CHESHIRE EAST COUNCIL

Audit and Governance Committee

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Date of meeting: 29 June 2010
Report of: Corporate Governance Group
Title: Annual Governance Statement (AGS) 2009/10

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1.0 Report Summary

1.1 As reported to the Governance and Constitution Committee on 21st January 2010, the Council is required to prepare and publish an Annual Governance Statement (AGS). This requirement was introduced by the revised CIPFA/SOLACE Good Governance Framework (Delivering Good Governance in Local Government) and is necessary to meet the statutory requirement set out in Regulation 4 of the Accounts and Audit Regulations (2003 as amended).

1.2 The purpose of the AGS process is to provide a continuous review of the organisation's governance arrangements so as to give assurance on the effectiveness on the processes and/or to address identified weaknesses. This report and Appendix A are the results of that review.

1.3 The review of governance arrangements in place for 2009/10 has been informed by the work of Internal Audit and senior managers and also comments made by the External Auditors and other review agencies/inspectorates. The sources of assurance include:

- Directors and Managers assigned with the ownership of risks and delivery of services through the risk management process
- The Section 151 Officer and the Monitoring Officer in meeting statutory responsibilities
- Internal Audit, through the annual and interim reports
- External Audit through reports and the Management and Inspection letters relating to predecessor Authorities
- Outcomes from other review agencies and inspectorates
- Directors and Service Managers who independently sign off on the adequacy of controls within their service areas via disclosure statements
- Designated officers who complete AGS self assessment questionnaires (in this way compliance with the Council's Code of Corporate Governance will be evidenced).

1.4   The AGS has been considered by the Corporate Management Team with work being co-ordinated by the Corporate Governance Group.

1.5   In order that Members may discharge their duties, the Committee (or predecessor Governance & Constitution Committee) has received reports, information and training throughout the period under review including:

- Internal Audit Annual Report for 2009/10
- Interim update reports from Internal Audit
- Update reports on Risk Management
- A workshop that examines the draft AGS and supporting documentation.

1.6   Regular updates on progress on the AGS Action Plan will be brought to this Committee during 2010/11.

2.0   Recommendation

2.1   That the Committee approves the Annual Governance Statement for signature by the Leader of the Council and the Chief Executive.

3.0   Reasons for Recommendation

3.1   To approve the Annual Governance Statement in accordance with the Accounts and Audit Regulations.

4.0   Wards Affected

4.1   All wards.

5.0   Local Wards Affected

5.1   Not applicable.

6.0   Policy Implications including

6.1   Not applicable.

7.0   Financial Implications 2010/11 and beyond

7.1   No specific financial implications. The production of the AGS aligns with the production of the Annual Accounts and will be published alongside the audited accounts (approved by end of September 2010).

8.0   Legal Implications

8.1   The production of the AGS is required by the Accounts and Audit Regulations.

v.1.2

9.0   Risk Assessment

9.1   The Authority is required to prepare and publish an Annual Governance Statement to meet the statutory requirement set out in Regulation 4 of the Accounts and Audit Regulations. Failure to do so could result in non-compliance with the requirements of the Regulations.

For further information:

Portfolio Holder: Councillor David Brown
Officer: Vivienne Quayle, Head of Internal Audit
Tel No: 01270-529684
Email: vivienne.quayle@cheshireeast.gov.uk

Background Documents:
Local Government Act 1972
Accounts and Audit Regulations (2003 and updated 2006)
CIPFA Internal Audit Code of Practice

**CHESHIRE EAST COUNCIL
ANNUAL GOVERNANCE STATEMENT 2009-10**

Scope of responsibility

Cheshire East 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. Cheshire East 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.

In discharging this overall responsibility, Cheshire East 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.

Cheshire East 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*. A copy of the code is on our website at Code of Corporate Governance. This statement explains how Cheshire East Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit regulations 2003 as amended by the Accounts an Audit (Amendment) (England) regulations 2006 in relation to the publication of a statement on internal control.

The purpose of the governance framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. 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, cost effective services.

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 Cheshire East Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Cheshire East Council for the year ended 31 March 2010 and up to the date of approval of the annual report and statement of accounts.

Describe the key elements of the systems and processes that comprise the authority's governance arrangements including arrangements for:

Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users

- The Sustainable Community Strategy (SCS) sets out a collective vision for Cheshire East and the priority actions which need to be addressed over the next 15 years to achieve that vision. Following a major consultation process, our new SCS is due to be approved in July 2010.

- The Council's vision and purpose is brought together and communicated via the Council's Corporate Plan. This plan aims to ensure Cheshire East delivers it's obligations and wider community leadership role. There is an interim Corporate Plan. A new Corporate Plan is due to be approved in July 2010.

- The performance management framework governs how Cheshire East translates priorities into plans, and plans into delivery through setting clear objectives, aligning resources to ensure delivery, and setting robust targets to keep focus on delivering the right outcomes.

- There is an annual communication plan that ensures priorities, finances, achievements, and objectives are communicated relevantly to stakeholder groups.

Reviewing the authority's vision and its implications for the authority's governance arrangements

- The mechanism for delivering the new Sustainable Community Strategy will be the Local strategic Partnership (LSP) through Local Area Partnerships (LAPs) and devolved service delivery based on LAP areas. Basic governance arrangements were adapted for the LAPs during the shadow year but these will require refinement. The governance of devolved service delivery will be created when delivery commences.

- The impact of the Council's vision on the governance arrangements is considered through the Code of Corporate Governance.

Measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources

▪ Scrutiny Committees and the Governance and Constitution Committee hold the Cabinet to account in discharging their functions. The Committees assist and challenge the Council and Cabinet in the development and review of its major plans, policies and strategies and undertake specific reviews of the Council's organisation and service provision with a view to improving service delivery.

▪ The Council has a Data Quality Strategy in place and is continuing to develop its performance management systems. There is a medium term financial strategy in place and the business planning cycle included extensive external consultation. There is an opportunity to much further align corporate priorities to financial plans and this is in hand for 2010/11.

▪ The Council reports on performance regularly. For 2009/10, the emphasis has been on mid and three quarter year review. A Summary Performance Report that assesses the Council's achievements and performance over the year will be presented to Cabinet in June 2010.

▪ The Cheshire East Complaints policy and procedure has been in place since 1 April 2009, supported by a Complaints database to manage individual cases. A new Complaints Management system, providing much improved management information, is planned for implementation in June 2010. A customer satisfaction solution to provide customers with the opportunity to feedback on their experience across all Council services will be identified and implemented as a deliverable of the Customer Access Programme during 2010/11.

Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

▪ The Council has adopted a Constitution including descriptions of member and officer roles and responsibilities. Departments maintain registers of delegated decisions by officers. The Constitution is renewed in-year by the Governance and Constitution Committee and updated. The Cabinet and individual executive members take decisions which are fully recorded and minuted.

▪ The roles of senior officers, non-executive members, other committees and members generally are set out by the Constitution and Protocols. Senior officers also have contracts of employment. The responsibilities of individual members are not brought together into a single document but

are to be found in the various protocols.

- The Constitution contains a scheme of delegation to officers and delineates between Council, executive and individual cabinet members regarding their powers. This is renewed in-year by Governance and Constitution Committee.

Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff

- Officers and Members Codes of Conduct are included within the Constitution. The values embedded in the Codes define standards of behaviour expected of Members and Officers and are required to be observed as part of their normal conditions of service. The Codes are communicated to Members and Officers via briefings, training and are available on the Council's intranet and internet.

- The Standards Committee promotes high standards of ethical behaviour by developing, maintaining and monitoring Codes of Conduct for Members and Officers of the Council and also advises the Council on the adoption or revision of the Codes of Conduct for Members and Officers.

Ensuring the Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on The Role of the Chief Financial Officer

Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks

- The Constitution contains a range of documents which comprise its governance arrangements. These include the Council's Procedure Rules, Finance and Contract Procedure Rules and Schemes of Delegation. The Constitution is subject to regular review and is widely available.

- The Council's decision making arrangements are set out in the Constitution and Officers are required to get Legal and Financial professional sign off before reports go to decision making bodies.

- The Council's Risk Management Strategy and Framework is reviewed annually with the current version being approved by Cabinet on the 14 July 2009. All Service Plans include a risk assessment of all operational and strategic risks. All Committee reports for key decisions also require a risk assessment.

Ensuring the Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on *The Role of the Chief Financial Officer in Local Government (2010)*

- The Chief Financial Officer is professionally qualified, reports directly to the Chief Executive and is a member of the Corporate Management Team, with a status at least equivalent to other members.

