

SIGNIFICANT GOVERNANCE ISSUES PROGRESS REPORT - FROM ANNUAL GOVERNANCE STATEMENT 2016-17

Issues to address in 2017/18

Issue No.	Issue identified	Responsible Officer?	Summary of action proposed	Update Sept 2017	Update December 2017	Update March 2018	Notes
No significant governance issues were identified for 2016/17, however, measures to improve Governance arrangements have been proposed and implementation of these measures should be monitored.							
1	Implementation of a performance management framework.	B Luxton	A new performance management framework is currently being developed. The new framework will be presented to SMB once the new appointments to SMB have joined the Council but is hoped that the system will be implemented by October 2017 at the latest.	No further update			
2	Medium term financial plan is not clearly linked to the Council's corporate priorities and work program.	D Hodgson	Medium Term Financial Plan to be reviewed and updated to link to both corporate priorities and the corporate work programme and to include the Council's Value for Money Strategy				
3	Services are currently struggling to deliver the capital programme predominantly due to either a lack of resources in some service areas or a skills gap in respect of procurement processes and procedures in other areas.	D Hodgson	Lack of resources issues – Members need to make a decision whether to modify the capital programme to fit with resources available or to increase resources in order to meet expectations. Procurement training issues - once the new Procurement Team is in place, a series of training programmes will be embarked upon to support those staff with procurement responsibilities. The BID process in respect of the capital programme will be updated for 2017/18.				
4	The Council needs to continue its work to implement processes and procedures to ensure proper governance and management of its information assets.	Information Governance Forum	To date, work has been undertaken to draft the Information Governance Framework and a report is due to be considered by SMB which will give approval for the Council to compile an Information Asset Register to enable improved management of risks and security of the Council's information assets.	Information Governance Forum has now been set up and is meeting monthly in the first instance to oversee the implementation of the Information Governance Framework and supporting policies to meet the requirements of General Data Protection Regulation (GDPR). The Council must be compliance by 28 May 2018. Executive Support Unit to work with Housing service to trial the process to identify and record information assets in order to compile and information asset register.			

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Issues outstanding to continue to be reviewed by Audit & Governance

Issue No.	Issue identified	Responsible Officer?	Summary of action proposed	Update June 2017	Update September 2017	Update December 2017	Notes
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Issue No.	Issue identified	Responsible Officer?	Summary of action proposed	Update Sept 2017	Update December 2017	Update March 2018	Notes
2	Separation of Duties - with considerable changes to the structure of the Council as it transforms the way in which services are delivered, separation of duties continues to be an area of concern. There is a risk that inadequate separation of duties could weaken the system of internal control, resulting in an increased risk of irregularities, errors and fraud.	Managers	Managers will continue to review the arrangements for separation of duties as a matter of course. No fundamental weaknesses have yet been identified.	Separation of duties continues to be an issue with some services due to the reduction in the resources. Management and Internal Audit continue to monitor the situation.			
3	Reduction in resources – general reductions in staffing numbers increase the impact of staff absences and other service interruptions. Absences may also increase owing to greater pressure of work and loss of motivation. As reported above, Internal Audit are aware of instances where long term sickness is impacting on service delivery.		Ongoing review	Temporary compensating controls have now ceased with one service as staff have now returned to work. Internal Audit continue to monitor the situation with other services affected.			
4	Contract Regulations – current contract regulations conflict with the legislative requirements of the Public Contract Regulations 2015, therefore the Council is at risk of breaching legislation.	AD Finance	A major review is planned to report shortly with a recommended way forward regarding procurement.	Review of contract regulations currently being undertaken.	New contract regulations have been drafted and are with Legal for review.		
5	Procurement – the Council currently does not have a procurement function in place that is fit for purpose. A recent audit of procurement identified a number of shortcuts in the procurement process e.g. extending contracts rather than retendering, a lack of effective contract management. The Interim Procurement Officer left the authority at the end of March and has not been replaced. However, the Council has engaged a consultant to review the current procurement process to help meet the requirements of the Public Contract Regulations 2015 but this review has yet to be finalised.	AD Finance	A major review is planned to report shortly with a recommended way forward regarding procurement.	Final business case was approved by Executive 14.02.17.			