

Annual Governance Statement 2020/21

1. Background and Scope of Responsibility

North West Leicestershire District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging the overall responsibility the Council is responsible for putting into place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' 2016. A copy of the Code is available on our website at www.nwleics.gov.uk/ corporate policies or can be obtained from the Council Offices in Coalville upon request.

This Statement explains how the Council has complied with the code and meets the requirements of the Accounts and Audit Regulations 2015 in relation to the preparation and approval of an Annual Governance Statement. The Council's arrangements comply with each of the principles in the CIPFA/SOLACE Framework. The Code is currently under review and a revised version is due to be approved by the Audit and Governance Committee in September 2021.

2. The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the authority is controlled and directs its activities and through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The Council's system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place for the year ended 31 March 2021.

3. The Governance Framework Our vision, priorities and values

The Council's vision, priorities and values are set out in the Council Delivery Plan, which was adopted by Council on 21 May 2019 and reviewed by Corporate Scrutiny Panel at a meeting in June 2021.

The Council's vision is that 'North West Leicestershire will be a place where people and businesses feel they belong and are proud to call home'.

The Council's priorities reflect the overall vision and are detailed in a series of critical activities which are incorporated into annual departmental team business plans and the Medium Term Financial Strategy.

Our priorities are:

- Supporting Coalville to be a more vibrant, family friendly town.
- Our Communities are safe, healthy and connected.

Local People live in high quality, affordable homes.

- Support for businesses and helping people into local jobs.
- Developing a clean and green district.

We have developed our Best Employee Experience (BEE) programme to include five core values. These values will be integrated into our performance staff development and appraisal programmes.

The overarching value is “One Council, one team” supported by the following five values:

- Excellence – we will always work to be the best we can be
- Trust – We are honest fair and transparent and we value trust
- Respect – We respect each other and our customers in a diverse, professional and supportive environment
- Pride – We are proud of the role we play in making North West Leicestershire a happy healthy and vibrant place to live and work
- Growth – We will work together to grow and continually improve.

The key elements of our governance framework

We operate a cabinet style government with separation of executive and scrutiny functions. All Cabinet members have been allocated a specific portfolio and are responsible for driving forward the Council’s key strategic aims.

The Council has a Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that decisions are efficient, transparent, and accountable to local people.

We have various layers of management within the organisation and our management teams each play an important role in governance framework.

Our corporate leadership team (CLT), comprises of the Head of Paid Service, Directors and all Heads of Service. The group meet fortnightly and are programmed as a series of themed sessions to focus individually on either business as usual, strategic issues, projects and programmes and the health of the organisation.

We also have a series of Directorate Management Team (DMT) meetings (held with Directors and Heads of Service to consider strategic and operational matters relevant to specific directorates), Extended Leadership Team (ELT) meetings which include all Team

Managers across the Council and the Chief Executive who help to shape the strategic direction of the Council and feed in to CLT and Senior Management Team (SMT) meetings where Heads of Service meet with their respective Team Managers to consider specific service matters.

Role of the Council

The extent of the role of full Council in reviewing and monitoring effectiveness of internal control is set out in Article 4 of the Council’s constitution. Article 4 provides that the Council is responsible for setting the policy and budgetary framework. The ‘Call-in’ provisions found within the Constitution provide members of the Corporate and Community Scrutiny Committees with a mechanism to scrutinise decisions of Cabinet where they feel that they have been taken outside the principles of decision making set out in Part 2, Article 13 of the Constitution:

- a) Proportionality (i.e. the action must be proportionate to the desired outcome);
- b) due consultation and the taking of professional advice from officers;
- c) respect for human rights;
- d) a presumption in favour of openness;
- e) clarity of aims and desired outcomes;
- f) explaining what options were considered and giving the reasons for the decision.”

