



| | |
|-------------------------|----------------------------------|
| Version Control: | |
| Document Name: | Annual Governance Statement 2022 |
| Version: | Version 1.1 |
| Author: | Head of Legal and Governance |
| Approved by: | Audit and Governance Committee |
| Date Approved: | |
| Review Date: | |

Annual Governance Statement 2021-2022

1. Scope and Responsibility

Barrow Borough Council is responsible for delivering a wide range of statutory and discretionary services to the public and organisations in the area of the Borough. The Council is responsible for ensuring that its business is conducted in accordance with 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 has put 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.

2. Governance

Governance comprises the arrangements put in place to ensure that the intended outcomes for stakeholders are defined and achieved.

3. The Council's Governance Framework

Effective governance in the public sector encourages improved decision making and efficient use of resources. Effective governance is characterised by robust scrutiny, which provides important pressures for improving public sector performance and tackling corruption. Effective governance can improve management and lead to better service delivery, and, ultimately, better outcomes.

The governance framework comprises the systems and processes for the direction and control of the Council and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of the governance framework and is designed to manage risk to a reasonable and proportionate 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 Barrow Borough Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Principles of Good Governance and the Governance Framework is aligned to the CIPFA/SOLACE framework Delivering Good Governance in Local Government which sets out seven core principles of good governance, these are:

A. Behaving with integrity, demonstrating a strong commitment to ethical values, and respecting the rule of law.

- The Council's constitution defines the roles and responsibilities of the Council's decision making, regulatory, Audit and Governance and Overview and Scrutiny committees. It also defines the roles of the statutory officers and includes the delegations that officers hold.
- Members and officers have an induction which sets out and includes the behaviours that are expected.
- The Council's values and behaviours was rolled out to all staff and Members during 2020-21.
- A fraud hotline is in place to allow confidential reporting so that anonymous complaints can be investigated.

B. Ensuring openness and comprehensive stakeholder engagement.

- There is a process for consultation in place and a number of consultations were carried out in 2021/22. A major consultation in 2022 being the consultation on the community governance review which is looking at whether to create a new Parish Council for the unparished area of the borough.
- We have a new Customer services strategy which sets out what we need to do to ensure our customers have a positive experience when engaging with the Council.
- The Council continues to develop its website and social media platforms to provide a key means of communication in an open and transparent way.
- We provide clear recommendations to the decision making committees, this is by supported reasoning and evidence. We assess the financial, legal, health, social, economic environmental and implications as well risks relating to those decisions and provide Members with the outputs from those assessments.

C. Defining outcomes in terms of sustainable economic, social and environmental benefits.

- The Council published its council plan for 2020- 2024 and has identified three priority areas.
- Operational Managers work to ensure we deliver the priorities agreed in the Council Plan

- The Council was successful in being awarded Town Deal funding for 7 major projects within the Borough as follows:

Housing Renewal

Marina Village

Enhancing tourism, leisure and culture,

Community resilience hubs

Learning quarter

Business support and

Walking and cycling infrastructure regeneration.

- The Council was successful in securing £16m from the Government's Levelling Up Fund to deliver a range of improvements within Barrow Town Centre, including an upgrade of the Market Hall. Design work is progressing in 22/23 with works programmed in 23/24.
- A detailed communication strategy has been developed for both the Town Deal and LUF programmes, with a clear focus placed on regular and meaningful engagement with strategic partners, local businesses and residents.

D. Determining the interventions necessary to optimise the achievement of intended outcomes.

- The Medium Term Financial Strategy is reviewed annually
- The Council's operational services ensure we deliver the priorities agreed in the Council Plan
- The Council supports and encourages staff to undertake professional training.
- The Council has an effective Member training programme in place
- Staff have regular briefings with senior management.

E. Managing risks and performance through robust internal control and strong public financial management.

- The Council has a risk policy which is reviewed regularly by Management Team and is approved by the Executive Committee.
- The Council has corporate and operational risk registers which are reviewed regularly by Management Team and the Audit and Governance Committee.
- All Capital and Revenue projects utilise a standardised risk register that scores and RAG rates risks. These are reported to Corporate Programme Board.

