

AUDIT COMMITTEE – 11th December 2013

ANNUAL GOVERNANCE STATEMENT 2012/13 ACTION PLAN UPDATE

1. Purpose of the Report

- 1.1 This brief report supports the updated action plan relating to the issues identified in the Annual Governance Statement (AGS) for 2012/13. The action plan is attached as an appendix to this report and was last reviewed by the Audit Committee at the meeting in September.

2. Recommendation

- 2.1 **It is recommended that the Audit Committee consider the progress being made against each item in the action plan and seeks any explanations regarding any aspects of progress.**

3. Action Plan Update

- 3.1 An action plan is used to track the progress of the actions necessary to deal with the issue raised through the AGS process. The action plan for the 2012/13 AGS was put together in May when the AGS was first drafted. It was reviewed by the Audit Committee in September and it is appropriate that an update is given now to keep up the momentum of progress.
- 3.2 The action plan attached shows the initial actions identified and a November updated position. This will be further reviewed in May 2014 as part of the 2013/14 AGS process.

4. Key Issues

- 4.1 Generally progress has been positive against all actions identified.
- 4.2 It should be noted that the actions identified for two of the issues raised in the Annual Governance Statement have been completed. A summary of these actions is detailed on the attached action plan.

5. Appendix

- 5.1 Annual Governance Statement Action Plan Update

Contact Officer : Assistant Director of Finance (Audit and Risk Mgt.)
Telephone : 01226 773241
Date : 29th November 2013

Ref	Annual Governance Statement Action	Responsible ED / ACX or AD	Timescales	Current Position – Action Taken / Planned
2011/12 Issues brought forward				
1.	To undertake a fundamental review of the Information Governance framework and strategy, and supporting policies and guidance;	ACE Finance, Property & Information Services	Continuous review during the year	<p><u>July 2013</u> The Audit Committee received a report on IG related matters at its November 2012 meeting. The review paper has been used to inform the development of the new Information Service structure where IG resources and capacity have been considered. A workplan is being prepared to ensure the key IG priorities are included in the overall workplan and priorities of the IS function. Work will now be focussed as per the workplan which will cover the next 12 / 24 months. <u>September 2013</u> Work continues on the new Information Governance structure to ensure capacity exists to deliver the future workplan. <u>November 2013</u> Work continues on implementing a new Information Governance framework, establishing governance peer groups to ensure policy adoption and capacity exists to deliver and maintain the future framework</p>
2.	To review the Authority's Contract Standing Orders and Procurement arrangements to ensure on-going compliance with European directives;	ACE Legal & Governance / ACE Finance, Property & Information Services	Continuous review during the year	<p><u>July 2013</u> Substantial progress has been made. Revised draft of Standing Orders which give due consideration to securing understanding and compliance with EU Procurement rules are in the process of refinement. Consideration is being given to implications of EU Procurement rules in the context of the Council's Strategic Priority to support the local economy and the scope for using the Council's Procurement process to increase opportunities for local business. A summary report of the key changes is to be presented to SMT and the Audit Committee in July. Following this the Contract Standing Orders will be submitted for Council approval in September 2013. <u>September 2013</u> Cabinet agreed the revised contract standing orders on 31st July and these are due to be agreed by Council on 26 September. <u>November 2013</u> Information Services are actively pursuing competitive procurement and determine market options of procuring services from alternative means, such as Gcloud, framework agreements and federated models and will continue to do so as a fundamental strategy of Information Services. Revised Contract Procedure Rules as they have now been designated were approved by the Council on 26th September. A programme of awareness raising for key officers is</p>

