

TITLE OF REPORT: ANNUAL GOVERNANCE STATEMENT 2010-2011

REPORT OF THE HEAD OF FINANCE, PERFORMANCE AND ASSET MANAGEMENT

1. SUMMARY

- 1.1 To advise the Committee on progress against the improvement action plan identified from the 2010/11 Annual Governance Statement (AGS) for implementation in 2011/12.
- 1.2 For the Committee to note the minor amendment to the Local Code of Corporate Governance.
- 1.3 For the Committee to note that the Chairman will complete an Assurance Statement based on the work undertaken by the Committee in the civic year 2011/12 to inform the AGS for 2011-2012.

2. FORWARD PLAN

- 2.1 This report does not contain a recommendation on a key decision and has not been referred to in the Forward Plan.

3. BACKGROUND

- 3.1 The Council is required to produce an Annual Governance Statement with its Statement of Accounts. When compiling the AGS in 2011, the Corporate Governance Group identified areas for improvement and developed an action plan to ensure corrective action is taken.
- 3.2 At the June 2011 meeting of this Committee, it was agreed that progress against the action plan to deliver improvements identified in the compilation of the AGS would be presented in future to the September and March meetings of this Committee.
- 3.3 The Local Code of Corporate Governance was updated in February 2010 and the revisions were agreed by the then Audit and Risk Sub Committee.

4. UPDATE ON ACTIONS ARISING FROM THE 2010/11 AGS

- 4.1 Appendix A shows the actions that remained outstanding as at the September 2011 meeting of this Committee. Actions completed prior to September 2011 have been removed.

- 4.2 **AGS019 Section 106 Agreements.** These actions were the high level recommendations arising from the internal audit in 2010/11 on Section 106 agreements.
- 4.3 Following consideration and a review of the existing practices, it was agreed that the Accountancy Staff will not be provided with access to the planning software system (Acolaid) to facilitate reconciliation with the accounting system (Integra) as it is felt there will be no added value to the process. Integra is kept up to date and regular meetings are held with the Accountant and Planning Control and Conservation Manager to ensure the reconciliation is correct.
- 4.4 The Planning Obligations Supplementary Document has yet to be reviewed in the light of developing government policy. It was anticipated that the Document would be reviewed by the end of this financial year but this has been delayed pending further guidance arising from the Localism Act 2011, the evolving National Planning Policy Framework and the Council's Local Development Framework and the Community Infrastructure Levy.
- 4.5 **AGS021 Members Expenses.** The requirement to include VAT receipts when submitting claims for mileage has been included in the 2012/13 Members Allowance Scheme. This concludes this action.
- 4.6 **AGS022 Legionella controls.** Although monitoring processes have been established and are being audited regularly, risk assessments for all of the buildings have yet to receive the biennial review. All the surveys have been carried out and outstanding reports are due back imminently. This does however, mean the action to complete the reviews is currently overdue and a revised completion date is now March 9th.
- 4.7 It is not proposed to carry forward the remaining outstanding actions into any action plan arising from the 2011/12 AGS. These actions will however remain active on Covalent until complete and can be reviewed by Members at any time.

5. LOCAL CODE OF CORPORATE GOVERNANCE

- 5.1 The Local Code of Corporate Governance is based on the CIPFA/SOLACE guidance note published in 2007 "Delivering Good Governance in Local Government". The AGS explains how the Council has complied with the Code throughout the financial year.
- 5.2 The Code attached in Appendix B has been reviewed to reflect the reassessed Corporate Priorities that will apply from 1st April onward. This will therefore be used when the AGS for 2012/13 is compiled.
- 5.3 The changed Priorities referred to in section 3.3 of the Code are the only changes that have been made. It is proposed that unless any significant changes are required the next scheduled review of the Code will be March 2015.

6. CHAIRMAN'S ASSURANCE STATEMENT

- 6.1 The Chairman of the Committee will provide an Assurance Statement to support the production of the Annual Governance Statement for 2011/12. The Assurance Statement will be completed in draft for the current financial year in March 2012 but can be amended to reflect any changes to assurance that the Chairman may wish to make up to the date the AGS is finalised.

7. LEGAL IMPLICATIONS

- 7.1 The Accounts & Audit (England) Regulations 2011, require the Council to conduct a review at least once in a year of the effectiveness of its system of internal control. This annual review results in the AGS and the subsequent action plan for improvement.

8. FINANCIAL AND RISK IMPLICATIONS

- 8.1 The AGS for 2010/11 accompanied the statement of accounts. There were no financial implications identified by Officers in completing the identified improvement actions. However, there may be a revenue cost in getting the legionella risk assessments completed and in any remedial works that may be identified.
- 8.2 The risks from failing to have adequate Corporate Governance arrangements have been identified. The production of the AGS and the work of both the internal and external auditors plus the Monitoring Officer role gives assurance that this risk is being adequately managed.

9. HUMAN RESOURCE IMPLICATIONS

- 9.1 There are no direct human resource implications relating to this matter.

10. EQUALITIES IMPLICATIONS

- 10.1 The Equality Act 2010 came into force on the 1st October 2010, a major piece of legislation. The Act also created a new Public Sector Equality Duty, which came into force on the 5th April 2011. There is a General duty, described in 8.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 10.2 In line with the Public Sector Equality Duty, public bodies must, in the exercise of its functions, give **due regard** to the need to eliminate discrimination, harassment, victimisation, to advance equality of opportunity and foster good relations between those who share a protected characteristic and those who do not.
- 10.3 The AGS records the planned and obtained assurances that the Council is meeting the stated outcomes of the district priorities and delivering accessible and appropriate services to the community to meet different people's needs. This then fulfils the Council's obligations arising from the Public Sector Equality Duty.

11. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 11.1 The Council's external auditors, Grant Thornton, were consulted on the Annual Governance Statement. The AGS and the resulting action plan have incorporated relevant findings and recommendations from the Annual Audit and Inspection letter for 2009/10 that was discussed at the Audit & Risk Committee in December 2010.

12. RECOMMENDATIONS

It is recommended that members of this Committee:

- 12.1 Note the progress against the action plan arising from the AGS 2010/11 for delivery in 2011/12.
- 12.2 Agree the changes to the Local Code of Corporate Governance.
- 12.3 Note that the Chairman of the Committee will provide assurance to inform the AGS for 2011/12.

13. REASONS FOR RECOMMENDATIONS

- 13.1 The recommendations in paragraph 12 enable the Committee to consider the arrangements for corporate governance and agree necessary actions to ensure compliance with best practice.

14. ALTERNATIVE OPTIONS CONSIDERED

- 14.1 There are no alternative actions to be considered

15 APPENDICES

- 15.1 Appendix A - actions arising from the AGS 2010/11 not previously noted as completed by the Committee.
- 15.2 Appendix B – revised Local Code of Corporate Governance

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17. BACKGROUND PAPERS

- 17.1 The Annual Governance Statement for 2010/11
FAR COMMITTEE (1.3.12)