- Performance is reported through the statement of accounts and Growing Forward Reports which are presented to Executive Committee, and performance information is also reported through Overview & Scrutiny Committee.

F. Implementing good practices in transparency, reporting and audit to deliver effective accountability.

- The Audit and Governance Committee has defined roles which are set out in the Council's Constitution.
- External auditors routinely attend Audit and Governance Committee meetings.
- The Head of Internal Audit has access to the Chair of the Audit and Governance Committee.
- Members are asked to declare any interests at the beginning of every committee meeting.

4. Review of Effectiveness

Barrow 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 senior managers within the Council 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 appointed auditors and other review agencies and inspectorates.

Management Team including the following Officers were involved in reviewing this Annual Governance Statement:

- Chief Executive - Head of Paid Service
- Director of Resources – Section 151 Officer
- Director of People and Place
- Head of Legal and Governance - Monitoring Officer

The Head of Internal Audit and Heads of Service were also consulted. Internal Audit's annual opinion statement forms part of this annual governance statement.

The Council has assessed itself against the principles of good governance that are defined in the Local Code of Corporate Governance.

5. The Constitution

The Borough of Barrow-in-Furness has updated and agreed a [Constitution](#) which sets out how the Council operates, how decisions are made and the

procedures, which are followed to ensure that these are efficient, transparent and accountable to local people.

Some of these processes are required by the law, while others are a matter for the Council to choose and set out the basic rules governing the Council's business.

The Constitution is regularly reviewed to ensure it is fit for purpose. The review in 2020 considered delegation and procedural arrangements and also had regard to the recommendations of the Local Government Association Governance Review. Changes were made to address the implications brought about by the Coronavirus Pandemic, e.g., virtual meetings, when decision making was further reviewed and a Virtual Meetings Rules and Protocol was adopted.

The Monitoring Officer undertakes an annual review, and this was last reported to Council in March 2022. The report considered changes to the contract standing orders and financial regulations following the recent procurement review.

The Constitution sets out the Council's ethical standards for Elected Members and Officers.

We have reviewed and adopted formal codes of conduct defining standards of personal behaviour for Members and Officers. The Monitoring Officer monitors compliance with the Member's code of conduct. The Members code has been reviewed taking account of best practice recommendations arising from the Committee on Standards in Public Life. Revised Standards Arrangements were also adopted in March 2021. The Members Code of Conduct was further updated in January 2022 following the LGA model Code and consideration by the Cumbria Monitoring Officers Group for a consistent code for the Cumbrian principal authorities. This same code was put forward for adoption by the Shadow Authority for Westmorland and Furness.

The Chief Executive (Head of Paid Service) has overall responsibility for ensuring compliance with the officer's code of conduct.

We have put in place effective systems to protect the rights of staff. We ensure that policies for whistleblowing are accessible to staff and those contracting with the Council, and arrangements for the support of whistleblowers, are in place.

The Constitution includes the Council's Contract Standing Orders, Financial Regulations, committee structure, delegation powers and how the Council operates. The Contract Standing Orders were subject of a full review during 2021/22 as a result of an independent procurement review and adoption of a revised procurement strategy, reflecting best practice, and ensuring compliance with national and local standards.

The Section 151 Officer is responsible to the Council for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal control.

The Council takes a longer-term view and publishes plans so the public are aware of our intended outcomes. This information can be found published in documents including the Council's Priorities and the Council Plan.

The Council has prepared and published a plan which sets out the Council's priorities and a Medium Term Financial Plan which is a financial representation of the Council's Vision and supports the priorities.

The Council will enable the Chief Financial Officer to bring influence to bear on all material decisions and provide advice on the levels of reserves and balances to be retained. The Chief Financial Officer has responsibility for ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful.

The CIPFA Financial Management Code was introduced from 2021-2022; this is a professional code for general financial management in local authorities. It is designed to support good practice in financial management and to assist local authorities in demonstrating their financial sustainability. The FM Code has the six principles of leadership, accountability, transparency, standards, assurance and sustainability. Compliance is demonstrated through a self-assessment. A number of improvements have been identified and included in the FM Code Improvements from 2021-2022 at **Appendix 3**.

