



Audit Committee

16 December 2013

Report title	Annual Governance Statement – Action Plan Update	
Cabinet member with lead responsibility	Councillor Paul Sweet Governance and Performance	
Accountable director	Keith Ireland, Delivery	
Originating service	Audit	
Accountable employee(s)	Peter Farrow Tel Email	Head of Audit 01902 554460 peter.farrow@wolverhampton.gov.uk
Report to be/has been considered by	Delivery Directorate Leadership Team	26 November 2013

Recommendations for noting:

The Committee is asked to note:

1. The progress made in addressing the key improvements areas identified in the 2012/13 Annual Governance Statement action plan.

1.0 Purpose

- 1.1 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 is signed by the Leader of the council and the Chief Executive.

The 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 statement assurance is obtained from a range of sources in order that the signatories to the statement can assure themselves that it reflects the governance arrangements for which they are responsible. Following this exercise a list of key improvement areas was identified.

2.0 Background

- 2.1 Appendix A of this report has an action plan listing the key areas for improvement that were identified at the time of the compilation of the Annual Governance statement, and updates the Committee on the actions that have been taken so far, towards their implementation.

3.0 Progress, options, discussion, etc.

- 3.1 A further update on progress made against the actions identified in the 2012/13 Annual Governance Statement will be reported to the Committee at the year end.

4.0 Financial implications

- 4.1 There are no direct financial implications arising from the recommendations of this report. The Annual Governance Statement and delivery of the action plan is a significant element of the processes in place to ensure proper and effective use of resources. (CN/06122013/B)

5.0 Legal implications

- 5.1 There are no legal implications arising from this report (JH/281113/F)

6.0 Equalities implications

- 6.1 There are no equalities implications arising from this report.

7.0 Environmental implications

- 7.1 There are no environmental implications arising from this report.

8.0 Human resources implications

8.1 There are no human resources implications arising from this report.

9.0 Schedule of background papers

9.1 2012/13 Annual Governance Statement

2012/13 - Key improvement areas and actions for Implementation	Responsibility and expected implementation date	Update @ November 2013
<p>FutureSpace: Corporate Landlord The management of and responsibility for the Council's property assets is currently split between two directorates. Several initiatives and proposals for maintenance programmes and better targeted use of properties have been put forward. It is necessary that clarity of ownership and control of decision making is determined to ensure effective progress is made. Also work is on-going to improve the co-ordination of responsibilities as the Council develops the role of a 'Corporate Landlord' between the Directorates, along with the continued development of a 'One Council' approach to the use of land and assets and the development of options and a strategy to utilise available properties for community use that are not Council owned property.</p>	<p>Strategic Director – Delivery Strategic Director – Education and Enterprise 31 March 2014</p>	<p>The FutureSpace Programme is being delivered to the set deadlines for the programme. The substantive issues for the next quarter are the detailed design work and confirmation of costs to enable the Full Business Case (FBC) to be presented to the Cabinet in February 2014. Approval of the FBC will enable the programme to progress to implementation. The governance arrangements also need to be fully consolidated during the next quarter. The detailed planning for the introduction of the Corporate Landlord model needs to be completed during the next quarter. This needs to be underpinned by the progression of the Strategy Asset Review that will confirm the land and property assets to be retained and managed going forward.</p>
<p>Information Governance Following critical in-year reviews by the Information Commissioners Office in August and December 2012, the Council is putting in place a robust framework and effective working practices, including:</p> <ul style="list-style-type: none"> • An established and operational Information Governance Board • Mapped out work programme and resources 	<p>Strategic Director – Delivery Chief Legal Officer (SIRO) Head of Policy 31 December 2013</p>	<p>The Information Governance Board chaired by the Senior Information Risk Officer (SIRO) meets regularly to discuss Information Governance (IG) issues. Significant progress has been made on the delivery of the IG work programme, building on the policy framework and new IG structure. Mandatory training on protecting information has been developed for all staff via an eLearning module and further training on Freedom of Information and Data Protection is available. Information Protective Marking has</p>

<ul style="list-style-type: none"> • A new Information Governance structure • Information Governance policies have been approved • Training programmes are underway 		<p>been rolled out across the organisation and a new information incident reporting process implemented from July 2013. This has enabled increased reporting of low level IG incidents so the council can deal with problems and manage risk to information before issues escalate. This reporting also informs the newly established corporate Information Risk Register. Guidance on IG including undertaking Privacy Impact Assessments is also included in the corporate project toolkit.</p>
<p>Partnership Governance Partnerships are increasingly common and increasingly important to the Council, in order to deliver the corporate plan and respond to the Localism agenda. These partnerships take many forms. For example, formal arrangements such as strategic service delivery partnerships, statutory partnerships and looser, informal relationships with community groups or the ‘third sector’. Although each of these partnerships is formed to generate beneficial outcomes they also carry different types of risks and governance can be problematic.</p> <p>In addition, some of the Council’s partnerships have been in place for a number of years and the ‘health’ and governance arrangements of these partnerships have not been systematically reviewed to ensure they continue to contribute effectively to the corporate priorities. Therefore, the Council is to 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</p>	<p>Strategic Director – Delivery Chief Legal Officer March 2014</p>	<p>A Governance Framework and Took Kit is being developed based on a model approved by the Audit Commission. This will then be evaluated by the Constitutional Review Group prior to following the approval routes for incorporation as formal policy and procedure under the Constitution. In addition, a partnership review will be undertaken and a register/directory will be created and kept updated.</p> <p>Going forwards a Governance Partnership Board will sit frequently to challenge, evaluate and consider whether or not partnerships are adding VFM and to decide on strategies which align with the Corporate plan.</p> <p>Training will be on-going for Members and Officers serving on partnerships. Regular reviews will also be undertaken and an Annual Report published.</p>

<p>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 Councillors with portfolio responsibilities.</p>		
<p>Contract Management and Monitoring The Council has historically had an inconsistent approach to its contract monitoring. New processes are being put in place to ensure that contracts can be monitored and reviewed on an on-going basis for value for money in the future.</p>	<p>Strategic Director - Delivery Head of Procurement 31 December 2013</p>	<p>A new guidance document has been prepared, and is now working its way through the various consultation and approval routes. It is estimated that this should be ready for a phased introduction around April 2014.</p>
<p>Procurement The Interim Head of Procurement had raised concerns over past tendering processes and the failure to follow the Council's Contract Procedure Rules. Following an independent review, these concerns were supported by the findings of Internal Audit who identified a number of cases of inconsistencies and ambiguities at various stages of the procurement processes. The recommendations arising from the audit review were agreed with the Interim Head of Strategic Sourcing, who is putting in place a whole range of improved working practices over the coming months.</p>	<p>Strategic Director - Delivery Head of Procurement 31 December 2013</p>	<p>The revised Procurement Procedures are due to be considered at Council in December for incorporation into the Constitution. This will be followed and supported by a structured training programme utilising both e-learning and face-to-face sessions for all staff with responsibility for letting contractual agreements. The corporate Procurement Board will be convened in January to deliver the outputs listed within the Terms of Reference.</p>
<p>Savings Targets While the Council's current and historical savings targets have been largely delivered, there are still a limited number of such targets that have not yet been and also some, where proposals are yet to be developed. A failure to meet</p>	<p>Strategic Director – Delivery Assistant Director – Finance 31 March 2014</p>	<p>Close monitoring of the delivery of savings has been taking place throughout 2013/14 and updates have been reported to SEB and Councillors. The latest monitoring information indicates that £14 million has been banked and that there is a high level of confidence concerning the delivery of £10.2 million, however, a sum of £1.8 million is at risk of not being</p>

<p>these targets will adversely impact upon the Council's ability to meet its objectives. Close monitoring of the situation continues at both senior officer and Councillor level.</p>		<p>delivered as originally intended.</p> <p>In addition a detailed budget review exercise is currently in progress to identify any underlying issues within the budget that relate to prior year savings proposals. The outcome of this exercise should be available by the end of the calendar year.</p>
<p>Resilience Function (Emergency Planning and Business Continuity)</p> <p>The Council has identified issues in its ability to respond fully to its responsibilities under the Civil Contingencies Act. The Cabinet has approved the creation of a new Resilience Team in 2013/14 to bring together the separate Emergency Planning and Business Continuity functions. This is to underpin the delivery of the new Major Incident Plan and suite of subsidiary plans. The Resilience Team will operate within new governance arrangements and report to a Board. The Board will oversee the delivery of the annual work programme for Resilience that will be reviewed quarterly by the Strategic Executive Board. Annual audits will also be conducted to validate progress against the annual work programme.</p>	<p>Strategic Director – Delivery Assistant Director - Delivery 31 March 2014</p>	<p>The initial project plan for resilience has been completed and reported to the C3 Scrutiny Panel. The Resilience Board has been constituted and will be chaired by the Director of Public Health. The substantive piece of work for the Board is to develop an integrated work programme for the Council and Public Health to direct matters in 2014/15.</p>
<p>Equalities</p> <p>The Council has identified issues in its ability to respond fully to its responsibilities in respect of equalities and consultation. An Equalities Advisory Group has been formed and approved an equalities work programme. This programme identifies ways of mainstreaming and promoting best equalities practice. Appropriate measures will be implemented during 2103/14.</p>	<p>Strategic Director – Delivery Head of Policy 31 March 2014</p>	<p>The Equalities Member Champion chairs the Equalities Advisory Group, which meets at least quarterly to monitor progress against the delivery of the equalities work programme. A new equalities analysis toolkit has been developed and rolled out across the organisation, so all services, functions, policies and procedures are screened for equalities implications. Equalities analysis advice is also included in the corporate project toolkit. An equalities</p>

		<p>eLearning course has been developed and is mandatory for all staff. A model equality monitoring form has been developed, and a series of key information briefings on equalities issues produced and disseminated across the organisation. Progress against the Equality Objectives Action Plan has been reviewed and updated and reported to Councillors and published on the website.</p>
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