



ANNUAL GOVERNANCE STATEMENT 2021-22 PROGRESS REPORT – FEBRUARY 2023

1. Background

- 1.1 The Council is required by the Accounts and Audit Regulations 2015 to publish an Annual Governance Statement (AGS). This is to demonstrate the extent to which it complies with its Local Code of Corporate Governance. The AGS also demonstrates how the Council has monitored the effectiveness of its arrangements in year and on any planned changes to governance arrangements in the coming year.
- 1.2 The AGS is signed by the Leader and the Chief Executive (Head of Paid Service) and must accompany the Council's Annual Statement of Accounts.
- 1.3 The AGS for 2021-22 was presented to, and approved by, the Audit and Standards Committee (the Committee) at its meeting on the 19th of July 2022.
- 1.4 This progress report highlights to the Committee the actions that have been undertaken by management to address the issues identified in the AGS for 2021-22 as requiring attention.

Governance matter identified	Position as at February 2023	Lead Officer and Target Date
LGA Peer Review March 2022 The report from the Peer Review team was positive regarding the Council's progress since 2019, and made recommendations for further improvements. ARA can assist to implement the recommendations as required.	The LGA carried out a follow up visit in 2022 and a final visit in January 2023.	Strategic Director of Resources – ongoing.
Procurement – Non-compliance with Internal Regulations Management implemented the actions during 2022.	The 2022-23 Internal Audit Plan includes a follow up audit which will be reported to the Committee in due course.	Strategic Director of Resources – April 2023.
Financial Resilience Financial resilience will need to be monitored closely, given the challenges posed by inflation and utility price volatility.	The Council continues to effectively manage its finances in spite of significant inflationary pressures and a balanced budget is anticipated for 2023-24. The risk of the Council issuing a Section 114 notice is low.	Strategic Director of Resources – ongoing.

Governance matter identified	Position as at February 2023	Lead Officer and Target Date
<p>Risk Management</p> <p>A review of risk management was undertaken during 2021-22 by TIAA.</p> <p>This found that there were opportunities for the Council improve its management of risk.</p> <p>Audit Risk Assurance (ARA) will look to collaborate with the Council to improve risk management.</p>	<p>A follow up of the Risk Management audit will be undertaken in 2023-24 and reported to the Committee.</p>	<p>Strategic Director of Resources – July 2023.</p>
<p>Hybrid working</p> <p>The Council has implemented hybrid working in 2022-23.</p> <p>The Council will monitor the performance of staff working remotely.</p>	<p>The Council continues to deliver services with staff working in a hybrid manner.</p> <p>Management monitor staff performance and service delivery on a continuous basis. In 2023 there will be the launch of a new performance management process for staff. There will also be a new performance management software system for the reporting of service performance.</p>	<p>Strategic Director of Resources</p>
<p>Planning Enforcement</p> <p>At the request of Members, ARA undertook an audit of Planning Enforcement, which highlighted a number of areas for improvement.</p>	<p>ARA will undertake follow up work and report progress on implementation to the ASC in 2023-24.</p>	<p>Strategic Director of Resources – 2023-24.</p>
<p>Cyber Security and Business Continuity</p> <p>The threat of a cyber-attack on the Council is deemed an area of significant risk. Focus should continue to be placed on ensuring that the Council remains vigilant to these types of attack, and has effective defence and recovery arrangements in place.</p> <p>Planned in-year Internal Audit activities should assist management to verify the adequacy and operating effectiveness of the current arrangements.</p>	<p>The Council continues to effectively manage its cyber estate.</p> <p>ARA have appointed a Principal Auditor ICT and Data Analytics who will continue to undertake appropriate audit work in this area.</p>	<p>Strategic Director of Resources – ongoing.</p>

Governance matter identified	Position as at February 2023	Lead Officer and Target Date
<p>Housing Voids</p> <p>A review of Voids was undertaken during 2021-22. This found that there were opportunities for the Council to improve its performance concerning the management of void properties.</p>	<p>ARA will undertake follow up work and report progress on implementation of the recommendations to the Committee in due course.</p>	<p>Strategic Director of Resources – April 2023.</p>
<p>“Fit for the Future” Modernisation Programme</p> <p>The Council is driving forward with its modernisation programme “Fit for the Future.” Planned in-year ARA work will assist management in ensuring that there is an adequate governance framework for the delivery of the programme, and that this is operating as intended.</p>	<p>The 2022-23 Internal Audit Plan includes work on this which will be reported to the Committee in due course.</p>	<p>Strategic Director of Resources</p>
<p>Leisure Facilities-Local Authority Trading Company</p> <p>The Council is working towards setting up a Local Authority Trading Company for the provision of Leisure Services. ARA will assist management through the provision of risk and control advice, as part of the program for introducing the Local Authority Trading Company.</p>	<p>ARA will submit a bid to become the Internal Auditors for the traded company.</p>	<p>Strategic Director of Resources – April 2023.</p>
<p>Contract Management Framework</p> <p>The Council has recently adopted a new Contract Management Framework. Planned in-year ARA work will assist management in determining the effectiveness of the roll out of the new arrangements.</p>	<p>Work on this audit is planned to commence in January 2023</p>	<p>Strategic Director of Resources</p>