

**Financial Scrutiny and Audit
Committee**

24 July 2018

Agenda Item No 7

Annual Governance Statement 2017/18

Report by Solicitor and Monitoring Officer

Summary: This report explains the legal requirement, background and purpose of the Annual Governance Statement, and the requirement to carry out an annual review of the Authority's systems of internal control and governance arrangements. The draft Annual Governance Statement for 2017/18 is attached, for members' consideration.

Recommendations:

- (i) That the Annual Governance Statement for 2017/18 and Action Plan for 2018/19 are approved.
- (ii) That the Committee notes, subject to implementation of the improvements identified in the Action Plan, that the Authority's internal control systems and governance arrangements are considered to be adequate and effective.

1 Introduction

- 1.1 The Accounts and Audit Regulations 2015 ("the Regulations") contain a requirement that an Annual Governance Statement, prepared in accordance with proper practices in relation to internal control, must be approved 'by the relevant authority' (in this case the Broads Authority) and must accompany the Statement of Accounts.
- 1.2 As effective from last year the Regulations specify a new, earlier date for publication of an Annual Governance Statement than in the past, now to be no later than 31st July of the financial year immediately following the end of the financial year to which the Statement relates.
- 1.3 The implementation of the Regulations is undertaken by the Authority following advice, guidance and recommendations of the Chartered Institute of Public Finance & Accountancy (CIPFA).
- 1.4 The Regulations require local authorities to conduct a review at least once a year of the effectiveness of their systems of internal control and risk management, so as to give assurance on their effectiveness and/or to produce a management action plan to address identified weaknesses. The Regulations require an authority to ensure that it has a sound system of internal control which:-

- (a) facilitates the effective exercise of its functions and the achievement of its aims and objectives;
- (b) ensures that the financial and operational management of the authority is effective; and
- (c) includes effective arrangements for the management of risk

1.5 The Authority has received the Assurance Review of Corporate Governance by the Head of Internal Audit for 2017/18 as set out in the attached draft Annual Governance Statement at paragraph 8.9. The overall opinion was stated as follows:

*“The overall opinion in relation to the framework of governance, risk management and controls at the Broads Authority is **reasonable**, with all audits concluding with a reasonable opinion. We therefore have no Internal Audit considerations for the Annual Governance Statement.*

It is worth noting that the Authority recently participated in a Peer Review, with one of the recommendations stating that the governance arrangements need to be reviewed to ensure that the structure is fit for the future. An action plan is in place to address, with six proposals being progressed. The Head of Internal Audit will monitor progress over the forthcoming year and consider if further internal audit review is required.

In providing the opinion the authority’s risk management framework and supporting processes, the relative materiality of the issues arising from the internal audit work during the year and management’s progress in addressing any control weaknesses identified therefrom have been taken into account.”

1.6 A further annual report setting out the Opinion of the Head of Internal Audit will have been considered by the Financial Scrutiny and Audit Committee at its meeting on 24th July 2018. The draft Annual Governance Statement sets out further details from the annual report and any recommendations and improvements are contained in the Action Plan for 2018/19.

1.7 Once agreed, the Annual Governance Statement should be signed by the Chairman of the Authority and the Chief Executive.

2 Code of Corporate Governance

2.1 The Authority’s systems for delivering good governance are set out in the Code of Corporate Governance which has been completely rewritten in the light of the 2016 CIPFA/Solace Framework ‘*Delivering Good Governance in Local Government*’. (“the Framework”). The new Code was reviewed by the Broads Authority at its meeting on 18th May 2018 and welcomed by Members as a clear and concise document.

2.2 The principles and standards set out in the Framework are aimed at helping local authorities to develop and maintain their own codes of governance and discharge their accountability for the proper conduct of business. The

Framework emphasises the importance of good governance to the wider outcomes of good management, good performance, and good public engagement. It puts high standards of conduct and leadership at the heart of good governance, placing responsibility on members and officers to demonstrate leadership by behaving in ways that exemplify high standards of conduct, and so set the tone for the rest of the organisation.

- 2.3 The Authority's Code of Corporate Governance is signed by the Chairman and Chief Executive.

3 Role of the Chief Financial Officer

- 3.1 In 2010 CIPFA issued a document entitled *'The Role of the Chief Financial Officer in Local Government'*. The Statement supports CIPFA's work to strengthen governance and financial management across the public services, and sets out five principles that define the core activities and behaviours that belong to the role of Chief Financial Officer (CFO) in local government and the governance requirements needed to support them. These are set out in paragraphs 3.2 and 3.3 below.

