

1. Corporate Governance

- 1.1 Corporate governance is the systems, processes, culture and values by which the council is directed and controlled, and the activities through which it is accountable to, engages with and leads the West Lothian community. It comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved. To deliver good governance in the public sector, both governing bodies and individuals working for public sector entities must try to achieve their entity's objectives while acting in the public interest at all times. Acting in the public interest implies primary consideration of the benefits for society, which should result in positive outcomes for service users and other stakeholders.
- 1.2 The council, through all 33 of its members, has overall responsibility for good governance arrangements – for establishing its values and principles and culture, for ensuring the existence and review of an effective governance framework, and for putting in place monitoring and reporting arrangements. In practice, the council to a large extent entrusts the delivery of those tasks to committees and to appropriate council officers. That delegation does not remove or avoid the responsibility of all the council's elected members for governance.
- 1.3 In the council's Corporate Plan 2018/19 to 2022/23 "Transforming Your Council" (13 February 2018) the place of corporate governance as an "enabler" is recognised and established. Along with risk management, financial planning and modernisation and improvement it is one of the essential back-office corporate services necessary to assist the setting, monitoring, achievement and reporting on corporate priorities and outcomes. The Corporate Plan acknowledges the wide understanding that good governance promotes good decision-making. The Corporate Plan also identified eight general areas of focus on governance as an enabler to achievement of the Plan's proposed outcomes.
- 1.4 The governance framework is made up of corporate documents, policies and procedures which are designed to guide and assist the council in doing its business in accordance with the law and with proper standards and principles; ensuring that public money is safeguarded and used economically, efficiently and effectively; and fulfilling its statutory duty to secure best value.
- 1.5 All of the council's decision-making is carried out within the framework of its Standing Orders. They are made up of:-
- Standing Orders for the Regulation of Meetings governing the way Council, Committee and Policy Development and Scrutiny Panel meetings are arranged, convened and run
 - Scheme of Administration containing the remits and powers of all the bodies in the structure in which elected members are involved
 - Scheme of Delegation to Officers setting out the responsibilities and powers allocated to senior officers by elected members
 - Standing Orders for Contracts and Corporate procurement procedures which control the council's procurement activity
 - Financial Regulations which set the rules and procedures for financial, budget and treasury management
- 1.6 All these documents are subject to review, at least once in each administrative term, but in practice are reviewed and refreshed on a more frequent basis as circumstances require.

2. System of internal control

- 2.1 A significant part of the council's governance framework is its system of internal control (financial and other). It is an ongoing process designed to identify risks to the achievement of the council's objectives; to evaluate the likelihood of those risks occurring; to consider the potential impact of the risks; and to manage them effectively. Those controls can never eliminate risk or failure to achieve objectives entirely – they can only provide reasonable and not absolute assurance. The design, development and management of the system of internal control is undertaken by managers within the council.
- 2.2 The system of internal financial control is designed to provide assurance on the effectiveness and efficiency of operations and the reliability of financial reporting. It is based on a framework, which includes financial regulations and a system of management supervision, delegation and accountability, supported by regular management information, administrative procedures and segregation of duties. Its key elements include a documented internal control framework relating to financial processes, procedures and regulations; a comprehensive budgeting and monitoring framework; scrutiny of periodic and annual financial and operational performance reports; performance management information; and project management disciplines.

2.3 Reporting to members on the effectiveness of the system of internal control is a statutory requirement carried out by the Audit, Risk and Counter Fraud Manager in his Internal Audit Annual Report to committee in June each year. Its consideration precedes and informs this statutory annual governance statement which requires approval by the council and incorporation into the annual accounts and financial statements.

2.4 Following his review for 2017/18 his conclusion is that the framework of governance, risk management and control is generally sound. Based on internal audit investigations and reports throughout the year he has identified areas where improvements could be made and confirmed that recommendations would be followed up and reported as required. Of those, two areas were identified where the conclusion was that control was unsound – procurement business case exemptions and the administration of school medication. Both were reported to Audit Committee and will be followed up by further reports in 2018/19.

3. Council elections

3.1 Local government elections were held in Scotland on 4 May 2017. West Lothian Council is a council of nine electoral wards and 33 councillors. Those elected were made up of 13 SNP members, 12 Labour members, 7 Conservative members and 1 Independent member.

