

# **FOR PUBLICATION**

## **UPDATE TO THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN** **2014/15**

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MEETING:                   **STANDARDS AND AUDIT COMMITTEE**

DATE:                       **25TH NOVEMBER 2015**

REPORT BY:               **INTERIM HEAD OF INTERNAL AUDIT  
CONSORTIUM**

WARD:                      **ALL**

COMMUNITY  
ASSEMBLIES:           **ALL**

KEY DECISION  
REFERENCE (IF  
APPLICABLE):

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FOR PUBLICATION

BACKGROUND PAPERS FOR PUBLIC REPORTS:

TITLE:                      LOCATION:

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### **1.0 PURPOSE OF REPORT**

1.1 To provide members with an update in respect of the progress made towards implementing the 2014/15 Annual Governance Statement Action Plan.

### **2.0 RECOMENDATION**

2.1 That the report be noted.

### **3.0 BACKGROUND**

3.1 Each year the Council reviews the governance arrangements it has in place, including a review of the Code of Corporate Governance.

- 3.2 Following this review, an Annual Governance statement for the Council is produced as required by the Accounts and Audit (England) Regulations 2015.
- 3.3 Part of the review entails formulating an action plan to address any areas of concern that have been identified.
- 3.4 In June 2015 this Committee approved the Annual Governance Statement and Action Plan and agreed that progress on the action plan would be monitored by the Corporate Management Team (CMT).
- 4.0 **PROGRESS MADE**
- 4.1 CMT has reviewed the progress made against the Annual Governance Statement Action Plan and a summary is shown at Appendix 1.
- 5.0 **RECOMMENDATION**
- 5.1 That the report be noted.
- 6.0 **REASON FOR RECOMMENDATION**
- 6.1 To inform Members of the progress made in respect of implementing the 2014/15 Annual Governance Statement Action Plan.

JENNY WILLIAMS  
INTERIM HEAD OF INTERNAL AUDIT CONSORTIUM

Further information on this report can be obtained from Jenny Williams (Extension 5468)

**CHESTERFIELD BOROUGH COUNCIL – ANNUAL GOVERNANCE STATEMENT 2014/15**  
**ACTION PLAN UPDATE**

Objective No. / Area of Assurance	Governance Issue	Action Proposed		Progress as at end of October 2015
		Description	By Date/ Officer Priority	
1.A.1	Model of Constitution to be modernised.	<p>A number of elements have already been completed: corporate transition to electronic Constitution, modernising, updating, clarifying and simplifying where possible, modernising Council Procedure rules, Contract Procedure Rules, analysis of member/officer delegations and potential for delegation downwards, delegation of approval to Standards and Audit Committee of some changes to Constitution.</p> <p>The key changes to complete in 2015 are:- Adjust to restructured portfolios and complete formal changes to delegations to appropriate service managers as a result of CMT restructure, updates to reflect new administration and roles (July 2015)</p> <p>Further consideration with majority group of “enabling” constitution with members retaining only strategic decisions, the rest delegated to officers (December 2015) Ongoing: routine updates to take account of changes in the law etc.</p>	<p>31/12/2015</p> <p>Local Gov &amp; Regulatory Law Manager, Monitoring Officer and SIRO</p> <p>Medium</p>	<p>The Constitution has been adjusted to take account of realigned portfolios and current CMT structure (completed end of July).</p> <p>Discussions commenced with Cabinet Member for Governance on proposals for ‘enabling’ constitution, with a view to discussions with SLT, CMT and political groups.</p> <p>Current CMT review, once completed, will require further amendments to constitution.</p>

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1.B.3	Implementing actions to address the forecast deficits. Other budget risks such as the continuing impacts of the economic climate on key income streams and investment returns.	<p>Need to continue to closely manage the Medium Term Financial Plan to ensure that the Council remains of sound financial standing, and to support decisions on the alignment of budgets to enable delivery of the Council's corporate plan for the period 2015-2019.</p> <p>This will be achieved through the established mechanisms of the Council's Financial Planning Group, CMT/Executive Member Budget workshops and Risk Management Group, and through the preparation of quarterly monitoring reports to the Council's Cabinet and Scrutiny Forum. Regular dialogue with Regional Trade Union Official will take place.</p>	<p>01/03/16</p> <p>Members / CE / Executive Directors/ Chief Financial Officer</p> <p>High</p>	<ul style="list-style-type: none"> <li>2014/15 outturn better than forecast, with a surplus of £313k compared to a revised forecast surplus of £40k</li> <li>The first budget monitoring report for 2015/16, covering the first four months of the year, went to Cabinet on 22<sup>nd</sup> September and to full Council on 14<sup>th</sup> October. The forecast deficit for 2015/16 has increased to £490k (from the original forecast of £94k) due mainly to the slow progress in implementing the savings targets (VR's, review of T&amp;C's, GPGS, etc.)</li> <li>A Corporate Cabinet Workshop is being arranged for October where the savings strategy will be further developed.</li> </ul>
1.B.4	Performance Monitoring/clinics have not taken place regularly in 2014/15	A new performance framework is in the process of being developed and implemented. The new framework will ensure that performance is appropriately reviewed and reported.	<p>30/09/15</p> <p>Executive Director</p> <p>Medium</p>	A new performance management framework was approved at Cabinet in July 2015. The PMF is being introduced over a period of 18 months. So far quarterly monitoring and challenge of Council Plan projects and performance indicators have come on stream, a performance scorecard has also been developed.

