

Kirklees Council

Annual Governance Statement 2016/17

Scope of responsibility

Kirklees Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Kirklees Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk. Kirklees Council has a Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE framework *Delivering Good Governance in Local Government*. A copy of the Code is available from the Monitoring Officer.

This Statement explains how the Council has complied with the Code and also meets the requirements of Accounts and Audit Regulations 2015, Regulation 6, which requires all relevant bodies to publish an annual governance statement to accompany their Statement of Accounts.

This Statement aims to provide assurance about the Council's governance framework to enable users of the Accounts to be satisfied that proper arrangements are in place to govern spending and safeguard assets. Where improvements are needed, brief information is provided about the key issues and the main areas of work that have been progressed during 2016/17 and are being developed going forward in 2017/18, together with an Action Plan to assign responsibility and a timescale for implementation.

The purpose of the governance framework

Corporate governance is a phrase used to describe how organisations direct and control what they do. For local authorities this also includes how a Council relates to the communities that it serves. The governance framework comprises the systems and

processes, culture and values by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the Council to monitor the achievement of its strategic objectives as set out in the Corporate Plan and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Kirklees Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

Kirklees Council has been working to its Code of Corporate Governance for the year ended 31 March 2017 and up to the date of approval of the Statement of Accounts.

The governance framework

Key elements of the systems and processes that comprise Kirklees Council's governance include arrangements for:

- a local Code of Corporate Governance that assigns overall responsibility for corporate governance to the Service Directors of Legal, Governance & Commissioning and Finance, IT & Transactional Services, this was formerly the Director of Resources, working with the Corporate Governance and Audit Committee, to assess operational practice and behaviour, and prepare this Statement. The key policies and procedures that comprise the core of this process are described within the Code, together with the standards and cultural expectations of the organisation
- a Leader and Cabinet model of governance. During the summer of 2016, Council was unable to elect a Leader and consequently the former Chief Executive assumed this role for a number of weeks as prescribed in the Constitution. In February 2017 the former Deputy Chief Executive assumed the role of Chief Executive on an acting basis which was approved as substantive in Summer 2017
- a Corporate Plan that outlines how officers will seek to run the Council to meet our community commitments at the same time as achieving our objectives within the continuing and significant financial constraints on the Council over the medium term.
- Improved governance arrangements for oversight and delivery of the New Council Transformation Programme were introduced in May 2016, in particular:
 - a New Council Board consisting of the Chief Executive and Directors to provide clear strategic direction, a shared vision and accountability for savings being achieved.
 - a Redesign Board consisting of Service Directors and Corporate Heads of Service to provide a link between the New Council Board and changes being delivered across all directorates. The Board has oversight of all corporate and service level change projects, with particular focus on projects that are complex and high risk.
 - a Management Planning Forum consists of the Chief Executive, Strategic Directors and Service Directors to facilitate collaboration on work undertaken collectively with other Senior Officers.

Agendas for these meetings are set by the respective Chairs and based on an agreed forward programme of business. The forward programme of business also combines work generated by Cabinet Members and their portfolio briefings with strategic work associated with the management of the Council's budget and workforce.

Decisions concerning design and implementation are made in accordance with agreed terms of reference for each group in the governance structure, which are consistent with the Council's Scheme of Delegation. The items and recommendations for action that require consideration or formal decisions are also shared with the Leader and Cabinet, Overview and Scrutiny and Council, as appropriate.

Each project within the New Council work programme has a Strategic Director or a Service Director lead to oversee its development and implementation. Managers and staff at other levels are also engaged via task and finish groups and other forums to encourage buy-in at all levels.

