

ITEM No ...5.....

REPORT TO: SCRUTINY COMMITTEE - 29 JUNE 2022

REPORT ON: ANNUAL GOVERNANCE STATEMENT FOR THE YEAR TO 31 MARCH 2022

REPORT BY: EXECUTIVE DIRECTOR OF CORPORATE SERVICES

REPORT NO: 141-2022

1 PURPOSE OF REPORT

To present the Annual Governance Statement for approval and inclusion into the unaudited Annual Accounts for the year ended 31 March 2022.

2 RECOMMENDATIONS

It is recommended that the Committee:

- i notes the contents of this covering report;
- ii approves the Annual Governance Statement which is included as an Appendix to this report;
- iii instructs the Executive Director of Corporate Services to include the Annual Governance Statement in the Annual Accounts for the year to 31 March 2022;
- iv notes that a copy of the approved Annual Governance Statement will be submitted to the Dundee Health and Social Care Partnership for assurance purposes; and
- v notes the impact of the coronavirus pandemic on the Council's corporate governance as detailed in the Annual Governance Statement.

3 FINANCIAL IMPLICATIONS

None.

4 BACKGROUND

4.1 The relevant statutory provisions regarding the preparation of the Council's Accounts are contained in the Local Authority Accounts (Scotland) Amendment Regulations 2014. Section 5 of these regulations require "...an annual review of the effectiveness of a local authority's system of internal control. The findings of that review are to be considered at a meeting of elected members, and following that review, members must approve an Annual Governance Statement. There is no requirement to have separate meetings for the consideration of the findings and then the approval of the Annual Governance Statement. Both may be undertaken at the same meeting."

4.2 As in previous years the Annual Accounts (including the Annual Governance Statement) will be prepared in accordance with the Code of Practice on Local Authority Accounting (the Code) which stipulates that the following information should be included in the Annual Governance Statement:

- i. An acknowledgement of responsibility for ensuring there is a sound system of governance;
- ii. An indication of the level of assurance that the systems and processes that comprise the Council's governance arrangements can provide;

- iii. A brief description of the key elements of the governance framework;
 - iv. A brief description of the process that has been applied in maintaining and reviewing the effectiveness of the governance arrangements, including some comment on the role of the Council, internal audit and other explicit reviews/assurance mechanisms;
 - v. An outline of the actions taken, or proposed, to deal with significant governance issues, including an agreed action plan; and
 - vi. A specific statement on whether the Council's financial management arrangements conform with the governance requirements of the CIPFA *Statement on the Role of the Chief Financial Officer in Local Government* (2016) as set out in the CIPFA's *Delivering Good Governance in Local Government: Framework* (2016) and where they do not, an explanation of how they deliver the same impact.
 - vii. A specific statement on whether the Council's financial management arrangements conform with the requirements of the CIPFA Financial Management (FM) Code (2019). Compliance or reasons for non-compliance with the FM Code must be reported in the Council's Annual Governance Statement. The financial year 2021/2022 is the first year of implementation of the FM Code.
- 4.3 The Annual Governance Statement for the year ended 31 March 2022 is included on Appendix A. The Annual Governance Statement includes reference to the revised governance arrangements that have been in place since the outbreak of Covid 19 in March 2020 and the continued impact on governance arrangements up to the time of publication and is expected to continue for some time. As the pandemic progressed into 2021/2022 the impact reduced but the council continued to take steps to ensure adherence to all Scottish Government advice to remain Covid-19 safe for Elected Members, employees, service users and members of the public.

5 **POLICY IMPLICATIONS**

This report has been subject to an assessment of any impacts on Equality and Diversity, Fairness and Poverty, Environment and Corporate Risk. There are no major issues.

6 **CONSULTATIONS**

The Council Leadership Team has been consulted in the preparation of this report.

7 **BACKGROUND PAPERS**

None.

ROBERT EMMOTT
EXECUTIVE DIRECTOR OF CORPORATE SERVICES

14 JUNE 2022

ANNUAL GOVERNANCE STATEMENT

Scope of Responsibility

Dundee City Council is responsible for ensuring that its business is conducted in accordance with the law and appropriate standards. This is to ensure that public funds and assets at its disposal are safeguarded, properly accounted for and used economically, efficiently and effectively. The Council also has a duty to make arrangements to secure continuous improvement in the way its functions are carried out.

In discharging these duties Elected Members and senior officers are responsible for implementing effective arrangements for governing the Council's affairs and facilitating the effective exercise of its functions, including arrangements for the management of risk.

To this end the Council has approved and adopted a Local Code of Corporate Governance that is consistent with the principles of the CIPFA/SOLACE (Chartered Institute of Public Finance and Accountancy / Society of Local Authority Chief Executives) framework Delivering Good Governance in Local Government. The Local Code of Corporate Governance explains how Dundee City Council delivers good governance and this Annual Governance Statement reviews the effectiveness of these arrangements.

