

# **TELFORD & WREKIN COUNCIL**

**AUDIT COMMITTEE 1st NOVEMBER 2011**

## **RESULTS OF THE ASSURANCE REVIEW ON THE 2010/11 ANNUAL GOVERNANCE STATEMENT and HALF YEARLY PROGRESS ON THE 2010/11 AGS ACTION PLAN**

### **REPORT OF THE INTERIM CHIEF EXECUTIVE**

#### **1 PURPOSE**

1.1 For the Audit Committee to note:

- a) the results of the assurance review on the 2010/11 Annual Governance Statement: and
- b) progress against the actions in 2010/11 Annual Governance Statement Action Plan.

#### **2 RECOMMENDATIONS**

2.1 That the Audit Committee notes the results of the review in paragraph 5 below and progress against the actions in the 2010/11 Annual Governance Statement Action Plan (Annex 1).

#### **3 SUMMARY**

- 3.1 Under the Accounts and Audit (England) Regulations 2011 the Council is required to produce an Annual Governance Statement (AGS) and it is best practice that the statement is signed by the Leader and Chief Executive of the Council. This statement should accompany the Annual Accounts.
- 3.2 The Annual Governance Statement for 2010/11 was agreed by Cabinet and the Audit Committee in June 2011. Included as part of the statement is an action plan which identifies key corporate areas for improvement for the Council.
- 3.3 Audit & Assurance, as part of their annual plan, review the certifications made by senior management to confirm accuracy and identify any operational areas for improvement. The results of this review are incorporated into this report.
- 3.4 The Audit Committee is responsible for monitoring the AGS action plan and this report provides information to assist them to achieve this responsibility.

#### **4 PREVIOUS MINUTES**

4.1 Cabinet 21<sup>st</sup> June 2011; Audit Committee 27th June 2011

#### **5 RESULTS OF THE ASSURANCE OF THE AGS CERTIFICATION PROCESS**

- 5.1 A review was undertaken during July 2011 of the certification process and verification of a sample of completed certificates to support the 2010/11 annual governance statement.
- 5.2 All Service Delivery Managers completed a certificate and then their Head of Service signed off an overarching certificate. 14 (19%) were examined as part of the review from across all Service Delivery Units. Interviews also took place with these managers.

5.3 The review identified good practice in respect to:

- Some Service Delivery Teams have dedicated officers dealing with legislative changes with responsibility for cascading these to officers within the team.
- Savings targets have been met, or are on track to be met, in the majority of teams reviewed.
- One team puts all key policies and procedures on a cd and staff are given a copy (updated annually) so they can access these wherever they are based.

5.4 The review identified three key issues which are outlined below with recommendations.

- Greater awareness of key corporate policies and procedures is required. *Organisational improvement need to work with appropriate service units to ensure this is addressed as part of induction, the future core training proposals and the use of technology. (Some work is already progressing in respect to this).*
- The measurement of customer satisfaction within the Council was not being measured. This has been due to the restructuring programme and the withdrawal of the corporate support services survey. *The collection of customer feedback should be reviewed as part of 2012/13 service planning.*
- Non-staff savings are affecting training budgets at a time when restructuring is resulting in new personnel with some skills gaps and therefore an increase in demand for training. *Managers, supported by Organisation Development need to be innovative about how training can be provided i.e. through e-learning, webinars, shadowing etc.*

5.5 Other areas where reminders are required are in respect to the use of “Yourself” and complying with the revised PPD process.

5.6 The results of the review were that overall the governance process was reasonable and service areas are addressing the issues identified which will result in improved governance across the Council.

**6 INFORMATION ON THE ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2010/11**

6.1 The 2010/11 Annual Governance Statement (AGS) Action Plan presented and agreed by Cabinet and the Audit Committee in June 2011 included 5 actions to improve further the key governance arrangements of the Council.

6.2 Attached as Annex 1 is the updated 2010/11 AGS Action Plan with the current position as at 30/09/11 of these actions shown in the right hand side of the appendix.

6.3 Members will note that:

- a) Action 1 – this is progressing as part of the senior management review being undertaken by the Interim Chief Executive.
- b) Action 2 – some areas are complete and others are in progress as per the original target dates. The revised external audit arrangements will be published in Autumn 2011 but the Audit Commission will appoint for the next 3- 5 years.
- c) Action 3 - progressing and updated to incorporate the co-operative council.
- d) Action 4 – implementation of action plans from external assessments progressing according to agreed timetables.

- e) Action 5 – part (a) – still in progress with revised target date of 31/01/12. Part (b) complete. Part c – in progress and on target for 31/03/12.

- 6.4 The Senior Management Team and relevant Heads of Service are confident that the actions are progressing and that the deadlines outlined will be achieved.
- 6.5 Progress as at 31/03/12 will be incorporated into the 2011/12 Annual Governance Statement.

## **7 OTHER CONSIDERATIONS**

<b>AREA</b>	<b>COMMENTS</b>
Equal Opportunities	Inclusivity is clearly in the Local Code of Good Governance
Environmental Impact	None
Legal Implications	Accounts and Audit (England) Regulations 2011 place a legal obligation upon local authorities to maintain an adequate and effective system of internal audit of its accounting records and internal control in accordance with proper practices. The regulations also have a key aim of strengthening governance and accountability. Providing the half yearly update on the governance action plan to this committee is not a legal requirement. However, it will help the Council to meet the requirements of the legislation as it involves a review of the action plan and helps to ensure that the plan maintains momentum and accordingly addresses the areas for improvement identified in the annual governance statement.
Links with Corporate Priorities	The Local Code of Good Governance should ensure improved links with the community and the delivery of appropriate corporate priorities in an open and accountable manner.
Risks and Opportunities	Demonstrating and operating good corporate governance mitigates some of the risks to the Council, particularly ones that may have an impact on the Council's reputation. The opportunities and risks associated with this report have been identified and action has been put in place to ensure that they are appropriately managed.
Financial Implications	Good corporate governance and internal controls reduces the risk to the Council of financial loss. The majority of costs associated with items arising from the action plan are in the form of officer time and are being met from within existing budgets. MLB 11.10.11
Ward Implications	Failure of the Council to operate to the code of Good Governance could adversely affect all Wards of the Council.

## **8 BACKGROUND PAPERS**

Local Code of Corporate Governance May 2008

Application Note to Delivering Good Governance in Local Government: a Framework March 2010

Annual Governance Statement 2010/11

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