



## **AUDIT AND RISK MANAGEMENT COMMITTEE**

**Tuesday, 30 November 2021**

<b>REPORT TITLE:</b>	<b>UPDATE ON THE WORK OF THE CORPORATE GOVERNANCE GROUP</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES (S151 OFFICER)</b>

### **REPORT SUMMARY**

This report provides an update on the role of the Corporate Governance Group (CGG) and its activity in the period April – October 2021. Subsequent updates will be reported twice yearly to this committee.

This matter affects all Wards within the Borough. It is not a key decision.

### **RECOMMENDATION/S**

The Audit and Risk Management Committee is recommended to note the report.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 To enable the Audit and Risk Management Committee to understand the role and activity of the CGG and how it closely supports the workings of the committee.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 The purpose of the CGG is to support the Audit and Risk Management Committee in the discharge of its responsibilities. Not having such a group could weaken the arrangements in place to fulfil these responsibilities.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The CGG is made up of key members of the Senior Leadership Team (SLT), being the Monitoring Officer and the Section 151 Officer, and senior officers with particular responsibility for the oversight of governance and risk management. The CGG meets bi-monthly, (meetings in April, June, August and October 21), and is chaired by the Director of Resources. The CGG oversees the Council's governance systems and processes to ensure that they are up-to-date and effective in practice. It also oversees and monitors progress with key compliance issues, including providing necessary challenge to senior officers as required. Other officers may be requested to attend for specific items of challenge as needed. The work of the Group informs regular reporting to the SLT and the Audit and Risk Management Committee on key governance issues.

#### **Role and Purpose**

- 3.2 The Terms of Reference for the CGG outline the role of the Group as follows:

- Ensure proper arrangements are in place for the oversight of Governance matters within the Council
- Oversee the preparation of the Council's Annual Governance Statement (AGS)
- Monitor the delivery of agreed actions to ensure effective arrangements are established for any issues identified as Significant Governance Issues in the Council's AGS
- Ensure proper arrangements are in place for the oversight of Information Governance matters within the Council
- Ensure proper arrangements are in place for the oversight of Risk Management arrangements within the Council
- Review compliance with Council Policies and Procedures across the Council
- Support and challenge the Senior Leadership Team, through effective reporting and follow-up, to ensure all necessary actions are taken to deliver robust corporate governance arrangements and the highest level of corporate compliance across the Council
- Provide a review and supporting challenge for draft reports for Audit & Risk Management Committee.

## Recent activity

### Compliance

- 3.3 A key area of activity for the CGG in the period April to October has been to look at different areas of compliance as part of seeking assurance over good governance and adherence to Council processes.
- 3.4 The CGG receives monthly reports on procurement compliance from the Head of Commercial Procurement. The reports continue to be developed; tailored to meet the requirements of additional feedback from the CGG. The reports include compliance data for key areas including breaches, exception reports, retrospective purchase orders and free standing invoices. For example, the October report pack included:
- rolling 12 months summary data for each key area
  - a summary performance dashboard which includes comparison of monthly performance with previous month, average and target
  - for breach notices – details of all breach notices in the current period and, from October 21, a three month rolling trend analysis to help identify any staff or managers responsible for recurring breaches and non-compliance with corporate procedures
  - for retrospective purchase orders – a summary analysis by department and, for each department, a further analysis by section and by approver and requisitioner.
- 3.5 The CGG considers key compliance actions that need to be taken in the light of the procurement compliance data. The Director of Resources has written to Directors to highlight and challenge non-compliance, and to request of Directors a response on how they will rectify it. For example, following the most recent compliance report, the Director of Resources wrote to each Director on 1 November 2021, providing details of the staff identified in the rolling trend analysis for breaches and those who have approved / requisitioned retrospective purchase orders in the previous month. The Director of Resources has sought appropriate explanations and required Directors to ensure that all staff are instructed to comply. Directors have been informed that if breach activity continues they will be asked to explain performance to CGG / the Senior Leadership Team, with potential for escalating reporting to ARMC.
- 3.6 Follow-up compliance action is more advanced with Procurement issues as the management information has by now been regularly reported to Directors and senior officers, together with numerous related communications. However, there are other examples of compliance monitoring and follow-up action being undertaken / planned. These include:
- 3.7 HR Compliance Data.  
Potential compliance data to be monitored was discussed at the April CGG meeting. Key areas reviewed in the period have included completion of essential training, (August and October meetings) and completion of Return to Work (RTW) interviews following a period of sickness absence (October meeting). For the first few months the focus has been on messaging, guidance, support and training; however compliance action will now be strengthened. For example, the Director of Resources wrote to all Directors on 1 November 2021 identifying any significant non-compliance with the RTW process and seeking confirmation from Directors as to the reasons for

the non-compliance and what actions would be put in place to ensure that the procedures are complied with going forward.