In addition the Council is responsible for confirming effective corporate governance arrangements exist within its other group entities. In line with Accounts Commission guidance, including Safeguarding Public Money: are you getting it right?, Following the Public Pound and Arm's Length External Organisations (ALEOs): are you getting it right?, part of that responsibility is about ensuring that public money is being used appropriately and achieving Best Value.

The Council's Governance Framework

The governance framework comprises the systems, processes, cultures and values by which the Council is directed and controlled. It also describes the way it engages with, accounts to and leads the local community. It enables the Council to monitor the achievement of its planned objectives and outcomes and to consider whether those objectives and outcomes have led to the delivery of appropriate, cost-effective services.

The Local Code of Corporate Governance is supported by detailed evidence of compliance which is regularly reviewed by a working group of senior officers.

Within the overall control arrangements the system of internal financial control is intended to ensure that assets are safeguarded, transactions are authorised and properly recorded, and material errors or irregularities are either prevented altogether or detected within a timely period. It is based on a framework of regular management information, financial regulations, administrative procedures and management supervision and checking.

The overall control arrangements include:

- Identifying the Council's objectives in the Council Plan, Community Plan and Local Outcomes Improvement Plan (City Plan).
- Monitoring of achievement of those objectives and outcomes by the Council and senior officers.
- A systematic approach to monitoring service performance at Elected Member, senior officer and project level.
- Reporting performance regularly to Council committees.
- Three-year service plans for all service areas. Regular performance reports in relation to the service plans began to be reported to relevant Committees from November 2021.
- Performance Management Framework.
- Clearly defined Standing Orders and Schemes of Administration covering Financial Regulations, Tender Procedures and Delegation of Powers, including temporary arrangements during the Covid 19 emergency.
- A Monitoring Officer to ensure compliance with laws and regulations.
- A Scrutiny Committee and individual Service Committees.
- Approved anti-fraud and corruption strategies including "whistle-blowing" arrangements under the Public Interest Disclosure Act 1998.
- Ethical Values Framework.
- A Corporate Integrity Group.
- Corporate Compliance Group.
- A Serious Organised Crime Group.

- Senior Officer Resilience Group.
- Council Leadership Team and each Service's Senior Management Teams.
- Participating in the National Fraud Initiative for sharing and cross-matching data with regular reports to Committee.
- Formal project appraisal techniques and project management disciplines.
- Setting targets to measure financial and service performance.
- Long-term Financial Outlook and Financial Strategy 2020 – 2030.
- Formal revenue and capital budgetary control systems and procedures.
- Clearly defined capital expenditure guidelines.
- A Capital Governance Group consisting of senior officers from across Council services and chaired by the Executive Director of Corporate Services.
- The Council, together with NHS Tayside have established an Integrated Health and Social Care Partnership (HSCP). The HSCP has established a governance structure and an integrated senior management structure to support delivery of its key objectives and outcomes.
- An Our People and Workforce Strategy is in place to support delivery of the Council Plan and its strategic priorities.
- A Risk Management Policy and Strategy, Corporate and Service Risk Registers, Risk Management Improvement Plan, and Covid 19 Recovery Risk Register.
- Corporate Risk Management Working Group, chaired by the Executive Director of Corporate Services as Senior Responsible Officer for risk.
- Corporate Governance Assurance Statement Group.
- Strategic GDPR (General Data Protection Regulation) Group.
- Data Protection Policy and Data Breach Management Procedure.
- The assurances provided by internal audit through their independent review work of the Council's governance, risk management and control framework.
- Chief Social Work Officer governance arrangements.
- Recovery Plan from Covid 19 emergency for the Council and its Services.

Review of Effectiveness

Members and officers of the Council are committed to the concept of sound governance and the effective delivery of Council services and take into account comments made by external and internal auditors and other review agencies and inspectorates and prepare actions plans as appropriate.

The effectiveness of the governance framework is reviewed annually by a working group of senior officers. The 2021/2022 review of governance arrangements against the Local Code of Corporate Governance has identified the Council as being 98% (2020/2021: 97%) compliant with the principles of the CIPFA/SOLACE framework Delivering Good Governance in Local Government.

In addition Executive Directors from each service have made a self-assessment, in conjunction with their senior management teams, of their own governance, risk management and internal control arrangements. This involved the completion of a 74-point checklist covering eight key governance areas of Service Planning and Performance Management; Internal Control Environment; Fraud Prevention and Detection; Budgeting, Accounting and Financial Control; Risk Management and Business Continuity; Asset Management; Partnerships; and Information Governance. This again indicated a high level of compliance, with an overall score above 91% for 2021/2022 (2020/2021: 90%).

The Internal Audit Service operates in accordance with the Public Sector Internal Audit Standards (PSIAS) and reports functionally to the Scrutiny Committee. Conformance with the PSIAS has been confirmed independently, through the completion of a formal External Quality Assurance process. Internal Audit undertakes an annual programme of work, which is reported to the Scrutiny Committee. The Acting Senior Manager – Internal Audit provides an independent opinion on the adequacy and effectiveness of the Council's governance, risk management and control framework. The overall audit opinion, based on the above, is that reasonable assurance can be placed upon the adequacy and effectiveness of the Council's framework of governance, risk management and control for the year to 31 March 2022.

The Executive Director of Corporate Services complied fully with the five principles of the role of the Chief Financial Officer, as set out in CIPFA guidance. The Council's financial management arrangements conform with the requirements of the CIPFA Financial Management (FM) Code (2019).

Impact of Coronavirus Pandemic on Corporate Governance

The Covid-19 emergency has impacted on all areas of society and on all aspects of normal daily life, particularly since the implementation of the first national lock-down in March 2020. These impacts were severe and are likely to continue until there is a full recovery. All levels of government have acted to support and protect the most vulnerable citizens, local businesses, key suppliers and the third sector during this challenging and unprecedented time. This action seeks to maintain resilience during this crisis and ensure that people and organisations emerge from the crisis in the best possible shape.

Conducting the Annual Governance Review during the Coronavirus Pandemic

With significant organisational disruption, including new emergency responsibilities, increased staff absence and also staff working remotely, conducting a review in the normal way has been challenging. The following measures have been used to ensure a meaningful but focused review:

- The annual self-assessment review conducted by each Council Service has been completed and progress will be updated before the final review of the Annual Governance Statement in the Audited Accounts; and
- Using existing reports, reviews and assessments where possible to provide assurance.

Reflecting the challenges from Coronavirus in the Annual Governance Statement

The Annual Governance Statement assesses the governance arrangements in place for 2021/2022. The entire financial year was affected by coronavirus and the conclusion on whether or not governance is fit for purpose should reflect normal operations, the Annual Governance Statement is required to reflect the circumstances at the time of publication and therefore, it should be recognised that coronavirus has impacted on governance arrangements since March 2020 and continues to do so up to the time of publication and is expected to continue for some time. As the pandemic progressed into 2021/2022 the impact reduced but the council continued to take steps to ensure adherence to all Scottish Government advice to remain Covid-19 safe for Elected Members, employees, service users and members of the public.

Leadership

A corporate level Incident Management Team (IMT) was established at the outset to consider the challenges and the Council's responses, including instigating the corporate level business continuity plan, supported by individual project and service level plans. At the start of the emergency the IMT communicated daily briefing updates to employees but as the situation progressed the frequency of communications to staff reduced accordingly. In addition, service area management team meetings were held regularly with further detailed communications to service employees, including updates on the situation, details of the actions being taken and guidance for safe working practices. Regular briefing meetings were also held with political group leaders to ensure they were kept up to date with the impact and response to the crisis.

In a very short space of time the Council had to move rapidly to support an environment whereby the majority of its staff required to work from home or from alternative premises. In the space of a few days the Council moved from a position where 25% of IT consuming staff worked remotely to having 75% of those working remotely. This remote access has been achieved with no degradation in performance and, crucially, no weakening of security whilst maintaining the same method of operation for staff that they would experience in the office. Having a reliable IT platform which immediately enabled remote working allowed the Council to respond to the new requirements of the Covid response in quickly deploying resources and to be flexible as the situation evolved.

Decision Making Processes

The impact of the coronavirus affected the governance arrangements of the Council and its services, and there were some aspects experienced by all service areas, for example changes to the Council's decision-making arrangements and the conduct of meetings, which were introduced in March 2020 following a meeting with senior Elected Members on 19 March 2020.

Alternative governance arrangements for full committee meetings were implemented as soon as practical thereafter, with the introduction of virtual Council committee meetings commencing in June 2020, the first example being the Scrutiny Committee. A return to the full scheduled timetable of committee meetings followed during August 2020. Enhanced transparency has also been achieved by the recording and publishing of Committee meetings on the Council website from 24 August 2020.

Local Response and Risk Management Arrangements

Other aspects affected by the coronavirus crisis reflect changes to the organisation's priorities and programmes. These fall into the following broad categories:

- Impact on business as usual in the delivery of services;
- Increased demand for certain Council services such as crisis grants;

- New areas of activity as part of the national response to coronavirus and any related operational and governance issues, e.g. implementation of new policies, processes, procedures and guidance, as well as the provision of emergency assistance such as Business Support Grants, Self-Employed Hardship Fund, Transitional Support Fund for Childcare Providers, Self-Isolation Support Grant, Business Hardship, Low Income Pandemic Payments, and Fuel Support Payments;
- The funding and logistical consequences of delivering the local government response, e.g. changes to decision-making arrangements, new collaborative arrangements, funding and cash flow challenges. In April 2020, a report by the Executive Director of Corporate Services advised Elected Members of the various actions implemented by the Council and the Scottish and UK Governments in response to the on-going Covid-19 emergency, and set out the associated financial implications [Report 144-2020](#). The financial position around the Council's response to the Covid-19 emergency is being closely and regularly monitored and updated reports on the financial implications as well as the financial recovery plan have been reported to committee in August 2020 ([Report 198-2020](#)), December 2020 ([Report 308-2020](#)), February 2021 ([Report 61-2021](#)), and April 2021 ([Report 120-2021](#)). Since April 2021 the financial position around the Council's response to the Covid-19 emergency has been embedded in monthly revenue monitoring reports to the Policy and Resources Committee. In addition, an update on the overall financial impact for financial year 2021/2022 will be included within the Unaudited Annual Accounts that will be submitted to elected members in June 2022. An internal audit review of arrangements for Covid 19 Funding is underway and any agreed actions will be taken to Scrutiny Committee in due course. Finally, as part of the updated service planning processes services were requested to review those items included within the Covid 19 Recovery Plan that were considered to have an ongoing impact and ensure that actions to address these priorities were reflected in these plans. These plans, together with any subsequent progress updates, have been considered by various committees throughout the past year;
- Assessment of the longer-term disruption and consequences arising from the coronavirus pandemic, e.g. some existing projects and programmes may have been put on hold, new priorities and objectives introduced, new risks identified or existing risks escalated. The Council has formulated a Covid-19 Recovery Risk Register ([Report 193-2020](#)) and a Recovery Plan in August 2020 ([Report 185-2020](#)) with a subsequent progress update reported in May 2021 ([Report 157-2021](#)) and will continue to review and update these regularly in response to changing circumstances;
- A report detailing the Council's response to the Covid 19 emergency was also reported to committee in August 2020 ([Report 189-2020](#)). This report provided an overview of the Council's response to date, demonstrating both the scale and breadth of the work undertaken by staff in collaboration with partners and local communities; and
- The Scrutiny Committee in September 2020 considered three Audit Scotland reports on Covid 19 issues, Covid 19 Guide for Audit and Risk Committees ([Report 213-2020](#)), Covid 19 Emerging Fraud Risks ([Report 214-2020](#)), and Covid 19 Implications for Public Finances in Scotland ([Report 221-2020](#)). The Scrutiny Committee in September 2021 considered the annual Audit Scotland report, Local Government in Scotland Overview for 2020/2021 ([Report 267-2021](#)) which provides an overview of the wider challenges which have been facing councils in tackling the Covid-19 pandemic.

The responses to the pandemic are being continually considered at a Council and regional level. By the time the crisis is over the Council may have conducted or be in the process of reviewing lessons learnt from its response. This review has been added as a suitable area for inclusion as one of the organisation's significant governance issues and has been included as an improvement area.

Dundee City Council is working closely with its partners across the city to deal with the impact of Coronavirus. Officers are monitoring the local situation daily and following the advice given by Scottish Government, UK Government (where appropriate) and NHS public health experts. The Council continues to consider appropriate actions based on the national guidance.

Continuous Improvement Agenda

The Council's progress against the Continuous Improvement Agenda items for 2021/2022 is detailed at Appendix 1. Several items are still in progress and have been carried forward to be actioned in 2022/2023. Additional areas for improvement have also been identified by the Council's Corporate Governance Assurance Statement Group and these are included, along with the areas for improvement carried forward, at Appendix 2 and form the Continuous Improvement Action Plan for 2022/2023. These were identified by Executive Directors and Heads of Services in the self-assessment checklists that were completed as part of the Council's assurance gathering process. The Council's Governance structure is shown at Appendix 3.

Group Entities

In respect of the Joint Boards, Joint Committee, Charities and Companies that fall within the Council's group boundary, the review of their governance, risk management and control framework is informed by:

- Annual Governance Statements included in the respective financial statements of the Joint Boards and Tayside Contracts Joint Committee.
- Assurances from company directors and/or the other senior company officials.
- The work of the relevant bodies' respective external auditors (and where relevant internal audit function) and other interim reports.
- Completion of self-assessment checklists.

The Dundee City Integration Joint Board (DCIJB) and Dundee Health and Social Care Partnership (DHSCP) were formed in April 2016, at which time an approved Strategic and Commissioning Plan was in place and proper due diligence had been carried out in respect of the financial contributions transferred to the DCIJB at the outset. The Scottish Government, Integrated Resources Advisory Group, Finance Guidance includes a section on Following the Public Pound which details the requirement to put in place arrangements to maintain control and clear public accountability over public funds. More specifically, these arrangements should cover the resources delegated to the DCIJB by the Council and NHS Tayside as well as the resources allocated to the Council and NHS Tayside by the DCIJB to be used as directed and set out in the Strategic and Commissioning Plan. In terms of Council resources, projected outturns against budgets have been and will continue to be monitored and reviewed on a continuous basis with corresponding reports being presented to the DCIJB at regular intervals. In addition, the Council's Policy and Resources Committee is responsible for the scrutiny of integrated health and social care. The Section 95 Officers from the Council and the DCIJB have worked, and will continue to work, together closely. Over time, the format and focus of monitoring will change as budgets and services become more integrated and aligned with the priorities set out in the Strategic and Commissioning Plan.

DCIJB comprises six voting members, three nominated by Dundee City Council and three nominated by Tayside NHS Board, as well as non-voting members including a Chief Officer and Chief Finance Officer appointed by the DCIJB. As a result of the Covid-19 pandemic, all formal DCIJB meetings were held online throughout the 2021/2022 financial year.

The main features of the DCIJB's governance framework in existence during 2021/2022 were:

- DCIJB voting members briefings held in the early part of the financial year to provide updates on the DHSCP's response to the Covid-19 pandemic with updates also provided at formal DCIJB meetings.
- Continuation of a silver command group within the DHSCP to coordinate the health and social care response to the pandemic with frequency of meetings stepped up or down depending on the stage of the pandemic. DHSCP Senior Management active participation in corresponding Council and NHS Tayside command structure responses.
- Consideration by the DCIJB of the impact of the Covid-19 pandemic on the delivery of the Strategic and Commissioning Plan through instructing the DCIJB's Strategic Planning Advisory Group to assess the situation and report back accordingly.
- The Integration Scheme as the overarching agreement between the Integration Joint Board, NHS Tayside and the Council as to how the planning for and delivery of delegated health and social care services is to be achieved reflecting a range of governance arrangements required to support this arrangement.
- The senior leadership team of the DHSCP consisting of the Chief Officer, Head of Finance and Strategic Planning (Chief Finance Officer) and two Head of Service of Health and Social Care Services. The Chief Finance Officer has overall responsibility for the DCIJB's financial arrangements and is professionally qualified and suitably experienced to lead the DCIJB's finance function and to direct staff accordingly.
- Formal regular meetings of the senior leadership team including professional advisers.
- Standing Orders, Financial Regulations and a Code of Conduct including the publication of Register of Member's Interests and the nomination of the Clerk to the DCIJB as Standards Officer were all in place during 2021/2022.
- The DCIJB met remotely on seven occasions throughout the year to consider its business. Three development sessions were also held remotely as part of the 2022/2023 budget development process. A further two development sessions were held on risk management while DCIJB members also attended briefing sessions on the revision of the Integration Scheme and findings of the Dundee Drugs Commission.
- The DCIJB's Performance and Audit Committee met remotely on four occasions throughout the year to enhance scrutiny of the performance of the DCIJB and audit arrangements in line with regulations and good governance standards in the public sector.
- Internal Audit arrangements for 2021/2022 were approved at the Performance and Audit Committee meeting held on the 26 May 2021 including the appointment of the Chief Internal Auditor of FTF Internal Audit and Management Services to the role of Chief Internal Auditor of the DCIJB supported by the Council's Internal Audit Service. An Internal Audit Plan for 2021/2022 was approved drawing on resources from both organisations.

- The assurances provided from internal audit through their independent review work of the DCIJB's internal control systems.
- Assurances were provided to the Performance and Audit Committee in relation to Clinical, Care and Professional Governance through the presentation of a Chairs Assurance Report from the Clinical, Care and Professional Governance Group.
- The Chief Finance Officer complied fully with the five principles of the role of the Chief Finance Officer, as set out in CIPFA guidance.
- Compliance with CIPFA's Financial Management Code.

The impact of the COVID-19 crisis has continued to dominate the operations of DCIJB over the entire 2021/2022 financial year. As in financial year 2020/2021, the service landscape was subject to large scale disruption with the continued enforced closure and restricted opening of a range of services.

However despite the emergency nature of the response, these services continued to be underpinned by principles of the DCIJB's [Strategic and Commissioning Plan 2019-2022](#). This sets out the context within which integrated services in Dundee operate. In February 2022 the DCIJB agreed to extend the 2019-2022 plan for a further one-year period to cover April 2022 to March 2023. The review of the plan found that the vision and priorities for integrated adult health and social care continue to reflect the needs of the population and current local and national policy and strategic priorities. However, the review also identified that the action lists supporting each of the strategic priorities within the 2019-2022 plan require to be updated in order to reflect the current areas of focus that have emerged over the last three years, including from the pandemic ([Strategic and Commissioning Plan Extension](#)). Over 2022/2023 these priorities will be delivered through continued implementation of programmes of transformation. Over which time a new Strategic and Commissioning plan for 2023-2026 will be reviewed in order to further reflect the current needs on services provided by DHSCP.

The lessons learned from the Covid-19 pandemic continue to be assessed by DHSCP and have been reflected in the Remobilisation plan to inform the nature of the longer-term response to living with COVID-19 on a longer-term basis. Key risks have been identified with mitigation plans developed to reduce those risks in a range of areas. These have been reflected in the IJB's risk register. Information continues to be gathered in relation to the legacy impact of the outbreak. This will assist in informing the IJB of the scale of the new challenge it faces as part of its remobilisation plan and in shaping its future Strategic and Commissioning Plan priorities.

Over the course of 2021/2022, the Integration Scheme governing how DCIJB operates was required to be reviewed by the statutory bodies (NHS Tayside and Dundee City Council) in line with legislation and this resulted in a number of revisions to the scheme. While most of the revisions are designed to bring the Integration Scheme up to date and reflect the experience of integration to date, there are other changes which may have a significant impact on the DCIJB. The most significant of these is a change to the financial risk sharing arrangements for any residual overspends within the delegated budget where the DCIJB may be required to repay in future years any financial support provided by NHS Tayside and Dundee City Council to balance the budget at the year end. This may impact on the financial sustainability of the Integration Joint Board in future. Regular identification and assessment of risk is part of the DCIJB's risk management strategy with appropriate actions to eliminate or reduce the impact of such risks set out in the DCIJB's risk register.

Conclusion

The annual review demonstrates sufficient evidence that the code's principles of delivering good governance in local government operated effectively and the Council complies with the Local Code of Corporate Governance in all significant respects for 2021/2022. It is proposed over 2022/2023 steps are taken to address the items identified in the Continuous Improvement Agenda to further enhance the Council's governance arrangements.

Gregory Colgan
Chief Executive, Dundee City Council
29 June 2022

John Alexander
Leader of the Council
29 June 2022

CONTINUOUS IMPROVEMENT AGENDA FOR 2021/2022 – WITH PROGRESS UPDATES

The Council's Corporate Governance Assurance Statement group identified the following areas for improvement to be taken forward during 2021/2022. Full details are included in: The Local Code of Corporate Governance ([Report 182-2021](#)) and the 2020/2021 Annual Governance Statement ([Report 183-2021](#)).

ORIGINAL IMPROVEMENT AGENDA ON 2020/2021 LOCAL CODE OF CORPORATE GOVERNANCE AND ANNUAL GOVERNANCE STATEMENT REPORTS						PROGRESS UPDATES	
	Improvement	Source	Details	Responsible Officer	Target Completion Date	Actual Completion Date	Comments (e.g. Estimated Completion Date, Reasons for delays, etc.)
1	Update Corporate Asset Management Strategy.	Local Code of Corporate Governance 2017/2018. (Principle E: Developing the Entity). Report 223-2017	Carried forward from 2020/2021. In progress.	Executive Director of Corporate Services.	31/12/21		In view of resource constraints caused by the pandemic, it was agreed that this action will be commissioned externally with a view to concluding this strategy by end 2022. An external appointment has been commissioned and work has now started.
2	Continue to develop Business Continuity Strategy.	Local Code of Corporate Governance 2017/2018. (Principle F: Managing Risk). Report 223-2017	Carried forward from 2020/2021. In progress.	Service Manager - Community Safety and Resilience.	31/03/22		There has been some limited progress with review and reassessment of Service Business Continuity plans, in areas of the Council which have not been fully engaged in supporting citizens throughout the Pandemic. There has been no Corporate "space" to reflect on lessons learned from the Pandemic and build that learning into Continuity plans to date. Many Services, including the Council's resilience team have until recently remained in full response mode to a public health emergency. This state is reflected at Local Resilience Partnership Level where little progress has been able to have been made with Covid recovery planning. Acute pandemic pressures as anticipated have now reduced. A revised completion date of 31 December 2022 has been agreed with our Audit partners. The benefit of an additional temporary staff resource (Graduate trainee) in the resilience team has been deployed to guide Service Business Continuity Leads. *
3	Develop programme for consideration of	Annual Governance Statement 2018/2019. (Self-	Carried forward from 2020/2021. In progress.	Head of Customer Services and IT.	31/12/21		This programme is currently being considered and will be included in the Council's IT Improvement Strategy that will be completed by October 2022. *

	the suitability of key Operational IT systems.	Assessment Checklist (SAC): Internal Control Environment section). Report 214-2018					
4	Replace Construction Services' Costing System.		Carried forward from 2020/2021. In progress.	Head of Construction and Head of Customer Services and IT.	31/12/22		<p>The replacement of Construction Services costing system is part of a suite of packages being developed across two IT solutions involving Housing and Construction Services. Phase 2 of the development and implementation of the Integrated Housing Management (Civica Cx) System is being scheduled at present and will include a range of IT modules to replace existing bespoke in-house IT systems for core Housing functions. This includes the development and implementation for the end to end Housing Repairs system which will integrate with the Total Mobile Solution for Construction Services and in turn allow for the end to end process of Construction Service from costing and finance through to operational flexible delivery of construction workstreams.</p> <p>In partnership, services are working with both Civica and Total Mobile to deliver an end to end Repairs IT system which will harness the benefits of automation, mobile and flexible working efficiencies across both services.</p> <p>Target completion date for the build is April 2023 with operational roll throughout the first 6 months of 2023/2024. *</p>
5	Revise Corporate Fraud Policy.	Internal Audit Report (Ref 2018/21).	Carried forward from 2020/2021. In progress.	Senior Manager – Internal Audit.	31/12/21		Final consultation of the policy is underway and the document will be considered by Council Leadership Team by June 2022 and then circulated to all staff and elected members thereafter. *
6	Develop Service Area Scorecards in the Corporate Performance Management system.	Internal Audit Report 2017/22, 23 and 24. Report 374-2018	Carried forward from 2020/2021. In progress.	Transformation and Performance Manager.	30/06/21	07/06/21	Three-year service plans are now in place for all service areas. Action completed on 7/6/2021. The first performance reports in relation to the service plans were reported to relevant Committees starting in November 2021.
7	Engage with Elected Members on proposals for future personal development and	Local Government in Scotland: Challenges and Performance 2019 Report 166-2019	Carried forward from 2020/2021. In progress. Support the development and	Head of Democratic and Legal Services / Head of Human Resources and	31/12/21		Induction and Continued Professional Development (CPD) for Elected Members has been developed and is currently being implemented for the newly elected members following the Scottish Local Elections on 5 th May 2022.

	maximise their opportunity to participate.	External Audit Report to Members on the Audit of DCC's 2018/2019 Accounts Report 338-2019 Best Value Self-Assessment Report 68-2020	tracking of individual personal development plans. Explore opportunities to learn from best practice elsewhere.	Business Support.			
8	Develop a future needs analysis and workforce plan within each service area for the short, medium and long term in line with the Our People and Workforce Strategy.	Best Value Self-Assessment Report 68-2020	Carried forward from 2020/2021. In progress. To ensure staff skills match service delivery requirements and align workforce and strategic planning to ensure citizen's needs are being met in accordance with agreed priorities and statutory duties.	Head of Human Resources and Business Support.	30/04/22		Workforce Plans: Service Plans are currently in place and associated workforce plans have been completed in most service area. A new People Strategy will be developed in 2022 and will include our approach to future needs analysis for our workforce which will align with the new Council Plan. *
9	Address recurring areas for improvement in public protection in external scrutiny reports and internal self-evaluation activities.	Best Value Self-Assessment Report 68-2020	Carried forward from 2020/2021. In progress.	Council Leadership Team	31/03/22	10/02/22	The Transforming Public Protection (TPP) Oversight Group, chaired by the Chief Social Work Officer, led a substantive review and initial recommendations on TPP Programme 2 were made to the Chief Officers Group (COG) in February 2022 identifying 11 transformation workstreams to be delivered over a three-year period. The Chief Officers Group approved the outline programme and Project Initiation Documents (PIDs) that will inform a full programme plan are being developed for each of the 11 proposed workstreams. Learning from the first TPP Programme has informed the approach to undertaking PIDs, with a focus on multi-agency involvement to secure a shared understanding of workstream aims, activities and impact measurement and reporting. Action completed. The TPP Programme 2 will be supported by investment made by the Council to further enhance strategic support capacity for public protection issues. It should be noted that the work undertaken within the original TPP programme and impact of the programme activities is positively reflected within the Joint Inspection of Services for Children at Risk of

							Harm report. This includes progress made in strengthening practice in relation to the use of chronologies, the use of a strategic risk register, inclusive and effective leadership by the COG and Child Protection Committee, and improvements in single agency approaches to case file auditing.
10	Embed Information Governance Assurance checklist in annual corporate governance assurance process.	Corporate Governance Assurance Statement Group's (CGASG) review of Annual Governance process.	Carried forward from 2020/2021. Ensure results are reflected in 2021/2022 Annual Governance Statement.	Information Governance Manager / Head of Corporate Finance.	28/02/22	01/02/22	A new section has been included in the 2021/2022 Annual Governance Statement self-assessment checklist covering a range of Information Governance issues. This was discussed and finalised at the CGASG meeting in February 2022. Action completed.
11	Review the Council's response to Covid 19 crisis.		Carried forward from 2020/2021. In progress. Including lessons learned, good practice, and areas for improvement.	Chief Executive / Executive Director of Corporate Services.	31/03/22		The ongoing financial impact of Covid has been monitored throughout the year and is submitted to Policy and Resources Committee as part of the regular financial monitoring reports. In addition, an update on the overall financial impact for financial year 2021/2022 will be included within the Unaudited Annual Accounts that will be submitted to elected members in June 2022. An internal audit review of arrangements for Covid 19 Funding is underway and any agreed actions will be taken to Scrutiny Committee in due course. Finally, as part of the updated service planning processes services were requested to review those items included within the Covid 19 Recovery Plan that were considered to have an ongoing impact and ensure that actions to address these priorities were reflected in these plans. These plans, together with any subsequent progress updates, have been considered by various committees throughout the past year. *
12	Implementation of the CIPFA Financial Management (FM) Code.	Corporate Governance Assurance Statement Group's review of Annual Governance process. 2021/2022 is the first year of full compliance.	New action for 2021/2022. In progress. Ensure results are reflected in 2021/2022 Annual Governance Statement.	Executive Director of Corporate Services.	30/06/22	30/05/22	A new self-assessment checklist has been formulated covering all the key questions in CIPFA's FM Code. This will be completed during the 2021/2022 corporate governance process for inclusion of a compliance (or explanation of the reasons for non-compliance) paragraph in the Annual Governance Statement in the 2021/2022 Unaudited Accounts. Further actions to address any areas identified as requiring significant improvement will be included in the Improvement Agenda Action Plan for next year.

13	Identify the most appropriate apps in O365 to improve Council Services.	Annual Governance Statement 2020/2021. (Self-Assessment Checklist (SAC): Internal Control Environment section).	New action for 2021/2022. In progress.	Head of Learning & Organisational Development.	31/03/22		This is currently being progressed by Learning and Organisational Development and IT and also within the Council's transformation programme. *
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*Carried forward items have been included in Appendix 2 with new target completion dates.

APPENDIX 2

CONTINUOUS IMPROVEMENT AGENDA FOR 2022/2023:

The Council's Corporate Governance Assurance Statement group has identified the following areas for improvement, full details are included in the Council's Local Code of Corporate Governance, to be taken forward during 2022/2023:

	Improvement	Source	Details	Responsible Officer	Target Completion Date
1	Update Corporate Asset Management Strategy.	Local Code of Corporate Governance 2017/2018. (Principle E: Developing the Entity). Report 223-2017	Carried forward from 2020/2021. In progress.	Executive Director of Corporate Services.	31/12/22
2	Continue to develop Business Continuity Strategy.	Local Code of Corporate Governance 2017/2018. (Principle F: Managing Risk). Report 223-2017	Carried forward from 2020/2021. In progress.	Service Manager - Community Safety and Resilience.	31/12/22
3	Develop programme for consideration of the suitability of key Operational IT systems.	Annual Governance Statement 2018/2019. (Self-Assessment Checklist (SAC): Internal Control Environment section). Report 214-2018	Carried forward from 2020/2021. In progress.	Head of Customer Services and IT.	31/10/22
4	Replace Construction Services' Costing System.		Carried forward from 2020/2021. In progress.	Head of Construction and Head of Customer Services and IT.	30/04/23
5	Revise Corporate Fraud Policy.	Internal Audit Report (Ref 2018/21).	Carried forward from 2020/2021. In progress.	Senior Manager – Internal Audit.	31/08/22
6	Engage with Elected Members on proposals for future personal development and maximise their opportunity to participate.	Local Government in Scotland: Challenges and Performance 2019 Report 166-2019 External Audit Report to Members on the Audit of DCC's 2018/2019 Accounts Report 338-2019 Best Value Self-Assessment Report 68-2020	Carried forward from 2020/2021. In progress. Support the development and tracking of individual personal development plans. Explore opportunities to learn from best practice elsewhere.	Head of Democratic and Legal Services / Head of Human Resources and Business Support.	31/08/22
7	Develop a future needs analysis and workforce plan within each service area for the short, medium and long term in line with the Our People and Workforce Strategy.	Best Value Self-Assessment Report 68-2020	Carried forward from 2020/2021. In progress. To ensure staff skills match service delivery requirements and align workforce and strategic planning to ensure citizen's needs are being met in accordance with agreed priorities and statutory duties.	Head of Human Resources and Business Support.	31/03/23

8	Review the Council's response to Covid 19 crisis.		Carried forward from 2020/2021. In progress. Including lessons learned, good practice, and areas for improvement.	Chief Executive / Executive Director of Corporate Services.	30/09/22
9	Identify the most appropriate apps in O365 to improve DCC Services.	Annual Governance Statement 2020/2021. (Self-Assessment Checklist (SAC): Internal Control Environment section).	Carried forward from 2021/2022. In progress.	Head of Learning and Organisational Development.	31/12/22
10	Review the Long-term Financial Strategy to reflect the impact of Covid 19.	Audit Scotland's 2021/2022 Annual Audit Report, recommendation 4.	New for 2022/2023.	Executive Director of Corporate Services.	30/09/22
11	Develop Risk Board to oversee legislative changes.	Annual Governance Statement 2020/2021. (Self-Assessment Checklist (SAC): Internal Control Environment section).	New for 2022/2023.	Executive Director of Corporate Services.	31/03/23

Dundee City Council's Governance Structure

