ANNUAL GOVERNANCE STATEMENT 2017/18
SIGNIFICANT GOVERNANCE ISSUES: STATUS REPORT

The following is a summary of the status of the agreed actions that were identified to address the significant governance issues were identified and recorded on the Council's Annual Governance Statement 2017-18:

1.	Governance Issue	Planned Action	Status	Comments
	The general level of staff awareness of the existence and content of the 'Whistleblowing Duty to Act' policy, 'Anti-Fraud and Corruption Strategy' and 'Anti Money Laundering Policy' and associated responsibilities is still inconsistent. This is notwithstanding that a suite of 'Essential Stuff' documents has been created which provide summarised versions of key policies that staff may need to have an awareness of. There are separate 'Essentials' documents in respect Anti-Fraud and Anti-Corruption, Anti-Money Laundering, Bribery Act and Whistleblowing'.	It is intended create e-learning modules that staff have to complete so that managers can be assured that their staff are aware.	**Revised Action COMPLETED**	• *The guidance developed is included on web pages and is signposted for new starters. This was seen as a more cost effective option than the development of series of bespoke e-learning modules;* • *In addition there are annual reminders of key policies to the Leadership team.*
	Responsible Officer: Service Director: Human Resources & Organisational Development		**Target Date:** Mar 2019	
2.	Whilst the Workforce Strategy provides the framework in terms of the development the council's current and future workforce in terms of required skills and behaviours there is need for a robust and consistent approach to succession planning for key posts and/or a spread of skills to avoid over reliance on any particular individual.	Service Director, HR&OD to work with CMT to identify key posts or roles where succession planning may be required as part of the council's process for outcomes based planning and budgeting and business planning.	**Revised Action IN PROGRESS**	• *New Chief Executive is to look at wider Organisational Development Board and principles and will review overall management structure.* • *'Job Families' work in progress to help achieve mapping and identification of key positions.*
	Responsible Officer: Service Director, Human Resources & Organisational Development		**Target Date:** Sept 2018 *(Revised to May 2019 – implementation tba)*	

3.	A new Performance Management Framework was approved and implemented in 2017 which was intended to provide a consistent framework for Annual Performance Reviews (APRs). There are however still some significant inconsistencies across service areas in terms of compliance with the APR process. The APR template was reviewed in early 2018 following feedback which suggested that the template and associated process could be much more straightforward to enable the emphasis to be on more meaningful dialogue rather than the process itself.	A redesigned Annual Performance Review template has been issued and includes an on-line "button" to auto submit / record that APRs are completed. This is intended to help managers, with support from the HR team, to track an overall picture so that they are able to take appropriate action where this is not being done. HR Advisors will be asking for feedback on the new template and will be checking for overall compliance to ensure that APRs are being held at all levels.	IN PROGRESS	*• Compliance has increased with simplified paperwork however the HR Log of completed APRs is incomplete as not all forms were submitted on-line.* *• Review and stream lining of process in place for 2019 under new HR Lead and informed by feedback on previous forms and process;* *• New employee records allow for completed APRs to be logged - from April 19 onwards.*
	Responsible Officer: Service Director, Human Resources & Organisational Development		**Target Date:** March 2019 (in terms of an overall review of compliance)	
4.	There are a range of controls in place to manage the risk of a cyber security incident and in the event of successful cyber-attack the council's Major Incident process would be followed. It is recognised however that there is a need to test the corporate response in the event of such an incident in order to identify any significant gaps or weaknesses.	A draft 'Cyber Response Plan' is in development and will appear as an annex to the Corporate Business Continuity Plan. An appropriate desktop exercise to be identified and delivered in consultation with key stakeholders.	COMPLETED	*• Cyber Response Plan was approved by the Council Management Team in July 2018 and now appears as an annex to the Corporate Business Continuity Plan.* *• A desk top Cyber Security Briefing and Table Top Exercise, organised by the South East Regional Organised Crime Unit, was undertaken on 18th January 2019. Feedback from this exercise will feed into the Local Resilience Forum exercise (planned for Q2-2019) which will partly be based on a cyber scenario.*
	Responsible Officer: Service Director, Digital and Business Operations		**Target Date:** Oct 2018	

5.	For 2017-18, the number of internal audit reviews where the overall level of assurance has been assessed as 'limited' (and in a small number of cases assessed as 'no assurance') has increased compared with 2016-17. It is considered that this reflects a change in the delivery of the internal audit function which is now provided by an in-house audit team including a shared Chief Internal Auditor with Portsmouth City Council. The service has been repositioned in terms of its visibility and profile within the organisation and has developed and delivered a more directed and focussed audit programme.	Internal audit will undertake follow-up reviews of all 'limited' and 'no assurance' reports as part of the 2018-19 Internal Audit plan. This will not only assess the status and effectiveness of agreed actions relating to the individual audit reports but will also provide an overview in terms of overall management response to risk and controls. The foregoing will be reflected in the Internal Audit Progress Reports that are presented to the Governance Committee throughout the year and eventually in the Chief Internal Auditors Annual Report and Opinion.	**IN PROGRESS**	*Follow up reviews are being progressed as part of the 2018-19 Internal Audit plan. To date, the findings from the follow-up reviews reflect a mixed picture in terms of the status of implementation of the agreed management actions. This is reflected in the Internal Audit Progress Reports to the Governance Committee.*
	Responsible Officer: Service Director Finance & Commercialisation		**Target Date:** March 2019	
6.	Whilst the H&S policy, arrangements, safe working procedures (including H&S training), management training, provide the framework in terms of the requirement to identify and deliver training to ensure staff H&S competency, there is a further need for guidance around application of training against roles.	Develop generic training matrices which may thereafter be amended and refined by service managers against local and specific need.	**COMPLETED**	*A Health, Safety and Wellbeing Training matrix has been developed which is available to download online and forms part of the essential H&S training for managers. In addition the APR process is intended to ensure that training needs are identified and allows for managers to pick up competency issues.*
	Responsible Officer: Service Director, Human Resources & Organisational Development		**Target Date:** August 2018	

7.	Whilst 'Contract Procedure Rules' are in place that require all council buying to be undertaken in line with legislation and to achieve best value, there is evidence of areas of non-compliance particularly in respect of those procurements where the Procurement Service Team has not been directly engaged in the process.	The actions to address this issue are to be progressed via the council's Strategic Risk Register. This reflects the significance of the issue noting that the Strategic Risk Register identifies and captures the key strategic risks that need to be managed and is directly overseen by the Council Management Team ('CMT'). The Strategic Risk Register is reviewed and reported to the Council Management Team on a quarterly basis. This review process will consider and, where necessary, challenge the status of the mitigating actions.	**COMPLETED**	*A new risk entitled 'Service areas fail to adhere to and comply on a consistent basis with the council's 'Contract Procedure Rules' was added to the Council's Strategic Risk Register in July 2018. The document, which is reviewed on a quarterly basis, is subject to CMT oversight and challenge.* *A comprehensive action plan is in place and substantial progress has been made in completing the actions; others are not yet due. This matter is subject to a separate detailed report to Governance Committee on 11th February 2019.*
	Responsible Officer: Service Director, Digital and Business Operations		**Target Date:** December 2018	