

**Annual Governance Statement
2018/19**

DRAFT

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1. Scope of Responsibility

Cheltenham Borough Authority (“the authority”) is responsible for ensuring that:

- Its business is conducted in accordance with the law and proper standards;
- Public money is safeguarded and properly accounted for
- Public money is used economically, efficiently and effectively; and
- There is a sound system of governance, incorporating the system of internal control

The authority has a Best Value 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 these responsibilities, the authority is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and including arrangements for the management of risk.

The authority has developed and approved a code of corporate governance, which is consistent with the core principles and sub-principles as set out in the CIPFA/SOLACE “Delivering Good Governance in Local Government: Framework (2016)” (‘the Framework’). This statement explains how the authority has complied with the code and also meets the requirements of Regulation 6(1)(a) of the Accounts and Audit Regulations 2015 (England) which requires the authority to conduct a review at least once a year on the effectiveness of its system of internal control and include a statement reporting on the review with any published Statement of Accounts.

In addition to this, CIPFA issued its “Statement on the Role of the Chief Finance Officer in Local Government (2015)”. The Annual Governance Statement (AGS) reflects compliance of this statement for reporting purposes. The Chief Finance Officer is the Statutory Section 151 Officer (S151 Officer).

2. Purpose of Governance Framework

The governance framework comprises the systems, processes, culture and values, by which the authority is directed and controlled including 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, cost effective services.

The system of internal control is a significant part of the governance 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 on-going process designed to:

- Identify and prioritise the risks to the achievement of the authority’s policies, aims and objectives;
- Evaluate the likelihood of those risks occurring;
- Assess the impact should those risks occur; and
- Manage the risks efficiently, effectively and economically

The governance framework has been in place at the authority for the year ended 31 March 2019 and up to the date of approval of the Annual Statement of Accounts.

3. Governance Environment

The key elements of the authority's governance arrangements are outlined in the Local Code of Corporate Governance. The governance framework includes arrangements for:

- Identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users;
- Reviewing the authority's vision and its implications for the authority's governance arrangements;
- Measuring the quality of services for users, ensuring that they are delivered in accordance with the authority's objectives and ensuring that they represent the best use of resources;
- Defining and documenting the roles and responsibilities of the executive (Cabinet), non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication;
- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff;
- Reviewing and updating Financial Rules, Contract Rules, Constitution, Scheme of Delegation and supporting procedure notes / manuals, which clearly define how decisions are taken and the processes and controls required to manage risks;
- Ensuring effective counter fraud and anti-corruption arrangements are developed and maintained;
- Ensuring the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2015);
- Undertaking the core functions of an Audit Committee, as identified in CIPFA's Audit Committees: Practical Guidance for Local Authorities;
- Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful;
- Whistleblowing referrals and for receiving and investigating complaints from the public;
- Identifying the development needs of members and senior officers in relation to their strategic roles, supported by the appropriate training;
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation; and
- Incorporating good governance arrangements in respect of partnerships, including shared services and other joint working and reflecting these in the authority's overall governance arrangements.

4. Principles

The main areas of the authority's governance framework, and the key evidence of delivery, are set out over the next pages under the headings of the core principles and sub-principles from the CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016).

Principle A

Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law

Behaving with Integrity
Demonstrating strong commitment to ethical values
Respecting the rule of the law

