

Audit Committee

22 March 2012



Action Plan for Corporate Governance Improvements

Report of Don McLure, Corporate Director Resources

Purpose of the Report

1. The purpose of this report is to update the Audit Committee on progress in implementing the agreed governance action plan, which highlights areas of improvement arising from the annual review of the effectiveness of corporate governance arrangements.

Background

2. The Council has approved and adopted a code of corporate governance which is consistent with the principles of the CIPFA/SOLACE Framework – 'Delivering Good Governance in Local Government'. The Annual Governance Statement (AGS) explains how the Council complies with this code and also meets the requirements of Regulation 4 (3) of the Accounts and Audit (England) Regulations 2011 in relation to the publication of a Statement on Internal Control.
3. To inform the 2010/11 AGS, the annual review of the effectiveness of corporate governance arrangements was carried out. In support of this review, all Corporate Directors were asked to provide an assurance statement to ensure that there is understanding council wide of the Council's governance arrangements and that they are embedded within each operational area including project and partnership responsibilities.
4. From this review, a number of areas for improving corporate governance have been identified. These were reported in the 2010/11 AGS, and are documented in a governance action plan attached to this report in Appendix 2.

Recommendations and reasons

5. Audit Committee to confirm that this report provides assurance that action is being taken to address areas of improvement in corporate governance arrangements, as set out in the attached action plan in Appendix 2.

Contact: David Marshall Tel: 0191 3834311

Appendix 1: Implications

Finance - Financial planning and management is a key component of effective corporate governance.

Staffing - Ensuring the adequate capability of staff meets a core principle of the Chartered Institute of Public Finance and Accountancy (CIPFA)/Society of Local Authority Chief Executives (SOLACE) guidance.

Risk – Delivery of the corporate governance action plan will strengthen the decision making and strategic and operational management of the Council’s business.

Equality and Diversity/ Public Sector Equality Duty - Engaging local communities including hard to reach groups meets a core principle of the CIPFA/ SOLACE guidance.

Accommodation – None directly, although asset management is a key component of effective corporate governance

Crime and Disorder – None.

Human Rights - None.

Consultation - Engaging local communities meets a core principle of the CIPFA/ SOLACE guidance.

Procurement – None.

Disability issues – Ensuring access to services meets a core principle of the CIPFA/ SOLACE guidance.

Legal Implications – Ensuring compliance with relevant laws and regulations, and ensuring that expenditure is lawful, is a key component of effective corporate governance

Appendix 2: Annual Governance Statement – Action Plan

The Lead Officer is the officer who will oversee and monitor the implementation of the action. However, for a number of actions, it is the responsibility of the Services, not the Lead Officer, to implement the actions

No.	Significant governance issue	Further Action Required	Lead Officer	Target Implementation Date	Status as at December 2011
1	A number of significant weaknesses in the system of financial control.	The actions to address the financial systems weaknesses will be incorporated into the Resources Service Improvement Plan or the Corporate Improvement Plan. Progress on these improvement plans will be monitored by CMT throughout the year. This action has been carried forward from the 2010/ 11 Annual Governance Statement.	Don McLure	Throughout 2011/ 12	An action plan is being finalised to take forward improvements. We will be reporting on this regularly to Audit Committee and the key elements will be included in the Resources Service Plan.
2	Pay Harmonisation and Single Status.	Implement the Pay and Conditions project	Kim Jobson	April 2012	On target.
3	Implement revised Financial Management Standards.	The revised Financial management standards should be finalised and implemented. This action has been carried forward from the 2010/ 11 Annual Governance Statement.	Jeff Garfoot	Dec 2011	Target date revised to 31 March 2012, due to prioritisation of resources to other areas of work. On target.
4	Business Continuity	Develop a robust ICT architecture without single points of failure, and with data stored securely by implementing a new backup strategy across two physically segregated server environments.	Phil Jackman	March 2012	Capital application for funding this work is currently being developed. It is likely that, if the capital bid is approved, the implementation will be later than the planned target date.

No.	Significant governance issue	Further Action Required	Lead Officer	Target Implementation Date	Status as at December 2011
5	Changing Government Policy on the Ethical Framework.	Review the ethical framework and implement a new compliant, fit for purpose and workable ethical structure for the Council.	Colette Longbottom	March 2012	<p>The Localism Act received royal assent on the 15th November, and the provisions relating to the ethical framework were changed significantly.</p> <p>The government has extended the implementation of this until the beginning of July following representations from Acses and other bodies that the timescale of April was unrealistic.</p> <p>The Monitoring Officer presented a draft report to CWG in February authorising arrangements to be developed, taking into account the regulations when they appear. This report will be presented to Council in March 2012.</p>
		Provide advice and guidance to Members and Officers on the new ethical structure.	Colette Longbottom	March 2012	As above
6	Implement an Information Management and Governance Strategy	Implement an Information Management and Governance strategy. This action has been carried forward from the 2010/11 Annual Governance Statement.	Jenny Haworth	June 2012	<p>A staged approach is being taken to developing the Council's information management and governance arrangements focusing on 3 main areas: records management, data protection, and access to information. A Records Management Policy was agreed in Summer 2010. During 2011 progress has been made in developing Records Retention schedules for all service areas. A new Data Protection Policy was also agreed by Cabinet in May 2011 and awareness raising has taken place with all Heads of Service and Tier 4 managers, and is being rolled out to all staff. Key elements still to be developed are a formal procedure for dealing with access to information requests, including freedom of information and environmental information, and a long term records management strategy for the Council, both of which will be progressed in 2012.</p>

No.	Significant governance issue	Further Action Required	Lead Officer	Target Implementation Date	Status as at December 2011
7	Improve accessibility to key policies.	Improve accessibility to key policies and documents via the website/ search engines. This action has been carried forward from the 2010/ 11 Annual Governance Statement.	Roger Goodes	Aug 2012	On target
		Scope and develop a database of policies and procedures as part of the Council's Intranet.	Roger Goodes	Aug 2012	On target
8	Performance Management of Integrated Teams.	Implement a Performance Management Framework for Integrated Services	Carole Payne	Sep 2011	Implemented.
9	Succession Planning.	Plans will be developed by April 2012 outlining the implementation of the policies required to ensure effective succession planning in the future.	Kim Jobson	April 2012	Given the current climate of savings efficiencies imposed on the Council, this remains a long term goal of our workforce planning arrangements, and therefore a realistic revised target date cannot be set at present. The Redeployment Policy is the key policy in place to match the "at risk" employee skills with the changing demands of the Council during this period of significant change.