

---

## ANNUAL GOVERNANCE STATEMENT FOR 2016/17

### 1 SUMMARY

- 1.1 In compliance with the Accounts and Audit (England) Regulations 2015, Regulation 6(1) (b), an Annual Governance Statement (AGS) must be prepared and presented to Members for their consideration. The Statement identifies the key procedures within the Council that ensure there is an effective system of internal control and effective governance arrangements upon which assurance can be placed.
- 1.2 Local authorities are required to prepare a governance statement in accordance with the “*Delivering Good Governance in Local Government: Framework*” (CIPFA/Solace) and to report publicly on the extent to which they comply with their own code of governance on an annual basis, including how they have monitored the effectiveness of their governance arrangements in the year, and on any planned changes in the coming period.
- 1.3 The new Delivering Good Governance in Local Government Framework (CIPFA/Solace, 2016) applies to annual governance statements prepared for the financial year 2016/17 onwards, and puts forward seven principles for good governance intended to assist authorities across their governance systems, structures and partnerships in reviewing and testing their governance arrangements.
- 1.4 The Audit Committee is required to review the AGS and decide whether it recommends that the Leader of the Council and the Managing Director sign the AGS.

### 2 INTRODUCTION

- 2.1 The AGS for 2015/16 was agreed by Members at a meeting of the Audit Committee on 21 June 2016. Any issues identified within that Statement have been considered and monitored during 2016/17. The level of assurance is achieved by obtaining evidence from a number of areas across the Council and from reports from external inspectors including our external auditors.

### 3 ASSURANCE FRAMEWORK

- 3.1 The proposed AGS for 2016/17 is appended for Members’ consideration. It includes an update on the progress made in addressing the actions needed and risks identified in the 2015/16 AGS.
- 3.2 The AGS states the broad management arrangements within the Council where assurance has been obtained and, generally, the policies and strategies that are in place.

- 3.3 By considering the key functions of the Council such as those defined in the AGS, Members are able to consider an overall assurance on how they feel the Council is performing in relation to governance, internal control and risk.

#### **4 RISK IMPLICATIONS**

- 4.1 Through the ongoing review of systems, policies and procedures, as part of the AGS work, any significant weaknesses or risks would be drawn to Members' attention.
- 4.2 The system of internal control within the Council is designed to manage risk to an acceptable level. However, it cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide a reasonable and not an absolute assurance of effectiveness. The system of internal control is based on a continuing and embedded process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and impact of those risks being realised, and to manage them efficiently, effectively and economically.

#### **5 RESOURCE IMPLICATIONS**

- 5.1 Good governance arrangements are implicit to effective management of resources across the service areas within the Council.

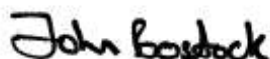
#### **6 LEGAL IMPLICATIONS**

- 6.1 The production of the Annual Governance Statement is a statutory requirement of The Accounts and Audit (England) Regulations 2015. It is published with the Council's financial statements and will be reviewed by the external auditors.

#### **7 RECOMMENDATION**

- 7.1 It is proposed that the Committee **RESOLVES**

whether to recommend that the 2016/17 Annual Governance Statement be signed by the Leader of the Council and the Managing Director.



John Bostock

Assistant Director, Democratic Services

---

**Background Papers:-**

None.

For further information please contact Jim Kevany (Principal Auditor) on:-

Phone: 01702 546366 Ext 3213

Email: [james.kevany@rochford.gov.uk](mailto:james.kevany@rochford.gov.uk)

If you would like this report in large print, Braille or another language please contact 01702 318111

**Appendix**

**ANNUAL GOVERNANCE STATEMENT FOR 2016/17**

**1. What is Corporate Governance?**

Rochford District Council (The Council) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded, properly accounted for and is used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 2000 to make arrangements to continually review and improve the way in which its functions are exercised, while at the same time offering value for money and an effective and efficient service.

