

SUPPLEMENT TO THE AGENDA FOR

Audit and Governance Committee

Monday 29 September 2014

10.00 am

**Grand Jury Room, Shire Hall, St. Peter's Square, Hereford,
HR1 2HX**

7. STATEMENT OF ACCOUNTS

Pages

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Area for Improvement	Actions	Responsible Officer	Timescale
<p>demand management.</p> <p>Adults Safeguarding Board has not produced an annual report for 2013/14 or a business plan for the current year.</p> <p>The speed within which adult safeguarding investigations are completed has been identified as needing improvement.</p> <p>The evolving health and social care governance structures require clarity regarding accountability for ensuring safeguarding improvements for both adults and children are achieved.</p>	<p>f) Ensure that robust Information sharing protocols are in place to support the partnership arrangements (IG toolkit)</p> <p>g) Adults Safeguarding Governance and Operational Arrangements require reviewing and an action plan put in place for improvement and compliance with the Care Act</p> <p>h) Adult Safeguarding Performance monitoring mechanisms put in place and a safeguarding adults peer challenge will be commissioned in 2015</p>	<p>Carol Trachonitis Equality Information and Records Manager</p> <p>Helen Coombes Director of Adults & Wellbeing</p> <p>Helen Coombes Director of Adults & Wellbeing</p>	<p>March 2015</p> <p>December 2014</p> <p>March 2015</p>

	Area for Improvement	Actions	Responsible Officer	Timescale
2.	Public health/integration – the quality of data existing in relation to contracts/services novated under the recent national health reforms has been inconsistent and in some cases absent. Insufficient focus has been given to ensuring staff transferring to the local authority have a full understanding of local government governance requirements and processes.	<ul style="list-style-type: none"> a) Due Diligence is carried out on all novated contracts and where appropriate contracts are transferred onto local authority terms and conditions within 14/15 b) Introduction to Local Authority Governance Workforce Development session undertaken by all Public Health Staff c) Ensure that processes are in place regarding Information governance and that the Local government IG toolkit is implemented 	<p>Helen Coombes Director for Adults & Wellbeing</p> <p>Carol Trachonitis Equality Information and Records Manager</p>	<p>March 2015</p> <p>March 2015</p>
3.	Commissioning/contract management – whilst processes for commissioning are established there is evidence to suggest that they are not consistently followed eg high number of contract procedure rule exemption requests to extend existing contracts Contract management is not consistently focused on achievement of contracted outcomes e.g. ongoing high value contract dispute (see 10	<ul style="list-style-type: none"> a) Corporate Governance and compliance with the formal decision making process is reflected in the revised Contract Procedure Rules due to be implemented as part of the review of the constitution. b) In addition, decision approval is a key step in the pre-procurement planning stage within the Commercial Procurement pipeline and so Category Managers check that stakeholders have secure this as part of major projects procurement. 	<p>Bill Norman Assistant Director Governance</p> <p>Richard Ball Assistant Director Place Based Commissioning</p>	<p>March 2015</p> <p>Training October 14</p>

Area for Improvement	Actions	Responsible Officer	Timescale
	below)	Carol Trachonitis Equality Information and Records Manager	
Principle 2: Define the roles of members and officers, ensure that they work together constructively and improve their effectiveness			
4.	<p>There is an identified lack of clarity amongst members (and officers) re roles/and processes – as evidenced by budget debate at Council in February 2014.</p> <p>HSCOSC has identified the need for greater member training and development re safeguarding and corporate parenting</p>	<p>a) Constitution (including Codes & Protocols) to be reviewed in conjunction with cross-party Constitution Working Party.</p> <p>b) Improved clarity to be one outcome of 2014/15 review of Constitution.</p> <p>c) Induction Programme for May 2015 intake of Members to be developed in conjunction with Member Development Group</p> <p>d) Review of Constitution to consider introduction of mandatory training (and sanctions for non-compliance)</p>	<p>End March 2015</p> <p>End March 2015</p>

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		<ul style="list-style-type: none"> e) Managers receive monthly reports re compliance with mandatory training requirements f) Ongoing programme of Governance awareness training with management teams. g) Ongoing programme of Equality awareness and training for decision makers and report writers to comply with Equality duties (PSED) h) Increased use of modern.gov, including better version controlling of emerging reports. 		
5.	<p>Staff reductions of around 20% in 18 months have placed a new level of work pressure on staff and on particular departments. This has had an impact on staff morale alongside wider public sector confidence levels. The use of interim staff in key roles provides a further challenge to workforce cohesion during a long period of continuing restructuring.</p>	<ul style="list-style-type: none"> a) Continue and further develop staff engagement with the council's programme of change. Ensure staff are clear about the direction of change. b) Review staffing needs in any areas of significant pressure. c) Where appropriate re-balance staffing levels within the organisation. d) Risks to be reviewed before any further contract extensions recommended for approval/further interim appointments made. 	Alistair Neill, Chief Executive	<p>Ongoing</p> <p>February 2015</p>

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	e) Annual pay policy statement review to address any issues arising re use of interim senior managers including transparency requirements and taxation guidance.	Bill Norman Assistant Director Governance	
Principle 3: Require high standards of conduct.			
6.	Fraud – A lack of focus across the authority and input by Internal Audit aside from Housing Benefits	a) The new Internal Audit provider, the South West Audit Practice has been given responsibility for a number of fraud initiatives in the Internal Audit Plan, 135 days in total approved by the Audit and Governance Committee that will improve focus and process around fraud detection and prevention	Peter Robinson, Chief Financial Officer (CFO) Ongoing to commence May 2014, reviewed by CFO and Audit and Governance Committee
7.	Data protection/information security – as evidenced by number of breaches, including those arising through interim staff.	a) Non-compliance with staff on-line mandatory information/data security training to be pursued with relevant managers. b) Non-disclosure / confidentiality agreements to be signed by all staff / interims/ agency prior to be granted access to systems.	Carol Trachonitis Equality Information and Records Manager End September 2014 November 2014

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Principle 4: Take sound decisions on the basis of good information			
8. Lack of robustness of challenge re business cases/benefits – consistency of business cases; follow up re benefits realisation; need for horizon scanning at point of decision to assess what may impact on achievement of benefits e.g. as identified in recent external audit report following a public interest disclosure act disclosure.	<p>a) Reorganisation of finance function to enable greater focus on change and business case development and strategic/corporate oversight</p> <p>b) Standard business case template to be developed and implemented</p>	Peter Robinson, Chief Financial Officer (CFO)	<p>New finance structure implemented April 2014</p> <p>Business Case template to be developed and implemented by December 2014</p>
9. Budget - Adult Wellbeing overspent by £3m in 2013/14 due to over optimistic assumptions on the rate of change, inadequate data and strategic planning, a lack of challenge and lack of contingency	<p>a) The budget approved by council in February 2014 was subject to a zero based approach before applying savings plans. The budget was prepared with Directors and challenged by the finance team. A corporate contingency was established and reserves added to ensure any unforeseen items arising could be managed. Monitoring at June 2014 predicts an overall balanced budget with minor variations in Directorate budgets and unforeseen items managed through corporate contingency arrangements approved by Cabinet</p>	Peter Robinson, Chief Financial Officer (CFO)	<p>Budget and Medium Term Financial Plan approved February 2015</p>

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10.	Progress has been slow in achieving closer integration with health in order to reduce waste and duplication, achieve better demand management and deliver service improvements.	<ul style="list-style-type: none"> a) Establish formal governance mechanisms to drive integration and transformation b) Establish projects and programmes to re-shape service delivery. 	<p>Alistair Neill, Chief Executive</p> <p>Helen Coombes Director of Adults and Wellbeing</p> <p>Jo Davidson Director of Children's Wellbeing.</p>	March 2015 & ongoing
11.	Decisions supported by more informed options appraisals including assessment of risks/opportunities – the number of legal challenges indicates a need for greater consistency/robustness in this area. Internal risk management processes are not sufficiently clear.	<ul style="list-style-type: none"> c) High value cases regularly reviewed by senior legal services officers; evolving risks evaluated and relevant colleagues and Members kept informed. d) Legal services restructured to address capacity/skills gaps; recruitment to populate new structure. e) Decision reports and options appraisals to follow the principles of good decision making. f) Internal audit review of risk management scheduled for 2014.15 will inform future improvement actions 	<p>Bill Norman Assistant Director Governance</p>	<p>Ongoing</p> <p>90% completed July 2014</p> <p>Ongoing</p>

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12.	<p>Arm's length/partnership governance – General Overview & Scrutiny has highlighted the need to ensure future arrangements have strong and clear links back to council governance processes.</p>	<p>a) Include as part of the review of the Council's Constitution (see point 4 above)</p> <p>b) Ensure LEP, West Mercia Energy and Hoople governance is appropriately reflected in the Constitution</p> <p>c) Review of functioning of HWBB and further development of ToR</p> <p>d) Approval of the system wide transformation programme through the governance system to ensure clarity of role of Boards</p>	<p>Bill Norman, Assistant Director Governance</p> <p>Jo Davidson Director of Children's Wellbeing</p> <p>Helen Coombes, Director for Adults & Wellbeing</p> <p>End March 2015</p>