The Council’s Statutory Officers who consist of the Head of Paid Service (the Chief Executive), the Monitoring Officer (Head of Legal and

Commercial Services) and the Section 151 Officer (Head of Finance) fulfil the statutory duties associated with their roles, including ensuring that the Council's activities are in accordance with the law and legislative requirements, and that financial budgets are set appropriately and are monitored regularly. The Council's financial management arrangements conform to the governance requirements as set out in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016).

The Constitution of the Council is subject to a continuous review process which sets out matters reserved to Council, Cabinet and Committees for decision, all other decisions are delegated to Officers. The Constitution was reviewed in 2018/19 and the new version, which was actively considered by Members, was approved by Council in February 2019.

The Council formally reviews its Financial Regulations on a regular basis. On-going updates are implemented as part of the regular reviews of the Constitution.

Role of Cabinet

The Cabinet has responsibility for all executive functions and for making recommendations to Council within the Budget and Policy Framework. Its remit is clearly set out in the Constitution and it plays a major role in reviewing key aspects of overall service delivery, including monitoring

its effectiveness and related governance issues.

Role of Audit and Governance Committee

The Audit and Governance Committee is responsible for ensuring that the Council's systems for internal control are sound by reviewing control mechanisms, and guidelines (both internal and external) and ensuring continued probity and good governance of the Council's operations. The Committee meets the external auditor to discuss findings in the Annual Audit Management Letter and reports. The Committee is also responsible for dealing with members conduct and standards issues.

Role of Scrutiny Groups

The Community and Corporate Scrutiny Committees carry out the Council's Scrutiny function. The Scrutiny committees can "call in" a decision which has been made by the Cabinet but not yet implemented, to enable them to consider whether the decision is appropriate.

The Constitution contains a section on the "Principles of Decision Making", and non-compliance with one or more of those principles is a ground for "call-in" by the Scrutiny Committees.

The Committees are also consulted on policy development ahead of reports being taken to Cabinet.

Risk Management

The overall objective of the Council's risk management strategy is the identification, analysis, management and financial control of those risks which can most impact on the Council's ability to pursue its approved delivery plan.

The Risk Management Policy was approved by Cabinet on 1 May 2018 and all reports to Council, Cabinet and Committees have a risk management section. A Corporate Risk Register has been developed and approved at both Corporate Leadership Team and by Elected Members. The Corporate Risk Register is accepted as a live document constantly under review for progress on managed risks and new risks that could impact on the Council. A risk review cycle has been developed that will allow closer links with the service planning process.

The Corporate Risk Group is represented by each of the Council's services. The CRG will identify new risks and review the corporate risk register. Review of corporate risks is part of the terms of reference of the Audit and Governance Committee. Risks are reported to Cabinet and Audit and Governance Committee on a quarterly basis.

Role of Internal Audit

The Council has a Public Sector Internal Audit Standards (PSIAS) compliant Internal Audit service that is responsible for monitoring the quality and effectiveness of systems of internal control. A risk model is

used to formulate an annual work plan, progress against which is reviewed each quarter by the Audit and Governance Committee. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Director and Head of Service as well as the Section 151 Officer and Monitoring Officer. The reports include an independent opinion on the adequacy of the applicable internal controls, audit findings and recommendations for improvements with an agreed timescale for implementation. Progress against recommendations is followed up by Internal Audit and reported to Audit and Governance Committee on a quarterly basis throughout the year.

The Internal Audit Report 2020/21 is due to be considered by the Audit and Governance Committee at its meeting on 21 July 2021.

The Chief Audit Executive (Audit Manager) intends on issuing the opinion that the Council's framework of governance, risk management and control (control environment) is a Grade 2 overall. In line with our Internal Audit opinion grade definitions, this means that the control environment requires improvement in some areas.

The opinion is based on the following:

- All internal audit work undertaken during the year.

- Follow up audit work in respect of audit recommendations.
- The Audit Manager's knowledge of the Council's governance and risk management structure and processes.

All internal audit reports issued during 2020/21 were either a Grade 1 or a Grade 2.

