



GA.59 14/15
Governance & Audit Committee
Date: 9th April 2015

Subject: Governance Assurance Map

Report by:

Director of Resources – Ian Knowles

Contact Officer:

Business Improvement & Corporate Governance Manager
01427 676537

Purpose / Summary:

To present the draft Governance Assurance Map

RECOMMENDATION(S):

- 1. To review the document and comment on its usefulness and format**
- 2. To agree that the Map be presented on an annual basis to the Committee as a way of providing assurance in relation to governance related processes**

IMPLICATIONS

Legal: The Annual Governance Statement must comply with the Accounts and Audit (England) Regulations 2011

Financial: FIN148/15

Staffing: None

Equality and Diversity including Human Rights :

Risk Assessment: N/A

Climate Related Risks and Opportunities: None

Title and Location of any Background Papers used in the preparation of this report:

Call in and Urgency:

Is the decision one which Rule 14.7 of the Scrutiny Procedure Rules apply?

i.e. is the report exempt from being called in due to urgency (in consultation with C&I chairman)

Yes

No

x

Key Decision:

A matter which affects two or more wards, or has significant financial implications

Yes

No

x

1. Background

1.1 At the Governance & Audit Committee in November 2014 discussion was held re providing Members with a framework setting out a collated 'snap shot' of our governance related activities, reporting and received external opinions based on the three levels of assurance model.

1.2 Since that time consideration has been given as to how best organise the information and also to identify relevant activity, external opinion findings and reporting mechanisms. This has culminated in the production of the attached template.

1.3 At the Governance & Audit Committee meeting in January 2015, copies of the template were circulated to Members to take away and review in advance of this meeting.

2. Methodology

2.1 To organise the information it was decided to base our governance related activity around the six principles of good governance as identified by CIPFA. These being:

1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles
3. Developing the capacity and capability of members and officers to be effective
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
5. Engaging with local people and other stakeholders to ensure robust public accountability
6. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour (Standards of conduct, probity and ethics)

2.2 The risk to the Council of not properly addressing each principle has been set out as either high (red) or medium (amber). Officers directly responsible for ensuring that activity relating to individual principles is robust have been identified.

2.3 Against each principle, governance related activities; processes, reporting mechanisms, overview/scrutiny and external opinion have been set out. Assessments have been made against individual entries resulting in them being assessed as effective (green); slight cause for concern or not fully developed (amber); major cause for concern (red) and not relevant/appropriate (blank).

2.4 Common aspects which require attention have been grouped and numbered (one to 11) and have been set out within the template with high level action detailed designed to improve the stated assessment rating.

2.5 It is envisaged that some of the aspects requiring attention will be used to inform the Annual Governance Statement Action Plan for 2014/15.

2.6 It is proposed to review and present the template to Governance & Audit Committee on an annual basis.

3. Recommendations

3.1 The Committee are asked to:

1. Review the document and comment on its usefulness and format
2. Agree that the Map be presented on an annual basis to the Committee as a way of providing assurance in relation to governance related processes

Assurance Map (to support the AGS)

