

REPORT TO: Audit Committee	DATE 06 January 2009	CLASSIFICATION	REPORT NO.	AGENDA NO.
REPORT OF: Corporate Director, Resources		Annual Governance Statement For the 2007/08 - Update		
ORIGINATING OFFICER(S): <i>Service Head Risk Management</i>				
		Ward(s) Affected: N/A		

1. Summary

- 1.1 This report updates the Audit Committee of the progress made in dealing with the significant issues identified within the annual governance statement.

2. Recommendation

- 2.1 The Audit Committee is asked to note the action in dealing with the issues raised on the annual governance contents of the report.

3. Background

- 3.1 The Accounts and Audit Regulations 2003 and its subsequent amendment by regulation 4(2) in 2006 require the Council to conduct an review, at least annually of the effectiveness of its governance arrangements and to publish an Annual Governance Statement (AGS) with the annual financial statements. The Statement of Recommended Practice 2007 required that the AGS be approved by the committee approving the accounts, which at Tower Hamlets is the Audit Committee.
- 3.2 The statement for the year ending 30 June 2008 was presented at the CMT on 17 June 2008 and subsequently to the Audit Committee on 30 June 2008. The statement was finally signed by the Chief Executive and the Leader following completion of the external audit of the annual financial statement.
- 3.3 The table appended to this report outlines the governance issue raised on the AGS, the agreed action, progress to date and the deadline for dealing with the issue.

4. Progress Update on Significant Issues from the Annual Governance Statement 2007/08

Governance Issue	Agreed Action	Progress to Date / Action Taken	Deadline for completion
Embed the operations of the property services management unit.	Embed the operations of the property services management unit.	Procedures in place for management of commercial properties. Further development work needed for procedures on community buildings.	Sep 09
Further develop arrangements to optimise asset management across public services.	To improve the effective and efficient utilisation of our property portfolio (Strategic Plan). To ensure the effective and efficient use of Council accommodation resources (Resources). Assist in the continued development of asset management planning (Development and Renewal).	Investment in ICT systems has enabled base dates to be centralised as a starting point for a systematic, long term review of assets. Discussions on principles of shared use taking place with key public sector partners. New Asset Management and Capital Strategy board are developing strategic approach.	Asset strategy ongoing Mar 09
Enhance arrangements for maintaining records of Council assets.		New ICT system purchased and initial data transferred as part of Phase 1. This work has ensured a complete record of property assets is now in place. Phase 2, which is around maintenance of records, is due for completion by May 2009.	May 09

Governance Issue	Agreed Action	Progress to Date / Action Taken	Deadline for completion
<p>Improve the Council's recycling arrangements.</p>	<p>Develop and implement the Recycling Improving Plan (Communities Localities and Culture). Monitor and improve household waste recycled and composted (Communities Localities and Culture).</p>	<p>All of the services that were included within the recycling improvement plan have now been implemented. The communications program started in September and has proved to be successful in raising awareness of the new services in increasing participation.</p> <p>Monitoring information is being submitted to the Performance Review Group on a monthly basis. Officers are currently estimating an end of year performance that will meet the target of 19%.</p>	<p>Completed rollout of services</p> <p>Monitoring will continue monthly until Mar 09</p>
<p>Ensure processes for managing sickness are effective.</p>	<p>Monitor and control number of working days/ shifts lost to sickness absence per employees (Strategic Plan). To improve levels of attendance and health and wellbeing of employees (Resources).</p>	<p>PRG receiving quarterly monitoring reports. Service Heads with the highest absence levels have been asked to attend to explain action they are taking. An audit has also been undertaken to confirm managers are applying procedures correctly.</p> <p>Quarterly monitoring reports and recommendations for improvement submitted to CMT.</p>	<p>On-going</p> <p>On-going</p>

Governance Issue	Agreed Action	Progress to Date / Action Taken	Deadline for completion
		<p>Restructure of Occupational Health to be completed by end of 2008.</p> <p>A workplace wellbeing manager is being recruited jointly with the PCT to lead on new initiatives, including being a MIND model mental health employer.</p>	<p>Dec 08</p> <p>Jan 09</p>
<p>Refresh the Council's procurement function to secure additional capacity.</p>	<p>To support the delivery of excellent public services through improved procurement (Resources).</p>	<p>Capacity is being addressed by adopting a category management approach. This entails a restructure of procurement which is underway. Appointments have been made to all but two vacant posts and the new arrangements will be fully effective by April 2009.</p>	<p>Apr 09</p>
<p>Enhance the benefits derived from the implementation of the SX3 system.</p>	<p>Action plan for improvements to be agreed with Northgate system supplier.</p>	<p>Detailed joint action plan (with supplier) and project team in place. Data cleansing underway, supplier due to deliver software by 06.01.2009. User testing planned to ensure improvements to the integrity of the system. Further enhancements to the system to be considered following this activity.</p>	<p>Apr 09</p>

Governance Issue	Agreed Action	Progress to Date / Action Taken	Deadline for completion
<p>To further enhance the authority's Business Continuity Plans.</p>	<p>To review, update & maintain key documents (Critical Services Contingencies Action Plan & Business Continuity Operational Procedure) half yearly in April 2008 & October 2008; and attend the Corporate Business Continuity Planning Group half yearly in September 2008 and March 2009 (All directorates).</p>	<p>Test the robustness of the business continuity arrangements – operation Sandcastle with another test planned.</p> <p>Build on existing arrangements to ensure resilience for flu pandemic.</p> <p>Work is also underway to strengthen the authority's response to emergencies.</p>	<p>Feb 09</p> <p>Mar 09</p> <p>Mar 09</p>
<p>Maintain the ongoing drive to deliver the decent homes standard by identifying and securing funding.</p>	<p>Develop and start to implement, with key partners, major estate renewal programmes and monitor percentage of decent council homes (Strategic Plan)</p> <p>Monitor the progress of RSLs in delivering the consultation promises and their progress in achieving Decent Homes (Development and Renewal).</p>	<p>The percentage of council homes made decent is monitored on a rolling basis and reported annually. Tower Hamlets Homes has been established and a bid for decent homes funding has been made to the CLG, the outcome of this bid will determine how much additional funding is required and therefore in part the Council's approach to further estate renewal bids in partnership with RSLs and other partners. Currently, Ocean Estate and Robin Hood Gardens are both part of major regeneration schemes. The</p>	<p>Spring 2009</p>

Governance Issue	Agreed Action	Progress to Date / Action Taken	Deadline for completion
		<p>procurement process for Ocean aims to achieve sufficient funding to secure decent homes across all units, whilst under the Blackwell Reach scheme, the current proposal is to demolish RHG. In both cases there are outline fallback positions.</p> <p>Annual monitoring of RSL progress against the timescales for achieving decent homes under the stock transfer agreements is underway.</p>	Feb 09

5. Comments of the Chief Financial Officer

5.1 These are contained within the body of this report.

6. Concurrent Report of the Assistant Chief Executive (Legal Services)

6.1 There are no immediate legal implications arising from this report.

7. One Tower Hamlets

7.1 There are no specific one Tower Hamlets considerations.

7.2 There are no specific Anti-Poverty issues arising from this report.

8. Risk Management Implications

8.1 The revised control environment should pick up the areas identified as of concern and reduce the residual risk.

9. Sustainable Action for a Greener Environment (SAGE)

9.1 There are no specific SAGE implications.

Local Government Act, 1972 SECTION 100D (AS AMENDED) List of "Background Papers" used in the preparation of this report

Brief description of "background papers"

Contact :

*Annual Financial Statements for 2007-08 containing the
Annual Governance Statement.*

Minesh Jani, 0738