

**NORTH WEST LEICESTERSHIRE DISTRICT COUNCIL**

**AUDIT AND GOVERNANCE COMMITTEE – WEDNESDAY, 5 DECEMBER 2018**

Title of report	<b>PROGRESS UPDATE IN RESPECT OF IMPROVEMENTS IDENTIFIED THROUGH THE ANNUAL REVIEW OF GOVERNANCE 2017/18</b>
Contacts	<p>Councillor Nick Rushton 01530 412059 <a href="mailto:nicholas.rushton@nwleicestershire.gov.uk">nicholas.rushton@nwleicestershire.gov.uk</a></p> <p>Director of Housing and Customer Services 01530 454819 <a href="mailto:glyn.jones@nwleicestershire.gov.uk">glyn.jones@nwleicestershire.gov.uk</a></p> <p>Head of Finance and Section 151 Officer 01530 454707 <a href="mailto:tracy.ashe@nwleicestershire.gov.uk">tracy.ashe@nwleicestershire.gov.uk</a></p>
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 Assessment	Not required.
Human Rights	None identified.
Transformational Government	Not applicable.
Consultees	None

Background papers	<a href="http://prod-modgov:9070/documents/s18210/Annual%20Governance%20Statement%20201718%20Audit%20and%20Governance%20Committee%20Report.pdf?\$LO\$=1">http://prod-modgov:9070/documents/s18210/Annual%20Governance%20Statement%20201718%20Audit%20and%20Governance%20Committee%20Report.pdf?\$LO\$=1</a>
Recommendations	<b>THAT MEMBERS NOTE AND COMMENT ON THE REPORT</b>

## **1.0 BACKGROUND**

- 1.1 Members reviewed and approved the Annual Governance Statement (AGS) in respect of the 2017/18 year at its meeting on 10 October 2018.
- 1.2 A total of 14 improvement areas identified through this review (6 of which were carried forward from 2016/17), 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 2017/18.
- 1.3 It has been agreed that Committee members will review progress against improvement areas 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 This update is the first update members will receive on improvements identified in 2017/18.

## **2.0 PROGRESS MADE IN RESPECT OF IMPROVEMENT AREAS 2017/18**

- 2.1 Of the 14 improvements identified, 3 are complete, 8 are underway and the remaining 3 have not yet started.
- 2.2 Full details can be found in Appendix 1.

**PROGRESS MADE IN RESPECT OF IMPROVEMENTS IDENTIFIED THROUGH THE REVIEW OF  
THE ANNUAL GOVERNANCE STATEMENT 2017/18**

<b>Improvement Action</b>	<b>Related Principle(s)</b>	<b>Officer Responsible</b>	<b>Status – 5 December 2018</b>	<b>Update – 5 December 2018</b>
Review of Equality policy	A	Head of HR and OD	Underway	Policy has been agreed by CLT and the Equalities and Access Group. Currently out to consultation before going to PDG in February 2019.
Approach to consultation and engagement (to be considered as part of the review of the communications team and consideration of functions of community focus services)	B, D	Head of Legal and Commercial	Not started	Officer Responsible currently under review.
Development of commercial strategy, to include review of need for a partnership working framework	C	Head of Legal and Commercial	Complete	Commercial strategy agreed by Cabinet in October 2018. The Council's approach to managing contracts/partnerships and any wholly owned companies will be considered as part of the commercial strategy. Implementation under way.
Review of the Business Improvement function	D	Head of HR and OD	Complete	The team has been restructured from 01/09/18 and renamed the Organisation Performance Team.
Consider introduction of public consultation on budget proposals	D	Head of Finance	Underway	Approach to public consultation on budget proposals in the early stages of development for 2020/21 budget setting. Annual Statutory consultation will be undertaken on 2019/20 draft Budget as per previous years.
Partnership Framework to be developed (as above)	E	Head of Legal and Commercial	Underway	The Council's approach to managing contracts/partnerships and any wholly owned companies will be considered as part of the commercial strategy
Develop and implement People Plan	E	Head of HR and OD	Underway	Following consultations with CLT, ELT and trade unions the plan has been scrutinised by PDG and will go to Cabinet in December 2018. The associated action plan covers activities in 2019.
Corporate Asset Management Strategy required to go with HRA Asset Management Strategy	E	Head of Housing and Assets	Underway	In development, scheduled for Cabinet approval Quarter 4 2018/19.
Implementation of In-Phase	F	Head of HR and OD	Underway	Following a pilot scheme with Team managers the software will be used for Team Planning and performance reporting from April 2019. A report on the further implementation will be considered by CLT in February 2019.

Complete outstanding actions identified as part of the internal audit of anti-fraud and corruption in 2016/17. Raise awareness of anti-fraud and corruption with staff	F	Head of Finance	Not started	Additional support required to carry out this significant piece of work and seeking support from colleagues at Leicester City Council.
Embed finance business partnering model, including review of effectiveness and procure new finance system	F	Head of Finance	Underway	New finance business partnering service delivery model successfully launched in July 2018 with review scheduled towards the end of the 2018/19 financial year.  Work to procure a new finance system due to commence early in 2019. Recruitment process underway to appoint a 12m fixed term Project Manager to support.
Implement actions to address issues identified through Internal Audit of Sundry Debtors	F	Head of Finance	Underway	Actions underway as per Internal Audit report.
Review the Council's supplier hosted systems and introduce measures to ensure that a SOC 2 report (or equivalent) is obtained on an annual basis.	F	Head of Customer Services	Underway	Review has been completed.  Measures have been built into the ICT Team plan to review 3 <sup>rd</sup> party controls and SOC 2 reports, throughout the year and included as part of the ICT monthly performance submission.
Review and strengthen management and reporting arrangements for the Revenues and Benefits Partnership	G	Head of Customer Services	Complete	This is now complete, the new Head of Customer Services, attends multiple management boards and committees. Equally there is now Chief Exec representation on the joint committee and operational engagement on the operations board. All layers of management are now reflected.

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