<p>Purpose: It is essential that there is an effective and efficient framework in place to give sufficient, continuous and reliable assurance on organisational stewardship and the management of the risks to organisational success and delivery of improved, cost effective, public services. This can be achieved by following the six principles of good governance outlined below.</p>				1st Line of Defence	2nd Line of Defence					3rd Line of Defence		
				<i>Delivering the risk and control environment</i>	<i>Other oversight and assurance functions</i>					<i>Independent assurance/advice</i>		
				BUSINESS AREAS First Line (not independent)	MANAGEMENT OVERSIGHT Second Line (more objective, but not wholly independent)					INDEPENDENT AND OBJECTIVE Third Line (objective & independent)		
Strategic objective/priority	Risk	Risk Assessment	Owner	Management Controls	Corporate Reporting		Quality and Inspection			Internal Audit		External Audit
		RAG			Financial Reporting	Corporate Performance Reports	Reviews	Satisfaction/Complaints Handling	Commissioning & Partnerships	Internal Audit Annual Report	Latest Specific Report	
1 Focussing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area	That the lack of service planning, performance management and appraisals linked to performance mean that we are unable to resource or prioritise work towards the achievement of the strategic aims of the authority.	High	Mark Sturgess	<p>There is a corporate plan but this is not well linked to service plans and performance management reflected in appraisals and capability assessments. Regular priorities meetings with Members. 1</p> <p>Service Plan production not yet matured. 2</p> <p>Key Strategies setting direction. 3</p>	<p>Business Planning not fully developed. 8</p> <p>1. MTFP in place to fund Corporate Plan objectives. 2. Quarterly budget reporting to Members</p>	<p>P&D programme/project reporting to Members. A group examined the information that members required and the focus should be on exception reporting. This is still being refined. 10</p>	<p>Progress & Delivery reporting of Corporate Plan included on AGS 2013/14 Action Plan. 10</p>	<p>Customer feedback/complaints process used to learn from failures to meet customer expectations.</p>	<p>There is an ACoP for partnerships to help focus on the objectives of the authority, but as yet adoption of its aims is in its infancy. 11</p>	<p>4/15 provided an overall rating of 'amber' for WLDC's governance arrangements</p>	<p>Not all of the proposed actions for the Corporate Plan Internal Audit have been completed, in that there are still concerns over the quality of the information and measures (2012)</p>	<p>External Audit AGS (2013/14) comments</p>
2 Members and officers working together to achieve a common purpose with clearly defined functions and roles	There have been issues connected to projects where behaviours have caused partnership relationship difficulties and have adversely affected the reputation of the Council. Not all working groups have clear Terms of Reference.	Medium	Alan Robinson	<p>Constitution, standards of conduct and ethics and agreement over information sharing on investment projects. Boards in place to oversee projects and programmes.</p>	<p>Annual training in place for G&A Committee and other Members re Statement of Accounts and Treasury Management Strategy</p>	<p>1. Member development training and reporting on its effectiveness. 2. Members survey on support provided by Team and across Council.</p>		<p>Standards complaints procedure and Code of Conduct in place to receive complaints</p>	<p>Partnership ACoP defines the roles of partners and behaviours that should be displayed. Adoption and implementation in early stages. 11</p>		<p>Although there is an action plan to meet the recommendations from the investment projects and Elswitha internal audit, we need to be confident that the issues could not happen again (2012).</p>	<p>1. Broadband project review by KPMG showed clear information and project planning (2014). 2. Member training delivered by External Audit. 3. External opinion obtained from Lambeth Council re democratic practices (2014).</p>
3 Developing the capacity and capability of members and officers to be effective	Need to be assured that the member development plan is being adhered to and that the performance management, ACoPs and management capabilities are being managed and developed.	Medium	Ian Knowles	<p>1. Appraisal process, organisational development plan, ACoPs and performance management. 2. Organisational Development Plan. 3. Members induction process in development. 4</p> <p>Member Development plan in place</p>	<p>1. Monthly budget monitoring sessions with budget holders. 2. Phase One of Finance Matters programme delivered and evaluated.</p> <p>Phase Two of Finance Matters in development. 9</p>	<p>Appraisals still need to be developed around the achievement of the corporate plan and compliance with ACoPs. 4</p>	<p>Member Development Plan reviewed by G&A Committee six monthly</p>	<p>Disciplinary process in place to address capability</p>			<p>Performance management was deemed to be limited and there is no PM strategy or framework adopted. Internal audit reports have identified non compliance with codes and practices (2012).</p>	<p>1. Investors in People award recently re-awarded (2014). 2. Member training delivered by External Audit (2014).</p>
4 Taking informed and transparent decisions which are subject to effective scrutiny and managing risk	Under developed scrutiny processes mean that decisions are not examined in a positive way to be able to learn lessons. Compliance with risk management procedures needs to be monitored.	High	Ian Knowles	<p>Overview and scrutiny process and ToR agreed and work plan being developed. 5</p>	<p>1. Financial implications detailed on all relevant reports. 2. Risk & legal considerations highlighted.</p>	<p>Options appraisals included for Members to consider in project planning.</p>		<p>Members are identifying issues relating to customer care for further investigation and report e.g. missed calls. 5</p>	<p>Under developed scrutiny may affect the relationship with partners to be able to develop a confident partnership approach. Post scrutiny feedback arrangements to be developed to learn lessons. 5</p>		<p>Substantial assurance rating for risk management audit (2014).</p>	<p>Broadband project review (2014) by KPMG showed clear information and project planning.</p>

				Risk Management Strategy																
				Use of revised project management methodology & ACoP is in its infancy. 6				Board oversight and scrutiny of project development and delivery to ensure appropriate governance in place. 6												
5 Engaging with local people and other stakeholders to ensure robust public accountability	That consultation and engagement with local people and stakeholders does not inform local policies and priorities.	Medium	Ian Knowles	1. We have a consultation strategy and plan. 2. Stakeholder events held. 3. Project management methodology encourages consideration of stakeholders.	1. Budget Consultation events held. 2. Parish Council events held re parish precepts	The results of stakeholder engagement are reported to Members		Satisfaction levels with content and quality of engagement events.	C&I Committee Scrutiny role to assess the effectiveness of the work strategic partners undertake is in development. Timetable of events drawn up. 5											
				Citizen's Panel	Statement of Accounts published	External reporting of key performance and financial reports		Customer Complaints process in place	Partnership ACoP developed to provide consistent guidance for effective partnership management and accountability. 11											
				Localism Approach. 7																
6 Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour (Standards of conduct, probity and ethics)	That non compliance with agreed and approved standards and ways of working leads to poor governance and affects confidence and reputation	Medium	Alan Robinson	1. There are adopted standards of behaviour and codes of conduct as well as published "interest" reports on the website. 2. Whistleblowing; money laundering and anti-fraud and corruption policies in place and refreshed regularly.	1. Financial Procedure Rules. 2. National Fraud Initiative undertaken. 3. Reconciliation procedures and other internal control systems in place.		Latest review of Member behaviour identified no significant issues	Breaches of conduct are investigated and reported with independent input												

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Levels of Assurance	
	Low
	Medium
	High
	No process in place or no process relevant

Work to be undertaken to address areas where improvement required	
Area to Address	Action
1. Corporate Plan	Refresh in 2015/16
2. Service Plans	Ensure all are produced, quality and relevance is assured.
3. Key Strategies	Progress re Commercial and Economic Development strategies. Attention to be paid to Car Parking; HR/OD strategies.
4. HR/OD	OD Plan to be implemented
5. C&I Scrutiny Role	Development of C&I role to scrutinise areas of relevance and the work of strategic partners
6. Project Mgt	New methodology to mature and effectiveness assessed
7. Localism	Relevance of role and capacity to deliver to be investigated.
8. Business Planning	Process to be developed to ensure MTFP is informed and costed
9. Finance Matters II	Training programme to be rolled out
10. Progress & Delivery	Refresh of measures for 2015/16 and exception reporting to mature.
11. Partnerships	Actions from audit findings and ACoP compliance to be monitored.