Report of:	Head of Governance
Contact Officer:	Judith Aupers
Telephone No:	4411
Portfolio Leader:	Corporate Improvement
Key Decision:	No
Report Track:	Audit & Governance Committee only

AUDIT & GOVERNANCE COMMITTEE

24 JUNE 2014

ANNUAL GOVERNANCE STATEMENT 2013-14

1 Purpose of Report

1.1 To set out the Council's Annual Governance Statement for the year 2013-14.

2 Recommendation

2.1 That the Committee recommend to the Council the approval of the Annual Governance Statement for 2013-14.

3 Key Issues and Reasons for Recommendation

3.1 The Accounts and Audit Regulations 2011 require the Council to review at least once in a year the effectiveness of its system of internal control and to approve an Annual Governance Statement (AGS).

3.2 The Council's draft Annual Governance Statement (AGS) for 2013-14 (which is current up to June 2014) is attached as Appendix 1.

3.3 The draft AGS has been compiled by the Leadership Team.   The AGS has been drafted using various sources of assurance which together form the review of the Council's governance arrangements. The key sources of assurance are:

(i)   assurances from the Heads of Service:
(ii)   assurances from the 3 statutory officers;
(iii) the risk management reports;
(iv) the annual internal audit report / opinion; and
(v)   external assurance reports.

3.4   The review of the Council's governance arrangements has identified areas for improvement and these are set out in the action plan contained within the AGS at Appendix 1.

3.5   An update on the progress in actioning the issues from the 2012-13 AGS is attached at Appendix 2. In summary:

- 7 of the 13 items have been completed or are on target to be completed;
- work is in progress on 3 of the items; and
- work on the remaining 3 items has been delayed.

The key outstanding issues have been included in the AGS for 2013-14. The outstanding issue relating to finalising and rolling out the Council's values has not been included in this year's AGS as it is no longer considered to be significant in light of the change in emphasis given in the Cipfa/SOLACE guidance. This matter will however continue to be progressed outside of the AGS process.

4	**Relationship to Corporate Priorities**

4.1   The Council's corporate governance arrangements and internal control framework cuts across all corporate priorities.

5	**Report Detail**

5.1   The Accounts and Audit Regulations (England) 2011 require local authorities to publish a Annual Governance Statement with their financial statements. Regulation 4 states that:

"(1) The relevant body is responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk.

(2) The relevant body must conduct a review at least once in a year of the effectiveness of its system of internal control.

(3) The findings of the review referred to in paragraph (2) must be considered—
(a) in the case of a larger relevant body, by the members of the body meeting as a whole or by a committee, and
(b) in the case of a smaller relevant body, by the members of the body meeting as a whole, and following the review, the body or committee must approve an annual governance statement, prepared in accordance with proper practices in relation to internal control.

(4)   The relevant body must ensure that the statement referred to in paragraph (3) accompanies—
   (a) any statement of accounts it is obliged to prepare in accordance with regulation 7, or
   (b) any accounting statement it is obliged to prepare in accordance with regulation 12."

5.2   Proper practices for the form and content of a governance statement are defined in the CIPFA / SOLACE Framework "Delivering Good Governance in Local Government. The guidance was updated in December 2012 and the changes have been reflected in this year's AGS. The governance statement should include the following information.

- An acknowledgement of responsibility for ensuring that there is a sound system of governance.

- An indication of the level of assurance that the systems and processes that comprise the governance arrangements can provide.

- A brief description of the governance framework.

- A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements.

- An outline of actions taken or proposed to deal with any significant governance issues.

5.3   Following approval of the Annual Governance Statement it should be signed by the most senior officer and the most senior Member of the Council ie the Chief Executive and the Leader of the Council.

5.4   The Annual Governance Statement has been prepared using information from the sources of assurance outlined in 3.3. The Leadership Team has been consulted on the draft AGS to ensure that:-

- all of the significant issues have been identified and included, so far as is reasonably possible; and

- all of the issues included are considered to be significant.

5.5   It is not possible to give a 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.

5.6 Progress in addressing the significant issues identified in the Annual Governance Statement will be monitored through reports presented to the Audit and Governance Committee.

| 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 - Annual Governance Statement 2013-14

Appendix 2 – Progress Report for AGS 2012-13

Background Papers –

Annual Internal Audit Report 2013-14
Strategic Risk Register
Heads of Service Assurance Statements for 2013-14
Statutory Officers Assurance Statements for 2013-14

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CANNOCK CHASE DISTRICT COUNCIL
ANNUAL GOVERNANCE STATEMENT FOR 2013-14

1.   Scope of Responsibility

1.1   Cannock Chase District Council (the Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and 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.

