

Report to Audit Committee

Agenda
Item:

A.6

Meeting Date: 26 September 2013
Portfolio: Finance, Governance and Resources
Key Decision: Not Applicable:
Within Policy and
Budget Framework YES
Public / Private Public

Title: CODE OF CORPORATE GOVERNANCE – ACTION PLAN
Report of: Director of Resources
Report Number: RD45/13

Purpose / Summary:

This report updates Members on the Council's governance arrangements and its systems of internal control in line with CIPFA's Good Governance Framework.

It includes a progress report on areas of weakness identified during the preparation of the 2012/13 Annual Governance Statement for Members consideration.

Recommendations:

Members are requested to note the attached action plan and the current position relating to the issue which has been identified.

Tracking

Audit Committee:	26 September 2013
Overview and Scrutiny:	Not applicable
Council:	Not applicable

1. BACKGROUND

- 1.1 The Council's Code of Corporate Governance was approved by Council in 2008 in line with the CIPFA/SOLACE Framework document 'Delivering Good Governance in Local Government'.
- 1.2 In line with the framework the Audit Committee have previously considered any areas of significant weakness in the Council's governance arrangements by reviewing at each meeting of the committee the action plans put in place to ensure that continuous improvement in the system of internal control is addressed.
- 1.3 Furthermore an Annual Governance Statement, signed by the S151 Officer, Leader and Chief Executive, is prepared which summarises the Council's governance arrangements and which sets out any areas of significant weakness. This is formally approved as part of the audit of the Statement of Accounts process.
- 1.4 Since the original framework was prepared, CIPFA has issued guidance statements on 'The Role of the Chief Financial Officer in Local Government' and 'The Role of the Head of Internal Audit' both of which the Council must consider when preparing its Annual Governance Statement. An updated guidance note has also been issued (December 2012) which provides a revised framework for corporate governance incorporating these two CIPFA Statements. This revised framework was adhered to in preparing the 2012/13 Annual Governance Statement.

2. ANNUAL GOVERNANCE STATEMENT & ACTION PLAN

- 2.1 The Annual Governance Statement for 2012/13 highlighted one area of weakness (related to contract monitoring) in the Council's governance arrangements, and progress made against this area is contained within **Appendix A**. There are no new significant issues which need to be brought to Members' attention, nor are there any new areas of risk arising from the Audit reviews or from the Risk Registers that need to be drawn to Members' attention.

3. CONCLUSION AND REASONS FOR RECOMMENDATIONS

- 3.1 Members are requested to note the attached action plan and the current position relating to the issue which has been identified.

4. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES

- 4.1 To ensure that the Council has sound systems of internal control and that the governance arrangements in place comply with statutory requirements.

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Appendices Appendix A – Code of Corporate Governance – Action Plan attached to report:

Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:

- None

CORPORATE IMPLICATIONS/RISKS:

Chief Executive's – not applicable

Community Engagement – not applicable

Economic Development – not applicable

Governance – *Delivering Good Governance in Local Government: Framework* has been given 'proper practices' status by the Department for Communities and Local Government through non-statutory guidance in respect of the requirement for local authorities to prepare an annual governance statement which must accompany the statement of accounts.

Local Environment – not applicable

Resources – included in the main body of the report

ANNUAL GOVERNANCE STATEMENT**APPENDIX A****ACTION PLAN – UPDATE SEPTEMBER 2013**

	<u>WEAKNESS IDENTIFIED</u>	<u>RESPONSIBILITY</u>	<u>TARGET DATE</u>	<u>CURRENT STATUS AND ACTION REQUIRED</u>
1.	<p>Contract Monitoring Procedures:</p> <p>During 2012/13 and as part of the delivery of the annual audit plan, internal reviews identified a significant weakness with regard to the internal monitoring of Council key contracts with recommendations being made to improve internal procedures and processes. Action plans to address these weaknesses have been developed and further consideration of the issues have been debated by the Council's Corporate Risk Management Group. Relevant Directors will have regard to the issues raised when implementing any revised staffing structures. Completion of the</p>	<p>Director of Community Engagement & Director of Local Environment</p>	<p>January 2014 (deadline for consideration of formal 'follow up' review from Audit Services)</p>	<p>Revised staffing structures will facilitate this improvement with responsibilities for the monitoring of outsourced contracts being identified within job descriptions.</p> <p>A specific post within the Community Engagement Directorate has been created, Contracts and Community Services Manager, whose responsibilities include managing the business relationship with the two significant contracts within Community Engagement, and to monitor and evaluate performance against the contract.</p> <p>The Director of Local Environment recognises that there is a need to strengthen contract performance management and to undertake more robust contract monitoring arrangements in order to achieve best value from contracts. This requirement formed part of a recently</p>

	<p>action plans will be subject to a formal audit follow up during 2013/14 and be reported to and closely monitored by the Audit Committee.</p>		<p>commenced consultation document on proposed changes to the Neighbourhood Services Team.</p> <p>Responsibilities for contract monitoring are proposed to be embedded within roles and responsibilities within the new team and will increase technical capacity for technical projects, improvement projects, tackling and solving problems, procurement and contract performance management. The consultation is due to end on 1st October 2013.</p> <p>A new back office database (Flare) and performance monitoring system is being rolled out in waste services and street cleansing and this will vastly improve the management of contract performance information and so facilitate the development of systems to monitor key contract performance. E.g. (1) The time taken for a replacement green box to be delivered to the customer by the contractor from the point of the customer request to the point of delivery; and (2) the number of litter complaints following collection .</p>
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