3.2 The statutory first council meeting was held on 11 May 2017, and adjourned on two occasions before its business was completed at a special meeting on 25 May. The legal requirement to elect a convenor (Provost) was met and a minority Labour administration was established. The Leader of the Council was elected along with 8 Executive Councillors (portfolio holders in relation to council services) and chairs and vice-chairs of all other committees. Senior councillor payments were agreed. Those appointments and payments remained unchanged at the end of 2017/18.

4. Decision-making and scrutiny arrangements

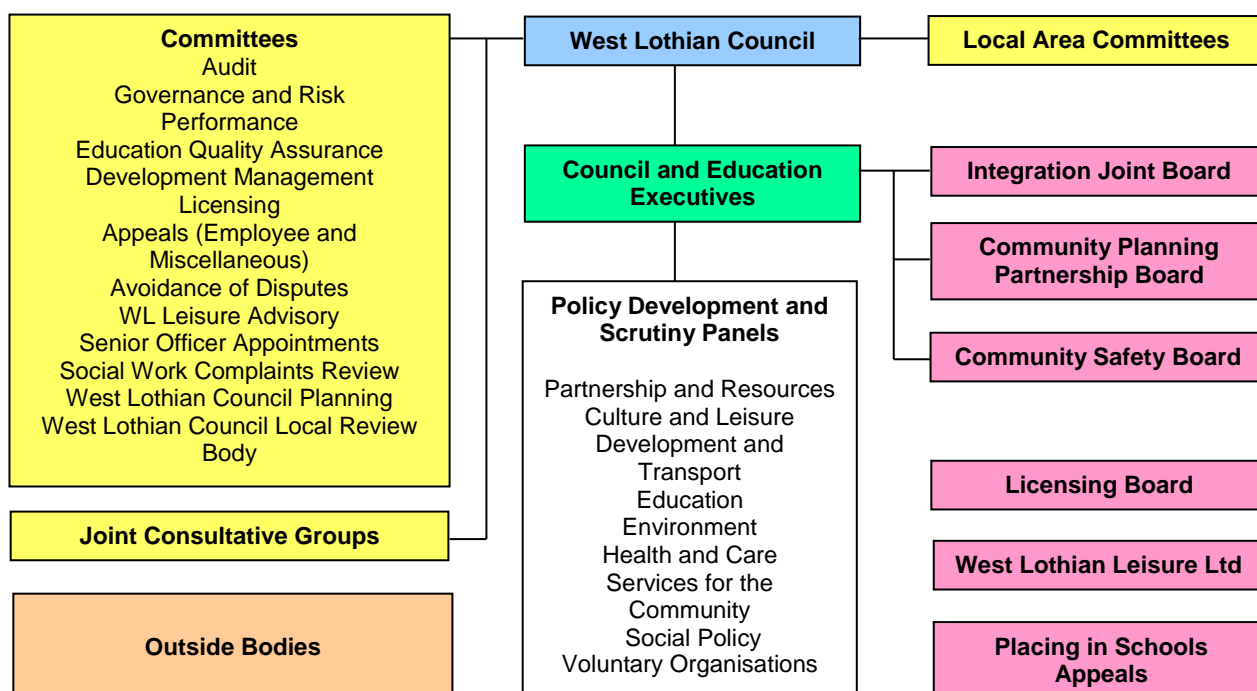
4.1 The council has a well-established framework of committees and working groups. The various bodies and their remits and powers are set out in the Scheme of Administration which is part of the council's Standing Orders. Standing Orders can only be changed at a meeting of full council. The committee structure is supported by a complementary Scheme of Delegations to officers which sets out the responsibilities and decision-making powers that council has delegated to officers. That too is part of Standing Orders and is updated every three months to reflect changes agreed at council and its committees.

4.2 The committee structure in place at the end of 2016/17 was reported for review and adoption to the council at its first statutory meeting following the local government elections in May 2017. Council adopted those existing arrangements and instructed officers to review specific aspects of it.

4.3 That review was reported on 7 June 2017 and led to changes to some scrutiny arrangements. Other changes have been made in the course of 2017/18 in response to the external audit report and the Accounts Commission Best Value Assurance Report for the council. Two new committees were added and the remit and powers of West Lothian Leisure Advisory Committee were reviewed.

