

28 MARCH 2022

ANNUAL GOVERNANCE STATEMENT - UPDATE

SUMMARY:

This report describes the work carried out towards the implementation of the actions defined within the Annual Governance Statement, which was presented to this Committee in July 2021.

RECOMMENDATION:

Members are requested to:

- i. Note the progress towards the implementation of the actions detailed within the Council's Annual Governance Statement.

1 Introduction

- 1.1 The Council is required by the Accounts and Audit Regulations 2015 to prepare and publish an Annual Governance Statement (AGS). Reporting publicly on the extent to which we comply with our own Local Code of Corporate Governance including how we have monitored the effectiveness of our arrangements in the year and on any planned changes to our governance arrangements in the coming year. The AGS was reported to this Committee on 27 July 2021.
- 1.2 The review of the effectiveness of the Council's governance framework in 2020/21 identified areas for improvement to be actioned during 2021/22, which included the carried forward actions from the 2019/20 AGS. The progress against these actions is detailed within this report.

2 Progress towards actions within the Annual Governance Statement (AGS)

- 2.1 Members considered the AGS report (FIN21/17) which included a number of actions to be implemented during 2021/22 in response to Governance improvements identified in the AGS 2020/21.
- 2.2 This also includes the addition of the Audit Opinion 2020/21 revision as an action item for the Interim Audit Manager, which has been addressed in Report AUD2202.
- 2.3 The table below details the progress to date of items carried forward:

	Implemented	<p>led by Executive Head of Finance. Due Q4 2021 – On Target</p> <p>Reporting of Investment Property Portfolio to PIAG meeting on 23rd February 2021</p> <p>Property Investment Strategy being revisited following November 2020 Budget.</p> <p><u>March 2022</u> Quarterly reporting in place since February 2021.</p>
<p>Due to the Covid-19 pandemic the number of staff working from home remotely has substantially increased therefore increasing the information risk exposure this creates for the Council.</p> <p><i>The increase in information risk exposure due to home working will be reviewed by the Information Governance Group.</i></p> <p><i>The information governance policy has been implemented and mandatory online training will be put in place.</i></p>	December 2020	<p><u>October 2020</u> The Information Governance Officer has updated the Information Security Policy and guidance to staff on working from home is available on the Intranet. Mandatory training is mitigating the risk as well as regular messaging to staff and managers. As we move forward to full adoption of the Office 365 suite and the systems upgrades through the ICE project information security will be strengthened.</p> <p><u>February 2021</u> The Information Governance Officer is a member of the Office 365 Project Team and her presence ensures information governance is considered in every phase of the project. The Windows 10 project is progressing but there has been a delay in deploying replacement laptops, due to worldwide component shortages. The council has extended support for its Windows 7 laptops (including Sophos antivirus software), which are being updated by the end of March 2021. The W10 new laptops will be rolled out from March 2021, however at a slower pace due to current government C19 lockdown restrictions and testing regime required.</p> <p><u>March 2022</u> When Office365 was implemented across RBC governance policies were not develop and applied which needs rectifying. The main aim of this to ensure that the Council’s data is protected, retained and handled appropriately.</p>

2020/21 Actions

Action	Target date for implementation	Update on progress
<p>The Council faces a significant funding gap over the Medium-Term Financial Strategy period.</p>	<p>December 2021</p> <p><i>Revised date:</i> July 2022</p>	<p>The Council is working on a Cost Reduction and Efficiencies Programme (CREP) to identify cost reductions and additional income for the new MTFS period.</p> <p>A detailed design for the programme was agreed by Cabinet in March 2021 with significant work undertaken by Heads of Service and Service Managers to identify opportunities and lines of enquiry that will be validated and considered by members during 2021-22.</p> <p>The Assistant Chief Executive (as project sponsor) and the Executive Head of Finance (as Section 151 Officer) will provide support to the programme to enable members to consider options to close the funding gap.</p> <p><u>March 2022</u> Council approved the 2022/23 Revenue Budget and considered the MTFS at their meeting on 24 February 2022. The budget and MTFS included CREP opportunities with savings of £478k identified for 2022/23.</p> <p>The MTFS shows a significant funding gap remains across the MTFS and the Budget report to Council outlined the approach to be taken with the Savings and Transformation Programme (STP) to address the funding gap.</p>
<p>Compliance with the CIPFA Financial Management Code</p>	<p>March 2022</p> <p><i>Revised date:</i> April 2022</p>	<p>The Executive Head of Finance will undertake an assessment of the Council's compliance with the CIPFA Financial Management Code during Q3 2021 and prepare an Action Plan on matters or areas for improvement.</p> <p>These will be included in subsequent reports to the Corporate Governance, Audit and Standards committee as part of the update on the Annual Governance Statement Action Plan.</p> <p><u>March 2022</u> An assessment by the Executive Head of Finance against the CIPFA FM code is planned for March/April 2022</p>
<p>External Audit have yet to provide an opinion for the 2019/20 accounts.</p>	<p>November 2021</p>	<p>The Executive Head of Finance will ensure that the necessary information is provided to the external auditors to</p>

	<i>Revised date:</i> June 2022	enable them to finalise their opinion on the 2019/20 accounts. <u>March 2022</u> The external audit opinion has not yet been received. Expectation is this would be provided by June 2022.
Audit Opinion does not align with the AGS	March 2022	Audit Manager to revise the Audit Opinion from “no opinion” to a “limitation of scope opinion” in line with CIPFA guidance issued on 19 November 2020 and following recommendations from a CIPFA adviser.

2.4 Services have balanced the impact of the Covid-19 pandemic and other external factors to achieve progress on the actions detailed within the AGS 2019/20 and 2020/21.

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References:

Annual Governance Statement 19/20 – reported to LA&GP Committee 28 July 2020.

Annual Governance Statement – update report to LA&GP Committee 23 November 2020.

Annual Governance Statement – update report to CGAS Committee 27 September 2021