

Agenda Item No: 8
Report To: **AUDIT COMMITTEE**
Date: **6 DECEMBER 2011**



Report Title: **2010-2011 Annual Governance Statement – progress on remedying highlighted significant areas of governance**

Report Author: Paul Naylor, Deputy Chief Executive

Summary: This short paper follows on from the report to the September meeting of the committee and explains progress against the two areas for further work included in the Annual Governance Statement agreed by the committee in June. Two matters were highlighted for attention this year: a need for a review of the council's risk management approach, and the need to review principles relating to partnership governance.

Key Decision: Not applicable

Affected Wards: None specifically

Recommendations: **The Audit Committee is asked to:**

- 1. Note the progress with plans to address the council's risk management approach, and**
- 2. Note that there has been a delay with commencing discussions in relation to draft partnership principles and that this item will now be considered at the next meeting following discussions with the nominated members.**

Policy Overview: Good standards of corporate governance are essential in all organisations. The council's arrangements are longstanding, well-developed and generally are found to be effective. The annual governance statement is the opportunity to review any need for change or further work. The two areas highlighted are important to consider in the context of a changing policy and operating landscape, given legislative change and downward pressures on resources.

Financial Implications: None

Risk Assessment The annual review of the governance statement amounts to an assessment of the adequacy of the council's overall arrangements to the management of governance and risk.

Equalities Impact Assessment Not applicable to this report

**Other Material
Implications:**

None

**Background
Papers:**

2010-2011 Annual Governance Statement

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areas of governance**

Purpose of the report

1. To explain progress with reviews of two areas of significant governance highlighted by the 2010-2011 annual governance statement.

Issue to decided

2. Members are being asked to note progress.

Significant areas of governance requiring review

3. Two areas were highlighted in the June 2010-2011 Annual Governance Statement as needing review. These are explained below with a note of progress since the committee's September meeting.

A) *A full review of the council's arrangements for identifying and managing strategic and service risks.*

Progress: The review work has commenced and represents a significant piece of work over the coming months for officers and members. This work is overseen by the Head of the Audit Partnership and is the subject of a separate report to the committee on this agenda. Members will recall that a briefing on risk management in the context of the changing policy landscape was provided in September by our risk management consultants, Zurich Municipal. The Audit Partnership Head's report is developed from the advice provided at that briefing, and from a subsequent discussion with the chairman. If the recommended approach is supported it is intended the work be complete by the end of March 2012.

B) *A review of the council's governance principles for partnership working*

Progress: Taking forward the planned discussion with the nominated members about the draft principles reported to this committee in September has been delayed due various diary commitments of members and other ongoing work. A time for this discussion will be found before Christmas, and in advance of that some further suggestions from officers will be prepared to put some flesh on the principles paper previously reported.

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