4.4 The structure in place at the end of 2017/18 follows. It consists of two main decision-making committees (Council Executive and Education Executive). Proposed policy changes are considered first at one of nine Policy Development and Scrutiny Panels. There are a number of regulatory and appeals committees. There is one local area committee for each ward to focus ward issues. Scrutiny is carried out through Audit Committee, Governance and Risk Committee, Performance Committee and Education (Quality Assurance) Committee. The Council meets every 8 weeks to deal with reserved matters and political debate and scrutiny.

Decision Making Structure



5. Principal changes

- 5.1 The remit of the Audit and Governance Committee was divided. Two new committees were established in its place – Audit Committee and Governance and Risk Committee. This reflected the council's view of the significance of risk management to achieving the council's goals and outcomes, and the need for greater involvement in the scrutiny of risk by members. Those committees have met separately since June 2017.
- 5.2 The positions of chair of these two committees have been reserved in Standing Orders for members who are not part of the ruling administration political group, to achieve a greater separation of political control and scrutiny. (Although not formally stated in Standing Orders, the positions of chair of Performance Committee and Education Quality Assurance Committee (EQAC) have been for several years and are still held by a member from outwith the administration group).
- 5.3 During the year, the remit and powers of West Lothian Leisure Advisory Committee were reviewed. This is the scrutiny committee through which the council's relationship with West Lothian Leisure Ltd., its only ALEO, is monitored. Its remit, powers and reporting arrangements were reviewed in 2017/18 and strengthened at full council on 22 May 2018. The Scheme of Administration was at the same time amended to require membership of the committee and the Board of Directors of West Lothian Leisure Ltd. to be kept entirely separate, applying Standards Commission advice and comment by the council's external auditors.
- 5.4 Following development and review during the year, two new committees were added to the Scheme of Administration to reflect the requirements for asset transfer requests in the Community Empowerment (Scotland) Act 2015.
- 5.5 On 13 February 2018 council instructed officers to carry out a review of its decision-making. That review is ongoing and was reported to PDSP on 24 August 2018 as the first stage in the committee process.

6. Management structure

- 6.1 The council's services are managed through its Executive Management Team, comprised of the Chief Executive, three Deputy Chief Executives and the Head of Finance and Property Services. Those officers and seven Heads of Service form the Corporate Management Team. Each service has a Senior Management Team and other managers and teams within its structure. The service management structure is as follows.



- 6.2 In addition to and linking across its service structure the council's management is carried out through Executive Boards, Project Boards and Working Groups with defined remits and membership to reflect the remit and aims of the body concerned.
- 6.3 The council in February 2018 established a Business Transformation Team, made up of senior council officers seconded from across its service areas. They are managed by a Deputy Chief Executive and their task is the project management of the transformational change required to deliver on the council's Corporate Plan objectives and priorities and its long-term financial plan.

7. Audit Committee

- 7.1 The committee's remit includes undertaking a corporate overview of the council's control environment, developing an anti-fraud culture to ensure the highest standards of probity and public accountability, and evaluating the arrangements in place for securing the economical, efficient and effective management of the council's resources. It considers annual reports by Audit, Risk and Counter Fraud Manager which provide an opinion and assurance on the overall adequacy and effectiveness of the council's control framework. It monitors the independence and effectiveness of the Audit, Risk and Counter Fraud Unit. It is given assurance in relation to non-internal audit functions managed by the Audit, Risk and Counter Fraud Manager through the internal audit manager of Falkirk Council. The committee includes one non-councillor member recruited for a three-year tenure. That member is entitled to the same papers and reports as councillor members of the committee and brings a different non-council and non-councillor perspective to the work of the committee.
- 7.2 The committee meets four times each year. Reports by the Audit, Risk and Counter Fraud Manager are presented and considered in public unless there is clear legal justification for excluding the public. The outcome of internal audit and counter-fraud investigations judged to be significant are reported. They express an opinion as to whether controls are satisfactory or require improvements. They set out improvement actions which have been agreed with relevant managers. The findings, actions and times for completion are presented for committee approval. The committee periodically receives a report by the Audit, Risk and Counter Fraud Manager in relation to agreed actions which have been reported to committee but which have not been fulfilled timeously.
- 7.3 The committee deals with reports from the council's external auditors. It receives the External Audit Annual Plan which informs the council of the work to be undertaken in the course of the year, the extent to which the external auditors are able to rely on the work of Internal Audit and the extent of additional risk-based external scrutiny through the Local Area Network. The external auditor's annual report on the council's accounts and financial statements are referred to the committee by council after it approves the audited accounts for signature.

- 7.4 The committee also considers reports issued by the Accounts Commission and/or Audit Scotland in relation to the council or local government as a whole. It can consider those reports from the councillors' perspective and recommend any action which it considers should be taken in response.

8. Governance and Risk Committee

- 8.1 The committee's remit includes undertaking a corporate overview of the council's corporate governance and risk management arrangements, reviewing policies and practices in operation to ensure compliance with governance statutes, directions, standards and codes, developing a culture within the council of good corporate governance, risk awareness and risk management, and reviewing the council's strategy and systems for the management of risk and relevant reporting arrangements and ensuring they are adequate and cost effective. It considers reports from the Governance Manager and Audit, Risk and Counter Fraud Manager in relation to matters within its remit.
- 8.2 The committee meets at least four times each year. It receives reports on a rota basis from services on their risk management arrangements. It considers a report at every meeting on the council's high risks and on health and safety incident reporting. It examines ad hoc risk and governance issues, such as cyber-security risks. It now considers risk reports from the council's external risk advisers, Gallagher and Bassett. It is charged with approving the annual governance statement after considering the Audit, Risk and Counter Fraud Manager's review of the system of internal control. That was done at its meeting on 18 June 2018.
- 8.3 As an action arising from the external audit report for 2017/18 the committee conducted a self-assessment exercise to inform its development and progress. The same exercise will be carried out each year as part of the committee work plan and has also been applied to Audit Committee.

9. Other scrutiny arrangements

- 9.1 The council deals with the remainder of its scrutiny function by members in three places – Policy Development and Scrutiny Panels (PDSPs), Performance Committee and Education (Quality Assurance) Committee.
- 9.2 Policy Development and Scrutiny Panels are working groups of members and representatives from external community bodies. They consider quarterly performance reports from the service areas included in their remit. The reports are drawn from the council's well-established performance monitoring and reporting system (Pentana) and reports are presented with graphs, charts and RAG analysis together with explanatory commentary. Members and external representatives are able to question officers on service performance and make recommendations to them about improvement actions.
- 9.3 The Performance Committee is established to consider the performance of service units against the council's performance appraisal system, the West Lothian Assessment Model (WLAM). It receives written reports presented at public committee meetings by senior service managers and can question them and make recommendations to them about improvement actions.
- 9.4 The Education (Quality Assurance) Committee carries out a scrutiny role solely in relation to schools' performance and internal and external assessment reports. The committee includes the non-councillor members appointed by the council in relation to its education function. Representatives from the relevant school's Parent Council are invited to attend and take part in the committee's meetings.
- 9.5 Arising from the council's Best Value Assurance Report a review was to be undertaken of the overall arrangements for reporting and monitoring of corporate and service financial and service performance. That review was commenced in February 2018 and was completed by 30 June 2018. Progress was reported to Audit Committee on 25 June 2018.

10. Code of Corporate Governance

- 10.1 The council's governance arrangements are now monitored and reviewed and reported in accordance with statutory requirements and under a Framework and guidance for Scotland called "Delivering Good Governance in Local Government", produced by CIPFA/SOLACE in 2016. Its annual governance statement in 2016/17 was produced in accordance with the Framework and for 2017/18 a new Local Code of Corporate Governance has been developed and adopted under that Framework and Guidance as well.
- 10.2 The Code adopts the seven over-arching principles from the Framework which are
- Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
 - Ensuring openness and comprehensive stakeholder engagement
 - Defining outcomes in terms of sustainable economic, social, and environmental benefits

- Determining the interventions necessary to optimise the achievement of the intended outcomes
- Developing the entity's capacity, including the capability of its leadership and the individuals within it
- Managing risks and performance through robust internal control and strong public financial management
- Implementing good practices in transparency, reporting, and audit to deliver effective accountability

10.3 Each of those principles is broken down into sub-principles and then separate elements to allow a more focused approach to the components of each. A list of sources of evidence has been added and the council's actions and performance over the year are assessed to determine where the council exceeds, meets or fails to meet the required standards. Areas of concern are picked out and reported on through the annual reporting process. Actions are identified and allocated and progress monitored through committee.

10.4 The Code and the assessment process in 2017/18 will be different to those used in recent previous years. There is the potential for some loss of ability to compare in detail and on a like-for-like basis to previous years. That is inevitable in making the transition to the new Code but careful analysis will still be able to identify any trends or longer-term issues.