3.8 Business Continuity Plans (BCPs).

A summary report highlighting the completion status for the Business Continuity Plans for various Council services was reported to the April and August meetings of the CGG. There have been clear communications with service managers with an expectation that all BCPs should be in place by the 1 December. Progress will be reviewed at the December CGG meeting and agreement reached as to follow-up compliance action required.

3.9 Health and Safety (H&S).

The CGG have received updates concerning how corporate processes for H&S are development through the work of the corporate H&S Board and H&S Steering Group. It is envisaged that H&S compliance reporting will be primarily to the H&S Steering Group and Board, with key indicators escalated for the attention of the CGG when required.

3.10 Information Governance.

Key compliance statistics are to be reported to the Information Governance Board (IGB); and escalated to the CGG where further action required.

3.11 Going forward, it is planned that the Financial Assurance Manager will be distributing compliance statistics on a monthly basis. If compliance with corporate processes does not improve, Directors will be asked to attend CGG to explain the reasons why.

Governance

3.12 Other review areas considered by the CGG in the period have included:

- annual review of the CGG's Terms of Reference (October meeting)
- oversight of the preparation of the Council's Annual Governance Statement (AGS) and sign-off prior to review by SLT
- agreeing the process for the updating of the Council's Code of Corporate Governance (draft Code to be reviewed at the December meeting)
- reviewing, at each meeting, the ARMC Forward Plan
- review of draft papers to be reported to ARMC (usually on a virtual basis outside the meetings)
- consideration of the role and effectiveness of the IGB and a subsequent review of the updated Terms of Reference for the IGB
- review of the draft report of the Council's Senior Information Risk Owner (SIRO)
- review of compliance with the publication requirements of the Transparency Code
- consideration of the governance arrangements for the One Wirral Change Programme
- review of the Council's Whistleblowing Policy
- progress updates on the ongoing Review of the Record of Processing Activities (ROPA)
- consideration of an update note on the MPF Independent Dispute Resolution Procedure.

#### **4.0 FINANCIAL IMPLICATIONS**

4.1 There are no immediate financial implications arising directly from this report, however where non-compliance with Council policies and procedures exists across the Organisation, this may have adverse financial implications if it is not addressed.

#### **5.0 LEGAL IMPLICATIONS**

5.1 There are no immediate legal implications arising directly from this report.

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 There are no resource implications arising directly from this report.

#### **7.0 RELEVANT RISKS**

7.1 The failure to identify, investigate, monitor and report upon governance issues may lead to ineffective arrangements which could seriously undermine the ability of the Council to achieve its objectives and could have serious reputation and resource implications.

7.2 The role and activity of the CGG forms a key part of the Council's mitigating controls for the Corporate Risk 18 – Effective Governance and Corporate Risk 16 - Non-Compliance with Policies and Procedures.

#### **8.0 ENGAGEMENT/CONSULTATION**

8.1 No specific consultation has been undertaken with regards to this report.

#### **9.0 EQUALITY IMPLICATIONS**

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision or activity. There are no direct equality implications from this report.

#### **10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

10.1 The content and/or recommendations contained within this report are expected to have no impact on emissions of Greenhouse Gases.

#### **11.0 COMMUNITY WEALTH IMPLICATIONS**

11.1 The content and/or recommendations contained within this report have no direct implications for community wealth. However, arrangements to ensure effective and rigorous corporate governance will help to ensure effective and maximised investment in the local economy and communities.

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**APPENDICES**

**BACKGROUND PAPERS**

Agendas and minutes of the Corporate Governance Group.

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit & Risk Management Committee: Internal Audit Update	27 September 2021