



Ein Rhanbarth ar Waith  
Education through Regional Working

# Datganiad Llywodraethu Blynyddol 2017-18

## Annual Governance Statement 2017-18

Cynghrair o 6 awdurdod lleol yw ERW a reolir gan gyd-bwyllgor cyfansoddiadol cyfreithiol.  
Y nod yw gweithredu strategaeth a chynllun busnes rhanbarthol cytunedig a chefnogi gwelliant ysgolion.

ERW is an alliance of 6 local authorities governed by a legally constituted joint committee.  
Its aim is to implement the agreed regional strategy and business plan to support school improvement.



## Introduction

ERW is an alliance of six local authorities governed by a legally constituted Joint Committee. ERW provides a single integrated regional professional school effectiveness service driving school improvement and learner achievement across the combined area of six local authorities in the South West and Mid Wales region within three hubs:

- Carmarthenshire/Pembrokeshire
- Ceredigion/Powys
- Neath Port Talbot/Swansea

### Vision

**“a consistently high performing school network across the region with every school a good school offering high standards of teaching under good leadership resulting in all learners achieving their maximum potential”**

### Mission Statement

**“we will build school capacity through support, challenge and intervention to become self-improving, resilient organisations which continually improve outcomes for learners”**

## Review of Governance Arrangements

### What is Governance?

ERW is responsible for ensuring that its business is conducted in accordance with laws, regulations and its ethical standards. The governance framework is the process, culture, values and systems by which this is achieved.

To deliver good governance in local government, both ERW and its Officers must try to achieve ERW’s priorities whilst 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 learners and other stakeholders.

The next two pages outline the Business Planning Cycle and the Governance Structure in place to monitor and provide challenge to the delivery of intended outcomes.

## Planning and Evaluation Cycle



## The Governance and Accountability Process



## **Governance Framework**

### **ERW Business Plan**

A three-year Business Plan is in place to support the collective priorities and actions for the ERW Consortium. The Business Plan is reviewed and updated on an annual basis. The [Business Plan 2017-2020](#) explains how ERW will enhance and develop the National Model of School Improvement and deliver the Minister's priorities in 'Qualified for Life'.

### **Joint Committee**

The [Joint Committee](#) is made up of the six Local Authority Leaders supported by the six Chief Executives and is advised by Lead/Statutory Officers, the Executive Board and external school improvement experts. Internal Audit and Wales Audit Office report independently to the Joint Committee.

### **Executive Board**

The [Executive Board](#) is made up of the Directors of Education of each of the six local authorities, the Managing Director, the Section 151 Officer (or deputy), Headteacher Representatives and external members.

### **Scrutiny**

All workstreams and activity both locally and regionally are led by the Joint Committee and are accountable locally. The Chairs and Vice Chairs of the six local authorities' Education Scrutiny Committees meet bi-annually as a [Scrutiny](#) Group to consider scrutiny work plans and make requests directly to the Joint Committee.

### **Headteacher Representative Board**

The [Headteacher Representative Board](#) is made up of the Chair or Representative of each Headteacher association in the six local authorities. Its aim is to act as a reference point to ERW in terms of its interface with school leaders.

### **Statutory/Lead Officers**

Statutory/lead roles are divided across the Local Authorities and at the end of 2017-18 were:

Lead Chief Executive Officer – Phil Roberts, City and County of Swansea

Lead Education Director – Ian Budd, Powys County Council

Section 151 Officer – Jon Haswell, Pembrokeshire County Council

Monitoring Officer – Elin Prysor, Ceredigion County Council

## **Internal Audit**

Pembrokeshire County Council, as the Lead Authority for Finance, provides the Internal Audit Service to ERW. The role of Internal Audit is to provide independent assurance on the effectiveness of governance, internal control, financial management and risk management arrangements in place. In accordance with the Public Sector Internal Audit Standards, a risk-based plan of work was agreed with the Section 151 Officer and the Managing Director and was approved by the Joint Committee in December 2017. The Head of Internal Audit's Annual Assurance Opinion concluded that overall, limited assurance is placed on the adequacy and effectiveness of governance, internal control, financial management and risk management arrangements in place. Management have agreed to implement the recommendations made following the internal audit review. The implementation of these recommendations in an effective and timely manner will assist in strengthening the governance, internal control, risk management and financial management arrangements in place.

In accordance with the Public Sector Internal Audit Standards, the Internal Audit Service has recently been subject to an External Assessment. The Assessment concluded that the Internal Audit Service conforms to the Code of Ethics and the Public Sector Internal Audit Standards and confirmed compliance with mandatory requirements.

## **External Audit & Regulators**

The Wales Audit Office are the appointed external auditors for ERW. Estyn provide an independent inspection and advice service on quality and standards in education and training provided in Wales. Estyn in association with Wales Audit Office published a report on the 'Quality of the School Improvement Services provided by the ERW Consortium' in September 2016. In November 2017, Estyn visited ERW to review progress made by the Consortium in relation to the recommendations made within the September 2016 report. They identified one recommendation where limited progress was made, further work is still required and has been included as a Priority for Improvement.