- The roles and responsibilities of Members and all office holders are set out in the authority's Constitution. The Constitution also sets out how decisions are made and the procedures that are followed to ensure these are efficient, transparent and accountable to local people. The Constitution is supported and underpinned by a Code of Conduct for Members', Code of Conduct for Employees and a Protocol for Member/Officer Relations.
- The Code of Conduct for Members' requires declarations at meetings to be made by Members where necessary and these declarations are recorded in the minutes of the meeting. .
- The authority has a Standards Committee to maintain and promote high standards of conduct by observing and monitoring the operation of the Code of Conduct for Members'.
- Statutory Officers' responsibilities are defined in the Constitution and are employed in accordance with statutory guidance.
- The s151 officer leads the promotion and delivery of good financial management through the Executive Leadership Team, attendance at Council, Cabinet and Committee meetings and organises specialist workshops/training for officers and Members as appropriate and as part of the member induction programme following borough elections every 2 years. Induction is open to all members.
- Registers of interest are completed annually by Members and officers and a register of gifts and hospitality is maintained. Declarations of interest are declared and recorded at meetings.
- The Monitoring Officer and s151 meet regularly with the Chief Executive to discuss any matters relevant to their statutory functions. Both the s151 officer and the Monitoring Officer are members of the authority's Executive Leadership Team (ELT).
- Internal audit reviews are designed to ensure services are complying with internal and external policies and procedures / statutory legislation. Where non-compliance is identified, this is reported to management and to Members via the Audit Committee.
- Whistleblowing Policies have been updated and have been ratified by the Audit Committee.
- A Gloucestershire wide Counter Fraud Unit has been established to help prevent and detect fraud and corrupt practices, including abuse of position. The service reports to Audit Committee twice a year.

Principle B

Ensuring openness and comprehensive stakeholder engagement

Openness

Engaging comprehensively with institutional stakeholders
Engaging with individual citizens and service users effectively

- The annual accounts are published in a timely manner and in accordance with specified timescales so that the financial position and performance of the authority is open to public scrutiny in a timely manner.
- A Transparency Policy Statement is in place and the authority publishes data such as payments to suppliers, senior officers' salaries and structure, contracts and tenders etc. in line with the local government transparency code which is available on the authority's website.
Committee meetings, agendas and minutes are published in accordance with the Forward Plan and publication of agendas is done in accordance with the Local Government Act 1972. Where statutory timescales are not met then the appropriate consultation takes place with the Chair of the Overview and Scrutiny Committee with regard to call-in. Council, Cabinet and Committee reports clearly outline their purpose, so the public can understand what the decision is aiming to achieve. Reports also address financial legal, equalities, risk and sustainability implications to aid Members in their decisions making.
- Members and the public are able to ask questions at Council, Cabinet and the Overview and Scrutiny Committee. Public questions can be asked at other committee meetings, e.g. Licensing, Planning. All meetings are held in public unless exempt business is under discussion.
- Overview and Scrutiny committee promotes open and transparent decision making, democratic accountability and holds the Cabinet to account for its decisions.
- As part of the budget setting process consultation takes place through the authority's website and by attendance at meetings of the parish councils and business community by the Executive Director Finance and Assets and Cabinet Member Finance / Leader of the Council.
- Engagement with staff happens in a number of ways; whole authority staff sessions held a minimum of once a year, directorate team meetings, divisional team meetings, one-to-one meetings, monthly #wearecbc newsletter with a foreword from a member of the Executive Leadership Team, etc.
- Outside the budget process, engagement and consultation with the public is undertaken through public meetings, surveys and other mechanisms as required throughout the year or around specific topics, e.g. Cheltenham Plan.
- A Statement on Community Involvement is approved which sets out the opportunities by which the public and organisations can engage with the planning system, including the procedures and

methods used to consult on planning applications. This is due to be refreshed in 2019.

- Performance against the corporate plan is monitored via Overview and Scrutiny and reported on an annual basis, reports are published on the authority's website.
- Transparency data is published on the website and includes, supplier payments, senior management structure charts, annual pay policy statement, and from 2018 gender pay gap as at 31 March for the previous financial year. Where data is not available in the published data sets, instructions are available on how to make a Freedom of Information Request and the procedure that will be followed to answer the request.

