## LICENSING, AUDIT AND GENERAL PURPOSES COMMITTEE

## AUDIT MANAGER 23<sup>RD</sup> MARCH 2020 REPORT NO. AUD 20/03

# ANNUAL GOVERNANCE STATEMENT - UPDATE

### SUMMARY:

This report describes the work carried out since the previous update to the Committee in November 2019 towards the implementation of the actions defined within the Annual Governance Statement.

### **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 the 6<sup>th</sup> June 2019.

The review of the effectiveness of the Council's governance framework in 2018/19 identified actions that needed to be addressed during 2019/20, which included the carried forward actions from 2017/18. The progress against these actions are detailed within this report.

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

- 2.1 Members considered the Annual Governance Statement report (AUD1906) which included a number of actions to be completed during 2019/20 in response to Governance issues identified in the AGS 18/19.
- 2.2 The table below details the progress to date.

Action	Target date for	Update on progress
EU General Data Protection Regulation	implementation October 2019	November 2019
(b/f from previous year): Ensure that the necessary resulting changes for the GDPR are finalised and embedded within a broader information governance framework following the review of the effectiveness of the current arrangements the Council has implemented.	Revised date: February 2020	Completion of this action has been delayed pending recruitment to a new post of Information Governance Officer. An Information Governance Group has been set up and the Information Governance Framework will be rolled out over the next 3 months.
	<i>Revised date:</i> June 2020	March 2020 The new Information Governance officer is now in post. The Information Governance Group (IGG) have met several times and an Information Governance Working Group (IGWG) is now in place and has also met several times.
		The Information Governance Framework (IGF) has been written and published on the staff Intranet. Programmes of work are being undertaken to ensure adherence to the framework and the key policies that underpin it.
		Due to Brexit there may be some changes to GDPR, so implementation of this cannot be finalised until the guidance comes out from the ICO.
Risk Management <i>(b/f from previous</i>	September 2019	November 2019
<i>year):</i> Formal adoption of the risk management process and work carried out to embed risk management within all Council activities. Development and	<i>Revised date:</i> December 2019	The Corporate Risk Management Group (CRMG) has agreed a common risk reporting format and a revised Risk Management Strategy.
adoption of an information risk policy.		The Council's Corporate Risk Register will be finalised during November 2019.
	<i>Revised date:</i> May 2020	March 2020 The Corporate Risk Management Group (CRMG) finalised the risk register in December 2019. It is available to be viewed and edited by Senior Managers on the Council's SharePoint pages. The CRMG will be meeting in March 2020 to formally review the risk register,
		so that it can be reported alongside the Council's wider Q4 Performance Management Framework.

Workforce/ people strategy: Develop and adopt a longer-term workforce/ people strategy	December 2019 <i>Revised date:</i> March 2020	The Risk Register is a live document and is updated by Managers on an on-going basis. <u>November 2019</u> The newly appointed Corporate Manager – People is currently looking at a workforce strategy in line with the people, culture and organisation workstream of the Council's ICE programme. However, as the position has only recently been appointed to, the target date for the workforce strategy has been pushed back to March 2020, as detailed within the ICE programme sequence presented to Cabinet in October. <u>March 2020</u> Work is currently underway for the development of the workforce strategy and it is on target to be in place by March 2020.
Relationship Management and economic engagement plan: Develop relationship management approach and processes and economic engagement plan.	September 2019	November 2019 A review of options was considered by the Corporate Leadership Team and an approach agreed. The Council previously did not hold data on companies within the Borough in a systematic way. The new system holds key details on the company, the contacts at the company, the relationship manager within the Council and records of interactions. Several elements of the data require the company's permission to hold and these can only be populated after contact with them. So, data is being populated into the system as a programme of visits to companies is undertaken or through other contacts. The second phase is to train the wider organisation on how they can support the relationship management with companies and also how to feed information back. The implementation of the approach and process has been achieved by the target date. However, a second phase is required to ensure this is embedded within the Council.

	Revised date: July 2021	March 2020 Visits continue to be carried out in order to populate the data into the Relationship Management system. However, this will take time to carry out in full. The outline of the Economic engagement plan has been developed however it has not yet been fully developed. As part of the service changes an Economy and Growth Manager will be recruited and it will be within their remit to bring forward the plan and implement it.
<b>Procurement Strategy:</b> Revision and adoption of the procurement strategy	July 2019 <i>Revised date:</i> February 2020	November 2019 An update on the development of the Council's Procurement Strategy was provided to the Policy and Project Advisory Board in November 2019. It is expected that the strategy will be considered by Cabinet in February 2020.
	<i>Revised date:</i> June 2020	March 2020The final draft of the ProcurementStrategy will be considered by the Policyand Project Advisory Board (PPAB) attheir meeting in March 2020.Following discussion at PPAB, theProcurement Strategy will be presentedto Cabinet and Council in the new civicyear.
<b>Financial Regulations:</b> Revision and adoption of the financial regulations	October 2019 <i>Revised date:</i> February 2020	<b>November 2019</b> The Council's Financial Procedure rules will be included in the wider review of the Council's Constitution and will be presented to LAGP in January 2020 and Council in February 2020.
	<i>Revised date:</i> New Civic Year	March 2020 The updated Financial Regulations will be considered alongside the Constitution at the LA&GP Committee on 23rd March, and Council Meeting on 23rd April 2020. A Members Constitution Review Group has reviewed key Constitution documents, and Executive matters considered with the Leader.

