

AUDIT COMMITTEE

Agenda Item 49

Brighton & Hove City Council

Subject:	Annual Governance Statement 2010/11 - Action Plan Progress Update
Date of Meeting:	20th December 2011
Report of:	Director of Finance
Contact Officer:	Name: Ian Withers, Head of Audit & Tel: 29-1323 Business Risk
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Wards Affected:	All

FOR GENERAL RELEASE

1. SUMMARY AND POLICY CONTEXT:

- 1.1 The Audit Committee has a responsibility for reviewing the council's corporate governance arrangements, including internal control and approving the Annual Governance Statement. The Annual Governance Statement includes an action plan for improvements to the council's governance framework and the Audit Committee should seek assurance over the effective implementation.
- 1.2 This report provides the Audit Committee with an update on the council's progress in implementing actions agreed in the Annual Governance Statement for 2010/11.

2. RECOMMENDATIONS

- 2.1 That the Audit Committee considers the Annual Governance Statement Action Plan at Appendix 1 and comment on any issues identified in relation to the work officers have undertaken to improve the council's corporate governance arrangements.

3. BACKGROUND INFORMATION:

- 3.1 The Annual Governance Statement for 2010/11 was approved by the Audit Committee in June 2011. The Annual Governance Statement included a number of "governance issues" and actions required.

- 3.2 The Accounts and Audit Regulations 2011) requires the council to undertake a review at least annually of the effectiveness of its system of internal control and to publish the results in an Annual Governance Statement with the financial statements required by the Regulations.
- 3.3 The council has an effective process for preparing the Annual Governance Statement. This is in accordance with best practice and has been recognised by the Audit Commission.
- 3.4 The Officers Governance Board is responsible for the review and ongoing monitoring of implementation of actions. The Annual Governance Statement Action Plan is a standing agenda item for meetings of the Officers Governance Board.

4. ANNUAL GOVERNANCE ACTION PLAN

- 4.1 The Annual Governance Statement Action Plan is at Appendix 1 and shows the progress to date in implementing the agreed actions.
- 4.2 The Annual Governance Statement Action Plan includes RAG (Red (not commenced), Amber (in progress), Green (complete) status reporting, target dates and comments on progress to date..

5. CONSULTATION

- 5.1 Internal consultation has been carried out with Lead Officers identified in the Action Plan and the Officer's Governance Board.

6. FINANCIAL & OTHER IMPLICATIONS:

- 6.1 Financial Implications:

Sound corporate governance and proper systems of internal control are essential to the financial health and reputation of the council. The progress on the action plan to strengthen the governance arrangements was delivered within existing financial resources.

Finance Officer consulted: Anne Silley
Head of Business Engagement

8 December 2011

6.2 Legal Implications:

The Audit Committee has a duty to approve the annual statement of accounts which are accompanied by an annual governance statement. The Committee thus has a legitimate interest in the actions underway to implement the improvement action plan stemming from that Statement

Legal Officer consulted: Oliver Dixon
Lawyer

8th December 2011

6.3 Equalities Implications:

There are no direct equalities implications arising directly from this report

6.4 Sustainability Implications:

There are no direct sustainability implications arising from this report.

6.5 Crime & Disorder Implications:

There no direct implications for the prevention of crime and disorder arising from this report.

6.6 Risk and Opportunity Management Implications:

The preparation of the Annual Governance Statement has been explicitly linked to the risk management framework of the City Council. One of three principles of good governance is “taking informed, transparent decisions and managing risk”.

6.7 Corporate / Citywide Implications:

Robust corporate governance arrangements are essential to the sound management of the City Council and the achievement of its objectives as set out in the Corporate Plan.

SUPPORTING DOCUMENTATION

Appendices:





1. Annual Governance Statement 2010/11 Action Plan






Background Documents


1. Annual Governance Statement 2010/11
3. Brighton & Hove City Council's Code of Corporate Governance
4. Delivering Good Governance in Local Government – Guidance notes for English Authorities (CIPFA/SOLACE 2007)
5. Accounts & Audit Regulations 2003 (Amended 2011)

Annual Governance Statement 2010-11

Action Plan for Improvements to the City Council's Governance Framework

No	Area/Issue	Action Item	RAG Status	Target Date	Update at November 2011	Lead Officer/s
1.	HR Management	Improved system processes and controls for HR/Payroll including those associated with the implementation of a new HR/Payroll Computer System, for the effective management of the council's workforce	 Amber	End of December 2011	Action plan agreed for improvement to system controls. Head of HR Operations leading on systems thinking review of HR.	Head of HR and Organisational Development
2.	Procurement	A more centralised and compliance approach to procurement and contract management including category management and contract management information system;	 Green	End of March 2012	Action completed.	Procurement Strategy Manager
4.	Risk & Performance Management	Implement a new Performance and Risk Management Framework that will include regular 'Organisational Health Reports';	 Green	End of December 2011	Action completed.	Head of Policy, Performance & Analysis
5.	Business Planning	Implement a new Business Planning process and use of dedicated software.	 Amber	End of December 2011	Process agreed as part of the Performance & Risk Management Framework. Use of Interplan agreed and being implemented.	Head of Policy, Performance & Analysis

No	Area/Issue	Action Item	RAG Status	Target Date	Update at November 2011	Lead Officer/s
6.	HR Management	Introduce a new People Strategy for effective workforce planning	 Amber	End of February 2012	Strategy currently at staff consultation stage.	Head of HR and Organisational Development
7.	Partnership Working	Review longer terms changes to partnership with Health in particular structures and processes and revising Section 75 agreements;	 Amber	End of March 2012	Holding position now established with the Sussex Partnership Trust and a draft agreement prepared. Negotiations will begin with the Sussex Partnership Trust in December 2011.	Head of Law and Director of Adult Social Services/Lead Commissioner ASC and Health
8.	Corporate Planning	Introduce a new Corporate Plan and Medium Term Financial Strategy for new priorities and response to financial pressures;	 Green	End October 2011	Approved by Cabinet on 22 nd September 2011 and Council on 20 th October 2011. Plan published and communicated.	Head of Policy, Performance & Analysis
9.	Financial Management	Implement a new approach to budget consultation and engagement	 Amber	End of December 2011	Action completed	Director of Finance and Head of Financial Services
10.	Localism	Respond to challenges and opportunities from the Localism Bill currently going through Parliament, including standards of conduct	 Amber	End of March 2012	Localism Bill introduced to Parliament in December 2010 and received Royal Assent in November 2011, becoming an Act. Key provisions of the Act have been circulated and the Head of Law will be presenting a report to Council in December.	Head of Policy, Performance & Analysis and Head of Law

No	Area/Issue	Action Item	RAG Status	Target Date	Update at November 2011	Lead Officer/s
11	Risk Management	Embedding risk management software for effective recording and reporting of strategic and operating risk including partnership	 Amber	End of March 2012	In progress but dependent on business planning process and populating Interplan..	Risk and Opportunity Manager