

**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 2012/13 for implementation in 2013/14.
- 1.2 For the Committee to note the revision to the Local Code of Corporate Governance.
- 1.3 To note that the Chairman will complete an Assurance Statement to confirm the work undertaken by the Committee in 2013/14 and to identify and improvements for implementation in 2014/15.

2. RECOMMENDATIONS

- 2.1 The Committee to note that all of the AGS actions for implementation in 2013/14 have been completed.
- 2.2 That the Committee note that a minor revision is 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 2013/14.

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 2012/13. The resulting action plan incorporated relevant findings and recommendations from the Annual Audit letter for the year ending 31 March 2012 that was discussed at the Finance Audit & Risk Committee in December 2012. In addition the AGS referred to assurances provided by internal and external audit reports completed in 2012/13.

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 2012/13 was agreed at the Finance, Audit and Risk Committee on 19 September 2013 (Minute 26 refers). 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 2014 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 of Corporate Governance was last reviewed and updated in March 2012 to reflect the Corporate Priorities that would be applicable from 1 April 2012

8. ISSUES

- 8.1 The following Table 1 details the actions that remained outstanding from the AGS action plan in September 2013. Those actions that the Committee noted had been completed in September 2013 have not been included.

TABLE 1- OUTSTANDING ACTIONS FROM AGS 2012/13 FOR IMPLEMENTATION IN 2013/14

Ref No.	Description	Responsible Officer	Due date
2.2	Consideration of making a single department responsible for the identification, provision and recording of Member training. (originated from SIAS audit)	Chief Executive	June 2013
7.0	Ensure that a replacement payroll system/service is in place before the end of 2014. (originated from risk management processes)	Corporate Manager of Human Resources	January 2014

8.2 Member training is arranged and co-ordinated by the Democratic Services Team. Where there are specific training requirements then there is liaison by the Democratic Services Team with the service area involved and/or the Learning & Development Manager. Training is then logged on the Corporate Learning Management System. Having considered the proposed action regarding the identification of training needs it would be inappropriate to restrict this to one service area as training needs often result from legislative changes or technical matters. In such an instance it is most likely that these will be identified in the first instance by the service areas and training arranged via the Democratic Services Team. The above arrangements meet the objectives of the proposed action.

8.3 Work continues to implement a new payroll service that will be provided by Serco from 1 April 2014. Twenty five Officers will be given in depth training on the system to support colleagues when the system goes live. All staff are invited to attend an overview of the new system in March. This will help prevent errors or omissions inadvertently being made by staff when submitting details on the system.

8.4 As the Council's priorities have been reviewed for 2014 - 2015, the Local Code has been updated to reflect this and is attached in Appendix A.

8.5 The Local Code will be reviewed again in March 2015, but it will not be brought back to this Committee until March 2017 unless any significant changes are required.

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:

- monitor the effective development and operation of risk management and corporate governance in the Council;
- oversee the production of the authority's Annual Governance Statement and to recommend its adoption;
- consider the Council's arrangements for corporate governance and agree necessary actions to ensure compliance with best practice.

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 Paragraph 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. APPENDIX

15.1 Appendix A – revised Local Code of Corporate Governance

16. CONTACT OFFICERS

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17. BACKGROUND PAPERS

- 17.1 Annual Governance Statement 2012/13
- 17.2 Report to FAR Committee September 2013 (Minute 26)