

For publication

Progress made on the Implementation of the Annual Governance Statement Action Plan 2015/16

Meeting:	Standards and Audit Committee
Date:	November 23rd 2016
Cabinet portfolio:	Governance
Report by:	Internal Audit Consortium Manager

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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 2015/16 Annual Governance Statement Action Plan.

2.0 Recommendation

- 2.1 That the report be noted.

3.0 Report details

- 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 2016 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)
- 3.5 CMT has reviewed the progress made against the Annual Governance Statement Action Plan and a summary is shown at Appendix 1. Progress has been made however there is still work ongoing in respect of a number of the areas identified. There are 12 identified actions in total, of these 2 actions have been completed, 4 actions are on track for completion by the target date and 6 actions are behind target.

4.0 **Human resources/people management implications**

- 4.1 There are no Human Resources Implications.

5.0 **Financial implications**

- 5.1 There are no financial implications.

6.0 **Legal and data protection implications**

- 6.1 There are no legal or data protection implications.

7.0 **Consultation**

- 7.1 Not Applicable

8.0 **Risk management**

- 8.1 The production of this report ensures that Members charged with governance are aware of the progress made in implementing the annual governance statement action plan. This therefore ensures that any outstanding internal control weaknesses are identified so that they can be acted upon in a timely manner.

9.0 **Equalities Impact Assessment (EIA)**

9.1 Not applicable.

10.0 **Alternative options and reasons for rejection**

10.1 The report is for information.

11.0 **Recommendations**

11.1 That the report be noted.

12.0 **Reasons for recommendation**

12.1 To inform Members of the progress made in respect of implementing the 2015/16 Annual Governance Statement Action Plan so that further action can be identified if this is not satisfactory.

Decision information

Key decision number	N/A
Wards affected	All
Links to Council Plan priorities	This report links to the Council's priority to provide value for money services.

Document information

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Background documents	
Appendices to the report	
Appendix A	Progress against the 2015/16 Annual Governance Statement Action Plan as at the end of October 2016.

Comments from Cabinet Member (if applicable)

After reading this report I had concerns that 6 actions were behind target, but after reading the progress report on the action plan I am satisfied that progress is being made as necessary. However, in relation to 'Non Housing Property Repairs', I feel this needs monitoring closely to ensure it achieves the required aim as soon as possible. The original completion date was the end of June now extended to February 2017 and yet the last sentence of the progress section implies that this may not be achieved in relation to all council properties.

Councillor Sharon Blank
Cabinet Member for Governance

CHESTERFIELD BOROUGH COUNCIL – ANNUAL GOVERNANCE STATEMENT 2015/16
ACTION PLAN - PROGRESS AS AT THE END OF OCTOBER 2016

Governance Issue	Action Proposed				Progress by end of October 2016
	Description	By Date	Officer	Priority	
During 2015/16 there has been a restructure of CMT, this has led to some key staff leaving or retiring. Until the new post holders take up their positions there is a capacity issue.	Three of the vacant Corporate Management team posts have been offered to applicants following an agreed recruitment procedure, it is hoped that these candidates will all take up employment between May and July. Management interim arrangements are operating in the meantime. One key post remains to be filled.	30/09/16	CE/Executive Directors	M	Complete All of these key posts have now been filled, the last appointment starting on the 7 th November 2016

Governance Issue	Action Proposed				Progress by end of October 2016
	Description	By Date	Officer	Priority	
Budget - Implementing actions to address the forecast budget deficits in 2016/17. The general fund and the Housing Revenue Account are both under increasing pressure.	<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 for financial planning and reporting:-</p> <ul style="list-style-type: none"> • Financial Planning Group • Great Place Great Service Board • Corporate Cabinet and CMT workshops • Monthly budget monitoring reports to Service Managers • Quarterly budget monitoring reports to the Council, Cabinet and Scrutiny Forum • Regular dialogue with the trade unions 	01/03/17	Members / CE / Executive Directors/ Chief Financial Officer	H	<p>On Target</p> <p>Areas for making savings were identified as part of the budget setting process. Monitoring of the achievement of these savings has taken place during 2016/17. Some shortfall has been highlighted and further work is underway to identify other savings opportunities to be discussed with members in the autumn to ensure that a balanced budget can be achieved.</p>

Governance Issue	Action Proposed				Progress by end of October 2016
	Description	By Date	Officer	Priority	
The Performance Monitoring framework is under development	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.	30/09/16	Policy and Communications Manager	M	<p>Behind target</p> <p>The new Performance Management Framework has been agreed and is currently being implemented. We are approximately half way through the implementation stage. There has been a lack of resource to move this forward as quickly as anticipated. The Policy and Communications service is currently restructuring to provide a greater focus on performance management.</p>

Governance Issue	Action Proposed				Progress by end of October 2016
	Description	By Date	Officer	Priority	
The PPP performance indicators are in the process of being reviewed to ensure that they focus on what the Council wants to achieve	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.	30/09/16 Revised to 31/03/17	Executive Director	M	Behind Original Target There is a contractual requirement to undertake a review of the contract. This must be completed before October 2017. Consideration will be the given to the contractual performance and therefore the KPIs, as part of this, rather than a further piece of independent work. March 2017 for revised completion date
Monitoring arrangements for partnerships require review and update.	The Partnership Strategy is to be reviewed in 2016/17 and significant partnerships re-assessed.	31/03/17	Policy and Communications Manager	M	On Target The research stage of policy development has commenced with a draft new strategy and action plan to be in place for March 17.

