

Wolverhampton City Council

OPEN INFORMATION ITEM

Audit Committee

Date 11 March 2013

Originating Service Group(s)	Delivery
Contact Officer(s)/	David Johnston
Telephone Number(s)	4565
Title/Subject Matter	Annual Governance Statement – Significant Governance Issues

Recommendation

That members of the Audit Committee note the contents of this report on the Significant Governance Issues as detailed in the Annual Governance Statement 2011/12.

1. PURPOSE

To advise members of the committee of the current progress in addressing the Significant Governance Issues as detailed in Section 5 of the Annual Governance Statement for the year 2011/2012.

2. BACKGROUND

2.1 The Council is required under Regulation 4(2) of the Accounts and Audit Regulations 2003, as amended by the Accounts and Audit (Amendment) (England) Regulation 2006 to produce an Annual Governance Statement to be included in the annual statement of accounts, which must be signed by the Leader of the Council and the Chief Executive.

2.2. The Annual Governance Statement draws upon the management and internal control framework of the Council, especially the work of internal and external audit and the Council's risk management arrangements. In compiling the Annual Governance Statement assurance is obtained from a range of sources in order that the signatories to the Statement can assure themselves that the statement reflects the governance arrangements for which they are responsible.

2.3. The Annual Governance Statement is a key corporate document that is overseen and approved by the Strategic Executive Board and owned by all senior officers and Members.

2.4. The Annual Governance Statement provides coverage of the following information:

- Scope of Responsibility
- The purpose of the governance framework
- A description of the governance framework and the key elements of the systems and processes that comprise the authority's governance arrangements.
- Review of effectiveness.
- Significant governance issues.

3. DETAILS

3.1 The Council recognises that the identification, evaluation, monitoring and control of risk are a key aspect in the governance of the organisation.

3.2 Section 5 within the Annual Governance Statement details the matters that are the most significant current governance issues that are subject to attention in order to ensure that lessons are learnt, good practice is embedded and risk is managed.

3.3 The attached Appendix 1 lists these matters and provides an update as to the activities in progress to address them.

4. FINANCIAL IMPLICATIONS

4.1 There are no direct financial implications in relating to this report.
[GE/25022013/B]

5. LEGAL IMPLICATIONS

5.1 There are no direct legal implications relating to this report. [MW/25022013/C]

6. EQUAL OPPORTUNITIES IMPLICATIONS

6.1 There are no direct equal opportunity implications relating to this report.

7. ENVIRONMENTAL IMPLICATIONS

7.1 There are no direct environmental implications relating to this report.

Annual Governance Statement 2011/2012 - Significant Governance Issues

	Section 5 Issue	Current Position
5.2	<p>Partnership governance arrangements include responsibility for monitoring performance and managing risk. Improvements are required to the Risk Management arrangements within the major partnerships, in order to ensure that the risks associated with joint working are adequately identified and managed by the Council in conjunction with the appropriate partner. A Partnership Protocol has been agreed. Work continues in collating a partnership register and a reporting mechanism whereby the status of partnerships in which the Council is involved at a significant level are monitored. This is to ensure that adequate risk management arrangements are in place.</p>	<ul style="list-style-type: none"> • Although a partnership protocol has been agreed, progress in the completion of a partnership register and the management and reporting of partnership risks has been slow. • The Council will adopt a revised systematic and consistent approach to identifying its significant partnerships. • Once the significant partnerships have been identified, a systematic review of the governance arrangements and the 'health' of each partnership will be carried out to ensure they continue to contribute to the corporate priorities and provide value for money. The findings of the reviews and the risks associated with these partnerships will then be reported to officers and Members with portfolio responsibilities. • This work will now be assumed and progressed by Corporate Strategy and Improvement Unit and Risk Management and Insurance Services supported by Internal Audit.

	Section 5 Issue	Current Position
5.3	<p>The Council still has to implement Single Status, a national agreement between the National Joint Council (NJC) for Local Government and Signatory Trades Unions made on 1 April 1997. The Council has a dedicated project team to implement and govern this process. During the year the Cabinet has developed and approved a strategy for addressing the risks relating to historic Equal Pay Claims and has commenced a process of implementing this and also meeting the requirements under the Single Status agreement.</p>	<ul style="list-style-type: none"> • Programme on track to deliver implementation of compliant pay structure with effect from 01/04/13 • External review carried out by PWC of the Council's arrangement for managing Single Status implementation and issues. <i>Review of key project documentation, reports, risk registers and minutes of key governance meetings</i> <i>No issues identified in respect of the governance structures and procedures to manage risks</i> • Internal Audit is part of the Single Status Board and has undertaken data audits at relevant stages.
5.4	<p>The Council invited the Information Commissioner's Officer to carry out a consensual audit in order to provide the basis for an improvement plan. Basic frameworks are now in place and additional resources are being targeted at Information Governance. However, detailed policies, process and training need to be embedded to reduce the profile of this ongoing governance issue</p>	<p>Following additional reviews by the ICO in August and December 2012 the Council is aware of the improvements required to establish sound practice and is working towards that position;</p> <ul style="list-style-type: none"> • IG Board now established and operational • Work programme and resources mapped out • Recruitment into IG Officer post • IG policies have been approved by Resources Panel • Presentation to SEB/CDB completed <ol style="list-style-type: none"> 1. Heads of Service presentations and training programmes to be scheduled 2. Particular focus on key Service areas of high risk potential 3. Operational IG Structure to be implemented

	Section 5 Issue	Current Position
5.5	<p>Elections are due in November for Police and Crime Commissioner. There are currently many uncertainties around the likely impact on local issues, but there are likely to be significant governance issues around proper scrutiny and appropriate representation on the Police and Crime Panel, as well as ensuring local democratic accountability</p>	<ul style="list-style-type: none"> • Following the election in November officers of the Council have been in regular contact with new Police and Crime Commissioner. • Proposals have been put forward by the PCC for the development of Local Police and Crime Boards to significantly increase the role of communities. These Boards will be community-led bodies and will have responsibility for setting priorities, plans and undertaking commissioning decisions on local crime and community safety issues. There will still remain a Strategic Policing Plan to include the Strategic Policing Requirement and West Midlands-wide priorities. • Whilst there is an overarching framework, individual Local Authorities LPCB may differ and will be shaped by the input from the community groups and other interested parties. • Wolverhampton City Council's engagement in this process is active and options for development of a LPCB for the city are currently under consideration which will involve a significantly revised membership and model of delivery for the statutory Community Safety Partnership. Acceptance of these conditions of funding has guaranteed resources for 2013-14 delivery, however continuing reductions in funding will inevitably result in a reduction in services. <p>The risks associated with these matters are being regularly evaluated as the PCC's proposals take shape.</p>

	Section 5 Issue	Current Position
5.6	<p>The Council recognises that there will be significant governance issues arising from Welfare Reform and the expected increase in responsibilities and duties. There is a high level of uncertainty as to detail at this time but the Council will undertake a full risk assessment as soon as practicable.</p>	<ul style="list-style-type: none"> • Welfare Reform Programme established. • Project work streams underway; <ul style="list-style-type: none"> • Local Council Tax Benefits Scheme • Local Discretionary Grants Scheme (people in crisis) • Housing Benefit impact and move to Universal Credit • Co-ordinated advice service and communications operations • An impact assessment to establish real impact and risk reported in mid December and is currently being refined; this will allow controls and supportive actions to be developed on those most affected. • Much of the impact is caused by external factors as opposed to Council Policy; the Council's ability to influence is at the margins.