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1.D.5	The reporting of PPP performance and KPI's to Members has been weak in 2014/15	The PPP partnership and associated KPI's are in the process of being reviewed. The monitoring of the PPP partnership will form part of the new performance framework and will ensure that Members are kept up to date.	30/09/15 Executive Director Medium	PPP indicators have been included in the new PMF. These indicators are challenged alongside other business critical indicators at the quarterly performance review meetings.
1.D.5 & 2.A.1	Monitoring arrangements for partnerships require review and update.	Partnership Strategy to be reviewed in 2015/16 and significant partnerships re-assessed.	31/03/16 Policy Manager Medium	This action needs to be paused while the partnership position becomes clearer e.g. devolution, PCC changes etc.

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3.A.12	Internal Audit reports issued with an unsatisfactory or marginal opinion where the recommendations have yet to be fully implemented. These are:- Data Protection (report May 15) IT Security	Data Protection – Local Government and Regulatory Law Manager, Monitoring Officer and SIRO to progress implementation of the action plan.	31/12/15  LG & Regulatory Law Manager, Monitoring Officer & SIRO  High	Progressing Internal Audit recommendations. However, a comprehensive review of Information Assurance Strategy is to be considered by SLT in October/November 2015. The strategy will incorporate Internal Audit recommendations and other necessary actions, and this will have implications for previously indicated provisional timescales for implementation. The Standards and Audit Committee were provided with an update on progress made against all the recommendations at its meeting in September.
		IT Security IA Report plus further PSN compliance issues identified by PPP Client Officer and Executive Director	Executive Director  High	PSN compliance has been achieved.
			30/06/2015	The information security work is ongoing but there has been some slippage due to resources being put to PSN as a priority. The proposed CMT restructure has built in an information assurance post.
			30/09/2015	
			31/03/2016	The work on the ICT infrastructure is close to completion. The ICT Strategy should be completed by the end of December 2015.

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3.A.2 & 3.A.8	The procurement process requires improvement from start to finish, from identifying the procurement need through to the letting and management of the contract. It needs to be ensured that the tendering and letting of contracts is in line with EU Regulations, Financial Regulations and Standing Orders.	The provision of a procurement Service and the processes followed by managers are currently being reviewed. An options paper in terms of procurement will be presented to Cabinet by September 2015. Corporate procurement training will be arranged by September 2015 and this will ensure that all managers are aware of the requirements of Standing Orders and Financial Regulations and their key role in the procurement process from start to finish.	30/09/15  Head of B T /Executive Director  High	There has been a delay on this work however, the review has been completed and final paper has been prepared for Cabinet. This requires a Joint Cabinet and Employment Committee so is scheduled for the 3 <sup>rd</sup> November 2015. To accompany this, a detailed SLA is being developed. Training will be a priority once the Cabinet paper has been approved and will commence prior to the end of December 2015, staff availability permitting.
3.A.3	The Whistle blowing policy was last reviewed in 2010	The whistle blowing policy will be reviewed and updated	31/12/15  Head of HR  Medium	The policy is in the process of being reviewed and is still on target to be completed by the end of December.
3.A.12	A full assessment needs to be undertaken against the CIPFA Code of Practice on Managing the Risk of Fraud and Corruption	CIPFA are producing a self-assessment tool against the code to be published in the Autumn of 2015, on receipt of this an assessment will be undertaken and an action plan produced.	31/03/16  Head of the Internal Audit Consortium  Medium	The self- assessment tool was published by CIPFA at the end of Sept 2015. This has been purchased and the Interim Head of IAC is currently utilising the tool to assess CBC's compliance against the CIPFA Code of Practice on managing the Risk of Fraud and Corruption. A report and action plan will be presented to the Standards and Audit Committee

