

PETERBOROUGH



CITY COUNCIL

(Draft) Annual Governance

Statement – 2013/14



Annual Governance Statement

Scope of Responsibility

Peterborough City Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. The City Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, the City Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Peterborough City Council has approved and adopted a Local Code of Governance, which is consistent with the principles of the CIPFA / SOLACE Framework *Delivering Good Governance in Local Government*. This statement explains how Peterborough City Council has complied with the Code and also meets the requirements of the Accounts and Audit (England) Regulations 2011 Regulation 4(3) in relation to the publication of an Annual Governance Statement.

The Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values by which the City Council is directed and controlled and its activities through which it accounts to, engages with, and leads its communities. It enables the authority to monitor

the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

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 and 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 Peterborough City Council's policies, aims and objectives, to evaluate the likelihood of and potential impact of those risks being realised and to manage them efficiently, effectively and economically.

We have had the governance framework in place from 1 April 2013, and up to the date we approved the Statement of Accounts.

The Governance Framework

The Council is a complex organisation with an appropriately comprehensive governance framework. The Council works in a dynamic environment and keeps its processes under constant review. Our governance framework derives from six core principles identified in the Independent Commission on Good Governance in Public Services 2004 publication entitled *The Good Governance Standard for Public Services*. These principles were adapted for application to local authorities and published in 2007. The six core principles state that good governance means:

- Focusing on the purpose of the Authority and on outcomes for citizens and service users;

- Performing effectively in clearly defined functions and roles;
- Promoting values for the whole organisation and demonstrating good governance through behaviour;
- Taking informed, transparent decisions and managing risk;
- Developing the capacity and capability of the governing body to be effective; and
- Engaging stakeholders and making accountability real.

The following paragraphs summarise the City Council's Governance Framework which has been in place for the year ended 31st March 2014 and up to the date of approval of this Statement and the Statement of Accounts.

The key elements of each of these core principles are as follows:

Creating and Implementing a Vision

Good governance means focusing on the purpose of the City Council, on outcomes for the community and creating and implementing a vision for the local area. The following describe how the City Council achieves this:

- Members, working with officers, and its partners, have developed a clear vision of their purpose and intended outcomes for citizens and service users. The Peterborough Sustainable Community Strategy (SCS) 2008 – 2021 sets out the overarching vision for the Council (and refreshed in 2010) to ensure it continues to reflect the communities needs and changing circumstances. These are:
 - *A bigger and better Peterborough that grows the right way, and through truly sustainable development and growth...*

- *Improves the quality of life of all its people and communities, and ensure that all communities benefit from growth and the opportunities it brings;*
- *Creates a truly sustainable Peterborough, the urban centre of a thriving sub-regional community of villages and market towns, a healthy, safe and exciting place to live, work and visit, famous as the environment capital of the UK.*

- In order to achieve the vision, four priorities have been established and these are then set out in a Single Delivery Plan detailing accountability and resources allocations across the partnership. Providing value for money underpins the four priorities. The four priorities are, an:
 - Creating the UK's Environment Capital
 - Creating Strong and Supportive Communities
 - Delivering Substantial and Truly Sustainable Growth
 - Creating Opportunities – Tackling Equalities
- By striving to deliver these priorities, the outcomes expected are:
 - Growth, regeneration and economic development of the city to bring new investment and jobs. Supporting people into work and off benefits is vital to the city's economy and to the wellbeing of the people concerned;
 - Improving educational attainment and skills for all of our children and young people allowing them to seize the opportunities offered by new jobs and our university provision thereby keeping their talent and skills in the city;

- Safeguarding children and vulnerable adults;
 - The Environment Capital agenda including pursuing new income streams from solar energy and wind farm developments;
 - Supporting Peterborough's Culture Trust, Vivacity, to continue to deliver arts and culture in the city; and
 - Keeping our communities safe and cohesive.
- The Vision is reviewed through a variety of means including ongoing analysis of performance information; a review of national and local drivers for change; and consultation with stakeholders, including residents, businesses and partner organisations. Any changes made are cascaded through the organisation to inform and amend departmental delivery and business arrangements.
 - The Council and neighbouring authorities, and their business, higher / further education and VCS partners have developed a Local Enterprise Partnership (LEP) to provide strategic leadership and joint working in areas such as housing, transport infrastructure, employment and enterprise.
 - Regular revisions are made to the Constitution to ensure continuing improvement and simplification, whilst maintaining appropriate governance checks. The Council continues to develop and refine systems for identifying and evaluating all significant risks, via its Corporate Management Team (CMT).
 - When the Council works in partnerships, it has a methodology which ensures that there is a common vision underpinning the work of the partnership that is understood and agreed by all partners. These partnerships range from strategic to operational.

The overarching vision for partnership working is set out in the SCS.

- A Medium Term Financial Plan (MTFP) and capital programme have been established to ensure that resources are aligned to priorities and approved annually, the latest being in February 2014. The budget process incorporates consideration of the allocation of resources against corporate aims and plans for any financial risks. The MTFP allows annual strategic review in the context of performance against aims and sets targets of efficiency improvement to release resources for use elsewhere. Monitoring reports are submitted to CMT and Cabinet and issues are referred to other Scrutiny Commissions / Committees as appropriate.
- Value for money underpins the strategic priorities. Through reviews by External Audit, external agencies, Internal Audit, and other internal review teams, the Council constantly seeks ways of ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which functions are exercised.
- The Council has a comprehensive comments, compliments and complaints scheme. This is used to identify areas where service quality is not satisfactory and to take action to improve. As an organisation, the Council is committed to meeting the service needs of a very diverse community and meet the "*Equality Framework for Local Government*".

Roles and Responsibilities of Members and Officers

Good governance means members and officers working together to achieve a common purpose with clearly defined functions and roles.

The Council aims to ensure that the roles and responsibilities for governance are defined and allocated so that accountability for decisions made and actions are clear.

- The Council is governed by a Constitution which sets out the main control mechanisms and uses the Cabinet model for decisions. This is made up 12 Members: - Leader, 7 Cabinet Members and 4 Cabinet Advisors who are responsible for proposing budgets and policies and taking key decisions in relation to their various portfolios. Cabinet business is governed by written procedures and principles contained in the Executive Decisions within the Constitution. Individual Cabinet members receive regular feedback from senior officers within their portfolios on the progress of objectives. Issues of strategic and corporate importance are referred to Cabinet.
- As well as Cabinet, other Committees are in place to cover the functions of Scrutiny and Regulatory Committees. Neighbourhood Committees where decommissioned in May 2013.
 - Scrutiny – these can hold the Cabinet to account by reviewing decisions, undertaking reviews of the Council's functions, and consider any relevant matters affecting the city or its residents. Although they have no decision making powers, the various Commissions / Committees are able to "Call In" and review certain decisions of Cabinet. Until the call-in process is completed the decision cannot be implemented.
 - Regulatory – these consider a variety of non-executive functions which Cabinet, by law, cannot undertake or has been agreed should not be considered by Cabinet, for example, Licensing. They are all cross-party and with the

exception of Audit Committee, can include cabinet members.

- An Audit Committee provides assurance to the Council on the effectiveness of the governance arrangements, risk management framework and internal control environment. It also now incorporates Member conduct, replacing the previous Standards Committee.
- The Council's Constitution contains a Code of Conduct for Councillors, protocols advising on the Code of Conduct of Officers and a specific protocol on Member / Officer Relations. It also details each Committees clear terms of reference and work programmes to set out their roles and responsibilities.
- Information bulletins are circulated to councillors on current local government issues and publications and regular briefings are provided on their role. Notices of all key decisions to be taken are published in the Council's Forward Plan. This allows stakeholders to be aware of decisions to be taken and secondly to whom representations can be made. Agendas, reports and published decisions are available to councillors and the general public via the Council's web pages.
- Changes to services provided and new local government legislation during the year was integrated into the ongoing management of the Council.
- The Council ensures that effective management arrangements are in place at the top of the organisation. A review of the Councils structure was commissioned in 2013 and a revised structure introduced to reflect the new commissioning role to deliver services going forward.
- Key officers within the Council are:

- The Council's Chief Executive (and Head of Paid Service) leads the Council's officers and Chairs CMT;
- The Executive Director (Resources) as the s.151 Officer appointed under the 1972 Local Government Act carries overall responsibility for the financial administration of the City Council. They are also responsible for ensuring that there is an adequate and effective system of internal audit of the Council's accounting records and of its systems of internal control; and
- The Director of Governance, as Monitoring Officer, carries overall responsibility for legal compliance and the maintenance of high standards of conduct by providing advice and support to Members and Officers.
- Regular CMT meetings are held. In addition, Executive Directors meet their respective Cabinet Members on a regular basis. In addition, there are a series of officer working groups who meet to deal with a range of specific service as well as cross cutting issues.
- All staff, including senior management, have conditions of employment and job descriptions which set out their roles and responsibilities. Terms and conditions of employment are in line with the harmonisation agreement implemented in 2008, and are regularly refreshed and amended following consultation with Unions. The terms and conditions of members are set out in the Members' Allowances Scheme within the Council's Constitution. The Scheme is approved by Council following preparation and review by an independent Panel at least annually.
- The council maintains an objective and professional relationship with external auditors and statutory inspectors, as evidenced by the Annual Audit Letter.

Standards of Conduct and Behaviour

Good governance means promoting appropriate values for the Council and demonstrating the values of good governance by upholding high standards of conduct and behaviour. The following describes how the Council achieves this:

- The Director of Governance, after consultation with the Chief Executive and Executive Director (Resources) can report to Full Council if they consider that any proposal, decision or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered – none was produced in 2013/2014.
- The Council has adopted a number of codes and protocols that govern both Member and officer activities defining the standards of behaviour – such as Members Code of Conduct; Officers' Code of Conduct; Member / Officer Protocol; Planning Code of Conduct; Member declarations of interest; Gifts and Hospitality and Grievance procedures.
- The Council takes fraud, corruption and maladministration seriously. Policies which aim to prevent or deal with such occurrences include the Anti-Fraud and Corruption Policy and Fraud Response Plan; Confidential Reporting Code (Whistleblowing Policy); and Human Resources policies regarding disciplinary of staff involved in such incidents.
- We have an Audit Committee which follows best practice set out within CIPFA guidance. Its purpose is to provide independent assurance of the adequacy of the internal control environment and to oversee the financial reporting process. Its membership of 8 Councillors also has the responsibility for the standards agenda so that it has the full remit of responsibilities in respect

of governance. For standards related issues, the Council has also appointed an 'Independent Person' to oversee these.

- Corporate Complaints procedures enables the Council to receive and investigate any complaint made against it, a Member or a member of staff.
- The Council's financial management is conducted in accordance with the financial rules set out in the Constitution, the Budget Framework, Financial Regulations, Contract Regulations and Procurement Strategy. These rules set out the framework within which the Council conducts its financial affairs and ensures proper financial arrangements are in place. Furthermore, the arrangements conform to governance requirements set out in the CIPFA "*Statement on the Role of the Chief Financial Officer in Local Government (2010)*". The Council is complying with minimum requirements of the Code of Recommended Practice for Local Authorities on data transparency, such as disclosing Executive salaries and £500 spending transactions.
- Full Council approves a balanced budget before the start of each financial year. This includes the MTFP, annual reviewed, under which it plans its finances, target efficiency savings required and potential council tax implications over a three year rolling period. During the year, budget monitoring reports are taken to Management Teams and Members on a regular basis.

Decision Making, Scrutiny and Risk

Good governance means taking informed and transparent decisions that are effectively scrutinised and managing risk. The following describes how the Council achieves this:

- The Leader and Cabinet are responsible for all Executive Decisions. Operational matters requiring decision are delegated to Council Officers under the Scheme of Delegations.
- Forthcoming key decisions by Cabinet (including decisions by individual Cabinet Members), are published in the Cabinet's Forward Plan in so far as they can be anticipated. This is reviewed at each Cabinet Meeting.
- Cabinet has power to make decisions that are in accordance with the Council's policy framework and approved budget. Decisions that fall outside the policy framework or approved budget must be referred to the Full Council.
- Council has several committees which carry out regulatory or scrutiny functions which encourages constructive challenge and enhances the Authority's performance overall. Scrutiny Committees have power to review the decisions of Cabinet and Cabinet Members, through the "call-in" process, to determine whether decisions have followed the agreed process and are in accordance with the Council's policy framework and approved budget.
- The Council's Internal Audit service operates in line with appropriate regulations. Responsibility for Internal Audit rests with the Chief Internal Auditor who supports the Audit Committee and reviews its effectiveness annually in line with best practice. The Internal Audit plan is based on the high risks reported within the risk registers. The Constitution makes it clear that management have the responsibility for operation a sound system of internal control. Internal Audit collaboratively works with services to make recommendations around improvements to the control environment. Reporting lines are within the Resources Directorate, with reporting lines to the Head of

Strategic Finance, Executive Director (Resources) as well as access to the Chief Executive, Monitoring Officer and members as required. Reports, including an assessment of the adequacy of control and action plans to address weaknesses, are submitted to Members (through the Audit Committee), the Chief Executive, Executive Directors and management as appropriate.

- The Council maintains both Strategic and Operational Risk Registers. The Council undertook a fundamental review of its risk management approach, culminating in a revised strategy being adopted in November 2012 which also incorporates business continuity. Regular updates are provided to Audit Committee on its delivery.

Developing Capacity and Capability of Members and Officers

Good governance means developing the capacity and capability of members and officers to be effective. The following describes how the Council achieves this:

- The Councils structure gives clear accountability for the performance management of services, both within departments and corporately.
- The Council aims to ensure that Members and managers of the Council have the skills, knowledge and capacity they need to discharge their responsibilities and recognises value of well trained and competent people in effective service delivery. The council has maintained its Investors in People award. In developing Members' skills, the Council has an overall development strategy in place.
- Audit Committee focus is on key governance issues such as risk management and internal control, together with scrutiny

arrangements for the accounts. Individual briefings are enhanced by an Audit Committee Handbook.

- The Council also provides induction programmes tailored to individual needs and opportunities for members and officers to update their knowledge on a regular basis. All new and transferring employees will receive an induction. In addition, key messages are given to all: such as freedom of information and data security, procurement and financial regulations. E-learning tool-kits have been set up to enhance on the job training.
- All officers have comprehensive job descriptions and person specifications and the Council has a process in place to review performance for all staff. Where capability issues are identified, appropriate processes are in place to try to resolve these.
- As the needs of councils become more and more stretched by finite resources, alternative service delivery methods have been explored. This has led to a number of services being provided in partnership with the private sector. In addition, there has been a development of shared service arrangements with other councils, with Peterborough being the lead authority. These include arrangements with Rutland (for Legal Services and Trading Standards) and Cambridge City and South Cambridgeshire (for Internal Audit).

Engaging with Local People and Stakeholders

Good governance means engaging with local people and other stakeholders to ensure robust public accountability. The following describes how the Council achieves this:

- The Council's planning and decision making processes are designed to include consultation with stakeholders and the submission of their views.

- Every year we carry out many consultation exercises. Arrangements are in place to enable engagement with all sections of the community. These arrangements recognise that different sections of the community have different priorities and establish explicit processes for dealing with these competing demands. These have included Focus groups (face to face and on-line); Employee forums / Joint consultative forum; Voluntary and community sector network; One-off consultation events; and Public meetings. Varied channels of communication are used to reach all sections of the community and other stakeholders. Communication channels include: newspapers, surveys, press releases, internet, public question time at committee meetings, public speaking on planning applications, open forums, member surgeries etc.
- The Council has a number of significant partnerships, outsourced contracts and service vehicles. These are:
 - Greater Peterborough Partnership – our local strategic partner;
 - Peterborough Culture and Leisure Trust (Vivacity);
 - Opportunity Peterborough;
 - Amey - An outsourced partnership for the provision of street scene activities previously undertaken by City Services;
 - Skanska – Provision of Highways Maintenance service;
 - SERCO – Provision of Council back office facilities, including revenues and benefits and ICT services; and
 - Health and Well Being Board - Overseeing expectations and service deliverables following the transfer of various activities from the PCT back to the Council.

Review of Effectiveness

The Council reviews the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by managers within the Council who have responsibility for the development and maintenance of the governance environment, the work of the internal auditors, and also by comments made by the external auditors and other inspection agencies.

Both in year and year-end review processes have taken place. In year review mechanisms include:

- Member engagement is ensured by:
 - Cabinet is responsible for considering overall financial and performance management and receives comprehensive reports on a quarterly basis. It is also responsible for key decisions and for initiating corrective action in relation to risk and internal control issues;
 - There is a scrutiny function which holds the Cabinet to account, which include an overview of service and financial performance, efficiency and effectiveness.
 - Audit Committee meet throughout the year to provide independent assurance to the Council in relation to the effectiveness of the risk management framework, internal control environment and the annual statement of accounts. It now has the combined remit to oversee Member conduct.
- Internal Audit is an independent and objective assurance service to the management of the Council who complete a programme of reviews throughout the year to provide an opinion of the internal control, risk management and governance arrangements. The work includes not only reviews of financial control, but also of risk management, control over the

achievement of organisational policies and objectives, and compliance with laws and regulations. The outcome of all audit reviews are reported to the appropriate Director, and matters of concern are raised with the Chief Executive, Executive Director (Resources), Leader of the Council and the Chair of the Audit Committee. Management of the Internal Audit function conforms to the principles contained in CIPFA's "*Statement on the Role of the Head of Internal Audit in Local Government (2010)*" and the "*Public Sector Internal Audit Standards (2013)*".

- The Governance Team undertakes investigations and detection work in relation to benefit fraud and corporate fraud.
- Risk management is handled through a range of mechanisms. Risk owners are in place for all corporate risks. The risks cascade down to the services, who manage the risks via the service planning process and regular review. Corporate risks are revisited through CMT. Risks are accounted for in all project planning, the creation of the MTFP and other Council operations as an inherent part of normal procedure.
- Work undertaken as part of the Strategic Governance Board. Made up of senior officers from across the Council and members, the Board has been established to consider, review and coordinate improvements in all aspects of the governance framework.
- A number of areas were identified in the proceeding Annual Governance Statement and an update has been included on our progress to improve governance regarding these issues.
- Assurance from the Audit Commission, other Inspection Agencies and External Audit. On completion of their work, an Annual Audit Letter is issued to the Council. The last Annual Audit Letter was issued for the financial year 2012 / 2013, and

was discussed and endorsed at meetings of the Cabinet and Audit Committee with an unqualified audit opinion on the financial statements.

The year-end review of the governance arrangements and the control environment included:

- The Chief Internal Auditors' annual opinion on the status of the Council in terms of the governance and overall controls. For this year he has provided an unqualified opinion.
- Assurance from Executive Directors and their management teams on the key elements of the control framework were in place in their departments. The statement itself has been circulated to all Directors for consideration and is supported by them as an accurate reflection on the governance arrangements in place for the year.

Significant Governance Issues

The review process has highlighted a number of new significant issues of the effectiveness of the governance and internal control environment. For each issue, detailed action plans have been determined, a responsible officer identified and a summary of the key elements are included in the table overleaf.

2012/2013 Governance Issues: Progress to Date	
Issue	Progress
<p>Establishment of a Local Scheme to administer welfare payments</p> <p>Various changes are proposed through the Welfare Reform Bill which will impact on how the Council pays and delivers its services. The Council will have to establish a local scheme and evaluate the impact on claimants and council services.</p> <p>Lead Officer: Executive Director of Resources</p>	<p>Since its inception from the 2010 Spending Review, Peterborough has actively worked with voluntary organisations to ensure that the Local Scheme would minimise the impact on claimants. The scheme was first implemented in April 2013 and subsequently reviewed annually.</p>
<p>Transfer of Adult Social Care</p> <p>Adult Social Care Services reverted to the local authority environment from February 2012. While there has been an initial smooth transfer of activities / services there is a need to review the processes and procedures so that there is efficient integration.</p> <p>Lead Officer: Executive Director of Adult Social Care and Health and Well Being</p>	<p>Current services are in the process of being reviewed and re-commissioned to align with the vision and the recent structural changes.</p>
<p>Information Governance</p> <p>The Council needs to demonstrate that arrangements are in place for the security of information when it is taken out of the workplace, either on portable devices or where systems are accessed remotely via mobile or home based working or manual information</p> <p>Lead Officer: Director of Governance</p>	<p>Information Governance has a high profile across the Council. The Council has established an Information Governance Working Group to oversee its development and compliance. There are strong processes established for the use of and security of data. It has signed up to a county wide Data Sharing Protocol and put in place procedures for reporting any breaches. The Council works in partnership with its ICT provider, Serco, to monitor data usage.</p> <p>(To roll forward).</p>
<p>Risk Management and Business Continuity</p> <p>There has been a repositioning of risk management and business continuity within the Council. There is a need to reappraise the effectiveness of the risk management process and to refresh business continuity and emergency planning arrangements, including undertaking a mock exercise.</p> <p>Lead Officer: Director of Governance</p>	<p>There is ongoing work to embed risk management across the Council and regular reports are submitted and discussed with Directors. Similarly, update reports on risk are referred to Audit Committee.</p> <p>Mock exercises have been undertaken to evaluate our effectiveness.</p>

2012/2013 Governance Issues: Progress to Date	
Issue	Progress
<p>Children in Care</p> <p>Arrangements and associated budget pressures are key issues facing the service. There is a need to recruit and retain social workers to maintain stable safeguarding arrangements.</p> <p>It is generally understood that improvements made in safeguarding services can lead to an increase in the children in care population. This is a result of risks being better identified and intervention being more robust where previously there may have been adrift. What can be expected over a period of around three years is that rise in numbers evens out and then starts to reduce as difficulties are identified at an earlier stage and interventions more effectively targeted to prevent deterioration and ensure remedial action is timely. Any increase in numbers of looked after children represents potential budgetary pressures however there are mitigating actions being put in place. These form the basis of the strategy and include:</p> <ul style="list-style-type: none"> • Providing robust early intervention and family support to prevent the need for children coming into care • Reduce the period of time children spend in care by timely progression of rehabilitation plans, adoption and Special Guardianship applications • Ensure placements made represent value for money by increasing the use of high quality in house carers including maximising the use of family and friends carers, reduce the reliance on independent sector foster placements, and reduce the use of residential care. • Ensure caseloads are reduced to acceptable and therefore manageable sizes. <p>Replacement of agency staff with permanent social workers Lead Officer: Executive Director Children's Services</p>	<p>Regular reports are submitted to Corporate Management Team and Members on progress and there has been improvements across the service to improve our monitoring and proactive delivery of the services to children.</p>

2012/2013 Governance Issues: Progress to Date	
Issue	Progress
<p>Commissioning and Partnerships</p> <p>Commissioning and partnerships with other local authorities and sectors are used as vehicles for delivering public services. These create special challenges for clear accountability and good governance. Shared services between organisations can bring substantial benefits, including cost savings for the parties involved, although at the same time there are distinct issues surrounding what happens if something goes wrong. There is a need to ensure that clear governance is established.</p> <p>Lead Officer: Chief Executive</p>	<p>During 2013 a new senior management structure was implemented to tackle the ever developing commissioning role. As this continues to embed and the structures are populated, there will be a requirement to ensure that it is effective.</p> <p>(To roll forward)</p>
<p>Integration of new services as a result of the Health and Social Care Act 2012</p> <p>PCC inherited new public health functions from April 2013. Services, staff and contracts transferred from local and national NHS bodies. PCC must integrate these new functions at both strategic and delivery level.</p> <p>With the appointment of a Director of Public Health and establishment of a Health and Wellbeing Board, the challenge is to ensure that following transfer the functions are carried out in accordance with PCC's governance and decision-making frameworks.</p> <p>Lead Officer: Executive Director of Adult Social Care and Health and Well Being</p>	<p>The approach is reflected in the commissioning works above and its effectiveness will be monitored in relation to that.</p>
<p>Robust Financial Strategy to allow for implementing changes following the Local Government Resources Review</p> <p>Ongoing financial pressures need to be carefully managed. Future spending reviews could result in difficult decisions being made which will</p>	<p>VAT was accounted for correctly going forward and the necessary payment made o HMRC. All "unusual" activities were reviewed. No anomalies were identified.</p>

2012/2013 Governance Issues: Progress to Date	
Issue	Progress
<p>need appropriate analysis for effective decision making with robust financial management arrangements in place. In light of the identification of undeclared VAT on expenditure at Westcombe, there is a need to ensure that there is review of all “unusual” council business activities</p> <p>.</p> <p>Lead Officer: Executive Director of Resources</p>	
<p>Embedding Corporate Governance</p> <p>Communication of corporate governance (or key aspects of it) to staff and others to ensure it is understood and embedded. As the organisation changes and new arrangements start to be embedded there is a fundamental need to ensure that corporate governance is at the forefront of these changes so as to ensure that both stakeholders, service providers and staff are protected.</p> <p>Lead Officer: Director of Governance</p>	<p>The governance agenda has been strengthened with the establishment of a specific department for Governance, bringing together aspects from across the business. This will further develop as part of the senior management review.</p>

2013 / 2014 Governance Issues:

Two governance issues which have rolled forward are Information Governance; and Commissioning and partnerships. These have been incorporated into the following areas which will need to be resolved during the year:

New Governance Issue	
Issue	Lead Officer
<p>ORGANISATIONAL CHANGE Embedding the new management structure and ensuring that appropriate controls and segregations are maintained. (This will also encompass the Commissioning and Partnerships from the previous year).</p>	Chief Executive
<p>FINANCIAL AFFAIRS The ongoing delivery of the approved financial strategy and mechanisms to ensure that the necessary financial savings are achieved and more efficient processes are introduced at reduced cost.</p>	Executive Director of Resources
<p>PURCHASING Procurement reform arising from new EU Procurement Directives</p>	Executive Director of Resources
<p>IT INFRASTRUCTURE Continued compliance with the Public Services Network code of connection requirements</p>	Executive Director of Resources
<p>LEGISLATIVE CHANGE Responding to the impact of further Welfare Reform changes</p>	Executive Director of Resources
<p>INFORMATION SECURITY AND DATA GOVERNANCE The Council handles a significant volume of data and information relating to residents, customers and service users. There are governance / security arrangements in place to help safeguard data but these can be vulnerable. To strengthen existing governance arrangements a programme of mandatory information security training for all existing and future core staff, more stringent controls over fax machines, methods of postage and email groupings. (This incorporates elements of the issues previously identified and rolling forward).</p>	Director of Governance

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Certification

As Leader and Chief Executive, we have been advised on the implications of the results of the review of effectiveness of the Council's governance framework, by the Audit Committee and Cabinet.

Our overall assessment is that the Annual Governance Statement is a balanced reflection of the governance environment and that an adequate framework exists within Peterborough City Council to ensure effective internal control is maintained. We are also satisfied that there are appropriate plans in place to address any significant governance issues and will monitor their implementation and operations as part of our next annual review.

Signed:

Gillian Beasley, Chief Executive

Date:

Signed:

Councillor Marco Cereste, Leader of the Council

Date:
