

**To the Chair and Members of the
AUDIT COMMITTEE**

DONCASTER COUNCIL GOVERNANCE PLAN

EXECUTIVE SUMMARY

1. In the interests of good council management a specific Governance Plan has been produced. The Governance Plan combines the various actions and initiatives that are being undertaken to improve the Council and increase its ability to meet the specific and varied challenges.
2. The Governance Plan has been incorporated into the Council's Corporate Plan 'Our Council Plan' in order to improve the efficiency and effectiveness of managing performance and assessing progress. It is reported on a quarterly basis in line with other corporate priorities.
3. Significant progress has been made in implementing the recommendations contained within the Governance Plan 2013. With only one exception, we have achieved everything we set out to do within the timescales. This compares favourably with 2012 performance when, of the 73 recommendations, 27 remained outstanding and had to be carried forward into the new plan.
4. There are 30 recommendations in total within the Governance Plan 2013. Of these, 23 recommendations have been completed (shown at paragraph 5); 1 recommendation is in progress and remains on target to be implemented within the agreed timescales; due to the nature of the activity 6 recommendations are on-going and have no firm target date.
5. The following 23 recommendations have now been completed:

R4 Recommendations from Audit Committee Implemented	
	R4.1 Regular progress reporting
R5.2 Governance Strategy Action Plan	
	R5.21 Improving compliance with the governance arrangements and the general standards of behavior across the council
R7 Annual Governance Report Recommendations Implemented	
	The Council should prioritise recovering any PAYE, NI and superannuation that it has overpaid

R8-14 Recommendations from VfM Conclusion 2011 implemented	
R8	<p>The Council should review its processes for responding to queries and complaints, to ensure that responses are sufficiently open and transparent</p> <p>R8.1 Redesign the business processes used R8.2 Roll out new technology and processes Council wide R8.3 Full performance management of end to end process Council wide</p>
R9	<p>Agree improvements in working papers and key financial systems in particular payroll, bank reconciliation procedures and fixed assets, should be implemented as a priority</p> <p>R9.1 Payroll – Report to Audit Committee updating on recovery process for payroll overpayments R9.2 Payroll – Monitoring and review of recovery process</p>
R10	<p>The Council should emphasise to all relevant officers that procurement procedures must be followed</p> <p>R10.1 Compliance with Contract Procedure Rules reviewed by Category Managers' with report on known waivers and breaches to Strategic Procurement Board and Audit Committee 10.2 Implementation of Procurement Transformation Plan to include improving effectiveness and implementing training programmes highlighting consequences of breaching CPR's 10.3 Completion of phase 1 of procurement transformation including targeted training and roll out of Category Management and improved general procurement procedures</p>
R11	<p>The Council should complete its review of significant procurement arrangements entered into in previous years, to ensure that value for money has demonstrably been obtained</p> <p>R11.1 Contract Register updated to ensure scope and accuracy is comprehensive and up to date for major procurements R11.2 Implementation of Procurement Transformation Plan with review of significant procurement arrangements and detailed actions for improving value for money R11.3 Procurement Strategy agreed by Cabinet R11.4 Roll out of category action plans highlighting demonstrable value for money per category reviewed</p>
R12	<p>The Council should monitor the level of agency staffing and its progress in reducing that level</p> <p>R12.1 To develop new procedures, alongside data analysis and effective measures to monitor future use and spend of agency staffing</p>
R13	<p>The Council should develop a comprehensive Organisational Development Strategy covering its staff</p> <p>R13.1 To develop and implement an overall corporate People Strategy to include work plans for Organisational Development, Accredited Learning and Communications plans R13.2 To raise competence of managers and leaders, providing nationally recognised competence based qualifications R13.3 To establish a framework to provide an overarching strategy that will modernise reward and recognition practices and improve the benefits package available to staff across the Council</p>

R14	<p>The Council should closely monitor progress in making the required improvements in Children’s Services and Housing Services</p> <p>R14.1 Housing Services Identify any major policy or budget issues with regard to delivery of the improvements and the service in general as part of the Council’s quarterly performance management framework</p>
R15 Recommendations arising from the Annual Governance Report 2011/12	
	<p>R15.1 Ensure that Quality Assurance procedures linked to the production of the Financial Statements are sufficiently resourced to enable timely delivery</p> <p>R15.2 Ensure that working papers supporting all significant entries in the statements are available for audit within the agreed timescales</p> <p>R15.3 Review the Council’s exposure to liabilities arising from MMIs financial position to determine the likely extent of the final liability.</p>

Governance Plan 2013

6. The Governance Plan for 2013 includes:-
7.
 - a) 2012 Governance Plan activities, shown at paragraph 17 of the report, that have missed the target completion date;
 - b) 2012 Governance Plan incomplete activities (but within the target completion date) contained within Appendix 1 of the report;
 - c) The three recommendations arising from the Annual Governance Report 2011/12:
 - i. Ensure that Quality Assurance procedures linked to the production of the Financial Statements are sufficiently resourced to enable timely delivery;
 - ii. Ensure that working papers supporting all significant entries in the statements are available for audit within the agreed timescales; and
 - iii. Review the Council’s exposure to liabilities arising from MMI’s financial position to determine the likely extent of the final liability;
 - d) Any external inspection recommendations that need to be monitored corporately; and
 - e) An update on the Governance Strategy Action Plan.
8. In accordance with the request from Audit Committee on 28 September 2012, the Governance Group will continue to receive an update on all Governance Plan activities, and the Audit Committee will receive an update on an exception basis of those recommendations not yet completed.
9. Paragraph 17 below provides an update on the incomplete activities that have missed the original target completion date. **Appendix 1** includes an update on the Governance Plan activities that are not yet completed but are within their target completion dates. An update on the external recommendations that need to be monitored corporately will be provided separately by Internal Audit.

RECOMMENDATION

10. Members are asked to note and comment on the progress made in relation to the activities and progress in taking forward the Governance Plan for 2013.

BACKGROUND

The Corporate Plan 'Our Council Plan'

11. The Corporate Plan combines and co-ordinates all the objectives and outcomes the Council needs to deliver during the year. This includes the activities undertaken by Directorates that contribute to the Borough Strategy, including the Partnership Stock Take outcomes, and deliver The Mayor's priorities; together with actions required to ensure that the Council improves and is governed effectively. 'Our Council Plan' – A Revised Corporate Plan was agreed at Full Council on 21 February 2013.

The Governance Group

12. The Governance Group was established by the Director of Corporate Services and Finance to promote and ensure good Governance practices across the Council.

Annual Governance Report

13. The Director of Finance and Corporate Services in his role as the Council's responsible financial officer approves the draft Statement of Accounts. The Accounts are presented to the Audit Committee.
14. Following approval of the Statement of Accounts an audit commences that includes examination, on a test basis, of evidence relevant to the amounts and disclosures in the accounting statements and related notes. It also includes and assessment of the significant estimates and judgments made by the Authority in the preparation of the accounting statements and related notes, and of whether the accounting policies are appropriate to the Authority's circumstances, consistently applied and adequately disclosed. This has resulted in findings and conclusions contained in the District Auditor's Annual Governance Report.

Value for Money Conclusion

15. In addition to an opinion on the Council's accounts, the District Auditor has to reach a conclusion on the arrangements the Council has put in place to secure economy, efficiency and effectiveness in its use of resources. This is known as the 'value for money conclusion'. The report considers the arrangements that have been put in place to secure economy, efficiency and effectiveness in the way resources are used.
16. The Value for Money Conclusion 2011/12 concluded that the Council had reached the necessary standards for the District Auditor to issue an "unqualified value for money conclusion".

17. The Council's proposed action plan against the recommendations contained within the Audit Commission's Value for Money Conclusion was presented to and noted by the Audit Committee on 4th April 2012.

18. **EXCEPTION REPORT FOR ACTIVITIES THAT HAVE MISSED THE ORIGINAL TARGET COMPLETION DATE**

KEY:

Ref	Strand	Responsible Assistant Director
	Proposed activity to deliver the recommendation	Target Completion Date
	Update on progress to deliver the activity	

R6-7	Annual Governance Report Recommendations Implemented (R9-16)	Director of F&CS
R6	The Council should vigorously pursue recovery of payroll overpayments wherever possible, and should write-off amounts where recovery is not possible (R9)	On-going
	Update March 2013: A report to the Audit Committee on overpayments has been put back to June/July so that we can include year-end figures	
	Update June 2013 A report will be presented to Audit Committee on 18 July 2013 which details the position as at the end of the 2012/13 financial year. The overall balance of overpayments has been reduced by £180,005.64, an overall reduction of 28.23% and a total of £8,011.38 has been written off during 2012/13. Although a further 248 overpayments have occurred during 2012/13 the number of occurrences and monetary values has reduced and should improve further as the new self-service HR/payroll system becomes further embedded.	July 2013
	Update October 2013 2013 In preparation for Audit Committee in July 2013 a significant piece of work has been undertaken to update the position in relation to each overpayment. As a result the majority of queries have been resolved and a number of write offs have been identified. Outstanding accounts where no payments have been made are being actively pursued by the Revenues team or colleagues at Rotherham in relation to current employees. This will be reported back to Audit Committee in April 2014.	On-going

IMPACT ON THE COUNCIL'S KEY PRIORITIES

19. The delivery of activities contained within the Governance Plan 2013 will help to ensure local people get value for money from council services and contribute to achieving the Council's internal transformation objectives contained within 'Our Council Plan' priority outcome 6 – 'The Council is operating effectively with change embedded and sustained with robust plans in place to operate within future resource allocations'.

RISKS AND ASSUMPTIONS

- 20.** The most significant risk is that the current improvement is not sustained and the performance of the Council deteriorates as a result, causing further reputation damage. The impact of this is assessed as critical, but at this stage it is unlikely to happen. Nevertheless, the risk must be robustly managed.

LEGAL IMPLICATIONS

- 21.** Any specific implications will be reported separately and in the context of any initiative proposed to be taken.

FINANCIAL IMPLICATIONS

- 22.** There are no specific financial implications arising from this report; however, any costs incurred in the delivery of the Governance Plan must be contained within approved revenue and capital budgets. Where specific initiatives arise in response to the contents of the report, which necessitate the incurring costs, these will be reported separately.

CONSULTATION

- 23.** Consultation has taken place with the Chief Executive, Recovery Board, Overview and Scrutiny Management Committee, The Mayor and Cabinet and Directors and their management teams during the development of the Corporate Plan 2013. The Governance Plan 2013 has been developed in consultation with the Governance Group.

This report has significant implications in terms of the following:

Procurement		Crime & Disorder	
Human Resources		Human Rights & Equalities	
Buildings, Land and Occupiers		Environment & Sustainability	
ICT		Capital Programme	

BACKGROUND PAPERS

- 23.** Our Council Plan – A Revised Corporate Plan

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