- The local code of governance will, in 2010/11, be amended to reflect the additional/expanded governance requirements from the CFO Statement on the Role of the Chief Financial Officer in Local Government (2010).

Undertaking the core functions of an audit committee, as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities*

- The audit function has been undertaken to date by the Governance and Constitution Committee. The Committee's role is to help the Council improve by providing effective assurance on the adequacy of its governance arrangements as well as the general control environment. In May 2010, Council approved the setting up of separate Committees; a specific Audit & Governance Committee and a Constitution Committee.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and the expenditure is lawful

- The Council has in place, within the Constitution, various procedure rules which set out how budget and policy decisions are made. Officers are required to ensure that compliance with relevant laws and regulations and lawful expenditure is delivered. Reports provide a section for legal implications, and reports cannot go before Cabinet or Council without this being addressed.

- The Council's Statutory Officers have a positive responsibility to report to the Council, in respect of:

  - Co-ordination of functions, staff and management matters – the Chief Executive (Head of Paid Service)
  - Financial administration, probity and propriety – the Borough Treasurer and Head of Assets (Section 151 Officer)
  - Legality and administration – Borough Solicitor (Monitoring Officer).

- Internal Audit's annual plan contains a programme of work that includes reviews of compliance with policies, procedures, laws and regulations. In addition, work is carried out by Scrutiny Committees, External Audit and other inspection agencies.

▪ The Head of Internal Audit produces an annual audit report which provides assurance on the adequacy of the Council's control environment.

▪ The Risk Management Strategy aims to embed risk management into the operational management of the Council and risk assessments are used as part of the key decision making process.

Whistle-blowing and arrangements for receiving and investigating complaints from the public

▪ The Council has had formal Whistle-blowing and Anti-Fraud and Corruption policies in place throughout the year. They are prominent on the web site both internally and externally. All instances of whistle- blowing have been investigated and closed appropriately and all incoming and in-year instances of potential fraud and corruption have been reviewed and closed, including referral to the police where necessary.

Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

▪ Members receive individual induction and access to a comprehensive member training programme. Member Personal Development Plans are in place for four years, with an annual review. This was facilitated by North West Employers in 2009.

▪ Any member taking on a new role is offered an induction and any training required. Planning and Licensing Committee Members have to undertake mandatory training before taking their place on the committee.

▪ A comprehensive corporate training programme for Members and Officers has been delivered since April 2009, specifically focusing on leadership, change management, employee engagement and lean techniques. This is in line with the aims and objectives of the Council's Workforce Development Plan 2009-2010.

Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

▪ The Council is developing a process to ensure regular feedback on the delivery of priorities, with research planned in each year and supplemented by regular 'point of contact' customer service feedback. Although there is no overall framework to engage with customers, there have been examples of communications with the public e.g. Place Survey.

- Engagement and communication activity is monitored for effectiveness, together with an analysis of the value of media reporting. An effective engagement strategy is yet to be put into place that identifies and targets the needs of communities and particular community groups. This is an action for 2010-11.

- Most meetings are held in public, using the public interest criteria in the Access to Information Rules. The status of sub-committees and working parties is critically reviewed to ensure that public access is given wherever appropriate.

Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships and reflecting these in the authority's overall governance arrangements

- The Council is involved in a wide range of partnership arrangements involving joint and external funding. The Council's significant partnerships have been determined by Corporate Management Team and their governance arrangements and values have been documented in protocols or formal joint agreements. For other partnerships, a working party of officers and Standards Committee members is currently developing a partnership governance protocol based on a draft model produced by Standards for England.

- The Local Strategic Partnership (LSP) has three tiers – an Executive, five thematic partnerships, seven LAPs. Whilst a draft partnership agreement has been developed, partners agreed that further work was needed to define the roles and responsibilities in relation to thematic and area working. A review of LAPs is being completed and the roles and responsibilities at each tier of the LSP will be further developed following this feedback.

- The Partnerships team has been established during 2009/10 and clear line management responsibilities are in place. Co-ordination with officers supporting the five thematic partnerships takes place in the Partnership Management Group (PMG).

Review of effectiveness

Cheshire East 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 Head of

Internal Audit'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 as follows:

Council/Constitution

- The Council has formally adopted a Constitution that sets out details of 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. The Governance and Constitution Committee, in consultation with other appropriate Members, the Monitoring Officer and Section 151 Officer, monitor and review the Constitution to make sure that its aims and principles are given full effect. Changes to the Constitution are approved by the full Council after consideration of the proposal by the Governance and Constitution Committee.