- a Monitoring Officer with responsibility for defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions in the Constitution, with clear delegation arrangements and protocols for effective communication, and ensuring the legality of the Authority's actions. During the year there has been a considerable turnover of senior management, necessitating various alterations to the Delegation Scheme to reflect new and changed responsibilities, including re-designation of the Council's S151 Officer (Service Director Finance, IT & Transactional Services) & Senior Information Risk Officer (SIRO) (Service Director Legal, Governance & Commissioning).
- the S151 Officer is a professionally qualified accountant and reports directly to the Chief Executive as a member of the Executive Team (ET), as part of ensuring that the financial management arrangements conform with all of the governance requirements of the five principles that define the core activities and behaviours that belong to the role in the CIPFA Statement on The Role of the Chief Financial Officer in Local Government (2010)
- developing, communicating and embedding codes of conduct defining the standards of behaviour for members and staff;
- a mechanism to enable both employees and the public to anonymously share concerns through the whistle blowing arrangements
- a system for receiving, investigating and reporting the outcome of complaints from residents and service users as well as requesting information about the Council's activities and about themselves under the Freedom of Information and Data Protection legislation
- a nominated senior manager to act as the Caldicott Guardian responsible for protecting the confidentiality of patient and service-user information and enabling appropriate information-sharing in conjunction with the Council's information governance and security policies and arrangements
- incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the Council's overall governance arrangements. The Service Director Finance, IT & Transactional Services monitors and reports on the financial effectiveness of the subsidiary and joint venture companies, whose accounts are subject to external audit, albeit that the joint venture companies have a different financial year. In addition, the Council provides an internal audit service to Kirklees Neighbourhood Housing (KNH) Limited and the Company's governance arrangements include an Audit Committee. Kirklees Safeguarding Children's Board (KSCB) is led by an Independent Chair, who is directly accountable to the Chief Executive, and works

closely with the Director for Children's Services and key statutory partners to discuss safeguarding issues. Arrangements are underpinned by a protocol agreed by the KSCB to provide a framework for ensuring safeguarding issues and challenges are communicated to those at the most senior level. The protocol outlines the role of the independent chair and the accountability arrangements. This includes the examination of the annual report and an annual appraisal of the Chair's effectiveness by the Chief Executive. The protocol also sets out the relationship between the Independent Chair of KSCB and the Health and Wellbeing Partnership, the Children's Trust and KSCB in accordance with Working Together to Safeguarding Children guidance, 2013.

- a Child Sexual Exploitation (CSE) and Safeguarding Member Panel to:
 - oversee local developments in the monitoring of, and response to, the risks associated with CSE.
 - satisfy themselves, as corporate parents that the arrangements for safeguarding looked after children in Kirklees are sufficiently robust.
 - ensure that, where appropriate and having regard to confidentiality requirements, individual members of the Panel ensure that feedback is provided to members of their wider political groups.

The Panel comprises one member from each of the political groups on the Council plus the Cabinet Member with statutory responsibility. It meets four weekly in private and all members are bound by the confidentiality requirements which apply to the Safeguarding Boards and sign an undertaking as such. The Health and Well Being Board is the parent committee for the Panel. The Panel will, as appropriate, report on progress and emerging issues to the Board in the first instance. Given the cross cutting nature of CSE and Safeguarding the Overview and Scrutiny Management Committee is responsible for putting in place appropriate overview and scrutiny arrangements.

Annual Review of effectiveness

Kirklees Council has a legal responsibility for conducting, at least annually, a review of the effectiveness of its governance framework and that of the other parts of its Group activities such as KNH, including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Audit & Risk's annual report, and also by comments made by the external auditors and other review agencies and inspectorates. The Council has four bodies / committees jointly responsible for monitoring and reviewing governance. These are:

- the Executive (Cabinet);
- the Corporate Governance & Audit Committee;
- the Overview & Scrutiny Committee; and
- the Standards Committee.

The main parts of the review process are as follows:

1. Review of effectiveness of the system of internal control

In accordance with the requirements of the Accounts and Audit Regulations 2015 and Public Sector Internal Audit Standards (PSIAS) the Council conducts an annual review of the

effectiveness of its system of internal control to be considered as part of its governance assurance processes, including the production of the AGS.

