

Annual Governance Statement: Previous Significant Issues Resolved

The Annual Governance Statement identifies governance issues and risks for the Council to address. (Tables below set out the governance issues which were previously reported and the progress in addressing them which have been considered to be resolved).

2016/2017	Reference: 17.04
Area of Assurance	SCHOOL ATTAINMENT Lead: Corporate Director: People and Communities
Assurance Gap / Proposal to Mitigate	Damage to reputation through poor performance in published league tables compared to the national average. Improvement plans and a programme of training has been developed and there is ongoing monitoring to look at the effectiveness of this in raising attainment in Peterborough schools.
Progress / Residual Status	Ongoing monitoring of standards and attainment are monitored through the Children and Education Scrutiny Committee. Sufficient progress for this to be closed.

2016/2017	Reference: 17.11
Area of Assurance	SCHOOL STATUTORY TESTING Lead: Corporate Director, Resources
Assurance Gap / Proposal to Mitigate	There are statutory requirements under several sets of regulations which require regular inspections and tests of systems and equipment. These can include lifts, hoists, air conditioning units, pressure systems, local exhaust ventilation systems and gas or electrical installations. An Internal Audit review of schools identified limited evidence that the programme of work was being managed or monitored. As part of its work protocols, Internal Audit are following up on the issues identified which will be reported through to the appropriate channels.
Progress / Residual Status	Testing arrangements are now under the remit of Peterborough Limited and regular monitoring is in place through oversight of all property matters through coordination by the Property Manager. Previous IA review identified gaps which processes have been implemented to address.

2017/2018	Reference: 18.01
Area of Assurance	FINANCIAL MANAGEMENT Lead: Corporate Director of Resources
Assurance Gap / Proposal to Mitigate	The budget for the Council is underpinned by a number of transformation projects and savings targets. There is a requirement to ensure that there is appropriate monitoring of these to ensure that these remain on track or alternatives options put in place to ensure the budget remains balanced.
Progress / Residual Status	Ongoing monitoring is in place to ensure that early indicators pick up on any budget pressures so that action can be taken, where applicable, to address this or look for alternative areas which could be used to reduce the deficit. Financial restrictions were put in place to curtail expenditure except in essential areas in July 2019 to bring budgets under control. This included a review of consultancy and agency spending on a weekly basis and all expenditure over £10,000 requiring a business case and then the approval of the S151 Officer. 2019/20 budgets were re-baselined in September 2019 to ensure all stakeholders understood the makeup of the Councils Structural budget deficit and in the second half of the year addressed these issues. As part of the 2020/21 MTFS process, a financial improvement programme was introduced and implemented. A review of progress, including the detail listed above, was reported to Audit Committee in July 2020. Is an ongoing improvement, now forms part of 20.01 and so this can be closed.

2017/2018	Reference: 18.04
Area of Assurance	CORPORATE FRAUD Lead: Chief Internal Auditor
Assurance Gap / Proposal to Mitigate	With finite resources across the Council, there is a need to ensure that funds are used for their intended purpose and are not being misused or misappropriated. There are limited levels of fraud reported on across the Council. The Council will look to raise awareness.
Progress / Residual Status	Forms part of Leadership Training. (Delete this and incorporate into 2021 issues)

2017/2018	Reference: 18.08
Area of Assurance	EQUALITY AND DIVERSITY Lead: Director of Law and Governance
Assurance Gap / Proposal to Mitigate	While the Council has an Equality and Diversity Policy the action plans for embedding are now out of date. The policy was approved by the Employment Committee January 2011. Last revision of the policy was February 2017
Progress / Residual Status	2017 Equality and Diversity Policy was reviewed in May 2018 and no changes were required at that point. In the budget process, all proposals that have an equalities impact have an Equalities Impact Assessment carried out and published for the consultation process. Delete – Equality and Diversity Leadership Forum in place