- All Councillors meet together a number of times each year as the Full Council. Together, they set the Council's major plans, policies, strategies and the budget. They take decisions together where required by law, or where the Council decides that collective decisions should be taken.

Cabinet/Other Committees

- The Council has appointed a Leader who has appointed his Cabinet. The Council has appointed a number of committees to make decisions. Many of the Council's decisions are made by the Council's Cabinet, Cabinet committees, or officers acting on its behalf. Other decisions, such as planning and licensing decisions, have to be made by committees of the Council, or officers acting on their behalf. The decision making framework has been developed in accordance with the requirements of the law.

- The Cabinet meets formally at least once per month, to deal collectively with the high level operational and more strategic business, including key decisions of the Authority. Additionally, the Cabinet has adopted a scheme of delegation to the individual Cabinet Members, so that they are able to take decisions as appropriate within their portfolio responsibility.

Scrutiny Committees

- The Council has appointed five Scrutiny Committees. The role of the Committees includes not just 'holding the Cabinet to account' but also carrying out advisory work on policy development (the 'Overview' function). Each of these Scrutiny Committees meets a minimum of six times during the year. Additional meetings may be required, to deal with

unplanned business such as the "call in" of particular Cabinet decisions, ad hoc requests by the Cabinet to undertake policy development work, and specific proposals identified by non Executive Members.

Standards Committee

- The Standards Committee promotes high standards of ethical behaviour by developing, maintaining and monitoring codes of Conduct for Members of the Council (including Co-opted Members and other persons acting in a similar capacity) and for employees in accordance with best practice and Government guidance. The Standards Committee has formed three Sub-Committees to deal with the initial assessment of any complaints raised against Members; review of decisions whether or not to investigate; and to conduct hearings.

- The Standards Committee Annual Report 2009-2010 revealed four instances where complaints had been received concerning serving or former Councillors. In two cases the Assessment Sub- Committee considered the report of the Investigator and agreed that there had been no breach of the Code of Conduct by the subject Member. One request to withdraw a complaint was granted and in the final case the Assessment Sub-Committee concluded that there was no case to answer.

Corporate/Management Assurance

- The Council's Corporate Management Team provides strategic advice to the Council and co-ordinates the Council's activities to ensure high standards of performance.

- Councillors are supported by the Council's employees (officers) who provide advice, implement decisions and manage the day to day delivery of services. Some officers have specific duties to ensure that the Council acts within the law, and uses resources wisely. These are the Monitoring Officer and Section 151 Officer.

- Formal assurance with regard to the governance framework is provided by Directors, Heads of Service and Service Managers who independently sign off on the adequacy of controls within their service areas via disclosure statements. Furthermore, designated officers complete Annual Governance Statement self-assessments in order to determine the extent to which the Council complies with the principles of good governance contained within its local code.

Internal Audit

- The Council's Internal Audit & Compliance section produce and deliver against a risk-based Annual Plan, approved by the Governance and Constitution Committee, in accordance with the CIPFA 'Code of Practice

for Internal Audit in Local Government in the United Kingdom 2006'. The Head of Internal Audit & Compliance reports progress against the Plan and the section's individual performance targets to the Governance and Constitution Committee throughout the year and annually provides a formal opinion on the effectiveness of the Council's control, risk management and governance arrangements that is timed to support production of the AGS.

External Audit/Inspection

- The Council's External Auditors (The Audit Commission), annually reviews the financial aspects of corporate governance, including the work of Internal Audit. In carrying out this work the Commission seeks assurance that the systems of financial control are in place and operating effectively. This includes a review of the Council's key financial systems in order to establish that they operate soundly and that there are no fundamental breakdowns in controls that would result in material discrepancies.

- Further assurance is provided by External Auditors and other review/inspection bodies such as the Health & Safety Executive, the Audit Commission, Office for Standards in Education (OFSTED) and the Care Quality Commission.

Governance & Constitution/Audit Committee

- The Governance and Constitution Committee plays a key role in the review of the effectiveness of the governance framework by seeking assurance on the adequacy of the Council's risk management, control and governance arrangements and monitoring the AGS action plan. During 2009-2010, the Chairman of the Committee and the Head of Audit and Compliance assessed the effectiveness of the system of internal audit using the following checklists:

  - compliance with the Code of Practice for Internal Audit in Local Government in the United Kingdom 2006
  - self-assessment - measuring the Effectiveness of the Audit Committee

- Although the arrangements were found to be broadly compliant, a decision was made to introduce a separate Audit and Governance Committee to ensure independence.

