

AUDIT COMMITTEE

Agenda Item 52

Brighton & Hove City Council

Subject:	Annual Governance Statement 2009/10 - Action Plan Progress Update		
Date of Meeting:	14th December 2010		
Report of:	Director of Finance		
Contact Officer:	Name: Ian Withers	Tel: 29-1323	
	E-mail: ian.withers@brighton-hove.gov.uk		
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 2009/10.

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 2009/10 was approved by the Audit Committee in June 2010. The Annual Governance Statement included a number of "governance issues" and actions required.

- 3.2 The Accounts and Audit Regulations 2003 (amended in 2006) requires the council to undertake a review at least annually of the effectiveness of its governance arrangements 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, Amber, Green) status reporting, target dates and comments on progress.

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: Patrick Rice
Acting Head of Financial Services

2nd December 2010

6.2 Legal Implications:

The Audit Committee has a duty to approve the Annual Governance Statement, following due consideration, (as provided for by regulation 4 of the Accounts and Audit Regulations 2003). 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

2nd December 2010

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 2009/10 Action Plan



Background Documents





1. Annual Governance Statement 2009/10
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 2006)


Annual Governance Statement 2009-10

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

No	Area	Action Item	RAG Status	By When	Update at November 2010	Lead Officer/s
1.	Human Resources System – Improved management information for workforce management.	Improved system processes and controls for HR/Payroll including associated with the implementation of the new HR/Payroll Computer System, for the effective management of the council's workforce	 Amber	April 2011	<p>Current progress by process:</p> <p>Core HR and Payroll processes and controls – 75%, phased implementation of payrolls</p> <p>Recruitment – 100% complete including recruiting manager self-service.</p> <p>Learning – 90% complete. Final preparation to prepare next years learning events.</p> <p>Health & Safety – 80%, dependant on agreement for changing requirements for management incident reporting</p> <p>Staff Development – 0%, dependent on BHCC requirements for objectives and appraisal management.</p> <p>Employee Self-service – 90%, dependency on supplier to provide Web-based access for employees outside the BHCC firewall.</p> <p>Manager self-service – 100% pilot groups which will inform phased rollout from January 2011. Rollout dependent on organisation re-structure and E-learning completion.</p> <p>E-Learning – Employee Self-service 100%, Manager Self-service – 30%.</p>	Head of Human Resources & Organisational Development

No	Area	Action Item	RAG Status	By When	Update at November 2010	Lead Officer/s
					Management Information – 80%, dependency on BHCC reporting environment and standard reports catalogue production.	
2.	Partnership Agreements	Implement a formal Section 75 partnership agreement with the Sussex Partnership Trust (Adults) for 2010/11 to mitigate risk to the council and to seek a longer term strategic solution.	 Amber	April 2011	<p>On target for meeting implementation date.</p> <p>Formal health and safety agreement with Sussex Partnership Trust now in place.</p> <p>Financial risk sharing agreement with Sussex Partnership Foundation Trust for 2010/11 now in place..</p> <p>Full review of longer term arrangements underway.</p>	Head of Legal and Democratic Services and Head of Service Adults' Provider
3.	Fraud Risk	Carry out a full fraud risk analysis and measurement review.	 Amber	January 2010	<p>Fraud Risk Analysis completed by undertaking workshops with TMT and Directorate Management Teams.</p> <p>Fraud Loss Measurement completed to determine potential loss to the council from fraud.</p> <p>Final report agreed and now being reported to Corporate Management Team and Audit Committee.</p>	Head of Audit & Business Risk

No	Area	Action Item	RAG Status	By When	Update at November 2010	Lead Officer/s
4.	Audit Committee – Effectiveness	Review of the role and effectiveness of the Audit Committee in the governance of the council	 Amber	February 2011	Identifying best practice and developing self assessment. A proposal for the effectiveness review being considered by Audit Committee at its December meeting.	Head of Audit & Business Risk
5.	Performance Management	Review the council's performance management framework	 Amber	April 2011	On track for meeting target date. New performance management framework has been devised for commissioning model which includes a system of performance compacts with delivery units. Risk management being incorporated into the new approach, currently being tested to go live from 1 st April 2011.	Performance Intelligence Project Board (Chaired by Director of Finance)
6.	Council's Constitution	Review and update the council's constitution and all related documents to reflect planned organisational changes	 Green	Completed	Full Council agreed 21 st October 2010	Head of Legal and Democratic Services
7.	Training & Development	Review and implement specific training and learning objectives for officers and Members.	 Amber	April 2011	New training programme developed for officer training.	Head of Human Resources & Organisational Development

No	Area	Action Item	RAG Status	By When	Update at November 2010	Lead Officer/s
					Specific training on Intelligent Commissioning provided to members. Attention now being given to improving member's induction training. Further workshops/seminars being run for members, on subjects relevant to their role.	
8.	Procurement	Improvement to procurement and contract management arrangements.	 Amber	April 2011	<p>A new model of category management is being tested with fleet and ICT with significant financial savings identified to date, full roll out is planned for 1 April 2011.</p> <p>A new contract management system is being introduced and procurement has been incorporated into the guidance on intelligent commissioning.</p> <p>Joint working with seven south east local authorities (SE7) to co-ordinate and potentially join procurement approaches.</p> <p>Implementation of revised Procurement Strategy to co-ordinate council's approach.</p> <p>Continued improvement and roll out of procurement toolkit providing advice and framework guidance.</p>	Procurement Strategy Manager