



**IPSWICH**  
BOROUGH COUNCIL

**ANNUAL GOVERNANCE STATEMENT**  
**YEAR END 31 MARCH 2017**

## **Scope of responsibility**

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Ipswich Borough Council (IBC) 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 regard to a combination of economy, efficiency and effectiveness.

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, and which includes arrangements for the management of risk.

IBC's Code of Corporate Governance is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*, and this Statement explains how the Council has complied with the Code and meets the requirements of Accounts and Audit (England) Regulations 2015, which requires all relevant bodies to prepare an Annual Governance Statement.

## **The purpose of the governance framework**

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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 its 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.

The system of internal control is a significant part of that 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 a process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

## The governance framework

The following aligns with governance good practice, and identifies with the seven core principles against which local authorities review their governance arrangements.

The core principles are:

- 1: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- 2: Ensuring openness and comprehensive stakeholder engagement
- 3: Defining outcomes in terms of sustainable economic, social and environmental benefits
- 4: Determining the interventions necessary to optimise the achievement of the intended outcomes
- 5: Developing the Authority's capacity, including the capability of its leadership and the individuals within it
- 6: Managing risks and performance through robust internal control and strong public financial management
- 7: Implementing good practices in transparency, reporting, and audit to deliver effective accountability

This Annual Governance Statement covers the period 1<sup>st</sup> April 2016 to 31<sup>st</sup> March 2017.

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### **Identifying and communicating our vision, its purpose and intended outcomes for citizens and service users**

The Council's Corporate Plan - Building a Better Ipswich - sets out the Council's aspirations and priorities for Ipswich.

The [2012 Building a Better Ipswich](#) applied during 2016/17 but was reviewed during the year with a new [Building a Better Ipswich 2017](#) adopted by Council in March 2017.

### **Reviewing our vision and its implications for our governance arrangements**

The Corporate Plan was reviewed in 2016/17 and a new Corporate Plan adopted in March 2017.

Achievements against the old Corporate Plan were monitored through the Performance Management framework, business planning processes, annual assurance statements for each service grouping and the Performance Manager system.

In 2017/18 a detailed delivery plan will be developed and reported against for the new Corporate Plan. Appropriate governance arrangements that ensure robust decision making and timely delivery will form part of this delivery plan.

### **Translating the vision into objectives for IBC and its partnerships**

The 2012 Corporate Plan's vision and objectives were translated through service group business planning and service area operational planning, and review mechanisms were in place to monitor progress; the Council's Corporate Risk Register identifying risk at a strategic level (monitored and reviewed by Corporate Management Team); service area risk registers monitored and reviewed by Heads of Service and operational managers.

Local performance indicators and annual key activities are individually linked to the corporate plan objectives and were measured/monitored through the corporate Performance Manager System and the business and operational planning processes. All performance indicators are reviewed annually as part of the business planning process.

The Council's Policy Framework highlights major strategies/policies which are linked in to the Council's vision - Building a Better Ipswich. Following the adoption of the revised Corporate Plan in March 2017, the Framework will be reviewed and revised in 2017/18 as part of the ongoing review of the Council's constitution.

### **Measuring the quality of services for users, for ensuring they are delivered in accordance with our objectives and for ensuring that they represent the best use of resources and value for money**

Ipswich Borough Council through its budgetary monitoring and control processes ensures that financial resources are being used to their best advantage, via regular management reporting to the Corporate Management Team and Councillors.

Financial planning is underpinned by business planning, with increased expenditure in any service area being justified to the Corporate Management Team, and where necessary approved by the Executive. Key to the business planning process is a requirement to demonstrate planning for continuous improvement over several financial years. Reviews of every service provided by the Council include quality and cost considerations. A zero-based budgeting programme covering every Council service is expected to be completed by October 2017.

Corporate Management Team is tasked with prioritising resources to ensure that the objectives within the Corporate Plan are supported by the individual business plans, and that improvements are in line with corporate objectives.

Through performance reporting, corporate and key service objectives are monitored to ensure that performance targets and indicators are being achieved.

Economic, effective and efficient use of resources is subject to review through service reviews, the work of both Internal and External Audit and through independent external review. Benchmarking and use of comparative techniques is used. The Council continues to benchmark on specific metrics through the Local Government Association (LGA) with quarterly summary reports provided by the LGA.

### **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 in respect of the council and partnership arrangements**

The IBC Constitution outlines how the Council operates, how decisions are made and the procedures which are to be followed to ensure that these are efficient, transparent and accountable to local people. The Executive is responsible for most decisions.

In 2016/17 the Executive was made up of the Leader, seven Portfolio Holders and the Leader of the opposition who sat on Executive without portfolio. Key decisions are required to be published in advance in the Executive's Forthcoming Decisions List, and are generally discussed in a meeting open to the public. This list is published weekly. All decisions must be in line with the Council's overall policies and budget. Any decisions the Executive wishes to take outside the budget or policy framework must be referred to full Council to decide.

The Council's Strategic Overview and Scrutiny Committee supports and monitors the work of the Executive. A "call-in" procedure allows Strategic Overview & Scrutiny to review Executive decisions before they are implemented, presenting challenge and the opportunity for a decision to be reconsidered. In 2016/17 there were two "call ins" relating to the Service Review for Sport and Leisure and the Future of the Angle.

### **Developing, communicating and embedding codes of conduct, defining the standards of behaviour for Councillors and staff**

The standards of conduct and behaviour expected of councillors and officers of Ipswich Borough Council, its partners and the community are defined and communicated through codes of conduct and protocols. These include:

- Councillors' code of conduct
- Employees' code of conduct
- An effective performance management system
- Staff performance development review, linked to corporate and service objectives, is

## The governance framework

- undertaken through the HR Performance Management System
- An anti-fraud and anti-corruption policy
- Councillor/Officer protocols
- Audit & Governance Committee
- Corporate Values

The Monitoring Officer provides advice and training regarding compliance with the principles of Ethical Conduct within the Council and is supported by the Audit & Governance Committee of the Council.

During 2016/17 Councillor conduct issues were dealt with informally by the Monitoring Officer in association with the relevant Group Leader.

### **Reviewing the effectiveness of our decision-making framework, including delegation arrangements, decision making in partnerships and robustness of data quality**

The decision-making framework and delegation arrangements to the Executive, the Council's committees and senior officers are set out in full in the Council's Constitution. The terms of reference for the two Joint Committees are also set out in the Constitution and are supplemented with a written partnership agreement that sets out the decision making and management framework for the services delivered in partnership with other neighbouring authorities. Five Area Committees also discharge some executive functions in line with their terms of reference. The Council's Forthcoming Decisions List in respect of Executive business items has rules and processes in place for consultation and taking legal and financial advice before taking decisions.

The Council is required to keep its Constitution under review. The Monitoring Officer undertakes reviews as necessary in consultation with the Constitution Working Group and recommends any changes considered appropriate. During 2016 / 17 Council agreed changes to Financial Standing Orders.

The importance of data quality is communicated at all levels throughout the organisation, including an understanding provided through available workshops covering business planning and the Council's performance and risk management framework.

Data Quality Guidance is also available to all employees on the intranet, applicable to all employees.

### **Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability**

The Council's Risk Management Strategy outlines levels of responsibility for identifying and managing risk. The document is reviewed annually by the Audit & Governance Committee.

The Corporate Risk Register is monitored by Corporate Management Team and newly identified risks are included in the register for review and monitoring. Exception reporting is forwarded to Executive through Corporate Management Team.

The Register is reviewed twice-yearly by Audit & Governance Committee.

The committee report template includes a mandatory risk section for officers to complete - identifying risk associated with the report subject, ensuring clarity for councillors and officers.

Heads of Service and operational managers review their service group and service area risks as part of the business and operational planning process. This review process also identifies any areas of risk which require monitoring via the Corporate Risk Register.

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### **Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained**

An annual Corporate Fraud Business Plan is presented to the Audit & Governance Committee and a dedicated in-house Corporate Counter Fraud Team work under the direction of the Audit Partnership Manager.

A Whistleblowing Policy (confidential Whistleblowing telephone line: 01394 444222), Bribery Policy and Anti-Money Laundering Policy are in operation. In addition Internal Audit reviews and considers the impacts and risks of control failure and the potential impacts upon fraud and corruption.

Local Authorities have a duty to safeguard public funds and take responsible steps to ensure that controls are in operation to mitigate, prevent, detect and prosecute fraudulent activity. All Councillors and officers are committed to a zero tolerance approach towards any fraudulent activity.

The Corporate Fraud team receives referrals from internal staff, external agencies and government departments (including the data matching exercises) along with anonymous referrals from members of the public. A confidential telephone Fraud 'Hotline' (Tel: 01473 433999) is available for members of the public to report their suspicions of fraud. In addition, fraud referral forms are available to staff and the public at various Council establishments and suspected fraud can also be reported via the Council websites on the Internet.

In all cases where fraud is suspected or alleged, resources from the investigation team will be allocated to assess the cases; we may involve partner agencies where necessary and appropriate.

Any potential fraudulent or corrupt activity linked with Council services will be investigated. The Council continues to widen the scope of investigations across all Council services, particularly tenancy fraud and right to buy fraud. The Corporate Fraud Service has qualified and experienced Financial Investigators.

The Corporate Fraud Business Plan reassures stakeholders that robust processes exist to deal with any corrupt or fraudulent activity.

### **Ensuring effective management of change and transformation**

The Council's Transformation programme continued in 2016/17 together with the Customer Access Strategy Business Process Re-engineering (BPR) programme. BPR outcomes support channel shift to online services.

Decisions arising from the Transformation Programme are made either by Transformation Board or by the Executive, as appropriate.

Service reviews have been carried out within the Transformation Programme and outcomes are monitored through Transformation Board.

One service review remains in the process, with all other service reviews at the outcome/implementation plan stage which is monitored through Transformation Board.

### **Ensuring our financial management arrangements conform with the governance requirements of the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010)* and, where they do not, explain why and how they deliver the same impact**

#### **Financial Management**

Responsibility for ensuring that an effective system of internal financial control is maintained and operated rests with the Section 151 Officer (for 2016/17 this was the Operations Manager for Finance). The systems of internal financial control provide reasonable and not absolute assurance that assets are

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safeguarded, that transactions are authorised and properly recorded, and that material errors or irregularities are either prevented or would be detected within a timely period.

### Role of the Chief Finance Officer

The 'CIPFA Statement on the Role of the Chief Financial Officer in Public Service Organisations' recommends that the Section 151 Officer is a member of the Council's senior management team.

The S151 Officer was not a full member of the Council's Corporate Management Team but was part of the top 35 Senior Managers Group, a member of the Transformation Board and had an open invitation to attend any CMT meeting and access to all papers. He signed off all Executive and Council reports with financial implications and met regularly with the Council's Monitoring Officer (who is also the Chief Operating Officer) to discuss any matters of concern. The S151 was able to approach the Chief Executive on any matter and directly liaised with the Portfolio Holder and Leader on financial matters.

The 2016 Corporate Redesign changes the level at which the Section 151 role sits within the organisation but this did not come into effect during 2016/17.

Internal financial control is based on a framework of management information, financial regulations and administrative procedures, which include the segregation of duties, management supervision and a system of delegation and accountability. Ongoing development and maintenance of the various processes may be the responsibility of other managers within the Council.

The S151 Officer oversees the following processes within the Council all of which are being reviewed in 2017/18:

- Monthly monitoring of income and expenditure against the annual budget;
- Business Planning process
- The setting of annual budgets;
- The Medium Term Financial Plan to be a rolling four years, reflecting the funding agreement;
- A mid-year review of the annual budget;
- Setting of financial and performance targets;
- Regular reporting of the Council's financial position to Councillors;
- Clearly defined capital expenditure guidelines;
- The monitoring of finances against the Medium Term Financial Plan;
- Managing risk in key financial service areas.

### Internal Audit

In accordance with the Public Sector Internal Audit Standards 2016, and CIPFA's 'The Role of the Head of Internal Audit in Public Service Organisations', the Head of Internal Audit is one of the cornerstones of effective governance; must be a professionally qualified accountant and is deemed a Senior Officer at the Council. At Ipswich Borough Council this role reported to the Head of Resource Management in 2016/17 and will report to the Head of People & Governance in 2017/18 as well as the Chief Executive when necessary, with free and open access across the entire executive and non-executive positions.

The Head of Internal Audit is responsible for reviewing and reporting on the adequacy of the organisation's control environment, with a responsibility direct to the Audit and Governance Committee, including the arrangements for achieving value for money. Through the annual internal audit opinion and other reports the Head of Internal Audit gives assurance to the leadership team, and others, and makes recommendations for improvement. This role is a unique one, providing objective challenge, championing best practice and providing support and to act as a catalyst for positive change and continual improvement in governance in all its aspects.

The Internal Audit Team operates under a Charter, which defines its relationship with the Council's officers and the Audit and Governance Committee. Internal Audit reviews and appraises the adequacy, reliability and effectiveness of internal control within systems and recommends improvement. It also supports management in developing systems, providing advice on matters pertaining to risk and control. The controls created by management are evaluated to ensure:

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- Council objectives are being achieved;
- Economic and efficient use of resources;
- Compliance with policies, procedures, laws and regulations;
- The safeguarding of Council assets; and
- The integrity and reliability of information and data.

The Head of Internal Audit and Audit Manager at Ipswich Borough Council are shared with Suffolk Coastal and Waveney District Council via the contracted Audit Partnership arrangements.

### External Audit

The Council's auditors, Ernst & Young LLP (EY), independently audit the Council and provide an opinion on the truth and fairness of the financial statements, the Council's use of resources and provide a value for money judgement. In reaching an opinion EY take account of statutory requirements, national standards, their own audit work and the reports of Internal Audit. The Council aims to achieve an unqualified audit opinion for the financial year 2016-17 and will respond to any improvements suggested by our Auditors.

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

The monitoring officer was appointed by Council in 2014 and is an experienced senior manager in local government and the Audit Commission as well as the Council's Chief Operating Officer. She has appointed deputy monitoring officers to discharge the duties in her absence. The function of the monitoring officer is described in the Council's Constitution.

### Ensuring effective arrangements are in place for the discharge of the head of paid service function

The role and duties of the head of paid service are discharged by the Chief Executive. The function of the head of paid service is described in the Council's Constitution.

### **Undertake the core functions of an audit committee, as identified in CIPFA's *Audit Committees: Practical Guidance for Local Authorities***

#### **Audit & Governance Committee**

The purpose of the Audit & Governance Committee, working alongside officers (as detailed in the Constitution) is to provide independent assurance to the Council that its overall governance arrangements are working effectively and reviews the arrangements that exist to safeguard the Council's money and assets and to provide proper value for money; manage the Council's exposure to risk having regard to its control environment including potential exposure to fraud and corruption; and ensure the adequacy of the Council's financial reporting processes.

### **Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful**

Ipswich Borough Council has a duty to ensure that it acts in accordance with the law and regulations in the performance of its functions. It has developed policies and procedures for its officers to ensure that, as far as possible, all officers understand their responsibilities both to the Council and to the public. Two key documents are the Financial Regulations and the Contract Standing Orders, available to all officers via the Council's Intranet, as well as available to the public as part of the Constitution, which is published on the Council's website.

National legislation is still paramount, such as the requirement, when constructing a budget, to report on the robustness of estimates and the adequacy of the proposed financial reserves (Local Government Act S25-27).

Other documentation includes corporate policies on topics such as Equality and Diversity, Customer Access, Data Protection and Anti-Fraud. All policies are subject to internal review to ensure these are adequately maintained. The Council keeps all staff aware of changes in key policies by means of

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alerting them in regular 'staff news' bulletins, and where appropriate, arranging training for all or key councillors or staff. Major policies are listed in the Council's policy framework.

The Council has a Risk Management Strategy. This document shows the role both councillors and officers have in the identification and minimisation of risk. The Strategy is due for review in 2017/18.

Strategic risks are recorded in a Corporate Risk Register, reviewed monthly by Corporate Management Team and twice-yearly by Audit & Governance Committee.

Service area risks are owned by Heads of Service, operational managers and portfolio holders and reviewed regularly.

As part of the year-end process a Service Assurance Statement is provided by all Heads of Service, detailing assessment of their services. They are required to give assurance that risks have been identified, sound business arrangements operate in their service areas, and that the service is subject to monitoring and review in order to assess performance. Service Assurance Statements are a key element in all Head of Service Business Plans.

### **Whistleblowing and receiving and investigating complaints from the public**

A 'Whistleblowing' Policy is in place. The Head of Internal Audit is responsible for the policy and has oversight of the procedures and investigations; including reporting formally upon the status of any Whistleblowing cases to the Audit & Governance Committee.

The Council has an effective formal and informal complaints procedure.

Formal complaints are also monitored quarterly through the Corporate Management Team Dashboard.

The Local Government Ombudsman's Annual Review Letter 2017 indicates 12 complaints/enquiries were received during 2016/17 with the following decisions:

- One was incomplete/invalid
- Four were closed after initial enquiries
- Five were referred back to the Council for local resolution
- Two received advice

### **Identifying the development needs of Councillors and senior officers in relation to their strategic roles, supported by appropriate training**

The Council provides a complete programme of learning and development for councillors that includes a comprehensive induction programme for new councillors. Development representatives from each political group along with the Leader of the Council regularly meet with the officer responsible for Councillor development to progress all development related issues. At this meeting Councillor development needs are identified and events planned to meet those needs.

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

Social Media and Consultation strategies are in place, together with an Equality and Diversity Policy helping to ensure that all groups in our community have a voice, can be heard and are suitably consulted (examples include Petitions, Area Committees, Equality Impact Assessments, Statement of Community Involvement). The Council publishes a list of forthcoming key Executive Committee decisions on its website with details of who to contact. In addition, Committee reports have a mandatory section for officers/councillors to complete which explains what consultation was undertaken - and the outcome - in relation to the proposed decision to be made.

### **Incorporating good governance arrangements in respect of partnerships and joint working as identified by CIPFA's Delivering Good Governance in Local Government (2016) and reflecting these in the Council's overall governance arrangements**

The Council's annual Business Planning process and Transformation Programme requires the regular review of all the partnerships in place for each service. Each review is expected to consider all governance issues and examine the effectiveness of each partnership. Continuous review and challenge of the applied process will inevitably lead to improvements to governance arrangements.

Internal Audit undertook an audit of the systems of internal control in place in relation to Ipswich Borough Council Partnerships and as a result processes continue to be strengthened to provide assurance that the systems and controls in operation over the governance of partnerships are effective and efficient in the future. A Partnership Register exists and is updated throughout the year as necessary and annually as part of the Business Planning process.

Ipswich Borough Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the Heads of Service within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

This review is informed by:

- the work of the Internal Auditors and the Head of Internal Audit's Annual Report;
- the work of Heads of Service and operational managers within Ipswich Borough Council who have responsibility for the development and maintenance of the governance environment;
- the external auditors in their Annual Audit Letter and other reports;
- the results of any other external inspection reports.

### **Council**

The Council's performance framework is regularly reviewed and appropriate amendments made. The Corporate Plan and key activities, Heads of Service plans and service plans are all subject to review. All Business Plans report on the Council's performance against key priorities and outline priorities and targets for the forthcoming year.

### **Strategic Overview & Scrutiny Committee**

The Strategic Overview & Scrutiny Committee continues to review and scrutinise the decisions taken by the Executive and reviews the services provided by the Council and its partners. The chair of the committee is appointed from opposition councillors and works in conjunction with all of the councillors on the committee to develop an annual work programme. The committee is supported by the Chief Executive who acts as lead officer.

Suggested topics for the work programme are discussed with the Strategic Overview & Scrutiny Committee Steering Group (steering group consists of the Chair and Vice-Chair of Strategic Overview & Scrutiny Committee plus cross-party representation), and relevant officers to prepare a scope of work. The reviews are then carried out by small Task & Finish Groups with outcomes being reported back to the main Committee and recommendations being made to Executive.

### **Audit & Governance Committee**

The Audit & Governance Committee's terms of reference and work programme aim to follow CIPFA best practice. The Committee receives regular updates from the Head of Internal Audit on the assurance which can be placed against various systems and processes reviewed during the year, along with an annual assessment at the year end.

The Committee has reviewed audit reports presented to it by the Head of Internal Audit in connection with the review of internal control arrangements. The Committee keeps a check on those areas that have not achieved a satisfactory level of assurance.

### Internal Audit

Based on the work undertaken by Internal Audit Services throughout the year, in conjunction with previous years' work, current risk assessments, and the Heads of Service Assurance Statements, the Head of Internal Audit is able to place adequate reasonable assurance on the systems of internal control in place. However, two key areas, where governance and controls require further improvement have been reported by the Head of Internal Audit in the areas of Asset Management and Parking Services. Improvements are being actively addressed and this is captured within this statement under significant governance issues - improvement plan.

### Information Governance

The Cabinet Office has set the standard over Information Governance and recommends public bodies implement similar standards under the direction of a Senior Information Risk Owner (SIRO), and associated information governance practices. The main purpose of such reporting and management is to provide accountability and greater assurance that information risks are addressed, that information risks are treated as a priority for business outcomes and acknowledgement that information is of value to enable effective and efficient working.

The model prescribed by central government for government departments has been extended to local authorities. Following this 'best practice' approach allows for uniformity across the public sector as it strives to meet the competing demands of further transparency and public/private engagement in contrast to increased cybersecurity threats and the need to prevent data leakage.

Information governance has become a core part of the administrative process as the need to protect customer's information, whilst simultaneously operating in a rapidly evolving technological and information sharing age has become critical.

By treating information as a business priority and not as an ICT or technical issue, we can ensure that risks are addressed, managed and capitalised upon. Ipswich Borough Council has created an outcome-focussed and holistic strategy for managing and shaping the way it uses its essential information.

This update describes the processes in operation and the progress in Information Governance (IG) within Ipswich Borough Council during the past 12 months along with objectives going forward and represents the Senior Information Risk Owner's (SIRO) annual report.

Designated roles have been established, ie: Senior Information Risk Owner, Information Security Advisor and Data Protection Officer.

### Data Breaches

No data breaches involving Ipswich Borough Council information have been reported to and investigated by the Information Commissioner during the year. There have been 10 minor Information Security Incidents reported; control measures are now in place and operating effectively. There is recognition that the process of capturing and reporting any breaches is now operating effectively.

### Policies

A number of key information governance documents have been refreshed and promoted throughout the organisation ie Corporate Information Security Policy, Email Usage Policy, Internet and Telephony Usage Policy, Password Policy and Protective Marking Policy.

### Training

Data Protection Act and Freedom of Information Act training is being redesigned to take account of changes in the law, ie the General Data Protection Regulations, appropriate awareness training for all employees is being arranged.

### Compliance

The Council is currently in the process of renewing its compliance with the Central Government Public Service Network (PSN) information security requirements (this is a mandatory annual process).

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Information is shared securely with our partners also using the Government Digital Service. The Council is also compliant with the ePayment Card Industry Standards (PCI) for another year.

A Freedom of Information (FOI) management solution using the Council's Customer Relationship Management system is in operation.

No breaches or complaints have been reported to or investigated by the Information Commissioners Office in relation to FOI or DPA. Compliance against the Local Government Transparency Code progressed and a single Local Government Transparency Code 2015 page was created to further improve transparency.

### Going Forward

Like all Councils we are presented with many Information Governance challenges, both internal and external, with regard to assuring our digital communication aims, such as an Information Sharing Framework and Register, and the introduction of the Data Protection Regulations in May 2018. The Council acknowledges the changing risks and opportunities around information governance and is actively working on continued compliance with the Cabinet Office guidance.

The Council maintains focus on the following areas:

- *Income generation - determining and agreeing 'big ticket' items for financial savings and income generation*  
The Medium Term Financial Plan, agreed by Council in February 2016 identifies a range of "big ticket" items designed to achieve cost reductions or improvements in income.
- *Ensure robust implementation plans for the 'big ticket' items are in place within the Transformation Programme to deliver and communicate these items*  
The 'big ticket' items are incorporated into the Transformation Programme and reported on monthly to the Transformation Board / Corporate Management Team as part of the financial performance dashboard.

### Wholly owned Companies

At 31<sup>st</sup> March 2017 the Council had three wholly owned Companies – Ipswich Borough Assets Ltd, Ipserv Ltd and Ipswich Buses Ltd. In March 2017, Executive agreed the recommendations of a Governance Review of Council owned companies which included the modernisation of the Articles of Ipswich Buses, together with the introduction of reserved matters. It determined to require all companies to carry out a skills audit of their Boards and to submit annual reports and business plans to the shareholder each year.

In summary the Governance arrangements for each company are:

#### Ipswich Buses

- First incorporated in 1986
- Five Directors including two independent of the Council (increased to 6 in 2017/18)
- Chief Executive as the Shareholder's representative
- Revised Articles of Association
- Reserved matters clearly indicating what requires a decision from the Shareholder (via an Executive meeting) or from the Shareholder's representative
- Annual report to be submitted to shareholder from 2017
- Business plan to be submitted to shareholder from 2017
- Robust scheme of delegation within company under development
- Audited by KPMG
- Part of Group accounting structure for IBC
- Has some financial relationships with IBC secured by debenture
- Dedicated Company Secretary

### Ipswich Borough Assets

- First incorporated in 2016
- Five Directors
- Chief Operating Officer as Shareholder's representative
- Clear Articles of Association and Reserved Matters
- Annual report to be submitted to shareholder from 2017
- Business plan to be submitted to shareholder from 2017
- Company Secretary role (not compulsory) vacant at March 2017
- Audited by EY
- Part of group accounting structure for IBC
- Financial relationships with IBC secured through formal loan agreements

### Ipserv

- First incorporated in 2017
- Five Directors
- Chief Operating Officer as Shareholder's representative
- Clear Articles of Association and Reserved Matters
- Annual report to be submitted to shareholder from 2017
- Business plan to be submitted to shareholder from 2017
- Company Secretary role fulfilled by Essex Legal Services
- Audited by EY
- Part of group accounting structure for IBC (but not yet trading)
- Financial relationships with IBC secured through formal loan agreements

It should be noted that over the years the Council has registered a number of other companies in order to protect names should they be required in future. These are being reviewed and none are trading.

Arrangements for these companies and Handford Homes which was incorporated in 2017/18 are kept under constant informal review as the companies develop. For example, in 2017 Ipserv is recruiting a Finance Director and Company Secretary to provide services to all the Council's wholly owned companies.

## Improvements during the year 2016/17

In the period covered by this Annual Governance Assurance Statement, improvements have been made to the Council's arrangements in respect of the following areas, which had been previously identified as areas we could improve or challenges for the Council to overcome:

Issue	Improvement Plan	Progress to date
<p>Achieve reduction in Local Authority Error in order to maximise subsidy payments. External Audit identified errors and extrapolating this error pushed LA Error over the pre-determined thresholds</p>	<ul style="list-style-type: none"> <li>▪ Weekly monitoring established, with the following quality checking implemented:               <ul style="list-style-type: none"> <li>- PMQA – automated process which randomly selects 5% of assessments completed.</li> </ul> </li> <li>▪ Baseline requirement for checking set by DWP is 4% - we will set our internal selection at 5%.</li> <li>▪ 100% of high payments for Private Tenants (payments in excess of £800 in one payment – which will include arrears).</li> <li>▪ 100% of high payments for Local Authority Tenants (payments in excess of £500 in one payment – which will include arrears).</li> <li>▪ Each member of QC staff will take 10 overpayments per week chosen randomly across all tenancy types to check for classification error.</li> <li>▪ Subsidy check misfits – obvious coding errors picked up from ongoing scrutiny of subsidy reports and knowledge of caseload.</li> <li>▪ BENCHECK87 – 100% reclassification of Admin delay overpayments to Claimant error. This ensures that the ‘first week as claimant error’ rules not applied on assessment are corrected.</li> <li>▪ 100% checks of all manual calculations.</li> <li>▪ Penalty area checks, annual pitfall checks (such as non-HRA &amp; modified schemes).</li> <li>▪ 100% check on LHA rates applied incorrectly reported as exceptions.</li> <li>▪ Monitoring of effectiveness of auto suspension.</li> </ul>	<ul style="list-style-type: none"> <li>• Weekly monitoring is in place – as at 3/7/17, 198 of 901 assessments had been checked. This equates to 21.98% of assessments</li> <li>• The higher % of assessments checked reflects the additional emphasis on areas of risk</li> <li>• 100% of Private Tenant high payments are checked.</li> <li>• 100% of LA rent rebate high payments are checked</li> <li>• All overpayments in excess of £250 are reviewed by QC. This often exceeds the 10 per officer per week goal. All other overpayments are available to be checked by Benefit Team Leaders.</li> <li>• Subsidy coding ‘misfits’ are picked up through PMQA checks, Overpayment checks and in penalty area checks.</li> <li>• BENCHECK87 – 100% reclassification of Admin delay overpayments to Claimant error. This report is reviewed weekly.</li> <li>• 100% checks of all manual calculations are carried out</li> <li>• Penalty area checks, annual pitfall checks (such as non-HRA &amp; modified schemes) are undertaken.</li> <li>• 100% check on LHA rates applied incorrectly reported as exceptions.</li> <li>• Monitoring of effectiveness of auto suspension is undertaken.</li> </ul>
<p>Ability in dealing with increased customer demand and expectation</p>	<ul style="list-style-type: none"> <li>▪ Deliver the Customer Access Strategy, including BPR programme across all services</li> </ul>	<ul style="list-style-type: none"> <li>▪ My Ipswich’ self-serve portal created and launched (6500+ customers have signed up since Sept 2016)</li> <li>▪ BPR programme schedule created and delivered</li> <li>▪ Creation and launch of fully integrated ‘Waste’ online customer request forms</li> <li>▪ Corporate 5Cc online and back</li> </ul>

Issue	Improvement Plan	Progress to date
		<p>office automated process/workflow created and launched (contact us, complaints, compliments, corrections, comments)</p> <ul style="list-style-type: none"> <li>▪ Redesign of the face to face at the Customer Services Centre</li> <li>▪ Creation of launch of further online customer forms.</li> </ul>
<p>Minimise the impact of Welfare Reform and prepare for full introduction of Universal Credit</p>	<ul style="list-style-type: none"> <li>▪ Continue to work with our key stakeholders within our three councils and pilot sites of UC.</li> <li>▪ Continue to monitor the impact of welfare reform (Local council tax scheme, benefit capping and social housing under occupancy) and provide regular update to SRP Joint Committee.</li> <li>▪ Ensure that Discretionary Housing Payment central government allocation is fully spent. We will continue to work with DWP, Anglia Revenues Partnership and Suffolk County Council Financial Inclusion Teams, local DWP team and Citizens Advice to prepare for the full implementation of Universal Credit.</li> <li>▪ Monthly meetings with Customer Service and Housing colleagues in preparation of the full introduction of Universal Credit. Staff kept updated. First phase of roll out of UC has been implemented.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Regular meetings are taking place with key stakeholders. Babergh go live with UC in October, any learning will be shared with the other two authorities in S R P.</li> <li>▪ Monitoring of the impact of the welfare reform changes continues. An update is provided at each SRP Joint Committee.</li> <li>▪ Spending the DHP allocation continues to be a focus for the team. At the end of June 30% of the budget has been paid/committed.</li> <li>▪ Regular catch ups and project meetings are taking place between service areas. IBC project planning ongoing – this is so that IBC is ready to move forward with the DWP planning in September.</li> </ul>
<p>Maintain income in line with expectations</p>	<ul style="list-style-type: none"> <li>▪ Budget monitoring and appropriate corrective action.</li> <li>▪ Commercial opportunities - marketing plans to support income achievement targets.</li> <li>▪ Monthly review of performance against income targets.</li> <li>▪ Robust management practices in place.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Income closely monitored and generally in line with expectations</li> <li>▪ Ipserv incorporated and business cases for commercial activity under development</li> </ul>
<p>Development of agreed People Strategy</p>	<ul style="list-style-type: none"> <li>▪ Develop an agreed People Strategy to include workforce planning and succession management.</li> <li>▪ Review existing business processes to support modernisation in key back office areas.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Learning needs analysis commenced to support identifying what skills and development are required within the workforce which links to succession planning.</li> <li>▪ Session at Senior Managers meeting to begin to identify what is required in different service areas to support succession planning within the Council.</li> <li>▪ A number of BPR processes have been undertaken with HR, 'Your HR', replacing the current HR helpdesk, will be go live in August 2017 and a review of starters,</li> </ul>

Issue	Improvement Plan	Progress to date
		<p>movers and leavers to provide automated processes currently on-going.</p> <ul style="list-style-type: none"> <li>▪ Implementation of HRIS go live date April 2018.</li> </ul>
<p>Corporate Procurement Strategy requires updating</p>	<ul style="list-style-type: none"> <li>▪ The Corporate Procurement Strategy is being updated following a service restructure which will be aligned to the Council's legal and operational practices.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Revised procurement strategy agreed by Executive.</li> <li>▪ Delivery plan and associated training to be delivered in 2017</li> </ul>
<p>Partnership Governance requires improvement</p>	<ul style="list-style-type: none"> <li>▪ Partnerships Register in operation and reviewed at Corporate Management Team regularly.</li> <li>▪ Partnerships Guidance and Framework Document being adopted.</li> </ul>	<ul style="list-style-type: none"> <li>▪ November 2016 - CMT approved a revised Partnerships Guidance and Framework.</li> <li>▪ A form has been developed which serves as a mechanism to assess proposed new partnerships, review existing partnerships, and seek approval to exit a partnership. The form directs managers to complete relevant sections of the form, including details about Performance Management and Risk Management.</li> <li>▪ Where the proposal is to exit a partnership, the form asks for consideration about what has been learned from involvement in the partnership.</li> <li>▪ Completed documentation will be sent to the Corporate Support team who maintain a central record of the partnership documentation and update the Partnerships Register accordingly. Corporate Support will also be responsible for generating regular reports and exception reports to CMT as required.</li> </ul>
<p>Asset Management Strategy requires updating</p>	<ul style="list-style-type: none"> <li>▪ The Asset Management Strategy is being realigned with the Council's Corporate Plan.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Little progress made in 2016/17; will be progressed in 2017/18 in line with the Council's revised Corporate Plan.</li> </ul>