10.5 The Code is used to inform the drafting and approval of the annual governance statement through the Governance and Risk Board and Governance and Risk Committee. It is reported on in detail to members at Council Executive in the autumn after consideration by the Corporate Management Team. It is then published and considered in more detail, with any recommendations from officers and Council Executive, and agreed actions are monitored throughout the rest of the reporting year.

11. Compliance statements

11.1 A set of compliance statements is produced to sit alongside the Code and also inform the drafting and approval of the annual governance statement. They deal with compliance with the law and with the council's corporate policies, procedures and practices of significance to good governance. They are prepared after consultation with services and senior officers and take into account oversight by external bodies of the council's compliance. They are signed by the responsible senior officer. They are designed to bring to the attention of elected members any incidents of non-compliance which are significant to the council's operations and which are not reported elsewhere in a systematic way.

11.2 They cover the following areas of activity:-

- Best Value Framework - Head of Finance and Property Services
- Procurement - Head of Corporate Services
- Fraud and Corruption - Head of Finance and Property Services
- Employee Whistleblowing - Head of Finance and Property Services
- Discipline and Grievances - Head of Corporate Services
- Occupational Health and Safety - Head of Corporate Services
- Protection of Vulnerable Groups - Head of Corporate Services
- Information Security - Head of Corporate Services
- Public Sector Equality Duty - Head of Corporate Services
- Breaches of the law - Monitoring Officer

11.3 The statement by the Monitoring Officer is particularly important since the Monitoring Officer is one for the four statutory officer posts charged with ensuring the council's compliance with its statutory duties and responsibilities and reporting on any breaches of the law which are significant to the operation of the council.

11.4 Separate and stand-alone reporting is carried out annually on the Councillors' Code of Conduct and Freedom of Information. In previous years a Compliance Statement was produced for Covert Surveillance and Accessing Communications Data. Following an external inspection in 2016, a new policy and reporting arrangements were put in place during 2017/18. As a result that will now also be undertaken through stand-alone reports to Partnership and Resources PDSP.

12. Officer activity

- 12.1 The council is required by legislation to operate a professional and objective internal audit service. The Audit, Risk and Counter Fraud Unit includes internal audit which is an independent appraisal function which examines and evaluates systems of financial and non-financial control. Internal audit operates in accordance with the "Public Sector Internal Audit Standards: Applying the IIA International Standards to the UK Public Sector" (PSIAS). An annual audit plan is prepared based on an assessment of risk and is approved by the Audit and Governance Committee. Internal audit reports are issued to the committee in relation to the outcome of significant proactive and reactive reports. Reports are issued in the name of the Audit, Risk and Counter Fraud Manager who has the right, when deemed necessary, of direct access to the Chief Executive. His position complies with the terms of the CIPFA Statement on the Role of Internal Audit (2010). There is annual reporting to the committee of internal audit activities and to give assurance about the independence, effectiveness and soundness of the service.
- 12.2 Legislation requires the council to appoint a Chief Financial Officer. That role is to be performed to conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015) as set out in the Delivering Good Governance in Local Government: Framework. It sets out the requirement for the Chief Financial Officer to be professionally qualified and sets out the criteria for qualification. The council's Head of Finance and Property Services is the council's Chief Financial Officer. He operates in accordance with the council's Financial Regulations and Treasury Management Plan, and reports regularly to members on revenue and capital budgetary performance and compliance. The role is undertaken in accordance with the relevant statutory rules, guidance and standards.
- 12.3 Risk Management is overseen by the Audit, Risk and Counter Fraud Manager. It is embedded at Executive and Corporate Management team level as well as in service management teams across the council. Management teams monitor, assess and mitigate risk as a matter of routine at their meetings. The process is managed through Pentana.
- 12.4 The council's counter fraud activities are managed by the Audit, Risk and Counter Fraud manager. The service is operated in accordance with the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption (2014). The unit is responsible for the council's whistleblowing hotline and for dealing with information from there and other sources relevant to fraud or corruption. It also administers the council's participation in the National Fraud Initiative.
- 12.5 The Audit, Risk and Counter Fraud Manager presents annual plans for each of these three services to committee in February/March each year for approval. He presents an interim and then year-end report for each, summarising activity, performance and completion on the annual plans. The council's external audit and Best Value Assurance Reports commented on the potential for conflict of interest where these services are managed by the same officer. The council's response was that the risk was recognised and mitigated by management who ensured that the risk management process is audited externally as part of a partnership arrangement with another council. The view of the council's Corporate Management Team is that the arrangements for management of risk have improved significantly since responsibility for risk was combined with internal audit. A review was undertaken by officers in the course of the year to ensure mitigating actions are identified and implemented.
- 12.6 Governance and risk management are supervised on the officer side of the council by the Governance and Risk Board. It is chaired by a Deputy Chief Executive and its members include the Monitoring Officer, the Audit Risk and Counter Fraud Manager, the Governance Manager, the Chief Solicitor and senior managers from across the council's service areas. It receives reports from officer working groups on risk and corporate governance, and monitors corporate and high risks. It considers the annual report on corporate governance and the compliance statements before they are presented to committee. It provides an effective control and conduit for risk and governance issues and matters of concern.
- 12.7 Management teams also routinely monitor their performance through Pentana, utilising the high-level performance indicators which are reported publicly as well as lower level management performance indicators. Services are divided into WLAM units which report on an agreed cycle to a panel chaired by the Chief Executive. It considers the evidence presented and allocates a score. The service unit then proceeds to report to the Performance Committee.