A small number of high priority recommendations were made in respect of audit reviews undertaken, however as they relate to specific systems and/or service areas, the Audit Manager does not consider it necessary to include them in the Annual Governance Statement. The Section 151 Officer receives all Internal Audit reports issued therefore they are also able to make their own assessment when completing the Annual Governance Statement should they be of a different opinion.

The Role of External Audit

Mazars LLP has been appointed by the Public Sector Audit Appointments (PSAA) as the Council's external auditor for 2019/20. The auditor's statutory responsibilities and powers are set out in the Local Audit and Accountability Act 2014, the National Audit Office's Code of Audit Practice and the PSAA Statement of Responsibilities.

External audit provide an opinion on the Council's financial statements and conclude on the arrangements in place for securing economy, efficiency and effectiveness in the Council's use of resources (value for money conclusion).

The latest Annual Letter from the Council's appointed External Auditors for 2019/20 Mazars LLP issued unqualified opinions on the financial statements and Value for Money Arrangements of the Council.

These confirm that for 2019/20 the financial statements give a true and fair view of the financial position of the Authority and of its expenditure and income for the year then ended and that the Council had proper arrangements for securing economy, efficiency and effectiveness.

How we comply with the CIPFA/SOLACE framework

The following sections list the key elements of the systems and processes that comprise the council's governance framework with a commentary setting out how the arrangements comply with each of the principles that are laid out in the CIPFA/ SOLACE Framework - Delivering Good Governance in Local Government.

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Arrangements have been put in place to ensure probity when dealing with different stakeholders and these are frequently updated. The Council

has a Members' Code of Conduct, Planning Code of Conduct, Licensing Code of Conduct and Citizens' Rights which are all set out in the Constitution. These are regularly reviewed to take account of the latest legislation and guidance, the last review of these codes being completed in July 2020 as part of the update of the Council's Constitution.

The Constitution contains a section on the "Principles of Decision Making", and non-compliance is a ground for "call-in" by the Policy Development Group.

During 2020/21 the Audit and Governance Committee had a pro-active work programme and each meeting of the Committee received a quarterly performance monitoring report including information on standards complaints and ethical indicators.

The Council has robust arrangements for monitoring compliance with the Member Code of Conduct (including gifts and hospitality). The Officer Register of Gifts and Hospitality received its six monthly checks by the Monitoring Officer whilst checking of the Member Register is also undertaken.

The Head of Paid Service, Section 151 Officer and Monitoring Officer meet regularly as a Statutory Officers Group. Their work includes monitoring compliance with standards of conduct across the Council, including both officers and members.

The council's Whistle Blowing Policy includes members, contractors, suppliers and service

providers and people working in partnership with the Council (e.g. volunteers). All reports received under the policy are investigated thoroughly.

Ensuring effective arrangements are in place for the discharge of the Monitoring Officer function

The "Monitoring Officer" function is carried out by the Head of Legal and Commercial Services who reports to the Chief Executive. The Legal Team Manager who has responsibility for legal matters and is also the "Deputy Monitoring Officer", reports to the Head of Legal and Commercial Services.

Ensuring effective arrangements are in place for the discharge of the Head of Paid Service function

The "Head of Paid Service" role is undertaken by the Council's Chief Executive. The Head of Human Resources and Organisational Development, responsible for all HR matters, reports to the Chief Executive.

Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees – Practical Guidance for Local Authorities

The Council has an established Audit and Governance Committee whose remit and functions are based on the guidance set out in the CIPFA/SOLACE 'External Audit in Delivering Good Governance in Local Government: Framework', 2016, which

identifies best practice in relation to roles and responsibilities. The Committee meets quarterly and receives regular reports from both the Section 151 Officer and the Audit Manager. Arrangements are in place for the Audit Manager to report independently to the Audit Committee should he/she feel it appropriate to do so.

Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Council ensures compliance with established policies, procedures, laws and regulations through various channels. Two of the council's statutory officers, the Section 151 Officer and the Monitoring Officer, have responsibility for ensuring that the Council does not act in an ultra vires manner, supported by the Head of Human Resources and Organisational Development, who facilitates the management and mitigation of risk, and the Audit Manager who provides assurance on matters of internal financial control.

There is an in-house, Lexcel accredited legal team. Lexcel is the Law Society's legal practice quality mark for excellence in legal practice management and excellence in client care. The Legal Team work closely with all teams across the Council providing risk based advice.

The Human Resources function uses our Best Employee Experience (BEE) programme to ensure that officers are equipped to discharge their duties in accordance with the requirements of the Council.

Whistle-blowing and for receiving and investigating complaints from the public

The Council has in place appropriate Whistleblowing policies and procedures which are regularly reviewed and updated where required. The Whistleblowing Policy is one of a suite of corporate governance policies which are being reviewed in 2020.

Staff are aware of the Whistle Blowing policy through the council's intranet and as an integral part of the induction process for new starters. There is also a well-established and responsive complaints procedure to deal with both informal and formal complaints from customers and residents.

In 2012 the Council adopted arrangements for dealing with complaints about the conduct of councillors which include an informal resolution stage facilitated by the Monitoring Officer.

The Audit and Governance Committee have oversight of the complaints process and receive quarterly reports from the Monitoring Officer.

Principle B. Ensuring openness and comprehensive stakeholder engagement

The Council has established corporate communications principles and communications strategy/plan which identifies key projects and campaigns. The communications strategy aligns with the Council Delivery Plan.

The Council uses various means to communicate key messages to members of the public, including press releases, website content, social media and where relevant direct communication. Internally, we communicate with staff via team meetings, the intranet, blogs and Chief Executive's road shows for staff.

The Council's communication principles are:

- We will communicate the right information with the right people at the right time in the right way to make sure our priorities, key decisions and actions are understood.
- We will be proactive and transparent – even when the story is a negative one
- Wherever possible, we will only talk publicly about things that are definite
- We will make sure the most affected people know the information first e.g. staff then members
- We will target particular audiences depending on what we're talking about
- We will use the right tools for the job e.g. digital vs face to face.

The council has a regular mechanism of meetings with representatives and officials

from the recognised Trade Unions in place.

The council's scrutiny arrangements are designed to ensure that key policies are scrutinised and involve all sections of the community and stakeholders as necessary.

Principle C – Defining outcomes in terms of sustainable economic, social and environmental benefits.

Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the authority's overall governance arrangements

The Council participates in a range of joint working arrangements with other bodies. For those that deliver services to our customers there are service level agreements or contractual arrangements in place to ensure delivery and protect reputational risk. Should there be corporate risks based on partnership arrangements these will be detailed within the corporate risk register. The Council is particularly mindful of the financial and reputational risks that can arise through entering into joint working and collaborative arrangements, including the potential for a detrimental reputation impact on the Council should the partnership fail.

Enhancing the accountability for service delivery and effectiveness of other public service providers

The Council is a partner in the Leicestershire, Leicester and Rutland Resilience Partnership (LRRP). All Councils at Unitary, District and Borough levels are

members of the Partnership to bring together emergency management resources to prepare for and respond to civil emergencies within the Leicester, Leicestershire and Rutland area. The Head of Human Resources and Organisational Development is the council's representative on the LRIP Management Board.

The Council was actively engaged in the resilience partnership structure throughout 2020/21 responding to the COVID19 Pandemic.

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcome

The Council Delivery Plan and our Medium Term Financial Strategy detail how we have planned all our resources, both financial and staffing to deliver against our priorities.

The council's performance management arrangements include the business planning process which reflects all of the council's aims and objectives and aims to better align activities, improvements and resources. A set of clear and consistent Team Business Plans were developed for 2020/21.

All plans were and continue to be monitored throughout the year by management and portfolio holder cabinet members on a monthly basis and reported to scrutiny and cabinet publicly on a

quarterly basis to facilitate robust member challenge.

