

POLICY REVIEW AND DEVELOPMENT PANEL REPORT

REPORT TO:	Audit Committee		
DATE:	28 November 2016		
TITLE:	Update on progress with the Annual Governance Statement covering the 2016/17 year		
TYPE OF REPORT:	Monitoring		
PORTFOLIO(S):	Leader		
REPORT AUTHOR:	Vanessa Dunmall		
OPEN/EXEMPT	Open	WILL BE SUBJECT TO A FUTURE CABINET REPORT:	No

REPORT SUMMARY/COVER PAGE

<p>PURPOSE OF REPORT/SUMMARY:</p> <p>At its meeting in September 2016, the Audit Committee approved the Council's Annual Governance Statement covering and reflecting back on the 2015/16 year. At that meeting, it was suggested that the Committee may wish to receive an update halfway through the year on the progress being made with the Action Plan for the 2016/17 year. This report provides that update.</p> <p>The report summarises progress made since April 2016 and also describes work that is planned to be undertaken over the coming months to achieve the identified actions.</p>
<p>KEY ISSUES:</p> <p>The Council is required to produce an Annual Governance Statement (AGS) each year¹ and the Audit Committee is the body now designated to approve the statement, alongside the Statement of Accounts.</p> <p>The progress made</p>
<p>OPTIONS CONSIDERED:</p> <p>Not applicable.</p>
<p>RECOMMENDATIONS:</p> <p>The Committee is recommended to review the progress made and endorse the approach being taken to achieve the actions on the Council's 2016/17 AGS Action Plan.</p>
<p>REASONS FOR RECOMMENDATIONS:</p> <p>To ensure that Members are kept informed about progress with the Council's Annual Governance arrangements.</p>

¹ Under the Accounts and Audit Regulations 2015, regulation 6(1)

REPORT DETAIL

1.0 Background

- 1.1 The preparation and publication of an Annual Governance Statement (AGS) is a statutory requirement. The AGS is a public statement that describes and evaluates the Council's overall governance arrangements during a particular financial year. It includes a self-assessment of the effectiveness of the governance arrangements, across all areas of activity, together with a statement of the actions being taken or required to address any areas of concern.
- 1.2 Each year, during the process of putting together the AGS, an Action Plan is devised to make sure that any gaps or weaknesses identified in the authority's governance arrangements are plugged or strengthened. The AGS covering the 2015/16 year was approved by the Audit Committee on 5th September 2016 and included an Action Plan to be completed during the current 2016/17 year.

2.0 Progress on the action plan

- 2.1 The Action Plan being progressed this year is shown at Appendix A. It consists of 11 actions. Of those, 1 entry has been completed, the remaining 10 are on track to be completed by the target date of March 2017.

3.0 Corporate Priorities

Not applicable, statutory requirement

4.0 Policy Implications

None

5.0 Financial Implications

None

6.0 Personnel Implications

None

7.0 Statutory Considerations

- 7.1 The monitoring of the Annual Governance Statement Action Plan is needed to ensure compliance within the set deadlines.

8.0 Equality Opportunity Considerations

None

9.0 Risk Management Implications

- 9.1 The Annual Governance Statement itself forms part of the Council's risk management process and provides reasonable assurance (as defined in section 8 of the AGS itself) that the Council is complying with the adopted Code of Corporate Governance.
- 9.2 Progressing the actions identified within the Statement show the Council's willingness to strengthen any weaker areas that were identified.

10.0 Recommendations

- 10.1 The Committee is recommended to
Review the progress made and endorse the approach being taken to the Council's
2016/17 AGS Action Plan.

