

AUDIT & STANDARDS COMMITTEE

Agenda Item 72
Brighton & Hove City Council

Subject:	Annual Governance Statement 2011/12 - Action Plan Progress Update
Date of Meeting:	22nd January 2013
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 & Standards 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 & Standards Committee should seek assurance over the effective implementation.

1.2 This report provides the Audit & Standards Committee with an update on the council's progress in implementing actions agreed in the Annual Governance Statement for 2011/12.

2. RECOMMENDATIONS

2.1 That the Audit & Standards Committee considers the Annual Governance Statement 2011/12 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 2011/12 was approved by the Audit & Standards Committee in June 2012. The Annual Governance Statement included a number of "governance issues" and actions required.

- 3.2 The Accounts and Audit Regulations 2011 require 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 actions outlined to strengthen the governance arrangements, can be delivered within existing financial resources.

Finance Officer consulted: Anne Silley

9 January 2013

6.2 Legal Implications:

The Audit & Standards 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

9th January 2013

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 2011/12 Action Plan


Background Documents




1. Annual Governance Statement 2011/12
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 2011-12 Action Plan (For Improvements to the City Council's Governance Framework)

No	Area/Issue	Action Item	RAG Status	By When	Update at January 2013	Lead Officer/s
1.	Partnership Working/Public Health	Review partnership and governance arrangements with Health in particular supporting the implementation of the shadow Health and Wellbeing Board, preparing for the transfer of public health functions to local government and responding to structural change in the NHS which will affect existing Section 75 agreements. (Ongoing from Annual Governance Statement 2010/11)	 Amber	End of March 2012	<p>The Clinical Commissioning Group (CCG) for Brighton & Hove has instructed a national law firm, DAC Beachcroft, to review the two existing section 75 agreements between Brighton & Hove PCT and the council. Both agreements relate to the joint commissioning of health and social care services, one for children, the other for adults.</p> <p>CCG is prepared to inherit the rights, obligations and liabilities of the PCT in respect of the children's agreement, subject to clarification of the scope of services being commissioned. However, the CCG and council do not consider the agreement in respect of adults to be fit for purpose, and Beachcroft are therefore drafting a replacement. The parties are aiming to collate the information required for the agreement by December 2012.</p>	Chief Executive, Head of Law & Democratic Services, Director of Finance

No	Area/Issue	Action Item	RAG Status	By When	Update at January 2013	Lead Officer/s
2.	Democracy	Implement the council's new constitution which includes a committee system.	 Green	End of May 2012		Head of Law & Democratic Services
3.	HR Management	Following issues raised by Internal and External Audit in relation to the Payroll System, improve controls and efficiency of processes.	 Green	End of December 2012	Internal audit review to be carried out in February 2013 and the scope will include reviewing the effectiveness of the control improvements.	Head of HR & Organisational Development
4.	Information Governance	Implement improvements to information governance arrangements in accordance with recommendations from Information Commissioner's inspection.	 Amber	End of March 2012	A continuous programme of improvement is being undertaken in the 4 key domains recommended by the ICO; 1. Corporate information governance – new framework implemented 2. Training and Awareness – a comprehensive revision of the training programme with	Head of ICT

No	Area/Issue	Action Item	RAG Status	By When	Update at January 2013	Lead Officer/s
					<p>staged implementation</p> <p>3. Information Security – gap analysis undertaken, now followed by implementation of new technologies and new ways of working</p> <p>4. Records Management – An information audit is taking place alongside the design and implementation of an information asset register and new corporate retention schedule</p>	
5.	Performance and Risk Management	Following changes to the national remit of external audit and inspection, to review processes for benchmarking performance and ensuring value for money across the Council.	 Amber	End of March 2013	A review of the Performance and Risk Management framework will be undertaken during the early part of 2013 in order to ensure that all performance reporting is fit for purpose following organisational re-structure. Use of benchmarking information has formed a key part of the budget	Head of Policy, Performance and Analysis

No	Area/Issue	Action Item	RAG Status	By When	Update at January 2013	Lead Officer/s
					preparation process for 2013/14.	
6.	Corporate Governance	Introduce effective arrangements for Neighbourhood/Community Governance in the two pilot areas identified	 Green	End of December 2012	The two pilots are currently in progress. One covering the areas Whitehawk and Bristol Estate, and the other the ward of Hollingdean and Stanmer. The pilots are scheduled to report in September 2013.	Head of Policy, Performance and Analysis
7.	Corporate Governance	Update Code of Corporate Governance to encompass changes to the Council's governance arrangements, legislation and updates to the CIPFA/SOLACE Framework and good governance guidance.	 Amber	End of March 2013	Updated guidance, Delivering Good Governance in Local Government published by CIPFA and SOLACE in December 2012. Gap analysis currently being undertaken and updating the Council's Code of Corporate Governance	Head of Audit & Business Risk
8.	Counter Fraud	In response to Fighting Fraud Locally Strategy, review the resourcing of the Council's counter fraud response, including the capacity and skills mix in both the Housing Benefits Fraud Team and the	 Amber	End of February 2013	Currently at consultation stage for merging the Housing Benefits Investigation Team into new Corporate Fraud Team in Audit & Business Risk.	Head of Audit & Business Risk

No	Area/Issue	Action Item	RAG Status	By When	Update at January 2013	Lead Officer/s
		Corporate Fraud Team.				
9.	Democracy	To make changes to the Council's governance arrangements under the Localism Act 2011 for example introducing a local ethical standards regime from 1 st July 2012.	 Green	End of July 2012		Head of Law & Democratic Services
10.	Finance	Local Government Funding Reform (i.e. Council Tax Support and Business Rates).	 Green	End of December 2012	<p>Full Council agreed the new Brighton & Hove Council tax reduction scheme in December 2012 following detailed planning and consultation, and the implementation plans are on track.</p> <p>There has been ongoing analysis of the policy and financial implications of the introduction of business rates retention and a project structure in place to oversee this.</p>	Director of Finance

