

**Title of meeting:** Governance and Audit and Standards Committee

**Date of meeting:** 26<sup>th</sup> June 2015

**Subject:** Annual Governance Statement monitoring 2014/15

**Report by:** Director of HR, Legal and Performance

**Wards affected:** n/a

**Key decision:** No

**Full Council decision:** No

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**1. Purpose of report**

- 1.1 To update members on progress against a number of issues identified as governance risks in the 2013/14 Annual Governance Statement, and to highlight matters of relevance in preparing the 2014/15 statement.

**2. Recommendations**

**The Governance and Audit and Standards Committee are asked to:**

- 1) note and agree the recommendations relating to each of the governance issues set out in section 4.1**
- 2) reinforce their expectations in relation to corporate governance for 2015/16 as set out in paragraph 5.5.**

**3. Background**

- 3.1 This report is part of the regular series of reports highlighting progress against issues highlighted in the last Annual Governance Statement as governance risks. In agreeing the statement, members of the committee agreed a high level timetable for reporting against the risks identified. The items for reporting in this update are:
- Information governance - data breaches
  - Freedom of information response rates update and actions from audit report
  - Business continuity - table top exercises
  - Public health - understanding of public grant and its intended use is fully understood at political and corporate levels.
  - Public health - impact of restricted access to NHS data and impact on public health intelligence analysis

3.2 An update on legionella monitoring was also originally scheduled for this update, but following detailed audits, a fuller report including an update on asbestos records will come to the committee in September.

#### **4. Reasons for recommendations**

4.1 Appendix 1 contains a full summary of the position against each of the risk areas identified. Following from these position statements, it is recommended that:

- No further reports are required in relation to the public health ringfenced grant, or restricted access to NHS data
- That a report in progress on business continuity is received at the first meeting of the 2016/17 cycle
- That ongoing reports are received by the committee in relation to data breaches
- That quarterly performance monitoring highlights performance in relation to FoI response times.

#### **5. Preparing the next Annual Governance Statement**

5.1 The Authority has a duty to produce and publish an Annual Governance Statement (AGS). This sets out how Portsmouth City Council has complied with the Local Code for Governance, and how the authority meets the requirements of Regulation 4(3) of the Accounts and Audit (England) Regulations 2011.

5.2 It is a key role of the Governance and Audit committee to monitor governance issues across the authority and ensure they are addressed. The Governance and Audit and Standards Committee receive regular updates on progress. To support this activity, governance issues are also reviewed regularly at officer level by the Corporate Governance Group. The officers regularly in attendance at Corporate Governance Group are the Chief Executive, the Deputy Chief Executive, the Director of HR, Legal and Performance, the Director of Finance and IT, and the Chief Internal Auditor.

5.3 The purpose of the Annual Governance Statement is to set out the systems and processes in place to ensure that Council business is conducted lawfully and in accordance with proper standards. Compliance helps ensure that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. It also acknowledges the Council's responsibility to secure continuous improvement in the way in which its functions are exercised by outlining significant governance issues facing the organisation and steps that will be taken to address them.

5.4 The 2014/15 Annual Governance Statement will be prepared in accordance with the proper practice framework—Delivering Good Governance in Local Government issued jointly by SOLACE1 and CIPFA2 in 2007 (addendum issued in 2012). As part of this process, the Council is responsible for conducting a review of the effectiveness of its governance framework in order to

identify any weaknesses. To support the review of effectiveness the following exercises will take place:

- a) self-assessment of the Governance and Audit and Standards Committee by the current Chair of the Governance and Audit and Standards committee) supported the committee clerks
- b) review of External Audit's Annual Plan and opinion.
- c) review of issues identified through business planning and performance management.
- d) review of data protection and information governance issues.
- e) review of corporate complaints and freedom of information requests.
- f) review of Employee Opinion and Pulse Survey results.
- g) Annual Internal Audit report and opinion.
- h) review of the corporate risk directory

- 5.5 There will be significant changes required to the Annual Governance Statement this year to reflect the organisational changes following from the senior management restructure. However, Governance and Audit and Standards committee are recommended to reinforce their expectation that strong management of resources, performance, projects and risk, and adherence to standards of corporate governance will continue to take place in the new structure and way of working; that Directors will produce plans against which these expectations can be measured; and that they will continue to receive quarterly reports to provide assurance that this is the case.

## **6. Equality impact assessment (EIA)**

- 6.1 Any equality matters arising through performance or value for money consideration will be considered as a discrete process, as separate EIAs will be completed for these areas of work.

## **7. Legal Implications**

- 7.1 The report has incorporated legal implications and accordingly there are no other immediate legal implications arising from this report.

## **8. Finance Comments**

- 8.1 There are no financial implications to bring to member's attention at this stage. However, it should be noted that there could be further financial implications following further exploration of any of the issues raised in this report, and related future reports could result in financial implications. These will be flagged to members at the appropriate time.

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Signed by: Jon Bell, Director of HR, Legal and Performance

**Appendices: Appendix 1 - Summary of progress on significant governance issues**

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of document</b>	<b>Location</b>
1.Summary business plans	Strategy Unit

The recommendation(s) set out above were approved/ approved as amended/ deferred/ rejected by Governance and Audit and Standards Committee on 26<sup>th</sup> June 2015.

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Signed by:



Appendix 1 - Summary of progress against significant governance issues

Issue identified in AGS, 2013/14	Lead officer identified in AGS	Progress
Understanding of public health grant and its intended use is fully understood at political and corporate levels.	David Price	Significant activity has taken place over the last year to grow the understanding of the public health grant, including the development of the Building Healthier Cities programme as the mechanism for driving strategic redistribution of the grant across the local authority. However, it is important that the appropriate use of the grant is regularly considered, and that account is taken of the recently announced cuts to the grant nationally, which will have an impact locally. The Health and Wellbeing Board reviewed the use of the grant at their 17 <sup>th</sup> June meeting, and it is recommended that the HWB continues to keep the issue under review. <b>It is therefore not recommended to roll this issue forward into the next governance statement.</b>
Restricted access to NHS data and impact on public health intelligence analysis.	David Price	The issue of restricted access to NHS data is a wider national issue following disaggregation of public health from the NHS. In local terms, there are some minor impacts around access to population data, but representations are being made on this issue at a national level through Public Health England. Such progress as can be made locally is being progressed by the Health and Social Care Information Centre Information Governance toolkit.  Given that there is a national dialogue taking place to resolve these issues, <b>it is not recommended to roll this issue forward into the next governance statement.</b>
Table top exercises	Kate Scott	Over the last year, 5 tabletop exercises took place in the local authority to give services the opportunity to test the effectiveness of their business continuity plans. These were conducted with HR, Revenues and Benefits, Public Health, IS and Education.  The quality standard for business continuity plans has now changed to ISO22301, and given that all plans will need to be reviewed following the senior management restructure, there will be an opportunity to ensure they meet this new standard. Directors have been asked to identify the key critical continuity areas in their new directorates, and ensure that they are satisfied the procedures in place are sufficiently robust. New templates for completion for full plans will be issued at the end of the calendar year, with an expectation that these are completed ready for the new financial year. <b>It is recommended that GAS committee receives a report on progress with this this issue at the first available meeting in the 2016/17 cycle.</b>



Issue identified in AGS, 2013/14	Lead officer identified in AGS	Progress
Data breaches	Helen Magri	<p>Breaches in data confidentiality continue to be a priority for the local authority, and all breaches are reported to GAS committee, with an update on any actions that are being taken to mitigate the likelihood and impact of breaches. The most significant ongoing themes relate to staff accessing records not required for their work (in which cases disciplinary action is taken leading to dismissal if appropriate) and failure to correctly secure paper records. A recent Internal Audit review also identified a risk around laptops left in the office without being properly secured, and the need to review some policies, which will be completed by August.</p> <p>Given the importance of this issue, and the potential exposures to the local authority, <b>it is recommended that the GAS committee continues to retain a focus on this issue as one of its most significant governance matters, and continues to receive regular reports as breaches occur.</b></p>
Freedom of information response rates update and actions from audit report	Helen Magri	<p>Freedom of information response times are reported quarterly as part of directorate performance reporting, and there has been declining performance. This is largely as a result of increased volumes of requests (outside of business as usual) every year since the introduction of the act (1400 last year against 200 in the first year); and reduced resources to process these requests centrally. Reduced staffing in directorate administration and business management functions also appears to be increasing the length of time for staff to respond to requests.</p> <p><b>It is recommended that the GAS committee continue to receive reports on performance against Fol response times on a regular basis, and to consider as part of these reports if any additional action is required.</b></p>