



NORTHAMPTON
BOROUGH COUNCIL

Annual Governance Statement
2018/19

NORTHAMPTON BOROUGH COUNCIL ANNUAL GOVERNANCE STATEMENT 2018/19

1. Introduction

This document describes Northampton Borough Council's (NBC) governance arrangements and assesses how closely the Council aligns with good practice. This statement for the 2018/19 financial year is a positive statement that has seen many changes and improvements in response to the 2017/18 statement. This document draws on several assurance mechanisms including the internal audit annual review, internal audit reports throughout the year, returns by Senior Officers, the Statement of Accounts, Audit Committee, the overview and scrutiny process, and external audit.

In 2017/18 the statement alluded to the work required on the back of the Governance Action Plan around internal controls within NBC, LGSS and NPH to enable policies, procedures and processes to be reviewed, evaluated, improved and, where necessary, implemented. Following the completion of internal reviews, a programme of works around compliance within a number of processes has been developed to ensure service areas follow the agreed procedures.

The engagement of BDO as the Councils internal auditors has seen a great increase in internal audit review activity and has helped the services areas in focussing their actions to areas of risk that had previously been seen as weak. This statement details the internal audit reviews performed in 2018/19 at section 10.

External audit has been undertaken since November 2012 by KPMG. For 2016/17, the financial statements were not finalised on time due to poor processes and controls initially over asset management and valuations. However following adjustments to the accounts, it also transpired that the close down process within LGSS, who are responsible for the finance function of NBC, was not fit for purpose leading to KPMG instigating further audit work and requiring additional information to substantiate the adjusted figures reported. This work impacted on the preparation of the 2017/18 financial statements leading to the delay in issuing draft accounts to Audit Committee for approval.

The closedown process was greatly improved during 2018/19 with the 2017/18 accounts to be signed off in July 2019 with the 18/19 draft accounts being presented to the same Audit Committee for review. Ernst & Young are the appointed external auditors as per PSAA for the financial year 2018/19 onwards.

2. Corporate Governance

Corporate governance comprises the systems and values by which councils are directed and controlled and through which they are accountable to and engage with their communities. The Chief Executive, Senior Management, managers, employees and Councillors acknowledge they have full responsibility for ensuring there is a sound system of governance (incorporating the system of internal control) within NBC.

To demonstrate compliance with the principles of good corporate governance, NBC must ensure that it does the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

The governance arrangements within NBC underwent a revision in 2017/18 with greater focus on the control environment, policies and procedures ensuring that councillors and employees are educated and well informed when making decisions. This continued throughout 2018/19. This statement sets out how the effectiveness of the governance arrangements have been monitored and evaluated during the year and sets out any changes planned for 2019/20.

This statement describes the extent to which the Council has, for the year ended 31st March 2019, complied with its Governance Code and how the Council met the requirements of regulation 6 of the Accounts and Audit Regulations 2015, in relation to an annual review of the effectiveness of the Councils system of internal control, and the preparation and approval of an annual governance statement.

A copy of the code of corporate governance can be found on our website ([click here](#)).

In 2018/19 the governance code was reviewed and updated in accordance with the governance guidance produced by CIPFA and SOLACE in 2016. The principles set out in the Council's code are consistent with the guidance.

Northampton Borough Council Code of Corporate Governance (2019)
1. Focusing on the purpose of the authority and on the outcomes for the community and creating and implementing a vision for the local area
2. Members and officers working together to achieve a common purpose with clearly defined functions and roles
3. Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
5. Developing the capacity and capability of members and officers to be effective
6. Engaging with local people and other stakeholders to ensure robust public accountability

3. The purpose of the governance framework

The Governance Framework comprises the systems and processes, and culture and values, by which the council is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

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

The Constitution is the key document in the Council's governance framework. The Borough Secretary (the 'Monitoring Officer') has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution regularly to incorporate any necessary changes that are approved as part of any policy changes. A full review of the Constitution has been conducted and was finalised in September, 2018.

4. Corporate Plan

The Council's corporate priorities are set out in the Corporate Plan 2018 - 20, which was adopted by the Council at its meeting on 17 October 2018. These are based around three strategic priorities:

- **A Stronger Economy**
A clean, green and tidy town
Creating a thriving, vibrant town
Shaping place and driving growth
- **Resilient Communities**
Keeping the town and people safe
Empowering local people
More homes, better homes
- **Exceptional Services to be proud of**
Spending your money wisely
Putting the customer first
Improving our governance



5. Evaluating Performance

The Council has a comprehensive and robust performance management framework. The framework is reviewed annually to ensure that learning and improvement is captured and changes made where necessary. The Council monitors delivery of its priorities and objectives through the performance management framework.

The service plans represent the key plan for each service and clearly set out targets and actions and how each service area contributes to corporate objectives and targets. The service plans address service level improvements, including value for money objectives. Service plans also set out how each service will contribute to a range of corporate performance and improvement objectives. Performance data is reported on a quarterly basis to Cabinet.

The Council has several committees, which carry out regulatory or scrutiny functions, and ensure that decisions and financial performance can be scrutinised:

- Council – Approves annual budget, medium term financial plan and sets council tax.
- Cabinet - makes executive decisions which can be called in by Scrutiny using formal call-in powers in the constitution.
- Planning Committee - determines planning applications and related matters.

- Standards Committee - Standards Committee promotes monitors and helps to maintain high ethical standards amongst the Council's Members, and this extends to having the same responsibility for all town and parish councils within the Borough.

On behalf of Standards Committee the Council's Monitoring Officer has provided briefings and guidance to Members, Parish Councillors and relevant officers on matters in relation to Standards generally and to also remind Members of their obligations under the Code of Conduct, the Register of Interests, Gifts and Hospitality.

Audit Committee - provides overview on the adequacy of internal controls, financial accounting and performance reporting arrangements, and that effective risk management is in place. Its work is intended to enhance public trust in the corporate and financial governance of the council. It also reviews areas of concern to the committee, particularly around risk, fraud and failure of systems of control.

Licensing Committee - monitors and reviews the effectiveness of the Council's licensing policy and procedures and make individual licensing decisions as required. Committee Members receive initial training to enable them to sit on the Committee, and ad-hoc training on any legislation changes as required.

General Purposes Committee - which is a sub-committee of full Council, makes decisions that are not the responsibility of the Executive or other committees.

Appointments and Appeals Committee - has responsibility for appraising senior officers and dealing with certain disciplinary and grievance matters.

The Overview and Scrutiny Committee (O & S) - since May 2010 the Council has had one O & S Committee which sets up time-limited Scrutiny Panels to carry out in-depth reviews. The Committee comprises fifteen Members. The Scrutiny Panels now hold their meetings in public and individuals are encouraged to attend.

Overview and Scrutiny is a key part of the modernised arrangements for governance in local councils and also an important mechanism for driving forward performances in services. The four key legislative roles are:

- Holding the Executive to account
- Policy development and review
- Best Value Reviews
- External Scrutiny

The Committee provides the opportunity for Councillors that are not members of Cabinet to examine various functions of the Council, to question how key decisions have been made and to champion issues of local concern to residents.

It is also charged with finding ways of ensuring that the issues that matter to the public are the focus of their attention, and with finding new ways of getting citizens involved in the things that affect them. Overview and Scrutiny has considerable powers:

- Holding decision makers to account
- Challenging and improving performance
- Supporting the achievement of value for money
- Challenging the ways things are done
- Influencing decision makers with evidence based recommendations
- Bringing the evidence and views of stakeholders, users and citizens

The Committee is Councillor led and as well as Councillors leading on the review of topics, where they research issues and develop recommendations, they are also involved in setting the Committee agenda, bringing forward topics and issues, identifying who they want to hear from to help their work and what they want to know and how they want it presented to them.

The O&S Committees can “call-in” a decision that has been made by the Executive but not yet implemented, to enable it to consider whether the decision is appropriate. Call in can be referred to O&S by at least two Councillors.

The Committee becomes involved with decisions at an appropriate early stage to apply real influence and therefore play the important role of ‘critical friend’ to Cabinet.

The Council's O & S Committee is a very effective model, both for pre-decision investigations, and for a call-in process to scrutinise decisions of the executive.

Open Policy and Decision-making – All Council meetings, agendas and minutes can be viewed on the website [click here](#).

6. Financial Framework

The financial management of the Authority is conducted in accordance with the financial rules set out at Article 13 and in the Financial Regulations section within the Constitution. The Council has a designated Chief Finance Officer in accordance with Section 151 (S151) of the Local Government Act 1972 who is an NBC employee. The Strategic Finance Business Partner is the Deputy S151 officer. The Deputy 151 Officer is an LGSS employee, whose function is provided to the Council through the LGSS Partnership Agreement. This arrangement has been reviewed against CIPFA's Statement on the Role of the Chief Finance Officer 2010, and successfully complies with all of the criteria. The Chief Finance Officer is a member of Corporate Management Board and reports directly to the Chief Executive.

The Council maintains an Internal Audit service provided through a contract with BDO who won the tender in 18/19 to provide internal audit services to NBC. BDO operate to the standards set out in the ‘Code of Practice for Internal Audit in Local Government in the UK’. This is supplemented by an internal audit function delivered by LGSS for the services hosted by LGSS.

Individual services produce annual service plans. These Service Plans are updated each year so as to incorporate the Corporate Plan requirements into service activities, so that services know what they are required to do to achieve the Council's priorities and ambitions. These plans also identify any governance impact.

The Council's external audit services have been previously provided by KPMG but for 2018/19 onwards Ernst & Young (EY) were appointed as external auditors through PSAA and will audit the Statement of Accounts.

7. Risk Management Framework

The Council's risk management process is fundamental to the system of internal control.

The aim of risk management at NBC is not to remove all risks, but to understand the nature of risks and to implement controlled, sensible, balanced and cost-effective measures, to manage or mitigate risk and achieve objectives within each activity and across the portfolio of all activities. Risk management therefore is not about being ‘risk averse,’ but about being ‘risk aware’ and this awareness will mean that the Council and its leadership team is better able to avoid threats and hazards and also take full advantage of opportunities that arise in the course of its business.

NBC recognises there is uncertainty in everything it does, and the uncertainties present both threats and opportunities. The Council will manage these uncertainties by identifying, evaluating and managing risk, increasing the authority's success in achieving its priorities and objectives and also by putting in place contingencies and an organisational agility for both planned and also unforeseen events.

Although the corporate risk management framework is set and monitored by Cabinet (who have ultimate responsibility for it) and the Council's Management Board (working in conjunction with the Chief Finance Officers department), core delivery of the approved risk management framework is

primarily led by and rests with the Chief Executive, Heads of Service and statutory officers acting individually and collectively as part of the Management Board, and who are then supported by their departmental management teams or equivalent. The Borough Secretary works in collaboration with Heads of Service further to this offering professional advice and challenge and works in reporting and monitoring terms to this protocol.

Furthermore, all Members, managers and staff of the Council, including when acting in partnership and joint venture with other bodies and organisations, have a general responsibility and duty to manage risk as an integral part of their role.

In addition, specific core risk-related/risk-driven support service activities, such as the performance management function, health and safety, insurance, emergency and business continuity planning and programme and project management, all contribute to the overall corporate risk management process.

The Council and its leadership team set the “tone from the top” on risk management and directly oversee the risk management function in achieving its objectives which are:

- Continuously develop Northampton Borough Council’s risk management framework to support the achievement of the Council’s corporate plan securing Northampton’s future and its core ambition to be one the best councils in the country
- Facilitate the achievement of Council priorities and objectives by embedding an effective process of identification and management of strategic, service level and key operational risks
- Similarly facilitate the achievement of Council priorities and objectives by embedding an effective process of identification and management of major programme and project risks
- Ensure where appropriate risks are effectively escalated, and escalation is timely
- Successfully manage the risks associated with the economic and financial short, medium and long-term
- Ensure the risks associated with partnerships are effectively identified and managed
- Promote risk-awareness, particularly business risk awareness, risk-intelligence and risk management throughout the Council
- Ensure risk management processes are engaging and relevant to all staff
- Capture, expand and act upon positive risk opportunities
- Support the effective identification and management of risks associated with delivering existing and new council services into both existing and new markets
- Proactively identify and manage emergent risk
- Clearly state and communicate to all council officers, managers, partners and residents their risk management responsibilities
- Manage risk in line with recognised best practice in public sector governance

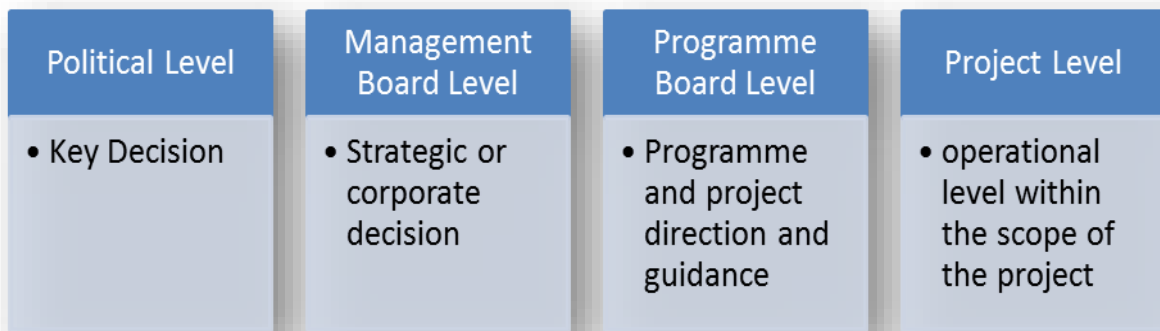
Operational risk registers are in place within each service area and are reviewed on a quarterly basis. Any risks are escalated to Management Board if an identified risk is thought to have a corporate impact. The Corporate Risk register is updated on a quarterly basis. For 2018/19 the corporate risk registers were presented to Cabinet quarterly and bi-annually to Audit Committee for review and comments.

Programme and Project Management Governance

During 2018/19 key Programme Boards reported into Management Board through the Head of Service for Economy, Assets and Culture. The governance arrangements were amended as part of the governance action plan to improve the focus of decision making, and to support the early consideration of issues through new member/officer arrangements. Individual projects are governed by project boards which report into the Head of Service.

The Project Management Framework document covers the governance in place to ensure that programmes and projects make the best use of the organisation’s resources, that risks associated with the investments are managed and that there is accountability for decisions made at programme level.

The framework included all the levels of engagement for a programme and its projects and included the Leader, Cabinet Members, EPB and review agencies such as Internal Audit. The framework is to be reviewed and refreshed during 2019/20.



So that Members and Senior Officers had oversight of key council programmes of work, the Leader chaired the Executive Programme Board (EPB).

The Membership of the EPB includes the Leader, Management Board, the Deputy Leader and the Cabinet Members.

The oversight that EPB provided on programmes of work acted as a two-way communication between the political level and the Management Board level and sought to inform Management Board decisions, whilst recognising formal decisions are made publicly through formal Cabinet. EPB is not a formal decision-making body.

8. Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of its governance framework including the system of internal control. The system for 2018/19 is below:

- BDO and LGSS Internal Audit reports
- Review and approval by Corporate Management Board
- Review and approval by EPB
- Review and approval by the Audit Committee
- Follow up on audit recommendations by the internal auditors and the governance team

The review of effectiveness was informed by the work of the managers within the Council who had responsibility for the development and maintenance of the governance environment, the internal auditor's annual report and by comments made by the external auditors and other review agencies and inspectorates.

Internal audit, under the terms of engagement, is required to provide those charged with governance with an opinion on the overall adequacy and effectiveness of the council's:

- Risk management
- Control
- Governance processes

Collectively this is referred to as "the system of internal control". The BDO 2018/19 annual opinion is covered at point 10.

9. Councillors and Senior Officers Development

Councillors are offered a full, comprehensive induction programme after their election. This includes initial and ongoing training sessions. For 2018/19 the following courses and briefing sessions were run for Councillors:

30 May 2018	Planning Committee Training
11 June 2018	Cllr Briefing Local Government Reform in Northants
19 June 2018	Cllr Workshop – Local Government Reform in Northants
26 June 2018	Cllr Development – Local Government Finance Explained
27 June 2018	Cllr Development – Local Government Reform in Northants
16 July 2018	Cllr Briefing – FGM Awareness
24 July 2018	Cllr Briefing – HMO
25 July 2018	Cllr Briefing - Housing Options and Advice
26 July 2018	Training for the Planning Committee delivered by OPUN Design East Midlands
2 August 2018	Cllr Briefing - Environmental Services Contract update
20 August 2018	Cllr Briefing – Local Reform in Northamptonshire
17 October 2018	Training for the Planning Committee
6 November 2018	Cllr Briefing – Website
13 November 2018	Cllr Briefing – HIMO Report
26 November 2018	Cllr Training - Emergency Planning
28 November 2018	Cllr Briefing – The role of Parish Councils
8 January 2019	Cllr Training on the Caseworker System
30 January 2019	Cllr Briefing – Unitary Update
20 March 2019	Cllr Development - Procurement Process

Additionally, all Councillors new to Committees are trained before they sit on a Committee. Further sessions are planned for 2019/20.

The development and training needs of all levels of employees and Councillors are identified in a number of ways - through performance appraisals, a Health & Safety training matrix and a 360-degree feedback process for the leadership teams. Job specific and interpersonal skills development interventions were sourced from specialists who had the expertise to deliver the required support.

In early 2019/20 a Learning and Development Policy will be implemented by the dedicated Organisational Development Manager detailing how the Council will support the development of its employees.

10. Internal Audit

An internal audit plan is prepared each year and agreed at the Audit Committee. For 2018/19 the audit plan was considered by Audit Committee on November 26th, 2018. NBC went through a tender process for the provision of internal audit services during the early part of the year. The decision was made following PWC delivering the service for 5 years, it was felt a refresh of the service was required.

BDO and LGSS Internal Audit Services were responsible for the end to end review of internal processes and controls for 2018/19.

The reporting process for internal audit required a report of each audit to be submitted to the relevant service manager and/or chief officer. The report included recommendations for improvements that are included within an action plan and required agreement or rejection by a service manager and/or chief officers. The process included follow-up reviews of recommendations to ensure that they have been acted upon, usually within six months.

All internal audit reports included a report on the quality and effectiveness of internal control within the Council's systems, and an assessment in accordance with quantification and classification of internal control level definitions. These definitions are summarised below.

BDO Internal Audit Outturn

The below table sets out the Internal Audit opinions that can be given:

APPENDIX I - DEFINITIONS				
LEVEL OF ASSURANCE	DESIGN OF INTERNAL CONTROL FRAMEWORK		OPERATIONAL EFFECTIVENESS OF CONTROLS	
	FINDINGS FROM REVIEW	DESIGN OPINION	FINDINGS FROM REVIEW	EFFECTIVENESS OPINION
Substantial	Appropriate procedures and controls in place to mitigate the key risks.	There is a sound system of internal control designed to achieve system objectives.	No, or only minor, exceptions found in testing of the procedures and controls.	The controls that are in place are being consistently applied.
Moderate	In the main there are appropriate procedures and controls in place to mitigate the key risks reviewed albeit with some that are not fully effective.	Generally a sound system of internal control designed to achieve system objectives with some exceptions.	A small number of exceptions found in testing of the procedures and controls.	Evidence of non compliance with some controls, that may put some of the system objectives at risk.
Limited	A number of significant gaps identified in the procedures and controls in key areas. Where practical, efforts should be made to address in-year.	System of internal controls is weakened with system objectives at risk of not being achieved.	A number of reoccurring exceptions found in testing of the procedures and controls. Where practical, efforts should be made to address in-year.	Non-compliance with key procedures and controls places the system objectives at risk.
No	For all risk areas there are significant gaps in the procedures and controls. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Poor system of internal control.	Due to absence of effective controls and procedures, no reliance can be placed on their operation. Failure to address in-year affects the quality of the organisation's overall internal control framework.	Non compliance and/or compliance with inadequate controls.

Based on the work completed on high risk areas, internal audit have issued the following audit opinion for 2018/19:

“Overall, we are able to provide limited assurance that there is a sound system of internal control, designed to meet the Council’s objectives and that controls are being applied consistently.”

There were four limited or part limited opinions out of 10 audits conducted. These spanned key areas such as procurement, member officer relationships and people. The number of high and medium findings had increased in 2018-19 compared to previous years in addition to the overall number of findings. This is in part due to the Council’s approach in directing internal audit to known risk areas during preparation of the risk based audit plan.

The Council have undergone strategic change in 2018-19 with the formal announcement of Unitary Status, changes in senior staff and to governance meetings. Whilst improvement has been made in the management of governance and risk these largely took place in the second half of the 2018-19 year.

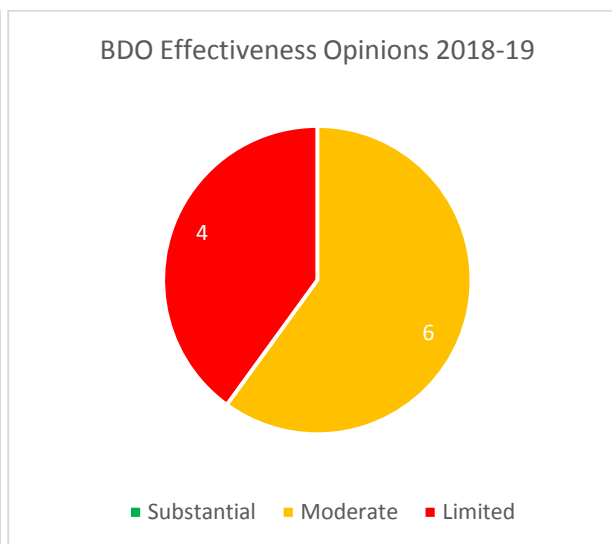
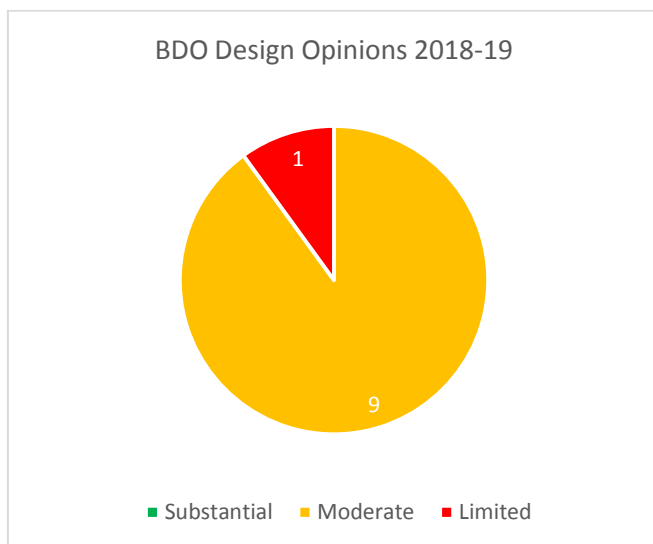
Therefore the direction of travel is positive however these arrangements were not in place during the whole year and need time to embed.

During the year BDO completed audit reviews in the following areas:

- Audit 1. Senior Management Restructure
- Audit 2. Member Officer Relationship
- Audit 4. Temporary Accommodation
- Audit 5. Housing Rents
- Audit 6. Major Capital Projects
- Audit 7. People
- Audit 8. Building Control
- Audit 9. Cash Handling
- Audit 10. Procurement
- Audit 11. Digital Strategy

Table summary of BDO findings for 2018-19

	BDO
	2018-19
Critical	n/a
High	9
Medium	32
Low	19
Total	60



The audits completed were focussed as a result of reviewing the Corporate Risk Register and targeting the high-risk areas as directed by the Senior Management of the Council.

Management were expecting this result and although disappointing, it highlights specific areas for improvement by service areas and shows managements appetite for wanting to throw a spotlight on issues that may exist in the more complex process areas.

LGSS Internal Audit

To ensure consistency in reporting, the following definitions of audit assurance are used:

Control Environment Assurance	
Level	Definition
Substantial	There are minimal control weaknesses that present very low risk to the control environment.
Good	There are minor control weaknesses that present low risk to the control environment.
Satisfactory	There are some control weaknesses that present a medium risk to the control environment.
Limited	There are significant control weaknesses that present a high risk to the control environment.
No Assurance	There are fundamental control weaknesses that present an unacceptable level of risk to the control environment.

Compliance Assurance	
Level	Definition
Substantial	The control environment has substantially operated as intended although some minor errors have been detected.
Good	The control environment has largely operated as intended although some errors have been detected.
Satisfactory	The control environment has mainly operated as intended although errors have been detected.
Limited	The control environment has not operated as intended. Significant errors have been detected.
No Assurance	The control environment has fundamentally broken down and is open to significant error or abuse.

Organisational Impact	
Level	Definition
Major	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.
Moderate	The weaknesses identified during the review have left the Council open to medium risk. If the risk materialises it would have a moderate impact upon the organisation as a whole

Minor	The weaknesses identified during the review have left the Council open to low risk. This could have a minor impact on the organisation as a whole.
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The processes reviewed by LGSS in 2018/19:

Audit	Status	Control Environment Assurance	Compliance Assurance	Organisational Impact
Accounts Receivable	Final	Satisfactory	Satisfactory	Minor
Balance Sheet Review	Final	Satisfactory	Minor	Minor
Housing Benefits	Draft*	Good	Good	Minor
Agresso IT Application Review	Ongoing			

For each process area where the assurance is less than “Substantial” either at an overall opinion level or for specific areas within the process, an action plan of improvements for implementation by LGSS has been agreed between the relevant Service Manager and LGSS Internal Audit. These actions will be monitored and followed up during 19/20.

11. Northampton Partnership Homes (NPH)

On 5 January 2015 NPH began trading. NPH is an Arm’s Length Management Organisation, wholly owned by the Council. NPH is a subsidiary of the Council for accounting purposes and their accounts have been consolidated into the Council’s Group Accounts.

Statement on Internal Controls

As part of their Annual Report, NPH are required to make a formal statement on Internal Controls, covering:

- Corporate Governance
- Business Planning
- Executive Management Team
- Risk Assessment and Management
- Audit
- Performance Management
- Financial Control and Budget Management
- Budgetary Control and Reporting
- Service Level Agreements
- Policies and Procedures

NPH - Review of Effectiveness

Internal Audit, under the terms of engagement, is required to provide the Board with an opinion on the overall adequacy and effectiveness of the council’s:

- Risk management

- Control
 - Governance processes

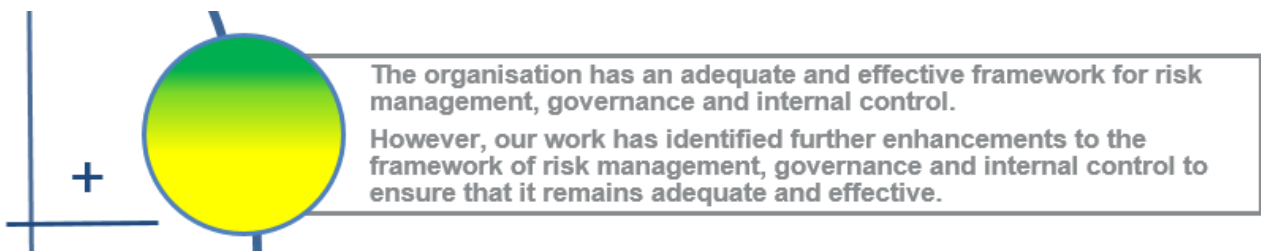
Collectively this is referred to as “the system of internal control”.

An audit plan is prepared each year and is agreed at NPH’s Audit Committee. The 2018/19 audit plan was agreed by the Audit Committee on 13th March 2018 and ratified by their main Board on 28th March 2018.

A summary of internal audit work completed in 2018/19 showing the level of assurance reported:

• Governance	:	Substantial assurance
• Budgetary Control:		Substantial assurance
• Tenant Health & Safety Compliance (Gas Safety)		Reasonable assurance
• - Gas Including Data Migration		Partial assurance – Data Migration
• Project Management & Control		Workshop delivered
• Key Financial Controls		Substantial assurance
• GDPR Governance		Advisory
• Development		Advisory
• Payroll		Substantial assurance
• Asset Management Systems & Data Quality		Advisory
• IT Governance		Reasonable Assurance

RSM 2018/19 Annual Internal Audit Opinion



RSM had not identified any issues that should be included within the Annual Governance Statement for 2018/19.

12 Current Governance Issues

George Candler was appointed as permanent Chief Executive on 30th April, 2018. In September 2018 a restructure of the senior management team resulted in service areas being better aligned and allowed greater control over LGSS contract management, finance, IT, procurement and governance.

In addition, greater reporting to Corporate Management Board (CMB) has been implemented with a Head of Service report being presented by each service area on a bi-monthly basis. Heads of Service also give weekly service updates as part of ‘any other business’ to CMB members. Improvements for 2019/20 could see the introduction of a dedicated CMB once a month to discuss operational issues within the service areas and address any strategic issues.

Managers sessions are run bi-monthly for all service managers and these are presented by two of the heads of service on a rotating basis. These sessions are extremely popular and informative with topics ranging from the introduction of new procedures i.e. project management, to the presentations by park rangers and neighbourhood wardens and information on important subjects such as safeguarding. Managers are asked at these sessions what they would like input into, policies and procedures are popular subjects and for 2019/20 a focus group will be introduced to review employee facing policies with a view to influencing the content prior to them being approved at MTUCM.

The Chief Executive has also introduced monthly briefing sessions to inform employees on the progress of the Local Government Reform, all employees are invited to the sessions which serve to give detail about the various workstreams in the unitary project. These will continue until March 2021.

The Corporate Plan was totally refreshed and approved in November 2018, following on from that the service areas reviewed and updated their plans to be in line with the Corporate Plan objectives, vision mission and values. It will undergo a further refresh to ensure it is effective until unitary, which will now be 1st April 2021.

Performance monitoring continues to be collated and reported quarterly to Cabinet. 2019/20 will see a change in how the data is reported and more focus will be made on benchmarking against other local authorities to bring NBC in line going into the new unitary.

13 Conclusion

Governance arrangements have been significantly improved during 2018/19 and have provided a firm foundation for the Council's financial planning and management to move forward and to better support the Council's corporate objectives. Other governance arrangements are generally fit for purpose in most other areas in accordance with the governance framework. The Council is committed to enhancing these arrangements and ensuring that the improvements required are prioritised and sufficiently resourced.

14 Approval of the Annual Governance Statement



Councillor Jonathan Nunn

Leader of the Council



Revised Date: 1st February 2021

Stuart McGregor

Chief Finance Officer/S151

Revised Date: 1st February 2021