Profiled financial monitoring reports are produced, which also project the outturn, after each quarter end. These are reviewed by all budget holders and portfolio holder cabinet members on a quarterly basis and are reported to cabinet on a quarterly basis.

Principle E – Developing the entity's capacity including the capability of its leadership and the individuals within it

The council's "BEE Valued" programme includes rigorous recruitment and selection, performance management and staff development processes.

The Council fully supports the requirements to ensure that both members and senior officers have the necessary skills sets to fulfil their strategic role in the organisation. A comprehensive induction programme exists for both members and officers which has been developed to deal with all relevant core issues. The Council is committed to creating an environment where elected members' skills can develop and thrive with regular courses being delivered.

An annual development review is undertaken for all officers, which includes the identification of training and development needs, which are then considered and built into a service level and corporate training programme where

appropriate. We recognise the critical role that a motivated, skilled and capable workforce plays in every aspect of service delivery. Our People Plan that sets out the Council's ambitions for a sustainable, effective and efficient workforce was approved by Cabinet in December 2018. The Plan includes timetabled actions against five thematic areas including: being and employer of choice; developing and supporting staff; leadership; happy and healthy workforce; and communication and listening. Progress to implement the plan will continue through the forthcoming year.

In April 2019 the Council achieved Investors in People accreditation and feedback from the assessment has been used to develop the organisation further. Unfortunately, our annual IIP review due in March 2020 was delayed due to the COVID-19 response and focus. This will be reorganised as part of the recovery work at an appropriate time and further work will then begin to identify continuous improvement.

The Council adopted new corporate values in 2019 and these have been embedded into our recruitment and appraisal processes.

Principle F – Managing risks and performance through robust internal control and strong public management

The Community and Corporate Scrutiny Committees carry out the council's scrutiny function. The Council maintains an Executive Decision Notice of key decisions to maximise transparency and consultation. The writing of formal reports follows a prescribed procedure

which requires the completion of a number of procedural requirements for content, including Statutory Officer checks for legality, budgetary compliance, rationale and risk. Reasons for all decisions must be given and these are recorded in the minutes.

The Member and Officer Codes of Conduct and associated procedures act as a safeguard against conflicts of interest or bias.

The Audit and Governance Committee undertake the functions of an audit committee as identified by CIPFA guidance. It receives regular reports and presentations from the External Auditor and is independent of cabinet.

The Council has a customer feedback complaints system and this information is used to improve service delivery and customer satisfaction.

The Council's has a Risk Management Policy in place. The strategic risk register is reviewed and updated and scrutinised by the Audit and Governance Committee on a quarterly basis.

The risks identified have been linked to Council priorities/strategic aims and lead officers have been identified to manage each risk. Risk Management also forms a key element of the Council's Delivery Plan

and the Service Planning process and risk management is an integral part of the council's performance management arrangements.

As part of the council's Corporate Project Management Framework, all major projects have their own risk log. All reports going to members include the risk implications associated with the decision members are being asked to make.

The Council is committed to the effective use of IT and has an ICT strategy and IT Security Policy which were reviewed during 2020/21.

The Council's 2020/21 Treasury Management Strategy Statement was approved by Council in February 2020, and risks are fully evaluated as part of this strategy.

During 2019/20 an internal control failure to claim renewable heat incentive (RHI) grant funding was identified. The loss in income to the council has been estimated to be £667k over seven years.

An internal investigation was conducted in 2020/21 and a series of corrective measures have been put in place to prevent a similar issue from occurring and further work will build on the lessons learnt. The primary issue at fault was a failure of the council's first line controls at that time. In total, there were five broad improvement themes:

- Developing a remedial business plan for the Asset Management team to address structural gaps in officer cover, including the review of continuity plans;
- Undertaking of a review of the performance and KPI management of processes that achieve income streams;
- Ensuring that automation of financial monitoring is included in the specification for the new finance system and ensuring similar financial processes are an area of focus within existing financial monitoring;
- Placing responsibility for claiming grants of a similar nature with suppliers in contracts where possible;
- Undertake a future audit of grant income.