13. External reports

- 13.1 The external audit report made a series of recommendations in relation to governance. Actions were agreed by council and taken forward by officers and in some cases led to further reports and decisions by council. Progress and completion were recorded and monitored through Pentana and by monitoring reports to Audit Committee. Completion was on track at the year-end. A report on progress and completion was made to Audit Committee on 25 June 2018.

13.2 The council's statutory Best Value Assurance Report was conducted and completed during the year. The Accounts Commission's recommendations were accepted. Some related to governance issues. Actions were agreed and a summary of those agreed with the Commission before appearing in a public notice in February 2018. They were monitored through Pentana and by reports to Audit Committee. Completion was on track and a report to Audit Committee on 25 June 2018 confirmed the up-to-date position.

13.3 The Local Scrutiny Plan 2017/18 confirmed that the Local Area Network had identified no risks for detailed scrutiny. A joint inspection was carried out and reported during the year of Children's and Young People's Services.

14. Matters of concern from 2016/17 – progress and completion

14.1 Members' training is an issue that has featured intermittently in governance reporting in previous years. In 2016/17 the local government elections provided a focus through the post-election induction programme for members. The programme had been assembled by a working group that met between September 2016 and May 2017. The programme was delivered over the three weeks following the elections. It dealt with generic issues for all councillors as well as more specific sessions those with additional responsibilities. Training was compulsory for regulatory committee members. Follow-up and repeat sessions were given where required. Favourable feedback was received along with topics for future sessions. Other sessions were delivered throughout the rest of the year on topics such as Code of Conduct, planning, and equality impact assessments. Five days have been formally identified in the Calendar of Meetings for members' training. Officers consider that some momentum has been achieved and will engage with members to maintain it.

14.2 The transition onto the 2016 CIPFA/SOLACE Framework of Governance was achieved through reports to the Governance and Risk Board, Corporate Management Team, Governance and Risk Committee and Council Executive. The use and assessment against the Code have been streamlined and simplified.

14.3 The areas in which control was noted in last year's Statement to be unsound were addressed through Audit Committee reporting as follows:-

- Information security breaches – a follow-up report to committee by the Head of Corporate Services confirmed that actions had been completed. Further follow up work will be undertaken by internal audit during 2018/19
- Grants to voluntary organisations – areas of weakness were reported to committee with completion of the outstanding actions to be monitored and reported through future reporting to committee. The Head of Planning, Economic Development and Regeneration provided a follow up report on progress to the committee which stated that the issues raised by the internal audit report had been addressed. Further follow up work will be undertaken by internal audit during 2018/19
- Information asset register - a follow-up report to committee confirmed that control remained unsound. Further follow up work will be undertaken by internal audit during 2018/19
- Procurement business case exemptions – the internal audit report was reported to committee and outstanding actions are due to be followed up by internal audit during 2018/19.

15. Governance issues arising in 2017/18

15.1 The risks associated with political change and uncertainty as a result of the local government elections in May 2017 had been recognised in last year's statement. The working group which met between September 2016 and May 2017 played a key part in preparing the way for a successful transition. The post-election statutory requirements were completed timeously. The council was able to resume its normal calendar of meetings by 26 May 2017.

