Standards Committee

6 October 2006

Report of the Assistant Director (Audit & Risk Management)

Mid-term monitor
Officer Governance Group work programme

Purpose

1   The purpose of this report is to advise Standards Committee of the progress made to date in respect of the Officer Governance Group work programme. This report sets out;

- the background to the Governance Group being established and the purpose of the Group further to the overall governance agenda at the Council;

- progress against the plan and the key issues being addressed by the Governance Group on behalf of the organisation as a matter of priority.

Background

2   The Officer Governance Group was established as a sub-committee of Corporate Management Team (CMT) in 2005 in response to:

- the growing prominence of the national policy agenda in respect of governance matters generally in recent years as reflected in revised CPA criteria published in both 2005 and again in 2006 as part of the 'harder test' for the Use of Resources assessment;

- long standing concerns on the part of the District Auditor and the weaknesses reported in the Annual Audit Letters over the last few years in respect of the Council's governance arrangements (which have ranged from relatively minor points of procedure to major issues of principle, such as the need to establish a proper Member reporting arrangements for audit & governance issues).

3   Many of the weaknesses identified by the District Auditor had remained unresolved for many years and risked compromising the Council's future CPA score unless satisfactorily resolved.

4   Following a meeting of the District Auditor with the Chief Executive and the Director of Resources in early 2005 it was agreed that an officer group should be established to deal with corporate governance issues

and provide a vehicle for exercising the on-going stewardship responsibilities of the S151 Officer and Monitoring Officer.

Role & function

5   The primary roles and function of the Group is to ensure that satisfactory arrangements are in place that facilitate:

- **The proper operation of an effective internal control environment**

     The control environment is the sum of its overall management arrangements and the systems, processes, procedures and controls the organisation relies on to ensure the probity, legality and VFM of its services as well as sound and consistent management practice needed to support this in practice.

- **Transparent & accountable management practice and decision making**

     There should be clarity and consistency in the way matters are reported and decisions made across the organisation that is consistent with all statutory and non-statutory codified requirements, the Council's Constitution and attendant regulations and best practice.

- **Ethical working practices and standards**

     This extends to the kind of core value sets expected covering Members and Officer behaviours, relationships with each other and third parties, the accepted ways in which business will be conducted and the principles and ethical considerations that will be observed in doing so.

- **Compliance with all relevant legislation and regulatory frameworks**

     The Council must ensure that it acts within the law and that all relevant legislation, codified practice, local regulation etc is observed and complied with by Members and Officers. Non-compliance must be dealt with and reported by the S151 Officer and/or the Monitoring Officer further to the stewardship responsibilities placed upon them variously by extant statute.

6   The Group's remit is to deliver a corporate governance development agenda on behalf of the Council (as set out in the Group's work programme as informed by a list of key issues to be addressed, set out in Annex A to this report) and to keep implementation under on-going review. The Group is not be responsible for day to day operational matters or deployment, nor may it form part of any control system in its own right.

Working arrangements

7   Given the nature of the work involved and the commitment required to the governance agenda by all Directors, it was important for the Group to be constituted as a sub-group of CMT and report progress to CMT members on a regular basis. The Group also reports progress against the work plan and any key issues arising on a bi-annual basis to the Audit & Governance Committee. Clearly, the Group is also conscious of the need to report any matters arising relating to the work of this Committee to Standards Committee Members should anything arise. The Group's comprises only a few core officers supported by a number of associate Group members who are involved in specific development work as and when needed to minimise additional meetings burdens etc on key staff. Membership details are given in Annex B to this report.

Progress to date

8   The Group's work programme is attached as Annex C to this report. It sets out the work scheduled for completion since September 2005, lead officer responsibilities for each main area of development, time-tabling commitments and reporting requirements and progress to date.

9   As Annex C shows a great deal of the work programme has already been achieved and/or is currently in hand, specifically the majority the tasks relating to sub-sections 1, 3, 4, 5, 6, 7, 9, 10, 11, 13, 14 and 15. Key work currently outstanding or still to complete includes:

- **Sub-section 2 - Stakeholder awareness and information work** - very little formal awareness raising work has been done with the key stakeholder groups identified in the work programme. This is due to the pressures of other work commitments on the core membership of the Group and the lack of resources needed to provide administrative support in organising and co-ordinating stakeholder meetings, publicity and the dissemination of general information relating to the work and function of the Group across the authority. This area of work, therefore, has so far been de-prioritised by the Group but does need addressing at some point in the not too distant future;

- **Sub-section 9 task 9b** – **Post implementation roll out and training work** relating to the adoption of the new Constitution in May 2006. Some work has been done, in respect of some aspects of the new Constitution, but a proper training programme for both staff and Members is now needed to ensure the requirements of the new Constitution are fully understood by all and properly embedded in the Council's working arrangements. Again, capacity problems and a lack of adequate resources to support this work has hindered the ability of the Group to make any significant progress in this area over the summer months;

- **Sub-section 12 – Strategic decision making & reporting** whilst work is in hand to develop a competition policy, competition handbook and strategic procurement programme (to be reported to CMT later this year) work on the Corporate Procurement Strategy has been re-scheduled in consultation with the Executive Member for Corporate Services in light of the on-going long term sickness absence of the Procurement Manager. A revised time-table has been agreed in order to ensure this work is done and the strategy considered and adopted by the Council before 31 March 2007 in advance of the new financial year.

10   A great deal of good and relatively speedy progress has been made in respect of the work programme to date, all of which will contribute directly to sustaining and significantly improving our CPA scores for the Use of Resources key lines of enquiry in 2006 and 2007. However, some key areas of work remain outstanding and the ability of the Group to make significant progress on those matters is constrained by resourcing problems for which there are no easy or quick solutions. Corporate Management Team and the Audit & Governance Committee will be advised on the on-going progress of the Group in a year end outturn report to be scheduled for consideration in April 2007 along with work plan proposals for 2007/08.

Consultation

11   Initial proposals as set out for consultation with Members of Audit &Governance Committee at the inaugural meeting of the Committee on 6 June 2006. The S151 Officer, Monitoring Officer and CMT have been consulted on the necessary timing of items across the year in preparing these proposals for Members consideration.

Options

12   Not relevant for the purpose of this report.

Analysis

13   Not relevant for the purpose of this report.

Corporate Priorities

14   This report contributes to the overall effectiveness of the Council's internal management & assurance arrangements in helping to achieve of the following corporate priorities;

- Ensure probity, integrity and honesty in everything we do (Objective 8.3).

- Provide accurate and transparent management information in a timely and effective manner (Objective 8.3).

- Improve the forward planning, openness, propriety, speed and effectiveness of decision-making (Objective 8.4).

Implications

15 There are no financial, HR, equalities, legal, crime and disorder or IT&T implications arising from this report.

Risk Management Assessment

16 Not applicable to this report

Recommendations

17 It is recommended that Members:

a) note the role and function of the Officer Governance Group as set out in this report and annexes 1 and 2;

Reason

To ensure the effective communication of the management arrangements put in place in order to properly discharge the governance responsibilities of the organisation

b) note the annual work programme of the Officer Governance Group and progress made to date as set out in Annex 3, as well as the outstanding matters still to be progressed at this time, as detailed at paragraph 9.

Reason

To ensure the effective communication of the progress made in discharging the governance responsibilities of the organisation

c) note the intention of the Officer Governance Group to report any matters relating to the work of this Committee to Standards Committee Members should they arise in the future, as detailed in paragraph 7;

Reason

To ensure Members are properly advised of any matter relating to the function and role of this Committee arising from the work of the Officer Governance Group with immediate effect.

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Report Approved ✓ **Date** *25 Sept 2006*

Specialist Implications Officer(s) Not applicable

Wards Affected Not applicable   **All** [   ]

For further information please contact the author of the report

Background Papers

None

Annexes

Annex A	**Key issues to be addressed by the Group**
Annex B	**Membership details**
Annex C	**Work programme**