Principle G – Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Ensuring the Authority’s Financial Management Arrangements Conform With the Governance Requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016)

Formal arrangements are in place for the Section 151 Officer with a permanent employee appointed to this role.

Adherence to the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) continues.

Ensuring the authority’s assurance arrangements addresses the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2019)

The council’s internal reporting arrangements are designed to ensure the independence of the internal audit function. Appropriate resources are made available to provide an independent, objective assurance and consulting activity designed to add value and improve the council’s operations. It brings a systemic disciplined approach to evaluating and improving the effectiveness of risk management, control and governance processes. The Audit Manager reports directly to the council’s Audit and Governance

Committee on all matters appertaining to audit outcomes.

The Audit Manager and the Section 151 Officer meet on a monthly basis to discuss and review governance and risk matters.

4. Effectiveness

Review of Effectiveness

The Council has responsibility for conducting at least annually, a review of its governance framework including the system of internal control.

The review is informed by the Internal Audit Annual Report, the work of the Audit and Governance Committee, the comments of external auditors and other review agencies and inspectorates, and the work of the Corporate Leadership Team who have responsibility for the development and maintenance of the internal control environment.

The review considers evidence identified to support where the Council meets the CIPFA/SOLACE guidance and sets this out in the Assurance Review and Evidence document. Governance areas are given an assessment scoring as follows:

- Good – Good governance exists and there are no improvements required
- Fair – Satisfactory governance exists but improvements are required to meet good governance
- Poor – Significant issues with governance exist which needs addressing.

Areas identified as fair or poor are reported within the annual governance statement and remedial actions are also outlined. The Audit

and Governance Committee review on a quarterly basis the progress of remedial actions.

Prior Year – 2019/20

The assurance review for 2019/20 identified no significant issues. Nine improvements were identified which are set out in the table below.

Three of the nine improvements remain outstanding and will now be captured and monitored as part of the improvements for 2020/21.

Full details of the review for the 2019/20 financial year can be found in the Assurance and Evidence document for 2019/20 which was published alongside the Annual Governance Statement.

Table 1 – Areas for improvement identified in 2019/20 and carried forward from previous years with current status

CIPFA/SOLACE Principle	Improvement	Owner	Target Completion	Status Update January 2021	Status Update June 2021
<p>D: Determining the interventions necessary to optimise the achievement of the intended outcomes</p>	<p>Review service and financial planning timetable</p>	<p>Head of Finance</p>	<p>June 2021 <i>Revised Date September 2022</i></p>	<p>Review will be undertaken at the end of the service and financial planning timetable for 2021/22. Improvement is therefore on track for implementation by target date.</p>	<p>Underway The service planning timetable is currently being reviewed ahead of the annual budget process. It will be implemented in September 2021.</p>
<p>E: Developing the entity's capacity, including the capability of its leadership and the individuals within it</p>	<p>Review the effectiveness of the current arrangements for managing assets</p>	<p>Head of Customer Services, Corporate Property and Assets</p>	<p>September 2021 <i>Revised Date September 2022</i></p>	<p>The Property services team has undergone an external review to understand any areas of improvement and opportunity within the service (Q2 2020/21). Following the review a live project is now in place, with external support, to deliver an improvement programme over Q3-Q4 2020/21. This work will lead to a more robust approach to asset management.</p>	<p>Underway The critical elements of the improvement work have been actioned. Due to the loss of the team manager (and impending recruitment) plus the proposed accommodation changes, we have paused further significant development work until the changes have been completed. This will give the opportunity to consider the services and resources we need to run the service in its new guise following these major changes. This will be commenced as part of the accommodation work, which at present is programmed to complete in Summer 2022.</p>

