

Progress on 2015/16 Stroud District Council's Governance Improvement Actions

AGS 2015/16 review reference	Action	Position as at December 2016
Local Code of Corporate Governance Core Principle 1	<p>Governance in working with others: The Council is required to focus on the purpose of the authority and on outcomes for our customers and stakeholders and creating and implementing a vision for the local area.</p> <p>The Council has joined with ten of our public sector partners to have one conversation with government about how through devolution we can achieve better outcomes and reduced costs.</p> <p>Action: The devolution bid, if successful, includes a commitment to a new governance arrangement. This is a statutory process and will be led by the Chief Executive. The process will include consultation and engagement with the organisations involved and other stakeholders.</p> <p>Target date: To be determined - depending upon outcome of bid</p>	<p>Devolution bid outcome still to be determined.</p> <p>Action to remain within the Annual Governance Statement Improvement Plan.</p>
Revised CIPFA Guidance on Delivering Good Governance 2016	<p>CIPFA - Delivering Good Governance in Local Government : Framework (2016 Edition): The Council currently prepares and publishes an Annual Governance Statement in accordance with the CIPFA Delivering Good Governance in Local Government 2007 (Addendum 2012).</p> <p>This guidance/framework has been refreshed and defines the principles that should underpin the governance arrangements of the Council and applies</p>	<p>The Council's revised Local Code of Corporate Governance, Annual Governance Statement and the associated assurance framework is currently being developed by the Chief Internal Auditor, which is in accordance with the principles contained within the CIPFA guidance i.e. Delivering Good Governance in Local Government 2016 Edition.</p> <p>The revised governance assurance framework will apply to the Annual Governance Statement</p>

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	<p>to the annual governance statements prepared for the financial year 2016/17 onwards.</p> <p>Action: The Chief Internal Auditor to test the Council's governance arrangements and be able to demonstrate that its governance structures comply with the core and sub principles contained within the revised framework. To then develop and maintain, on behalf of the Council, a local code of governance / governance arrangements reflecting the principles set out.</p> <p>Target date: 31st March 2017</p>	2016/2017.
Local Code of Corporate Governance Core Principle 3 (and Annual Governance Statement paragraph 7.10)	<p>Anti-Fraud and Corruption Strategy: The Council is required to promote values for the authority and demonstrate the values of good governance through upholding high standards of conduct and behaviour.</p> <p>The Fighting Fraud and Corruption Locally 2016–2019 Strategy has been developed by local authorities and counter fraud experts and supported by the CIPFA Counter Fraud Centre. It is the definitive guide for council leaders, chief executives, finance directors and all those with governance responsibilities. The strategy includes practical steps for fighting fraud, shares best practice and brings clarity to the changing anti-fraud and corruption landscape.</p> <p>Action: During 2016/17 the Chief Internal Auditor will</p>	<p>A self assessment against the new counter fraud guidance has been undertaken by the Chief Internal Auditor, which has resulted in a refreshed Anti Fraud and Corruption Policy Statement and Strategy, Anti Bribery Policy and Anti Money Laundering Policy 2017 – 2019.</p> <p>Following Corporate Team approval, the revised policies will be presented to the Audit and Standards Committee on the 11th April 2017 for sign off.</p>

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	<p>undertake a self-assessment against the new guidance to measure the Council's counter fraud and corruption culture and response and propose enhancements as required.</p> <p>Target date: 31st March 2017</p>	
<p>Annual Governance Statement paragraphs 7.4 & 7.5</p>	<p>Risk Management Policy and approach: Risk management is a core part of the Council's corporate governance framework and internal control environment. It is one of the six core principles within the Council's Code of Governance – 'taking informed and transparent decisions which are subject to effective scrutiny and managing risk'.</p> <p>The Council's Risk Management Policy should reaffirm and improve effective risk management in the Council, comply with good practice and in doing so, effectively manage potential opportunities and threats to the organisation achieving its objectives. The Policy should also support the consideration and auctioning of risk management within Council partnerships and contracts.</p> <p>Action: The Chief Internal Auditor will review the Council's risk management arrangements (including the Risk Management Policy) against the latest ISO 31000 risk management standard. The review findings will be reported to Audit and Standards Committee and will inform future risk management development at the Council.</p>	<p><u>Risk management arrangements:</u></p> <p>Self assessment of the Council's risk management arrangements has been completed against the latest ISO 31000 risk management standard and the results reported to Audit and Standards Committee on 22nd September 2016. The relevant action plan, following finalisation and approval by Corporate Team, was then presented to and approved by Audit and Standards Committee on 22nd November 2016.</p> <p><u>Risk Management Strategy:</u></p> <p>The update of the Council's Risk Management Policy Statement and Strategy has been led by the Chief Internal Auditor, in consultation with Corporate Team. The updated Risk Management Policy Statement and Strategy will be presented to the Audit and Standards Committee on the 11th April 2017 for sign off.</p>

AGS 2015/16 review reference	Action	Position as at December 2016
	Target date: 31 st March 2017	
Annual Governance Statement paragraph 14.7	<p>HRA balances investigation: The investigation of HRA balances reported to Members between 2014/15 and 2015/16 (requested by the Chief Executive and reported to Strategy and Resources Committee on 15th June 2016) confirmed that reported HRA balances had been overstated by £909,000. The overstatement has impacted on the HRA budget and business plan for 2016/17 (and subsequent years).</p> <p>The investigation report raised 8 recommendations to improve controls surrounding budget and outturn reporting to Members. Responsibility for control implementation and governance improvement has been allocated to the S151 Officer and the Accountancy Manager.</p> <p>Action(s): Internal Audit to complete follow up reviews on the implementation of the HRA balances investigation recommended controls. Review to be completed in two stages within quarters 2 and 3 2016/17. The follow up review findings will be reported to Audit and Standards Committee.</p> <p>Revision and update of the HRA business plan (including options available to the Council) to be presented to Housing Committee and Strategy and Resources Committee by the S151 Officer and</p>	<p>Two HRA balances investigation follow up internal audit reports have been presented to Audit and Standards Committee to date:</p> <ul style="list-style-type: none"> • First follow up: 22nd September 2016 • Second follow up: 22nd November 2016 <p>Further follow up review results are to be presented to the 11th April 2017 Audit and Standards Committee meeting. The third follow up internal audit will review all financial reports submitted to Stroud Committees between November 2016 and March 2017, to provide assurance over the completeness and accuracy of the reports.</p> <p>The proposed 2017/18 Risk Based Internal Audit Plan will include full follow up of all recommendations raised within the original HRA balances investigation report. The Audit Plan will be presented to the Audit and Standards Committee on 11th April 2017 for approval.</p>

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	<p>Accountancy Manager.</p> <p>Target date: Regular updates to be provided to Audit and Standards Committee within 2016/17 Civic year.</p>	
<p>Annual Governance Statement paragraphs 15.0 to 15.3</p>	<p>Procurement Action Plan: Weakness in the use and management of procurement and contract management increases the risk of legal challenge from suppliers and contractors of not complying with relevant regulations and internal Council Contract and Procurement Rules. It also increases the risk that the Council cannot demonstrate that it is securing value for money when procuring.</p> <p>The Council drafted the Procurement Action Plan 2015/16 to mitigate against the above risks. Implementation in 2015/16 was delivered through the Procurement Board and progress reported to the Audit and Standards Committee. At 2015/16 year end, governance of procurement and contract management was transferred from the Procurement Board to the Corporate Team. To continue development of the area, Audit and Standards Committee approved the proposed 2016/17 Action Plan on 5th April 2016.</p> <p>Action: Corporate Team to lead on delivery and implementation of the approved Procurement Action Plan 2016/17 (first review planned for 12th July 2016). Progress against the 2016/17 Plan will be reported to Audit and Standards Committee.</p>	<p>Progress on the 2016/17 Procurement Action Plan has been reported to Corporate Team on a quarterly basis to date within 2016/17. Briefing notes and reports have also been presented to Audit and Standards Committee.</p> <p>The next Procurement Action Plan progress report is due for presentation to Audit and Standards Committee on 11th April 2017.</p> <p>Actions within the year to date have included (but are not exclusive to) Corporate Team approval of the corporate procurement training programme which is now underway, and progress of the spend consolidation projects.</p>

AGS 2015/16 review reference	Action	Position as at December 2016
	<p>Target date: Latest Plan implementation date – 31st March 2017</p>	
<p>Annual Governance Statement paragraph 16.9</p>	<p>Business Continuity and Disaster Recovery: The Council's Excelsis risk register includes the risk 'COMS10: If the Council does not regularly review its business continuity/disaster recovery plans to ensure they are fit for purpose, the delivery of frontline and back office services will be disrupted in the event of an incident' which has a current risk score of 8 (allocated in line with the Council Risk Management Policy) and a target risk score of 4. The COMS10 lead officer is the s151 Officer.</p> <p>To support mitigation of the COMS10 risk, the s151 Officer and ICT Delivery Manager have raised the area for inclusion within the Risk Based Internal Audit Plan 2016/17.</p> <p>Action: Business Continuity and Disaster Recovery consultancy review to be completed by Internal Audit in liaison with the ICT Delivery Manager, to support control improvement. Review action plan to be reported to Audit and Standards Committee.</p> <p>Target date: 31st March 2017.</p>	<p>The IT Disaster Recovery and Business Continuity internal audit consultancy review fieldwork has been completed as at December 2016. Once finalised, the consultancy review outcomes will be presented to Audit and Standards Committee.</p>