Issue	Improvement Plan	Progress to date
<p>Business Continuity Management - Ensure a robust IBC Business Continuity Plan</p>	<ul style="list-style-type: none"> <li>▪ Additional resource proposed as part of service area review, enabling improvements to be developed.</li> </ul>	<ul style="list-style-type: none"> <li>▪ Following a restructure of Community Safety (June 2017) some bespoke resource has been identified. These officers will have informal on-site training until around Oct/Nov and followed by formal training on BCM. This training will enable them to progress a Corporate BCM Strategy/Plan, expected completion by the end of March 2018</li> </ul>
<p>Tourist Information Centre (TIC) Financial infrastructure, financial management and stock management</p>	<ul style="list-style-type: none"> <li>▪ Quotes to be obtained with a view to replacing the financial infrastructure at the TIC - improving the efficiency of all methods of customer payments and real-time stock updates</li> <li>▪ Stock records amendments to be authorised by TIC Manager prior to amendment</li> <li>▪ Arrangements to be put in place to monitor slow moving stock with quarterly stock variance reports provided and discrepancies investigated (high value stock)</li> </ul>	<ul style="list-style-type: none"> <li>▪ The possibility of using the Zonal Till system used for Bars at the venues is being considered and a meeting with the supplier is being arranged.</li> <li>▪ The TIC has successfully integrated two tour operators ticket sales into the SRO Ticketing system.</li> <li>▪ Options for using SRO for the retail offer are also being considered.</li> <li>▪ Installation of a second credit card machine on a wired phone line has allowed for two payments to be processed together.</li> <li>▪ Stock amendments are now recorded using the till stock control system and approved by TIC manager. The Proposed Zonal Till system will also provide stock management and stock ordering prompts</li> <li>▪ Slow moving stock has been identified through assessment of historic reports on the current till system. These will either be disposed of or reduced in price to clear.</li> <li>▪ Historic use and cataloguing of retail on the current system makes reporting very difficult.</li> <li>▪ Quarterly stocktakes are being investigated.</li> </ul>

The Audit & Governance Committee will review this document in August 2017 and comment upon the effectiveness of the governance framework, concluding it appears fit for purpose in accordance with the best practices given this document and supporting evidence. The areas already addressed and those to be specifically addressed with new actions planned are outlined.

## Significant governance issues

On the basis of assurance statements produced by the Heads of Service and the Council's Corporate Risk Register (CRR), we are satisfied that, except for the matters listed below, the Corporate Governance arrangements for Ipswich Borough Council are adequate and operating effectively.

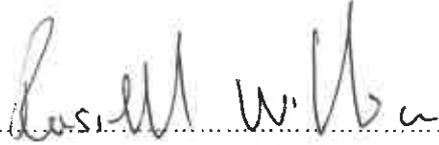
Areas identified through the above processes which the Council considers require attention/improvement in 2017/18:

Issues/Challenges Identified	Improvement Plan
Asset Management Strategy requires updating	<ul style="list-style-type: none"> <li>The Asset Management Strategy is being realigned with the Council's Corporate Plan.</li> </ul>
Parking Services System requires replacement	<ul style="list-style-type: none"> <li>Ensure the new system is fit for purpose</li> </ul>
Delivery of Medium Term Financial Plan with potential reductions in government funding	<ul style="list-style-type: none"> <li>Regular budget monitoring and appropriate corrective actions</li> <li>Monitoring Central Government proposals to change business rate landscape, providing consultation responses as appropriate</li> <li>Robust management practices</li> <li>Financial planning and risk management through business and operational planning processes</li> </ul>
Business Continuity management	<ul style="list-style-type: none"> <li>Emergency HQ has IT disaster recovery in place</li> <li>Review of all business continuity plans to ensure sufficient</li> <li>Cyclical training of staff at strategic, tactical and operational level</li> </ul>
House Build Programme	<ul style="list-style-type: none"> <li>Assess delivery options and obtain corporate decision on appropriate delivery mechanism</li> <li>Continue to evaluate potential new sites for purchase</li> <li>Establish council wholly owned housing company</li> </ul>
Increase in customer demand and expectation, eg Universal Credit	<ul style="list-style-type: none"> <li>Helping tenants prepare for Universal Credit rollout</li> <li>Development of a new Customer Access Strategy</li> </ul>
Council wholly owned companies	<ul style="list-style-type: none"> <li>Ensuring suitably qualified and trained directors</li> <li>Review of governance and contractual arrangements</li> <li>Section 151 Officer review of accounts</li> </ul>
Implementation of the Agile Working Programme	<ul style="list-style-type: none"> <li>Project plan developed and reviewed regularly</li> <li>Weekly project board meetings</li> <li>Weekly meetings with project sponsor</li> </ul>

Issues/Challenges Identified	Improvement Plan
Development of agreed People Strategy	<ul style="list-style-type: none"> <li>▪ Develop an agreed People Strategy to include workforce planning and succession management.</li> <li>▪ Review existing business processes to support modernisation in key back office areas.</li> </ul>
Major projects <ul style="list-style-type: none"> <li>- Delivery</li> <li>- Funding</li> <li>- Viability</li> <li>- Market demand less than expected</li> </ul>	<ul style="list-style-type: none"> <li>▪ Robust cost estimates</li> <li>▪ Active project management</li> <li>▪ Proactive marketing</li> <li>▪ Setting of appropriate contingencies</li> </ul>
Fixed Assets System (RAM) - significant manual intervention required to provide year-end figures	<ul style="list-style-type: none"> <li>▪ Liaison with system supplier to improve processes</li> </ul>

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 and will monitor their implementation and operation as part of our next annual review.

Signed:  ..... Date: 20/9/17.....  
 Council Leader on behalf of Ipswich Borough Council

Signed:  ..... Date: 20/9/17.....  
 Chief Executive on behalf of Ipswich Borough Council