

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

REPORT OF THE CORPORATE LEGAL MANAGER

1. SUMMARY

- 1.1 For the Committee to note progress against the improvement actions arising from the Annual Governance Statement (AGS) for 2014/15 for implementation in 2015/16.
- 1.2 For the Committee to note that minor revisions are required to the Local Code of Corporate Governance (to incorporate the Council's Corporate Objectives). A further review will be undertaken during 2016 in the light of new governance proposals that come into effect in 2016/17.
- 1.3 To note that the Chairman will complete an Assurance Statement to confirm the work undertaken by the Committee in 2015/16 and to identify any improvements for implementation in 2016/17.

2. RECOMMENDATIONS

- 2.1 The Committee to note the current positions with the AGS actions for implementation in 2015/16.
- 2.2 That the Committee note and approve the revised Local Code of Corporate Governance (Appendix A).
- 2.3 That the Chairman of the Committee completes an Assurance Statement to support the production of the Annual Governance Statement for 2015/16.

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 RELEVANT MEMBERS AND EXTERNAL ORGANISATIONS

- 5.1 The Council's external auditors and the Shared Internal Audit Service were consulted on the Annual Governance Statement 2014/15. The AGS referred to assurances provided by internal and external audit reports completed in 2014/15.
- 5.2 No consultation has been carried out regarding this report.

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 2014/15 was approved at the Finance, Audit and Risk Committee in September 2015. A 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 2016 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 2014 to reflect the Corporate Priorities that would be applicable from 1 April 2014. It has been reviewed in the light of the Corporate Objectives adopted in September 2015. It will require a further review and potential amendment in the light of new changes to the local authority governance arrangements.

8. ISSUES

- 8.1 The following table details the actions that remained outstanding from the AGS action plan in September 2015. Those actions that the committee noted had been completed in September 2015 have not been included.

TABLE 1- OUTSTANDING ACTIONS FROM AGS 2014/15 FOR IMPLEMENTATION IN 2015/16

Number	Key Improvement Area	Lead Officer	To be delivered by
1.0	Update the following policies <ul style="list-style-type: none"> • Gifts and Hospitality for Officers • Conflicts of Interest • Confidential Reporting (Whistleblowing) – renamed Whistleblowing Policy • Gifts and Hospitality for Members • Planning Code of Good Practice (Source: Assurance Statement) 	Corporate Manager of Legal Services	Complete Complete March 2016 Complete Complete

2.0	Implement the agreed actions arising from the Investors in People reassessment (Source: External review)	Corporate Manager HR	Complete
3.0	Refresh the Council's People Strategy which incorporates the Workforce Development Plan. (Source: Top Risk)	Corporate Manager HR	Complete
4.0	Complete a review on vacancy control (Source: Internal audit report)	Corporate Manager HR	Complete
5.0	Implement agreed actions from the internal on the Customer Service Centre (Source: Internal audit report)	Customer Service Manager	Complete
6.0	To review National Planning Policy Guidance on the National Planning Policy Framework and any other forthcoming guidance particularly after the General Election and make appropriate changes to any key policy documents (Source: Assurance Statement)	Head of Development & Building Control	Complete
7.0	To implement the agreed recommendations from the external review of our procurement and commissioning activities (Source: External review & Payment and Reconciliations Manager)	Head of Finance, Performance & Asset Management	March 2016 <i>Part complete. Contract Procedure Rules reviewed. Procurement Strategy to do 2016/17/ contracts risk matrix and implementation of Core/ Non-Core procurement to ongoing.</i>
8.0	To complete the project for the North Hertfordshire Museum and Community Facility and open the new museum	Strategic Director of Customer Services	Autumn 2015 <i>Ongoing.</i>

8.2 The various policies mentioned in improvement action 1 were all reviewed and updated in the year. The Whistleblowing Policy will be presented at this meeting for comment.

8.3 The Investors in People assessor revisited the Council in December to carry out the Mandatory 18 month interaction and was satisfied with the progress the Council has made.

8.4 There is a new People Strategy for 2016-2020. This strategy has been developed to closely link to the Corporate Objectives and key projects and workforce demands over the years ahead.

- 8.5 Following the review of vacancy control, this has been replaced by a revised recruitment process to ensure the Council attracts high calibre applicants whilst complying with the relevant legislation.
- 8.6 The agreed actions from the Customer Service Centre internal audit undertaken in 2014/15 that gave a moderate level of assurance have been completed.
- 8.7 National Planning Guidance and in particular implications arising from the Housing & Planning Bill have been closely monitored by the Head of Development & Building Control. Proposed changes to the National Planning Policy were consulted on until 22 February 2016. Updates have been provided to Cabinet through the regular Strategic Planning Matters reports.

9. LEGAL IMPLICATIONS

- 9.1 The Accounts & Audit Regulations 2015, 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. The review must be considered and approved by a Committee with the legal power to do so under the Regulations.
- 9.2 The Terms of Reference of this Committee state at paragraph 10.1.5(h) of the Constitution that it should “ensure that an annual review of the effectiveness of internal control (accounting records, supporting records and financial) systems is undertaken and this review considered before approving the Annual Governance Statement”, it also has remit under 10.1.5(l) to approve the Code of Corporate Governance.

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 Appendix A – revised Local Code of Corporate Governance.

16. CONTACT OFFICERS

- 16.1 Jeanette Thompson, Acting Senior Lawyer.
- 16.2 Kerry Shorrocks, Corporate HR Manager.
- 16.3 Ian Fullstone, Head of Development & Building Control.
- 16.4 Anthony Roche, Acting Corporate Legal Manager.

17. BACKGROUND PAPERS

- 17.1 Annual Governance Statement 2014/15.
- 17.2 Report to FAR Committee September 2015 (Minute 25).