

CORPORATE OVERVIEW & SCRUTINY PANEL

MONDAY, 18TH NOVEMBER, 2019

At 6.00 pm

in the

DESBOROUGH 2 & 3 - TOWN HALL, MAIDENHEAD

SUPPLEMENTARY AGENDA

PART I

<u>ITEM</u>	<u>SUBJECT</u>	<u>PAGE NO</u>
6.	<u>ANNUAL GOVERNANCE STATEMENT</u> To consider the report.	3 - 26

This page is intentionally left blank

Agenda Item 6

Report Title:	2018-19 Annual Governance Statement
Contains Confidential or Exempt Information?	No - Part I
Member reporting:	Councillor Hilton, Lead Member for Finance & Ascot
Meeting and Date:	Corporate Overview & Scrutiny Panel – 18 November 2019
Responsible Officer(s):	Duncan Sharkey, Managing Director Elaine Browne, Head of Law
Wards affected:	All

www.rbwm.gov.uk



REPORT SUMMARY

- 1 This report presents the 2018/19 Annual Governance Statement (AGS) see Appendix 1.
- 2 It recommends that the Corporate O&S Panel consider the content and recommend the 2018/19 AGS to the Leader and Managing Director for signature and presentation with the Annual Statement of Accounts.
- 3 The recommendation is being made to ensure that the Council meets its statutory requirements and those of this Panel's Terms of Reference to be satisfied that the Council has in place appropriate corporate governance systems and controls.

1 DETAILS OF RECOMMENDATION(S)

RECOMMENDATION: That Corporate O&S Panel notes the report and:

- i) Consider the draft 2018/19 AGS and identify any specific matters which should be brought to the attention of Council or Cabinet; and
- ii) Recommend the 2018/19 AGS to the Leader of the Council and Managing Director for signature and publication with the Council's Statement of Accounts.

2 REASON(S) FOR RECOMMENDATION(S) AND OPTIONS CONSIDERED

- 2.1 The annual review of the Council's governance framework is required under the Accounts and Audit Regulations 2015 which state that 'A relevant authority must ensure that it has a sound system of internal control' (Regulation 3) and 'each financial year conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement' (Regulation 10).
- 2.2 The AGS is required to demonstrate that systems and processes are in place to ensure that Council business is conducted lawfully and in accordance with proper standards and to identify areas where compliance could be improved.
- 2.3 The draft AGS and Corporate Action Plan for 2018/19 are set out in Appendix 1 to this report.

2.8 Once recommended by the Corporate O&S Panel, the AGS is required to be signed off by the Managing Director and the Leader of Council and presented with the Council's 2018/19 Statement of Accounts to fulfil the Council's statutory obligations. The external auditor is then required to comment on the content of the AGS in terms of whether it correctly represents the organisation.

Option	Comments
Consider the draft 2018/19 AGS and confirm the draft AGS to the Managing Director and Leader of the Council for signature and publication with the Council's Statement of Accounts. The Recommended Option	This will ensure that the Council meets its statutory requirements. In addition, this Panel will comply with its responsibilities as set out within their Terms of Reference in respect of the Council's governance arrangements.
Note the draft 2018/19 AGS and propose further changes before submission to the Managing Director and Leader of the Council. Not Recommended	Members may wish to request that the AGS is amended if they feel that there are material issues which have not received sufficient emphasis or if there are specific issues the document is deficient in.
Not approve the 2018/19 AGS or changes to the process adopted. Not Recommended	The Council will not meet its statutory requirements and this may expose the Council to an avoidable risk, arising from not having an adequate governance framework. . This could result in a qualification in the External Auditors' Annual Management Letter.

3 KEY IMPLICATIONS

Table 2: Key implications

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Council has a process in place to meet the core principles of good governance supporting good performance and outcomes for service users / residents.	Poor service performance and outcomes for service users / residents.	Good service performance and outcomes for service users / residents.	n/a	n/a	Ongoing

Outcome	Unmet	Met	Exceeded	Significantly Exceeded	Date of delivery
Residents will have assurances that the principles of good governance are being incorporated into the Council's normal business processes, providing them with confidence in the decision-making and management processes and in the conduct and professionalism of its Members, officers, partners and other agents in delivering services.	Loss of residents' confidence. Council reputation may be affected.	Gain residents' confidence. Council reputation protected.	n/a	n/a	Ongoing

4 FINANCIAL DETAILS / VALUE FOR MONEY

4.1 Financial impact on the budget (mandatory)

Revenue – There are none arising directly as a result of this report.