6. Decision Making Process

The [Council Plan](#) is a strategic document under which the Council's other policy framework documents sit. It communicates the Council's Vision which specifies intended outcomes for the period from 2020-2024. The plan details how the Council will achieve the priorities. The Council plan will be supported by service plans which reflect the Council's priorities.

Unless delegated to Officers, Council decisions are made by a Committee acting under delegated powers or by Full Council. All meetings are open to the public unless exempt information is being discussed and we attempt to publish all committee agenda items under "Part 1" unless there is the need to preserve confidentiality where it is appropriate to do so.

The Constitution sets out clearly the Council's decision making processes including the Officer Delegation Scheme and terms of reference for its committees.

The Council is developing a management structure that provides leadership and creates the opportunity for staff to work effectively and efficiently to achieve the Council objectives. We will provide training and support to enable

staff to develop their skills so they can achieve their full potential. We will develop skills on a continuing basis to improve performance, including the ability to scrutinise and challenge and to recognise when external expert advice is needed. We will ensure that the statutory officers have the skills, resources and support necessary to perform effectively in their roles and that these roles are properly understood throughout the Council.

Members are provided with financial and performance reports on a regular basis which demonstrates how the Council achieves value for money.

Agendas, reports and minutes for all Council meetings are published on the Council's website. [Committee Reports and Minutes](#)

7. Customer Engagement

We strive to engage with stakeholders on an individual and collective basis to demonstrate that we deliver services and outcomes which meet the needs and expectations of the public. These arrangements will recognise that different sections of the community have different priorities and establish robust processes for dealing with these competing demands.

Barrow Borough Council welcomes and encourages attendance and contributions by the public at its meetings. Public participation guidelines are in place and support the Council's commitment to community governance and openness.

The Council has an ambitious customer service strategy which defines how we will engage with customers and other stakeholders and involve them in improving our services.

During 2022 a major public consultation exercise has been undertaken as part of the community governance review in looking at whether to establish a parish/town council for the unparished area of the borough.

A taster day was held at the forum on 30 March 2022, showcasing the Town Centre Community Hub and feedback sought.

Public consultations, alongside targeted consultations with businesses and other strategic partners, are planned in 2022 and 2023 for the Barrow Town Centre Improvements funded through the Levelling Up Fund.

The Place Programme, funded through Town Deal, will seek public feedback on the proposed event spaces at Barrow outdoor market and the Dock Museum. Feedback forms will also be issued to the public attending a range of events organised through the Place Programme and the results will be reported formally to the Brilliant Barrow Board.

8. Partnership Working

The Council participates in formal and informal partnerships to allow for resources to be used more efficiently and outcomes to be achieved more effectively. The Council is actively involved in partnership boards that deliver key improvements to the Borough.

We contribute to and support initiatives that benefit the residents and businesses in the Borough. We ensure that partnerships are based on trust, a shared commitment to change and a culture that promotes and accepts challenge among partners.

When supporting stakeholder relationships, we are clear about the Terms of Reference and clearly define our role. Our arrangements will recognise that different sections of the community have different priorities and establish robust processes for dealing with these competing demands.

9. Managing Risk

The Council recognises that risk management is an integral part of all activities and must be considered in all aspects of decision making. We have risk management arrangements in place including mitigating actions to support the achievement of the Council's intended outcomes. We work with our contractors to understand our shared risks. We ensure that risk management is embedded into the culture of the Council, with Members and managers at all levels recognising that risk management is part of their job.

Risk management is a fundamental part of the process that has been established for managing major projects through the Corporate Programme Board, allowing Senior Management Team to manage risk in the delivery of the Capital Programme.

External Health and Safety Advisors work with the Head of Asset Management, elected members and senior management team to ensure appropriate Health and Safety Policies, and procedures are in place. Risks are monitored through the Health and Safety Management Board and Health and Safety Management Group.

10. Managing Performance

The Council Plan sets out the strategic objectives as outcomes that will contribute to the overall vision to be a great place to live, work and visit.

The Council's performance management arrangements of 2018 have been superseded by the introduction of the Growing Forward report as a vehicle for strategic performance and achievement. The roles set out in the 2018 framework are unchanged with Heads of Service replacing Managers.

For operational performance there are certain elements captured by the Growing Forward report and others that are reported from Head of Service to Director, or Deputy Director. The key performance indicators are included in the annual Statement of Accounts and presented to the Overview and Scrutiny Committee.

The Recovery Tracker is the tool used to monitor strategic performance and this is published alongside the Growing Forward Report.

Complaints and Absence Management are reported regularly through Management Team, with complaints also being reported through to the Audit and Governance Committee. Other performance issues are reported by exception.

The outcomes and progress against the Council Plan is reported as the Growing Forward report at least once a year, plus the progress on major projects is presented at the Major Projects Advisory Board and Brilliant Barrow (Town Deal) Board quarterly.

The Council produces a number of strategies and policies to ensure we comply with our responsibilities in terms of Use of Resources and Value for Money; these are published on the Council's website. [Corporate Documents](#).

11. Managing Data

The Council undertook a review of data management in preparation for the implementation of the General Data Protection Regulation which has delivered improvements to internal controls to facilitate compliance with the regulation.

The Council has made significant investment in the IT infrastructure to minimise the loss of data through cyber attacks.

The policies which form part of the overarching Information Security Management Systems were reviewed during 2021 taking on board previous internal audit recommendations.

The Council is currently undergoing a review of its Document Retention Schedule and Information Asset Register and is working with Cumbria colleagues to prepare for transfer to the new Westmorland and Furness Council.

12. Governance Arrangements and Internal Control

We maintain the Audit and Governance Committee to raise awareness and take the lead in ensuring high standards of conduct are embedded within the Council's culture. The governance function of the Audit and Governance Committee includes:

- Consider reports and opinion of the internal audit function.

- Consider specific reports from internal audit and ensure agreed recommendations are implemented in a reasonable time frame.
- Consider reports and opinion of the appointed auditor.
- Monitor the risk management process.
- Monitor the Councils policies on the anti-fraud and anti-corruption strategy which are detailed in the Code of Governance.

An annual report of the Committee was presented to the Annual Council in May 2022.

13. Overview and Scrutiny Committee

The Council operates with a single Overview and Scrutiny Committee which can challenge a decision by the Executive Committee prior to it being implemented. It has a remit, which allows them to assist the Council and the Executive in the development of its budget and policy framework.

Members of the Overview and Scrutiny Committee are offered formal training by an external provider.

In March 2022 as part of the annual review of the Constitution membership of the Committee was clarified to make it clear that the Leader should not sit as a member of the Overview & Scrutiny Committee.

14. Internal Audit

The internal audit function develops an annual audit plan which is risk based and it is agreed by the Director of Resources and the Audit and Governance Committee. The audit plan provides a structured approach to reviewing internal control arrangements.

Based on the Plan, Internal Audit provides specific reports and recommendations. It also provides an Annual Report on the internal control arrangements which includes an audit opinion in support of the Council's Annual Governance Statement as required under the Accounts and Audit Regulations 2015. The opinion is derived from work carried out by Internal Audit during the year as part of the agreed Internal Audit Plan.

15. Internal Control Environment

Internal controls are designed to help safeguard the Council and minimise risks to delivery. The controls exist to ensure accuracy, promote efficiency, and encourage adherence to policies, rules, regulations, and laws.

Collectively the internal controls form an environment that is independently assessed by the Internal Audit function. The Head of Internal Audit is required to issue an independent opinion of the Councils internal controls as part of the Annual Report.

The opinion for the financial year 2021-2022 is extracted from the published Internal Audit Annual Report and is presented in **Section 16**.

An Action Plan is presented as referenced in **Section 17** to address the concerns identified from the Internal Audit reports issued in relation to 2021-2022.

16. Head of Internal Audit Annual Opinion Statement

This opinion statement is provided in support of the Council's Annual Governance Statement as required under the Accounts and Audit Regulations 2015. The opinion is derived from work carried out by Internal Audit during the year as part of the agreed Internal Audit Plan. The Plan for 2021/22 was developed to primarily provide management with independent assurance on the adequacy and effectiveness of the internal control environment.

The PSIAS state that the internal control environment comprises three key areas: internal control, governance and risk management processes. My opinion on the effectiveness of the internal control environment is based on an assessment of each of these key areas.

As referred to above, there is a requirement for the "system of Internal Control" to include an assessment of sources of assurance, beyond just that of Internal Audit itself. As the Council is required to produce an Annual Governance Statement, sources of assurance are reflected and reviewed within this process, which Internal Audit are a part of; therefore, the control environment is reviewed more fully in this way.

2021/22 Year Opinion

This report provides limited assurance that the organisation's framework of governance, transparency, risk management and control predominantly operated satisfactorily during 2021/22.

My detailed opinion is that, for the systems reviewed, the Council has a number of basically sound systems of control in place, although there are certain significant weaknesses which put some of the system objectives at risk, these mainly relate to areas of contract management and control, leases, procurement and specific individual systems as reported.

Areas where only Restricted Assurance can be provided, which relate to the following reports:

- Recruitment
- Accounts receivable
- Covid Risk Assessment – Post Assurance report
- Performance Management
- Insurance and
- Housing – Staircase cleaning.

Of more concern there are areas where No Assurance has been provided, these relate to:

- Procurement
- Forum Catering and Cleaning; and
- Cleaning of Barrow Town Hall and Associated Buildings 2023-23

In addition, there are five areas where No Assurance has been assigned to initial draft reports, due to the lack of information provided and potential non-compliance (varying levels of information have been provided since the issue of these reports, which will be audited within the 2022/23 plan).

- Future High Street Consultancy
- Lift servicing and maintenance
- Electrical Installation Testing
- Electrical Reactive Maintenance; and
- Heating, Ventilation, and Air Conditioning Servicing and Maintenance

Weaknesses found as a result of our work, together with our recommendations for improvement, have been included in our reports to senior management and Members (the Audit and Governance Committee). Additionally, any weaknesses identified through the Annual Governance Statement process are recorded separately and reflect the assurance provided from all sources both internal and external.

Co-operation

The successful achievement of the audit plan is dependent on the contribution of the Internal Audit resource and the Council's staff as audit clients. I would like to record my appreciation for the involvement and commitment of those involved.

17. Action plan

Head of Internal Audit's opinion statement for 2021/22 identified a number of weaknesses. The Council has taken action to address these recommendations and an action plan is attached as **Appendix 1**.

The outstanding actions identified from previous Internal Audit Annual Reports are included as **Appendix 2**.

18. Impacts of COVID-19

Covid has continued to have an impact and the authority has adjusted to the significant disruption to staffing across services and functions.

The business continuity plans are kept under review to ensure that essential services continued to be delivered to our residents. A number of measures introduced to ensure the safety of staff, Members and customers, whilst maintaining service delivery continue, e.g. flexible ways of working virtual

meetings where appropriate and social distancing and health and safety measures continue as appropriate to guidance at the time.

The Local Authority and Police and Crime Commissioner elections were postponed under the Coronavirus Act 2020 and took place in May 2021.

The Annual Meeting for 2021 was brought forward to April to enable it to be held remotely whilst regulations still permitted. Since the 7 May 2021 arrangements have been made for a return to meetings in a physical venue adhering to COVID-19 requirements. Arrangements continue to be reviewed in line with Covid guidance.

The Chief Executive has delegated powers to take such action on behalf of the Council as appears to them necessary in circumstances that prevent obtaining the necessary authority from an appropriate committee following consultation with the Leader of the Council, as set out in the Council's constitution.

In order to deliver the local authority elements of the national COVID-19 support package of business grants, business rate reliefs and hardship relief, it was necessary to temporarily reassign resources and defer other priorities to ensure an effective response was achieved. More details of the authority's response can be found in the Growing Forward reports presented to the Executive Committee in March 2021 and 2022.

19. Governance and Assurance Summary

The Council uses its Annual Governance Statement to demonstrate that it has sound decision making processes in place and governance arrangements that are fit for purpose.

The assurance reports received from the Head of Internal Audit provide an indicator of the effectiveness of the Council's governance arrangements. His opinion is that the Council has a number of basically sound systems of control in place, although there are certain weaknesses which put some of the system objectives at risk.

The Council has reviewed arrangements to further improve and enhance its governance arrangements.

These include a comprehensive review of the Council's constitution which clarified and affirmed the extent of officer delegation and reviewed the contract standing orders. We have recruited to a new Programme Manager post, and have appointed external consultants to support the Council in delivering major projects and service improvements.

We are engaging with other Local Authorities and the private sector to deliver a project management approach to contract tendering.

In August 2021 the Council engaged STAR Procurement to perform an in-depth review of procurement rules including contract standing orders, training and ongoing practical assistance with frameworks and tenders. The outcomes were delivered following fact finding, consultation with services, consultation with Senior Management Team, consultation with Internal Audit, and the application of best practice.

The revised Procurement Strategy was adopted by the Council on the 12 January 2022; this replicates the priorities and themes within the National Procurement Strategy for Local Government and links to the Council Plan and the Morecambe Bay Anchor Collaborative.

The other documents reset and created were:

- Contract Standing Orders
- Procurement Checklist
- Exemption Request Form
- Extension Request Form
- Modification Request Form
- Services Contract (template)
- Supply of Goods Agreement (template)
- Terms and Conditions
- Procurement Handbook

The framework designed by STAR Procurement was implemented from 1 April 2022 which followed officer training throughout March 2022.

The Council has undergone a staff restructure which is intended to strengthen governance.

Certification Statement

The review of the governance arrangements for the financial year 2021/22 has highlighted areas for improvement, and the work to support this has yet to be tested, but continue to be developed. We believe that the existing arrangements now in place are fit for purpose and are adequate to meet the Council's corporate aims.

Councillor Mrs A Burns
Chair of the Audit and Governance Committee

S Plum
Chief Executive

Draft

Actions Raised from 2021-2022

The Head of internal Audit's opinion statement for 2021/21 identified a number of weaknesses in internal control. The Council has produced an action plan to consider and address these issues:

| Audit Area | Action | Officer - Completion |
|---------------------|---|-----------------------------|
| Recruitment | Review Policy of References Review of HR recruitment related procedures | HR Manager |
| Accounts Receivable | Ensuring recover processes are resumed and review of instalments spreadsheet to ensure still appropriate and being adhered to Review of invoice processing and monitoring any reasons for dispute Review of processes to complete previous audit recommendations. | Head of Finance |

| Audit Area | Action | Officer - Completion |
|------------------------|---|--|
| Covid Risk Assessment | <p>Review of Control Measures and risk assessments</p> <p>Comment: Since this review was undertaken, health and safety has been supported through external Health and Safety Advisors who are working with the Head of Asset Management in ensuring that appropriate Health and Safety Policies, and procedures are in place, and will be monitored through the Health and Safety Management Group</p> | Head of Asset Management |
| Performance Management | <p>Action being taken to review Performance Framework and associated procedures – Performance framework for 2018 will be removed from the website and replaced with an updated document that reflects current arrangements.</p> <p>Recovery Tracker will continue to be published alongside the Growing Forward Report.</p> <p>More frequent reporting to Overview & Scrutiny.</p> <p>Comment: There will be a new Performance Management Framework developed for Westmorland and Furness Council</p> | <p>September 2022 – Director of Resources</p> <p>Director of Resources</p> |
| Insurance | <p>Contract Management Checklists – process revised and updated procedures circulated</p> <p>Copy of Insurance Policies to be filed with Legal Services</p> <p>Contract Register available on website and to staff and public</p> | <p>Complete July 2022 - Director of Resources</p> |

| Audit Area | Action | Officer - Completion |
|------------------------------|--|--------------------------------|
| Housing – Staircase Cleaning | <p>The recommendations which relate to matters which cannot be undone are noted.</p> <p>The procurement reset is intended to address audit concerns with regards to procurement and this will be tested in future audits.</p> <p>The contract register will be a standing item on the MT project board to provide further measures to ensure that appropriate measures can be taken to ensure that any time constraints can be identified and managed appropriately.</p> | Procurement and Contracts Lead |

| Audit Area | Action | Officer - Completion |
|---|---|--|
| Catering and Cleaning at the Forum | <p>The majority of recommendations relate to matters which cannot be undone. The procurement reset is intended to address audit concerns with regards to procurement and this will be tested in future audits.</p> <p>Calculation of Annual Commission payment was reviewed and initial action completed, and will be kept under review for the period of the contract.</p> <p>Up to date contract register made available to the public – complete</p> <p>Ongoing management of Contract</p> | <p>Head of Visitor and Economy</p> <p>Procurement and Contract Lead</p> <p>Head of Visitor and Economy</p> |
| Cleaning of Barrow Town Hall and Associated Buildings | <p>The majority of recommendations relate to matters which cannot be undone. The procurement reset is intended to address audit concerns with regards to procurement and this will be tested in future audits.</p> <p>Ongoing management of contract</p> | <p>Head of Asset Management</p> |

Actions Raised from 2020-21

APPENDIX 2

The actions with regard to weaknesses in the documentation of IT procedures had been completed.

Actions Raised from 2019-20

The Head of internal Audit's opinion statement for 2019/20 identified a number of weaknesses in internal control. The Council produced an action plan to address these issues and where actions are not covered by Appendix 1 and remain outstanding these are listed below:

| Audit Area | Action | Officer - Completion |
|----------------------|--|---|
| Leasing arrangements | The lease arrangements for Phoenix Business Centre are under consideration | Commercial Estate Manager - The Council is currently trying to resolve outstanding issues |

FM Code Improvements from 2021-2022

| Requirement | Improvements |
|--|--|
| The responsibilities of the chief finance officer and leadership team | |
| The leadership team can demonstrate that the services provided by the authority provide value for money. | Improvements are as outlined in the Council's response to the Statutory Recommendations of the appointed auditor. |
| The authority complies with the CIPFA Statement on the Role of the Chief Finance Officer (CFO) in Local Government (2016). | Recruit to complete the Finance establishment to provide the CFO with sufficient and relevant resources. |
| Governance and financial management style | |
| The Council applies CIPFA/SOLACE "Delivering Good Governance in Local Government: Framework (2016)". | Where reviews of the corporate governance arrangements reveal improvement recommendations, action is planned that will ensure effective governance in future. |
| The Financial Management style of the Council supports financial sustainability. | Refresher training for officers with financial responsibilities has been identified with the outcome of improving financial literacy and strengthening the accountability of budget managers and senior officers, which supports financial sustainability. |

| Requirement | Improvements |
|--|---|
| Medium to long-term financial management | |
| The authority has carried out a credible and transparent financial resilience assessment. | Make better use of benchmarking and the CIPFA resilience index when shaping the MTFP. |
| The authority understands its prospects for financial sustainability in the longer term and has reported this clearly to members. | Formalise long term financial planning/modelling. |
| The authority complies with the CIPFA Prudential Code for Capital Finance in Local Authorities. | The narrative in the capital strategy could be enhanced further with linkage to the Strategic Asset Management Plan. |
| The authority has a rolling multi-year medium-term financial plan consistent with sustainable service plans. | The Corporate Landlord approach will be implemented from 2022. |
| Monitoring financial performance | |
| The leadership team takes action using reports, enabling it to identify and correct emerging risks to its budget strategy and financial sustainability. | The Council is refreshing the service performance collection methodology. |
| The chief finance officer has personal responsibility for ensuring that the statutory accounts provided to the local authority comply with the Code of Practice on Local Authority Accounting in the United Kingdom. | The Council will prepare the Accounts within statutory deadlines and working papers will be produced to a high standard. The Council will continue close working with the external auditors to implement any audit recommendations. |

| Requirement | Improvements |
|---|---|
| The presentation of the final outturn figures and variations from budget allow the leadership team to make strategic financial decisions. | The Council will continue to review the format and usefulness of its performance reporting. |

Draft