Audit provided by Audit Wales.</li> <li>▪ Six monthly report on Audit Wales and Regulatory activity to Governance &amp; Audit Committee.</li> <li>▪ Performance of Internal Audit Section monitored by Governance &amp; Audit Committee.</li> <li>▪ Internal Audit annual report to Governance &amp; Audit Committee.</li> <li>▪ Internal management structure / governance arrangements:               <ol style="list-style-type: none"> <li>I. Executive Board (Chief Exec &amp; Directors)</li> <li>II. Corporate Management Team (Chief Exec / Directors / Heads of Service)</li> <li>III. Directorate Management Teams (Directors and Heads of Service)</li> </ol> </li> <li>▪ Annual Governance Statement</li> <li>▪ Regular meetings with Audit Wales between Leader / Chief Exec and Exec Board.</li> <li>▪ Annual meeting between external regulators and Cabinet / Senior Officers.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Audit Wales &amp; Regulatory Bodies 6mth update to G&amp;AC Jan 2023. (Apr-Dec 2022)</li> <li>▪ Regular Progress Against Audit Plan reports to G&amp;AC during 2022/23.</li> <li>▪ Regular meetings of Exec Board / CMT / DMT's during 2022/23.</li> </ul>	



## SECTION 11: Annual Governance Statement 2022/23 – Action Plan (June 2023)

Based on the review of the governance framework, the following issues need to be addressed during 2023/24 to further improve and strengthen the governance arrangements and their effectiveness going forward.

Action No.	Issue / Action	Principle	Lead Directorate / Service Area	Start Date	Anticipated Completion Date
1	Communicate the revised Code of Corporate Governance to all jointly managed and shared service organisations and that assurance on compliance is received for the Annual Governance Statement.	C/F from previous action plan	Transformation & Corporate Finance	1 <sup>st</sup> April 2023	31 <sup>st</sup> March 2024
2	Transformation approach under development June 2023. The first programmes have commenced and new project management documentation is being reviewed. Clear owners (SROs) are established for the programme, and the escalation is to Executive Board.  Planning and Performance Policy update reviewed by <a href="#">Scrutiny</a> and Cabinet Member report will go through the democratic process June 2023.	C/F from 2021/22 action plan	Transformation & Corporate People, Policy & Transformation	Ongoing	31 <sup>st</sup> March 2024
3	Launch / Introduce new People Plan.	A – Behaving with Integrity	Transformation & Corporate People, Policy & Transformation	1 <sup>st</sup> April 2023	31 <sup>st</sup> December 2023
4	Development of a Fraud Risk Assessment.	A – Behaving with Integrity	Transformation & Corporate Finance	1 <sup>st</sup> July 2023	31 <sup>st</sup> March 2024

Action No.	Issue / Action	Principle	Lead Directorate / Service Area	Start Date	Anticipated Completion Date
5	Review Counter Fraud arrangements and strengthen reporting in this area.	A – Behaving with Integrity	Transformation & Corporate Finance	1 <sup>st</sup> July 2023	31 <sup>st</sup> March 2024
6	NCC Code of Corporate Governance to be reviewed / updated.	A – Behaving with Integrity	Transformation & Corporate Finance Law & Standards	1 <sup>st</sup> July 2023	31 <sup>st</sup> March 2024
7	Understanding the workforce capacity and capability to deliver the Transformation Plan and Corporate Plan objectives.	E – Developing the Entity's Capacity	Transformation & Corporate People, Policy & Transformation	1 <sup>st</sup> April 2023	31 <sup>st</sup> December 2023
8	Finalise and Implement new Risk Management Policy.	F – Managing Risk	Transformation & Corporate People, Policy & Transformation	1 <sup>st</sup> April 2023	31 <sup>st</sup> December 2023
9	Timely sign off of 2022/23 Statement of Accounts.	G – Implementing Good Practices in Reporting	Transformation & Corporate Finance	1 <sup>st</sup> April 2023	30 <sup>th</sup> November 2023
10	Establishment of an 'assurance group' to provide time and focus on: (i) Review of new capital projects for inclusion on the Capital Programme, including capital funds bidding. (ii) Review of progress in	D - Optimising achievement of intended outcomes	Transformation & Corporate Finance	1 <sup>st</sup> October 2023	Ongoing

Action No.	Issue / Action	Principle	Lead Directorate / Service Area	Start Date	Anticipated Completion Date
	delivering capital projects and budget.				
11	Increase the number of required performance reviews/one to one meetings/return to work meetings/budget management forecasting which are completed.	E - Developing the capability of the entity's leadership and other individuals	Corporate Management Team (CMT)	1 <sup>st</sup> April 2023	Ongoing

## 11 Conclusion

- 11.1 In conclusion during 2022/23 there were no significant internal control or governance issues which impacted on the overall review of effectiveness. There are effective governance arrangements in place at Newport City Council with actions to improve identified. This will be monitored and reviewed during 2023/24 to ensure effective arrangements are maintained.

Signed: .....Date..... 2023

**Councillor Jane Mudd, Leader of Newport City Council**

Signed: ..... Date..... 2023

**Beverly Owen, Chief Executive of Newport City Council**