Governance Issue	Action Proposed				Progress by end of October 2016
	Description	By Date	Officer	Priority	
Devolution and the changing landscape of Local Government – this brings new challenges as to how the Council will manage this change successfully with its partners	<p>Officers will be working closely with partners to ensure that the best deal is obtained for Chesterfield residents.</p> <p>Detailed consideration of these issues and the implications for the council and the borough were considered by full Council in March and April 2016. A more formal project structure will be established for managing the subsequent process and arising changes during 2016/17.</p>	31/03/17	Corporate Management Team	H	<p>On Target</p> <p>Delivery has remained on track against plans to become a full member of the Sheffield City Region Combined Authority, with consultation in the summer and subsequent submission of a scheme and review to the Secretary of State. Project management has been put in place to coordinate and monitor CBC engagement with both LEPs and a review of CBC capacity to support devolution will take place during the winter.</p>
The Anti- Fraud Bribery and Corruption policy was last reviewed and approved in September 2013	The Anti- Fraud Bribery and Corruption policy will be reviewed and updated	31/03/17	Internal Audit Consortium Manager	M	<p>Complete</p> <p>The anti-fraud, Bribery and Corruption policy has been reviewed and updated and was approved by the Standards and Audit Committee in September 2016</p>

Governance Issue	Action Proposed				Progress by end of October 2016
	Description	By Date	Officer	Priority	
Some Services Business Continuity and emergency plans are out of date and updating has been delayed due to the CMT restructure	The Council's services business and continuity plans will be reviewed and updated to reflect the new staffing structure	31/03/17	Business Continuity Manager	M	<p>On Track</p> <p>Managers were issued with a template to complete by the end of October, the BCM is chasing outstanding plans</p>

Governance Issue	Action Proposed				Progress by end of October 2016
	Description	By Date	Officer	Priority	
<p>Internal Audit reports issued with an unsatisfactory or marginal opinion where the recommendations have yet to be fully implemented. These are:-</p> <p>Data Protection</p>	<p>Data Protection – The Information Assurance Manager post is currently out to advert, together with a support officer role. When both posts are filled it will provide additional capacity to tackle this priority area.</p>	30/9/16	Executive Director/ Information Assurance Manager	H	<p>Behind target</p> <p>The Information Assurance Manager has been recruited and a draft Information Governance Framework has been developed. Information Asset Owners have been identified and procurement of an Information Governance system is in progress. An E learning solution has been procured and is now under development. Data Protection and Information Governance mandatory training will be live by 31 January 2017.</p>

Governance Issue	Action Proposed				Progress by end of October 2016
	Description	By Date	Officer	Priority	
<p>Internal Audit reports issued with an unsatisfactory or marginal opinion where the recommendations have yet to be fully implemented. These are:-</p> <p>Non Housing Property Repairs</p>	<p>Non Housing Property Repairs – The Council will work with its partner Kier to ensure that 10 year plans based on condition surveys are established and monitored. A prioritisation exercise will ensure that those plans are done first for properties that represent the highest potential financial and operational risk.</p>	30/06/16	Executive Director/ Kier	H	<p>Behind Target</p> <p>The Head of Kier provided an update to the Standards and Audit Committee in September 2016. A 6 month programme of reviews has been established focusing on the top 16 properties which contribute over 50% of the annual contributions to the Property Repairs Fund (to be completed by Feb 17). A report will then be taken to Council showing the impact of the proposed new contributions on each property budget. The Corporate Asset Management Group is to take a more active role in steering this. There are however still numerous other properties to incorporate in to the plan.</p>

Governance Issue	Action Proposed				Progress by end of October 2016
	Description	By Date	Officer	Priority	
Internal Audit reports issued with an unsatisfactory or marginal opinion where the recommendations have yet to be fully implemented. These are:- ICT	The Council and Arvato (the Council's IT provider) have designed an action plan to deliver PSN compliance within the required timescale. The requirements are more stringent than the previous year and therefore the volume of work is complex and large scale. Work is currently on track to meet the target.	30/09/16	Executive Director/PP P Client Officer	H	Behind Target The Council has received an unsatisfactory IT Security audit in 2016/17. In addition, PSN accreditation has not been achieved. Arvato are working on a remedial action plan to achieve PSN accreditation, with current expected resubmission in January 2017. The Council is initiating a contractual review of the PPP services and is requesting a 'deep dive' into the ICT service provided by Arvato. Increased security standards will result in a need to amend the contract KPI's and this will be actioned in the annual review of KPI's which should take place annually. Results of the contractual review will be received during the 1 st quarter of 2017 and will inform changes required.

Governance Issue	Action Proposed				Progress by end of October 2016
	Description	By Date	Officer	Priority	
Procurement – progress has been made during 2015/16 but the new arrangements with the NHS Royal hospital need time to embed to ensure that the procurement process is robust from start to finish.	<p>The Council has recently entered in to an agreement with the Royal Hospital NHS to provide a procurement service. This arrangement will be kept under review to ensure that it is meeting the Council's requirements. The transitional processes are currently being evaluated and adapted.</p> <p>A procurement Strategy will be devised and training provided to all key staff.</p>	30/09/16	Transformation Manager /Executive Director	H	<p>Behind Target</p> <p>A performance review has been undertaken and final contracting arrangements agreed. A draft procurement strategy and suppliers equalities information have been prepared. The new contract arrangements and strategy have been reviewed and endorsed by Scrutiny. The Council's CPRs have been reviewed. Savings to date are in excess of £80k. Staff training is being developed.</p>