- 3.2 The CFO in a local authority:

- is a key member of the leadership team, helping it to develop and implement strategy and to resource and deliver the authority's strategic objectives sustainably and in the public interest;
- must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risk are fully considered, and alignment with the authority's financial strategy;
- must lead the promotion and delivery by the whole authority of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

- 3.3 To deliver these responsibilities the CFO:

- must lead and direct a finance function that is resourced to be fit for purpose;
- must be professionally qualified and suitably experienced.

- 3.4 It is further recommended that, in their Annual Governance Statements, local authorities should 'include a specific statement on whether the authority's financial management arrangements conform with the guidance 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'. This statement is set out in paragraph 3.11 of the Annual Governance Statement.

4 Annual Review of Governance Arrangements

- 4.1 The production and publication of the Annual Governance Statement is the result of an on-going review of the adequacy of internal control systems and governance arrangements, and is not an activity which should be viewed in isolation.
- 4.2 The review has been informed by the work of officers of the Authority, who have responsibility for the maintenance and review of the internal control environment, internal audit reports and the recommendations made by external auditors and inspectors. The review of Partnership arrangements and the review of the Strategic Risk Register also contributes towards the review.
- 4.3 Where significant weaknesses have been identified these are set out in the Action Plan (Appendix 1b). It should be noted that this Action Plan does not cover all the activities which will be undertaken during the year and which will contribute towards good governance, but focuses on those activities, and especially new initiatives and those issues identified by auditors, which will address weaknesses, ensure continuous improvement of the system and generally 'add value' to the arrangements.
- 4.4 A copy of the 2017/18 Action Plan is also appended (Appendix 2), with progress to date added. Where the appropriate action is still outstanding, it has been carried forward into the 2018/19 Action Plan.
- 4.5 The Financial Scrutiny and Audit Committee shall review the Annual Governance Statement and Action Plan at its meeting on 24th July 2018 and should there be any amendments proposed by the Committee, those amendments along with the Committees' recommendations shall be presented to the Authority for approval.

5 Summary

- 5.1 The Committee is asked:
- to review and comment on the internal control systems and governance arrangements in place;
 - to recommend the Annual Governance Statement for approval by the Broads Authority and confirm that it represents a true reflection of the control environment present in the Authority; and
 - to note that, subject to implementation of the improvements identified in the Action Plan, these are adequate and effective.
- 5.2 The Action Plan will be implemented during 2018/19 in order that there is on-going review and improvement of the systems of internal control and governance arrangements. Progress in implementing the Action Plan will be reported in the next Annual Governance Statement.

Background papers:

Author: David Harris

Date of report: 25th May 2018

Broads Plan Objectives: None

Appendices: APPENDIX 1a– draft Annual Governance Statement 2017/18
APPENDIX 1b – 2018/19 Action Plan
APPENDIX 2 – 2017/18 Action Plan: Summary of Progress

Broads Authority

Annual Governance Statement 2017/18

1 The requirement for an Annual Governance Statement

- 1.1 The Broads Authority, as a relevant authority, is required to produce an Annual Governance Statement. This requirement is found in Regulation 6 (1)(a) and (b) of the Accounts and Audit Regulations 2015. It consists of a review of the effectiveness of internal control and the inclusion of a statement reporting on the review with any published Statement of Accounts.

2 The CIPFA/Solace Framework guidance

- 2.1 The Broads Authority acknowledges its responsibility for ensuring that there is a sound system of governance together with appropriate internal control systems to achieve this, including for the management of risk.
- 2.2 The Broads Authority implements the guidance contained in the CIPFA/Solace framework document "*Delivering Good Governance in Local Government*". This guidance was updated by CIPFA in 2016, following the introduction of the Accounts and Audit Regulations 2015.
- 2.3 The framework defines the principles that should underpin the governance of each authority. Authorities should test their governance structures and partnerships against the principles in the framework by:
- Reviewing existing governance arrangements.
 - Developing and maintaining an up-to-date local code of governance, including arrangements for ensuring ongoing effectiveness.
 - Reporting publicly on compliance with their own code on an annual basis, and on how they have monitored their effectiveness of their governance arrangements in the year and on planned changes.
- 2.4 The framework sets out a number of core and sub-principles against which authorities should demonstrate the compliance of their governance structures. These core principles are:
- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law
 - Ensuring openness and comprehensive stakeholder engagement
 - Defining outcomes in terms of sustainable economic, social and environmental benefits
 - Determining the interventions necessary to optimise the achievement of the intended outcomes
 - Developing the entity's capacity, including the capability of its leadership and the individuals within it.
 - Managing risks and performance through robust internal control and strong public financial management

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

2.5 The Authority has approved and adopted a Code of Corporate Governance in accordance with the previous CIPFA guidance. This Code has been completely revised and rewritten during 2018 and was reviewed by the Broads Authority at its meeting on 18th May 2018. A copy of the Code is available on the Authority's website at www.broads-authority.gov.uk or from the Monitoring Officer at Yare House, 62-64 Thorpe Road, Norwich NR1 1RY.

3 The governance framework of the Broads Authority

3.1 The Broads Authority is an independent body working within the framework of local government. It is constituted as a body corporate by the Norfolk and Suffolk Broads Act 1988 with three general duties:

- To conserve and enhance the natural beauty, wildlife and cultural heritage of the Broads
- To promote opportunities for the understanding enjoyment of the special qualities of the Broads by the public
- To protect the interests of navigation

Section 2(4) sets out the matters the Authority must have regard to in carrying out these functions. These include the national importance of the area as an area of natural beauty, desirability of protecting it from damage and the needs of agriculture, forestry and the local economic and societal needs.

In relation to the interests of navigation, section 10 (a) and (b) sets out specific requirements to maintain the navigation area to such standard as appears to be reasonably required and to develop and improve it as it thinks fit.

The Broads Authority is also the local planning authority for the area and a harbour and navigation authority.

3.2 The Broads Authority has unique governance arrangements that combine elements of accountability to central government (via DEFRA) and to local communities. This reflects the needs and interests of both national and local stakeholders. In relation to the former, 10 members are appointed by the Secretary of State. Local accountability is achieved by the appointment of nine members who are also locally elected County and District Councillors. In addition, the Authority has a number of co-opted members to its Navigation Committee to advise it in protecting the interests of navigation, and 2 of these members are appointed to the Broads Authority. In total, the Broads Authority has 21 members and meets four times a year, with two additional workshops.

3.3 All matters, other than the Planning Committee and those matters specifically delegated to the Chief Executive, are dealt with by the full Broads Authority as the prime decision maker. The framework consists of decision making carried out by Members of the Authority at its meetings, which are held every two months. Day-to-day routine decision making is delegated by Members to officers of the Authority through the Scheme of Delegated Powers. This scheme is available as one of many constitutional documents, from the Monitoring Officer.

- 3.4 The Audit and Risk Committee (previously known as Financial Scrutiny and Audit Committee) consists of up to 7 members of the Authority and meets three times a year. It has responsibility for financial scrutiny, including a review of the Statement of Accounts and Annual Governance Statement, financial planning, audit and risk management. It takes a strategic view on whether the resources allocated to the Authority are used effectively. This is an advisory committee to the Authority and does not make decisions.
- 3.5 The Authority's functions as a local planning authority are carried out by its Planning Committee of 12 members, with powers delegated to officers in accordance with nationally established legislation. The Planning Committee is a decision-making committee and normally meets 4-weekly. Planning decisions, whether made at Committee or through delegated powers, are published on the Authority's website.
- 3.6 The Authority's Navigation Committee of 13 members and co-opted members advises on the navigation function of the Authority and meets five times a year. It is an advisory committee to the Broads Authority and does not make decisions. However, if the Broads Authority does not accept recommendations by the Navigation Committee it is required to give reasons.
- 3.7 The Broads Local Access Forum is a semi-independent body to advise the Authority on the improvement of public access to land within the Broads executive area.
- 3.8 The Broads Authority is currently reviewing its engagement with stakeholders and this has in past years been carried out through the Broads Forum. New arrangements are currently being considered by Members.
- 3.9 The Authority has two Independent Persons, appointed in July 2016, who are regularly consulted to enable the Authority to achieve high ethical standards.
- 3.10 The Authority has three officers as required by statute, who carry out specific duties, namely the Head of Paid Service (the Chief Executive), the Monitoring Officer (the Solicitor and Monitoring Officer) and the Section 17 Officer (Chief Financial Officer). The Chief Financial Officer manages the financial arrangements and internal financial controls on a day-to-day basis. Along with the Director of Strategic Services and the Director of Operations, these officers comprise the Authority's Management Team. From May 2018 the Authority was required to have a Data Protection Officer and this role is carried out by the Solicitor and Monitoring Officer who has qualifications as a Data Practitioner.
- 3.11 It is considered that the authority's financial management arrangements conform with the guidance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).
- 3.12 There are a number of procedures to ensure that the Authority obtains best value for money in all that it does, including Financial Regulations, Standing Orders Relating to Contracts and a Procurement Strategy. These are all reviewed and updated on a regular basis. The Financial Regulations have been reviewed to reflect that the Section 17 Officer and Treasury is now managed in-house. The Standing Orders Relating to Contracts were updated in May 2018. The Authority also adopted a Counter Fraud Bribery and Corruption Strategy, which was updated in February 2016.

- 3.13 The Authority monitors the effectiveness of internal control systems through the consideration of regular internal audits, performance management and budget monitoring reports, and through monitoring and receiving reports on the work of the Audit and Risk Committee.

4 Arrangements for decision making and openness

- 4.1 The Authority's arrangements for decision making were the subject of an internal audit in 2016/17 and are set out in publicly available documents. These include Standing Orders, Scheme of Delegated Powers, a description of the role of Members and of co-opted Members, and a Protocol on Member and Officer Relations.
- 4.2 The Authority and its committees have distinct terms of reference. Meetings of the Authority and its committees are in public (save for items which are exempt under legislative guidance). In January 2017 the Authority approved a trial recording of all its meetings, which has been continued on a permanent basis. Members of the public may ask questions at meetings.
- 4.3 Officer responsibilities are defined through their job descriptions and a clear set of policies and procedures, including core values, that officers are expected to follow. An officer code of conduct and appraisal system underpins effective delivery of service and performance standards, as well as setting out areas of decision-making responsibility.
- 4.4 As a recommendation from internal audit, the Authority has, in relation to delegated decisions, implemented a Register of certain categories of delegated decisions. This register is available for inspection and will be published on the Authority's website. The Authority has also reviewed its implementation of the Local Government Transparency Code 2015 in the last two years. This includes the publication of specified categories of information on its website, such as information on procurement, assets, salaries and pay multiples, and is found on the 'Transparency' page of the Authority's website.
- 4.5 Standing Orders for Procurement of contracts set out arrangements governing the award of contracts, to ensure that procurement processes are fair, transparent and lawful and that value for money is being obtained.
- 4.6 The Protocol on Member and Officer Relations was reviewed and updated by the Authority in May 2017.
- 4.7 The Standing Orders for the regulation of Authority Business were reviewed and updated in May 2017.

5 Core values, ethics and behaving with integrity

- 5.1 The Localism Act 2011 transferred to local authorities the duty to promote and maintain high standards, previously exercised by Standards for England. Accordingly the Broads Authority seeks to achieve this throughout the spectrum of its governance documentation. For example, the Nolan Principles feature in the Members' code of conduct, reviewed in September 2016, and the Authority's Independent Persons provide external scrutiny of its standards processes.
- 5.2 In May 2017 the Solicitor and Monitoring Officer undertook a review of ethics within the Authority, which was considered by Members. His report considered the broad

question of ethical standards at the Authority in the context of governance, reviewing available guidelines and making appropriate recommendations.

- 5.3 The Broads Authority has adopted the following set of core values as a local ethics code:

Sustainable – We consider the environmental and financial implications in everything we do

Exemplary – We strive for excellence in all we do

Commitment – We are committed to making a difference for the Broads for the benefit of everyone

Caring – We are considerate and respectful of each other

Open and Honest – We are open, honest and inclusive in all our decisions and communications

- 5.4 The Authority uses these core values in its codes of conduct for officer and Members, recruitment, staff interviews and appraisals, in the Protocol on Member and Officer Relations, and in staff and Member development programmes.

6 Engaging with stakeholders and the Broads Plan

- 6.1 The Broads Plan is the management strategy for the Broads, drawing together and guiding a wide range of partnership plans and programmes relevant to the area. The Plan sets out the long-term vision for the area and short-term actions for the benefit of the natural and cultural environment, local communities and visitors. While the Authority is responsible for its production, many organisations and local interest, amenity and community groups are involved in its implementation and review. Broads Plan 2017-22 was adopted in March 2017, following an 18-month review and consultation process.
- 6.2 Members of the Authority are regularly updated on progress on actions in the Plan at Authority meetings, which are open to the public, and published on the Authority's website. Updates are also sent to Plan partners and to stakeholders.
- 6.3 Monitoring indicators, including a 'State of the Park' report, help assess progress and changes in the Broads over time, and are updated and reported in line with the Broads Plan 5-year review cycle.
- 6.4 The views of users have been sought through a number of means, including the visitor centres annual survey, inviting comment and feedback at parish forums, an on-going survey of users of the corporate website and the annual Broads Outdoors Festival feedback forms.
- 6.5 A major stakeholder survey of hire boat operators, private boat owners, residents and visitors took place in 2014. Members support the view of repeating this exercise in 2019 as part of strategic approach in formulating the Broads Plan and its priorities for the following five year period. Public consultations were undertaken during February and April 2016 on the draft Broads Plan and on the Issues and Options of the Broads Local Plan. All comments received were made publicly available.
- 6.6 The Authority communicates the results of surveys, and other relevant information, through its website and social media, and through its regular publications including Broad Sheet (aimed at toll payers), Broadcaster (visitor newspaper) and the Annual Report. It also holds community and stakeholder events, such as parish forums and stakeholder workshops, which are open to the public and attended by Members and

officers of the Authority. Members and officers may also be invited to community and partner meetings and events, to provide information and respond to questions.

7 Managing risk and performance

- 7.1 The responsibility of the Audit and Risk Committee includes obtaining assurances from a range of measures and reports that value for money is obtained in the use of the Authority's resources and that risk and performance are actively managed to achieve best results. Specifically, this includes the effective development and operation of risk management, and reviews the Authority's Strategic Risk Register.
- 7.2 The Authority's Strategic Risk Register is reviewed six-monthly by risk owners so that the Management Team can provide assurance that key strategic and operational risks have been identified, monitored and reviewed during the year and that key controls to mitigate the identified risks have operated effectively throughout the year. It is also on the agenda of the Audit and Risk Committee for each meeting. In addition the Risk Management Strategy is reviewed annually.
- 7.3 The Strategic Risk Register was the subject of a comprehensive review in January 2017. New risks were identified and analysed and the Register was reformatted, with risks analysed in terms of numeric probability and severity both before and after the application of risk mitigation factors. The Strategic Risk register will have had a further 6-monthly review in June 2018 by Risk Owners.
- 7.4 The Authority has a Business Continuity Plan, which is reviewed annually to mitigate the effects of a major incident affecting some or all of the Authority's operations. In February 2017, to test the Plan, Management Forum undertook a simulated incident of systems failures causing an evacuation in a table top exercise that also involved the representatives of the landlord. The Authority also has specific continuity plans for finance and IT.
- 7.5 A Partnerships Protocol and Register of Partnerships have been developed, and the Management Team has identified and reviewed the governance arrangements in respect of all significant partnerships. Identified weaknesses are being addressed through an Action Plan, with responsibility for action and timescales. It has also been agreed to provide an annual report on Partnerships to the Broads Authority. The next one will be provided in September 2018.
- 7.6 The Authority has in place a series of internal financial controls, including approved budgets, separation of duties and authorised signatures, to reflect good practice and ensure that its finances are managed securely to minimise risk.
- 7.7 The Authority has data of all its land and property assets on a consolidated Excel database and an Asset Management Strategy which includes a full asset disposal policy.
- 7.8 The Authority's performance across its operations is the subject of regular meetings of the Management Team, with financial reports and budgets considered monthly and reports provided to members at each meeting.
- 7.9 The Authority has a whistleblowing policy for its staff, and its Monitoring Officer has a duty to write a report if the Authority or any of its committees proposes action that would be unlawful or amount to maladministration.

8 Sources of Assurance, Peer Review and Internal audit conclusions

- 8.1 The main independent sources of assurance on the operation of the governance framework are the work of the Authority's Internal and External Auditors, supported by other external organisations such as Investors in People. Independent scrutiny in relation to implementation of a number of procedures is provided by the Independent Persons.
- 8.2 In October 2017 the Authority underwent a Peer Review organised through the Local Government Association. The Review team was asked by the Authority 'Whether the Authority's governance structure including its membership, committees, and other decision-making processes, could be revised to better fit the changing environment within which it operates. A copy of the Peer review report is available on the Authority's web site at <http://www.broads-authority.gov.uk/broads-authority/how-we-work/lga-peer-review>
- 8.3 Following a period in development and as an outcome to the Peer review process the Broads Authority considered a report which developed six proposals and recommendations at its meeting on 18th May 2018.
- 8.4 Internal audit reports are considered by the Management Team and other officers as appropriate. A management response is submitted in respect of each recommendation, setting out whether the recommendation is accepted, what action will be taken, which officer is responsible and the timetable for action. Each audit report contains an independent assurance of opinion on the adequacy and effectiveness of controls in place to mitigate risks. The agreed actions are followed up to ensure implementation, thus ensuring that the Authority's risks are properly managed. A summary of all internal audit work carried out during the year is received by the Audit and Risk Committee, together with regular reports setting out progress made in implementing internal audit recommendations. Any significant issues of concern are brought to the attention of the Broads Authority.
- 8.5 The Head of Internal Audit for the Authority develops annually a strategic audit plan, using a risk based approach.
- 8.6 The Accounts and Audit Regulations 2015 require that the Authority must undertake an annual review of the effectiveness of its internal audit function, and that this review must be carried out by the same body that reviews the effectiveness of the system of internal control. The aim is not only to make the Authority more aware of the work of Internal Audit and its key role in governance, but also to make those charged with governance more able to understand the connection between, and the Authority's responsibility for, risk management, internal control and the function of internal audit.
- 8.7 Internal audit work is divided into 4 broad categories:
- Annual opinion audits;
 - Fundamental financial systems that underpin the Authority's financial processing and reporting;
 - Service area audits identified as worthy of review by the risk assessment processes within internal audit;
 - Significant computer systems which provide the capability to administer and control the Authority's main activities.

8.8 Additionally, the Broads Authority is informed of the work of the appointed auditors and inspectors, including receipt of the Audit Results report and annual audit and inspection letter from the External Auditors. The Head of Internal Audit is required to provide an annual opinion on the overall adequacy and effectiveness of the Authority's internal control environment, including its corporate governance framework and risk management arrangements, identifying any weaknesses that qualify this opinion and highlighting significant issues.

8.9 The Authority has received the Opinion 2017/18 by the Head of Internal Audit. It contains the following statement:

*"The overall opinion in relation to the framework of governance, risk management and controls at the Broads Authority is **reasonable**, with all audits concluding with a reasonable opinion. We therefore have no Internal Audit considerations for the Annual Governance Statement.*

It is worth noting that the Authority recently participated in a Peer Review, with one of the recommendations stating that the governance arrangements need to be reviewed to ensure that the structure is fit for the future. An action plan is in place to address, with six proposals being progressed. The Head of Internal Audit will monitor progress over the forthcoming year and consider if further internal audit review is required.

In providing the opinion the authority's risk management framework and supporting processes, the relative materiality of the issues arising from the internal audit work during the year and management's progress in addressing any control weaknesses identified therefrom have been taken into account."

8.10 As part of the work of Internal Audit concluded within the year was an audit of the Authority's preparations for implementing the provisions of the EU General Data Protection Regulation (GDPR), concluding with Reasonable Assurance and which falls within the overall opinion noted in 8.9.

8.11 The Authority is accredited by Investors in People (IIP), having had its *Silver* accreditation rating reconfirmed in December 2017.

9 Review and implementation of interventions

9.1 An Action Plan has been developed to address any governance issues identified as needing review or improvement, and to secure continuous improvement in the Authority's governance arrangements. This is set out at Appendix 1 in two parts.

9.2 This Action Plan has been informed by the results of audit and other reports, and by the results of a self-assessment assurance statement. The statement was circulated to all senior managers, inviting them to assess the Authority's performance across a range of governance issues to identify any gaps and weaknesses and add value to the Authority's governance arrangements.

9.3 The Authority proposes over the coming year to take steps to address the above matters to further enhance its governance arrangements. It is satisfied that these steps will address the need for improvements identified in the review of effectiveness, and will monitor their implementation and operation as part of its next annual review.

Signed
Chair of the Authority

Date2018

Signed.....
Dr J Packman, Chief Executive

Date2018

Appendix 1b

Annual Governance Statement 2017/18

2018/19 Action Plan

Action	Lead Officer(s)	Target Date	Priority
Continue implementation of Authority's GDPR compliance plan and review policies and procedures in the light of forthcoming guidance by ICO.	Solicitor and Monitoring Officer (Data Protection Officer)	31 March 2019	H
Equalities Working Group to report on an equality analysis of employment policies and practices	Head of HR, Volunteer Co-ordinator and Solicitor and Monitoring Officer	31 March 2019	L
Complete implementation of action plan following Peer Review report.	Chief Executive	31 December 2018	H
Complete draft of Members Handbook on Induction to incorporate key Member documents	Solicitor and Monitoring Officer	30 September 2018	L
Completion of phase 2 of internal HR policies and procedures	Head of HR	31 March 2019	M
Agree a timetable for completion of lease agreements with legal service providers to avoid delay. This will be part of the review of external legal services currently being undertaken, with the intention of setting up standing lists.	Solicitor and Monitoring Officer	30 September 2018	M
Inclusion of Port and Marine Safety Code in future annual reports to include compliance and standard of performance cross-referenced to performance dashboard.	Head of Safety Management, Head of Communications.	30 September 2018	M

Action	Lead Officer(s)	Target Date	Priority
Briefing packs in relation to the risk assessment process, hazard identification and assessment and the ALARP principle (which are provided to the stakeholder group involved in the review of hazards) should be made available to all new appointees to the Navigation Committee and the BSMG and training records kept.	Solicitor and Monitoring Officer, Head of Safety Management	February 2019	M
The Scheme of Powers Delegated to Officers is updated to remove outdated references to the Treasurer and Financial Advisor to the Authority and to replace them with current references including the Chief Financial Officer (Section 17 Officer).	Solicitor and Monitoring Officer	July 2018	L

Appendix 2

Annual Governance Statement 2017/18

2017/18 Action Plan Summary of Progress

Action	Lead Officer(s)	Target Date	Priority	Status
Implement the provisions required of the Authority by the new General Data Protection Regulation, which comes into effect on 25 May 2018. Nominate Data Protection Officer.	Head of IT and Collector of Tolls, Head of Communications and Solicitor and Monitoring Officer	31 March 2018	H	Data Protection Officer appointed. Task essentially complete and has been subject of internal audit. Some ongoing work as part of our GDPR Compliance Plan.
Update Standing Orders on Committees specifically to address issue concerning terms of reference of FSAC raised by internal audit	Solicitor and Monitoring Officer	31 July 2017	M	Completed
Review of Ethical standards and recommendations on any improvements	Solicitor and Monitoring officer	31 March 2017	L	Completed, report to BA in May 2017
Review and implement specific guidance on majority and casting vote to Standing Orders regulating Authority Business raised by internal audit	Solicitor and Monitoring Officer	31 July 2017	H	Completed
Produce Members Handbook on Induction to incorporate key Member documents	Solicitor and Monitoring Officer	30 September 2017	L	Draft completed awaiting some further amendment following Peer Review outcomes. Carried forward to 2018/19 Action Plan
Produce Register of delegated decisions under Openness Regulations 2014 and place on web page as recommended by	Solicitor and Monitoring Officer	31 July 2017	H	Complete

Action	Lead Officer(s)	Target Date	Priority	Status
internal audit March 2017				
Implement core values and continue to define a set of behaviours and embed them in recruitment, appraisal, 360 appraisal, survey and management training as recommended by IIP	Chief Executive	30 November 2017	M	Complete and was reviewed by IIP as part of re-accreditation in December 2017.
Management Team to introduce more transparency in monitoring of key Performance Indicators (KPIs) in terms of continuous improvement and innovation as recommended by IIP	Chief Executive	30 November 2017	M	Completed and was reviewed by IIP as part of re-accreditation in December 2017.
Completion of phase 2 of internal HR policies and procedures	Head of HR	31 December 2017	M	Incomplete due to staff resource issues and will be carried forward to 2018/19
Equalities Working Group to report on an equality analysis of employment policies and practices	Head of HR, Volunteer Co-ordinator and Solicitor and Monitoring officer.	30 November 2017	M	Group established and has had two meetings but recent meetings postponed due to GDPR priorities. Will carry forward to 2018/19
Completion of updated procurement training to officers who have responsibilities for conducting procurements to include updated processes of procuring intermediaries under the IR35 legislation.	Chief Financial Officer	30 November 2017	M	Completed June 2018.