- Work on the governance statement is co-ordinated by the Governance Working Group, which reports its findings to the Governance and Constitution Committee following consideration by the Corporate

Management Team. The Governance and Constitution Committee/Audit and Governance Committee critically review the AGS and its supporting documentation and, in considering whether to approve the Statement, seeks to satisfy itself that Management has obtained relevant and reliable evidence to support the disclosures made.

- The Audit and Governance Committee approves the Statement of Accounts and the AGS based on the adequacy of assurance provided by Management.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by Governance and Constitution Committee, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant governance issues

As a result of the review of effectiveness process described above, the Council's Governance Framework is considered adequate; however, there are a number of significant issues that require action and development. These are listed below:

- Corporate and Financial Planning
- Financial Management
- Risk Management
- Partnerships & Governance
- Performance & Cost Management
- Procurement/Asset Management

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. A detailed Action Plan is included as Appendix 1. 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:

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Leading Member & Chief Executive on behalf of Cheshire East Council

SIGNIFICANT GOVERNANCE ISSUES AND ACTION PLAN 2010/11

No.	Area	Action	Responsibility	Target date
1	**Corporate and Financial Planning**			
	The Sustainable Community Strategy (SCS) sets out a collective vision for Cheshire East and the priority actions which need to be addressed over the next 15 years to achieve that vision. Following a major consultation process, the new SCS is due to be approved in July 2010. The Council's vision and purpose is brought together and communicated via the Council's Corporate Plan. This plan aims to ensure Cheshire East delivers it's obligations and wider community leadership role. There is an interim Corporate Plan. A new Corporate Plan is due to be approved in July 2010. There are opportunities to further align corporate priorities to financial plans.	Aligning Corporate and Service Plans to produce a comprehensive Delivery Plan linked to the Performance Management Framework. Review and improve the Business and Financial Planning Framework for 2010/11.	Head of Policy & Performance/Borough Treasurer & Head of Assets/Corporate Management Team	July 2010

SIGNIFICANT GOVERNANCE ISSUES AND ACTION PLAN 2010/11

No.	Area	Action	Responsibility	Target date
2	**Financial Management**			
	The Council set an ambitious budget for 2009/10, with the aim of maximising the opportunities offered by local government reorganisation to drive out efficiencies, through rationalisation of service delivery and streamlining of corporate overheads. Whilst the overall financial out-turn has been broadly in line with forecasts, a number of challenges have been faced, in monitoring progress against the financial targets set, including:- • Volatility in both the cost and budget base, as adjustments have been made to reflect on-going restructuring, staff appointments and apportionment of budgeted savings. • Complexities caused by shared service arrangements, and delays in processing recharges.	Service budgets will be reviewed and realigned in the light of the 2009/10 out-turn experience and the on-going staff appointments process. Processes for the allocation and apportionment of corporate overheads and cross-cutting savings will be reviewed and refined. A standard organisational Business Management model and supporting back – office processes will be implemented to secure improvements in transactional compliance. A programme of financial training for budget managers, members and finance professionals will be developed to enhance levels of financial literacy and financial management skills across the Council.	Borough Treasurer & Head of Assets/Corporate Management Team Borough Treasurer & Head of Assets/Corporate Management Team Borough Treasurer & Head of Assets/Corporate Management Team Finance Manager	On-going On-going December 2010 September 2010

SIGNIFICANT GOVERNANCE ISSUES AND ACTION PLAN 2010/11

No.	Area	Action	Responsibility	Target date
	▪ Technical difficulties relating to system cut-over and migration of legacy data, which have prevented consolidated reporting from a single database until the final quarter of the year. ▪ On-going compliance issues in respect of basic transaction processes, impacting both the accuracy and completeness of financial management information at a detailed level. ▪ Inexperience of budget managers and accountancy staff, who have taken time to familiarise themselves with new systems and reporting tools, and to fully understand the reconfigured cost and budget position. Many of these issues are of a transitional nature, arising specifically from the process of	Existing financial reporting tools will be further promoted and the development of 'dashboard' and other self-serve technologies explored as part of the Oracle R12 upgrade programme.	Finance Manager	March 2011

SIGNIFICANT GOVERNANCE ISSUES AND ACTION PLAN 2010/11

No.	Area	Action	Responsibility	Target date
	reorganisation and creation of a new Council. Finance Procedure Rules require all service managers to draw up local schemes of delegation, setting out the financial approval limits and responsibilities of individual officers. Managers have found it difficult to comply with requirements in this area, due to the interim nature of staffing structures and high levels of turnover.	Managers will be required to publish service schemes of delegation, in accordance with Finance Procedure Rules.	Borough Treasurer & Head of Assets/Corporate Management Team	September 2010
	Improvements are needed to the arrangements for the monitoring and management of sundry debt. The policy and operational frameworks inherited from previous councils require systematic review and update in the light of the Councils new Income & Funding Strategy, and the Oracle R12 upgrade, which will make available improved systems functionality, particularly in relation to debt case management.	Revised credit and debt management policies and processes will be developed and launched, as part of the Oracle R12 upgrade programme and Business Management implementation.	Borough Treasurer & Head of Assets/Corporate Management Team	March 2011

SIGNIFICANT GOVERNANCE ISSUES AND ACTION PLAN 2010/11

No.	Area	Action	Responsibility	Target date
3	**Risk Management**			
	The AGS process noted that risk management arrangements are developing and areas for improvement include: ▪ embedding risk management in order that it is seen as part of the overall performance management process, ▪ regularly reviewing and reporting on the effectiveness of the whole process including insurance, health and safety, financial planning etc.	Continue to develop and embed the risk management processes already in place by: ▪ further developing and strengthening strategic and departmental risk registers. ▪ further developing and strengthening corporate and departmental risk management groups. ▪ integrating risk management into the new performance management system.	Head of Policy & Performance/Corporate Management Team	On-going
4	**Partnerships & Governance**			
	The AGS process highlighted that the Councils significant partnerships are at different stages of development, and whilst more mature partnerships are underpinned by partnership agreements and robust governance frameworks, others are subject to arrangements that are being developed as the	▪ Develop governance arrangements for all partnerships. ▪ Developing and strengthening the Partnership Management Group. ▪ Introducing a Code of Practice for Partnerships in order	Head of Policy & Performance/Corporate Management Team	On-going

SIGNIFICANT GOVERNANCE ISSUES AND ACTION PLAN 2010/11

No.	Area	Action	Responsibility	Target date
	partnerships evolve.	to ensure that the Council adopts a consistent approach to the way it manages its partnerships and reports on performance.		
5	**Performance & Cost Management**			
	Corporate framework of performance management is still developing. There is a Data Quality Strategy and Performance Management Strategy in place and both need wider communication and development throughout the Authority. Whole life costing is used but no overall corporate approach is yet in place. Financial and performance data are not yet aligned formally.	▪ Development of greater consistency in performance management. ▪ New performance management system. ▪ Development of corporate approach to whole life costing. ▪ Development of corporate PI set. ▪ Roll out of Data Quality Strategy.	Borough Treasurer & Head of Assets/ Head of Policy & Performance/Corporate Management Team	On-going
6	**Asset Management/Procurement**			
	Strategic Asset Management is still developing. There is a short term asset plan in place and a major accommodation strategy	Further development of strategic asset management, including: ▪ Improving	Borough Treasurer & Head of Assets	On-going

SIGNIFICANT GOVERNANCE ISSUES AND ACTION PLAN 2010/11

No.	Area	Action	Responsibility	Target date
	was introduced and a review has taken place along with significant refurbishment and relocation of staff during 2009/10.	performance information ▪ Developing Strategic Asset Management Plan ▪ Clarifying roles and responsibilities between Asset Management Team and Finance ▪ Establishing corporate forum for the co-ordination of strategic asset management.		
	A corporate framework for procurement has been developed with a Procurement Strategy and Action Plan in place.	Further development of Procurement Strategy, including: ▪ Develop clearer understanding of full contract landscape and clear visibility of 'off contract' spend ▪ Develop joint commissioning, user engagement.	Borough Treasurer & Head of Assets	On-going

SIGNIFICANT GOVERNANCE ISSUES AND ACTION PLAN 2010/11

No.	Area	Action	Responsibility	Target date
		Establish a Procurement Board for co-ordination and procurement activity and links to transformation programme.		