

ANNUAL GOVERNANCE STATEMENT 2012/13

Scope of responsibility

1. Cumbria County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having full regard to value for money.
2. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.
3. The Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. The Local Code was approved by the Council's Audit and Assurance Committee at its meeting on 18th June 2013 and it can be obtained from the Council's website by clicking the following link: [Cumbria County Council Local Code of Governance.](#)
4. The Annual Governance Statement for 2012/13 explains how the Council has complied with its own Local Code and also meets the requirements of regulation 4 (2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2011 in relation to the publication of an Annual Governance Statement which must accompany the statutory accounts.

The purpose of the governance framework

5. The governance framework comprises the systems and processes, cultures and values by which the Council directs and controls its policies and activities and through which it accounts to, engages with, and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.
6. The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. Internal controls cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. Rather, internal controls help identify and

prioritise the risks to the achievement of the Council's policies, aims and objectives that require particular management. The Council evaluates the likelihood of those risks being realised and the impact should they be realised, and how the risks should be managed effectively.

The governance framework

7. The key elements of the systems and processes that comprise the Council's governance arrangements include arrangements for:

a) Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users

The three year Council Plan 2011 to 2014 was approved in February 2011, rolled forward in February 2012 and reaffirmed in February 2013. The Plan identifies three key priorities and a fourth underpinning aim:

- Challenge poverty in all its forms;
- Ensure that the most vulnerable people in our communities receive the support they need; and
- Improve the chances in life of the most disadvantaged in Cumbria

The broad, underpinning aim is to:

- Ensure that the Council is operating as effectively and efficiently as possible.

In terms of presentation, the Council Plan builds on previous innovations and incorporates interactive elements, focusing on key outcomes.

b) Reviewing the Council's vision and its implications for the Council's governance arrangements

The Council Plan sets out a clear vision for Cumbria with governance arrangements put in place to ensure achievement of outcomes from public sector and other partners.

c) Translating the vision into objectives for the Authority and its partnerships

The vision is translated into three key priorities for the Council and its partners:

- Challenge poverty in all its forms;
- Ensure that the most vulnerable people in our communities receive the support they need; and,
- Improve the chances in life of the most disadvantaged in Cumbria

Within each of these priorities, the Council Plan details the activities that will contribute to delivering the priorities and sets out what success in each of these areas will look like.

- d) Measuring the quality of services for users, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources*

The Council actively manages its performance, participating in benchmarking and seeking to improve value for money.

- e) Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication*

The Council approved a full revision of its Constitution in November 2010, including changes to financial and contract procedures and Scheme of Delegation, and keeps the Constitution under review through the work of the Constitution Review Group. Changes to the Constitution are approved by Council. For example the updated anti fraud and corruption policy was approved by Council in November 2012.

- f) Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff*

Codes of Conduct for Members and staff are set out in the Constitution and the Council Plan endorses the Council's ethics and behaviours. The Corporate Management Team has emphasised the importance of these behaviours and the importance of senior managers living the values and acting as role models. The Council has in recent years undertaken a survey of members and senior managers on public sector ethics.

- g) Reviewing the effectiveness of the authority's decision making framework, including delegation arrangements, decision making in partnerships and robustness of data quality.*

The Council approved a full revision of the Constitution in November 2010 and the Constitution Review Group ensures the Constitution is maintained and kept up to date. Any changes are recommended to Council for approval. The constitution incorporates the Council's Scheme of Delegation which sets out the levels of delegated authority of officers and Elected Members. Also included within the constitution is a partnership protocol. There is a data quality policy, strategy and toolkit available to managers via the Council's intranet site. There is also a Planning and Performance Leads meeting which is used to reinforce the importance of

Data Quality and remind managers of the availability of the toolkit to assist with this. Prior to entering into partnerships, the risks are assessed and then monitored as part of directorate risk management arrangements. All partnerships are entered into the Authority's partnerships register and arrangements are in place to monitor these.

- h) Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability.*

The Council's risk management strategy and risk management guidance set out how the Council approaches risk management. Risks to the delivery of service plans are set out in the service plans and assigned a risk owner.

Corporate risks are documented in the Corporate Risk Register which is reviewed by the Corporate Management Team and regularly reported to the Audit and Assurance Committee. All risks are assigned a risk owner at senior management level and on a quarterly basis, a risk owner is invited to present to Audit and Assurance Committee on how the identified risks are being managed.

