

## **AUDIT AND GOVERNANCE COMMITTEE**

### **23 SEPTEMBER 2022**

## **ANNUAL GOVERNANCE UPDATE**

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### **Recommendations**

- 1. The Chief Financial Officer recommends that the Annual Governance update be noted.**

### **Background**

2. The Audit and Governance Committee received the Annual Governance Statement at its July meeting, as part of that an action plan was provided to Committee. This report gives the Committee an update.

### **Progress**

3. An update on the actions is attached as an Appendix to this report, this shows:
  - Overall, the actions are on time and being progressed.
  - There has been some delay arising from the recent departure of the Monitoring Officer.
4. A large proportion of this work is due to be delivered in the final quarter of this year and as such this progress is broadly as expected and a further report will be brought to the December Committee.

### **Contact Points**

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### **Supporting Information**

Appendix - Annual Governance Statement 2021/22 Action Plan Progress

### **Background Papers**

In the opinion of the proper officer (in this case the Chief Financial Officer) there are no background papers relating to the subject matter of this report.

## Annual Governance Statement 2021/22 Action Plan Progress

Task	How	Progress
<p>Financial Management &amp; Resilience: ensuring that financial monitoring is supported by a robust and realistic budget and effective and timely in-year monitoring of performance against budget and delivery of agreed savings plans.</p>	<p>The Finance Improvement Programme has a series of projects to undertake work on financial reporting, controls and E5 maximisation.</p> <p>This will be linked to the revisions / interdependency below relating to improvements in the coming financial year to the performance and business planning framework.</p> <p>Agree the expectancy and support with SLT/COG</p> <p>Move forward on self-service, with clear roles and accountability (linked to training below), for example ensuring budget for spend is secured before any decision is taken and that decision is in line with the scheme of delegation also noted below.</p>	<p>Overall, the FIP Project is on schedule. The FIP has been agreed with Chief Officer Group (COG), a project team is working on the projects around using Power BI to improve Financial Reporting.</p> <p>An intranet development project team is in place but has been delayed due to a VAT inspection drawing key personnel and the corporate IT resource still required for the Internet Development.</p> <p>Work is underway on Open Banking which will improve the way we take and make payments.</p> <p>Discussions are underway related to further mandatory Finance Training and specific performance objectives for budget holders.</p>

Task	How	Progress
<p>An assurance gap analysis of decision making, including boards and roles of directors to help drive a constitutional refresh to support and strengthen effective business decision making. This will include for example schemes of delegation and contract procedure rules.</p>	<p>The Business Support Team will map all decision-making Boards, projects and the forward plan for internal and external meetings (for example SLT or Cabinet).</p> <p>SLT/COG to recommend a reduction and focus of all boards, with then COG having an oversight of all Boards and exception reporting which can then be escalated as appropriate to SLT.</p> <p>This will comment on the constitutional and decision making of those boards and projects within, as well as make recommendations to the constitutional review for improvements to the Constitution / schemes of delegation as well as policies and procedures. Including ensuring all policies and procedures reference are in place and up to date, and compliant / consistent with other policies.</p> <p>All Strategic Directors to sign off Directorate Scheme of Delegation each February and carry out mid-year review (September) to make any changes (with standard template of core requirements – i.e. Finance, HR, etc...)</p>	<p>Progress has been delayed due to the departure of the Monitoring Officer. A summary of the existing Boards and potential boards has begun with COG but is now expected to conclude in December 2022. That is three months behind schedule. However, the impact should not have an impact on the constitutional changes work. This will be picked up by the Interim Monitoring Officer.</p> <p>Work is on going to develop a Scheme of Delegation template, again this work will need to now be picked up by the Interim Monitoring Officer.</p>

Task	How	Progress
	<p>Procurement Rules &amp; Contract Procedure Rules to be updated by Feb 2023 and annual review going forward</p> <p>All managers to complete mandatory training on decision making and understand role and accountability, as well as decision making powers with consequences also understood for not following.</p> <p>Annual Report on compliance to go to the Audit &amp; Governance Committee</p>	<p>This work is in progress.</p> <p>A training module is still to be drafted and again this work will need to now be picked up by the Interim Monitoring Officer.</p> <p>This will be addressed in May 2023.</p>
<p>Strengthen the Council's performance framework, including service plans linked to performance and medium-term financial plans.</p>	<p>A review of the business planning cycle with improvement and embedding for 2023/24 with actions to enable that in 2022/23 that ensure all areas have a service plan, KPIs and aligned budget to delivery that meets the MTFP.</p> <p>This will be set out in an overarching document for each level of responsibility that includes the roles, accountability / timings and expectations and consequences for not delivering against these.</p>	<p>A draft cycle has been presented to COG and the Project Management and Performance Management Teams are progressing the development of this for the production of 2023/24 Business Plans and associated documents.</p>

Task	How	Progress
<p>Strengthen the process around capital decision making, including business cases.</p>	<p>Undertake a review of learning and best practice from current schemes to recommend improvements.</p> <p>Update the Constitution and Financial Regulations to set out that improved process with appropriate policies and procedures, as well as training and clarity of roles.</p> <p>Gateways and decision making is clear, for example prioritisation scoring, MRP and costs more transparent in the decision-making process and the process is followed with consequences</p> <p>The delegations, including specificity of the schemes being carried out and funding under the Capital Programme are transparent and approved.</p>	<p>A Capital Board is now in place and a review commissioned from external Financial Advisors.</p> <p>This is in progress and on time.</p> <p>This is an expected recommendation from the external advisors work and being defined in readiness to recommend to a future Capital Board.</p> <p>The Capital Board Terms of Reference are in draft and will feed into the Constitutional review.</p>
<p>Further enhance the working between Officers and Members, including Officer Register of Interests.</p>	<p>A LGA sponsored programme of development.</p> <p>A review and continuous learning and improvement of the Member / Officer protocols.</p> <p>Formal annual update of the officer register of interest linked to performance reviews, with mandatory training so all are aware.</p>	<p>LGA development days were held in July 2022.</p> <p>This work will need to now be picked up by the Interim Monitoring Officer.</p> <p>This work will need to now be picked up by the Interim Monitoring Officer.</p>

Task	How	Progress
<p>Focus on core competency training and development for all employees, in particular HR, finance, decision making and performance management.</p>	<p>Design development programmes across various levels within the organisation for managers, supervisors and staff to ensure that competencies required at each level enable each to perform their duties effectively.</p> <p>2023 Performance Reviews to include standard targets / objectives for all staff appropriate to their level around HR, Finance and Decision Making. With direction to training as required. This includes thus focused mandatory training as appropriate to role across different levels, and corporate training basic level for all.</p> <p>2023 Performance monitored and reported on these competencies with appropriate reward, development and action.</p>	<p>The Officer Training Module is now live on the Intranet to record and direct individual's training.</p> <p>The development programme is being developed alongside need, including Well-Being in line with the HR Strategy.</p> <p>These are in progress regarding review.</p> <p>Our Performance maturity is being evolved in line with this for later in 2023.</p>