2018/2019	Reference: 19.01
Area of Assurance	BUDGET RESILIENCE Lead: Corporate Director Resources
Assurance Gap / Proposal to Mitigate	As per the 2019/20 MTFS, the council has an ongoing budget deficit of circa £20m which needs to be delivered for the council to achieve a sustainable ongoing budget. Over the past 2 years this gap has been closed by the use of one off resources which is not a sustainable strategy. In order for the council not to move into financial difficulties, savings and efficiency proposals must be agreed in time for full delivery in 2020/21. <u>Proposal:</u> Savings, efficiency and commercial proposals to balance the 2020/21 budget need to be in place and agreed in Tranche 1 of the 2020/21 budget process to ensure delivery (as set out in the 2019/20 Stewardship Statement). To ensure this is delivered a concentrated budget option process will be followed during the summer of 2019 to ensure Members have options that can be scrutinised and agreed to deliver a balanced budget in 2020/21 and moves the Council to sustainability in the medium term
Progress / Residual Status	Tranche 1 and Tranche 2 proposals were referred through Cabinet and wider consultation allowing for a balanced budget being approved in March 2020, Ongoing delivery of savings will be monitored throughout the year. The Council engaged with external consultants as part of the budget process during the year to validate its approach and also identify best practice from other Local Government providers for implementation as part of the 2020/21 MTFS. The final budget still had a number of One-off savings in Tranche 2 but the underlying deficit figure for 2021/22 of £14.5m was £10m less than in previous years for year 2 of the MTFS. The 2020/21 budget was also supported by a Capitalisation Direction from the Department of Housing, Communities and Local Government. This will allow the council the time and resources to move to a sustainable position in 2020/21 and ongoing budgets. Delete as now encompassed within 20.01

2018/2019	Reference: 19.02
Area of Assurance	<p>PARTNERSHIPS AND PROCURMENT ARRANGEMENTS</p> <p>Lead: Corporate Director of Resources</p>
Assurance Gap / Proposal to Mitigate	<p>A full review is required to ensure that contractual arrangements entered into by the council are to the benefit of the council and sustainable and follow all local and national legislation and best practice. Examples where this has been identified include:</p> <ul style="list-style-type: none"> • Issues that have been identified with the formation of the 2014 IT Strategy and the delivery of this strategy, especially around work linked to the Digital Front Door. From the work it has been identified Procurement rules were not followed/complied with. • Extension of the Empower loan. • That in the past, gifts and hospitality in relation to interactions with contractors have not been added to the gifts and hospitality register in a timely manner. <p><u>Proposal:</u></p> <p>Review contract rules/compliance and setting up of cross council officer group to ensure compliance to Council and national rules, regulations and best practice for procurement and commissioning.</p> <p>Linkage of the project management and contracting processes to the monthly monitoring process to the Council to ensure best practice is followed and the Council deliver value for money from its contracts.</p> <p>Overview of Council companies via the Shareholders Committee to ensure companies are delivering to Council objectives.</p> <p>In September 2018, an internal audit review of Gifts and Hospitality was undertaken and gave a 'Reasonable Assurance' opinion. A review is being undertaken of the Officer Code of Conduct including Gifts and Hospitality – a confidential report is going to Constitution and Ethics Committee in July 2019 which will then need to go to the JNC and Employment Committee as it forms part of the terms of employment.</p> <p>This will ensure correct contract specification and market warming; minimisation of cost - to fit with Council's financial remit; and correct solutions for the Council's service strategies</p>
Progress / Residual Status	<p>A Procurement Board was set up in early 2020 but only met once due to the COVID-19 Emergency. Procurement, finance and Legal Services across both PCC and CCC have worked together to produce updated procurement processes due to COVID-19 which were launched in late April 2020.</p> <p>The Shareholder Committee started to meet in 2019/20 and almost fulfilled a full review of the Councils companies before meetings were suspended due to COVID-19.</p> <p>The work of this Committee include scrutiny of the newly formed LatCo Peterborough Limited, the Peterborough Investment Partnership, Medesham Homes, Opportunity Peterborough, Norse Property Services, Vivacity, and Empower CIC.</p> <p>All expenditure over £10,000 after July 2019 required a business case and approval given the Council's financial position. This linked contract work to budgets and then through to monitoring and also included agency and consultancy expenditure.</p> <p>Delete - completed</p>

2018/2019	Reference: 19.03
Area of Assurance	<p>BUDGET MONITORING</p> <p>Lead: Corporate Director of Resources</p>
Assurance Gap / Proposal to Mitigate	<p>Financial monitoring goes to every CMT and every Cabinet. It does not contain any performance information. For correct decision making both finance and performance must be included in the same report at the correct level of detail.</p> <p><u>Proposal</u></p> <p>That in 2019/20, monitoring will include both a financial and performance aspect. The initial performance data will be based on the data that is submitted to the GPC Committee at CCC - so both Councils are aligned for those services.</p> <p>Indicators will need to be designed for those services specific for PCC.</p>
Progress / Residual Status	<p>Although we did not see the direct linkage between finance and performance data in Committee Reports work has progressed in this area via the financial improvement programme which has included:</p> <ul style="list-style-type: none"> • A weekly review of agency spending and requirements at an individual level • A lockdown on the issue and renewal of Business Support and Transformation resource through the Serco and other contracts to ensure it was necessary and used for delivery of core Council requirements; • As part of the 2020/21 MTFs, the analysis of approved and potential savings and cost avoidance options included comparative data relating to other Councils and providers. <p>This now needs to move forward with performance and finance at the appropriate level be joined together where appropriate in overall performance reports.</p> <p>Delete – improvement demonstrated</p>

2018/2019	Reference: 19.04
Area of Assurance	<p>HEALTH AND SAFETY</p> <p>Lead: Director of Place and Economy</p>
Assurance Gap / Proposal to Mitigate	<p>There has been significant changes to how the Council works following the move to Sand Martin House and the rise in Agile working.</p> <p>There have been three audits that have been undertaken in 2018/19:</p> <ul style="list-style-type: none"> • A H&S Health Check undertaken by 4OC • A Fire Safety audit undertaken by 4OC • An Internal Audit review of Health & Safety <p>There is a requirement for the delivery of the outputs from these audits to ensure the council's Health and Safety arrangements fully reflect the new working arrangements that Council now work within.</p> <p><u>Proposal:</u></p> <p>Work has been taking place to move forward the recommendations from the three audits along the following themes:</p> <ul style="list-style-type: none"> • Principal Responsible Person responsibilities • Health & Safety policy updates (including KPI's and reporting policy). • Fire Strategy • Estate compliance (of all issues) • Training and compliance • Auditing and risk assessment <p>These will be reviewed via the re-constituted Health and Safety Board</p>
Progress / Residual Status	<p>Significant progress has been made in improving compliance with H & S policies and embedding them across the Council.</p> <p>New policies have been established.</p> <p>Appropriate risk assessments are in place for all buildings and compliance checks have been performed to verify standards are met and being maintained.</p> <p>Delete - complete</p>

2018/2019	Reference 19.06
Area of Assurance	<p>CYBER SECURITY</p> <p>Lead: Director of Resources</p>
Assurance Gap / Proposal to Mitigate	<p>To ensure that the work undertaken in 2018/19 is updated on an ongoing process to ensure that the Council can operate and deliver to customers in times of crisis.</p> <p><u>Proposal</u></p> <p>Review to ensure all Members and Officers have undertaken training. The council will seek to achieve Cyber Essentials accreditation in 2020/2021. Review to ensure all council data is in a format that is "Safe"</p>
Progress / Residual Status	<p>Regular reviews undertaken across the estate to ensure are now compliant. Security standard checklist has been utilised by both CCC / PCC to benchmark arrangements and used to develop and implement actions to address,</p> <p>An external email warning banner has been introduced to help officers identify any external phishing threats</p> <p>Regular updates are issued to all users on potential and actual threats.</p> <p>Multi Factor Authentication is place which has prevented a number of phishing attempts.</p> <p>Members have all received training. There will be a refresher training module and new training modules on cyber security for both officers and Members.</p> <p>PROGRESS MADE – DELETE AS ENCOMPASSED WITHIN 21.01 AS PART OF GOVERNANCE</p>

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