- i) Ensuring the Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)*

The Council's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010). The Council has strengthened its finance capacity through the leadership of the Corporate Director - Resources and the Assistant Director - Finance and the establishment of the finance senior management team. The Assistant Director - Finance has regularly reported to the Audit and Assurance Committee progress within the Finance Unit and the arrangements for strengthening the finance function and financial management systems.

- j) Ensuring the Council undertakes the core functions of an audit committee as identified in CIPFA's Audit Committee – Practical Guidance for Local Authorities through the annual work programme of the Audit and Assurance Committee*

The Audit and Assurance Committee is well established and has sought to emphasise the importance of governance and internal control throughout its programme of work. The Audit and Assurance Committee continues to consider and approve the Annual Governance Statement. It has received regular progress reports on action plans in relation to significant

governance issues and an assessment of progress on the approved Governance and internal Control action plan is an important consideration in preparing this Annual Governance Statement.

The Audit and Assurance Committee has provided a forum for internal and external audit work, and has emphasised the independence and role of audit in giving assurance and making recommendations for improvements. The effectiveness of the Audit and Assurance Committee and internal audit is reviewed annually.

k) Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful

The Council ensures that full weight is given to legal and financial comments with all reports for Cabinet and Council including the views of the Monitoring Officer and the Section 151 Officer.

The Council has continued its work on equality and diversity. The Council's Strategy for Equality 'Equality for All' was agreed by Cabinet in April 2012, and sets out the Council's Equality Objectives for 2012-16. Key areas of focus include: narrowing the educational attainment gap between girls and boys; reducing the effects of domestic violence, hate crimes and homophobic bullying in Cumbria; and ensuring that people from vulnerable groups can access help and support through joined up advocacy and advice services.

In September 2011 the Council implemented single status arrangements for pay and terms and conditions for all 'Green Book' staff which constitute the vast majority of its employees. A full equality impact assessment was undertaken and successful implementation of the new single status arrangements provides the Council with a robust defence against future equal pay claims.

Arrangements are in place at Directorate level to ensure that policies and procedures are appropriately communicated to staff, for ensuring compliance with these and for taking remedial action where non-compliance is found to have occurred. This is reassessed annually through directorate self-assessments which inform the Annual Governance Statement.

l) Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained.

The Council's counter fraud and corruption and whistle blowing policies were reviewed as part of the revision to the Constitution in 2010 and a further review was carried out in light of recent anti bribery legislation and

to ensure consistency in reporting arrangements. Council approved a revised anti fraud and corruption policy in November 2012.

m) Ensuring there are effective whistle blowing arrangements for employees and for receiving and investigating complaints from the public

The Council has a whistleblowing policy in place within the constitution. A memo was issued to all Corporate and Assistant Directors and HR Managers to remind them of the policy and required actions in the event that a whistleblowing disclosure is received. The policy is available via the Council's website and contains named contacts to whom complaints may be made.

n) Identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training

The Council has supported individual development training for all members and has taken forward a programme of management development for senior managers, including 360 degree feedback.

o) Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation

The Council encourages open consultation with stakeholders, with particular attention being paid to development of budget proposals.

The Council's approach to Equality is closely related to the wider Council Plan objective of reducing poverty in all its forms, as well as making sure that resources are targeted to people who need them most.

The Council addressed equality within the budget setting process for 2012/13 and has taken a number of actions to mitigate the impact of reductions in budget on vulnerable groups. The Council supports use of petitions and Councillor Call for Action.

p) Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the Council's overall governance arrangements

The Council has developed partnership governance arrangements in line with best practice. Examples include the operation of effective joint Health Scrutiny arrangements with Cumbrian local authorities and health

partners, and the recent establishment of the Cumbria Police and Crime Panel.

q) Ensuring effective governance arrangements are in place in respect of wholly-owned or other group companies

The Council has one significant wholly owned company; Cumbria County Holdings Ltd (CCHL). This is a holding company which wholly owns two subsidiaries; Cumbria Waste Management (CWM) and Orian Solutions Ltd (OSL). The Council's governance framework extends to ensuring that appropriate governance arrangements are in place for the operation of significant group companies. Significant company decisions are reserved through the Articles (OSL) and Shareholders Agreement (CWM) of subsidiaries to CCHL and through to the Council. This includes approval of the business plan.

r) Ensuring effective management of change and transformation

The Council faces significant financial and policy pressure and is managing this largely through its Strategic Planning process where budgetary and policy proposals are managed ultimately through Corporate Management Team and a Strategic Planning working group of chief officers chaired by the Chief Executive. Proposals setting out changes required over the next three years are developed by Extended CMT, led by either a named Corporate Director or Assistant Director and are fed into the political process through Cabinet. Political approval then leads to such proposals being fed into formal budget consultation.

The Council has a track record of delivering change with a programme of systems thinking and business reengineering projects (the "Better Programmes") supported by a small specialist Business Improvement team and a dedicated programme office. These have been governed through CMT and have demonstrable outcomes in terms of service improvements and/or efficiency savings

s) Ensuring the authority's assurance arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Head of Internal Audit (2010).

A shared internal audit service is in place between the County Council and several other public sector organisations in the county. The County Council acts as host authority for the shared internal audit service. The service conforms with the five key requirements of the CIPFA Statement.

Internal audit undertakes work across all areas of the Council's operations and provides independent, objective assurance on all aspects of risk, governance and internal control.

Internal audit provides 'hot assurance' work which involves providing advice in real-time on emerging risks and proposed developments.

In line with the requirements of the CIPFA Statement, the Head of Internal Audit is a senior management with direct access and open engagement with Senior Management and the Audit and Assurance Committee. The Head of Internal Audit is professionally qualified and appropriately senior manager of internal audit services, leading a Shared Internal Audit Service that is fit for purpose and striving for continuous improvement.

t) Ensuring effective arrangements are in place for the discharge of the monitoring officer function

The Council's Monitoring Officer is the Assistant Director Legal and Democratic Services. The Monitoring Officer is a member of the Corporate Management Team. The Senior Manager Legal Practice is the deputy Monitoring Officer. Training is provided periodically for solicitors who support the Monitoring Officer to ensure they remain up to date with relevant legal and governance issues.

u) Ensuring effective arrangements are in place for the discharge of the head of paid service function.

The Chief Executive is the designated head of paid service and is responsible and accountable for all aspects of operational management.

v) Enhancing the accountability for service delivery and effectiveness of other public service providers

Section 194 of the 2012 Health and Social Care Act requires that every upper-tier local authority establish a Health and Wellbeing Board. The Cumbria Health and Wellbeing Board was formally established on 18th April 2013 and exists to provide a mechanism for partners to work better together so that everyone in Cumbria is able to benefit from improvements in health and wellbeing. The Board provides strong leadership and direction of the health and wellbeing agenda by agreeing priority outcomes for health and wellbeing particularly in line with the Joint Strategic Needs Assessment and the Joint Health and Wellbeing Strategy. The Board will oversee and review performance in the delivery of health and wellbeing improvements and outcomes and

will be accountable for the overall strategic performance management of agreed countywide health and wellbeing outcomes. The Board will hold partners to account and promote action in order to achieve the aims set out in the Cumbria Joint Health and Wellbeing Strategy. This may include the right to refer Cumbria Commissioning Group plans back to the NHS Commissioning Board.

The Police and Crime Panel was set up in 2012 and forms part of the new governance and accountability arrangements for policing, community safety and criminal justice in Cumbria. The Panel's key role is to maintain a regular check and balance on the performance of the directly elected Police and Crime Commissioner. The Panel is made up of members from all of the Local Authorities in Cumbria together with two Co-opted members. It has been agreed that Cumbria County Council will act as host authority for the Panel, and therefore will be responsible for providing all necessary support and guidance.

Review of effectiveness

8. The Council conducts an annual 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 executive managers within the authority who have responsibility for the development and maintenance of the governance environment, Internal Audit's annual report, risk management arrangements and by reports issued by the external auditors and other review agencies and inspectorates. In completing the review an analysis of how the Council's governance arrangements comply with the CIPFA/SOLACE principles has been undertaken.
9. The Council's Audit and Assurance Committee has delivered its annual work programme, championing the work of external and internal audit. Each year the Committee reviews its own effectiveness against best practice criteria for effective audit committees.
10. During the year there has been regular reporting of external audit outputs, including the annual governance report, interim memoranda and the certification of grant claims. There has been a focus on ensuring that recommendations are effectively implemented and there have been improvements in financial management system electronic controls to support the Scheme of Delegation.
11. The Audit and Assurance Committee has received progress updates on the Finance Unit and the ongoing work to ensure financial management systems are fully developed.

