ESPO

Annual Governance Statement 2013/14

1. SCOPE OF RESPONSIBILITY

ESPO is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. ESPO 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, ESPO is responsible for putting 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.

ESPO has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government.* A copy of the code is on our website and this statement explains how ESPO has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems and processes, culture and values by which the Organisation is directed and controlled and its activities through which it accounts to, engages with and leads its communities. It enables the Organisation to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate services and value for money.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of ESPO'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 governance framework has been in place at ESPO for the year ended 31 March 2014 and up to the date of approval of the annual report and statement of accounts. ESPO's governance environment is consistent with the six core principles of the CIPFA/SOLACE framework, within each principle we have identified the sources of assurance.

PRINCIPLE A: Focusing on the purpose of the organisation and on outcomes for our stakeholders and implementing a vision for the future.

Under this principle, there is a requirement to:

- Exercise strategic stewardship by developing and clearly communicating the organisation's purpose and vision and its intended outcome for stakeholders.
- Ensure that users receive a high quality of service whether directly, or in partnership, or by commissioning.
- Ensure the organisation makes best use of resources and that tax payers and service users receive excellent value for money.

Description of Governance Mechanisms: *Evidence and documents that demonstrate compliance / good practice*	Assurances received	Weaknesses identified: *Areas for improvement*
• Service/Business Plans supported by relevant strategies • Communication Strategy • Performance trends and reports on the progress of service delivery • Formal complaints policy and procedures that inform positive service improvement • Comparison of information on ESPO's economy, efficiency and effectiveness of services • Instruction on how to measure Value for Money	• Outcomes are delivered through Assistant Director plan's and strategies which set out objectives and targets in relation to ESPO's priority outcomes. • Communication strategy that is based on a brand survey of our customers allowing us to provide a better service to our stakeholders. • Performance trends reported through balanced scorecard. Also trends identified in monthly and weekly financial reports. • Annual Report considered by members – supported by approved Medium Term Financial Strategy and Annual Statement of Accounts; • A strategy which sets out how efficiencies included within the MTFS will be achieved; • Industry benchmarking measures undertaken in some departments to determine value for money.	• Improvements to Intranet and internet page. • Updated Balanced Scorecard to reflect new strategy.

PRINCIPLE B: Members and officers working together to achieve a common purpose with clearly defined functions and roles

Under this principle, there is a requirement of ESPO to:
- Ensure effective stewardship throughout the organisation and be clear about member and officer functions and of the roles and responsibilities of the scrutiny function;
- Ensure a constructive working relationship exists between organisation members and officers and that the responsibilities of members and officers are carried out to a high standard;
- Ensure relationships between the organisation, its partners and the public are clear so that each knows what to expect of the other.

Description of Governance Mechanisms – *Evidence and documents that demonstrate compliance / good practice*	Assurances received	Weaknesses identified: *Areas for improvement*
• Job descriptions for: Director, CFO; Head of Internal Audit Service, AD Finance • Member/Officer Protocol • Constitution • Scheme of delegation, standing orders and financial regulations • Effective Director and Chairman pairing • Compliance with Role of Chief Financial Officer and Role of Head of Internal Audit • Monitoring officer provisions • Conditions of employment including; appraisal arrangements; pay and conditions policies; structured pay scales • Effective performance management system including progress on Key Performance Indicators and identifying areas of improvement • Business and financial planning process	• Draft Constitution sets out ESPO's political structure and roles and responsibilities of the Committees, the Chief Officers and the rules under which they operate. There are specific job descriptions in place. • Draft Constitution sets out 'Responsibility for Functions' including scheme of delegation to the Director. Also includes financial regulations and contract procedure rules. • Regular meetings take place between the Chairman, the Director and the servicing authority. • Assessment of compliance with the Statement on the Role of the CFO and Role of the Head of Internal Audit. • Monitoring Officer and CFO are responsible for ensuring an appropriate framework exists to ensure procedures are followed. • Employment Committee at LCC manage and govern all pay matters and are responsible for terms and conditions of service, including remuneration. Pay Policy Statement ensures the ESPO manages its policy on pay and benefits in a fair, non-discriminatory, consistent and transparent way. • Established Finance function maintains sound financial frameworks and supports delivery of MTFS. • Management Committee maintain oversight of management and stewardship of ESPO	• Finalise agreement to Partnership Agreement and Constitution

PRINCIPLE C: Promoting values for the organisation and demonstrating the values of good governance through upholding high standards of conduct and behaviour

Under this principle, there is a requirement of ESPO to:

- Ensure organisation members and officers exercise Chairmanship by behaving in ways that exemplify high standards of conduct and effective governance;
- Ensure that organisational values are put into practice and are effective.

Description of Governance Mechanisms – *Evidence and documents that demonstrate compliance / good practice*	Assurances received	Weaknesses identified: *Areas for improvement*
- Annual Governance Statement - Member and Officers Codes of Conduct - Performance appraisal - Procedures for responding to behaviour complaints - Anti –fraud and anti-corruption policies - Standing orders and financial regulations - Register of Interests and Gifts and Hospitality – members and staff - Ethical awareness training and dealing with conflicts of interest - Communicating shared values with members, staff, the community and partners - Whistleblowing arrangements - Decision making practices/framework - Protocols for partnership working - Code of Corporate Governance	- AGS produced by compiling and scrutinising information from Departmental Self Assessments and assurance from Internal Audit Service. - Members of individual authorities are subject to their own Code of Conduct - Adopted LCC Employee Code of Conduct. 'Dignity At Work' Policy and Procedures provides employees with examples of unacceptable behaviour, and is complimented by other HR policies - Corporate Performance and Development Review (PDR) system in place to appraise the performance of all staff with completion rates monitored and reported. Managers align employees PDR priorities and objectives to the service, department and ESPO's priorities. 'Leading for High Performance' programme underpins the approach to performance management and covers importance of maintaining strong ethical governance. - Adopted LCC Anti Fraud & Corruption Policy, Strategy and Procedures. - Draft Constitution sets out 'Meeting Procedure Rules' and Financial Rules and Regulations - Organisational Values considered during the PDR, complimented by departmental notices displaying visions and achievements. "ESPO Matters" contains information for all staff. - Embedded 'Whistleblowing' procedures.	- Further improve staff awareness of the various codes of conduct, customer care standards, Anti F&C Policy, Whistleblowing, Bribery and Officer and Member Protocol. - Refresh existing Anti F&C Policy, Strategy and Procedures

PRINCIPLE D: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

Under this principle, there is a requirement of ESPO to:
- Be rigorous and transparent about how decisions are taken and listening and acting on the outcome of constructive scrutiny;
- Have good-quality information, advice and support to ensure that services are delivered effectively and are what the stakeholder wants / needs;
- Ensure that an effective risk management system is in place;
.

Description of Governance Mechanisms – *Evidence and documents that demonstrate compliance / good practice*	Assurances received	Weaknesses identified: *Areas for improvement*
- Finance and Audit Subcommittee - Internal Audit function - Decision making protocols / records of decisions and supporting materials - Members' and officers' code of conduct - Terms of reference and membership - Training for committee members including information needs to support decision making - Calendar of dates for submitting, publishing and distributing timely reports - Approved Risk Strategy/Policy - Effective counter fraud arrangements - Legal advice provided by officers	- Finance and Audit Subcommittee receive reports on the revenue budget and capital programme and performance reports in relation to targets and commitments and action plans arising from inspection and assessment reports. - Internal Audit Service annual plan of audits provide assurance that the governance, risk management and internal control systems of ESPO are operating effectively. - Terms of References for Committees and decision making protocols have been approved by Management Committee and are detailed in the draft Constitution - records of decisions, with supporting materials available through the Principal Committee Officer - ESPO's risk management framework recently aligned with local government best practice – providing assurance to senior management, Members and public that ESPO is mitigating the risks of not achieving key priorities. - Members of the Management Committee actively engage and take interest in risk management, including detailed scrutiny of the Corporate Risk Register. - Monitoring of reports to ensure propriety of decision making and that legal advice is included where necessary and appropriate. - External audit assurance from PWC - Chief Officer Group assurance	.

PRINCIPLE E: Developing the capacity and capability of members and officers to be effective

Under this principle, there is a requirement of ESPO to:
- Make sure that members and officers have the skills, knowledge, experience and resources they need to perform well in their roles;
- Develop the capability of people with governance responsibilities and evaluating their performance, as individuals and as a group.
- Encourage new talent for membership of the organisation so that best use can be made of individuals' skills and resources in balancing continuity and renewal.

Description of Governance Mechanisms – *Evidence and documents that demonstrate compliance / good practice*	Assurances received	Weaknesses identified: *Areas for improvement*
- Induction programme - Officer training and development plans - Availability and communication of activities - Performance reviews of officers - Workforce Planning - Member training and development	- Induction available to all managers and staff. - Corporate Performance and Development Review (PDR) system in place to appraise the performance of all staff with completion rates monitored and reported. Managers at all grades assessed against behaviours which underpin the management competency framework - Performance management and reporting systems in place at various levels, allowing outcomes to be cascaded and linked to individual development plans. - Member meetings with Director on quarterly basis. Also Members are invited to ESPO to review the business and meet officers. - Liaison Committee meetings	- Workforce planning for relevant posts - Improved access to L&D activities for all stakeholders

36

PRINCIPLE F: Engaging with stakeholders to ensure robust public accountability

Under this principle, there is a requirement of ESPO to:
- Exercise Chairmanship through a robust scrutiny function which effectively engages all local institutional stakeholders, including partnerships, and develops constructive accountability relationships;
- Take an active and planned approach to dialogue with and accountability to the public to ensure effective and appropriate service;
- Make best use of human resources by taking an active and planned approach to meet responsibility to staff.

Description of Governance Mechanisms – *Evidence and documents that demonstrate compliance / good practice*	Assurances received	Weaknesses identified: *Areas for improvement*
• Database of stakeholders • Annual report • Communication Strategy • Annual financial statements • Decision making and key documents • Freedom of Information Act publication scheme • ESPO Website • Best practice standards in recruitment and staff terms and conditions	• Full public annual report providing information on outcomes and achievements . • ESPO recognise the importance to consult, involve and listen to stakeholders so that the organisation can be improved and future plans made. • Communication strategy based on a brand survey. • The Account Statements set out the published statement of accounts of the Organisation year on year. The accounts have been produced in line with the various regulations that govern local organisation accounting. • Agendas, non-exempt reports (including medium term financial and business strategies and other key policies) and minutes of the meetings of the Management Committee and Finance and Audit Subcommittee are publically available via the Servicing Authority's website. • Freedom of Information (FOI) and Environmental Information Regulations Policy underpin the key principles of the Information Management Strategy in that ESPO embraces a culture that is open, accessible and accountable, aiming to publish as much information as possible. FOI practices are in place to enable ESPO to meet obligations and aid understanding of public interests. • ESPO website is frequently used as a medium to inform and engage with the stakeholders and updates on the homepage direct users to key information. • Recruitment undertaken in accordance with policy and procedures.	• Improvements to Intranet to ensure stakeholder awareness on all relevant issues.

3. REVIEW OF EFFECTIVENESS

ESPO 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 ESPO who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit Service's annual report, and also by comments made by the external auditors and other review agencies and inspectorates.

The CIPFA Governance Framework details the key sources of typical systems and processes that an organisation can adopt to ensure it has an effective system of internal control. Using this guidance ESPO can provide assurance that it has effective governance arrangements, which have been established through the following:

Code of Corporate Governance

The Director has a duty to monitor and review the operation of the Code of Corporate Governance and as part of this process the Director ensures an annual assessment of the Organisation's compliance with the Code of Corporate Governance is undertaken.

Internal Audit Service

Background

During the financial year 2013-14, Leicestershire County Council Internal Audit Service (LCCIAS) provided internal audit service to ESPO.

LCCIAS has adopted the principles of the Public Sector Internal Audit Standards (the PSIAS) which were introduced from April 2013. The PSIAS require an annual internal audit plan to be developed using a risk based approach. For 2013-14, the ESPO plan was aligned to the contents of corporate and department risk registers and governance self-assessments to ensure current and emerging risks were adequately covered. The plan also allows for specific audits of the key financial systems (including IT controls) which the External Auditor uses to form their opinion that there has not been material misstatement in the financial accounts.

Internal Audit Service reports may contain recommendations for improvements. The number, type and importance of recommendations affects how the auditor reaches an opinion on the level of assurance that can be given that controls are suitably designed and applied effectively, and that material risks will likely not arise. The combined sum of individual audit opinions and other assurances gained, allows the Head of Internal Audit Service (HoIAS) to meet another PSIAS requirement to form the annual internal audit opinion on the overall adequacy and effectiveness of the Council's governance, risk and control framework (i.e. the control environment).

Governance related internal audit work

An opinion on whether good governance principles have been applied is based on the results of audits of AGS; elements of key ICT controls; fraud management; budget management; MTFS; attendance management; risk management and the role of the servicing authority. Recommendations were relatively minor and where they related to governance, it was to strengthen it, i.e. not to have to establish it.

The HoIAS attends Finance and Audit Subcommittee and appropriate Management Committee meetings to present audit plans and reports, which enables him to gauge ESPO Member governance at first hand. The HoIAS has regular discussions with the ESPO Director and Assistant

Director (Finance), the Consortium Treasurer (and where required the Consortium Secretary) on governance issues and related aspects of audits.

Based on the above, the HoIAS has concluded that nothing of such significance, adverse nature or character has come to his attention, and as such reasonable assurance is given that ESPO's governance arrangements are robust.

Risk management related internal audit work

The majority of audits planned and conducted were 'risk based' i.e. ensuring that ESPO management identifies, evaluates and manages risk to achieving its objectives i.e. ensuring controls are in place to reduce risk exposure. A specific audit of the ESPO risk management framework (corporate risk register) proved there were further improvements and good elements of risk management, although further embedding at operational level would strengthen arrangements. Recommendations have been implemented and a further follow up audit will take place before the end of the 2014-15 financial year to evaluate progress.

The HoIAS provides the External Auditor with an opinion on ESPO management of fraud risk. This was followed up with the specific audit of counter fraud arrangements with some minor recommendations.

A previous year's High Importance recommendation relating to business continuity was tested and confirmed as implemented.

Based on the above the HoIAS concluded that ESPO has acknowledged there is scope to continue improving its risk management framework. Additionally, management has agreed to implement all internal audit recommendations which further mitigate risk, therefore reasonable assurance is given that risk is managed.

Financial (and ICT) Controls related internal audit work

A number of financial system audits were undertaken on ESPO's general ledger activities and other operational financial systems including, payroll and stock management.

No findings were of such seriousness as to suggest a fundamental weakness in a main financial system.

Previous year's High Importance recommendations relating to rebates income processes were tested and confirmed as implemented.

Based on the above, the HoIAS has concluded that reasonable assurance can be given that the operation and management of the core financial systems of ESPO are of a sufficient standard to provide for the proper administration of its financial affairs.

Risk management arrangements

Governance of Risk

ESPO's Code of Corporate Governance sets out a requirement to ensure that an effective risk management system is in place. In order for risk management to be most effective and become an enabling tool, ESPO must ensure a robust, consistent, communicated and formalised process is established. The refresh of the framework aims to ensure that links to Departmental Risk Registers are strengthened, thereby ultimately improving the flow of risk information throughout the Organisation. This revision also included a refresh of the Corporate Risk Register and Risk Management Policy and Strategy – these along with supporting documentation, form an integrated framework that supports the ESPO in the effective management of risk.

The new structure will enhance the effectiveness of the current approach to managing risks by developing and applying a more quantitative approach to decision making processes throughout ESPO. In implementing a management of risk system, ESPO seeks to provide assurance to all our stakeholders that the identification, evaluation and management of risk play a key role in the delivery of our strategy and related objectives.

External Audit

ESPO's external auditors PricewaterhouseCoopers (PWC) gave detailed findings from their planned audit work of ESPO, to those charged with governance through:

Report to those charged with Governance

Under International Auditing Standards, external auditors are required to report to those charged with governance on the significant findings from their audit before giving their audit opinion, the purpose of which is to highlight any significant matters. The report concluded that no significant audit and accounting issues were identified and that there were no material deficiencies in internal control, leading to an overall unqualified opinion.

Audit opinion for the 2012/13 Statement of Accounts, incorporating value for money conclusion

The audit involves obtaining evidence about the amounts and disclosures in the statement of accounts sufficient to give reasonable assurance that the statement of accounts is free from material misstatement, whether caused by fraud or error. For 2012/13, ESPO's statement of accounts presented a true and fair view, in accordance with the relevant codes and regulation.

ESPO's Constitution includes Standing Financial Instructions, Contract Procedure Rules and Schemes of Delegation. These translate into key operational internal controls such as: control of access to systems, offices and assets; segregation of duties; reconciliation of records and accounts; decisions and transactions authorised by nominated officers; and production of suitable financial and operational management information. These controls demonstrate governance structures in place throughout the Organisation which contribute to the production of the Annual Statement of Accounts and positive opinion presented by our external auditors.

ESPO is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to regularly review the adequacy and effectiveness of these arrangements. Having regard to the guidance on the specified criteria by the Audit Commission, external auditors are satisfied that, in all significant respects, ESPO put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2013.

Organisational Governance and Performance Framework

The Senior Management Team and Management Committee receives a quarterly Balanced Scorecard, which includes information relating to:
- Audit and risk management;
- Information issues;
- Procurement;
- Employee related information;

Annual Governance Assurance Statements

The annual review of effectiveness requires the sources of assurance, which ESPO relies on, to be brought together and reviewed from both a department and corporate view.

To ensure this Annual Governance Statement presents an accurate picture of governance arrangements currently in place, senior managers were required to complete a 'Governance Self

Assessment', which provided details of the measures in place within their area to ensure compliance (or otherwise) with ESPO's Code of Corporate Governance. Where specific 'areas of improvement' were identified, these have been incorporated into an action plan for management to discuss and prioritise during the course of the next financial year.

In order to assist the HoIAS' opinion on the adequacy and effectiveness of the Organisation's governance arrangements, sample checking of the returns and supporting evidence was conducted. This included:

- Discussion on how the self-assessment was conducted, co-ordinated, discussed and signed;
- Follow up with an Assistant Director and a senior manager to confirm their involvement;
- Selecting areas across the range of the six core principles to test if there was sufficient evidence to support the response;

The Role of the Chief Financial Officer (CFO)

CIPFA has issued the *CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).* The statement sets out five principles that define the core activities and behaviours that belong to the role of the CFO and the governance requirements needed to support them. The CFO of ESPO is also the CFO of LCC.

The Role of the Head of Internal Audit

CIPFA has issued the *CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations (2010).* The statement sets out five principles that define the core activities and behaviours that belong to the role of the head of internal audit and the organisational requirements needed to support them. The Head of the Internal Audit Service for ESPO is also the Head of the Internal Audit Service for LCC.

ESPO's internal audit arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations (2010).* The HoIAS works with key members of the Senior Management Team to give advice and promote good governance throughout the organisation. The HoIAS attends the Finance and Audit Subcommittee and the Management Committee as and when required. The HoIAS also leads and directs the Internal Audit Service so that it makes a full contribution to and meets the needs of the Organisation and external stakeholders, escalating any concerns and giving assurance on ESPO's control environment. The HoIAS has completed an assurance statement, providing evidence against core activities and responsibilities which strengthen governance, risk management and internal control across the Organisation.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the above, and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

4. GOVERNANCE ISSUES

This review of effectiveness has been informed by both Internal and External Audit and the conclusion of the review is that ESPO's overall financial management and corporate governance arrangements during 2013/14 were sound.

Progress on issues previously identified:

The table below describes the governance issues identified during 2012/13 and the progress made against this during 2013/14. These are not considered material governance issues:

Key Improvement Area	Update on position	Carry forward for 2014/15	Lead Officer
Complaints Review complaints arrangements to ensure lessons learned flow through to department action plans.	Completed	No	Director
Benchmarking Enhance benchmarking against other organisations by including cost base efficiency as well as competitive pricing.	Competitive pricing review carried out. Benchmarked Transport costs as part of review.	No	Director
Value for Money Improve VFM measures throughout the individual departments to ensure all stakeholders receive the best value for money service.	Progress made but an ongoing commitment	Yes	Director
Constitution and Partnership Agreement Finalise agreement to Constitution and Partnership Agreement with individual Members.	Expected to be finalised in June 2014	Yes	Monitoring Officer
Scheme of Delegation Improve scheme of delegation down to lower levels of management.	Implemented August 2013	No	AD Finance
Internal Communication Improve staff awareness of the various codes of conduct, customer care standards, Anti F&C Policy, Whistleblowing, Bribery and Officer and Member Protocol.	Policies on the intranet though issue of staff awareness still a concern	Yes	Director
Anti Fraud & Corruption ESPO assesses itself against the Audit Commission's Protecting the Public Purse' (PPP) and the National Fraud Authority (NFA) Counter Fraud checklist to increase understanding of fraud exposure and direct potential improvements. Refreshing and aligning ESPO's existing policy, strategy and procedures to guidance within the NFA Fighting Fraud Locally, Local Government Fraud Strategy, will enhance arrangements to create fraud awareness and further emphasise ESPO's zero tolerance towards fraud.	Policies on the intranet though issue of staff awareness can be further improved	Yes	Director
Risk Management Improve risk management awareness throughout the organisation and continue to embed risk management at operational level.	Updated Risk strategy. Internal audit recommendations implemented. More regular and detailed	No	AD Finance

	SMT reviews		
Succession Planning There is a lack of succession planning for key posts. A review of key roles and responsibilities will be undertaken	New SMT in place though in some area's succession planning continues to be important	Yes	Director
FOI requests Improve handling of FOI requests such that a more robust procedure is in place.	Process reviewed and now compliant.	No	Director
Stakeholder Database Prepare database to ensure all areas of public accountability is properly administered.	Completed	No	Director
Improve links to LCC website for Committee papers and minutes. Development and maintaining of ESPO website to establish a direct link to the LCC website to ensure that relevant Committee papers and minutes can be accessed and viewed	Completed	No	AD Finance

Whilst the review of effectiveness concluded ESPO's overall financial management and corporate governance arrangements during 2013/14 are sound, the assurance gathering process identified key corporate areas of improvement. Implementing actions to address these will ensure that identified weaknesses within ESPO's current control environment will be strengthened, and further enhance our overall governance arrangements.

The table below describes identified areas for improvements during the review period 2013/14 to carry forward for monitoring within 2014/15.

Key Improvement Area	Lead Officer	Deadline
Constitution and Partnership Agreement Finalise agreement to Constitution and Partnership Agreement with individual Members.	Monitoring Officer	June 2014
Internal Communication Improve staff awareness of the various codes conduct and other important issues by updating and developing the Intranet	Director	September 2014
Anti Fraud & Corruption Update all Anti-Fraud and Corruption policies in conjunction with LCC, ensuring specific ESPO concerns are addressed.	Director	September 2014
Learning and Development Improved access to L&D activities for all stakeholders	Director	December 2014
Succession Planning Workforce Planning for Key posts.	Director	December 2014

5. CERTIFICATION

To the best of our knowledge, the governance arrangements, as defined above have been effectively operating during the year with the exception of those areas identified in Section 4. We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

John Doherty   Councillor S Rawlins
Director   Chairman, ESPO Management Committee