15.2 A procedure was agreed and implemented for a public consultation on savings and efficiencies and was reported through PDSP and committee. In the course of that procedure additional steps were added to improve member involvement and public awareness. The council was able to place reliance on the whole process when timeously setting its council tax and budgets for the year and in addition successfully approving detailed budgets for two further years and financial plans for the following two, through until 2023.

15.3 The council's Best Value Assurance Report was dealt with in accordance with statutory requirements.

15.4 Financial difficulties experienced by West Lothian Leisure Ltd. were managed through strengthened monitoring arrangements at officer and member level. More focused financial reporting was made to West Lothian Leisure Advisory Committee. Special meetings of that committee and Council Executive were held to ensure appropriate decisions were taken by members and financial measures approved.

- 15.5 Agreement was reached during the year on the council's participation in a joint committee to govern the City Region Deal. Formal approval was given by full council on 22 May 2018.
- 15.6 The administration of and reporting to the Audit Committee and Governance and Risk Committees has been developed and has become well-established. Both operate to work plans for year ahead and both have carried out self-assessment exercises to identify ways in which improvements can be made.
- 15.7 Governance arrangements have been established for participation requests and asset transfer requests under the Community Empowerment (Scotland) Act 2015. Proposals are to be brought forward for participatory budgeting (Community Choices) in 2018/19.
- 15.8 A cross-service working group has met during the year, and continues to meet, to deal with the General Data Protection Regulation and Data Protection Act 2018.
- 15.9 Control was found to be unsound in two areas reported to Audit Committee. Those were in relation to exemptions from the council's Standing Orders for Contracts and the administration of medication in schools.
- 15.10 A breach of Standing Orders for Contracts was identified in relation to the procurement of accommodation required to meet the council's homelessness duties. It was addressed through the service and the Procurement Board.
- 15.11 The council omitted to obtain an appropriate HMO licence for a homelessness unit, and the failure was remedied by a retrospective application and grant of licence.
- 16. Matters to be considered in 2018/19**
- 16.1 The development and the implementation of community empowerment measures will be significant. Proposals for Community Choices will have to have appropriate regard to Following the Public Pound whilst complying with the legislation and meeting community aspirations.
- 16.2 The review of the council's decision-making arrangements will be concluded and reported. The impact on council business and governance will require to be kept under review.
- 16.3 Actions from the external audit report and Best Value Assurance Report will require to be concluded and then implemented. These include the review of corporate financial and service reporting information and the involvement of members in future years in setting council priorities and in budget reduction measures.
- 16.4 The council's relationship with West Lothian Leisure Ltd. will require to be kept under review and its performance monitored and reported to ensure the ALEO arrangement continues to be the best option for service delivery and best value.
- 16.5 The council's position on the review of local governance being conducted jointly by the Scottish Government and COSLA will have to be developed and established through the PDSP and committee structure.
- 16.6 Arrangements for members' training will continue to be kept under review and discussion.
- 16.7 The reporting on corporate governance using the new Local Code will be reviewed.
- 16.8 The template and guidance for council and committee reports will be reviewed and updated to ensure it continues to capture and provide all relevant information to members to best ensure sound decision-making.
- 16.9 Work will be undertaken to strengthen the recording and retention of the interests of senior officers which may be considered to be relevant for the discharge of their decision-making duties.
- 16.10 The restructure of the Community Planning Partnership will continue and be concluded. The effectiveness of that will be significant in relation to community empowerment, local governance review outcome and delivery of partnership outcome and the council's own priorities.
- 16.11 The two areas in which control was identified as unsound will be concluded through reports to Audit Committee (schools medicine and procurement business case exemptions).
- 16.12 Appropriate actions for these issues and targets for completion will be developed and reported to committee after approval of the council's accounts and financial statements in September 2018.
- 16.13 Work will progress towards compliance with the public sector equality duty due in April 2019. The procedures for conducting and reporting equality impact assessments will be reviewed and adjusted to ensure they include the newly-activated socio-economic duty.

17. Conclusion and assurance

- 17.1 Based on the governance framework, arrangements and review already described, the council and the West Lothian community can be assured that the council's corporate governance standards have been substantially met in 2017/18.

Graham Hope
Chief Executive

25 September 2018

Councillor Lawrence Fitzpatrick
Leader of the Council