Principle C

Defining outcomes in terms of sustainable economic, social, and environmental benefits

Defining outcomes
Sustainable economic, social and environmental benefits

- The vision for Cheltenham is articulated in the Cheltenham Vision document approved by Council on 26 March 2018. The vision sets out the ambitions, aspirations and actions that the authority, together with its key partners, will take to bring about a thriving town in terms of businesses and their workforces, culture and creativity, people and communities.
- The values contained within the vision for Cheltenham reflect the fact that sustainability is of central importance to how the ambitions for the town will be achieved.
- The authority's objectives and actions to deliver the place vision provide the framework for the corporate plan. The corporate plan is reviewed and updated on an annual basis. The document sets out the context of the year ahead in terms of needs, challenges and opportunities, the actions to deliver the priority outcomes and the milestones, indicators and risk by which progress will be measured. Economic, social and environmental impacts are factors taken into account in delivery of the corporate plan actions.
- Having adopted the Joint Core Strategy the authority continues to develop and adopt its local plan which sets out the detailed plans for delivering sustainable, social and environment benefits across the Borough.
- All Cabinet and Council reports include an environmental impact assessment.

Principle D

Determining the interventions necessary to optimise the achievement of the intended outcomes

Determining interventions
Planning interventions
Optimising achievement of intended outcomes

- A mixed economy approach to service delivery is in place. In order to continue to deliver the priority outcomes of Members, and to operate within a more constrained financial cost base, the authority has over a number of years created a number of new organisations to deliver once in-house provided services at reduced cost.
- Each commissioned service is assigned a client officer who undertakes frequent and direct liaison with the service provider and monitors the contract performance and delivery. Each member of the Executive Leadership Team holds accountability for a commissioned service and provides the strategic guidance and support to the client officers. Executive Leadership Team and client officers keep relevant Cabinet members apprised of commissioned service performance as well as Cabinet Members being engaged directly in performance meetings with commissioned service providers.
- Council approved in February 2018 a new Executive Board structure with a focus on place and growth, finance and assets and people and change, this new structure has now been fully implemented. The Medium Term Financial Strategy (MTFS) has been reshaped in line with these areas with a member of the Executive Board having individual and collective accountability, working with Members, to achieve financial sustainability.
- As part of the 2018-19 budget process Council approved the authority's first commercial strategy which sets out the authority's ambition to be an enterprising and commercially focused authority with the objective of working towards becoming financially sustainable by 2021/22. The purpose of this strategy is to drive down the Council's net costs via a commercial mind-set with the aim to hold down council tax as far as possible, now and in the longer term, while also protecting frontline services from cuts – an immensely challenging task in the present climate.
- The strategy was adopted by Full Council with the vision "to become an enterprising and commercially focused Council which people are proud to work for and which others want to work with. We will use our assets, skills and infrastructure to shape and improve public services and enable economic growth in the Borough. We shall generate significant levels of new income for the Council working towards the objective of enabling it to become financially sustainable by financial year 2021/22".
- The drive towards financial sustainability includes identifying new opportunities to generate

income and investment in projects which provide good financial returns. Our commercial strategy aligns closely with other key strategies including place-making, economic growth, digital transformation, workforce and skills development, investment and asset management which have a combined message that Cheltenham Borough Council has entered a new era of business enterprise, growth and innovation.

- Our budgets are prepared annually in accordance with objectives, strategies and the MTFS is finalised following consultation with Members, customers, stakeholders and officers.
- Financial stewardship in respect of both capital and revenue proposals is reviewed and challenged by the Budget Scrutiny Working Group and considered regularly by the Executive Leadership Team
- The MTFS is a live document and is updated as necessary, to respond to the changing environment and in such circumstances would be discussed by the Executive Leadership Team to determine any necessary mitigating actions which would then be discussed with the Cabinet.
- Processes are in place to identify and respond to external changes, for example: changes to legislation and regulation, emerging risks and opportunities, for example, risk management, development and delivery of the corporate strategy, performance management, medium term financial planning, budget monitoring are designed to capture and incorporate external factors and to enable the authority to respond appropriately.
- Corporate risks are considered by Corporate Management Team (CMT) on a monthly basis and service risks are monitored and managed at directorate team level. Any risks scoring 16 or more are escalated to the corporate risk register.
- Corporate performance is reported as explained in section C above.
- CMT meets on a monthly basis to consider progress with corporate projects which are supported by their own governance arrangements. Any significant variances against expected time, cost, and quality would be discussed with the relevant cabinet member and appropriate action taken, within the approved budget and policy framework. Any matters requiring ELT overview/oversight/decision are escalated by the Executive Director People and Change who is a member of the Corporate Management Team and who acts as a conduit between the two strategic groups.

