



GA.28 13/14

Governance and Audit  
Committee

Date 21 November 2013

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**Subject: Quarterly review of the Annual Governance Statement Action Plan 2012/13**

Report by:

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Purpose / Summary:

To review the progress with the Annual Governance Statement 2012/13 Action Plan.

**RECOMMENDATION(S):**

- 1) That Members note the current position with the Annual Governance Statement Action Plan for 2012/13**

**IMPLICATIONS**

**Legal:**  
**The Annual Governance Statement details compliance with the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit Regulations (amendment) (England) Regulations 2011.**

**Financial : FIN/48/14**  
**Actions included in the Annual Governance Statement will be met from existing resources.**

**Staffing :**  
**The action plan details the staff that are responsible for specific actions**

**Equality and Diversity including Human Rights :**  
**None**

**Risk Assessment :**  
**Risk management arrangements are part of corporate governance and issues raised under the arrangements were included within the Annual Governance Statement for this period.**

**Climate Related Risks and Opportunities :**  
**None**

**Title and Location of any Background Papers used in the preparation of this report:**  
**Annual Governance Statement and Action Plan file in Business Improvement.**

**Call in and Urgency:**

**Is the decision one which Rule 14 of the Scrutiny Procedure Rules apply?**

**Yes**

**No**

**Key Decision:**

**Yes**

**No**

**1. Information**

- 1.1 The Annual Governance Statement is the formal statement of the quality of the Council's governance arrangements, in accordance with the Accounts and Audit (England) Regulations 2011.
- 1.2 The Governance and Audit Committee in September 2013 agreed the Annual Governance Statement for 2012/13 and noted that an action plan would be put in place and monitored by the Committee to address the significant issues.
- 1.3 Members will be aware that the Internal Audit Annual Report gave the authority limited assurance for governance and this action plan is to be managed and read alongside the Corporate Governance SMART action plan (also on the agenda) to address the issues identified.

## **2. Significant Issues 2012/13**

- 2.1 The significant issues that were identified for development were:
  - Income reporting - to ensure that there are processes to monitor and develop targets for income generation to reflect members' priorities.
  - Information governance – to ensure a co-ordinated approach to managing information governance.
  - Corporate Planning – to ensure that targets, measurements and outcomes reflect the priorities and the difference that we are making.
  - Risk Management – to ensure that risk management is embedded and drives decision making.
  - Joint Planning Unit – to ensure that the core strategy is delivered.
  - Financial Management – to ensure that managers are confident in their responsibilities for financial management.
  - Project Management – to ensure that all projects are managed effectively.
  - ICT Infrastructure – to ensure full protection of ICT security.
  - Investment decisions – to ensure that there is capacity and sound business cases to deliver the commercial strategy.
  - The constitution – to be assured that the constitution reflects decision making processes and furthers open and transparent decision making.

## **3. The Action Plan**

- 3.1 The Action Plan is attached at Appendix 1 and shows the current position with work to develop the issues that have been identified.

## **4. Next Steps**

- 4.1 Work is ongoing to ensure that the issues are addressed and are not identified as significant governance issues in the Annual Governance Statement for 2013/14.

## Annual Governance Statement Action plan 2013/14

Issue	Action	Current position	Officer	Date Due	BRAG
Income Reporting					
There is limited assurance on income reporting and monitoring to reflect the Council's priority to increase income generation	<ul style="list-style-type: none"> <li>• Develop processes to ensure that monitoring and developing targets for income generation reflect the priority</li> </ul>	Reporting has been reviewed as part of the 'Finance Matters' programme, with new monitoring and reporting mechanisms being introduced (following successful trial) for the October period. Support and development for staff has been provided through a series of training events and service specific support which will increase capability and support financial sustainability.	Head of Finance	September 2013	Green
Information Governance					
A co-ordinated approach to managing information governance is vital	<ul style="list-style-type: none"> <li>• An action plan has been agreed for completion by 30<sup>th</sup> September 2013</li> <li>• Develop an Information Governance Group</li> <li>• Adopt a protective marking scheme</li> </ul>	<p>The Information Governance Group is reviewing and amending the relevant policies that are due to be issued by the end of November.</p> <p>Compliance monitoring is being</p>	Asst. Chief Executive	September 2013 – revised to 31 <sup>st</sup> December	

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	<ul style="list-style-type: none"> <li>• Renew policies and deliver training</li> <li>• Ensure appropriate checks for compliance</li> </ul>	<p>developed.</p> <p>The Information Governance Strategy will include records management</p> <p>The information governance organisational structure is in place and data protection issues are discussed through the Corporate Information Governance Group.</p>			
Corporate Planning					
Further work is needed on targets, measurements and outcomes for the corporate plan to be able to measure the difference that we are making	<ul style="list-style-type: none"> <li>• Ensure that the corporate plan refresh has targets and outcomes that are measurable</li> <li>• Strengthen accountability for delivery of the corporate plan</li> <li>• Link measures and targets to service plans, team focus and performance management</li> </ul>	The corporate plan is currently being refreshed with new measures to reflect members' new priorities.	Asst. Chief Executive	December 2013	
Develop stronger links with financial planning for sustainable funding and a resilient local	<ul style="list-style-type: none"> <li>• Ensure that the corporate plan targets are reflected in financial planning</li> </ul>	The Corporate plan is currently being refreshed. It has been agreed at Core Management Team that targets included in	Head of Finance	December 2013	Green