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3.	To review the Council's project management arrangements to ensure they support the work on the 'Future Council'.	ACE HR, Performance, Partnerships & Communications	Continuous review during the year	<p>being undertaken. Experience to date suggests that the transition to the new Procedures has presented few difficulties. Requirement for registration of all new procurement exercises on YoR Tender is facilitating proper compliance with relevant procedures.</p> <p><u>July 2013</u> Work to align programmes and projects to the Future Council work is progressing. An overarching governance model has been presented and discussed at SMT. A proposed reporting / information flow and proposed report has been drafted for consideration by SMT. All Future Council Programmes and projects are being managed using P2.Net. Further consideration is being given to the overall programme management arrangements aligned to the corporate plan. EDs are currently refreshing training around the use of P2.Net and considering its future use to manage all future programmes / projects. Work is ongoing in this area.</p> <p><u>September 2013</u> Work is continuing as described above.</p> <p><u>November 2013</u> Programme and project management has been identified as one of the ten Future Council characteristics and work is underway on identifying the outcomes and actions linked to this as part of the Organisational Development Strategy and Improvement Plan.</p>
4.	To continue to improve the proportion of actions resulting from internal audit reports that are completed on time to a more acceptable level.	AD Finance (Audit & RM)	Continuous review during the year	<p><u>July 2013</u> The overall percentage of recommendations implemented by the due date has decreased from 71% during 2011/12 to 46% in 2012/13. Monitoring will continue by Internal Audit as part of their normal process and reports on progress brought to the Audit Committee. The Audit Committee may wish to consider any further actions to improve this percentage.</p> <p><u>September 2013</u> The Audit Committee will receive an update on the implementation of recommendations at its November meeting as part of the quarterly Internal Audit Progress report.</p> <p><u>November 2013</u> The Audit Committee received a further update at its November meeting. 73% of recommendations had been implemented by the original agreed date, an improvement from the previous quarter. The Committee have also asked for information regarding any recommendations not implemented for more than 6 months after the original agreed date. This information will be presented to the December Audit Committee meeting</p>

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2012/13 Emerging Issues Identified				
5	The need to ensure the Authority has in place the necessary procedures to comply with the requirements of the new Disclosure and Barring Service (DBS)	ACE HR, Performance, Partnerships & Communications / AD Older People & Vulnerable Adults / AD Safeguarding, Health & Social Care	COMPLETE	<p><u>July 2013</u> Guidance has been issued to staff managers by e-mail. Briefing on DBS interim arrangements to recruiting managers has been completed. Cabinet report in progress. <u>September 2013</u> The report was approved by Cabinet on 5th August 2013. The relevant documents have been updated and are on the Council's Intranet.</p>
6	To develop a Clinical Governance Policy / Framework following the transfer of the Public Health function to the Council from April 2013	Acting Executive Director of Public Health	31 st December 2013	<p><u>July 2013</u> Work has commenced on the development of a Clinical Governance Policy and Framework. <u>September 2013</u> It is anticipated that the work on the clinical governance policy will be completed in October 2013 for sign off by the Senior Management Team. Advice is being sought on whether this will be required to come to Cabinet. In the meantime assurance mechanisms have been put in place - clinical governance requirements are included in contracts with providers and are a standing item on the agenda for contract monitoring meetings. An internal system has been established to escalate any concerns to the Director of Public Health. <u>November 2013</u> The Clinical Governance Framework has been completed and approved by Senior Management Team. The evidence is being collated to provide assurance of compliance against the framework. A presentation is scheduled to the Audit Committee in January 2014. The recommendation from SMT is that clinical governance is incorporated into the Annual Governance Statement going forward to embed into existing governance processes.</p>
7	To support senior management and all employees through the current and forthcoming years to maintain acceptable standards of compliance with the Council's governance,	ACE Legal & Governance / ACE Finance, Property & Information Services / AD Finance (Audit & RIM)	Continuous review during the year	<p><u>July 2013</u> Refresher training will be developed and provided throughout the year for SMT, BLT, and other relevant officers on elements of the governance framework, compliance with these elements and the annual governance review process. <u>September 2013</u> A programme of training and awareness sessions is being developed for rolling-out over the next 6 months.</p>