Responsibility for the review rests with the Corporate Governance & Audit Committee. The 2016/17 review approved by the Corporate Governance & Audit Committee 21 April 2017 demonstrated that we have an effective system of internal control including a policy framework, internal audit function, Audit Committee and effective management engagement, although there is scope for improvements in a number of areas as outlined later in this report. The Head of Audit & Risk has reported on the current degree of compliance with the Public Sector Internal Audit Standards and this will be monitored by the Corporate Governance & Audit Committee. KPMG, our external auditors, confirmed that, where required, they take assurance from the quality and extent of internal audit work done in 2016/17, including assurance over the core financial systems activity.

2. Head of Audit and Risk Annual Assurance Opinion 2016/17

The Head of Audit and Risk is responsible for providing an independent opinion on the adequacy and effectiveness of the Council's systems of internal control, risk management and governance arrangements. This is delivered through an annual risk based programme of audit work designed to raise standards across the Council. Internal Audit Quarterly Summary Reports are presented to the Corporate Governance & Audit Committee to provide assurance that the annual programme is being delivered as planned. This culminates in the Annual Opinion Report.

Based on the programme of planned Internal Audit work and other than in respect of a small number of significant control issues that have arisen during the year, the Head of Audit and Risk has provided assurance that overall the Council's systems of governance, risk management and internal control are generally sound and operate reasonably consistently across Services. However, the Annual Report of Internal Audit comments upon the need for improvement in both compliance with procurement rules and processes and applying more cost effective income recovery methods to strengthen the overall control environment and performance. The governance of associated parties was also found to be in need of greater clarity around the roles and responsibilities of those representing the Council.

The main issue and priority, as recognised by management, continues to be that the Council sustains and completes the programme of transformational change and embeds improvement across the Council whilst maintaining service delivery and the effective operation of key controls. In a Council of Kirklees' size and complexity, with its significant change agenda and the impact of the Comprehensive Spending Review settlement, there is a heightened risk of reduced compliance with control mechanisms, particularly where roles and systems are changing.

Individual areas of potential risk and areas for improvement have been identified, recommendations have been made to address the risk, and management action plans have been agreed. The Council continues to conform to the CIPFA Code of Practice on Managing the Risk of Fraud & Corruption and its response is appropriate for its fraud and corruption risks and commits to maintain its vigilance to tackle fraud.

The Corporate Governance & Audit Committee has recently considered the future shape and size of the internal audit function. It approved a realignment of approach to audit planning and providing assurance to reflect key risks within available resources.

3. External Auditor's Review of the Effectiveness of our Governance Arrangements

During the year the External Auditor's Annual Report to those charged with Governance confirmed

- an unqualified opinion on the Council's 2015/16 financial statements; and
- an unqualified value for money conclusion, stating that we have made proper arrangements to secure economy, efficiency and effectiveness in our use of resources.

4. Corporate Governance & Audit Committee

The Committee's terms of reference include agreeing and updating regularly the Council's Code of Corporate Governance, monitoring its operation and compliance with it.

During 2016/17 the Corporate Governance & Audit Committee reviewed a number of aspects of the Council's governance arrangements and noted or approved revisions or made recommendations to Council as appropriate, including:

- Revision to parts of the Constitution which were approved and subsequently passed at Annual Council. Council, Contract and Financial Procedure Rules for 2016/17
- External Audit reports
- Corporate Customer Standards Annual Report 2015/16
- Information Governance Annual Report 2015/16
- Emergency Planning & Continuity Annual Report 2015/16
- Standards Regime & Members' Code of Conduct Review
- the Head of Audit & Risk's Quarterly and Annual Reports
- the Treasury Management Strategy – confirmed ongoing compliance with the CIPFA Code of Practice and various statutory requirements.