To meet this overall responsibility the Council is required to put in place proper arrangements for overseeing what is done (this is what is meant by governance), to ensure that its functions are carried out in the right way, in good time and in an open, honest and accountable way, including arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Delivering Good Governance in Local Government Framework. The Council acknowledges its responsibility for ensuring there is a sound system of governance, incorporating the system of internal control.

This Statement explains how the Council has complied with the Code and also meets the requirements of regulation 6(1) (b) of the Accounts and Audit Regulations 2015 the completion of an Annual Governance Statement.

The governance framework comprises a range of systems, policies, procedures, culture and values by which the Council is directed and controlled and the methods by which it accounts to, engages with, and leads the community. It enables the Council to monitor the achievement of its strategic aims, manage risks and to address issues that have a serious impact on the Council's finances, reputation or the delivery of efficient and effective services.

The system of internal control is a significant part of that framework and is designed to manage risk to an acceptable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide a reasonable assurance of effectiveness. The system of internal control is based on a continuing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and impact of those risks happening, and to manage them efficiently, effectively and economically.

**2. How has this statement been prepared?**

The Council has a duty to conduct at least an annual review of the effectiveness of its governance arrangements including the system for internal control. The Council

considers its Internal Audit Service to be a key component of its governance framework.

The work of Internal Audit (specifically the Chief Audit Executive's annual report and opinion), Service Assurance Statements completed by senior management, other subject specific reports from relevant senior management, external review agencies and our external auditors are taken into account in producing this Statement. Further to this Internal Audit track and report to the Audit Committee on whether its recommendations made to improve the governance arrangements, risk management processes and systems of internal control are implemented effectively and promptly.

It was reported in 2015/16 that due to the limitations of the extent of Internal Audit work, that the Chief Audit Executive was not able to provide an opinion of the overall adequacy and effectiveness of the council's systems of governance, risk management and internal control. This is not the case for 2016/17. The Chief Audit Executive is satisfied that sufficient work has been undertaken to draw a reasonable conclusion on the adequacy and effectiveness of the Council's arrangements. Based on the work performed during 2016/17 and other sources of assurance, the Chief Audit Executive can provide adequate assurance that the Council's risk management, internal control and governance processes, in operation during the year to 31 March 2017, generally accord with proper practice and are fundamentally sound, although there are opportunities to improve the arrangements to enhance the Council's governance framework.

The opinion does not imply that Internal Audit has reviewed and commented on all risks and assurances relating to the Council. It should be stated that it is not expected that all Council activities will be subject to internal audit coverage in any one year. A key area where Internal Audit has not undertaken any work for 2016/17 is in relation to Information and Communication Technology and, in this respect, is reliant on other forms of assurance; both internal and external. It should also be recognised that the Council continues to implement a programme of considerable organisational change through 2017/18 that will directly impact on the internal control environment, notably the ICT migration project.

### **3. What are the Council's governance arrangements and how have we performed?**

The Statement is set out in line with the seven core principles detailed within the Delivering Good Governance in Local Government Framework and many of the areas detailed apply to more than one principle.

The Statement builds upon those of previous years. Many of the key governance mechanisms remain in place and are referred to in previous Statements, which are available on the Council's website. This Statement, therefore, describes the key changes and developments within the Council's governance framework during 2016/17 and up to the date of approval of the Annual Financial Report.

The progress that has been made in dealing with the significant governance issues identified last year is included in Section 4 and the significant governance issues identified from the governance review are highlighted at 5

▪ **Principle A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law**

The Council's **Constitution** sets out how the Council operates, how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to local people. It clearly defines the roles, responsibilities and delegated powers of the following:

The Executive  
Review Committee  
Investment Board  
Leader of the Council  
Chairman of the Council  
Committees carrying out specific probity and regulatory functions:  
    Development Committee,  
    Standards Committee  
    Audit Committee  
    Licensing Committee  
    Appeals Committee  
Citizens  
Head of Paid Service  
Monitoring Officer  
Section 151 Officer  
Other Chief Officers

The Constitution includes the key governance frameworks of the **Scheme of Delegation** and **Financial Regulations**.

The Constitution was updated after the restructure in 2015 to reflect new responsibilities and job titles etc. A full review of the Constitution commenced during 2016/17 and will be an ongoing piece of work during 2017/18 This will be reviewed annually once completed.

Also included in the Constitution are **Contract Procedure Rules** which were updated and approved by the Council in December 2015 and are also under review to ensure they keep pace with the changing financial environment.

Staff and Members are bound by an **Officer Code of Conduct** and a **Member Code of Conduct** respectively. Elements of these are reviewed and updated annually.

Staff and Member induction outlines the key requirements of relevant Codes of Conduct.

Members of the Development, Licensing and Appeals Committees undertake **mandatory training** every year as well as induction and refresher training over the course of the year where necessary.

The Standards Committee is responsible for promoting and maintaining high standards of conduct by Councillors and co-opted Members and for Member Training. The Committee convened on three occasions during 2016/17. The structure and full terms of reference for the Committee are detailed in Article 9 of the Constitution.

The Council has a **whistleblowing** policy where staff may raise concerns that they may have in the workplace which could include bullying, illegal, improper or unethical conduct.

▪ **Principle B: Ensuring openness and comprehensive stakeholder engagement**

The Council has clearly defined its vision, priorities and objectives, as articulated by the **Business Plan for 2016 to 2020**, which was developed and approved following a robust consultation process with residents, Members, Parish and Town Councils, local businesses, partner organisations and staff. With the development of the Council's Business Plan it was recognised that **partnership working** would be central to its delivery.

The Council continues to be a key partner in the Castle Point & Rochford Local Strategic Partnership and its sub-groups. The Council provides the secretariat function for the local Health & Wellbeing Board and has devised a focused work plan based on clear priorities to which all partners contribute. The Portfolio Holder for Community currently chairs the local Community Safety Partnership (CSP). Each year the CSP must produce a Strategic Assessment, an analysis of community safety information and data across Rochford District and Castle Point, which in turn informs local priorities. The CSP also funds local initiatives designed to support community safety.

In the spring of 2016 a Partnership Review took place. All Assistant Directors were asked to review partnerships for their service areas based on the information provided in the previous review undertaken. A particular emphasis was placed on linkages to current and future work; were there any partnerships that could be removed or any that need to be added? This was then fed back to the Leadership Team for consideration.

A set of Partnership Guidelines were issued by the Programme Office in late 2016 which formed part of a suite of support materials designed to assist the project teams working on Business Plan projects.

▪ **Principle C: Defining outcomes in terms of sustainable economic, social, and environmental benefits**

The Business Plan for 2016-2020 provides clear focus to prioritise the Council's activity and resources to:

- Become financially self-sufficient
- Take early intervention
- Maximise assets
- Enable communities on the basis of "our residents will be at the heart of everything we do".

The **Medium Term Financial Strategy** (MTFS) (covering the period 2017/18 to 2021/22), including the 2017/18 annual **budget** and **capital strategy**, was approved by Council on 14 February 2017.

The above collectively demonstrate effective short and medium-term financial planning and effectively link financial and business planning to enable the Council to balance the delivery of quality services along with its priorities and aspirations and maximise the effectiveness of its assets.

The MTFS took account of the Council's long-term financial sustainability and recognised the key risk, namely identifying a £2.1m funding gap by 2022. The MTFS then took account of various options through savings, income generation and investment concepts to mitigate this risk, as proposed by Officers and Members alike. The MTFS will be refreshed again in 2017/18, with more certainty and delivery plans built around said savings, income and investment concepts.

The organisation has **strong financial management** at the heart of everything it does. The Budgets are devolved to Directors and Assistant Directors. Effective budget monitoring is achieved through monthly engagement with Finance through a Finance Business Partner model to ensure that each pound is accounted for correctly to maximise value for money, in both revenue and capital terms.

The organisation receives **regular reports on financial health** through quarterly Executive outturn reports, three Treasury Management updates, quarterly reviews of budgets and an annual MTFS refresh. These reports are open and transparent and provide an appropriate level of detail and insight including now the potential impact on the future strategy of historic actions.