## **Review of Effectiveness**

ERW has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness for 2017-18 was informed by a self-assessment of compliance with the CIPFA Delivering Good Governance in Local Government Framework 2016, which all the Education Directors and Lead/Statutory Officers, along with the Managing Director, were requested to complete. Additional assurance was provided from the Head of Internal Audit Annual Assurance Opinion based on the work undertaken by Internal Audit in 2017-18; the Estyn Monitoring Report November 2017, and the minutes from the ERW Joint Committee and Executive Board. The diagram on the next page outlines what assurance was required, what sources of assurance were available under the current Governance Structure, the sources of assurance provided and the areas for improvement identified.

Two Significant Governance Issues have been identified, along with seven Priorities for Improvement. The action plan on page eight provides further detail along with the actions planned and timescales for addressing.

## Review of ERW's Governance Arrangements for 2017-18

### Assurance Required on

- Achievement of objectives;
- Adherence to ethical standards;
- Compliance with laws, regulations and internal policies & procedures;
- Standards of conduct and behaviour;
- Financial management, including achievement of value for money;
- Sustainability;
- Quality of service delivery;
- Management of risk;
- Accountability.

### Sources of Assurance

- ERW Legal Agreement;
- Joint Committee;
- Executive Board;
- Scrutiny;
- Headteacher Representative Group;
- Policies;
- Business Plan & Strategies;
- Financial Plans;
- Internal Audit Reports;
- External & Regulator Reports;
- Self-Evaluation Report;
- Statutory Officers;
- HR policies and procedures;
- Impact Report;
- Value for Money Reviews;
- Risk Registers.

### Assurance Received

- Estyn Monitoring Report;
- Letter from Scrutiny;
- Internal Audit Report;
- Statement of Accounts;
- Head of Internal Audit Opinion;
- Joint Committee Minutes;
- Annual Assurance Checklists and Statements.

### Areas for Improvement

- Legal Agreement and Joint Committee membership balance;
- Allocation of Statutory and Non-Statutory roles;
- Review and Reform Programme;
- Commitment to CIPFA's Good Governance Framework;
- Business Planning alignment;
- Local Authority reserves and contributions;
- Delegation arrangements;
- Compliance with new Data Protection legislation;
- Support to schools;
- Schools causing concern.

## Significant Governance Issues 2017-18

Significant Governance Issue	Action Planned	Timescale and Lead Officer
<p>The ERW Legal Agreement needs to be reviewed and updated to ensure that it is enforceable and equitable to all member authorities. Governance arrangements should be reviewed; in particular, the composition of the Joint Committee and allocation of Statutory Roles, to ensure that there is no perceived conflict of interest.</p>		
<p>The Review &amp; Reform Programme, agreed in September 2017, has not progressed. This has affected the culture in ERW and its reputation with Welsh Government. The purpose of the Programme was to review the functions of ERW and the financial structure. A resolution needs to be agreed by the Joint Committee to ensure that a financially sustainable operating model, with equitable support and commitment across the Region is established. Roles and responsibilities need to be clarified to ensure accountability.</p>		

### Priorities for Improvement 2017-18

Priority for Improvement	Action Planned	Timescale and Lead Officer
<p>The Regional Code of Corporate Governance for ERW has not been formally approved. The Regional Code of Corporate Governance was re-written in line with the requirements of CIPFA's Delivering Good Governance in Local Government Framework 2016. The Joint Committee requested further work prior to approval. <i>This Priority for Improvement was also included within the 2016-17 AGS and remains outstanding.</i></p>		
<p>The ERW business planning timescales should be aligned to the financial planning timescale of the Consortium to enable effective planning within available resources. <i>This Priority for Improvement was also included within the 2016-17 AGS and remains outstanding.</i></p>		
<p>Currently reserves are being used to support the ERW core budget, as the level of contributions from Local Authorities is not sufficient. This is not sustainable and will result in reserves being expended within the near future.</p> <p>The level of Local Authority contributions required to fund the core ERW budget needs to be increased to ensure a balanced budget.</p>		

<p>The Scheme of Delegation needs to be reviewed to ensure that it is robust and operationally practical, whilst ensuring that there is clarity and transparency in decision-making. Decisions need to be recorded so that there is a clear audit trail for accountability purposes.</p>		
<p>Measures need to be taken to ensure that ERW is compliant with changes to Data Protection legislation (General Data Protection Regulation and the Data Protection Act 2018) which came into effect on 25 May 2018. This will need to include the appointment of a designated Data Protection Officer.</p>		
<p>Support delivered to schools by Challenge Advisers needs to be applied consistently in line with identified need and recorded so that the impact of support can be effectively measured. <i>This Priority for Improvement was also included within the 2016-17 AGS and remains outstanding.</i></p>		
<p>Estyn, in their November 2017 Monitoring Report, highlighted that only limited progress had been made in addressing one of their recommendations, “that school improvement services address the performance of schools causing concern, particularly in the secondary sector”. Further work is required to address this recommendation.</p>		

We are committed to implementing the improvements outlined above to enhance the achievement of our intended outcomes. We are satisfied that these steps will address areas of improvement identified by both our internal and external assurance providers.

Signed by Betsan O'Connor, ERW Managing Director

Date:

Signed by Phil Roberts, Lead Chief Executive

Date:

Signed by Chair of the Joint Committee

Date: