

Committee: Standards Committee

Date: 26 February 2013

Agenda item: 4

Wards: All

Subject: Annual Governance Statement 2011/12 – Improvement Plan Update

Lead officer: Caroline Holland, Director of Corporate Services

Lead member: Mark Allison, Cabinet Member for Finance

Contact officer: Margaret Culleton, Head of Internal Audit, 0208 545 3149

Recommendations:

- A. That the Standards Committee discuss and comment on that progress achieved to date against the 2011/12 Annual Governance Improvement Plan (set out in Appendix 1).
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1 PURPOSE OF REPORT AND EXECUTIVE SUMMARY

- 1.1. Corporate governance comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.
- 1.2. The Annual Governance Statement is the formal statement that recognises, records and publishes an authority's governance arrangements. It was published with the Council's financial statements relating to 2011/12 to ensure compliance with the Accounts and Audit (Amendment) Regulations 2011. These Regulations require authorities to "conduct a review at least once a year of the effectiveness of its system of internal control" and to prepare a statement on internal control in accordance with "proper practice" defined as the requirement for an Annual Governance Statement, as set out in the CIPFA/SOLACE Framework.
- 1.3. The Annual Governance Statement Improvement Plan is a statement of the actions to be taken by the Council in order to remedy any weaknesses that it has identified in the Council's governance arrangements.
- 1.4. This report sets out progress against each of the items in the 2012/13 Improvement Plan which was included in the Annual Governance Statement for 2011/12. This will allow Members to understand the progress that has been made against the actions and to ensure that the appropriate action is being taken to remedy weaknesses in the Council's governance processes.

2 DETAILS

- 2.1. Appendix 1 sets out achievements to date against each of the objectives.

3 ALTERNATIVE OPTIONS

- 3.1. None for the purposes of this report.

4 CONSULTATION UNDERTAKEN OR PROPOSED

4.1. None for the purposes of this report.

5 TIMETABLE

5.1. The results of this report will be included in the Annual Governance Statement for 2012/13, which will be completed by 30 June 2013, in accordance with the deadline for the Statement of Accounts.

6 FINANCIAL, RESOURCE AND PROPERTY IMPLICATIONS

6.1. There are no specific financial implications.

7 LEGAL AND STATUTORY IMPLICATIONS

7.1. There are no specific legal implications.

8 HUMAN RIGHTS, EQUALITIES AND COMMUNITY COHESION IMPLICATIONS

8.1. There are no specific human rights, equalities or community cohesion implications.

9 CRIME AND DISORDER IMPLICATIONS

9.1. There are no specific crime and disorder implications.

10 RISK MANAGEMENT AND HEALTH AND SAFETY IMPLICATIONS

10.1. The risk management process is included in the improvement plan in Appendix 1. There are no health and safety implications.

11 APPENDICES – THE FOLLOWING DOCUMENTS ARE TO BE PUBLISHED WITH THIS REPORT AND FORM PART OF THE REPORT

11.1 Appendix 1 – update on progress on AGS Improvement programme 2012/13

12 BACKGROUND PAPERS

12.1. The Annual Governance Statement 2011/12 was reported to General Purposes Committee on 28 June 2012. These documents do not form part of the report.

Appendix 1
Update on progress on AGS Improvement Programme 2012/13

Area	Due date	Responsibility	Update
<p>Risk Management - Embedding risk A programme of risk management awareness and training will be developed.</p>	<p>By December 2012 <u>Revised dated 31st March 2013</u></p>	<p>Head of Business Planning</p>	<p>Risk management training was provided to the Corporate Risk Management Group including Risk Champions on 14 November 2012 and 5 December 2012, these sessions covered:</p> <ul style="list-style-type: none"> • Introducing the concept of risk management • Key drivers of risk management • Applying risk management principles to ensure your objectives are met • The risk management cycle • Risk practices in Merton • The role of risk champions in Merton • Current risk topics. <p>The two sessions of members training are being scheduled for March 2013 this training will include the following areas</p> <ul style="list-style-type: none"> • Defining Risk Management • An Overview of the Risk Management Process and Why it is Important • Strategic Risks Facing Local Authorities • The Role of Members in Risk Management

<p>Procurement To review the contracts register to enhance the current position in order to improve on the access and reporting functionality of the existing in-house Contract Register</p>	<p>30th September 2012 <u>Revised date</u> <u>31st March</u> <u>2013</u></p>	<p>Head of Procurement</p>	<p>The Contract Register record has been published on the London Tenders Portal. A link still needs to be set up on the intranet for officers.</p>
<p>Business Continuity Plans and Business Impact Assessments To update all Business Continuity Plans and to ensure that Business Impact assessments have been completed</p>	<p>By September 2012 <u>Revised date</u> <u>31st March</u> <u>2013</u></p>	<p>Head of Safety Services</p>	<p>Business impact assessments have been completed for all departments and challenged by Departmental Management Teams. This is now linked in to the Disaster Recovery planning process led by the Assistant Director Infrastructure and Transactions and will form the basis of the council's strategic Business Continuity plan. This was taken to General Purposes Committee in September 2012 with timescale for completion as end March 2013.</p> <p>Business Continuity plans are currently being updated to reflect the outcomes from the Business Impact Assessments and Disaster Recovery plan. Progress report to DMT is being submitted late Feb 2013, on target for March 2013.</p>
<p>Financial regulations and procedures To review and update the councils financial regulations and procedures</p>	<p>By September 2012 <u>Revised date</u> <u>30th June</u> <u>2013</u></p>	<p>Assistant Director of Resources</p>	<p>The current regulations and procedures are in accordance with the Chartered Institute of Public Finance and Accountancy's best practice and remain fit for purpose. Whilst some minor changes are required (e.g. removal of reference to the Standards Committee) they will be incorporated into a future review</p>
<p>Scheme of Delegations</p>	<p>By</p>	<p>Head of</p>	<p>A report was submitted to the</p>

Review and update schemes of delegation to ensure consistency	September 2012 <u>Revised date</u> <u>31st March</u> <u>2013</u>	Democracy Services	Corporate Management Team's meeting on 19 June 2012 to remind Directors of their responsibilities on relation to the schemes. Schemes have subsequently been updated. Work is currently in progress to design a new template to provide standard approach to common elements of the schemes (finance, HR, contracts, communication) as well as sections that are unique to the department.
Declaration of interests for officers All staff involved in contracts to complete a declaration of interest	By August 2012 (completed)	All Directors	All declaration of interest forms completed for officers in July 2012
Establish a Partnership Register for the Council Build on the partnership review that was last carried out in 2009, to compile a partnership register for the council that encompasses the key strategic partnership arrangements the council engages in.	By September 2012 <u>Revised date</u> <u>30th June</u> <u>2013</u>	Head of Policy, Strategy & Partnerships	There has been some slippage however a revised template has been agreed and the updated register will incorporate the new public health governance. Work to populate the updated Register will start in February.
Complete implementation of the council's policy register Guide the way the new policy management software (metacompliance) will be structured to provide a policy register for the council and populate with the dataset of policies that has been established through the policy review.	September 2012 <u>revised date</u> <u>31st March</u> <u>2013</u>	Head of Policy, Strategy & Partnerships/ Security and Governance Officer	The Policy Register has been updated and is on the intranet at http://intranetapps/PolicyRegister/Policydefault.aspx . A proposal for how to implement the new metacompliance software will be reported to the Corporate Management Team in March 2013.
Review the Merton Partnership Governance Handbook Review and update the Merton Partnership Governance Handbook in light of changes that affect the governance of the partnership and its thematic partnerships, ensuring that handbook supports the principles in the code of corporate governance.	May 2012	Head of Policy, Strategy & Partnerships	Complete
Develop guidance for funding officers Develop a policy document setting out guidance for officers managing grant funding	September 2012 <u>Revised date</u> <u>28th February</u>	Head of Policy, Strategy & Partnerships	The Funding Officers Guidance has been drafted and subject to consultation. It will be available on the Council's intranet by the

streams and/ or voluntary sector grant commissioning, to address the issues raised in the Internal Audit of Grants to VCS Orgs and the Voluntary Sector Strategy.	<u>2013</u>		end of February 2013.
Review new standards arrangements To ensure that the new arrangements are effective	March 2013	Assistant Director Corporate Governance	The new arrangements for dealing with allegations that members have breached their code of conduct were adopted by Council on 11 July 2012. There have been three complaints made since this time. The procedure has proved effective and fit for purpose, but it will be kept under review by the Standards Committee.