5. Overview & Scrutiny Committee

During 2016/17 the Committee reviewed a number of aspects of the Council's governance arrangements including:

- Overviews of Early Intervention & Prevention and Economic Resilience
- Call-ins of Parks & Open Spaces Maintenance Standards, Libraries and Mirfield Community Centre Asset Transfer
- Joint Health & Wellbeing Strategy
- Community Safety Partnership Plan
- Children's Safeguarding Board Annual update
- A protocol of effective working with Health Scrutiny, Health & Wellbeing Board and Healthwatch in the Kirklees District
- Performance Management Reporting

6. Standards Committee

The Committee reviewed the Standards Regime and Member Code of Conduct and a number of recommendations have been approved for incorporation into amendments to the Constitution at the meeting of Annual Council, principally about providing greater clarity about what would represent poor behaviour, speeding up the complaint review process partly by revising the role of the Monitoring Officer and adopting clearer sanctions for non-compliance.

7. Role of the Chief Financial Officer

The role of the Chief Financial Officer (CFO) continues to reflect the governance arrangements set out in the CIPFA Statement, which are required to ensure the CFO is able to operate effectively and perform their core duties as part of the review of the Constitution. During 2016/17 the previous incumbent, the Director of Resources, left the Council and the role was assumed by the Service Director of Finance, IT & Transactional Services, as ratified by the Corporate Governance & Audit Committee meeting of 23 September 2016. The Council's financial management arrangements fully conform to those set out in the Statement.

8. External Agencies' Reviews

Ofsted

At the end of 2016 the Council received a report from Ofsted about the performance of its Children's Social Services activity. An Inadequate opinion was allocated, representing the lowest opinion, although not an uncommon one across the country. As reported in last year's Statement, the Council had already identified a number of areas requiring improvement and these were being progressed through a Children's Services Development Board, chaired by the then Chief Executive, set up to drive implementation of a development plan to address issues of inconsistent social work practice identified by quality oversight. Nevertheless this was a matter of serious concern.

Following the Ofsted report the Government appointed a Commissioner to advise the Secretary of State for Education about the prospects for delivery of the required improvement within the designated timescale. The Secretary of State subsequently determined that Leeds City Council should act as the councils partner in achieving improvement to Children's Services, and the Director of Children's Services at Leeds City Council is now also holds the statutory post of Director for Children's Services at Kirklees, and a number of other Leeds Council managers are also working with the council as part of this partnership.

9. Significant Partnerships

Partnerships range from joint venture partnerships, thematic partnerships and their subsidiaries to key contractual agreements managing substantial amounts of public money. The main contact officer for each Partnership is responsible for assessment of the governance arrangements and providing details of any significant changes to the membership and circumstances of the partnership. This information is used by senior officers of the Council to assess the potential risk that the partnership presents to the reputation or financial standing of the Council. A review by the Head of Audit & Risk has identified a number of areas where arrangements need to be revised to strengthen the governance framework.

10. New Council Officer Governance

The Council's Executive Team has reflected on the arrangements in light of the pace of change now required to deliver New Council Programme within the context of the Medium Term Financial Plan and concluded that structural changes were needed to lead, manage and resource delivery of the Programme with renewed rigour and pace. The changes are described overleaf and ensure the Executive Team is now more strategically placed to oversee the work of these boards & respond to escalated issues. These new officer governance arrangements are subject to both Cabinet and Scrutiny oversight.

Overall Conclusion & Opinion

We have been advised on the implications of the results of the above review of effectiveness of the governance framework by the Corporate Governance and Audit Committee, and are satisfied that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

The areas with ongoing and revised actions planned are outlined below.

Progress with significant governance issues in last year's Statement

1. **Achieving objectives with significantly less resources** in the context of decreasing resources from central government and increasing demand pressures locally continues to be the single biggest challenge facing the Council, even more so, as the pace of change in which the move to New Council is required is accelerating.

