



Report No GA.19 11/12
Governance and Audit Committee
Date 26 <sup>th</sup> September 2011

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

Report by:	Rachel North, Director of Strategy and Regeneration
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Purpose / Summary:	To review the Annual Governance Statement 2010/11 Action Plan.

**RECOMMENDATION(S):**

**1) That Members note the current position with the Annual Governance Statement Action Plan for 10/11.**

**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) Regulation 2011.

**Financial :** Actions included in the Annual Governance Statement will be covered by 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, in accordance with the Accounts and Audit (England) Regulations 2011, of the quality of the Council's governance arrangements.
- 1.2 The Governance and Audit Committee in June 2011 agreed the Annual Governance Statement for 2010/11, and noted that an action plan would be put in place to address the significant issues.

## **2. Significant Issues 2010/11**

- 2.1 The significant issues that were identified for development were:
  - Member Training and Development
  - Scrutiny
  - Financial Statements
  - Outcome Performance Management
  - Partnerships
  - Risk Management
  - Value for Money and
  - Transformation
- 2.2 The Action Plan is attached at Appendix 1 and shows the current position with work to develop the issues that have been identified.

## **3. Governance Arrangements**

- 3.1 Members will recall that the recommendations from the Audit Commission report on the review of Governance Arrangements from December 2010 were managed through the Annual Governance Statement Action plan.
- 3.2 Internal Audit have carried out a review of the actions and progress that we have made in response to the Audit Commission report. They have given substantial assurance that the recommendations have been addressed, largely as a result of the review of the constitution and management of the action plan.
- 3.3 They report, however that further work is required and is in progress to improve member development and these actions are included in the action plan.
- 3.4 The action plan details the current position for each of the issues and the work that is taking place to address the issues.

## **4. Conclusion**

- 4.1 Work is underway to address the issues identified in the Annual Governance Statement and members will receive an update at each Committee.

## Annual Governance Statement 2010/11

### Action Plan 2011/12

- Member Training and Development
- Scrutiny
- Financial Statements
- Outcome Performance Management
- Partnerships
- Risk Management
- Value for Money
- Transformation

Issue	Outcome	Owner	Current Position	Date of update
Member Training and Development	<p>All members to have personal development plans that meet their needs.</p> <p>Leaders' commitment to member development.</p>	Elaine Pepper/ Alan Robinson	<p>Member development is a project within the Organisational Development Programme.</p> <p>There is a draft member development plan which will include a Member Development Charter.</p>	Sept 2011

Issue	Outcome	Owner	Current Position	Date of update
	A member development plan.		<p>The Member Forum will discuss how to take member training and development forward to a level that meets the needs of the Authority and members.</p> <p>The Member Development Forum will oversee the development of the programme that will include the development of a Member Development Charter through East Midlands Council, the member development plan, appraisals based on key skills and including joint member and officer training.</p> <p>The Internal Audit Review of Governance Arrangements has given substantial assurance but acknowledges that further work is needed to improve member development arrangements.</p> <p>A high priority recommendation from the report details that arrangements need to be developed to:</p> <ul style="list-style-type: none"> <li>• Identify member training needs from a Council and individual perspective.</li> </ul>	

Issue	Outcome	Owner	Current Position	Date of update
			<ul style="list-style-type: none"> <li>• Secure appropriate training</li> <li>• Facilitate improved attendance</li> <li>• Ensure that training benefits are realised.</li> </ul>	
Overview and Scrutiny	Providing good challenge and overview drives improvement and prevents the need for call in and scrutiny, adding value to the decision making process	Alan Robinson	<p>Following the development of an improvement plan and the establishment of the Challenge and Improvement Committee, it will be vital that the necessary resources are developed to support a Challenge and Improvement agenda and that members determine a work plan.</p> <p>- to be developed by the Chief Executive and Business Improvement Officer</p> <p>The forward plan to date still includes regular reports that formerly went to the Performance Management and Scrutiny Committee and a work programme still needs to be developed.</p> <p>Challenge and Improvement will carry out the functions of review and evaluation of the delivery of the corporate plan,</p>	Aug 2011

Issue	Outcome	Owner	Current Position	Date of update
			complementing each committee's review.	
Financial Statements	That the financial statements comply with the Statement of Recommended Practice with good quality background and supporting papers.	Russ Stone	The accounts have been produced under new IFRS and the CFO has signed off by the statutory deadline. The audit is on-going and although it is expected that there will be some changes to the accounts it is not anticipated that they will be fundamental or on the scale of last year. The quality of supporting working papers has also improved significantly.	Aug 11
Outcome performance management	That the performance management measures the difference that has been made rather than the outputs that have been delivered.	Alex Reeks	<p>The development of the corporate plan and removal of statutory performance indicators means that there are good opportunities to measure the difference that we have been able to make, working with partners.</p> <p>This is new and developing so cross references with the risk register as the system becomes more developed.</p> <p>Under the Corporate Plan, resources have been allocated according to evidence of need.</p>	Aug 2011

Issue	Outcome	Owner	Current Position	Date of update
			Qualitative performance management will have more focus on evidence of need and the impact of resources based on a balanced score card approach.	
Partnerships	That partnerships make a difference to the way that we work and to develop relevant partnerships to deliver outcomes/	Rachel North	<p>The strategic partnership is with Lincolnshire County Council as the priority partner to look at joint delivery and localism.</p> <p>Partnerships are being developed around the area profiles through summits looking at area actions with local people, businesses and Parish Councils.</p> <p>Public sector partners will be those that are relevant according to outcomes such as health, probation etc.</p>	Aug 2011
Risk Management	Risk management is embedded and informs the corporate plan, focussing on the achievement of the strategic aims and	Carol deHaney	The process and practice of risk management has been given substantial assurance by internal audit, but needs further work to become embedded onto	Aug 2011



Issue	Outcome	Owner	Current Position	Date of update
	determined outcomes.		<p>management activity.</p> <p>Risk management is now run through the Share-point system and will be further developed to link to horizon scanning, projects and to the corporate plan performance management system.</p> <p>The Internal Audit tracker actions have been completed.</p>	
Value for Money	The Council delivers good value for money and makes the most of working in partnership to achieve outcomes for local people.	Alex Reeks	<p>The 2010 Audit Commission Value for Money conclusion concluded that the Council's governance arrangements were not adequate. The development of governance arrangements will affect the Value for Money judgement and the action plan to meet the AC recommendations has been managed by the Governance and Audit Committee.</p> <p>The Audit Commission will be carrying out an ongoing risk assessment based on the review of governance arrangements.</p>	Aug 11

Issue	Outcome	Owner	Current Position	Date of update
			<p>An Internal Audit review of the actions and progress made in response to the Audit Commission review of Governance Arrangements has given significant assurance, with evidence that the recommendations have been addressed, largely through the revision of the constitution and management of the action plan.</p> <p>LEAN principles continue to be applied to ensure that all systems add value and that we meet best practice examples that meet customer needs.</p> <p>There will be further work on developing benchmarking to see how we compare and the use of information management and evidence of need to the allocation of resources.</p>	
Transformation	The transformation agenda successfully delivers new	Manjeet Gill	The Council is undertaking a significant change to the way that we deliver services	Aug 11

Issue	Outcome	Owner	Current Position	Date of update
	ways of working and achieves corporate plan		<p>locally.</p> <p>The transformation programme will ensure that the risks and opportunities presented by the new ways of working are taken into account and managed.</p> <p>The agenda includes developing the skills needed, further developing the governance framework, sharing information and a developed communication system.</p>	