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authority.		the Corporate Plan will be assessed financially and considered as part of the financial planning cycle and prior to inclusion in the Corporate Plan.			
Risk Management					
Risk Management needs to be embedded into the organisation	<ul style="list-style-type: none"> <li>• Develop management competencies and codes of practice.</li> <li>• Complete independent in depth reviews on service risk registers to ensure that appropriate mitigating actions are in place.</li> <li>• Adopt a robust risk management approach for corporate and strategic risks to be reviewed by CMT as a monthly standing item.</li> <li>• Ensure compliance with the risk management strategy and codes of practice.</li> </ul>	<p>Almost all risk registers have now been reviewed and mitigating actions are being developed and included in team meetings, 121s and appraisals.</p> <p>Codes of practice are being developed and will be launched as management competencies.</p> <p>CMT have reviewed Corporate and strategic risks</p>	Asst. Chief Executive	<p>December 2013</p> <p>Complete</p> <p>Complete</p>	
Joint Planning Unit					

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There is concern over the progress of the Core Strategy to be delivered by the Joint Planning Unit	<ul style="list-style-type: none"> <li>Gain Assurance on the delivery of the core strategy and risk management arrangements of the joint planning unit.</li> </ul>		Director	December 2013	
<b>Financial Management and NNDR</b>					
Managers need more confidence in financial planning and budgeting	<ul style="list-style-type: none"> <li>Develop and deliver training for managers on financial management and budgeting linked to management competency, development and appraisals</li> <li>Deliver the Finance Matters project</li> </ul>	The 'Finance Matters' programme is being delivered which includes a comprehensive programme of training and support to services.	Head of Finance	December 2013	
<b>Project Management</b>					
The management of projects has been given limited assurance and not all projects are being managed effectively	<ul style="list-style-type: none"> <li>Insist on a minimum standard for project management for small projects</li> <li>Insist on the appropriate use of the full project management methodology for large projects</li> <li>Review the effectiveness</li> </ul>	<p>Project management guidance is being developed and will be accompanied by a code of practice and <a href="#">staff and member development workshops</a>.</p> <p><a href="#">Support has been provided to project managers to ensure minimum requirements are</a></p>	Asst Chief Executive	December 2013	

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	<p>of our programme boards</p> <ul style="list-style-type: none"> <li>Ensure a single view of all projects is created to maintain awareness of what we are delivering and resource use.</li> </ul>	<p>being met.</p> <p>Guidance is being developed to support board directors in their role around programme management.</p>			
ICT Infrastructure					
ICT security needs full assurance of protection	<ul style="list-style-type: none"> <li>Ensure that the actions in the agreed plan are completed</li> <li>Deliver the project to share infrastructure with NKDC</li> <li>Deliver the project to enable connection with the PSN Network</li> </ul>	<p>Good progress has been made on the actions from the internal audit and this has enabled us to receive our certificate of compliance to the standards required to connect to the Public Service Network.</p> <p>The NK shard infrastructure project is progressing to the planned timeline.</p>	Asst. Chief Executive	December 2013	
Investment decisions					
There should be capacity and sound business cases to ensure	<p>Build further capacity and capability in:</p> <ul style="list-style-type: none"> <li>officer resources and</li> </ul>	<p>Further capacity has been brought in to support this area which includes undertaking</p>	Asst. Chief Executive	Ongoing	



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delivery of the Commercial Strategy.	<p>leadership</p> <ul style="list-style-type: none"> <li>• Ensure compliance with an agreed project methodology as outlined above</li> <li>• Adopt the five case model as the minimum standards for investment proposals. Adopt an appropriate approach to investment appraisals</li> <li>• Adopt an agreed process for undertaking due diligence</li> <li>• Strengthen member and stakeholder engagement in current process and strengthen the process where necessary</li> <li>• Align behaviours for accountability and governance with job descriptions.</li> </ul>	<p>detailed reviews of significant projects for compliance with the methodology and consideration of recent lessons learnt.</p> <p>The five case business model and an appropriate approach to investment appraisals is built into the methodology.</p> <p>An approach to due diligence has been agreed.</p> <p>Further guidance on stakeholder guidance and member engagement is being added to the project methodology suite of documents.</p>			
Constitution					
To be assured that the constitution is current and reflects decision making processes and appropriate and furthers	<ul style="list-style-type: none"> <li>• That there is a review of the constitution and any amendments are agreed by this Committee</li> </ul>	There will be an interim review in January 2014 to respond to member's request, followed by the normal annual review in	Alan Robinson	May 2014	

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decision making that is open and transparent.		May.			