Report To:	Audit Committee	Date:	25.04.2023
Report By:	Head of Legal, Democratic, Digital and Customer Services	Report No:	AC/11/23/IS/APr
Contact Officer:	Andi Priestman	Contact No:	01475 712251
Subject:	ANNUAL GOVERNANCE STATEMENT 2021/22 – UPDATE ON IMPROVEMENT ACTIONS		

1.0 PURPOSE

1.1 ☐For Decision   ☒For Information/Noting

1.2 The purpose of this report is to advise Members of the status of improvement actions arising from the Council's 2021/22 Annual Governance Statement.

2.0 RECOMMENDATIONS

2.1 It is recommended that Members note the progress to date in relation to the implementation of the improvement actions identified in the 2021/22 Annual Governance Statement.

Iain Strachan
Head of Legal, Democratic, Digital and Customer Services

3.0 BACKGROUND AND CONTEXT

3.1 The Delivering Good Governance in Local Government: Framework (CIPFA/SOLACE) set the standard for local authority governance in the UK. The Framework was updated in 2016 and has applied to Annual Governance Statements prepared for the financial year 2016/17 onwards.

3.2 The revised Framework assists local government in taking responsibility for developing and implementing an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The Framework is intended to assist local authorities to review and account for their own approach to governance.

3.3 In order to demonstrate its commitment to sound governance, the Council publishes a governance statement on an annual basis.

3.4 The Annual Governance Statement is the formal statement that recognises, records and publishes the Council's governance arrangements as defined in the CIPFA/SOLACE Framework.

3.5 The Annual Governance Statement is based on the annual self-assessment exercise undertaken by Heads of Service against key aspects of the Council's Local Code of Good Governance.

3.6 As part of the AGS exercise for 2021/22 there were 7 improvement actions identified. There were 6 improvement actions due to be completed by 31 March, 4 of which have been completed. The 7 improvement actions and their current status are set out at Appendix 1.

4.0 PROPOSALS

4.1 The Annual Governance Statement for 2021/22 identified 7 improvement actions which are set out at Appendix 1 together with the current status.

4.2 The Audit Committee is asked to note the progress to date in relation to the implementation of the improvement actions identified in the Annual Governance Statement for 2021/22.

5.0 IMPLICATIONS

5.1 The table below shows whether risks and implications apply if the recommendation is agreed:

SUBJECT	YES	NO	N/A
Financial		X	
Legal/Risk	X		
Human Resources		X	
Strategic (LOIP/Corporate Plan)	X		
Equalities & Fairer Scotland Duty		X	
Children & Young People's Rights & Wellbeing		X	
Environmental & Sustainability		X	
Data Protection		X	

5.2 **Legal/Risk**

There is a risk that failure to implement agreed improvement actions in a timely manner could result in an inability to provide a reasonable level of assurance over the Council's system of internal control to those charged with governance.

5.3 **Strategic**

This report relates to strong corporate governance.

6.0 CONSULTATIONS

6.1 Relevant Officers were asked to provide updates to the report as appropriate.

7.0 LIST OF BACKGROUND PAPERS

7.1 Annual Report and Accounts 2021/22. Copies available from Andi Priestman, Chief Internal Auditor.

	Where are we now?	Where do we want to be?	How will we know we are getting there?	Who is responsible?	Current Status at 27 March 2023
1	Workforce planning arrangements require to be refreshed in a number of services in order to develop proposals which address wider issues relating to succession planning due to an ageing profile of some staff groups, staff retention challenges and single person dependencies.	Workforce plans are in place which determine future workforce needs and implement solutions to ensure that organisational needs are aligned with the Council's people strategy.	Workforce plans will be reviewed during 2022-2023 to identify any gaps between current and future needs, identifying solutions to ensure the right resources are in place at the right time to deliver the Council's short and longer term objectives.	Corporate Management Team (Supported by Head of OD, Corporate Policy and Communications) 31 March 2023	Completed.
2	Discussions are ongoing with key suppliers in some services to determine business continuity arrangements for cyber security risks.	Business continuity arrangements with key suppliers fully consider cyber security risks.	Business continuity plans and service impact analysis documents will be updated during 2022-2023 to reflect cyber security risk mitigations with key suppliers.	Directors (Supported by CRMT/CCS) 30 September 2022 Revised date: 31 March 2023	The review of business continuity plans is undertaken on an annual basis, with the next Council-wide review scheduled for January to March 2023. This work is now complete. The Service Business Continuity Template has now been adapted to ensure that all service managers formally confirm that this element of resilience has been considered and adopted with key suppliers. This action is almost complete.

#	Action	Target	Lead / Date	Update	Status
				As part of the ongoing agreement of contracts with key suppliers, these suppliers provide the Council's procurement team/applicable services with an overview of their cyber resilience arrangements as part of the tendering process to embed resilience.	Completed.
3	Current service review guidance documentation is being reviewed to ensure this remains fit for purpose in order to improve the Council's efficiency and effectiveness and assist in addressing financial sustainability.	Service review documentation is in place which assists services to improve the efficiency and effectiveness of service quality and processes which continues to ensure ongoing financial sustainability.	Head of OD, Corporate Policy and Communications 31 October 2022 Revised date: 31 March 2023	Service review guidance documentation will be reviewed and updated during 2022-2023 to reflect best practice guidance for services undertaking service reviews.	Completed. Included in Digital Modernisation update to P&R on 21 March 2023.
4	Processes for document retention and disposal of records are currently being reviewed by the Council's Information Governance Steering Group to ensure the use of EDRMS is maximised within Services.	The use of EDRMS is maximised as far as possible to reduce the reliance on hard copy records and automate retention policy requirements.	Information Governance Group 31 March 2023	The document retention and disposal process will be reviewed by the Information Governance Steering Group. This exercise will incorporate the corporate expansion of the use of EDRMS. A business case for this is being prepared by end October 2022.	

| 5 | Some service risk registers were not reviewed on a regular basis during 2021-22 due to other work priorities as a result of Covid. | Service risk registers are reviewed on a regular basis to ensure risk assessments are maintained up to date which will allow directorate and corporate management teams to monitor and report on relevant key risks. | A new process is being developed to incorporate service risk registers within the Pentana system. This will include an automated reminder for risk owners to carry out a review of service risk registers to ensure risk assessments are maintained up to date and there is regular reporting to directorate and corporate management teams on the status of key risks. | Directors (Supported by Chief Internal Auditor) 31 October 2022 Revised date: 30 June 2023 | All service risk registers were reviewed and updated by 31 October 2022. The new process for managing risk registers through Pentana is under development and will align with the new strategic planning and performance management framework being implemented from 1 April 2023. This will require training for risk owners on the new process to update risks on Pentana and generate relevant reports. This action will be revised to 30 June 2023 to allow for the preparation of the risk registers for the new CDIPS. |

6	BCS framework has been developed and is being implemented within all Education establishments as part of the move over to the corporate network. The pilot exercise was undertaken however the rollout to remaining schools was halted as a result of responding to COVID-19.	Business Classification Scheme is fully implemented within all Education establishments.	A revised schedule was discussed with ICT. An update was provided to the June 2022 meeting of the Audit Committee as this is an outstanding audit action. A solution using the M365 platform has been identified which will be in place by August 2022. Deployment of the platform will then start with an anticipated completion date of June 2023.	Corporate Director, Education, Communities and Organisational Development 30 June 2023	On track. The M365 solution has been implemented. Education are finalising the structure and user permissions for the business classification scheme which will then be implemented by ICT.
7	An assessment has been undertaken by officers of compliance with the CIPFA Financial Management Code which confirms that the Council is compliant with the main aspects of the Code. This needs to be formally adopted by the Council.	The Council has formally adopted the CIPFA Financial Management Code.	A report will be presented to Audit Committee then to Policy and Resources Committee highlighting the CIPFA Financial Management Code and the formal adoption of the Code by the Council.	Interim Director, Finance and Governance 30 November 2022 Revised date: 31 January 2023	Completed. Included in Finance Update to P&R in January 2023.