

AUDIT AND GOVERNANCE COMMITTEE

10 MARCH 2023

ANNUAL GOVERNANCE UPDATE

Recommendations

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

Background

2. The Annual Governance Statement was presented to Councillors at its July 2022 Audit and Governance meeting, as part of that an action plan was provided to Committee. Updates were provided to the September and November Committees and this report gives the latest update.

Progress

3. This report shows:
 - Overall, most actions are on time and being progressed.
 - There continues to be some delay arising from the departure of the Monitoring Officer in the financial year which will now mean some action will flow over into late 2023.
 - Some of the work around performance has also slipped as SLT are reviewing the arrangements surrounding risk management.
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 July Committee. An update on the actions is attached as an Appendix.

Supporting Information

Appendix - Annual Governance Statement 2021/22 Action Plan Progress

Contact Points

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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 & 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 Separate update on the FIP Project was included in the November Committee papers.</p> <p>The intranet project will now not start until May 2023 due to overruns on the internet work. This is being mitigated by continuing work by Service Finance and Financial Operational services (FOS) to ensure staff across the council are aware of procedures and who is their key contact.</p> <p>New system changes have been implemented in January 2023 to enable clearer reporting on adult social care costs.</p> <p>Further mandatory training is planned to start from April 2023.</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.</p> <p>A summary of the existing Boards and potential boards has begun with COG and a list of changes is being finalised for sign off by COG and SLT in the next month. Whilst that is three months behind schedule, the delay should not have an impact on the constitutional changes work. This will be picked up by the new Monitoring Officer.</p> <p>Work is on-going to develop a Scheme of Delegation template, and this work will be picked up by the incoming Monitoring Officer.</p>

Task	How	Progress
	<p>Procurement Rules & Contract Procedure Rules to be updated in 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 & Governance Committee</p>	<p>This work will be picked up by the new Monitoring Officer alongside the other constitutional matters to engage CPU.</p> <p>A training module is in progress of being drafted and this work will be picked up by the new Monitoring Officer.</p> <p>This will be addressed in July 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 a 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. This has been delayed though at SLT are reviewing arrangements surrounding risk management in order to align this with the business planning cycle. As such a revised risk approach I also being targeted to role out in May 2023.</p> <p>Following the approval of the budget in February 2023 services now need to finalise their service plans.</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 drafted / outline Terms of Reference is in the process of being signed off that sets out the decision-making governance structure for sign off by the Board early April. This is a slight delay due to the focus on setting the budget.</p> <p>This is in progress and on time.</p> <p>A revised approach is to be recommended to the April 2023 Capital Board. This again has been delayed due to the focus on setting the 2023/24 budget.</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>LGA development days were held in July 2022.</p> <p>This work will need to now be picked up by the new Monitoring Officer.</p> <p>This work will be picked up by the new Monitoring Officer.</p>

Task	How	Progress
	Formal annual update of the officer register of interest linked to performance reviews, with mandatory training so all are aware.	
Focus on core competency training and development for all employees, in particular HR, finance, decision making and performance management.	<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 and due to be completed by 31 March 2023.</p> <p>Our Performance maturity is being evolved in line with this for later in 2023.</p>