5 LEGAL IMPLICATIONS

5.1 The Accounts and Audit Regulations 2015 require that a relevant authority must ensure that it has a sound system of internal control (Regulation 3) and each financial year conduct a review of the effectiveness of the system of internal control and prepare an annual governance statement (Regulation 10).

6 RISK MANAGEMENT

Table 3: Impact of risk and mitigation

Risks	Uncontrolled Risk	Controls	Controlled Risk
Failure of the Council to have a process in place to meet all core principles of good governance	High	Ensure that:- The AGS provides the management processes to update, review and react to amendments to Corporate Governance principles, as laid out by legislative requirements. An independent Audit Committee	Low

Risks	Uncontrolled Risk	Controls	Controlled Risk
leads to poor performance, poor outcomes for service users / residents.		(in the form of this Panel) has the skills capable of both considering and challenging the robustness of the Council's governance arrangements. Senior Officers and Members take ownership of the AGS.	
Failure to consult appropriate officers with correct levels of responsibility in the assurance gathering process.	High	Directorate Management Teams undertake regular self-assessments of their governance arrangements. Periodic update reports to Corporate Leadership Team summarising progress in achieving the governance action plan on those areas identified as needing to be addressed.	Low

7 POTENTIAL IMPACTS

- 7.1 The adoption of the AGS process will support the delivery of all six strategic objectives.
- 7.2 Equalities: No impacts have been identified
- 7.3 Climate Change/sustainability: No impacts have been identified
- 7.4: Data Protection/GDPR: No impacts identified

8 CONSULTATION

- 8.1 All members of CLT have been consulted in the preparation of the AGS. They have completed and returned individual Management Assurance Statements.

9 TIMETABLE FOR IMPLEMENTATION

- 9.1 The 2018/19 AGS covers the governance arrangements in place during the financial year to 31 March 2019. The timescales for addressing the significant governance issues identified are detailed within the Action Plan at Appendix A to the AGS.

10 APPENDICES

Appendix 1 - 2018/19 Annual Governance Statement with appended Corporate Action Plan

11 BACKGROUND DOCUMENTS

11.1 The Accounts and Audit Regulations 2015.

11.2 The Public Sector Internal Audit Standards (PSIAS) (March 2017)

12 CONSULTATION (MANDATORY)

Name of consultee	Post held	Date sent	Commented & returned
CLlr Hilton	Lead Member for Finance & Ascot	7.11.19	11.11.19
Duncan Sharkey	Managing Director	5.11.19	7.11.19
Terry Neaves	Section 151 Officer	5.11.19	7.11.19
Elaine Browne	Head of Law	5.11.19	5.11.19
Karen Shepherd	Head of Governance	5.11.19	5.11.19

REPORT HISTORY

Decision type: N/A	Urgency item? No	To follow item? Yes
Report Author: Elaine Browne, Head of Law		

Annual Governance Statement 2018/19

Scope of Responsibility

1. The Royal Borough of Windsor and Maidenhead ('the Council') is responsible for ensuring that its business is conducted in accordance with the law, proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
2. In discharging this duty, the Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions. These include arrangements for the management of risk.
3. The Council has approved and adopted a [Code of Corporate Governance](#) (currently under review) which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.
4. This Annual Governance Statement explains how the Council has complied with its code of corporate governance and also meets the requirements of regulation 6(1)(b) of the Accounts and Audit Regulations 2015.

The purpose of the governance framework

5. The governance framework comprises the systems, processes, culture and values by which the Council is managed and controlled. The framework also sets out how the Council accounts to, engages with and leads the community.
6. The governance framework enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate and cost-effective services.
7. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives as an individual's failure to comply with policies and procedures, even when provided with comprehensive training on them, can never be entirely eliminated.
8. The system of internal control is based on an ongoing process designed to:

- (a) identify the risks to the achievement of the Council's policies, aims and objectives;
- (b) evaluate the likelihood and impact of the risks should they be realised; and
- (c) identify and implement measures to reduce the likelihood of the risks being realised and to manage them efficiently, effectively and economically.

The governance framework

9. In 2016 CIPFA/SOLACE issued revised best practice guidance for 'Delivering Good Governance in Local Government'. The framework sets out seven principles that should underpin the governance of each Local Authority. The following sections look at how the Council is held to account for these seven principles.

- Behave with Integrity
- Demonstrate Transparency and Accountability
- Engage with Stakeholders
- Develop Capacity, Capability & Leadership
- Define Outcomes
- Ensure Planned Outcomes are Achieved
- Manage Risks and Performance Effectively

Behave with Integrity

The Constitution

The [Constitution](#) sets out the how the Council operates; the roles and responsibilities of members, officers and the scrutiny and review functions; how decisions are made and the procedures that are followed to ensure that these are efficient, transparent and accountable to local people.

The Monitoring Officer

S5 Local Government and Housing Act 1989 requires that the Council must have a Monitoring Officer responsible for monitoring and reviewing the operation of the Constitution to ensure that its aims, policies and principles are given full effect. The Monitoring Officer is also responsible for matters relating to high standards of conduct of Councillors and is obliged to report on matters which are, or are likely to amount to maladministration.

Section 151 Officer

Whilst all Council Members and Officers have a general financial responsibility, section 151 of the Local Government Act 1972 specifies that one officer in particular must be responsible for the financial administration of the organisation and that this Officer must be CCAB qualified. In the Royal Borough the section 151 Officer was the Deputy Director and Head of Finance who reported to the Managing Director.

Codes of conduct

On joining the Council, Members and officers are provided with a contract outlining the terms and conditions of their appointment. All staff must sign a code of conduct and declare any financial interests, gifts or hospitality on a public register. Members and officers are required to comply with approved policies.

Anti-fraud, bribery and corruption

The Council is committed to protecting any funds and property to which it has been entrusted and expects the highest standards of conduct from members and officers regarding the administration of financial affairs. [The Council's Anti-Fraud and Corruption Policy](#) conforms to legislative requirements and sets out steps to minimise the risk of fraud, bribery, corruption and dishonesty and procedures for dealing with actual or expected fraud.

Whistleblowing

The Council is committed to achieving the highest possible standards of openness and accountability in all of its practices. [The Council's Whistleblowing Policy](#) (updated March 2019) sets out the options and associated procedures for Council staff to raise concerns about potentially illegal, unethical or immoral practice and summarises expectations around handling the matter. The Policy is kept under review by the Monitoring Officer, and reports (which include concerns raised and their outcomes) are submitted to the Employment and member Standards Panel.

Demonstrate Transparency and Accountability

Transparency

The Council and its decisions are open and accessible to the community, service users, partners and its staff. The Freedom of Information Act 2000 and the Environmental Information Regulations 2004 gives anyone the right to ask for any information held by the Council except where an exemption or exception can be lawfully applied to such information.

All reports requiring a decision should be considered by appropriately qualified legal and finance staff with expertise in the particular function area before they are progressed to the relevant committee/group. The Council is committed to its equality responsibilities. To meet these responsibilities, equality impact assessments should be carried out on all major Council services, functions, projects and policies in order to better understand whether they impact on people who are protected under the Equality Act 2010 in order to genuinely influence decision making.

A review has identified that better guidance, controls and instructions to officers are needed to ensure that all decision making complies with the scheme of delegation in the Constitution See Action Plan reference AGS19.2 (Appendix A)

Effective Scrutiny

The Local Government Act 2000 requires a local authority acting under Executive arrangements to have one or more Overview and Scrutiny Panels. The Council operates four Overview and Scrutiny Panels. These panels support the work of the Cabinet and the Council as a whole. They may make reports and recommendations which advise the Cabinet and the Council as a whole on its policies, budget and service delivery.

The Overview and Scrutiny Panels also monitor the decisions of the Cabinet. They can 'call-in' a decision which has been made by the Cabinet but not yet implemented. This enables the Panel to consider whether the decision is appropriate. It may recommend that the Cabinet reconsider the decision. They may also be consulted by the Cabinet or the Council on forthcoming decisions and the development of policy. Details of the Council's Overview and Scrutiny Panels can be located [here](#).

Engage with Stakeholders

Engagement and communication

It is recognised that people need information about the decisions the Council has taken into account that impact the services they provide. The views of customers are at the heart of the Council's service delivery arrangements. The Council uses the following methods to communicate the Council's objectives and achievements to local people:

- 'Around the Royal Borough' – a quarterly newsletter sent to all residents
- The Council Website
- Social Media including Facebook and Twitter
- The annual Council Tax leaflet

Consultations

The Council has a dedicated [webpage](#) for consultations where details of current consultations can be located.

Complaints

The Council operates a clear and transparent [policy](#) and procedure for dealing with complaints about the Council's services.

Partnership working

Partnerships are about the Council coming together with right organisations to deliver improved outcomes for local people. The Council is involved in many different partnerships at different levels, each with their own set of terms of reference for effective joint working which is set out in the Council's [Partnership Protocol](#).

Develop Capacity, Capability & Leadership

Recruitment and induction

The Council operates a robust interview and selection process to ensure that Officers are only appointed if they have the right levels of skills and experience to effectively fulfil their role. If working with children and/or vulnerable adults they will be subject to an enhanced Disclosure and Barring Service (DBS) check prior to appointment. New Officers must attend an induction meeting, which provides information about how the organisation works and managers must complete an induction checklist. Newly elected Councillors are required to attend an induction which includes information on: roles and responsibilities; political management and decision-making; financial management and processes; health and safety; information governance; their Code of Conduct and safeguarding.

Training and development

All Officers complete a number of mandatory e-learning courses including health and safety, equalities and diversity and information governance. Officers and Members have access to a range of IT, technical, soft skills and job specific training courses. Compulsory training is provided for Members who sit on the Licensing Committee, and the Planning Committee. The Council has developed a 'Members' Hub' which is a dedicated area containing documents, news, training and forms. The hub can be accessed from members' corporate iPad.

Performance monitoring

All Officers receive regular one to ones with their Manager in order to monitor workload and performance. Opportunities are provided for identifying future training and development needs, and to track progress against objectives. The effectiveness of individual performance monitoring is tracked in a number of ways, including by asking staff about it as part of regular staff satisfaction surveys.

Define Outcomes

The Council Plan

The Council approved a four year plan in July 2017 through to March 2021 and this has informed the 2018/19 Annual Service Plans. Together these documents help the Council focus on its six strategic objectives:

1. Healthy, skilled and independent residents
2. Safe and vibrant communities
3. An excellent customer experience
4. Growing economy, affordable housing
5. Attractive and well-connected borough
6. Well-managed resources delivering value for money

Ensure Planned Outcomes are Achieved

Performance management

The Council's performance management framework has 42 different measures aligned to the strategic objectives in the Council Plan 2017-21, 22 of which are key measures reported to Cabinet bi-annually. The Corporate Overview and Scrutiny Panel has oversight of the relevant key measures reported to Cabinet as well as a range of other performance measures relating to the following Council strategic priorities for 2019/20:

- An excellent customer experience
- Well-managed resources delivering value for money

Manage Risks and Performance Effectively

Risk management

The Council has a policy which sets out its approach to management of risk. This policy is located [here](#).

Financial management

The s151 Officer is responsible for leading the promotion and delivery of good financial management so that public money is safeguarded at all times, ensuring that budgets are agreed in advance and are robust, that value for money is provided by our services, and that the finance function is fit for purpose. The s151 Officer advises on financial matters to both the Cabinet and full Council and should be actively involved in ensuring that the authority's strategic objectives are delivered sustainably in line with long term financial goals. The s151 Officer together with finance staff should ensure that new policies or service proposals are accompanied by a full financial appraisal which is properly costed, fully funded and identifies the key assumptions and financial risks that face the Council.

The s151 Officer has a statutory duty to report any unlawful financial activity or failure to set or maintain a balanced budget. The s151 Officer also has a number of statutory powers in order to allow this role to be carried out. Eg; Under Section 25 of the Local Government Act 2003 the S151 officer is required to state in the budget report their view on the robustness of estimates for the coming year, the medium-term financial strategy, and the adequacy of proposed reserves and balances. Under Section 114 of the Local Government Finance Act 1988 the chief financial officer has the power to issue a Section 114 notice (S114) if they judge that the council is unable to set or achieve a balanced budget.

The authority's financial management arrangements aspire to conform to the CIPFA Statement on The [role of the Chief Financial Officer](#) in local government (2016).

The Council has [Finance Procedure Rules](#) which are updated on a rolling basis. They set the framework on how the Council manages its financial arrangements and form part of the Council's Constitution. They also set the financial standards that will ensure consistency of approach and the controls needed to minimise risks.

Review of effectiveness

10. Progress was made in year, despite the range of governance issues highlighted below from paragraph 13. that set out the main governance issues, in delivering Council priorities. There were significant strides made in the regeneration of Maidenhead, continuing improvements in children's and adult social care outcomes and performance, improvements in housing and planning performance and the successful implementation and recommissioning of several significant contracts. Services with good performance such as the Revenues and Benefits service continued to achieve high standards. Customer satisfaction overall remained very high driven by great work from many teams. The Royal Borough has become a key player in the Integrated Care System being developed locally. These successes are through the hard work of individuals and teams rather than because the governance of the organisation enabled or drove such achievements.
11. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. It is not clear in conducting this review that this review has been robust or comprehensive in previous years. It is important that going forward this work is undertaken constructively and as such this Annual Governance Statement is more comprehensive than previous year's statements and includes a more comprehensive action plan.
12. The review of effectiveness was led by the Managing Director, Head of Legal, Monitoring Officer, interim s151 Officer with assistance from CIPFA. The review was informed by the work of:
 - The Managing Director, Directors and Monitoring Officer who have responsibility for the development and maintenance of the governance environment. This was through a process of consulting on a draft Annual Governance Statement.
 - The Chief Internal Auditor's annual report and opinion, and by comments made by the external auditors and other review agencies and inspectorates.
 - Deloitte, the Council's external auditor.
 - The Council's Section 151 Officer who has statutory responsibility for ensuring the proper management of the Council's financial affairs.
 - The Council's Overview & Scrutiny Committee committees.
 - The CIPFA review of Financial Governance undertaken in July 2019.

Governance Issues

13. The Monitoring Officer is a resource provided by Shared Legal Services (SLS), a partnership between Wokingham Borough Council and the Royal Borough. The Royal Borough's Monitoring Officer is not the same person as the Wokingham

Monitoring Officer. During 2018-19 this role was undertaken part-time, 0.3 fte that was taken up with directly dealing with Code of Conduct complaints and as such had little time for wider governance work. The Head of Governance has been acting as Deputy Monitoring Officer since April 2018, together with the Head of Law who has also been acting as Deputy Monitoring Officer since September 2019, although this has helped it has not resolved the issue. The Action Plan 19.10 includes increasing the capacity of Monitoring Officer by drawing in wider resources and increasing time for the role.

14. Going forward a new Statutory Officers Group will meet regularly to discuss corporate governance arrangements and issues, and to reflect on recurring themes and spheres of activity relating to Council improvement. The group, will comprise the Managing Director, the Monitoring Officer, Head of Legal, the Section 151 Officer, the Chief Internal Auditor and with input from others as relevant.
15. During the year the Council experienced significant turbulence within its finances with, at its peak, a forecast £8m overspend in year. At this point non-earmarked revenue reserves were £7.4m. Clearly if immediate action had not been taken this would have potentially pushed the Council into an untenable position. Analysis of the underlying problems driving this forecast overspend did indicate problems within social care functions but also demonstrated a high degree of historic problems built into the budgets, flawed financial monitoring which did not fully inform members, and long-standing poor practice in budget management. This overspend was brought under control and the Council formally closed £2m overspent after applying £2m of one-off business rate income (an underlying £4m overspend).
16. During the year the impact of the strategy to increase capital expenditure which will be paid off by future receipts increased debt from £82m to £129m and is forecast to increase to £163m by 31.03.20. Resources to manage this increase were not clearly planned for despite indications that capital receipts were not being received in line with the original projection (both quantum and timeliness). Capital reporting to Members was poor and did not raise the issue sufficiently, nor was any action taken to stop further expenditure.
17. Underpinning these issues was an ongoing culture within the organisation which did not encourage people to speak out or properly exercise their roles as advisors. This included officer advice not being available to all members as part of decision making. This has resulted in some ultra vires spending as Officers took decisions beyond their delegated power. In most cases this was a result of poor understanding of the Constitution and a 'no challenge' culture.
18. During the year a management restructure was commenced by the previous Managing Director by agreement but not completed by the incoming Managing Director. This left some confusion across the organisation. Areas such as ICT and Finance continued to suffer capacity reductions in order to help balance the budget. A new structure was subsequently implemented on 1st October 2019. Action Plan 19.11.
19. Officer advice on financial matters to both the Cabinet and full Council was not provided consistently throughout the year. A more robust process for ensuring that new policies or service proposals are accompanied by a full financial appraisal which is properly costed is planned going forward. This will include identifying the sources of funding and identify the key assumptions and financial risks that face the Council.

20. The current 'Public Sector Internal Audit Standards' (PSIAS) came into effect from 1 April 2013 and were revised in March 2017. The standards recognise that a professional, independent and objective internal audit service is a key element of good governance and they encompass the mandatory elements of the Chartered Institute of Internal Auditors International Professional Practices Framework. A PSIAS external assessment has been carried out for internal audit activities during 2017/18 which concluded that the Internal Audit Service is assessed at the current draft stage as "generally compliant" for 2017/18, with areas identified where compliance could be improved. An Action Plan was prepared, and the Internal Audit Service have worked to implement those Recommendations/Suggestions during 2018/19. The main recommendation was to update the RBWM Internal Audit Charter; this was undertaken, and this was reported to and agreed by the former Audit & Performance Review Panel in February 2019.
21. Significant effort was made across the year to improve information technology and the systems used by the Council. However, at the end of the year the Council was not PSN (public service network standards) compliant leaving it at significant risk to its wider business. This was not reported to members nor flagged up in the corporate risk register. This is addressed in the Action Plan 19.9.
22. Overall the management and delivery of the Council's information technology systems are not appropriately resourced.

CONCLUSION

23. The Council has many elements of a good governance system in place. It is important that over the coming years efforts are made to develop the culture of the organisation to fully benefit from such a system. In the immediate term, efforts must be made to ensure compliance with financial procedures, rules and improved budget management and reporting.
24. As the responsible Members and Officers, we have been advised on the implications of the results of the governance framework effectiveness review by the Corporate Overview and Scrutiny Panel. Apart from the specific issues mentioned above, particularly in points 13 – 22, and taken with the proposed actions set out in the action plan below, we conclude that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Chairman, audit & governance committee

Date:

Duncan Sharkey
Managing Director

Signed:
Date:

Cllr Andrew Johnson
Leader of the Council

Signed:
Date:

DRAFT

Appendix A: Annual Governance Statement Action Plan 2018/19

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
AGS19.1	The Council's Code of Corporate Governance has not been updated to reflect the 2016 CIPFA/SOLACE guidance in respect of delivering good governance	<ol style="list-style-type: none"> 1. Agree Terms of reference for the Statutory Officers Group 2. Organise a review of the Code of Corporate Governance by the Statutory Officers Group 3. Submit the Code of Corporate Governance to the Corporate Overview and Scrutiny Committee for review 	MO	March 2020	N/A	The Council's Code of Corporate Governance reflects the 2016 CIPFA/SOLACE guidance in respect of delivering good governance
AGS 19.2	There is an identified lack of clarity amongst officers and members regarding roles and responsibility for officers this includes knowledge of appropriate procedures.	<ol style="list-style-type: none"> 1. Training for key Officers and Members on their responsibilities. 2. Training for officers on financial processes of compliance for approving spend and monitoring. 	MO/MD S151	June 2020 June 2020		Improved understanding and compliance with governance processes. Clarity over roles of Members and Officers, particularly in respect of reporting and decision making.

18

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
AGS 19.3	Staff reductions have placed a new level of work pressure on particular departments. Whilst there are signs that morale related to working for the Council has improved, we still need to work hard on giving staff a clearer sense of our direction of travel.	<ol style="list-style-type: none"> 1. Ensure clarity of vision and purpose for the organisation. Develop one team approach. 2. Ensure effective staff and member engagement in change and clear, resourced succession planning processes are developed 	MD/CLT Head of HR	March 2020 March 2020		Staff have clarity over the vision and purpose of the organisation

DRAFT

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
AGS 19.4	GDPR Compliance. As with many organisations there are still improvements to be made in this area.	<ol style="list-style-type: none"> 1. Ensure all staff are fully trained in data protection and data management. 2. Ensure that there are regular liaison meetings the Data Protection link Officers and the Council's Data Protection Officer (DPO) 3. DPO to provide regular briefings to Statutory Officers in respect of breaches 4. Deputy DPO to become certified practitioner to provide resilience 	DPO	<p>Ongoing</p> <p>Ongoing</p> <p>Ongoing</p> <p>Ongoing 2019</p>	Deputy DPO appointed and Data Protection Practitioner certificate obtained (August 2019)	<p>Reduction in breaches</p> <p>Clarity in respect of data ownership and procedures</p>
AGS 19.5	Lack of robustness of challenge re business cases/benefits – consistency of business cases; follow up re benefits realisation	Finance team to instigate more robust challenge on business case and benefits and follow-up re. benefits realisation	S151	March 2020		Achievement of business case proposed outcomes

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
AGS 19.6	Business Continuity Plans for the organisation have not been updated for a number of years. This action has been carried forward from 15/16, 16/17 and 17/18)	A new process for the creation and maintenance of BCPs to be put in place utilising the shared Emergency Planning Team	EP	March 2020	Business Continuity training and workshops have been rolled out as of September 2019	All areas of the Council have appropriate, up to date BCPs in place accompanied by a robust activation mechanism.

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
AGS 19.7	<p>Financial Governance</p> <p>A review of the Council's governance, approval and management processes in relation to a specific capital scheme was CIPFA undertook a review of Financial Governance in July 2019 that was reported to the Corporate Overview and Scrutiny Panel. This review highlighted concerns relating to financial monitoring, the effectiveness of financial governance and the role of the Council's finance function in overseeing the financial governance of the Council.</p>	<ol style="list-style-type: none"> 1. A detailed review of the way financial management operates within the Council to be undertaken 2. Measure to be put in place to ensure that the Council complies with all applicable local government finance legislation, regulations and codes of practice. 3. A fundamental review of the financial resilience of the Council is undertaken that includes both the MTFP and the capital programme. 4. A review of the capital programme is undertaken to ensure that all schemes have appropriate and robust business cases, have clear delivery outcomes and that risks 	MD/s151	March 2020	<p>CIPFA appointed to undertake a Financial Assurance programme to address the recommendation in their report.</p> <p>A project board comprising the MD, the Lead Member for Finance and CIPFA review progress.</p> <p>CIPFA have worked with the Finance team to update the financial monitoring, MTFP and capital monitoring processes. This has already been reflected for revenue in the monthly finance update to Cabinet.</p> <p>CIPFA and the finance team are working with Managers to review the capital programme.</p>	<p>CIPFA will report at the end of the financial year on their view of how new processes have been embedded, that they comply with all appropriate legislation and the financial resilience of the Council.</p>

	Area for Improvement	Actions	Owner (see key at end)	Timescale	Progress Update	Improvement outcome
		<p>are appropriately managed.</p> <p>5. Improve stability and capacity in financial services.</p> <p>6. The role and support to the S.151 Officer is reviewed.</p>			Additional funding has been included in the MTFP to increase the capacity in the finance team. In the new Council structure the s151 will be an Executive Director with a Head of Finance reporting to them, increasing strategic capacity.	
23 AGS 19.8	Health & Safety – Surveys have identified some additional works within schools and other Council buildings to take place in 2019/20	All additional identified H&S works to be completed	Head of HR	March 2020		The Council is safeguarding its ability to continue to meet its H&S obligations in the future

AGS 19.9	PSN (public service network standards) compliance	Significant reduction in identified IT security vulnerabilities, e.g out of date software, missing security patches and weak passwords.	Head of HR	March 2020 to reduce severity level four and five to less than 20 and achieve full compliance by March 2021.	<p>April 2019 Total Number of vulnerable instances: 12775 Total Number of unique vulnerabilities: 766 Total Number of unique severity 4-5: 622</p> <p>October 2019 Total Number of vulnerable instances:</p> <p>7630 Total Number of unique vulnerabilities: 447 Total Number of unique severity 4-5: 56 Additional posts funded with Budget proposals.</p>	To reach PSN accreditation the Council needs to have successfully clear all severity level four and five vulnerabilities
----------	---	---	------------	--	---	--

AGS 19.10	Limited resources for Monitoring Officer to deliver wider functions of role.	Increase capacity of Monitoring Officer by drawing in wider resources and increasing time allowed in role.	MD	March 2020	Appointment of deputy Monitoring Officer to handle standards has helped but not resolved the issue.	Stronger compliance culture.
AGS 19.11.	A management restructure was commenced by the previous Managing Director but not completed. This left some confusion across the organisation. Areas such as ICT and Finance continued to suffer capacity reductions in order to help balance the budget.		MD	October 2019	<p>A new structure was subsequently implemented on 1st October 2019</p> <p>An the following items have been added to the 2020/21 budget to address the lack of capacity: Management Re-structure £178k, Including a Director of Resources post that will be the section 151 Officer in addition to the Head of Finance, £100k for additional capacity in the Finance team, £116k for IT staffing.</p>	

This page is intentionally left blank