

Agenda Item No: 12
Report To: AUDIT COMMITTEE
Date: 18/03/2014
Report Title: **Annual Governance Statement – progress on remedying exceptions for 2013-14**
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Summary: This short paper follows on from the report to the December meeting of the committee, and explains progress against the areas for continued work which was included in the Annual Governance Statement agreed by the committee at the June meeting. This highlighted the following matters:

- a) The Leader's wish that there be a refocusing of council priorities and further cultural development to consolidate the direction that is currently set out in the business plan and Cabinet's previous position statement
- b) The Leader's proposal for a further review of some aspects of the constitution to reinforce the principle of inclusivity and to clarify delegations
- c) Production of an annual report
- d) Updating the 2008 Code of Corporate Governance
- e) Procurement strategy review

Key Decision: NO

Affected Wards: ALL

Recommendations: **The Audit Committee be asked to note the progress to date on resolving the governance exceptions identified in the 2012-2013 Annual Governance Statement.**

Financial Implications: None

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. Areas highlighted are important to consider in the context of a changing policy and operating landscape, given legislative change and downward pressures on resources.

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.

**Background
Papers:**

Annual Governance Statement 2012-13

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Purpose of the Report

1. To explain progress with reviewing the areas of significant governance highlighted by the 2012-2013 annual governance statement

Issue to be Decided

2. Members are being asked to note progress.

Significant areas of governance requiring review

3. Five areas were highlighted in the June 2012-2013 Annual Governance Statement as continuing to need work during 2013 and beyond.
4. Two, (a) refocused council priorities within '*Focus 2013-15*' and (e) a review of the council's procurement strategy, have now been completed, whilst (d) a revised Local Code of Corporate Governance is on the agenda for this Audit Committee.

(a) Refocusing council priorities and consolidating the business plan's direction

Progress: COMPLETED

5. A new document, '*Focus 2013-15*', was endorsed by Cabinet in October 2013. Based on extensive consultation with residents and businesses in 2010/2011, the five year business plan was developed; this new amalgamation of business and corporate priorities looks back at the achievements between 2010 and 2013 and refocuses the council's direction for the remainder of the plan – i.e. from now until 2015. It provides justification for (and forms the basis of) all the projects and priorities that the council wishes to pursue over the next 18 months. A further consultation exercise will be undertaken prior to the production of the next corporate plan.

(b) Further review of the constitution to reinforce the principle of inclusivity and to clarify delegations

Progress:

6. Scheduled to be completed before the Annual Governance Statement for 2013/14 is considered by the Audit Committee in June 2014.

(c) Production of an annual report

Progress:

7. Following commitment from the Leader within the 2012/13 Annual Governance Statement, consolidation of the council's direction within a new priorities document (*'Focus 2013-15'*) would be mirrored by the production of an annual report. Following-on from endorsement of *Focus 2013-15* by the Cabinet in October, the first annual report is due to be produced for May 2014, to coincide with a financial year reporting cycle.
8. Concurrently, quarterly performance reporting (which will now reflect the refreshed priorities enshrined within *Focus 2013-15*) continues to compile performance information which will serve as a basis for at least part of the annual report.

(d) Updating the 2008 Code of Corporate Governance

Progress:

9. Reported to the Audit Committee in March 2014.

(e) Procurement Strategy Review

Progress: COMPLETED

10. A revised council-wide procurement strategy was agreed by the Cabinet in October 2013.

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