

HUNTINGDONSHIRE DISTRICT COUNCIL

Title/Subject Matter: Progress on issues arising from the 2015/16 Annual Governance Statement

Meeting/Date: Corporate Governance Committee – 22 March 2017

Executive Portfolio: Resources: Councillor J A Gray

Report by: Internal Audit & Risk Manager

Ward(s) affected: All Wards

Executive Summary:

The 2015/16 Annual Governance Statement (AGS) included two areas for improvement:

- i. The need to improve debt management; and
- ii. The continued development of effective governance and reporting arrangements for shared services.

Action has been taken against each area as follows:

Debt management

In the 9 month period ending February 2017, outstanding debt has reduced from £2.2m to £1.1m. A Debt Management Policy is currently being approved which together with the implementation of the new financial management system is expected to further improve processes and efficiencies with the intention of further reducing debt.

Shared services

Governance practices are working effectively. Both the Partnership Board and 3C Management Board are meeting regularly, providing oversight, dealing with performance and operational issues. Three nominated Heads of Service each have responsibility for the client management function of one shared service with the intention that day to day management forms part of business as usual performance monitoring.

Due to the progress that has been made across both areas, the Corporate Management Team are satisfied that the action taken addresses the concerns recorded in the AGS.

Recommendation:

It is recommended that the Committee consider and take into account the progress that has been made in introducing the key improvement areas arising from the 2015/16 AGS when undertaking their 2016/17 governance review.

1. WHAT IS THIS REPORT ABOUT/PURPOSE?

- 1.1 This report informs the Committee of the progress that has been to date in introducing the two key improvement areas that were contained in the 2015/16 Annual Governance Statement (AGS).

2. WHY IS THIS REPORT NECESSARY/BACKGROUND

- 2.1 The Committee need to be assured that sufficient action has been taken to deal with the two areas for improvement identified.
- i. The need to improve debt management; and
 - ii. The continued development of effective governance and reporting arrangements for shared services.

3. OPTIONS CONSIDERED/ANALYSIS

- 3.1 The current position is set out below. The deadline set for delivering both areas for improvement was 31 March 2017.

i. The need to improve debt management.

The debt management over the last 9 months has improved due to stability in the Income Team which has resulted in outstanding debt reducing from £2.2m in July 2016 to £1.1m in February 2017. Further improvements will be an updated Debt Management Policy that has been written and is going through the approval process and the implementation of the new FMS which will improve processes and efficiencies.

ii. The continued development of effective governance and reporting arrangements for shared services.

The Partnership Board comprising of Chief Executives/ Managing Directors and the three Corporate Director leads continues to meet to provide strategic oversight and performance manage the joint services whilst looking for further opportunities to increase performance and create additional savings.

The 3C Management Board meets quarterly and is having a positive impact in ensuring that operational decisions are made (within the agreed parameters) at the right level and that consistency in leadership is given across the shared services.

The client function is now managing the operational day to day performance, with the intention of making the day to day management part of the Councils business as usual performance monitoring.

- 3.2 The Corporate Management Team are satisfied that the action taken to date addresses the concerns recorded in the AGS.

4. KEY IMPACTS/RISKS? HOW WILL THEY BE ADDRESSED?

- 4.1 If sufficient and timely action is not taken, this may lead to the actions having to be repeated in the 2016/17 AGS and
- adverse comments being reported by the external auditor;

- poor governance procedures remaining in place which may affect the delivery of the Council's objectives.

5. WHAT ACTIONS WILL BE TAKEN/TIMETABLE FOR IMPLEMENTATION

5.1 Action has already been taken as set out above.

6. LINK TO THE CORPORATE PLAN

6.1 Good corporate governance structures underpin everything that the Council does. Effective delivery of the Corporate Plan requires sound procedures and processes to be in place. These seek to ensure that decision making complies with laws, regulations and proper governance practices.

7 REASONS FOR THE RECOMMENDED DECISIONS

7.1 The Committee require assurance that the areas for improvement identified during the 2016/17 annual governance review process are being addressed.

BACKGROUND PAPERS

Annual Governance Statement 2015/16

CONTACT OFFICER

David Harwood, Internal Audit & Risk Manager
Telephone: 01480 388115