

**TITLE OF REPORT : REVIEW OF ANNUAL GOVERNANCE STATEMENT
ACTION PLAN AND LOCAL CODE OF CORPORATE GOVERNANCE**

REPORT OF THE HEAD OF FINANCE, PERFORMANCE AND ASSET
MANAGEMENT

1. SUMMARY

- 1.1 For the Committee to note progress against the improvement actions arising from the Annual Governance Statement (AGS) for 2011/12 for implementation in 2012/13.
- 1.2 For the Committee to note the Local Code of Corporate Governance does not require any amendments.
- 1.3 To note that the Chairman will complete an Assurance Statement to confirm the work undertaken by the Committee in 2012/13 and to identify and improvements for implementation in 2013/14.

2. RECOMMENDATIONS

- 2.1 The Committee to note that following consideration of reports to this Committee on 20 March 2013, all of the AGS actions have been completed.
- 2.2 That the Committee note that no revisions are required to the Local Code of Corporate Governance.
- 2.3 That the Chairman of the Committee completes an Assurance Statement to support the production of the Annual Governance Statement for 2012/13.

3. REASONS FOR RECOMMENDATIONS

- 3.1 Reviewing the AGS action plan in the year provides the Committee with assurances that the Council is improving its governance arrangements.
- 3.2 It is recommended practice to review the Local Code of Corporate Governance each year to ensure it remains up to date and relevant.
- 3.3 The Chairman's Assurance Statement summarises the work of the Committee throughout the year and demonstrates the Committee's input into the production of the Annual Governance Statement.

4. ALTERNATIVE OPTIONS CONSIDERED

- 4.1 There are no alternative options to be considered.

5. CONSULTATION WITH EXTERNAL ORGANISATIONS AND WARD MEMBERS

- 5.1 The Council's external auditors and the Shared Internal Audit Service were consulted on the Annual Governance Statement 2011/12. The resulting action plan incorporated relevant findings and recommendations from the Annual Audit letter for 2010/11 that was discussed at the Finance Audit & Risk Committee in December 2011. In addition the AGS refers to assurances provided by internal and external audit reports completed in 2011/12.

6. FORWARD PLAN

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

7. BACKGROUND

- 7.1 The final Annual Governance Statement for 2011/12 was agreed at the Finance, Audit and Risk Committee in September 2012. A small number of improvement actions were identified arising from the production of the AGS. The Committee agreed to review progress against these actions at its March 2013 meeting.

- 7.2 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.

- 7.3 The Local Code was last reviewed and updated in March 2012 to reflect the Corporate Priorities that would be applicable from 1 April 2012. the FAR Committee noted in March 2012 that it would not be reviewed again until 2015 unless any significant changes were required.

- 7.4 The Local Code of Corporate Governance is published on the Council's Website:
http://www.north-herts.gov.uk/index/council_and_democracy/plans_and_objectives/corporate_governance.htm

8. ISSUES

- 8.1 Table 1 details the actions that remained outstanding from the AGS action plan in September 2012. Those actions that the Committee noted had been completed in September 2012 have not been included.

TABLE 1- OUTSTANDING ACTIONS FROM AGS 2011/12 FOR IMPLEMENTATION IN 2012/13

Action	Due Date	Progress
Revise Officer/Member Protocol	Overview & Scrutiny December 12	Currently being considered further by senior officers. Anticipate will be presented at Overview and Scrutiny Committee on 19 March 2013.
Commence development of informal Shared Procurement service	November 12.	Not progressed through Shared Service project
Revise Contract Procurement Rules	December 12	Revised Rules to be presented to FAR Committee in new Civic Year. Review to ensure Rules enable requirements under the Localism Act (e.g. due consideration of local suppliers) and Public Service (Social Value) Act.
Commence development of governance arrangements for any Shared Support Service (if agreed)	November 12	These actions were no longer required as no shared service arrangements were agreed with Stevenage and East Herts.
Commence development of agreed performance standards for any Shared Support Service (if agreed)	November 12	

9. LEGAL IMPLICATIONS

- 9.1 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 identification of any improvements.
- 9.2 The Terms of Reference of this Committee state that it should review the AGS and accompanying assurances before approving it to accompany the statement of accounts.

10. FINANCIAL IMPLICATIONS

- 10.1 There are no direct financial implications arising from this report.

11. RISK IMPLICATIONS

- 11.1 The ongoing review of the identified actions arising from the AGS, provides the Committee with assurance that measures are being put in place to reduce identified risks.

12. EQUALITIES IMPLICATIONS

- 12.1 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 12.2, that public bodies must meet, underpinned by more specific duties which are designed to help meet them.
- 12.2 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.
- 12.3 The review of the Council's governance framework provides a means to monitor regularly whether the Council is meeting the stated outcomes of its policies, is meeting its commitment to deliver accessible and appropriate services to the community, and complying with the requirements placed on the Council under the Local Government Equality Duty. Financial decisions and larger projects, affecting two or more wards or exceeding £50,000, are subject to individual equality analysis.

13. SOCIAL VALUE IMPLICATIONS

- 13.1 As the recommendations made in this report do not constitute a public service contract, the measurement of 'social value' as required by the Public Services (Social Value) Act 2012 need not be applied, although equalities implications and opportunities are identified in the relevant section at paragraphs 12. Any changes to Contract Procurement Rules will incorporate the requirement for any award of public service contract to include analysis of its Social Value as the award is made.

14. HUMAN RESOURCE IMPLICATIONS

- 14.1 There are no direct Human Resource implications arising from this report.

15. APPENDICES

- 15.1 There are no appendices for this report.

16. CONTACT OFFICERS

- 16.1 Fiona Timms (Report author) Performance and Risk Manager. Contact 01462 474251 fiona.timms@north-herts.gov.uk

Andy Cavanagh
Head of Finance, Performance & Asset Management
andrew.cavanagh@north-herts.gov.uk

Anthony Roche
Acting Monitoring Officer
anthony.roche@north-herts.gov.uk

Liz Green
Head of Policy and Community Services
Liz.green@north-herts.gov.uk

17. BACKGROUND PAPERS

17.1 Local Code of Corporate Governance

17.2 Annual Governance Statement 2011/12

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