



REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	25 JANUARY 2018
REPORT OF THE:	RESOURCES & ENABLING SERVICES LEAD (s151) PETER JOHNSON
TITLE OF REPORT:	ANNUAL GOVERNANCE STATEMENT ACTION PLAN
WARDS AFFECTED:	ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

- 1.1 The report informs Members of the progress made to address the actions identified in the 2016-17 Annual Governance Statement (AGS) action plan.

2.0 RECOMMENDATION

- 2.1 It is recommended that Members note the progress made to address identified actions in the 2016-17 AGS action plan.

3.0 REASON FOR RECOMMENDATION

- 3.1 Monitoring progress with identified actions in the AGS is good practice and it helps to demonstrate to the external auditors that the audit committee is properly exercising its role.

4.0 SIGNIFICANT RISKS

- 4.1 There are no significant risks.

5.0 POLICY CONTEXT AND CONSULTATION

- 5.1 There is no impact upon specific policies, although the AGS is an important corporate document demonstrating the Council's commitment to an open and transparent philosophy in all its activities.

6.0 REPORT DETAILS

- 6.1 Good governance is important to all involved in local government; however, it is a key responsibility of the Leadership of the Council and of the Chief Executive.

- 6.2 The preparation and publication of an Annual Governance Statement in accordance with the Cipfa/SOLACE Framework is necessary to meet the statutory requirements set out in Regulation 6 of the Accounts and Audit Regulations 2015.
- 6.3 To meet the requirement to review the AGS an Action Plan has been agreed and is subject to review by the Council's Audit Committee.
- 6.4 This report presents a review of the implementation of actions proposed in the Action Plan associated with the 2016-17 AGS.
- 6.5 The Action Plan detailed in Appendix A, sets out the current position with comments on the actions proposed in the plan.
- 6.6 The AGS Action Plan is a document that should be reviewed periodically during the year. A final review will be completed when the AGS for 2017-18 is being drafted and any current items which remain outstanding will then be brought forward into the new AGS.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
None
 - b) Legal
None
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None

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Background Papers:
None

ANNUAL GOVERNANCE STATEMENT 2016/17

Action Plan for Implementation in 2017/18

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT COMMENTS	POSITION &
Brought Forward	Risk of compromise and weaknesses in operational systems as a consequence of continuing reductions in staffing as Government funding cuts made.	Where changes in staffing occur, that changes in operating arrangements are reviewed prior to reducing the controls. Internal audit will be included in working groups reviewing operating systems and arrangements, including commissioning, partnership arrangements etc.	Resources & Enabling Services Lead Officer (s151).	Ongoing	The T2020 transition process to the new operating model will include ongoing assessments of whether controls within operational systems are working adequately. Internal Audit have been and will continue to be involved in the transition process.	
2015/16 and 2016/17	The audit opinion of the control environment for the management of risk is weak.	That the Corporate approach to risk is applied consistently across the council for management of corporate, service, project and partnership risk.	Deputy Chief Executive	September 2017	Of the 12 actions identified from the last audit of Risk, 7 have been implemented. These include approval of a revised strategy, an update of procedures and delivery of training. It is anticipated that the remaining actions will be addressed before the end of the current financial year.	
2015/16 and 2016/17	The audit opinion of the Internal control environment for the Payroll process remains weak. In the financial years 2015-16 and 2016-17 there has been effort made to improve the control environment and whilst progress has been made it is not enough to improve the overall opinion.	In addition to the agreed audit actions, improved joint working is planned between staff involved in Payroll and Finance to improve a number of procedures for the payroll process. This will include regular meetings of key staff responsible for the implementation of recommendations with the s151 Officer to ensure progress made continues in the new financial year.	Resources & Enabling Services Lead Officer and HR Manager.	September 2017	A number of areas within the council are now using employee self-service, further rollout has been delayed until technical IT issues have been resolved. The Service Level Agreement has now been updated and signed by both parties. Payroll and Finance functions have been integrated into one section under the new operating model from April 2017.	

Brought Forward	On-going and future changes to the Council's financial framework including several changes to national and local funding regimes will increase the financial pressure on the Council and risk profile. These changes arise from continued downward pressure on government funding of Councils as confirmed in the indicative long term financial settlement	<p>The agreed Medium Term Financial Strategy of the Council reflects the expected need to make future savings over the medium term taking into account anticipated changes in financing. This informs the budget process for future years.</p> <p>The s151 Officer considers the risk as part of the closure of accounts including the need to make appropriate provisions and reserves at the year-end.</p>	Resources and Enabling Services Lead Officer	Ongoing	<p>The Medium Term Financial Strategy approved by Members in February 2017 has been revised to reflect anticipated changes to the retained business rates scheme, the financial consequences of the location of the Waste Transfer Station and a forecast reduction in recycling credit income for green waste. A revised MTFS will be presented to P&R in February 2018 with the Financial Strategy</p> <p>The 2016/17 Statement of Accounts, including a statement on the adequacy of reserves made by the s151 officer, were approved by the P&R Committee in September 2017.</p>
2016/17	The Corporate Peer Challenge findings recommended a review of Governance arrangements	<p>The areas highlighted were:</p> <ul style="list-style-type: none"> -Political Leadership succession planning -Member development -Involvement of Members in priority setting 	Members	Ongoing	A Member working group has been established to address the findings. The working group has requested an update to the action plan. The group is due to meet again on 18/1/18
2016/17	The results of the recent Staff Survey indicated the bullying of employees within Ryedale District Council.	Overview & Scrutiny Committee will conduct a full investigation into the indication of bullying of employees. Officers will comply with all requests for information that the Committee makes in relation to the investigation. A budget of £10,000 will be provided - if required - to the Committee in order to conduct the investigation and procure expert assistance, which will be funded using general reserves.	Members	Ongoing	The Chair of Overview and Scrutiny is leading a task group who will report their findings to full council. Work is ongoing and is scheduled to be discussed at the Overview and Scrutiny meeting on 25/1/18.