CIPFA/SOLACE Principle	Improvement	Owner	Target Completion	Status Update January 2021	Status Update June 2021
F: Managing risks and performance through robust internal control and strong public financial management	Develop organisational requirements for benchmarking of services <i>(carried forward from 2018/19)</i>	Head of HR and Organisational Development	March 2021 <i>Revised Date September 2021</i>	Improvement on track for implementation by target date.	Underway The work of the performance team has been affected by the COVID-19 pandemic, and the team were seconded to other roles during much of 2020, which has caused a delay in progressing this action. During 2021 the performance monitoring has restarted and reports have been presented to the Corporate scrutiny committee and Cabinet. The performance indicators used in those reports have been reviewed by the Corporate Leadership Team and as part of the consideration included the potential for comparisons with other organisations. A revised Council Delivery Plan has been considered by the Corporate Scrutiny Committee, and this will progress to Cabinet in July and Council in September 2021.
	Develop and implement anti-fraud awareness raising programme <i>(carried forward from 2017/18)</i>	Head of Finance	March 2021	Improvement on track for implementation by target date. Anti-fraud and corruption and anti-money laundering policies refreshed Q2 2020/21.	Complete Anti-fraud online training rolled out to all staff. At time of writing, 90% of all staff had undertaken the training and passed the assessment which was part of the training.
	Procure new finance system <i>(carried forward from 2017/18)</i>	Head of Finance	March 2021	Complete Contract for new finance system awarded.	Complete Project has commenced and new finance system will 'go live' in April 2022.

No significant governance issues have been identified in the annual assurance review for 2020/21. There are three improvements carried forward from 2019/20 and a further two improvements identified during 2020/21. There are therefore a total of five improvements for monitoring throughout the 2021/22 year.

The table below is an extract summary from the Assurance Review and includes details of the improvement areas identified. Based on learning around the timescales associated with implementing improvements, the table has been modified to show the likely timescale for implementation.

Table 2 – Areas for improvement identified in 2020/21 and areas for improvement carried over from previous years

CIPFA/SOLACE Principle	Improvement	Owner	Target Completion
<p>D: Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p>Supporting Principle 2: Planning Interventions</p> <p>Preparing budgets in accordance with organisational objectives, strategies and the medium term financial plan</p>	<p>Commence a more ‘outcomes focussed’ approach to the annual budget process which:</p> <ul style="list-style-type: none"> • In the revenue budget show clearer linkages between budget decisions and the corporate plan • Challenges the whole budget in terms of activity, past spending and income performance • In the capital programme ensures that clear and costed business cases support all schemes • Develops a Reserves Strategy 	Head of Finance	February 2022
<p>D: Determining the interventions necessary to optimise the achievement of the intended outcomes</p> <p>Supporting Principle 3: Optimising achievement of intended outcomes</p> <p>Ensuring the achievement of ‘social value’ through service planning and commissioning.</p>	<p>As part of the Medium-Term Financial Strategy, develop a revised Procurement Strategy which incorporates social value considerations into all future procurements</p>	Head of Finance	February 2022

CIPFA/SOLACE Principle	Improvement	Owner	Target Completion
D: Determining the interventions necessary to optimise the achievement of the intended outcomes	Review Service and Financial Planning Timetable	Head of Finance	September 2021
E: Developing the entity's capacity, including the capability of its leadership and the individuals within it	Review the effectiveness of the current arrangements for managing assets (carried forward from 2019/20)	Strategic Director, Housing and Customer Services	September 2022
	Develop organisational requirements for benchmarking of services (carried forward from 2018/19)	Head of HR and Organisational Development	September 2021

5. Overall opinion and conclusion

Conclusion

The Council is satisfied that appropriate governance arrangements are in place however it remains committed to maintaining and where possible improving these arrangements, in particular by addressing the issues identified in undertaking the annual review. The Council will continue to seek to enhance and strengthen governance arrangements within these areas for improvement and monitor progress made as part of our next annual review.