The MTFS has identified a funding gap in future years, which will have to be tackled through savings, income generation and potentially investment decisions over the coming months and years. The MTFS and associated savings plans were discussed at two Member budget away days which proved fruitful in terms of discussion and



engagement between officers and members as well as a dedicated briefing to the opposition group. Arrangements allowed savings plans to close the budget gap in 2017/18 to be worked through and considered in advance of the Council meeting in February 2017 allowing sufficient confidence to be gained by Members and residents alike.

Since 2015 Rochford has employed the services of a named Essex County Council Head of Finance as its **Section 151 Officer**, to provide strategic finance direction, support the Finance Team and provide the organisation with a springboard through the MTFs to identify its financial strategy, linked to the new Business Plan.

The agreement with Essex County Council for the provision of the Section 151 Officer continues until September 2018. Therefore, the Council will need to promptly identify and implement suitable arrangements after this date.

The Council continued to participate in the One Public Estate initiative during 2016/17 working with government and other agencies on public property and land issues through sharing and collaboration. During the year a full review of the Council's Asset Register was undertaken with a view to supporting the "Maximise Our Assets" priority section within the Business Plan for 2016-2020. A framework has been identified for managing and monitoring the capital programme. This aims to ensure:

- Investment in statutory and priority services to ensure continuation of essential services and value for money
- That landlord and owner responsibilities are undertaken, including priority items identified through the Asset Management Plan
- Improved infrastructure that has an influence on economic activity and the wellbeing of the District, mainly in relation to the improvement of town and village centres
- That priority items flowing from key strategy documents are addressed
- That external funding opportunities are maximised
- Revenue income generation or reduce revenue costs

The Authority's financial management arrangements conform to the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010) as set out in the Addendum (2012) to Delivering Good Governance in Local Government Framework (CIPFA/SOLACE)

▪ **Principle D: Determining the interventions necessary to optimise the achievement of the intended outcomes**

On-going work on the various Business Plan projects is scrutinised by the Programme Office, which includes partnership working.

The Council has an embedded corporate **performance management system** providing reports to Members on a monthly basis via a Corporate Dashboard of key indicators, including an Exceptions Report to comment on any poorly performing measures.

Performance indicators, with annual targets, are set and regularly reported to Senior Management and Members [see below] to provide clear visibility of performance and, where necessary, prompt required remedial action.

Data is reviewed before publication to ensure its accuracy and that supporting commentaries are meaningful. The indicators and targets to be reported for 2017/18 are under development in conjunction with Assistant Directors.

Ongoing work was carried out through 2016/17 to develop a People Plan, supported by a new appraisal system that focuses on continual performance management. Work on these was underpinned by an externally hosted staff survey which had an 89% response rate, so there is assurance that the results are a valid view of the Council's employees. There has been significant staff engagement in developing the People Plan which will be rolled-out in 2017/18 with appropriate training.

Trials of the appraisal system were started late in 2016/17, with two service teams to determine effectiveness and obtain feedback further to a full roll out in 2017/18 that will include a continuous review of effectiveness.

Each Assistant Director completed, as at year-end 2016/17, a **Service Assurance Statement** that self-assesses compliance with key Council policies, controls and procedures. These were accompanied by an action plan to address any identified areas for improvement.

The Assistant Directors self-assessed that there was a high level of full or partial compliance with the required arrangements. Areas for improvement highlighted by these self-assessments were:

- Staff performance management
- Health and Safety service area refinement
- Service area business continuity area refinement
- Refinement of operational risk registers

▪ **Principle E: Developing the entity's capacity, including the capability of its leadership and the individuals within it**

The Council went through a further change in its staffing and operational structures during 2016/17 with the Chief Executive post removed and the creation of Managing and Executive Director posts.

Change projects and activity relating to commercial objectives were supported by the production and review of project plans, associated risk registers and project management, including reporting. This was further complimented by the work of the Programme Office whose role is to offer general project support and assistance to project teams.

A cross-party member Investment Board was established in 2015. It is a committee of Full Council and makes decisions on investment/commercial matters as well as providing oversight and robust governance of decisions related to the Council's commercial and investment objectives as identified in its Business Plan.

• **Principle F: Managing risks and performance through robust internal control and strong public financial management**

The Council has a **Risk Management Strategy** that is translated into a **corporate and operational risk registers** to manage risk at a strategic and operational level on an ongoing basis. Projects also have specific risk logs.

A **review of the Corporate Risk Policy and Risk Register** 2016/17 was undertaken by the Audit Committee in September 2016 with a revision for 2017/18 confirmed by that Committee in March 2017.

The corporate risk register is reported to the Audit Committee every six months and will be considered by the Leadership Team on a quarterly basis from April 2017.

The **Risk and Performance Manager** provided an independent critical friend challenge of the **corporate and operational risk registers** during 2016/17 to ensure they adequately identify and articulate the Council's significant risks and set out appropriate remedial action.

The focus of risk management work in 2016/17 was to ensure that the Council was alert to, and had appropriate controls in place, to manage the revised nature of the risks it was facing in the light of the redesign of the Council's Management and Operational structure, and changing external circumstances. During 2016/17, Operational Risk Registers were replaced by Service Area Risk Registers in Quarter Four (i.e. January to March 2017).

The Corporate Business Continuity Plan was revised in the first quarter of 2017 and the intranet entries updated. Work is proceeding on updating service area arrangements

The Emergency Plan was reviewed in the first quarter of 2017 and the web site and intranet updated. The Plan was activated for a number of small incidents relating to flooding and travellers. Essex wide procedures have been agreed for assisting people evacuated from their homes and joint training will take place later in the year. Agreement has been given for training of all staff in how they may assist the Council's emergency response.

During 2016/17 **counter fraud work** was limited to that associated with revenues and benefits fraud e.g. the identification and investigation of false representation to claim Housing Benefit, Business Rate and Council Tax discounts and exemptions. The Council has been without any specialist, qualified counter fraud resources since September 2015 when the in-house Revenues & Benefits Fraud Team were transferred to the DWP, although the Compliance Officer, in Revenues & Benefits, is actively identifying and correcting payments in these areas along with Team Members.

It is acknowledged that the Council needs a wider, more strategic approach to counter-fraud arrangements that proactively targets significant key fraud risk in all areas of the Council's day to day business. During 2016/17, the council identified a Counter Fraud champion to act as the pivotal person to drive an internal review of policies and procedures, with the task of planning and executing full refresh of the Counter fraud arrangements within the Council, providing regular reporting to both the Leadership team and the Section 151 officer. This plan uses the CIPFA best practice guidance as its basis and will involve each of the Assistant Directors to own and shape the policies in the future. Internal Audit work considers the risk of fraud in planning all individual audits.

▪ **Principle G: Implementing good practices in transparency, reporting, and audit to deliver effective accountability**

The **agendas, minutes and decisions** of the Council, Cabinet and all committees of the Council are publically available through the Committee Management Information System (CMIS), via the Council's website. These documents are clear and published promptly.

All Committees have clearly defined roles, responsibilities and working protocols as expressed through the Constitution with specific terms of reference detailed on CMIS and on each published agenda.

The Review Committee provides an overview and scrutiny function for the Council. The Committee comprises 15 members enabling wide engagement and focus on a range of issues. An annual report on the work of the Review Committee in 2016/17 was presented to the Council on 25 April 2017.

The Review Committee has its own programme of training. Members of the Committee attended three courses in 2016/17. The first was an Introduction to Overview and Scrutiny at Rochford, run by the Council's Overview and Scrutiny Officer. The second, "Making effective use of Overview and Scrutiny" and the third

“Assessing evidence, drawing conclusions and drafting effective recommendations”, were run by an external provider from the Centre of Public Scrutiny.

The Committee determines its workplan and how it will be fulfilled. During 2016/17 the Committee considered a number of topics. It has a duty to scrutinise decisions made by the Executive

Throughout 2016/17 the Council had in place the statutorily required roles of Head of Paid Service, Chief Finance Officer (“Section 151 Officer”) and Monitoring Officer. The **Head of Paid Service** is the Managing Director. The **Monitoring Officer** is the Assistant Director for Legal Services.

The financial management arrangements complied with the required practices as set out by the **CIPFA Statement on the role of the Chief Finance Officer**.

During 2016/17 an interim Chief Audit Executive was provided by Essex County Council through a Memorandum of Understanding. This rectified the position in 2015/16 when the post was unfilled. The Council therefore met the requirements of the CIPFA Statement of the role of the Head of Internal Audit and conformance with the Public Sector Internal Audit Standards for 2016/17.

During 2016/17 the Council continued to complete **Safeguarding** self-assessments to develop its commitment and approach to the Essex Safeguarding Children and Adult Boards in line with an action plan arising from a December 2015 self-assessment that scored 82% compliance. In September 2016 a follow-up self-assessed score of 92% was achieved. Plans to progress beyond this score are in hand.

A new Safeguarding Policy was approved during the year, with increased awareness and operational training for staff and Members. This has resulted in several safeguarding referrals to the appropriate authorities. New internal safeguarding arrangements were introduced to ensure that continuing strategic and operational updates are available to all staff and Members.

Following an audit of our Management of Occupational **Health and Safety** (H&S) in December 2015, the Council has continued to make progress in relation to the implementation of improvements; it is working to enhance the safety culture throughout the organisation at all levels.

In the last few months there have been reviews of the

Health and Safety Policy; Fire, legionella, accident reporting, manual handling, and COSHH policies, Leadership Team H&S training was completed on 15 December 2016. Manager H&S training was on completed 1 March 2017. Fire marshal training was completed in February 2017 and a Member H&S briefing session was held on 21 March 2017.

Looking forward activity will include submission of quarterly health and safety reports and Accident/incident statistics to the Leadership Team; the development of a 3-5 year health and safety strategy, the implementation of a programme of workplace inspections and an increased level of information available to employees.

Officers will continue to work hard to develop all areas of the business in relation to health and safety in order to protect individuals and the organisation.

The Council was compliant with the **Public Service Network ICT security requirements** for data handling during 2016/17. This expired in January 2017 and a re-submission is pending until completion of outstanding items identified during a third party penetration test carried out as part of the re-submission process. A significant part of issues identified, including all of the higher risk items, have been cleared following the test.

The Council's ICT network is managed by an external provider and appropriate industry standard cyber security measures are in place

The Assistant Director – Legal Services is the Council's **Senior Information Risk Owner (SIRO)**. The SIRO has reviewed information governance-related policies in 2015/16. Work has commenced in preparation for the introduction of General Data Protection Regulations (GDPR) including the development of Privacy Impact Assessments which will be required for future project implementation. To further improve arrangements, an **Information Management Toolkit** is being produced.

Relevant staff received training in 2015/16 on the Data Protection Act (DPA) and the Freedom of Information Act. Information Asset Owners need to specified and relevant staff have been made aware of their responsibilities.

There have been no reportable breaches under the DPA during 2016/17.

In September 2016 the Council's external auditor, presented an **unqualified opinion on the financial statements** for the year ending 31 March 2016 in their final report to the Audit Committee

**4. Dealing with last year's key improvement areas**

The following table sets out how the Council has addressed matters arising from the 2015/16 annual review of governance and how they have been addressed in 2016/17.

The second table sets out those matters arising in 2016/17 and how these will be addressed in 2017/18.

<b>MATTERS ARISING IN 2015/16</b>	<b>ACTION IN 2016/17</b>
<p>The Local Code of Governance has not been reviewed for a number of years (latest available on the intranet dates to 2004), in particular to ensure it reflects current structures, roles and responsibilities.</p>	<p>The planned review of the Constitution commenced during 2016/17 and will continue into 2017/18.</p> <p>A refresh of the Local Code of Governance will be carried out as part of</p>

<p>The Constitution needs reviewing and updating to take account of recent organisational change.</p>	<p>that review.</p>
<p>Ensuring financial resilience given planned future reductions in Central Government funding. Ensuring effective processes to identify and then deliver required savings.</p>	<p>In 2016/17 as part of the MTFs the Council delivered its planned savings targets to ensure that the funding gap was bridged</p>
<p>Implementation of the new top tier management arrangements during 2016/17.</p>	<p>Managing and Executive Director posts, created during 2016/17 have been and confirmed subject to an element of adjustment to the Executive Director post by Council in April 2017</p>
<p>Undertaking insufficient Internal Audit work completed to provide an annual audit opinion.</p> <p>Securing provision of Chief Audit Executive (CAE) and the future delivery of the Internal Audit and Counter Fraud service when agreement with Essex County Council expires</p>	<p>An agreement with Essex County Council meant that an appropriate Internal Audit structure was in place for 2016/17 which enabled an effective Annual Audit Opinion to be made</p> <p>A procurement exercise has secured the provision of a CAE from Basildon Borough Council for a term of three years wef 1/4/2017.</p>
<p>Establishing a trading arm to effectively identify relevant commercial opportunities and ensuring robust governance and oversight of decision making and outcomes.</p> <p>Staff capacity and capability to work in a commercial manner.</p>	<p>A trading company framework has established with one trading company (grounds maintenance related) commencing business in December 2016.</p> <p>arrangements are in place under the auspices of the Investment Board</p>
<p>Improving corporate health and safety arrangements</p>	<p>A Health &amp; Safety Officer was appointed</p> <p>Revised policies and procedures were introduced and health &amp; safety culture will be further developed going forward</p>

<p>Improving staff performance management and development processes</p>	<p>Trials for a new staff appraisal scheme based on continual performance management commenced in the latter part of 2016/17</p> <p>This scheme together with a People Plan will be rolled out in 2017/18</p>
<p>Improving Information Governance arrangements</p>	<p>Work has commenced in preparation for the introduction of General Data Protection Regulations including the development of Privacy Impact Assessments. An <b>Information Management Toolkit</b> is being produced.</p>

**5. Governance areas to be developed in 2017/18**

<p><b>MATTERS ARISING IN 2016/17</b></p>	<p><b>ACTION FOR 2017/18</b></p>
<p>Migration of Council ICT to Azure Cloud</p>	<p>A revised approach for the migration was agreed by The Council on 31/5/2017.</p> <p>This is to be project directed by an in-house project manager in co-operation with the future managed ICT service provider and the outgoing provider</p>
<p>Continued development of a Health &amp; Safety Culture</p>	<p>The Health &amp; Safety Action Plan will continue to be delivered with further policies drafted and training delivered</p>
<p>Ensuring financial resilience given planned future changes in Central Government funding.</p> <p>Ensuring effective processes to identify and then deliver required savings.</p>	<p>The Medium-Term Financial Strategy will be reviewed and refreshed in 2017/18 with a focus on firming up the current plans to deliver savings, generate income and progress investment opportunities.</p> <p>The 2017/18 Budget and MTRS continued the strategic financial review of the Council's position, including scenario's around Council Tax, Business rates and New Homes Bonus funding.</p>



<p>Development of counter fraud activity</p>	<p>A new Counter Fraud Champion was identified in 2016/17, and the work started to review existing policies, and plan a full refresh of Counter Fraud within the council</p>
<p>Homeless Budget arrangements</p>	<p>To monitor effectiveness of new staffing structure focussed on early intervention and prevention savings. To continue work on 2016/21 Homelessness Strategy action plan, prioritising temporary accommodation and investment opportunities</p>
<p>Delivery of Business Plan</p>	<p>The delivery of the Business Plan and its associated projects will continue to have oversight by the Programme Office with ongoing monitoring and reporting to Members and Senior Management.</p> <p>The Investment Board will continue to be closely involved in decision making in respect of project development</p>
<p>Improving staff performance management and development processes</p>	<p>The new appraisal system together with a People Plan will be rolled out in 2017/18</p>

**We are satisfied that the above steps will address the need for improvements that were identified in the review of effectiveness and will monitor their implementation and operation.**

**Signed: ..... Date: .....**

**Leader of the Council**

**Signed: ..... Date: .....**

**Managing Director**