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8	<p>risk and control framework.</p> <p>Developing the appropriate governance, risk and control framework to support the full implementation of the Area Councils</p>	ACE Legal & Governance	Continuous review during the year	<p><u>November 2013</u> The first training subject has been completed and is ready to be launched in December online and via workshops covering Information Security. The programme is in the course of being finalised for diarising up to 31st March 2014.</p> <p><u>July 2013</u> There are established arrangements to review on an ongoing basis through fortnightly meetings of key officers the issues emerging from the commencement of the operation of the Area Councils. These meetings are chaired jointly by the ACE Legal and Governance and the Executive Director for Adults and Communities. Resources have been allocated to provide for attendance of a dedicated Governance Officer at Area Council meetings. Suitable protocols are being developed to address the commissioning of work through Area Council budgets to complement the revised Contract Standing Orders.</p> <p><u>September 2013</u> Work is continuing as described above.</p> <p><u>November 2013</u> Work is continuing as described above. Area Councils will be addressing issue of commissioning out of Area Council Budgets over the next 2/3 months which will help inform and target areas for providing additional guidance support and clarification. Presentation given to all Member Briefing in September 2013 on key principles relating to commissioning and potential ethical standards/Code of Conduct implications.</p>
9	Ensure that senior managers and budget holders improve their financial management competencies including exercising increasing commercial awareness.	ACE Finance, Property & Information Services	Continuous review during the year	<p><u>July 2013</u> Plans are in place to design and deliver a series of training and support materials to underpin the financial competency framework including: a guide to financial management for budget managers; an introduction to unit costing and benchmarking; using Deziions to support the role of budget managers; developing financial strategies; financial reporting and monitoring; a guide to the Council's constitution and financial regulations;</p> <p><u>September 2013</u> Additional training dates have been set for the following 3 courses (1) an introductory guide to financial management for budget managers; (2) using the Council's Business Intelligence Tool 'Deziions' to support the role of budget managers; and (3) an introduction to unit costing and benchmarking. The following additional course has now been prepared and will be offered to budget managers from September onwards (4) Understanding financial reporting within the Council</p>

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10	Further implement and embed the revised corporate and service performance management arrangements across the Authority.	ED Corporate Services / ACE HR, Performance, Partnerships & Communications	Continuous review during the year	<p><u>November 2013</u> Budget management is a standing item of the Information Services DMT, each Head of Service is required to monitor and act upon actuals and outturn positions. The AD holds monthly budget meetings with Services financial accountant to maintain a positive outturn.</p> <p>Under the Information Services restructure the number of staff holding budgetary responsibility has been reduced to solely the AD and Heads of Service.</p> <p><u>July 2013</u> The performance management framework and reporting arrangements have been refreshed and agreed by the Cabinet. The focus of reporting is directly linked to the Corporate Plan outcomes and delivery assessed against each. Cabinet and SMT have strengthened their oversight of performance and areas for improvement are routinely reported and challenged in cabinet and scrutiny.</p> <p><u>September 2013</u> Building on the Quarter 4 2012/13 year end report, further work has continued to refine and embed the Council's corporate performance management framework, with increased ownership, challenge and rigour attached to the process and follow up areas for improvement.</p> <p><u>November 2013</u> The revised corporate performance report format has been well received and further refinements have been identified for the Cabinet Report and the related timescales which will be actioned for the Quarter 3 report. Work is still ongoing to increase ownership, challenge and rigour and also to follow up areas for improvement.</p>
11	To further develop and embed a practical framework to assist in the effective governance and control of the Council's partnerships, contracts and general relationships with external organisations	ACE Legal & Governance / ACE HR, Performance, Partnerships & Communications	31 st December 2013	<p><u>July 2013</u> A working group has been established to review the current arrangements to identify the areas where further work is required. A detailed workplan will be established to guide this review.</p> <p><u>September 2013</u> Work is continuing as above.</p> <p><u>November 2013</u> Work is continuing as above and will be informed by emerging approach to revised Organisational Design as part of Future Council exercise.</p>