Review of the entire constitution: The	October 2019	November 2019
entire constitution: The entire constitution will be reviewed and updated to ensure that it remains relevant.	Revised date: February 2020	A review has been carried out, with extensive revisions made to the presentation of the Responsibility for Functions together with updates to Codes and Protocols. The draft updated Constitution is to be considered at the LAGP Committee on 27th January, and Council Meeting on 20th February 2020.
		been actively reviewing updates to the Constitution during the year and it is anticipated that a draft copy of all the updated constitution documents will be available in early January 2020
		Members of the Constitution Review Working Group have been updated on progress during the year.
	<i>Revised date:</i> From the New Municipal Year	March 2020 A progress report was presented to the LA&GP Committee on 27th January 2020. The full draft updated Constitution is to be considered at the LA&GP Committee on 23rd March, and Council Meeting on 23rd April 2020.
		A Members Constitution Review Group has reviewed key Constitution documents, and Executive matters considered with the Leader.
Housing Company Governance: The governance arrangements in place around the Housing Company needs to be formally agreed.	August 2019 <i>Revised date:</i> January 2020	November 2019 A report on the housing company is due to go to Cabinet in January 2020 for agreement. The Corporate Governance Group have reviewed the housing company governance arrangements and provided comment.
	Implemented	March 2020 The governance around the housing company has been written into the updated Constitution.
		A report on the housing company went to Cabinet on the 4th February which detailed the governance arrangements in place. The report has been forwarded to Council and will be considered on 20 Feb 20.

Implementing a Capital Strategy to comply with the revised Prudential Code		
and the Treasury Management Code of Practice ( <i>b/f from previous year</i> ):		
Capital Strategy was approved by Council in February 2019 and will be reviewed on an annual basis.	February 2020	<b>November 2019</b> The Council's Capital Strategy is being reviewed alongside the Treasury Management Strategy and will be considered by LA&GP in January 2020 and Council in February 2020.
	Implemented	March 2020 Council approved the 2020/21 Capital Strategy at their meeting in February 2020. The Capital Strategy will be reviewed during the Autumn.
Finalise development of the Asset Management Strategy which supports the approved annual Capital Strategy	October 2019	<b>November 2019</b> The asset management plan was approved by Council in October 2019. Currently work is underway with the Executive Head of Finance to profile the spend on assets required in order to support the income generation. Actions within the asset management plan are currently on hold until the appropriate staff structure is in place to support the plan.
	<i>Revised date:</i> December 2020	March 2020 This has not been progressed due to other priorities regarding major projects and general management of the estate following staff changes. It will be carried out during 2020.
Development of formalised reporting criteria (financial and non-financial measures) in relation to the Council's Investment Property portfolio	September 2019 <i>Revised date:</i> March 2020	November 2019 An external provider LSH, have carried out a review of investments within the Council. A workshop is being carried out with Members to review the proposals for consideration from LSH, including the set up of a property investment board. LSH will be formalising a framework and criteria for investments based on the Council's current portfolio.
		Progress has been made towards the implementation of this. However, further work is still ongoing and therefore the target date has been put back to March 2020.

- 2.3 Given the complex nature of some of the actions, particularly around the review of the constitution and financial regulations, a number of deadlines have not been met. It should be noted, however, that progress has continued to be made on actions since the last update to the Committee in November 2019.
- 2.4 The AGS for 19/20 will detail any actions from the 18/19 AGS which need to be carried forward. This will be reported to the Committee in May 2020.
- AUTHOR: Nikki Hughes, Audit Manager 01252 398810 <u>nikki.hughes@rushmoor.gov.uk</u>

HEAD OF SERVICE: David Stanley, Executive Head of Financial Services

#### References:

Annual Governance Statement (within the statement of accounts) <u>https://www.rushmoor.gov.uk/statementofaccounts</u>

Annual Governance Statement – update report to LA&GP Committee 25<sup>th</sup> November 2019. <u>https://democracy.rushmoor.gov.uk/ieListDocuments.aspx?Cld=166&Mld=664&Ver=4</u>