1.2   In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

1.3   The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how the Council has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

2.   The Purpose of the Governance Framework

2.1   The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

2.2   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 and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

2.3   The governance framework has been in place at the Council for the year ended 31 March 2014 and up to the date of approval of the Annual Governance Statement.

3. The Governance Framework

3.1 The 6 key principles of good governance together with the key elements of the systems and processes that supports these principles and an assessment of their adequacy is outlined below.

1. Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

- The Council's vision and the intended outcomes for citizens and service users are outlined in the Corporate Plan. The Council's vision and its priorities are reviewed annually. The Council's priorities are approved following consultation and incorporated into the Corporate Plan and the Community Strategy, and reflect the Council's role in delivering the priorities set out in the Community Strategy.

- The Council has a performance management framework to ensure delivery of the corporate priorities. The priorities are cascaded through the authority via the Corporate Plan, the Priority Delivery Plans (which include Portfolio Delivery Plans), Delivering Change, service delivery plans and employees' personal development reviews.

- Forward-looking targets and performance indicators are established and monitored on a regular basis. Leadership Team, Cabinet and the Scrutiny Committee receive quarterly performance reports. They monitor and scrutinise the performance of services and the achievement of targets. Heads of Service and Service Managers are held to account for the performance of their service areas. A range of Policy Development Committees also assist in supporting the performance monitoring of Priority Delivery Plans. The Committees also review specific policy areas and explore community issues. Performance is also managed through service business plans and individual employee personal development reviews.

- The Council's budget is aligned to the Council's aims and objectives. The Council has a comprehensive budget strategy, medium term financial plan and robust budget monitoring process, which provides sound financial management and regular reporting of financial management information for both revenue and capital budgets.

- The Council has a number of mechanisms in place to ensure the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which its services are delivered:

  ➢ Continuous improvement is driven via the Corporate Plan, the Priority Delivery Plans and the Council's performance management framework. This provides monitoring reports to Leadership Team, Cabinet, the Scrutiny Committee and the Policy Development Committees;

  ➢ The Council's Delivering Change process enables resources to be re-directed to meet Council priorities and requires services to identify and deliver year-on-year efficiency savings.

  ➢ The Council has appropriate mechanisms (ie Financial Regulations and Contract Procedure Rules) in place to ensure that value for money is achieved through the procurement of goods and services.

  ➢ From time to time, services are tested against other authorities using national benchmarking exercises, which include VFM comparators.

- Appropriate governance arrangements are put in place for each partnership eg the LSP. Service Level Agreements have been put in place to ensure adequate governance of the 7 services which are shared with Stafford Borough Council.

Assessment of Compliance:
Compliance against this principle is adequate with measures in place in all areas.

Sources of Assurance:

Heads of Service
Chief Executive

2. Members and officers working together to achieve a common purpose with clearly defined functions and roles

- The Council operates under the Leader and Cabinet model. The Council's Constitution defines the roles and responsibilities of the executive, non-executive, scrutiny and officer functions. The Constitution sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that these are efficient, transparent and accountable to local people. It includes the Scheme of Delegation which identifies those areas of decision-making and day-to-day operations that have been delegated to Senior Officers and those matters reserved for Members.

- There is a Protocol for Officer / Member relations as part of the Constitution to assist in defining the separate roles and aid appropriate communication.

- The Council has 3 statutory officers in place:

  ➢ Head of Paid Service – the Chief Executive – overall responsibility for the day-to-day management of the Council

  ➢ The s151 Officer – the Head of Finance – has overall responsibility for for the proper administration of the council's financial affairs and ensuring that public money is safeguarded at all times. The council's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) in that:

    - he is actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the council's financial strategy;

    - he is a member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the council's strategic objectives sustainably and in the public interest;

    - he leads the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively; and

    - The Head of Finance ensures that there is a robust financial framework and medium term financial strategy in place.

    In delivering these responsibilities he directs a finance function that is resourced to be fit for purpose and includes staff that are professionally qualified and suitably experienced.

  ➢ The Monitoring Officer - the Head of Law & Administration at SBC has been appointed as the Monitoring Officer and is responsible to the authority for ensuring that agreed procedures are followed and that all applicable statutes, regulations are complied with. The Council also has in place a protocol to define the role of the Monitoring Officer. He reports to the Council, Executive and Committees with legal implications being referred to the Legal Shared Service, which employs qualified and experienced staff.

- A corporate Leadership Team which includes the 3 statutory officers is in place to support the Cabinet, the Scrutiny Committee and the Policy Development Committees, and to manage operational services.

- Members allowances are dealt with by an independent panel. The Council's Pay Policy details the arrangements for paying employees. Chief Officers salaries have been determined through a Hay Evaluation process and other employees grades are determined through the job evaluation process / Single Status agreement.

Assessment of Compliance:
Compliance against this principle is good with adequate measures in place.

Sources of Assurance:
Statutory Officers

3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

- There are Codes of Conduct in place for Members and Employees. The Codes of Conduct have been approved and adopted by the Council and are available to all members and officers as part of the Constitution.

- The Codes of Conduct require Members and employees to declare specified outside interests, which could influence decision making.

- Any complaints about Members' conduct are dealt with by the Standards Committee. A procedure for handling complaints has been approved by Council. Complaints about employees conduct can be initiated through various mechanisms.

- Training is offered to Members annually on the Code and whenever changes are made to it. Employees are given a copy of the Code of Conduct as part of their induction process.

- The Council's values are in the process of being updated.

Assessment of Compliance:
Compliance against this principle is adequate but with 2 areas for improvement.

- *The review of the Council's values needs to be completed and finalised with the Cabinet, prior to being rolled out across the organisation.*

- *The Code of Conduct for Employees needs to be reviewed and updated*

Sources of Assurance:
- *Heads of Service*
- *Statutory Officers*

4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

- There is a Scrutiny Committee and a Health Scrutiny Committee in place to monitor and challenge the performance of the Council and partner organisations where appropriate. There is a Call-in process in place to challenge where appropriate decisions made by Cabinet.

- There is an Audit & Governance Committee in place, which is independent of the Cabinet and the Scrutiny Committee. The Committee's remit is to provide independent assurance on the adequacy of the risk management framework and the associated control environment. The Committee meets the key requirements of the CIPFA guidance on Audit Committees.

- Reports are prepared for the Cabinet which include all relevant information. All reports are consulted on with appropriate financial and legal officers and are accompanied by a comprehensive checklist signed off by the reports author. All reports that involve expenditure fully evaluate the financial implications of the proposal with any associated risks. Committee reports and minutes show reasons for decisions made.

- The Monitoring Officer ensures compliance with existing laws, regulations and established policies and procedures and is aware of and acts upon proposed changes to legislation. The Monitoring Officer will report to the full Council if they consider that any proposal, decision or

omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the process or decision being implemented until the report has been considered. A solicitor attends all of the Council's main committee meetings.

- The Head of Finance ensures that the financial management of the Council is conducted in accordance with the Financial Regulations set out in the Constitution and that expenditure is lawful. The Head of Finance, with the assistance of the Internal Audit section, ensures the legality of financial transactions and compliance with Financial Regulations.

- There is a risk management policy and strategy in place. This provides for:-

  - ➢ the identification, prioritisation and control of strategic risks
  - ➢ monitoring of risk management action plans by the Leadership Team
  - ➢ risk management implications are included in committee reports; and
  - ➢ regular reports to the Audit & Governance Committee on the progress in managing strategic risks.

- There is a system of internal control in place. At the core of this is the Council's various policies, regulations and procedures eg Financial Regulations, Contract Procedure Rules, HR Policies, etc.

- Internal Audit review systems and their controls to provide assurance and recommendations for improvement. This work includes ensuring compliance with policies, procedures, laws and regulations. Internal Audit operates to an annual audit plan which is based on an assessment of risk to ensure that the areas of highest risk are reviewed.

- The Section 151 officer with the support of Internal Audit ensures that there are adequate financial control mechanisms in place to safeguard the Council's assets.

- The Council has in place a Confidential Reporting policy. The policy allows anyone to report concerns in confidence and not just employees. The Anti-Fraud & Corruption Policy includes a Fraud Response Plan and a Prosecution Policy. Procedures are in place for receiving and investigating complaints received.

Assessment of Compliance:
Compliance against this principle is adequate; there are however 2 key documents that need to be reviewed and updated:

- *Financial Regulations*
- *Contract Procedure Rules*

Sources of Assurance:
- *Heads of Service*
- *Statutory Officers*
- *Internal Audit Annual Report*
- *Risk Management Reports*

5. Developing the capacity and capability of members and officers to be effective

Members:

- A formal Induction programme for Members takes place after each District Council election;

- In-house training is provided as and when necessary. Members attend external courses and conferences as appropriate.

- Members tend to assess their own skills and identify where training is required. For new issues, training is offered to Members as appropriate

Employees:

- Council services are provided by trained and experienced people. All posts have a detailed

job description and person specification. Rigorous recruitment processes are in place followed up by induction training and on going training and development.

- Although no longer formally accredited through Investors in People the Council continues to maintain a comprehensive framework to ensure that it's employees are adequately trained, this includes:

  ➢ An Induction Programme is in place;

  ➢ The development needs of employees are identified annually through the Personal Development Review process;

  ➢ The Training Officer identifies courses where appropriate for common skills gaps;

  ➢ Career development is encouraged through the Personal Development Reviews and opportunities provided for training, mentoring, secondments. There are development graded posts for trainees in certain professions; and

  ➢ A competency framework is in place and this outlines the knowledge and skills expected of the Council's managers.

Assessment of Compliance:
Compliance against this principle is adequate but with 1 area for improvement.

- *Consideration is to be given to undertaking a survey of Members training and development needs, with a view to undertaking tailored member development.*

Sources of Assurance:
- *Heads of Service*
- *Statutory Officers*

6. Engaging with local people and other stakeholders to ensure robust local public accountability

- The Council's Communications Strategy puts in place a variety of mechanisms to communicate with the community and other stakeholders. These include the Council's website, Chase Matters, Community Forums, specific groups, the Housing Hometalk magazine and the use of Social Media.

- The authority is open and accessible to the community, service users and its employees. The Council is accessible via the Contact Centre, Reception, website. Engagement with the Community and stakeholders takes place through a variety of mechanisms:

  ➢ Community Forums
  ➢ Website
  ➢ Social Media
  ➢ Consultation Panel
  ➢ Some specialist community groups in place eg for the disabled

- The Council is committed to openness and transparency in all its dealings, subject only to the need to preserve confidentiality in those specific circumstances where it is proper and appropriate to do so. Meetings are held in public except where confidential issues are discussed and the law permits private meetings. The Council complies with the guidelines on publishing transparent data.

Assessment of Compliance:
Compliance against this principle is adequate with measures in place in all areas.

Sources of Assurance:
- *Heads of Service*

4.   Review of effectiveness

4.1   The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment, the Chief Internal Auditor's annual report, and also by comments made by the external auditors and other review agencies and inspectorates. The process that has been applied in maintaining and reviewing the effectiveness of the governance framework is set out below.

4.2   **The Audit & Governance Committee -** monitors the effectiveness of risk management, reviews corporate governance issues, the work of Internal Audit and the anti fraud & corruption arrangements throughout the year.

4.3   **Internal Audit –** is responsible for reviewing the effectiveness of the Council's system of internal control and reporting on its adequacy. Internal Audit is a key source of assurance for the Annual Governance Statement and as such it is essential that the Internal Audit function operates in accordance with best practice:

   (i)   Internal Audit operates in accordance with the Code of Practice for Internal Audit in Local Government in the United Kingdom.

   (ii)   A review of the effectiveness of internal audit has been undertaken. This review has been undertaken via a self-assessment and a review by the Head of Governance. An external review has also been undertaken of the Audit Team's approach to carrying out audits and the findings and recommendations from this review have contributed to the review of effectiveness. The review concluded that the system of internal audit is operating effectively and assurance can be taken from the work of Internal Audit.

Internal Audit reviews the internal control system following an audit plan based on an assessment of the potential risks for the various systems and procedures. The work undertaken on the annual audit plan for 2013-14 has been used to provide an independent view on the adequacy of the governance framework.

In the Annual Audit report the Council's governance framework has been assessed as being satisfactory overall. However, one significant governance issue has been identified for inclusion in the Annual Governance Statement. This relates to instances of control failings and weaknesses in supervisory / management level checks, which appear to be due to reduced capacity at this level in the Council. This needs to be addressed as a priority in 2014-15.

Where deficiencies in internal control were identified during reviews, assurance was provided that these had been or would be resolved in an appropriate manner. Such cases will continue to be followed-up as part of the routine operation of the Internal Audit function.

4.4 **External Audit / Other Review Agencies -** during the year the Council received the following key reports:

(i) Audit Findings (September 2013);
(ii) Financial Resilience (September 2013); and
(iii) Annual Audit Letter (November 2013)

The reports offered an unqualified opinion on the Council's financial statements and its arrangements for value for money and effective use of resources. No significant concerns were identified.

4.6 **Risk Management -** during 2013/14 the Audit & Governance Committee received regular progress reports regarding the management of strategic risks. The strategic risk management process has been successful in managing a number of risks and overall the number of risks has reduced from 6 to 4. In particular:

- 3 risks have been removed (1 red and 2 amber);
- 1 red risk has been reduced to amber; and
- 2 risks have remained as amber.

It should be noted that the 1 red risk that was deleted related to the reduction in the Council's funding as a result of the Comprehensive Spending Review 2013. Whilst this was successfully managed in year and a balanced budget has been delivered a new red risk relating to the Council's future finances has been added.

4.7 **Statements of Assurance from Heads of Service** - assurances were sought from the Heads of Service as to the effectiveness of a number of aspects of the Governance Framework as it operates in their service areas.

4.8 **Statements of Assurance from the Statutory Officers** - assurances have been sought from the Head of Paid Service (ie Chief Executive), the Monitoring Officer (Head of Law & Administration at SBC) and the s151 Officer (Head of Finance) with regard to their responsibilities for governance.

4.9 **Leadership Team** – in addition to the individual Heads of Service and Statutory Officers assurances, the members of Leadership Team have been consulted on the draft annual governance statement and the significant governance issues that should be included within it.

4.10 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit & Governance Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already address and those to be specifically addressed with new actions are outlined below.

5. Significant Governance Issues

5.1 All significant governance issues are included in the action plan below.

ISSUE	OFFICER RESPONSIBLE	TARGET DATE
Outstanding items from previous AGS		
Constitution - the review of the Constitution to reflect changes and best practice has not yet been completed. A significant part of the work has been completed but now needs to be finalised and approved by Council.	Head of Law & Administration (Stafford Borough Council)	October 2014
Contract Procedure Rules & Financial Regulations - the work in reviewing and updating the Contract Procedure Rules and Financial Regulations has not yet been completed. Training needs to be provided to support the launch of the new documents.	Legal Services Manager and Head of Finance	December 2014
Code of Governance – this is out of date (due to changes in the senior management structure) and in need of review to reflect recent updated guidance.	Head of Governance	September 2014
Employees' Code of Conduct – this needs to be reviewed and updated	Head of Human Resources, Head of Law & Administration and Head of Governance	December 2014
On-going Issues from 2013/14		
Budgetary Issues – arising from CSR 2013. Sessions to be held with Cabinet to consider the future of the Council and the various savings and transformation strands available to the authority. Work will continue to prepare for the future with regard to ongoing reductions in public expenditure.	Chief Executive and Head of Finance	Ongoing

ISSUE	OFFICER RESPONSIBLE	TARGET DATE
Welfare Reforms – national changes to benefits payments, including council tax. Local scheme determined for changes to council tax. Whilst work has been done to engage with affected council tax payers, voluntary sector organisations, landlords etc, to ensure that claimants are able to access the help that the Council can provide, arrears levels have been affected. This will be subject to targeted support and action during 2014-15.	Head of Finance	Ongoing
Local Enterprise Partnership (LEP) – generally the changes to LEP governance as a result of the Government's intention to introduce a Single Growth Fund in 2015 and to make LEPs vehicles for European funding have been addressed. However, discussions relating to the percentage of business rate pooled monies returned to growth areas will continue.	Chief Executive / LEP Consultant and Head of Finance	Ongoing
Issues for 2014/15		
Public Service Reductions in the district of Cannock Chase - actions include: • active approach to consultation on service changes; • negotiation on proposals; • understanding and identifying the impact across the district as a whole; and • working more closely with partners	Chief Executive & Corporate Director	Ongoing
Key Management & Supervisory Controls – review to be undertaken with Leadership Team and service managers of all key supervisory/ management controls and key	Leadership Team	Throughout 2014/15

ISSUE	OFFICER RESPONSIBLE	TARGET DATE
projects/significant pieces of work to consider their effectiveness, priority etc and ensure adequate resources are available to deliver them		

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

…………………………………………………   …………………………

Leader of the Council   Date

…………………………………………………   …………………………

Chief Executive   Date

on behalf of Cannock Chase District Council

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**END OF YEAR PROGRESS REPORT FOR
THE ANNUAL GOVERNANCE STATEMENT 2012-13**

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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 carried forward from previous AGS 2011-12			
1	The review of the Constitution to reflect changes and best practice has not yet been completed. A significant part of the work has been completed but now needs to be finalised and approved by Council.	Head of Law & Administration (Stafford Borough Council)	The amendments to the Constitution have been agreed by the Member Working Group. The changes need to be written up. Work on this has been delayed and will now be reported to Council in October for approval.	▲
2	The work in reviewing and updating the Contract Procedure Rules and Financial Regulations has not yet been completed. Training needs to be provided to support the launch of the new documents.	Legal Services Manager and Head of Finance	Work is in progress on updating the Financial Regulations. A first draft has been completed. Work is in progress on revising the Contract Procedure Rules. A first draft has been completed.	▲

No	Issue	Action	Progress/Comments	Status
3	The Code of Governance is out of date (due to changes in the senior management structure) and in need of review to reflect recent updated guidance.	Head of Governance	Work on this has not yet commenced due to other priorities. Will be completed in 2014-15.	❌
	Issues arising in 2012-13			
4	Review of the Employee's Code of Conduct	Head of Human Resources, Head of Law & Administration and Head of Governance	Work needs to be finalised on the refresh of the values before reviewing the Code of Conduct for Employees. Will be completed in 2014-15.	❌
5	Review of the Confidential Reporting Policy	Head of Governance	Completed – revised policy approved and issued	✔
6	Complete the review of Values and roll out across the Council	Chief Executive / Head of Governance	The review of values has been completed. Once approved by Cabinet the values will be rolled out in 2014-15.	🔺
7	Develop basket of performance indictors for monitoring by Leadership Team	Policy & Performance Manager / Leadership Team	Completed - a basket of indicators has been agreed and will be trialled during 2014-15.	✔
8	Financial progress to be reported quarterly to Leadership Team and Cabinet	Head of Finance	Completed - financial progress reports have been introduced and are being submitted to Leadership Team monthly and Cabinet quarterly.	✔

No	Issue	Action	Progress/Comments	Status
9	Member training and development survey to be undertaken and options to be developed	Head of Human Resources/Head of Governance	Work has not yet commenced on this. This will be undertaken after the induction process for the May 2014 elections.	❌
	Issues for 2013-14			
10	**Budgetary Issues** – arising from CSR 2013. Sessions to be held with Cabinet to consider the future of the Council and the various savings and transformation strands available to the authority.	Chief Executive and Head of Finance	Completed - the Financial Plan was considered by the Cabinet in December and the budget was approved in February.	✔
11	**Welfare Reforms –** national changes to benefits payments, including council tax. Local scheme determined for changes to council tax. Impact of wider benefit changes to be monitored, especially the impact on arrears levels, and the impact on other services eg homelessness	Head of Finance	Local Council Tax Support scheme approved following a County Wide project. Much work has been done to engage with affected council tax payers to obtain payment agreements. Officers have had direct contact with affected claimants and regular engagement with voluntary sector organisations, landlords etc, to ensure that claimants are able to access the help that the Council can provide. However, arrears levels have been affected and this will be subject to targeted support and action during 2014-15.	✔

No	Issue	Action	Progress/Comments	Status
12	**Local Enterprise Partnership (LEP)** -potential changes to LEP governance as a result of the Governments intention to introduce a Single Growth Fund in 2015 and to make LEPs vehicles for European funding. To be monitored and respond to the changes through the Leader and Cabinet as the implications are clarified.	Chief Executive / Head of Planning & Regeneration	The Greater Birmingham & Solihull LEP has confirmed its governance structure and a supervisory board has been set up. The Stoke & Staffordshire LEP has agreed its revised governance structure and this will be fully operational from April 2014.

Both LEPs have submitted programmes for European funding and these will be discussed with the Government during the summer 2014. | ✔ |
| 13 | **ICT Security Policies** – updated policies to be finalised and introduced. Awareness to be raised and compliance monitored | Head of Technology | The policies have been approved by the Cabinet and circulated to employees. | ✔ |