

Report of:	Head of Governance
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Key Decision:	No
Report Track:	Audit & Governance Committee only

AUDIT & GOVERNANCE COMMITTEE
6 DECEMBER
ANNUAL GOVERNANCE STATEMENT – PROGRESS REPORT

1 Purpose of Report

- 1.1 To present to the Audit & Governance Committee for information progress in addressing the significant governance issues identified in the Annual Governance Statement for 2011-12.

2 Recommendations

- 2.1 That the Committee notes the contents of the progress report on the Annual Governance Statement for 2011-12.

3 Key Issues and Reasons for Recommendation

- 3.1 Not all of the actions are yet due for completion, however a summary of the progress made against each of the significant governance issues as at 30 September 2012 is given at Annex 1.
- 3.2 For the significant governance issues identified in the AGS progress can be summarised as follows:
- **6** Significant progress is being made to deliver the action and is on target for completion (status shown as green tick Annex 1)
 - **3** Some progress is being made to deliver the action (status shown as amber triangle on Annex 1)
 - **3** No action has yet been taken (status shown as red cross on Annex 1)
- 3.3 Of the 3 issues where no action has yet been taken (ie red crosses), 2 of the actions are not yet due for completion and the 1 remaining action has slipped due to other priorities.

4 Relationship to Corporate Priorities

4.1 This report supports the Council's Corporate Priorities as follows:

- (i) Transformation - changing the way services are provided to ensure value for money.

5 Report Detail

5.1 The Council has a statutory responsibility to undertake an annual review of the effectiveness of its governance arrangements, which includes the system of internal control and to publish an "annual governance statement" with the annual accounts.

5.2 In reviewing the effectiveness of the governance arrangements, the Council has to identify any 'significant governance issues' and what action will be taken to address these. There is no single definition as to what constitutes a 'significant governance issue' and judgement has to be exercised. Factors used in making such judgements include:-

- the issue has seriously prejudiced or prevented achievement of a principal objective;
- the issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another service area;
- the issue has led to a material impact on the accounts;
- the Chief Internal Auditor has reported on it as significant, for this purpose, in the Internal Audit Annual Report;
- the issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the Council;
- the issue has resulted in formal action being taken by the Chief Financial Officer and/or the Monitoring Officer.

5.3 The Annual Governance Statement (AGS) for 2010-11 was considered by the Audit & Governance Committee on 26 June 2012 and the Council approved it on 8 August 2012.

5.4 It was agreed that the Audit & Governance Committee would receive monitoring reports on progress in addressing the significant governance issues identified in the AGS, and this is the second progress report.

5.5 Details of the progress made against each of the significant governance issues as at 30 September 2012 is given at Annex 1 and overall performance is summarised in the table at 3.2.

6 Implications

6.1 Financial

None

6.2 Legal

None

6.3 Human Resources

None

6.4 Section 17 (Crime Prevention)

None

6.5 Human Rights Act

None

6.6 Data Protection

None

6.7 Risk Management

None

6.8 Equality & Diversity

None

6.9 Best Value

None

7 Appendices to the Report




Appendix 1 - Significant Governance Issues – Progress Report for Quarter 2


Background Papers





File available in the Head of Governance's Office



**PROGRESS REPORT FOR QUARTER 2
ON THE SIGNIFICANT GOVERNANCE ISSUES FROM THE ANNUAL GOVERNANCE STATEMENT FOR 2011-12**




KEY TO STATUS INDICATORS:

STATUS	DESCRIPTION
	The action is making significant progress towards completion or has been completed
	The action is making some progress towards being completed
	Work has not commenced on the action

No	Issue	Action	Progress/Comments	Status
	Issues from 2011-12			
1	The approach to reporting on performance and the costs of delivering services/outcomes is not consistent across the Council. This impacts on decision-making and assessing the value for money of services.	A review of performance and financial reporting is to be undertaken in 2012-13 as part of the move to turning Priority Delivery Plans into high level service places. Responsible Officer – Head of Policy and Head of Finance Date – Quarter 4 in readiness for 2013-14	Work has not yet commenced on this – it is due to commence in Quarter 3.	

No	Issue	Action	Progress/Comments	Status
2	The governance arrangements for partnerships are not always clearly structured, documented or effective. Partnership risks are not fully understood or well managed.	Governance framework to be developed for partnership working and rolled out to relevant partnership lead officers for implementation. To include requirement to set up and monitor risk registers for each partnership. Responsible Officer – Head of Governance Date – Quarter 2	A governance framework for partnerships has been finalised and approved by Leadership Team.	
3	The Council's approach to understanding it's customers needs and consulting and engaging with them is not yet fully developed and embedded across the Council.	A combined Consultation & Engagement Strategy is to be prepared. Responsible Officer – Head of Policy Date – Quarter 2 District Needs Analysis to be undertaken Responsible Officer – Head of Policy Date – Quarter 2 New approach to E&D Impact Assessments to be rolled out to managers Responsible Officer – Head of Policy Date – Quarter 2	Was received by Cabinet on 19 July, referred to Council on 8 August. Completed WMT training session and launch of new assessments carried out June/July 2012	  

No	Issue	Action	Progress/Comments	Status
4	There are elements of the Constitution that are in need of updating to reflect changes and best practice. For example, the Contract Procedure Rules and Financial Regulations are out of date as a result of changes in the senior management structure – these are to be reviewed as part of the shared services transformation work. A significant part of the work is identifying inconsistencies and duplication has been completed but is to be referred to a Member Working Group prior to approval by Council.	<p>The review and updating of the Constitution is to be completed.</p> <p>Responsible Officer –</p> <p>Head of Law & Administration (Stafford Borough Council)</p> <p>Legal Services Manager (for Contract Procedure Rules only)</p> <p>Head of Financial Management (for Financial Regulations only)</p> <p>Date – Quarter 3</p>	<p>2 meetings of the Member Working Group have been held so far. A 3rd meeting is to be held and then is it hoped to report to Council in January 2013 with a revised Constitution.</p> <p>Work has commenced on the review of the Contract Procedure Rules.</p> <p>Work has commenced on the review of Financial Regulations. A first draft is due by end of October.</p>	
5	The Code of Governance is out of date (due to changes in the senior management structure) and in need of review.	<p>Code of Governance to be reviewed and updated.</p> <p>Responsible Officer – Head of Governance</p> <p>Date – Quarter 3</p>	Work has not yet started on this. It is possible that work on this may not be completed now until Quarter 4.	

No	Issue	Action	Progress/Comments	Status
Issues for 2012-13				
6	The Shared Services governance arrangements need to be monitored to ensure that they continue to be effective in practice. 2012-13 will be a key year in the implementation of the transformation plans and these will also need to be monitored	<p>Review of the shared service governance arrangements Responsible Officer: Monitoring Officer and Head of Governance Date – Quarter 2</p> <p>Monitoring of the delivery of the Transformation Plans. Responsible Officer: Head of Governance Date – Ongoing throughout 2012-13</p>	<p>The review was planned for September 2012 but had to be postponed due to other priorities. It is intended to complete this in Quarter 3.</p> <p>The delivery of the transformation plans is being monitored via monthly Client Meetings with the relevant lead officers</p>	<p></p> <p></p>
7	Management of the new Leisure Contract – this will be a significant issue moving into 2012-13 as the contract came into effect on 1 April 2012	To fully develop and establish a detailed contract and performance monitoring framework in respect of the new partnership with WLCT Responsible Officer – Head of Commissioning Date – Quarter 2	Details of the relationship between WLCT and the Council are set out in the contract documentation. Using this, a contract and performance monitoring guidance document has been developed to monitor the performance and contract compliance of the Council's new Culture and Leisure services provider, WLCT. The first quarter's contract performance report was considered by Cabinet on 20 September 2012.	<p></p>