

REPORT TO	DATE OF MEETING
Governance Committee	12 January 2010

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Corporate Governance Progress Report	N/A	M. Wood	6

SUMMARY AND LINK TO CORPORATE PRIORITIES

The report provides an update on the progress that has been made to strengthen the Council's governance arrangements. The action reported on covers cross cutting activities and spans all of the Council's priorities.

RECOMMENDATIONS

That the Committee note, review and comment on the actions and progress reported on.

DETAILS AND REASONING

The Accounts and Audit Regulations require the council to conduct a review of the effectiveness of the internal control environment and to publish a statement on the adequacy of the system with its annual accounts.

The review was undertaken and reported in a statement to this committee in June 2009. Section 5 of the statement highlighted areas requiring further development that had been identified from the review process. These areas for improvement and further recommendations made by the Governance Committee were developed into a Corporate Governance action plan. Various owners have been identified to drive forward specific actions and report on progress.

This report provides details on the progress made against the Corporate Governance action plan in the first six month period and also demonstrates the continuous strengthening of the council's systems of internal control.

Overall position

This committee supported by the Corporate Governance Officer Steering Group both play a crucial role in monitoring progress against the action plan and building and strengthening the Council's governance arrangements. The current actions and status of those actions are demonstrated in the table at Appendix A.

The Council has received an overall 3 in the recent Use of Resources assessment. The report received from the external auditors was very positive, highlighting that we have good arrangements and that we are performing well across all themes.

The following identifies progress against the actions that the Council believes will strengthen our arrangements even further.

Areas of Significant Progress

An assessment of the South Ribble Partnership has been undertaken using the Audit Commission partnership evaluation model. This has led to the development and agreement of a revised constitution and a partnership improvement plan. These were agreed on the 10 December and the plan is being implemented.

The action to revise the standing orders for contracts and to provide the relevant training has now been completed. The revised standing orders have been incorporated into the Council's constitution and considerable effort was made to provide customised training sessions for all relevant officers and elected members. An easy to use guide was also introduced and this has been made available to all officers via Connect.

At the request of this committee we have enhanced the citizen's panel survey to extract information on the satisfaction of the Council's ethical arrangements as viewed by our residents. The revised survey has recently been completed, but still needs to be analysed. The findings will be included in the next Annual Governance Statement and reported to this committee in June 2010.

This year there were no areas for improvement reported by the External Auditors in the Audit Memorandum therefore there are no actions included in the relevant governance improvement plan. This is a clear demonstration that financial controls remain strong.

Areas for Action

Further strengthening of the assurance needed from our key partnerships is seen as a priority action particularly in the current challenging economic climate. Several actions have been identified and it is likely that this work will continue throughout next year.

Work to further develop our Performance and Project Management arrangements is taking longer than originally anticipated due to vacancies within the Policy team. The work to complete these two exercises is now planned for 2010.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

FINANCIAL	There are no financial implications arising directly from this report.		
LEGAL	There are no legal implications arising from this report.		
RISK	The delivery of the actions identified in this report will enhance our governance and business control status thus minimising risk.		
OTHER (see below)			
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

The Annual Governance Statement dated 30 June 2009

Corporate Governance Action Plan 2009/2010

Areas for Improvement	Actions	Owner	Timescale	Status
1. Continuous review of governance arrangements for key partnerships, including risk, finance, business continuity and ethical arrangements	1.1 Review arrangements of all key partnerships.	DC + relevant HOS	All key partnerships reviewed by September 2010	The Council has customised the Audit Commission's Partnership Evaluation Tool and taking a risk based approach, plans are in place to review the arrangements of our key partnerships. A review of South Ribble Partnership has already taken place and an improvement plan was agreed by the Steering Group on 10 December.
	1.2 Develop a framework to assess governance aspects for use in the tendering and procurement processes.	SG/JH	2010/2011	This will be included as a project in the Shared Financial Services Business Improvement Plan for 2010/2011 with relevance to South Ribble Council.
	1.3 Develop the role of Assurance in reporting evidence of financial, risk and business continuity controls for key partnerships.	GB	2010/2011	This will be included as a project in the Shared Assurance Business Improvement Plan for 2010/11. Individual actions & timescales still to be determined.
	1.4 Members protocol to be developed to govern members' role in partnership working.	MW	April 2010	Work will be shaped by the review of the constitution being undertaken by a Governance Committee task group.
2. Produce and implement action plans to strengthen the partnership	2.1 Develop a robust Performance management framework for key partnerships including aspects of data quality.	DC+ relevant HoS	September 2010	Performance reporting arrangements have been developed for Leisure, Enterprise and Synergy partnerships, although further enhancement is planned. Work has also

Areas for Improvement	Actions	Owner	Timescale	Status
arrangements and monitoring and reporting aspects				<p>commenced to develop existing performance management arrangements for South Ribble Partnership.</p> <p>Work has yet to start with other Partnership Lead Officers to enhance reporting arrangements and to integrate their PMF arrangements.</p>
3. Develop management accounting and enhance transaction and unit costing to improve value for money	3.1 Further develop the management accounting process to improve efficiency and effectiveness of financial reporting for monthly reports to managers and also corporate reporting.	SG	March 2010	<p>Through the C-Smart review process progress has already been made in how financial information, including activity based costing, is used to better understand service costs and drive improvement. Through the C-Smart programme this will continue to be a key focus.</p> <p>Further development of the management accounting processes are planned for the final quarter of the 2009/10 financial year.</p>
4. Revise and educate officers on the standing orders for contracts	<p>4.1 Revise the standing orders for contracts.</p> <p>4.2 Ensure relevant training and education is provided for all key staff.</p>	SG	Completed	<p>Standing Orders for Contracts have been revised and incorporated in the Constitution.</p> <p>Procurement training, including Standing Orders, was completed during July 2009. Additionally a new handy Pocket Guide to procurement has been developed which shows the procurement process in easy to follow flow charts and is published on one page of A4. This guide has been published on Connect and was distributed to all staff at the training sessions.</p>

Areas for Improvement	Actions	Owner	Timescale	Status
5. Further embed project management disciplines	<p>5.1 Review the project management framework.</p> <p>5.2 Ensure relevant training and education is provided for all key staff.</p>	DC	<p>March 2010</p> <p>September – December 2010</p>	<p>The Project Management Framework is currently under review. Consultation on the draft framework will be opened to consultation in March 2010.</p> <p>Following agreement of a revised framework further Project Management training is planned for December 2010.</p>
6. Ensure members of the public are consulted on their views of the council's ethical arrangements.	<p>6.1 Include relevant questions are incorporated in the Citizen's Panel survey.</p> <p>6.2 Evidence to be reviewed and included in the Annual Governance Statement.</p>	<p>MW</p> <p>MW</p>	<p>November 2009</p> <p>June 2010</p>	<p>Completed.</p> <p>Initial findings should be available from the survey in January 2010.</p> <p>This information will then be used to both shape future public enquiries and form part of the assurance gathering process to support the Annual Governance Statement later in 2010.</p>
7. Address any areas for improvement in financial controls that may be identified by the External Auditor in the Annual Governance Report.	No improvement areas have been identified by the External Auditor as part of the audit for 2008/9.	SG	N/A	Not applicable.

KEY TO OWNERS:

DC – Darren Crossley, Head of Policy and Community Engagement

GB – Garry Barclay, Head of Shared Assurance Service

HOS – Head of Service

JH – Janet Hinds, Procurement Officer

MW – Maureen Wood, Head of Corporate Governance

SG – Susan Guinness, Head of Shared Financial Services