

**ANNUAL GOVERNANCE STATEMENT****STATEMENT 2**

13.2 On the wider-scope aspects, concerned with the governance and control framework, the council was again found to have effective and appropriate governance arrangements in place that support effective scrutiny of decisions taken, challenge and informed decision making. Overall, governance arrangements were found to be appropriate and effective. The auditor also found there to be an effective performance management framework in place, with performance measures aligned to key priorities and outcomes. The report concluded that there was regular performance reporting to elected members and the necessary arrangements for collecting, recording and publishing statutory performance information were in place.

13.3 The audit of the accounts for 2022/23 was the first year of Audit Scotland's five-year appointment as external auditor. Its external audit plan for 2023/24 was considered by Audit Committee in April 2024. It set out its approach to the wider-scope aspect of the annual audit and the way in which it planned to approach the audit of best value in the context of a renewed cycle of best value audit reports on councils started in 2022/23. The council's Best Value audit is scheduled for 2025/26.

#### **14. Past and current governance issues**

14.1 Issues of governance concern identified in previous years' statements were aggregated and reported to Governance & Risk Committee in December 2023 and June 2024 for monitoring and scrutiny. Progress is considered at the Governance & Risk Board before reports are presented to committee. Starting in 2023/24 those reports have been standing items at all Governance & Risk Board meetings, rather than twice each year.

14.2 In June 2023 there were eleven remaining issues from the previous year for committee to consider. Of those eleven issues, five were accepted to have been completed. The other six were carried forward for progress and monitoring in 2023/24. Last year's annual governance statement identified just two new issues to add. In December 2023, committee was informed that none of the resulting eight issues had been completed. It accepted that work was still needed on all eight of them. As reported last year, progress on three of those eight issues was still dependent on the Scottish Government advancing legislation (the National Care Service and the UN Charter on the Rights of the Child) or progressing its local governance review (Democracy Matters 2). Those three were marked as completed for the year when reported to Governance & Risk Committee in June 2024. The council had done what it has had to do and what it has been able to do. Committee was therefore informed in June 2024 that five of those eight issues have been fully addressed, leaving three outstanding and to be carried forward for attention in 2024/25 (see 15.2, below).

14.3 The three being carried forward are as follows: -

- The full (triennial) review of the council's relationship with its ALEO, West Lothian Leisure (WLL) again remains incomplete. It is a best practice requirement written into Standing Orders when new constitutional arrangements were put in place for West Lothian Leisure in 2018. Little progress has been made. The pandemic did cause a delay. Last year it was explained that progress would be made after a resolution was found to the request by WLL to close four of its leisure and cultural premises. That resolution was found some time ago but no progress has yet been made. Unless the root and branch review of that ALEO relationship is concluded, council cannot be assured about WLL's contribution to service delivery and best value, and cannot demonstrate that to be the case
- A historic problem had been identified in relation to low monetary value leases of community centres to management committees. Work had been instructed by the council to review the community centres in the council's estate as a budget-savings measure. Delivery of that measure was postponed by council in February 2024. Engagement with community centre management committees is underway, until February 2025. A decision has been made to delay work on the historic problem with leases until that budgetary review is completed and decisions are made. The risk of delaying the work further on the leases has been assessed as low
- The council has in the past run a Citizen Led Inspection Programme. It features in the Local Code of Corporate Governance as evidence of compliance with a number of the Code's governance principles. Its resumption was an action identified in the external audit annual report for 2022/23. It is to be taken forward between January 2024 and March 2026. A report was presented to Corporate Policy & Resources PDSP in June 2024 on the resumption of the programme. The first is planned for quarter 3 of 2024/25. Until the actual programme commences the action cannot be taken to have been completed

#### **15. Governance issues ahead**

15.1 The bi-annual reports on outstanding governance issues have included a schedule of significant corporate policies, procedures and protocols requiring review at least once in each administrative term. That approach will continue. Completion of the reviews scheduled each year is now a performance indicator in the new Corporate Governance Strategy. The process will be aided by a new approach to these reviews agreed by elected members in May 2024. That allows minor changes identified by a review process to be made by officers under delegated powers. Only significant issues and changes will be reported to elected members for approval. Governance & Risk Board and Governance & Risk Committee will monitor the use of the procedure.