Principle E

Developing the entity's capacity, including the capability of its leadership and the individuals within it

Developing the entity's capacity
Developing the capability of the entity's leadership and other individuals

- The authority was re-accredited with the Investors in People (IIP) award in February 2017 which demonstrates a commitment to the development of staff to achieve the authority's corporate and strategic objectives. Work has and continues to take place on the improvement actions raised following the IIP assessment.
- Going forward, and as set out within the corporate plan approved by Council, an organisational change programme is focusing on the modernisation of the authority, with staff having the necessary skills, behaviours and competencies to achieve the authority's future ambitions.
- During the year the Council has developed a HR strategy and action plan. This has been combined with the organisational development required for modernisation and the IIP action plan to provide a comprehensive picture of what is needed to develop/ support our people over the next few years to ensure the Council achieves our corporate objectives.
- To support the day to day delivery of services and the modernisation programme collaboration continues with Publica support services in the areas of Human Resources, Finance and ICT. The Executive Director of People and Change is lead commissioner for HR and ICT and the Executive Director of Finance and Assets is lead commissioner for Finance.
- All new employees take part in an induction programme and ongoing staff development needs are identified through the appraisal process and 1:1's. Appraisals were undertaken online for the first time in 2018/19 and a new Learning Management System will be introduced over the next year. The Chief Executive is appraised by the Group Leaders.
- All new Members undertake a comprehensive Members induction programme which is delivered after each borough election (i.e. every 2 years). New Members are matched with a senior officer under a buddy stem to provide practical support as they develop their casework. Training is provided for Members on an ongoing basis as appropriate and necessary. Members on certain committees (e.g. Planning and Licensing) are required to undertake training before attending those committee meetings together with on-going training. The authority is a member of the Local Government Association who provide individual mentoring and support to Members and officers as necessary or requested.

Principle F

Managing risks and performance through robust internal control and strong public financial management

Managing risk
Managing performance
Robust internal control
Managing data
Strong public financial management

- A corporate governance group meets on a quarterly basis, is chaired by the Chief Executive, and its attendees are the other statutory officers, Executive Director for People and Change plus internal audit, counter fraud, risk manager and HR.
- Officers are required to maintain Service / Operational Risk Registers and the CMT reviews the corporate risk register on a monthly basis which is then provided to informal cabinet.
- Any service level risks which score 16 or above are incorporated in the corporate risk register.
- The MTFS is reviewed and updated on regular basis to ensure the s151 Officer, ELT, CMT and Members are aware of the financial standing of the authority in terms of delivering against cost reduction or revenue raising targets. Performance against budget is reported to Cabinet and any significant variances explained.
- The Statement of Accounts is produced and published annually in accordance with statutory legislation. Aligned with this is the production of this Annual Governance Statement which identifies how the Authority has met its governance reporting obligations.
- External Audit recommendations are reported to Audit Committee following the completion of their annual audit process with follow-ups of recommendations also reported.
- Internal Audit is delivered through the South West Audit Partnership (SWAP) and processes ensure compliance with Public Sector Internal Auditing Standards. Internal Audit recommendations are followed up and reported to Audit Committee with further follow up is reported where recommendations have not been actioned in full.
- Copies of all Internal Audit reports are provided to the S151 officer who ensures that other relevant Executive Directors are made aware of any significant issues or recommendations.
- The Audit Committee reviews and approves the Risk Management Policy on an annual basis. Risks are identified when undertaking Internal Audit reviews and reported when necessary.
- A risk-based Audit Plan is drafted annually following consultation with Officers, Members and

the S151 Officer. The Audit Plan is approved at Audit Committee prior to the financial year.

- Audit reports, once completed are discussed with the service manager. Executive summaries, including findings, and progress on the Annual Plan are reported to Audit Committee, on a quarterly basis.
- Recommendations made in audit reports are followed up 6 months after the completion the audit and findings reported to Audit Committee.
- The authority's services are delivered through a mix of direct service delivery and delivery through other standalone organisations, e.g., Cheltenham Borough Homes, Ubico deliver environmental services including waste management, street cleansing and grounds maintenance; The Cheltenham Trust is responsible for the authority's town hall, Pittville Pump Room, Leisure@ and Prince of Wales Stadium. Contracts and agreements are in place with each of these organisations which include performance management and reporting arrangements. Client officers monitor contractual requirements and performance measures.
- In November the Cabinet agreed to the establishment of an in-house team to undertake the functions currently delegated to the JWC.
- Organisational performance against the authority's corporate plan objectives is reviewed by the Corporate Management Team and by the Overview and Scrutiny Committee on a quarterly basis and reported to Cabinet.
- A Counter Fraud Unit has been established and supports all the Gloucestershire Local Authorities, West Oxfordshire District Authority and other third parties. Where investigations identify possible improvements to the internal control framework, the Counter Fraud Unit will liaise with the Internal Audit Team to ensure the improvements are followed up and implemented by Management.
- The Government adopted the EU General Data Protection Regulations and introduced the Data Protection Act 2018. This required the Council to undertake a wide range of compliance activity that was managed by a project team, these activities included the appointment of a Data Protection Officer, the Councils Borough Solicitor, reviewing all of the information that holds, preparing document retention schedules and training every elected Member and employee.
- A new Data Protection Policy was approved by Cabinet on the 18 April 2018, this document provides a framework for all other Information security and Information Management Policies all of which are available to all data users on the Councils intranet. It also provides the terms for the roles and responsibilities for the Data Protection Officer, Senior Information Risk Officer (SIRO) and the Single Point of Contact (SPoC).
- A range of training document was produced to support the training on Data Protection these are regularly reviewed and are used to deliver an agreed annual training programme which includes induction for elected Members and employees.

- The GDPR Project Board has been renamed the Data Protection Project Board and will continue through 2018/19. The project sponsor and chair for this board is the Executive Director for People and Change whose role includes the responsibilities of the (SIRO) as defined in the Data Protection Policy.
- The authority is part of the Gloucestershire Information Sharing Partnership. This will enable data to be shared when necessary.
- Audit reviews ensure data is held securely whether electronic or hard-copy.
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Principle G

Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Implementing good practice in transparency
Implementing good practices in reporting
Assurance and effective accountability

- The authority publishes its performance in achieving delivery of its corporate plan objectives on an annual basis. Performance monitoring reports considered by Overview and Scrutiny are published on the authority's website in accordance with publication standards and guidelines.
- Data in respect of transparency is published on the Authority's website.
- The Statement of Accounts is produced and published annually in accordance with statutory legislation. Aligned with this is the production of the Annual Governance Statement which identifies how the authority has met its governance reporting obligations
- External Audit recommendations are reported to Audit Committee, following the completion of their annual audit process, follow-ups of recommendations are also reported
- Internal Audit processes ensure compliance with Public Sector Internal Auditing Standards. Internal Audit recommendations are followed-up and reported to Audit Committee, further follow-up is planned if recommendations haven't been actioned in full.

5. Review of Effectiveness

The authority has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is

informed by the work of the senior managers, the annual opinion from the Head of Internal Audit, the officer Corporate Governance Groups and comments made by the external auditors, other review agencies and inspectorates.

The authority's process for maintaining and reviewing the effectiveness of the governance framework has included the following:

- Directors complete an Annual Assurance Statement at the end of each financial year. These governance declarations provide appropriate management assurance that key elements of the system of internal control are in place and are working effectively and help to identify areas for improvement.
- Annual Assurance Statements are also completed by Client Officers in respect of external service providers, The Cheltenham Trust, One Legal, Publica, Ubico and CBH.
- Where the assurance review highlights elements that do not fully or partially meet the systems of internal control then the Directors and Client officers explain what action needs to be taken within an agreed timeframe.
- CMT review the Corporate Risk Register on a monthly basis and service risk registers are managed by each manager.
- The SWAP Assistant Director (Head of Internal Audit) provides the Audit Committee, as the Committee charged with governance, with an Annual Opinion on the control environment of the authority, which includes its governance arrangements.
- Investigation of, and decisions on, allegations of failure to comply with Members Code of Conduct are considered and determined through processes involving the Monitoring Officer/Independent Person(s)/Standards Committee/Sub-Committee as set out in the Constitution.
- A full induction programme is delivered for newly elected members.
- The S151 Officer ensures training and awareness sessions are carried out for the Audit Committee periodically.
- The External Auditors (Grant Thornton) present progress reports to the Audit Committee.
- The External Auditor's Annual Audit Letter and follow-up of management responses to issues raised in the Letter or other reports are overseen by the Audit Committee.
- Performance with regard to achievement of corporate priorities, budgets and risk are reported and monitored as outlined in this statement.
- The Audit Committee review the Annual Governance Statement.
- The Audit Committee review the Annual Statement of Accounts and reports from both Internal Audit (SWAP) and External Audit (Grant Thornton), including quarterly progress reports.

- Council approves the annual budget, reviews and approves the Treasury Management Strategy.
- Internal Audit monitors the quality and effectiveness of systems of internal control. Audit reports include an opinion that provides management with an independent judgement on the adequacy and effectiveness of internal controls. Reports including recommendations for improvement are detailed in an action plan agreed with the relevant Executive Director/Service Manager.
- The Annual Internal Audit Opinion for 2018/19, in respect of the areas reviewed during the year, was 'XXXXXXX'
- The Authority's Financial Rules and Contract Rules are kept under review and revised periodically if necessary.
- Other explicit review/assurance mechanisms, such as the Annual Report from the Local Government Ombudsman and reports from SWAP or Grant Thornton.

6. Significant Governance Issues During 2018/2019 - Action plan review

In preparing 2017/18 AGS and reviewing the effectiveness of the governance arrangements a number of areas were identified where the Council needed to focus attention and improve arrangements over the next financial year. These areas of work were planned to strengthen the control framework and are set out in the table below. These have been reviewed by the Lead officers, two of the three issues have been fully addressed the third to do with Ubico Recyclates / Data Monitoring is being managed by the Client Team, SWAP will be undertaking a review of their audit 2018 audit and will report progress to the Managing Director for Place and Economic Development and to Audit Committee.

No	Key Area of Focus	Planned Actions	Lead officer/ client officer	Progress as at December 2019 (Lucy to update April 19)
1	Publica Group Ltd	Given that Publica only became operational in November 2017, during 2018/19 the Council needs to embed the governance arrangements relating to Publica. This includes implementing new Service Delivery Plans which will enable improved performance reporting using a new set of Key Performance Indicators and new arrangements for engagement between Publica and Council Members.	Darren Knight	<p>A set of draft client metrics have been developed covering ICT, HR, Health & Safety and Procurement.</p> <p>These are being sent to Publica to review in December for their feedback and response.</p> <p>We plan that from April 2019 there will be a revised set of performance metrics in place that will give the Council the assurance it is understands the level of performance it is receiving. This need was also identified by the Publica Board in October</p> <p>Publica have appointed a Client Manager who is now meeting on a regular basis with the CBC client</p>

				<p>office. The Executive Director meets with the Publica Group Manager on a quarterly basis.</p> <p>Greater collaboration is also forming between CBC Modernisation Team and Publica's Transformation Team with monthly meetings to share learning and looking at opportunities for collaboration</p>
2	General Data Protection Regulation (GDPR)	The Data Protection Regulatory framework is due to change in May 2018. The Council needs to take action to ensure it is compliant with the new requirements.	Bryan Parsons	<p>The council completed stage one of the GDPR project to appoint a Data Protection Officer, access the level of compliance, train all staff and elected Members and to prepare an action plan to address any outstanding RISKS.</p> <p>Stage 2 of the project is now underway to monitor the risks on the action plan and to put in place processes that will ensure that the council remains compliant.</p> <p>Internal Audit are currently undertaking a follow up review of their audit carried out prior to the May 2018 implantation date</p> <p>The Data Protection Officer provided assurance to the Executive Board in May 2018 that the Council</p> <p>I would consider that this issue has now been fully addressed and the DPO will report further on this in report to Exec Board May 2019</p>
3	Ubico Recyclates / Data Monitoring	Robust controls were not operating for the management of the recycle. Value for money was not discussed or explored. Reporting of Ubico performance was inadequate to give CBC assurance that the contract is performing as expected.	Karen Watson	<p>This function has been subject to an audit review and management actions agreed. These actions have recently been reviewed by the new in house client management team and changes in the process are being implemented. From 31 March 2019 this function will not be managed by the JWT.</p> <p>More robust budget and performance monitoring is now taking place by the new in house client management team and the new finance resource and performance reporting now in place by Ubico is slowly improving</p>

				<p>accuracy of reporting. This is now enabling value for money discussions to start taking place. A VFM review is planned in the next 18 months before contract renewal in 2022.</p> <p>This issue has not been fully addressed and will be carried forward to 2018/19 Significant Issues Action Plan and will be Managed by the Client Team. There will also be a follow up review by the Internal Audit Team</p>
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7. Significant Governance Issues During 2018/2019

In preparing this 2018/2019 statement and reviewing the effectiveness of the governance arrangements a number of areas have been identified where the Council needs to focus attention and improve arrangements over the next financial year. These areas of work are planned to strengthen the control framework and are set out in the table below.

No	Key Area of Focus	Planned Actions	Lead officer
1	Ubico Recyclates / Data Monitoring	Robust controls were not operating for the management of the recycle. Value for money was not discussed or explored. Reporting of Ubico performance was inadequate to give CBC assurance that the contract is performing as expected.	Karen Watson - Client Team Manager
		Carried forward from 2017/18	
2	Learning & development	Implementation of Learning and Development system to enable us to strengthen our compliance with regards to statutory training.	Ann Wolstencroft – Programme & Governance Manager

The Annual Internal Audit Opinion, as drafted by the SWAP Assistant Director (Head of Internal Audit), lists XX pieces of audit work being conducted during 2018/19, which includes consultancy and advisory services. XXXXX assurance reviews were completed (finalised) during the year with X scoring a 'partial' assurance and X scoring a 'no' assurance, therefore there is a sound system of internal control at the Council which will continue to help mitigate any risks to the organisation going forward.

The 'partial' and 'no' assurance audits that were issued during the year are captured in X above. Recommendations and actions have been agreed with Management, follow-up reviews have been planned for 2018/19 to ensure actions are being implemented.

Internal Audit follow-up reviews were conducted during 2018/19 on areas where weaknesses were identified in the previous year. Some recommendations have not been actioned and therefore a further follow-up will be undertaken during 2019/20.

8. Approval of Leader and Chief Executive

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit Committee, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework.

Signed on behalf of Cheltenham Borough Council:

Steve Jordan

Leader of the Authority

Date:

(END)

Pat Pratley

Chief Executive

Date: