

<b>REPORT TO</b>	<b>DATE OF MEETING</b>
Governance Committee	9 February 2011

Report template revised June 2008



<b>SUBJECT</b>	<b>PORTFOLIO</b>	<b>AUTHOR</b>	<b>ITEM</b>
Corporate Governance Progress Report	N/A	M. Wood	8

## **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 2010. Section 5 of the statement highlighted areas requiring further development that had been identified from the review process. These areas for improvement are included in the Corporate Governance action plan shown at Appendix A. Appropriate 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.

These actions continue to enhance our corporate governance status and most areas of work are continuing to progress steadily with improvement plans running throughout 2011. This achievement should not be underestimated given the challenges the Council continues to face with decreased resources and ongoing efficiency improvements.

## **Areas of Progress**

The Shared Financial Service with Chorley Borough Council continues to enhance our approach to procurement and this is demonstrated in further redrafting of contract procedural rules. These changes have been shared with members of the Constitution Working Group.

Several aspects have been revised or improved including Business Continuity, Financial Information, Performance Management and Anti-Fraud arrangements. One of the most resource intensive aspects of this work is then educating / training members and officers in the changes and revised ways of working. Most of this work is being co-ordinated to coincide with the member induction programme that will run from May onwards and use of technology to aid learning is also being considered.

## **Areas for Action**

Work planned on further improvements to the Council's key partnership arrangements has been delayed and will be reported further when the situation becomes clearer.

## **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.

<b>FINANCIAL</b>	There are no financial implications arising directly from this report.		
<b>LEGAL</b>	There are no legal implications arising from this report.		
<b>RISK</b>	The delivery of the actions identified in this report will enhance our governance and business control status thus minimising risk.		
<b>OTHER (see below)</b>			
<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 for 2009/10



## Corporate Governance Action Plan 2010/11

Areas for Improvement	Actions	Owner	Timescale	Status
1. Further enhance the Council's governance arrangements for key partnerships, including risk, finance, business continuity and ethical arrangements	1.1 Review arrangements of all key partnerships.	RH	September 2011	Work was completed on South Ribble Partnership, however further partnerships were planned for 2010, that have been delayed because of many changes in both the external and internal environment that are directly affecting the work of the unit. The policy unit is currently part of a cross service review scheduled for 2011 that is planned to assist with the Council's efficiency agenda. The situation will be revisited once we are clearer with the outcome of the review.
	1.2 Develop the role of Assurance in reporting evidence of financial, risk and business continuity controls for key partnerships.	GB		This work will be re-scheduled to complement the outcome of the above review.
2. Revise tendering and procurement processes to incorporate a review of the	2.1 Develop a process to assess governance aspects for use in the tendering and procurement processes.	SG	June 2011	Standing Orders for Contracts are currently being revised and strengthened to ensure that all

governance arrangements of new partners, contractors and suppliers				<p>appropriate governance aspects are evaluated during the pre-procurement process. Guidance will assist to ensure this is proportionate to the value and risks of the potential contract.</p> <p>Subject to consultation and approval, the new arrangements will be incorporated into the Council's constitution for implementation following the appointment of the new administration in May.</p>
3. Continue to embed project management disciplines within the Council	<p>3.1 Review the project management framework.</p> <p>3.2 Ensure relevant training and education is provided for all key staff.</p>	<p>IP</p> <p>IP</p>	<p>March 11</p> <p>From April 11</p>	<p>A review of the Project Management Framework has been completed and a revised Project Management Framework developed. It is ready for formal consultation, commencing with SMT. Subject to approval, the Framework will undergo wider consultation.</p> <p>Any corporate training will be developed once the revised Framework is formally accepted.</p>
4. Further develop the management accounting process	4.1 Further develop the management accounting process to improve efficiency and effectiveness of financial reporting for monthly	SG	September 2011	Work is well underway to deliver one new financial information system to both

	reports to managers and also corporate reporting.			<p>South Ribble and Chorley Councils.</p> <p>This is planned to “go live” on the 1<sup>st</sup> April and will provide improved information and reporting. Financial training packages are planned for Members and Budget Holders that will cover both process improvement and management techniques.</p>
5. Revise and test Business Continuity Plans following the recent senior management restructure		<p>GB</p> <p>GB</p>	<p>May 2011</p> <p>July 2011</p>	<p>Revision completed but re-issue held back pending outcome of further potential organisational changes.</p> <p>Emergency planning simulation exercises are planned with the SMT in February this will assist with validating some aspects of the revised Business Continuity Plan. A thorough test of the Business Continuity Plan will be undertaken once all key players have been identified and the revised document reissued.</p>
6. Roll out officer training & awareness of updated corporate governance	6.1 Implement automated system for recording officer interests.	MW	Dec 2010	Fully implemented and launched before Christmas.

policies and procedures	6.2 Produce officer training programme for key development areas.	MW	Dec 2010	Approach and draft programme discussed and agreed at the Officer Steering Group on 18 November.
	6.3 Deliver appropriate training.	MW	June 2011+	A co-ordinated programme is being planned for the delivery of both officer and member training following the May elections.

**KEY TO OWNERS:**

**RH** – Rebecca Heap, Policy Manager

**GB** – Garry Barclay, Head of Shared Assurance Services

**SG** – Susan Guinness, Head of Shared Financial Services

**IP** – Director of Business Transformation

**MW** – Director of Corporate Governance