Council approved budget plans for 2016-19 had included the planned drawdown of Council general fund reserves to achieve a balanced budget in 2016-17, and planned annual savings proposals increasing to £30m by 2018-19. The Council's Medium Term Financial Plan has since been refreshed with an updated 4 year plan 2017-21 and accompanying Efficiency Statement. The updated plan includes significant additional revenue resources allocated to both Adults and Children's Services activity in light of significant service pressures. Alongside further Government funding cuts, this has now resulted in an approved overall balanced budget which is dependent on the delivery of £54m planned savings in 2017-18 alone, increasing to £104m by 2020-21.

To respond to this challenge and increase the pace of change, the Council approved further changes to officer and governance processes in April 2017. This includes bringing all change and transformation resources together under a single accountable lead, and amending ways of working to streamline governance and ensure that it is efficient and effective.

The Council has also procured support from Deloitte to act as its' Transformation Business Partner, providing the additional capacity and capability that the Council needs to deliver challenging savings targets in the next period.

- 2 **Risk Management arrangements** were slightly simplified during 2015/16, although these simplifications will not necessarily address the continuing doubts that arrangements are embedded fully across the Council at all levels of the organisation, although there is careful consideration of the risk of pursuing different options as a part of officer assessment of potential changes to the organisation.

Work is underway to ensure that a new approach to risk management will balance the identification of strategic, operational and project and event risks. A new formal strategy will be required, although it is likely that some trial activity will be undertaken to ensure that the process designed achieves an appropriate level of openness, is not over complex.

- 3 **Procurement Rule Compliance.**

Changes to EU Regulations and an increasingly litigious commercial culture as awareness of bidders' rights has developed have raised the financial and reputational risks for the Council of failing to comply with due process in its' major procurement, as a result of challenges from unsuccessful bidders.

The Council continues to take steps to improve its control processes to seek to minimise the risk incumbent in such processes and has strengthened the resources within the procurement function, developing forward procurement plans and on-line forms and guidance, and strengthened the emphasis of training related to procurement activity.

Significant governance issues identified in 2016/17

Arising from a fundamental period of change in the history of local government the annual review of governance effectiveness described above has identified the following additional significant governance issues in the current year;

- 1 **Children's Services Performance Standards and Inspection Outcome**

The adverse Ofsted Single Inspection Framework report concerning local services for children in need of help and protection, looked after children and care leavers and the independent Safeguarding Children Board which judged those to be 'inadequate' was a matter of serious concern. In particular standards, operational practice and case assessment were found to be deficient. Ofsted did report that significant changes had been made since the Council acknowledged that there were significant issues earlier in 2016, and they recognised that we have a "clear, long-term vision of services for children and families".

An interim Service Director plus an experienced Improvement Director drove a detailed Improvement Plan and help us to deliver long-term change. An update monitoring visit by Ofsted provided valuable feedback on progress with our improvement work, and also on the areas which could be developed further. Ofsted recognised that we had made some positive changes, whilst acknowledging that we still have a long way to go. Progress is

now being supported by way of a partnership with Leeds City Council as recommended by the Children's Commissioner and sanctioned by the Secretary of State, and colleagues from Leeds are currently working alongside the Council's own staff helping to deliver change in this vital service. It is important not to downplay the scale of change that is required nor the pace at which it needs to happen, however we are now confident that we have the right expertise in place to achieve the outcomes that are needed.

The Improvement Plan will be monitored closely by Executive Team.

2 Safeguarding Children's Board

An associated concern was identified as regards the effectiveness and clarity of the accountability and governance relationship with and the operation of the Board. A concern related to communication of the level of assurance provided by the Kirklees Safeguarding of Children Board audit process as regarding compliance with the care practice framework and how issues were being monitored and challenged. A new Chair of the Children's Safeguarding Board has been appointed, with an agreed Action Plan meant to drive the improvements required.

3 Business Continuity following Information Technology Failure

On Boxing Day an electrical supply problem occurred around the area of the Data Centre in Huddersfield, the resilient electrical systems failed to operate and consequently caused a series of chain reaction events which led to the loss of Council IT systems and communications systems across the Council and to external agencies using the Council's network. Continuity Plans were put into effect to manage the situation and ensure essential services continued to be provided. From this, a number of learning points were derived. These were drawn out from those involved in the response from across the Council and the main affected partners.

Results of these debriefs have been analysed and an Action Plan to ensure lessons from them are implemented and learned into the organisation's culture has been identified and agreed by the Executive Team. A lead officer in IT will co-ordinate implementation of a number of cross cutting recommendations in the Action Plan.

4 Information Governance Issues

Information governance is an area we are aware raises particular challenges for the Council, most recently in two areas:

- preparing to comply with revised data protection requirements in 2018, as whilst many of the concepts and principles remain the same, there are some new elements and some significant enhancements, so we will need to approach data protection differently as an organisation. The changes place greater emphasis on the documentation that data controllers must keep to demonstrate their accountability. Compliance will require the Council to review our approach to information governance and how we must manage data protection as a corporate issue. One aspect of this is to review the contracts and other arrangements we have in place for sharing data with other organisations. A recent survey of local authorities by the Information Commissioner has concluded this is a common picture; and

- managing the risk of a cyber-crime incident, for example the use of ransomware leading to a significant downtime in ability to operate following a network attack by a malicious third party, or malware deployed by staff opening an external email injudiciously.

The Acting Senior Information and Risk Owner and Information Governance Board have oversight and responsibility for managing compliance across the Council. Additional resources have been deployed in response and an external review of the position is being undertaken. Staff training and awareness raising is a key pre-requisite of managing these risks and the Council has recently obtained a software product to help raise key messages to all staff with IT access.

5 **Corporate Plan / Performance Process**

The Corporate Plan is not sufficiently linked to management arrangements and the budget process to drive the changes and downsizing required for the Council to reach its objective of assuming primarily an enabling role. Overall performance management processes lack robustness and discipline to be sure that sub-standard performance is identified and addressed satisfactorily, both corporately and at individual employee level. An under-developed reporting of risk management issues has also been identified.

The intention is to establish shared outcomes and reinvigorate the Strategic Partnership with other agencies as a key driver to delivery. Clearer targets around agreed commission outcomes, accompanied by a robust performance management arrangement, and a new approach to escalating emerging risks are intended to strengthen corporate management arrangements and achieve more successful outcomes with limited resources. Behaviours and expectations for all staff and managers have been reviewed and refreshed with a clear emphasis on driving improved performance.

6 **Human Resources & Organisational Development Capacity / Skill**

At a time of such fundamental change within the Council, the capacity and appropriate range of skills to deal with workforce management has emerged as an issue corporately and a one size fits all approach has not been conducive to resolving the range of challenges faced by managers across the organisation. There is a need for development of more effective workforce and succession planning, linked to ensuring employees have the right skills, behaviours and values for working effectively in New Council by means of a revised corporate training plan with the appropriate focus.

7 **More Cost Effective Income Collection**

Parts of the Council need to become more attuned to the cost effectiveness of recovering income due and not simply place reliance on retrospective invoicing which is managed by HD One but about which problems have been identified in terms of clarity over responsibilities for undertaking various tasks with service and finance staff, which has meant sub-optimal performance and management information.

Payment by direct debit is the method of choice for ongoing debt. Payment for one-off purchases should be obtained at the point of delivery. A new software application and roll out of device technology will enable payment by card to become the norm in a wider range of activities, whilst offering alternatives with contractors for those residents unable to do so.

8 Local Code of Corporate Governance

The Council reviewed its Code of Corporate Governance in November 2015 and adopted a new and more updated local code then based on the CIPFA /SOLACE guidance. CIPFA / SOLACE issued a revised framework for Delivering Good Corporate Governance in Local Government in 2016. The Council will review its own Code of Corporate Governance again to ensure it reflects the changes made in the new guidance 2016. Corporate Governance & Audit Committee will review the local Code in the new municipal year.

9 Working relationships with some key Partners

The governance framework within which the Council operates with many of its key partners is not sufficiently formalised, structured and reviewed to ensure that there is clarity and certainty corporately about its robustness and effectiveness at a time when the direction of travel is moving toward the Council adopting more of an enabling role in many aspects of service delivery. The roles and the skills needed to perform these, and the responsibility and accountability of officers and Members involved needs to be reviewed.

Executive Team are taking forward recommendations for consideration by appropriate parts of the organisation.

An Action Plan has been formulated and will be subject to regular review by Internal Audit, with initial reporting to the Executive Team and Corporate Governance & Audit Committee.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed:

David Sheard
Leader of the Council

Jacqui Gedman
Chief Executive

ANNUAL GOVERNANCE STATEMENT 2016/17

ACTION PLAN FOR 2017/18

	<u>Significant Governance Issue</u>	<u>Managed Action</u>	<u>Director Lead</u>
1	The Council's Code of Corporate Governance has not been reviewed to ensure it reflects the current CIPFA / SOLACE Corporate Governance Framework	Review and revise the Local Code where necessary and report to Corporate Governance & Audit Committee	SD Governance & Commissioning
2	Corporate management arrangements and the Corporate Plan need strengthening to achieve more successful outcomes of key Council objectives with limited resources	To establish shared outcomes and reinvigorate the Strategic Partnership with other agencies Clearer targets around agreed commission outcomes More robust performance management arrangements A new approach to escalating emerging risks	SD Policy, Intelligence & Public Health and Executive Team
3	The governance framework with key Partners needs to be strengthened	Review and implement audit recommendations	SD Policy, Intelligence & Public Health and Executive Team
4	Overall risk management arrangements do not reflect the current financial position	Develop a revised Strategy and approach Undertake some trial activity to ensure that the process designed achieves an appropriate level of openness but is not over complex	SD Finance, IT & Transactional Services Head of Risk
5	Procurement Rule compliance needs strengthening to protect the Council from legal challenge and ensure value for money	More proactive role for Corporate Procurement Forward procurement plans Training & guidance for relevant staff Sanctions for any non-compliance	SD Governance & Commissioning

	<u>Significant Governance Issue</u>	<u>Managed Action</u>	<u>Director Lead</u>
6	There is a lack of sufficient capacity and skills to deal with workforce management	To use additional resources to improve workforce and succession planning To revise the corporate training plan with the appropriate focus	SD Policy, Intelligence & Public Health Head of HR / OD
7	Business Continuity arrangements need strengthening following a critical IT failure	Implement the Action Plan agreed by ET re buildings, IT & operational remedial issues	SD Finance, IT & Transactional Services
8	Current Information Governance arrangements require development in preparedness to be compliant with revised Data Protection regulation in 2018 and the risk of a cyber security incident	SIRO & IG Board to monitor and report to ET Respond to external review of required actions Further corporate training & awareness raising for staff IT technical response	SD Governance & Commissioning Head of IT
9	The Council needs to ensure it meets the challenging savings targets required in the Medium Term Financial Plan	Implement the Transformation Programme and achieve £54m planned savings in 2017/18 in conjunction with our chosen business partner Planned monitoring and reporting to ET, Cabinet & Council	Chief Executive SD Finance, IT & Transactional Services Head of Transformation
10	Serious weaknesses were identified in the Ofsted inspection report of Children's Services	Implement and embed the Ofsted Improvement Plan in conjunction with Leeds City Council colleagues to improve the provision of Children's Services	Director for Children's Services

	<u>Significant Governance Issue</u>	<u>Managed Action</u>	<u>Director Lead</u>
11	A lack of accountability and clarity over the governance relationship with and working of the Safeguarding Children's Board	Implement and embed the Action Plan agreed with the new Chair	Director for Children's Services
12	Income recovery and system control needs strengthening to ensure cost effectiveness	Complete the corporate Payments Project and monitor implementation Implement agreed audit recommendations to strengthen controls in the accounts receivable system	SD Finance, IT & Transactional Services

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