AUDIT & STANDARDS COMMITTEE	Agenda Item 66
	Brighton & Hove City Council

Subject:		**Annual Governance Statement 2012/13 - Action Plan Progress Update**
Date of Meeting:		**21 January 2014**
Report of:		**Executive Director of Finance & Resources**
Contact Officer:	**Name:**	**Jackie Algar** **Tel:** 29-1273
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Ward(s) affected:		**All**

FOR GENERAL RELEASE

1. PURPOSE OF REPORT AND POLICY CONTEXT

1.1 The Audit & Standards Committee has a responsibility for reviewing the council's corporate governance arrangements, including internal control and approving the Annual Governance Statement. The Annual Governance Statement includes an action plan for improvements to the council's governance framework. The Audit & Standards Committee should seek assurance over its effective implementation.

1.2 This report provides the Audit & Standards Committee with an update on the council's progress in implementing actions agreed in the Annual Governance Statement for 2012/13.

2. RECOMMENDATIONS

2.1 That the Audit & Standards Committee considers the Annual Governance Statement 2012/13 Action Plan at Appendix 1 and comment on any issues identified in relation to the work officers have undertaken to improve the council's corporate governance arrangements.

3. CONTEXT/ BACKGROUND INFORMATION

3.1 The Annual Governance Statement for 2012/13 was approved by the Audit & Standards Committee in June 2012. The Annual Governance Statement included a number of 'governance issues' and actions required.

3.2 The Accounts and Audit Regulations 2011 require the council to undertake a review at least annually of the effectiveness of its system of internal control and to publish the results in an Annual Governance Statement with the financial statements required by the Regulations.

3.3 The Officers Governance Board is responsible for the review and ongoing monitoring of implementation of actions. The Annual Governance Statement Action Plan is a standing agenda item for meetings of the Officers' Governance Board.

4. ANNUAL GOVERNANCE ACTION PLAN

4.1 The Annual Governance Statement Action Plan 2012/13 is at Appendix 1 and shows the 'work undertaken' in implementing the agreed actions; and details 'next steps' from December 2013.

4.1 The Annual Governance Statement Action Plan includes for each Action the Work Undertaken reflecting the position at December 2013; provides a RAG Status i.e. Red (not commenced), Amber (in progress), Green (complete); Next Steps planned for further improvement; and the Lead Officer(s).

5. FINANCIAL & OTHER IMPLICATIONS:

5.1 Financial Implications:

Sound corporate governance and proper systems of internal control are essential to the financial health and reputation of the council. The actions outlined to strengthen the governance arrangements, can be delivered within existing financial resources.

Finance Officer consulted: James Hengeveld   18 December 2013

5.2 Legal Implications:

The Audit & Standards Committee has delegated authority to approve the annual statement of accounts which are accompanied by an annual governance statement. The Committee thus has a legitimate interest in the actions underway to implement the improvement action plan stemming from that Statement.

Lawyer consulted: Oliver Dixon   17 December 2013

SUPPORTING DOCUMENTATION

Appendices:

1. Annual Governance Statement 2012/13 Action Plan.

Documents in Members' Rooms:

None.

Background Documents:

1. Annual Governance Statement 2012/13.

2. Delivering Good Governance in Local Government – Guidance notes for English Authorities (CIPFA/SOLACE 2007).

3. Accounts & Audit Regulations 2003 (Amended 2011).

Appendix 1

Annual Governance Statement 2012/13 Action Plan

No.	Action	Work Undertaken	RAG Status	Next Steps	Lead Officer(s)
1. and 10.	Embedding the Council's revised Business Planning and risk management process which reflects its new organisational structure; and Review of the Performance and Risk Management Framework to ensure meets the needs of the Council.	* New Council structure operational from 1/6/13. * For 13/14 all Business & Risk Management Plans completed; quality of risk registers checked by Risk Manager; progress reports given to Executive Leadership Team (ELT). Where improvements were suggested, remedy action agreed. *Performance Analysts have trained 200 service managers and staff on use of Interplan software to manage business plans; the updating of actions from the Corporate Plan; and other high level plans. This includes running their own performance reports to track progress against plans. * Work to link risk "solutions" to Interplan business action plans started in 2013/14 and will be progressed further in 2014/15.	Green	1. Agree corporate timetable and set business planning timetable for 2014/15 – to be detailed and agreed by ELT in January 2014. 2. Performance Team developing programme of targeted training for officers who update Business plans. 3. Review of Corporate Plan will be carried out by January 2014. 4. Progress further linkages between risk solutions and business plan actions. 5. Links to Sustainable Community Strategy SCS refresh being co-ordinated by cross-organisation steering group, theme leads updating sections (target date May 2014).	Assistant Chief Executive Head of Corporate Policy, Performance and Communities

No.	Action	Work Undertaken	RAG Status	Next Steps	Lead Officer(s)
2.	Further embedding and post implementation review of the recently refreshed Performance Development Plan process for staff.	* Produced new Performance Development Plan (PDP) forms and guidance that incorporated the council's Values into people performance management activity. *Launched new PDP materials and undertook engagement activity across the organisation attending team meetings and workers fora meetings to talk through and respond to questions to ensure full understanding of the approach. *Arranged for reports from PIER software to be produced by HR's Systems Team and analysed weekly. *Provided Chief Executive with quarterly report on numbers of PDPs for communication to organisation. *HR Leadership Team developed and secured agreement from the Chief Executive for a 'pulse survey' to measure the quality of performance management conversations which is being taken forward. *From September 2013 Chief	● Green	1. Continue to use existing software to track performance of corporate overview work to monitor PDP process for staff. 2. Continue with ongoing Equalities Action Plan action plan monitoring. 3. Address and communicate issues arising from the Staff Survey.	Head of Human Resources and Organisational Development

No.	Action	Work Undertaken	RAG Status	Next Steps	Lead Officer(s)
		Executive provided with regular reports from PIER & pulse survey outcomes for organisational communications. * Staff Survey launched in November 2013.			
3.	Improvement to the awareness of fraud and corruption across the Council.	*Corporate Fraud Team established from June 2013. *Continue links with NAFN (National Anti Fraud Network) southern region (which is hosted at council) and other external agencies e.g. Sussex Police. * NAFN presentation to Audit & Standards Committee in December 2013. * Whistleblowing report to Audit & Standards Committee in September 2013; and question re.whistleblowing in staff survey. * Internal Audit Progress reports to Audit & Standards Committee include additional information on Fraud & Corruption.	⬤ **Amber**	1. Fraud intranet pages to be developed by end March 2014. 2. Review financing and business case for Corporate Fraud Team. 3. Establish fraud awareness training schedule. 4. Improve publicity re. successful counter-fraud measures to inspire workforce and to report, and deter, fraudsters.	Executive Director, Finance & Resources

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4.	Continued review of governance arrangement in new and emerging partnerships, in particular legal agreements for Health given changes to the NHS architecture.	* Public Health & Wellbeing Board work from 1 April 2013 (preceded by shadow arrangements 12/13). *Strategic Risk Register reviewed 25/9/13. New SR16 Wider Modernisation of Social Care is joint top risk (as reported to Audit & Standards Committee in November 2013). * 22/10/13 City Management Board (CMB) adopted a similar risk to SR16 for City Wide Risk Register i.e.CW16 Health & Social Care Integration. Agreed setting up risk group to focus further on this & report back to CMB 4/2/14. *From Sep.13 Chief Executive represented on newly developed Public Health England board.	🟢 **Green**	1. See Strategic Risk MAP SR16 for details of action as reported to the Committee in November 13. 2. City Wide Risk MAP actions to be developed.	Executive Director Adult Services
5.	A review of the Audit & Standards Committee in accordance with new guidance anticipated to be issued by CIPFA.	* Chair and political party representatives and officers met on 29/11/13 to review the Committee against the existing CIPFA guidance. * New guidance from CIPFA was issued 19/12/13. * Report to Audit & Standards Committee January 2014 will be	🟢 **Green**	1. Assess new CIPFA guidance & work with Members to review practice. 2. Report to Audit & Standards Committee in March 2014.	Executive Director, Finance & Resources

No.	Action	Work Undertaken	RAG Status	Next Steps	Lead Officer(s)
		followed up by a report to the next Committee to provide update against new CIPFA guidance.			
6.	Planning for ongoing changes in Local Government Finance and funding.	*Strategic Risk 2 Financial Outlook – see SR2 Risk MAP (reported to Audit & Standards Committee in November 2013) for details. * Budget process agreed by Policy & Resources Committee in July 2013, including consultation and scrutiny. * Actions detailed in Finance Business Plan (on intranet "the Wave")	Green	1. See Strategic Risk 2 Management Action Plan actions as reported to the Committee in November 13 2. Finance Business Plan 13/14 (on intranet "Wave" and monitored/updated)	Executive Director, Finance & Resources
7.	Better governance to oversee the delivery of major modernisation programmes for the Council through the Modernisation Board, chaired by the Chief Executive, and enhanced support from the Programme Management Office (PMO).	*The Modernisation Board receives monthly highlight reports that identify progress, risks and issues. * The programmes that comprise the modernisation programme are included in the Corporate Projects List, which provides a RAG rated report on all corporately significant projects. *Quarterly RAG reports to Executive Leadership Team (ELT) and the Member Oversight Group quarterly. * The Head of the PMO has the	Green	1. Risk workshop to combine and analyse risks at Modernisation Board on 9 January 2014, will take account of risk registers from individual programmes.	Chief Executive

No.	Action	Work Undertaken	RAG Status	Next Steps	Lead Officer(s)
		role of modernisation programme manager.			
8.	Reviewing and updating the Sustainable Communities Strategy.	*Sustainable Community Strategy (SCS) refresh being co-ordinated by cross-organisation steering group, theme leads updating sections - due by May 14.	● Green	1. Publication of refreshed SCS by target date May 14. 2. Work to be done to further integrate priorities, links, resources to develop/refresh measures to monitor and arrangement to hold to account.	Head of Corporate Policy, Performance and Communities
9.	To meet the new requirements, compliance and zero tolerance approach of the Government's Communications and Electronics Security Group for the Code of Connection (CoCo) for accessing the Government Secure Intranet (GSI) for data	*Strategic Risk Register (SRR) reviewed 25/9/13 and the Residual Risk Score was increased from Amber to Red due to increasing demands required by the Cabinet Office which must be met if an organisation is to access the Public Service Network to share information which is necessary for service delivery. *Risk Owner reported separately to Audit & Standards Committee in	● Amber	1. See latest update of Strategic Risk 2 Management Action Plan actions as reported to the Audit & Standards Committee in November 13.	Executive Director, Finance & Resources; and Head of Legal & Democratic Services (Senior Information Risk Owner).

No.	Action	Work Undertaken	RAG Status	Next Steps	Lead Officer(s)
	sharing.	September (as increased risk score arose between the June 13 report to the Committee and the next ELT review date for ELT's review of the SRR due in October 13). *2013 CoCo (Code of Connection) compliance achieved subject to agreed additional work.			
10.	Full review of the Council's 'family' of partnerships across the City and introducing a City Management Board to replace the Public Services Board.	* Public Service Board (April 2013) agreed to replace PSB with a City Management Board (CMB) and agreed revised membership and terms of reference * Communications and input from Local Strategic Partnership *Sustainable Community Strategy refresh underway by cross-organisation steering group *City wide Risk Review session October 2013 held and inter alia will inform focus of partnerships	Green	1.Partnership review being undertaken alongside revision of Sustainable Community Strategy (due May 14) and will be submitted to CMB for approval in 2014/15	Chief Executive
12.	Ensure Internal Audit conformance to the Public Sector Internal Audit Standards and Local Government	*Initial review completed by Head of Audit & Business Risk reported to Audit & Standards Committee in June 13.	Green	1. Principal Audit Manager to review best practice & implementation.	Executive Director, Finance & Resources

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	Application Note for an effective service and meeting the requirements of the Accounts and Audit recommendations 2011.				