Exeter City Council

SIGNIFICANT GOVERNANCE ISSUES PROGRESS REPORT - FROM ANNUAL GOVERNANCE STATEMENT 2017-18

Issue No.	Issue identified	Responsible Officer	Summary of action proposed	Update Sept 2018	Update December 2018	Update March 2019	Notes
	No significant governance issues were identified for 2017/18, however, measures to improve Governance arrangements have been proposed and implementation of these measures should be monitored.						
1	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. (c/fwd 2015-16 AGS)	Managers	This will continue to be monitored as part of the internal audit plan and any issues arising will be reported to the Audit and Governance Committee quarterly.	This is continuing to be monitored as stated.	This is continuing to be monitored as stated.		
2	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. (c/fwd 2015-16 AGS)	Audit Managers	This will continue to be monitored as part of the internal audit plan and any issues arising will be reported to the Audit and Governance Committee quarterly.	This is continuing to be monitored as stated.	This is continuing to be monitored as stated.		
3	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. (c/fwd 2015-16 AGS)	Chief Finance Officer - D Hodgson	Draft contract regulations are being presented to the Strategic Management Board in June 2018 with the intention of incorporation into the Constitution at the July 2018 Council meeting.	The revised Contract regulations have now been approved and now form part of the Council's constitution. This action is now complete.	Completed		
4	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. (c/fwd 2015-16 AGS)	Chief Finance Officer - D Hodgson	The Council has an authorised structure and has engaged Hays to manage recruitment into the posts. The Council currently has an Interim Corporate Manager - Procurement and an interim dedicated to HRA contracts.	The three procurment posts have now been filled and the new employees will be starting during September and October.	Completed		
5	Implementation of a performance management framework.	CM Executive Support - B Luxton	Executive members and SMB met on the 29 January 2018 to consider a new city vision and priorities for the Council. These will be captured in a new corporate plan and comprehensive performance framework, which will be submitted to members in July 2018.	The Corporate Plan 2018-21 will be submitted to Executive on 9th October 2018. When priorities have been agreed, performance measures to monitor progress will be built into the new corporate dashboard that is being developed with Strata.	An audit of performance measures across the council has confirmed that the majority of services are monitoring key indicators at a local level. Exeter, East Devon and Teignbridge have agreed the format and content of a corporate dashboard for each council. Monitoring of corporate plan priorities and associated measures		

6	Medium term financial plan is not clearly linked to the Council's corporate priorities and work program.	Chief Finance Officer - D Hodgson	A timetable is being drawn up to address the issues and savings required for 2019-20 onwards. It will be necessary to demonstrate links to the Council's corporate priorities.		The MTFP process has required significant savings to be identified over the next two years. Rather than using an "across the board" approach to savings targets, the Council has adopted the EXOne programme to deliver targeted savings and protect areas of priority.	
7	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.	Chief Finance Officer - D Hodgson	This is still a challenging area, the bidding process for the 2018-19 capital programme included a likely timescale, progress against this will be reported in Capital monitoring updates to Committee.		The level of spend remains similar to previous years and a number of factors have caused challenges in this area. This will continue to be monitored and reported to Members.	
8	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	The Information Governance Framework and all related policies are currently being reviewed and collated into one document, which will be completed by mid March 2018. All services submitted entries to a new Information Asset Register in January 2018. This is being reviewed as part of the GDPR action plan, which includes a range of measures to ensure compliance by 25 May 2018.	The Information Governance Framework and supporting policies have now been reviewed and updated by the Information Governance Forum. Corporate Manager - Executive Support will be taking to next SMB for approval. Information Asset register is now in place. Once framework agreed, staff will be asked to sign up to all new policies via Metacompliance software.	The Information Governance Framework is now published on the intranet. The ICT Acceptable Use and Security Policy has been updated to address GDPR issues. This will be submitted to SMB shortly before roll out to all staff.	