

NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL

AUDIT AND GOVERNANCE COMMITTEE – 25 JULY 2018

Title of report	PROGRESS UPDATE IN RESPECT OF IMPROVEMENTS IDENTIFIED THROUGH THE ANNUAL REVIEW OF GOVERNANCE 2016/17
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Purpose of report	To update members in respect of improvements identified through the annual review of the Annual Governance Statement
Reason for Decision	To ensure members of the Committee are aware of the progress of improvements.
Council Priorities	Value for Money.
Implications:	
Financial/Staff	None.
Link to relevant CAT	None.
Risk Management	Not required.
Equalities Impact Screening	Not required.
Human Rights	None identified.
Transformational Government	Not applicable.
Consultees	None
Background papers	None.
Recommendations	THAT MEMBERS NOTE AND COMMENT ON THE REPORT

1.0 BACKGROUND

- 1.1 Members reviewed and approved the Annual Governance Statement (AGS) in respect of the 2016/17 year at its meeting on 27 September 2017.
- 1.2 A total of 17 improvement areas identified through this review, where it was recognised that the Council could strengthen its governance arrangements. These improvements were scored as fair, meaning that satisfactory governance exists in these areas but improvements are required to meet good governance. There were no significant issues identified for 2016/17.
- 1.3 Committee members have agreed that progress against improvement areas will be reported at regular intervals and the AGS of future years will report on the progress/completion of improvements areas or significant issues from the prior period.
- 1.4 Updates have been received at each meeting following approval of the Annual Governance Statement. This update is the final update members will receive on 2016/17 improvements.

2.0 PROGRESS MADE IN RESPECT OF IMPROVEMENT AREAS 2016/17

- 2.1 Of the 17 improvements identified, 10 are complete. The remaining 7 are carried forward as an ongoing improvement and scheduled for completion in 2018/19 and will be monitored by the Committee through monitoring of 2017/18 improvements.
- 2.2 Full details can be found in Appendix 1.

3.0 2017/18 ANNUAL GOVERNANCE STATEMENT

- 3.1 The draft Annual Governance Statement was published on the council's website alongside the draft Statement of Accounts on 31 May 2018.
- 3.2 Audit and Governance Committee would ordinarily approve the statement at this meeting, however, due to the delay in issuing the final Statement of Accounts, members will review and approve the Annual Governance Statement at its meeting on 26 September 2018 when the final Statement of Accounts are also approved.

**PROGRESS MADE IN RESPECT OF IMPROVEMENTS IDENTIFIED THROUGH THE REVIEW OF
THE ANNUAL GOVERNANCE STATEMENT**

Improvement Action	Related Principle(s)	Officer Responsible	Status – 6 December 2017	Update – 6 December 2017	Status – 21 March 2018	Update – 21 March 2018	Status – 25 July 2018	Update – 25 July 2018
Evidence used for assessment of governance to be documented and made available to users of financial statements	Principle G	Head of Finance	Complete	Evidence and Assurance table included within Annual Governance Statement and made publicly available following Audit and Governance Committee approval on 27 September 2017.	Complete	Action complete – no update required	Complete	Action complete – no update required
Review of Strategic and Financial Planning timetables to be undertaken to allow for better alignment for 2018/19 planning	Principle C	Head of Finance/ Business Improvement Team Manager	Complete	Timetable for developing the 2018/19 budget, council delivery plan and team business plans reviewed and aligned.	Complete	Action complete – no update required	Complete	Action complete – no update required
Formal S151 Officer arrangements	Principle A	Chief Executive	Underway	Formal arrangements for the organisations S151 Officer will be addressed through the management restructure due to be presented to Council in January 2018.	Complete	Formal arrangements introduced February 2018.	Complete	Action complete – no update required

Improvement Action	Related Principle(s)	Officer Responsible	Status – 6 December 2017	Update – 6 December 2017	Status – 21 March 2018	Update – 21 March 2018	Status – 25 July 2018	Update – 25 July 2018
Medium Term Financial Strategy to be extended over a longer planning timeframe	Principle C	Head of Finance	Underway	10 year Medium Term Financial Strategy to be presented to Cabinet and Council for approval in February 2018.	Complete	2018-2023 Medium Term Financial Strategy approved by Cabinet 6 February 2018. Strategy timeframe reduced from 10 to 5 years as a result of Cabinet and portfolio holder feedback and the likely uncertainty over a 10 year period.	Complete	Action complete – no update required
Implement longer term revenue planning from 2018/19 budget planning	Principle C	Head of Finance	Underway	5 year revenue position forecast with budget holders. Due to be presented to members in February 2018 for approval.	Complete	5 year revenue position presented to Council as part of the approval of the 2018/19 budget on Council 27 February 2018.	Complete	Action complete – no update required
Development of performance management system to be more intuitive and less administratively burdensome	Principle F	Business Improvement Team Manager	Underway	In-Phase performance management system procured, with implementation scheduled for Q1 2018/19.	Underway	In-Phase system currently in pilot phase. Anticipated full roll out during later part of 2018/19 with system in use for full annual cycles of performance management from 2019/20.	Underway	In-Phase system currently in pilot phase. Anticipated full roll out during later part of 2018/19 with system in use for full annual cycles of performance management from 2019/20.
Training for Audit and Governance Committee Members	Principle F	Head of Finance	Underway	A review of training providers undertaken. Procurement of provider scheduled for Q4 2017/18.	Underway	Risk Management training session to be held with Committee members by end of April. Public financial management session to be arranged post annual Council to take account of any committee membership changes.	Complete	Risk Management and Finance training provided to members in April and July respectively.

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Review opportunities for peer review	Principle G	Chief Executive/ Director of Place	Underway	Local Government Association peer review for Planning service currently being scoped. Review dates to be agreed in Q3.	Complete	Local Government Association peer review for Planning undertaken with recommendations arising from review to be presented to members at full Council on 20 March 2018.	Complete	Action complete – no update required
Undertake review of Equality Policy	Principle A	Stronger and Safer Communities Team Manager	Underway	Revised policy due to be presented to Cabinet for approval in Q4.	Underway	Revised timetable for development of policy will now see approval early 2018/19.	Carried forward as ongoing improvement and scheduled for completion in 2018/19	Revised timetable for development of policy will now see early approval in 2018/19.
Audit and Governance Review of risks twice per year	Principle F	Director of Housing and Customer Services	Underway	Review of risks schedule for 6 December Committee meeting. Future review of risks to be included on Forward Plan.	Complete	Risk monitoring now included on forward plan as standard agenda item.	Complete	Action complete – no update required
Review approach to consultation	Principle A Principle B Principle C Principle E	Communications Manager/Head of Legal and Commercial Services	Not yet scheduled	Improvement to be included in Team Business Plan for 2018/19.	Not yet scheduled	Improvement to be included in Team Business Plan for 2018/19.	Carried forward as ongoing improvement and scheduled for completion in 2018/19	Approach to engagement and consultation to be considered as part of the review of the customer services, business improvement and communications team and considerations of functions within community services.

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Communications Strategy	Principle B	Communications Manager/Head of Legal and Commercial Services	Not yet scheduled	Improvement to be included in Team Business Plan for 2018/19.	Not yet scheduled	Improvement to be included in Team Business Plan for 2018/19.	Carried forward as ongoing improvement and scheduled for completion in 2018/19	Improvement to be reviewed during 2018/19.
Consider need for Partnership Framework	Principle B Principle C Principle E	TBC	Not yet scheduled	Improvement to be included in Team Business Plan for 2018/19.	Not yet scheduled	Improvement to be included in Team Business Plan for 2018/19.	Carried forward as ongoing improvement and scheduled for completion in 2018/19	The need for a partnership working framework will be considered as part of development of Commercial Strategy.
Develop Commercial and Sustainability Strategy	Principle C	Communications Manager/Head of Legal and Commercial Services	Not yet scheduled	Improvement to be included in Team Business Plan for 2018/19.	Not yet scheduled	Timetable and development of strategy under consideration.	Carried forward as ongoing improvement and scheduled for completion in 2018/19	Commercial Strategy in development, presentation for approval targeted for Quarter 3 2018/19.
Update people plan	Principle E	Head of HR and Organisational Development	Not yet scheduled	Improvement to be included in Team Business Plan for 2018/19.	Underway	Initial discussion with Corporate Leadership Team scheduled for March. Timetable and action of updating of the People Plan to be developed in 2018/19.	Carried forward as ongoing improvement and scheduled for completion in 2018/19	People Plan in development, presentation for approval targeted for 2018/19.
Risk Management and Strategy and Policy Updates	Principle F	Director of Housing and Customer Services	Not yet scheduled	Improvement to be included in Team Business Plan for 2018/19.	Underway	Risk Strategy and Policy merged into one policy document. Policy to be presented for adoption to Audit and Governance Committee 21 March 2018.	Complete	Action complete. Risk Policy adopted by Audit and Governance Committee 21 March and approved by Cabinet 1 May 2018.

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New financial model for achieving balance between finance and budget holders	Principle F	Head of Finance	Not yet scheduled	Improvement to be included in Team Business Plan for 2018/19.	Underway	Action included in team business plan for the Finance service for 2018/19.	Complete	Action included in team business plan for the Finance service for 2018/19.

A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

B: Ensuring openness and comprehensive stakeholder engagement

C: Defining outcomes in terms of sustainable economic, social, and environmental benefits

D: Determining the interventions necessary to optimise the

E: Developing the entity's capacity, including the capability of its leadership and the individuals within it achievement of the intended outcomes

F: Managing risks and performance through robust internal control and strong public financial management

G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability