



Coventry City Council

# Public report

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**Report to**

Audit and Procurement Committee

26<sup>th</sup> June 2017

**Name of Cabinet Member:**

Cabinet Member for Strategic Finance & Resources – Councillor J Mutton

**Director approving submission of the report:**

Deputy Chief Executive (Place)

**Ward(s) affected:**

City Wide

**Title:**

Annual Governance Statement 2016-17

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**Is this a key decision?**

No

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**Executive summary:**

The purpose of this report is to seek approval for the Annual Governance Statement, which forms part of the Statement of Accounts for 2016-17.

**Recommendations:**

Audit and Procurement Committee is recommended to consider and approve the Annual Governance Statement (attached at Appendix One), which accompanies the 2016-17 Statement of Accounts.

**List of Appendices included:**

Appendix One – Annual Governance Statement 2016-17

**Background papers:**

None

**Other useful documents:**

Annual Governance Statement 2015-16

<http://moderngov.coventry.gov.uk/ieListDocuments.aspx?CId=553&MId=11086&Ver=4>

**Has it or will it be considered by scrutiny?**

No

**Has it, or will it be considered by any other council committee, advisory panel or other body?**

No

**Will this report go to Council?**

No

**Report title:**

Annual Governance Statement 2016-17

**1. Context (or background)**

- 1.1 Coventry City 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. In discharging this responsibility, the City Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.2 To demonstrate such arrangements, the City Council has adopted a Code of Corporate Governance. The Code was reviewed during 2016-17 and a revised Code of Corporate Governance was approved, which is consistent with the principles reflected in the CIPFA / SOLACE framework and guidance 'Delivering Good Governance in Local Government (2016).
- 1.3 The Annual Governance Statement ('AGS') explains how Coventry City Council has complied with the Code and in doing so, reflects the requirements of the Accounts and Audit Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement. The AGS also details key governance / control issues identified through the assessment that the Council faces in the coming year.

**2. Options considered and recommended proposal**

- 2.1 The Annual Governance Statement is informed by a review of the Council's governance environment, which is based on a number of sources including:
  - An annual assessment of the adequacy of internal controls / governance arrangements by each Deputy Chief Executive.
  - The outputs from the Internal Audit Service, reflected in an annual report that identifies those issues, which in the opinion of the Acting Chief Internal Auditor, should be considered when producing the Annual Governance Statement.
  - Reports from external bodies during the year, including those from the Council's external auditors and other inspection agencies.
- 2.2 Section 5 of the Annual Governance Statement, attached at Appendix One, highlights those areas that the Council considers require internal control / governance improvements. This assessment is co-ordinated by the Acting Chief Internal Auditor, but also incorporates the views and opinions of senior officers. The key disclosures come from the following processes:
  - A review of progress against disclosures highlighted in the Annual Governance Statement 2015-16.
  - New disclosures identified as part of the assessment process outlined in section 2.1.

The outcomes from these processes are expanded upon overleaf.

**2.3 Update on disclosures made in the Annual Governance Statement 2015-16** - A review of the seven disclosures highlighted in the Annual Governance Statement 2015-16 has found that the disclosures fall into two categories, namely:

**2.3.1 Closed from the 2015-16 Statement** – Two disclosures have been closed as they are no longer viewed as significant governance / control issues facing the Council. These are outlined below:

- Review and update of the Council’s Whistleblowing Procedure. This action was part of a disclosure linked to the review of a number of the Council’s key governance processes. Whilst some of these processes have been carried forward to the 2016-17 Annual Governance Statement as the review has instigated changes in the Council’s approach which need to be embedded in the forthcoming year, the principles underpinning the Whistleblowing Procedure have not significantly changed, with the review and update providing clearer guidance which continue to be delivered through on-going arrangements. Where governance processes have been carried forward to the 2016-17 statement, these are reflected in 2.3.2 below (and are now included as separate disclosures).
- To ensure that, alongside the programme of proactive reviews undertaken in relation to council tax exemptions / discounts, procedures to underpin the award of exemptions and discounts are consistently complied with. Over the course of the year meetings have been held between Internal Audit and Council Tax to discuss and agree improvements to procedures. Agreed actions included, regular quality assurance checks on a sample of exemptions/discounts awarded by Council Tax management with feedback given to officers, development of a desk aid for all staff to highlight the process to be followed when awarding discounts and exemptions, increased verification over the award of student exemptions and formal follow-up review by Internal Audit which found that there was a significant improvement in compliance with procedures.

**2.3.2 Carry forward to the 2016-17 Statement** - A number of governance / control issues remain in the Annual Governance Statement. These are highlighted in Appendix One, along with the actions the Council has taken/ plans to take to deal with these issues. As part of the continuous improvement of the review of effectiveness which underpins the development of the Annual Governance Statement, the process for 2016-17 has included ensuring the Council has specified governance arrangements in place to oversee the actions being taken to address these issues (alongside the general governance framework in operation within the Council). For the disclosures that have been carried forward to the 2016-17 Annual Governance Statement, the specific governance arrangements are summarised below:

- Sustainable improvement in children’s services – This is overseen by an Improvement Board and Independent Chair.
- Ensuring delivery of the Council’s vision and corporate objectives, in line with the Medium Term Financial Strategy – The Medium Term Financial Strategy is approved by full Council which also sets the revenue and capital Budgets each year. Members receive regular briefings prior to them making Budget decisions and delivery of the budget is monitored on a regular basis by the Council’s Cabinet and the Audit and Procurement Committee.
- Delivery of the Kickstart programme – This is overseen by a Kickstart Board.

- Raising educational standards – On-going governance arrangements are through the Secondary and Primary Partnerships and the Education Standards Board.
- Implementation of the Information Management Strategy – The Information Management Strategy Group maintain oversight of this work.
- Code of Corporate Governance – an annual review process has been introduced, the outcomes of which, including any actions required, will be reported to the Audit and Procurement Committee.
- Establishing a Counter Fraud Framework – The Audit and Procurement Committee will have oversight of this work.
- Risk Management Strategy – oversight by senior management within the Council.

**2.4 New Disclosures** – Two new disclosures have been identified for the Annual Governance Statement 2016-17. These issues were identified as part of the review undertaken to support the production of the AGS and are detailed below:

- Long term sustainability of adult social care in the context of financial and demand issues. This includes making the best use of additional resources available to Adult Social Care through the Integrated Better Care Fund (iBCF) to support long term sustainability. A revised iBCF plan for 2017-2019 is to be agreed between the City Council and the Coventry and Rugby Clinical Commissioning Group which will be overseen through the Preventative and Proactive workstream of the Sustainability and Transformation Plan. In addition to this, work will continue to ensure we are supporting people with eligible social care needs in the most effective way (cost being a major consideration) and using alternatives to paid support wherever possible. The Adult Social Care improvement programme includes a number of savings schemes that are to be delivered over 2017/18 and 2018/19 contributing to the Council's Medium Term Financial Strategy. This programme is overseen through the Connecting Communities Board.
- Delivery of the Workforce Strategy. A project team (s) is in place and a robust governance structure is being developed by the end of June 2017. The totality of the workforce strategy programme will be overseen by the Council's Strategic Management Board. The workforce reform programme (a significant element of the workforce strategy) will include, increasing the Council's employment governance, improving the Council's employment policies and practice and a review of our pay, reward and benefits. Follow up of Internal Audit recommendations linked to employment governance will also be undertaken to assess progress made.

### **3. Results of consultation undertaken**

3.1 None

### **4. Timetable for implementing this decision**

4.1 There is no implementation timetable associated with this report.

### **5. Comments from the Director of Finance and Corporate Services**

5.1 Financial Implications

There are no specific financial implications associated with this report. Internal control / governance have clear and direct effects on finance within the Council. Since these vary widely, it is not useful to attempt to summarise them here, beyond noting that all systems and controls are designed to help improve value for money obtained, the probity and propriety of financial administration, and / or the management of operational risks.

## 5.2 Legal implications

The City Council is required by the Accounts and Audit Regulations 2015 to approve, and subsequently publish, the Annual Governance Statement alongside the Statement of Accounts.

## 6. Other implications

### 6.1 How will this contribute to achievement of the council's Plan?

The governance framework comprises the systems and processes (i.e the internal control environment), and culture and values, by which the authority is directed and controlled, and its activities through which it accounts to, engages with and leads the community. 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.

### 6.2 How is risk being managed?

The key risk that exists is that planned actions are not implemented. This risk is managed through the Council's governance framework which includes arrangements to provide oversight of planned actions through reporting to senior management and designated committees / boards. Defined processes also exist to gain assurance that agreed actions arising from the work of Internal Audit, External Audit or another external agency have been implemented on a timely basis.

### 6.3 What is the impact on the organisation?

None

### 6.4 Equalities / EIA

None

### 6.5 Implications for (or impact on) the environment

No impact

### 6.6 Implications for partner organisations?

None

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**Directorate:**

Place

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This report is published on the council's website:

[www.coventry.gov.uk/meetings](http://www.coventry.gov.uk/meetings)

## Appendix One – Annual Governance Statement 2016-17

### 1. Scope of responsibility

- 1.1 Coventry City 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. Coventry City 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 regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Coventry City Council is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 Coventry City Council has reviewed and approved a revised Code of Corporate Governance, which is consistent with the principles reflected in the CIPFA / SOLACE framework and guidance *Delivering Good Governance in Local Government (2016)*. A copy of the Code is available on our website at: [http://www.coventry.gov.uk/downloads/download/1181/code\\_of\\_corporate\\_governance](http://www.coventry.gov.uk/downloads/download/1181/code_of_corporate_governance) or can be obtained from Democratic Services.
- 1.4 The Annual Governance Statement explains how Coventry City Council has complied with the Code and also meets the requirements of Regulation 6(1) (b) of The Accounts and Audit Regulations 2015 which requires all relevant bodies to prepare an Annual Governance Statement.

### 2. The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. 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 services and value for money.
- 2.2 The system of internal control is a significant part of the 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 Coventry City Council policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at Coventry City Council for the year ended 31<sup>st</sup> March 2017 and up to the date of approval of the Statement of Accounts.

### 3. The governance framework

The key principles, approach and review processes that comprise the authority's governance arrangements are set out in the City Council's Code of Corporate Governance. Key elements include the following:



- 3.1 There is a governance / internal control environment that support the Council in establishing, implementing and monitoring its policies and objectives. The Council's overarching objectives are contained in published policy documents including the Council Plan. These high level plans are supported by a range of thematic policies, strategies and delivery plans, service plans, and detailed work programmes.
- 3.2 Coventry's Council Plan was adopted in January 2014 and last updated in August 2016. The plan, called "*Coventry: A Top Ten City*", sets out the Council's long term vision and priorities for the city for the next ten years. To deliver the vision and priorities, the Council Plan affirms the Council's commitment to do this by maximising the use of its assets and reducing its operating costs, and through active communities and empowered citizens. The Council Plan is part of the Council's performance management framework designed to help the Council deliver its services and use its resources effectively in a planned and systematic way.
- 3.3 Throughout this process, clear channels of communication exist with all sections of the community and other stakeholders, to ensure the Council considers local needs and communicates both expected and actual outcomes for citizens and service users. This is evidenced through the Council's formal decision-making and performance management processes.
- 3.4 In October 2015, Coventry City Council agreed to join the proposed West Midlands Combined Authority, which is a model of governance for local authorities to act together to drive economic prosperity for the area. A Combined Authority is a statutory body in its own right supported by a devolution agreement with the Government and a constitution which sets out the terms of their funding and powers.
- 3.5 The control environment to ensure delivery of the Council's objectives is laid down in the Council's Constitution and performance management framework. The Constitution sets out how the Council operates, including:
- Roles and responsibilities of both Councillors and officers, including the Head of Paid Services, Monitoring Officer and Chief Financial Officer.
  - How decisions are made and the procedures in place to ensure that these are efficient, transparent and accountable to local citizens. The Constitution includes the Council's senior management structure and a scheme of delegation which sets out the principles for decision making and responsibility for functions. The Council facilitates policy and decision making via a Cabinet structure with Cabinet Member portfolios. There are scrutiny boards covering all portfolios and an overarching Scrutiny Co-ordination Committee. The Member decision making, advisory and scrutiny bodies are shown at <http://www.coventry.gov.uk/howthecouncilworks>
- 3.6 Coventry City Council has developed a comprehensive set of policies and procedures, including those relating to the standards expected of Members and officers. These are subject to regular review to ensure the Council continues to enhance and strengthen its internal control environment. Systems exist to ensure compliance with policies and procedures, including statute and regulations. Internal Audit, through its annual risk based plan assesses compliance with key procedures and policies.
- 3.7 The Council has an equal opportunities policy which is available on our website at: [http://www.coventry.gov.uk/downloads/file/6999/equal\\_opportunities\\_policy](http://www.coventry.gov.uk/downloads/file/6999/equal_opportunities_policy) which sets out the Council's commitment to a diverse community and equal opportunity to contribute and benefit from society. The policy is implemented through setting equality objectives

linked to the Council Plan. [Equality objectives | Equality and diversity | Coventry City Council](#). Progress is monitored and reported to Cabinet Member. The latest progress reports can be found here: [Equality objectives | Equality and diversity | Coventry City Council](#). In addition, the Council carries out Equality and Consultation Analysis on all key decisions taken by Cabinet or Cabinet Member.

- 3.8 The Council's Risk Management Strategy defines processes for identifying, assessing, managing and monitoring financial and operational risks. Risk registers at directorate and corporate level are updated and reviewed regularly. The Council is looking for continuous improvement throughout the Council in the management of risks, and this is being monitored through the Strategic Management Board.
- 3.9 The Council, through its Whistleblowing and Complaints Procedures, has documented processes in place to deal with concerns raised by both employees and members of the public. These policies have been widely communicated and are subject to regular review to ensure they are working effectively. In addition, the Council's Fraud and Corruption Strategy reinforces the Council's commitment to creating an anti-fraud culture, whilst having effective arrangements in place in responding to allegations of fraud and corruption.
- 3.10 An Audit and Procurement Committee provides independent assurance to the Council on various issues, including risk management and control and the effectiveness of the arrangements the Council has for these matters. The Committee's terms of reference were developed in conjunction with CIPFA guidance, and the Committee carries out a periodic self-assessment to measure its effectiveness, based on recommended CIPFA practice.
- 3.11 For the financial year 2016-17, the Executive Director, Resources was the nominated Section 151 officer with the delegated responsibility for ensuring there are arrangements in place for proper administration of financial affairs up until 22<sup>nd</sup> February 2017. From this date the nominated Section 151 officer was the Director of Finance and Corporate Services, within a new senior management structure. The Council last carried out an assessment of the role of the S151 Officer against the requirements stated in the in the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2016) in March 2016 in respect of the Executive Director of Resources. This assessment concluded that the Authority met the five principles in the CIPFA Statement, namely:
- The Chief Financial Officer (CFO) in a local authority is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest.
  - The CFO in a local authority must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the authority's overall financial strategy.
  - The CFO in a local authority must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.
  - The CFO in a local authority must lead and direct a finance function that is resourced to be fit for purpose.

- The CFO in a local authority must be professionally qualified and suitably experienced.

The Council will conduct a full assessment in respect of the Director of Finance and Corporate Services' role of S151 Officer in 2017-18, but at this stage is satisfied that the new senior management structure will provide an appropriate framework under which the principles can continue to be met. The S151 Officer remains a key member of the Corporate Leadership Team and formally retains a direct reporting line to the Chief Executive when required. The appointment to the role was made by a Member Appointment Panel following a robust assessment process which included an experienced existing Section 151 officer to provide independent and external advice to the Panel.

3.12 The Annual Governance Statement also includes a review of the effectiveness of the system of internal control within group activities, where the Council is in a relationship with another entity to undertake significant activities. The following describes the group activities for the year ended 31<sup>st</sup> March 2017:

- Coventry and Solihull Waste Disposal Company is owned jointly by Coventry City and Solihull Metropolitan Borough Councils. A formal agreement sets out the operating arrangements between Coventry and Solihull. The Company is subject to the Waste Incineration Directive and the conditions of its Integrated Pollution Prevention and Control License issued by the Environment Agency. Furthermore, the Company monitors its activities through an accredited Environmental Management System. The Company has appointed Ernst & Young LLP as its external auditors. The last published Annual Report and Financial Statements, for the year ended 31<sup>st</sup> March 2016, did not highlight any significant concerns. The Company redeemed the remaining £4.4m of preference shares held by Coventry City and Solihull Metropolitan Borough Councils in 2015/16.
- North Coventry Holdings (NCH) Limited is a wholly owned subsidiary of the Council. Two of the Directors of the Company are senior officers of Coventry City Council. All transactions are processed using the Council's financial systems and such activities are subject to an annual audit by the Council's Internal Audit Service. The Company has LDP Luckmans as its external auditors. There was an unqualified audit opinion for the last published Annual Report and Accounts, for the year ended 31<sup>st</sup> March 2016. The company's main purpose is to hold shares in Coventry North Regeneration Limited, although from 2017/18 it is engaged in providing business development services to the City Council.
- Coventry North Regeneration (CNR) Limited is a wholly owned subsidiary of NCH Limited. The main activity of the Company was the construction of the Ricoh Arena. Two of the Directors of the Company are also senior officers of Coventry City Council. All transactions are processed using the Council's financial systems and such activities are subject to an annual audit by the Council's Internal Audit Service. The Company has LDP Luckmans as its external auditors. There was an unqualified audit opinion for the last published Annual Report and Accounts, for the year ended 31<sup>st</sup> March 2016.

#### **4. Review of effectiveness**

4.1 Coventry City Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including the system of internal control. This is informed by the work of senior managers within the authority, who have responsibility for

the development and maintenance of the governance environment, the Acting Chief Internal Auditor's opinion on the overall adequacy and effectiveness of Coventry City Council's internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates.

4.2 The Council has developed a comprehensive framework for overseeing its governance environment. This includes:

- Regular and detailed monitoring of the Council's performance, by both Strategic Management Board and Members against targets and objectives set out in the Council's Plan.
- On-going reviews of the Council's Constitution, overseen by the Constitution Advisory Panel and subject to approval by Full Council. These reviews include areas such as standing orders, financial procedures and the scheme of delegation.
- Regular reviews of Council's strategies and procedures to ensure they continue to reflect the needs of the Council.

This framework has been further strengthened by the revision to the Code of Corporate Governance and the introduction of an annual review against the national framework and guidance which will inform future Annual Governance Statements.

4.3 The review of effectiveness has also been informed by:

- Reports from the external auditors and other inspection agencies.
- An annual assessment of the adequacy of internal controls / governance arrangements by each Director.
- The work of the Internal Audit Service during 2016-17. The Service works to a risk based audit plan, which is approved annually by the Council's Audit and Procurement Committee. An annual report is also produced and presented to the Committee. The report identifies those issues, which in the opinion of the Acting Chief Internal Auditor, should be considered when producing the Annual Governance Statement.

4.4 We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit and Procurement Committee, and can provide reasonable assurance that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework and that a plan to address weaknesses and ensure continuous improvement of the system is in place.

## 5. Significant governance issues

5.1 The Council is seeking to continuously enhance its management arrangements to improve service delivery, efficiency and value for money, whilst achieving its objectives. The review of effectiveness has informed identification of the following key challenges, along with the actions taken / proposed to take to deal with these issues:

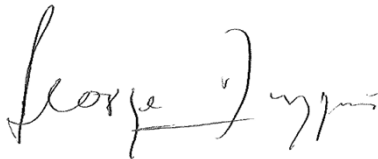
Governance issue	Actions taken / proposed to take
Sustainable improvement in children's services	Building on the recent progress in Children's Services identified by Ofsted during the inspection of Children's Services in March 2017, continue to focus on securing long term sustainable

	<p>improvement in Children's Services. For the immediate future this will continue to be overseen by an Improvement Board and Independent Chair.</p>
<p>Ensuring delivery of the Council's vision and corporate objectives , in line with the Medium Term Financial Strategy</p>	<p>This is underpinned by the delivery of significant financial savings from new and existing strategies. The Council is part-way through delivering this stage of transformation which will be fundamental to enabling the Council to achieve the projected balanced medium term financial position set out in the 2017/18 Budget Report.</p> <p>A full meeting of the Council approves the Medium Term Financial Strategy and sets the revenue and capital Budgets each year. Members will receive regular briefings prior to them making Budget decisions. Delivery of the budget is monitored on a regular basis by the Council's Cabinet and its Audit and Procurement Committee.</p>
<p>The delivery of the Kickstart programme – the Council's plan for making savings, supporting city centre regeneration including business rate growth and rationalising its' office estate</p>	<p>This includes the delivery of a new Customer Service Centre which opened in November 2015, a Democratic Centre within the Council House and a new purpose built office at Friargate supported by a radically transformed approach to the way the Council works and engages with its customers.</p> <p>The Kickstart programme, which is overseen by a Kickstart Board, is creating the enabling environment for new ways of working and culture change within the Council, leading to a more agile, digitally enabled, modern organisation which is able to deal more effectively with demand changes and service transformation.</p> <p>Kickstart and customer journey savings targets are contributing towards the Council's Medium Term Financial Strategy.</p>
<p>Raising educational standards</p>	<p>Over the last three years the primary school improvement strategy has had a significant impact upon the percentage of pupils attending good and outstanding schools. Currently 95% of pupils attend a good or outstanding primary school compared to 91% nationally. Action taken includes new Primary Networks which are now established and meeting regularly, and the Network Leads have reported back on progress with network-wide priorities and individual school priorities.</p> <p>Currently 73% of pupils attend a good or outstanding secondary school compared to 81% nationally. Action taken to deliver the secondary school improvement strategy includes meetings of the Secondary Improvement Board and collaborative groupings with action plans agreed and costed with a range of support ratified by the Board.</p> <p>Local Authority Quality Assurance Monitoring officers are currently visiting schools and reporting on impact of support. The on-going governance arrangements are through the Secondary and Primary Partnerships and the Education Standards Board.</p>

<p>Implementation of the Information Management Strategy</p>	<p>To embed the actions taken following the Information Commissioner's audit and continue to implement the Council's wider Information Management Strategy. The Information Management Strategy Group will continue to maintain oversight of this work and the way that information is managed across the Council and ensure that all legislative requirements concerning the use of information are complied with.</p> <p>The Information Management Strategy Group will report to the Corporate Leadership Team on the work undertaken to date and the need to embed practices throughout the Council.</p>
<p>Long term sustainability of adult social care in the context of financial and demand issues</p>	<p>This includes making the best use of additional resources available to Adult Social Care through the Integrated Better Care Fund (iBCF) to support long term sustainability. A revised iBCF plan for 2017-2019 is to be agreed between the City Council and the Coventry and Rugby Clinical Commissioning Group which will be overseen through the Preventative and Proactive workstream of the Sustainability and Transformation Plan.</p> <p>In addition to this, work will continue to ensure we are supporting people with eligible social care needs in the most effective way (cost being a major consideration) and using alternatives to paid support wherever possible.</p> <p>The Adult Social Care improvement programme includes a number of savings schemes that are to be delivered over 2017/18 and 2018/19 contributing to the Council's Medium Term Financial Strategy. This programme is overseen through the Connecting Communities Board.</p>
<p>Delivery of the workforce strategy</p>	<p>A project team (s) is in place and a robust governance structure is being developed by the end of June 2017. The totality of the workforce strategy programme will be overseen by the Council's Strategic Management Board. The workforce reform programme (a significant element of the workforce strategy) will include, increasing the Council's employment governance, improving the Council's employment policies and practice and a review of our pay, reward and benefits. Follow up of Internal Audit recommendations linked to employment governance will also be undertaken to assess progress made.</p>
<p>Code of corporate governance</p>	<p>During the 2016/17 municipal year, the Council reviewed and updated its Code of Corporate Governance following the publication of new national guidance. An annual review process has been introduced to ensure that the principles of the Code are effectively embedded in the organisation and that our policies and practices meet best practice. The outcomes of the annual review, including any actions required, will be reported to the Audit and Procurement Committee and will inform the preparation of future Annual Governance Statements.</p>

Establishing a Counter Fraud Framework	This includes updating the Council's Fraud and Corruption Strategy and developing a framework to underpin implementation of the strategy and the governance arrangements linked to this. The Council's Audit and Procurement Committee will have oversight of this work.
Risk Management Strategy	The Risk Management Policy and Strategy has been reviewed and updated. Once formally adopted by the Council in line with the required governance process, appropriate actions will be taken to embed the new requirements of the revised Policy and Strategy, with oversight by senior management.

- 5.2 In addition to the actions taken detailed above, in the last year the Council has resolved the following issues raised in the 2015-16 Annual Governance Statement; review and update of the Council's Whistleblowing procedure and improved internal controls linked to the consistent application of procedures for the award of council tax exemptions and discounts.
- 5.3 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 and we will monitor their implementation and operation, as part of our next annual review.



**Cllr George Duggins**  
Leader of Coventry City Council



**Martin Reeves**  
Chief Executive of Coventry City Council