12. Internal Audit has undertaken work to provide hot assurance in areas such as payroll and single status. It has undertaken major investigation work in relation to contracts and has updated the Council's Counter Fraud and Corruption and whistle blowing policies. The Annual Report highlights the relatively low incidence of fraud in the Council and also shows that work arising from the National Fraud Initiative has identified a number of overpayments where internal controls should be improved.
13. In April 2013 the Council's prosecution of Eden Community Recycling which had been in preparation for a number of years was halted. The judge found that the Council had not properly disclosed evidence and concluded that the case could not proceed and granted a stay as it was not possible for there to be a fair trial. It is disappointing that the Council has been unable to mount an effective prosecution and the Council is currently considering the lessons learned from the case. The Audit and Assurance Committee will want to consider these lessons in due course and the implications for the Council's anti fraud and corruption policy.
14. The Audit and Assurance Committee has also reviewed corporate risk management arrangements at its meetings and has examined in detail corporate risks in relation to waste management, ICT and Children's Services.
15. Throughout 2012/13, Internal Audit has reported on progress and highlighted to the Audit and Assurance Committee where reports in significant areas have provided partial or limited assurance. Overall the proportion of reports with partial or limited assurance has returned towards the 20% norm and the 40% reported in 2011/12 is seen as being atypical. Actual figures are reported within the internal audit annual report and demonstrate that 21.8% of internal audit reviews resulted in partial or limited assurance, a significant improvement on the previous year.
16. The annual report of the Group Audit Manager concluded overall that the risk management systems and internal controls, together with the arrangements for ensuring delivery of value for money have provided reasonable assurance throughout 2012/13.
17. Annual reviews have been concluded in respect of business continuity arrangements, the use of surveillance and access to information. These have been reported to the Audit and Assurance Committee.
18. The Corporate Management Team Programme Board has continued to oversee programmes and projects that are significant in terms of scale and complexity. During 2012, there was a particular emphasis on

learning lessons as part of the council's closure phase for major programmes and projects.

19. In December 2012 a summary report was presented to the Council's Audit and Assurance Committee containing the lessons learnt from several programmes that had been closed down over the course of recent months. Following a report to Audit and Assurance Committee in December 2012, lessons learned at the closure phase of corporate programmes are now considered by Audit and Assurance Committee on a routine basis.
20. Over the past twelve months overview and scrutiny has continued to develop, establishing reviews and focusing on a number of key topics which underpin the Council Plan and the Council's outcomes and service delivery. Scrutiny Management Board continues to oversee and manage the overall work programme of the thematic scrutiny boards in addition to providing specific challenge and review of those service areas within its own remit.
21. A further development in scrutiny, designed to strengthen the engagement of elected members in specific service areas, has been the introduction of the Member Champion scheme, where individual councillors volunteer to work and engage with specific service areas on a regular basis. This has enabled them to act as an informed link between the service and the elected membership and scrutiny.
22. Working closely with directorates, scrutiny members have also undertaken 14 Task & Finish Group reviews over the past twelve months. Across all of these reviews members made 64 recommendations of which over 80% were fully supported and agreed, and by the end March 75% of all non-executive councillors had taken part in at least one scrutiny review.
23. This work has involved consultation with a wide range of stakeholder groups and community representatives involving non-executive members drawn from across the Council. Joint Scrutiny with all District Councils has been driven by the County Council's Health Scrutiny Committee, and has focused on a number of areas including:
 - Reviewing the Health Service review of Vascular Services, which resulted in the Committee referring the issue to the Secretary of State for Health for reconsideration
 - Examining the issues faced by both Hospital Trusts in Cumbria

- Exploring the Ambulance Service in the North West and specifically the impact of any changes in Cumbria.
24. In 2012/13 there have been two Call-Ins, the first in May 2012 related to the Allerdale Care Homes Consultation, and the second in February 2013 concerned the Council's decision to withdraw from the Managing Radioactive Waste Safely (MWRS) process.
 25. New standards arrangements were introduced by the Council in July 2012 to comply with the requirements of the Localism Act 2011. As a result, the standards regime changed significantly to that which had operated since 2001. From July 2012 the Standards Committee in its previous statutory form ceased to exist. Although not required to, the Council decided to establish a new non statutory Standards Committee which continues to promote and maintain high standards of conduct by councillors but with more limited powers than previously to take action where a member has been found to have breached the Code. The Council also agreed to appoint two Independent members to the Committee who serve as the Chairman and Vice-Chairman.
 26. As part of the new arrangements a new Member Code of Conduct was adopted by the Council in June 2012. Following the May 2013 elections all members have signed an undertaking that they will adhere to the new Code and members have also been asked to complete their statutory register of interests within 28 days of their election.
 27. There is a new process for dealing with complaints that Members have breached the Code. There is now much more of an emphasis on resolving complaints through informal resolution without the need for investigations and hearings. Depending on the nature of the complaint it will either be dealt with by the Council or, if it relates to a failure to register or declare disclosable pecuniary interests then referred to the police as such matters constitute a criminal offence. The Standards Committee received a summary of complaints in January 2013 but in 2012/13 did not have to deal with any complaints itself.
 28. The Cumbria Pensions Committee has met regularly throughout the year, and covered all matters involved in the operation of the Cumbria Local Government Pension Scheme ('the Scheme') including: governance of the fund; scheme policies update and other regulatory changes; knowledge and skills of Members and officers (including compliance with the Myners principles and the CIPFA Code of Practice on Public Sector Pensions Finance, Knowledge and Skills); fund risks including the mitigating actions in place; employee and employer administration matters; and fund performance monitoring at an overall level and by individual manager.

29. During 2012/13 work has progressed as planned on the implementation of the revised Investment Strategy as agreed by the Pensions Committee in May 2012 following the review of the Strategy during 2011/12. The implementation of the revised Strategy involves fundamental changes to the strategic investment themes of the growth element of the portfolio and, due to timescales required by procurement processes, this implementation work continues into 2013/14. Work on the establishment of an Investment Sub Group to ensure investment matters can be considered in more detail and in a more timely manner so as to exploit any market opportunities is ongoing. The detailed governance and operating framework for this Group is to be formalised shortly and will be agreed by the Committee prior to its establishment.
30. The recent and proposed regulatory changes including the Public Service Pensions Bill and the introduction of the new LGPS scheme in 2014 will have significant governance and administrative implications for all LGPS Schemes and throughout 2012/13 the Committee has received written and oral updates on developments within this arena.
31. Directorate assessments of governance arrangements in place during 2012/13 identified that there is some work required to improve data quality. Actions have been identified within directorate action plans arising from the self-assessments and work is underway to address these actions across the directorates. A data quality policy and toolkit are available to all managers.
32. As part of the formation of a new group structure from April 2013, the Council confirmed that its existing wholly owned company, Cumbria Waste Management Ltd, was complying with the criteria to remain arm's length from the Council. Measures are now being implemented in 2013 to ensure ongoing compliance with requirements for Local Government companies. In addition, a reporting process for delegated shareholder decisions is now being implemented.
33. The governance framework has been operating at the Council for the year ended 31 March 2013 and up to the date of approval of the Annual Governance Statement.
34. We have been advised on the implications of the result of the review of 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. The areas already addressed and those to be specifically addressed with new actions planned are outlined in the action plan at Annex A.

Significant governance issues

35. Previous Annual Governance Statements have included action plans to address items identified as significant governance issues and the Audit and Assurance Committee has received regular reports on progress against these actions.
36. The final review of the 2012/13 action plan has informed the action plan accompanying the 2012/13 Annual Governance Statement and where appropriate, actions have rolled forward into the new action plan to ensure that these continue to be addressed and monitored. A number of items on the 2012/13 action plan are considered to have been progressed sufficiently to no longer be considered to be significant governance issues and these items are not included within the 2013/14 action plan. These items are:
- Risk Management
 - Waste (now merged into contract monitoring and management)
 - Payments to Carers
 - Traded Services
 - Concessionary Fares
37. In line with best practice, the review of governance arrangements in support of the AGS was undertaken throughout 2012/13 and where appropriate, additional actions have been included within the action plan, in particular actions arising from the Ofsted inspection of Children's Services. Progress against the Council's Annual Governance Statement Action Plan for 2012/13 is considered to have been satisfactory and where items on the 2012/13 action plan relate to internal audit reviews undertaken, these will be followed up as is normal practice for all internal audit reviews, and the progress reported accordingly.
38. In May 2013, Ofsted inspected Cumbria's safeguarding children services. The outcome of this inspection led to the Council's 'notice to improve' being retained and included recommendations for how to improve the service. Some of the findings from the inspection were implemented immediately and a Children's Safeguarding Improvement Plan has been developed to implement these recommendations and improve services further. The Improvement plan and associated business case have been considered by the Children and Young People Scrutiny Advisory Board who have also set up a monitoring group to review the progress of this improvement plan. The Improvement Plan business case was discussed by the monitoring group of the Children and Young People's Scrutiny Panel at their meeting on 25th July 2013.

39. For 2013/14 there is now a need for further consolidation. For example in light of improvements in contract management as reported to the Audit and Assurance Committee through the Annual Governance Statement 2012/13 action plan progress reports, the focus for some activities has shifted to managing budget pressures in areas such as Looked After Children, waste management and concessionary fares. Additionally given the public sector funding constraints operating the Council faces very real financial challenges and there is an imperative to find significant savings to ensure the Council's continued financial robustness. The updated action plan for 2013/14 is set out at Annex A and are summarised into the following themes:

- Contract management
- Safeguarding of Children and Young People
- Delivery of savings (Budget Management)
- Human Resources
- Information Governance and Data Quality
- Anti-fraud, corruption and Whistleblowing

40. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness. We will monitor their implementation and operation as part of our next annual review.

Signed:

Stewart Young
Leader of the Council

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Diane Wood
Chief Executive

on behalf of Cumbria County Council

Annual Governance Statement Action Plan for 2013/14

Issue	Lead AD / Priority	Rationale	Progress	Proposed Action for 2013 / 14
CONTRACT MANAGEMENT				
Contract Investigation	Andrew Moss High	The Council is preparing a case for a significant contractual claim. Audit investigations indicate concerns about contract management arrangements	Preparation of claims and payment adjustments actioned	Effective rebuttal of contractor claims and pursuit of the Council's counter claims
Procurement and contract management	Alan Ratcliffe Medium	An Annual Governance Statement significant issue for some years.	Progress in a number of areas with strengthened contract management arrangements but need for consolidation and strengthening across the field.	Awareness raising of lessons learned through updated omnibus report on contract management and procurement Implementation of recommendations arising from cross-cutting review of procurement, commissioning and contract management. Further audit activity as part of Internal

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Issue	Lead AD / Priority	Rationale	Progress	Proposed Action for 2013 / 14
				Audit plan for 2013/14. There will be a specific focus on high value / high risk contracts as identified through directorate service level risk registers, for example Waste contract (Shanks)
SAFEGUARDING CHILDREN'S SERVICE				
Safeguarding – Children's Services	Lyn Burns Caroline Sutton John MacIlwraith High	Following an Ofsted inspection of Children's Services in April 2012 of Safeguarding and Looked After Children's Services in Cumbria an Improvement Board is being established to monitor three key areas for improvement. These are: Improving Practice, Improving	An independently Chaired Safeguarding Improvement Board, including representation from the DfE, is providing robust overview and scrutiny of delivery against the recommendations of the Ofsted report. The Board reports to the Minister for Education, and the Corporate Director	Continue the implementation of the Ofsted action plan

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Issue	Lead AD / Priority	Rationale	Progress	Proposed Action for 2013 / 14
		Performance Management and Quality Assurance, and Improving Partnership.	Children's Services reports to Cabinet and Scrutiny. The chair and DfE reported satisfactory progress on process following their 6 month review visits held in February/March 2013.	
Number of care home places provided by the Council	Richard Parry Medium	The Audit Commission's Annual Governance Report for 2011/12 recommended that "Members need to ensure that momentum is maintained to reduce the number of care home places the Council provides, both to reduce its costs in the face of reduced demand and to ensure the facilities provided meet the	Analysis of service expenditure and cost drivers has been undertaken as part of strategic planning preparations for 2014 / 15	Strategic plans for 2014/15 to consider areas of high cost.

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Issue	Lead AD / Priority	Rationale	Progress	Proposed Action for 2013 / 14
		more complex needs of those individuals who are unable to be cared for in the future in their own homes."		
DELIVERY OF SAVINGS / MANAGEMENT OF BUDGET PRESSURES				
Assurance that planned savings are realistic and are delivered	Julie Crellin Alan Ratcliffe High	Members to satisfy themselves that savings planned are realistic and achievable within the timescale set and the impact on service delivery identified and managed.		Budget management in 2013/14 will continue to highlight achievement or otherwise of savings targets contained in the 2013/14 base budget. Within the strategic planning process for 2014/15, there will be a focus on achievement of existing budget targets contained within the base. There will be a review of high cost areas as indicated by benchmarking and

Annual Governance Statement Action Plan for 2013/14

Issue	Lead AD / Priority	Rationale	Progress	Proposed Action for 2013 / 14
				cost analysis, eg using the Audit Commission profiles.
Looked after Children	Lyn Burns	Significant budget pressures and senior management attention being directed to managing the numbers of looked after children to reduce budget pressures	Reported to Audit and Assurance Committee as part of risk management presentation in March 2013	Continue to implement actions detailed in the Better Placements improvement plan. (Better Placements plan is reported as a corporate programme and also through to CYP scrutiny)
HR MANAGEMENT				
Travel claims	Jamie Sims High	Audits over the last two years have shown significant problems with over claims. Proposals made to clarify policy and guidance to enable appropriate claims. New policy and guidance introduced from	Holistic review of travel arrangements underway	HR to review operation of the new arrangements to ensure they are fit for purpose and that managers fully understand their responsibilities for checking travel claims prior to their authorisation.

Annual Governance Statement Action Plan for 2013/14

Issue	Lead AD / Priority	Rationale	Progress	Proposed Action for 2013 / 14
		October 2011 alongside single status changes. Internal Audit follow up review of new travel arrangements found significant levels of non compliance with extrapolation of audit results suggesting over claims of £306,000 to £418,000.		
Workforce Development	Jamie Sims	Directorate self assessments highlighted the need for further improvement in work force development. This would support the Council's reshaping of services in response to significant financial pressures.		Workforce development plans by directorate will be developed in 2013/14 to support strategic planning processes for 2014/15.

Annual Governance Statement Action Plan for 2013/14

Issue	Lead AD / Priority	Rationale	Progress	Proposed Action for 2013 / 14
INFORMATION AND DATA QUALITY MANAGEMENT				
Information governance	Alan Ratcliffe High	A number of problems were identified through audits and investigations in 2011/12 and further work in 2012/13. Information governance raised as a corporate risk in September 2012.	A suite of Information Governance policies and procedures have been developed and were formally approved by CMT in April. The Information Governance Group has been refreshed, is meeting regularly and has responsibility for monitoring implementation of the revised procedures and Action Plan. The ICT security policy which covers log-ins and passwords has also been strengthened. Mandatory ICT security e-module launched.	Action plan to be delivered in year. SIRO meetings with responsible officers to centre on escalation of issues as appropriate.

Annual Governance Statement Action Plan for 2013/14

Issue	Lead AD / Priority	Rationale	Progress	Proposed Action for 2013 / 14
ANTI FRAUD AND CORRUPTION AND AWARENESS RAISING				
Review of lessons learned from Eden Community Recycling case	Angela Harwood/ Caroline Elwood High	Council prosecution case against Eden Community Recycling not able to be progressed.	Lessons learned examination underway by Caroline Elwood	Need to consider lessons learned and implications for the Council's anti fraud and corruption policy and practices
Awareness raising	Julie Crellin High	Need for continued awareness raising of importance of governance and internal control in light of 2011/12 issues.	Presentations to key groups: Extended CMT (29 February) and Corporate Governance Group (13 March), DMTs, service managers, finance managers. Briefing to all Directorates (through routine newsletters) prepared through the Corporate Governance Group. Briefings distributed through May and June.	Continue awareness raising training during 2012/13. Regular updates planned for 2012/13 (e.g. e-learning module for updated Anti-Fraud and Corruption Policy). Further awareness raising on the whistleblowing policy will be undertaken.