11.0 Declarations of Interest / Dispensations Granted

None

Background Papers

CIPFA/SOLACE Framework including Guidance Notes and Addendum

Audit Committee agenda 5 September 2016

ANNUAL GOVERNANCE STATEMENT – ACTION PLAN FOR THE 2016/17 YEAR

	Issue	Action	Responsible Officer	Target Date	Status & progress as at October 2016	
1	<i>Carried forward:</i> Financial Procedures	Review and update the Council's Financial Regulations to reflect changes in legislation and current best practice	Assistant Director, Finance	March 2017	On track	The Financial Regulations have been reviewed by the Audit Manager. A first draft has been reviewed, Audit Manager to update and report to Audit Committee in November 2016 and Cabinet in January 2017.
2	<i>Carried forward:</i> Public Services Network (PSN) compliance	Ensure PSN compliance during 2015/16 including progressing any actions identified as a result of the 2015 audit	Executive Director, Central and Community Services	March 2017	On track	ICT are working towards PSN compliancy which is due during December / January. As a consequence of a recent ICT Health check a number of ICT Servers are due to be taken out of circulation in line with PSN guidelines, there is a programme of decommission in place.
3	<i>Carried forward:</i> Payment Card Industry (PCI) compliance	i) Respond to issues identified during the 2015 PCI audit ii) Investigate and implement an upgrade to the current cash receipting system to ensure ongoing compliance	Executive Director, Central and Community Services	March 2017 March 2017	On track	i) The Council successfully obtained PCI DSS compliancy on 22nd September 2016. ii) An upgrade to the cash receipting / e-payments system is in test currently and is due to go live in November 2016.
4	ICT Development Group	Adopt a Terms of Reference to make the group's remit clear	Executive Director, Central and Community Services	March 2017	On track	Terms of Reference have been agreed in principle by the ICT Development Group and are subject to Management Team approval during Oct/Nov 2016.
5	Performance Management Framework	Review and refresh the Council's Performance Management Framework.	Executive Director, Central and Community Services	March 2017	On track	The refresh has been started, on track to be completed by March 2017.

	Issue	Action	Responsible Officer	Target Date	Status & progress as at October 2016	
6	Data Quality Strategy	Review and refresh the Council's Data Quality Strategy	Executive Director, Central and Community Services	March 2017	On track	Due to be a light touch review – on track to be completed by March 2017.
7	West Norfolk Strategy Group	Review the format and focus of the WN Strategy Group to ensure it continues to deliver benefits for the area	Executive Director, Central and Community Services	Completed	Completed	New arrangements have been put in place which reflect the reduced budget for partnership projects when the County Council discontinue Second Homes payments to the Borough Council.
8	Anti-fraud and Anti-corruption Strategy	Review and refresh the Council's Anti-fraud and Anti-corruption Strategy	Assistant Director, Finance	March 2017	On track	The Audit Manager will take the reviewed strategy to Audit Committee, Cabinet and full Council in February 2017.
9	Efficiency Plan	Devise process for robust monitoring of achievement against the Efficiency Plan	Assistant Director, Finance	March 2017	On track	<p>The Council has to publish an 'efficiency plan' as required by the Government if we are to take up the offer of a four year funding settlement. The 'efficiency plan' went to Cabinet on 7 September and Council on 29 September, and needs to be with DCLG and published on our website by 14 October 2016. The cost reduction programme revenue savings are being monitored and reported through the monthly budget monitoring report. Procedure notes have been issued to Extended Management Team.</p> <p>The corporate capital projects monitoring is yet to be finalised, currently awaiting outcome of Property, Regeneration and Corporate Projects service review.</p> <p>The Capital and Property Investment Strategy will go to Cabinet on 6 December with a presentation to joint R&D and CPP on 19 October.</p>
10	Internal Audit	Change to Internal Audit arrangements	Assistant Director, Finance	March 2017	On track	Agreed by Audit Committee and Cabinet, interviews will be held on 10 October 2016 for shared Audit Manager. Following successful appointment to the role, section 113 agreement to be finalised with Fenland DC.

	Issue	Action	Responsible Officer	Target Date	Status & progress as at October 2016	
11	Risk Management	Revised arrangements for the provision of risk management	Assistant Director, Finance	March 2017	On track	Audit Manager is reviewing risk register with Exec Directors. The Performance and Efficiency Manager is involved in this process in preparation for taking over the role from April 2017.