

**Agenda Item No:** 5

**Report To:** Audit Committee

**Date of Meeting:** 6<sup>th</sup> December 2016

**Report Title:** Annual Governance Statement – Progress on Remedying Exceptions

**Report Author & Job Title:** Nicholas Clayton-Peck, Senior Policy, Performance and Scrutiny Officer

**Portfolio Holder** Cllr. Shorter  
**Portfolio Holder for:** Finance, Budget & Resources

<b>Summary:</b>	This report updates on the progress made towards the areas of review highlighted by the 2015-2016 Annual Governance Statement
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**Key Decision:** NO

**Significantly Affected Wards:** N/A

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

- I. Note progress made towards the areas of review highlighted by the Annual Governance Statement as detailed in this report**

**Policy Overview:** Each year the council must produce and approve an Annual Governance Statement (AGS). AGS are designed to summarise for members and residents the council's approach to governance and show how the council fulfils the principles for good corporate governance in the public sector.

**Financial Implications:** None

**Legal Implications** None

**Equalities Impact Assessment** N/A

**Other Material Implications:** None

**Exempt from Publication:** NO

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## **Report Title: Annual Governance Statement – Progress on Remediating Exceptions**

### **Introduction and Background**

1. Each year the council must produce and approve an Annual Governance Statement (AGS). AGS are designed to summarise for Members and residents the council's approach to governance and show how the council fulfils the principles for good corporate governance in the public sector. The AGS needs to draw conclusions, based on evidence throughout the past year, about the effectiveness of the council's arrangements.
2. The 2015-2016 Annual Governance Statement (AGS) was agreed by the July 2016 meeting of the Audit Committee and identified two areas for continued work and review -
  - a. Embedding the council's new Performance Dashboard into the quarterly performance monitoring regime.
  - b. Completion of work to revise the council's strategic risk management procedures.
3. This report updates on the progress made towards these areas of review highlighted by the 2015-2016 Annual Governance Statement. This follows the first such update to the September 2016 meeting of the committee.

### **Purpose of this report**

4. To update on the progress made towards the areas of review highlighted by the 2015-2016 Annual Governance Statement.

### **Progress to Date**

#### **Embedding the council's new Performance Dashboard into the quarterly performance monitoring regime**

5. In December 2015 the Council agreed a new Corporate Plan - "The Five Year Corporate Plan – for Aspiration, Action and Achievement".
6. This also provided an opportunity to refresh the way in which performance against this new Corporate Plan (and its priority areas) was monitored, presented and engaged with by officers and members.
7. Whilst this approach is naturally an evolving one, the aim is for the Performance Dashboard to inform the work of both officers and Members. As part of the Council's wider governance arrangements, such performance

information is used to reflect on the organisation's approach – leading to doing things differently where needed in order to offer efficient services and effective outcomes.

8. Cabinet and Overview & Scrutiny Committee received the first reports from this Dashboard at their September meetings, whilst the Audit Committee received a presentation of the system in the same month. A live version of the website was made available at the Overview and Scrutiny meeting in order to facilitate discussion, scrutiny and additional analysis on the information provided.
9. This quarterly cycle is embedded into both the Cabinet and Overview & Scrutiny forward work plans. It should also be noted that this is the first version of the Dashboard, with an emphasis on making sure the core data, components and insight begin to work as a management tool. As such, analysis is constantly being added as the latest data is added to the system and interventions are made. Alongside a user group which will meet over the next year, feedback from more regular use of the site, and further integration of service planning and programme management data will provide further developments (and a deepening) of the overall performance picture.

### **Completion of work reviewing the Council's current risk management procedures**

10. A report proposing an update to the way the council evaluates risks, alongside improvements in their monitoring, management and review, was considered by the Audit Committee in September 2015.
11. Since then, an initial set of seven strategic risks was presented and endorsed by the Committee in April 2016, with an update on these risks presented to the September 2016 Audit Committee.
12. Complementary work has been taken forward by a cohort of managers from across the authority, supplemented by a round of workshops with service managers, to compile information about service risks.
13. These corporate risk registers complement the service planning process, and will be reported to the Overview and Scrutiny Budget Task-group as part of pre-Budget scrutiny for 2017/18. They now provide the council with an improved corporate awareness of service-based risks for the year ahead, and the mitigation controls planned.
14. Strategic and service risks have also been uploaded onto the council's new risk management software, alongside project and programme management information. This electronic system will allow for easier monitoring and reporting on the ongoing trends for all of these areas going forward.

## Conclusion and Next Steps

15. Both performance and risk management form key components of the council's governance arrangements. As such, they are not merely one-off exercises but ongoing practice. Whilst the design and launch of the council's new performance dashboard does signal a new emphasis in this area, further and ongoing use of the tool by officers and Members, alongside further rounds of reporting, will fully demonstrate that the new approach is suitably embedded within the organisation.
16. With the outputs of the Performance Dashboard having been considered by the Cabinet and Overview & Scrutiny Committee for two straight quarters, it is considered that the governance weakness identified by the Annual Governance Statement – namely the embedding of the new performance system into the wider performance regime – has now been **completed**.
17. On risk, the outputs of the cohort's work to support the formation of service risk registers in support of the service planning process are being embedded and will be scrutinised as part of the Budget scrutiny process during December 2016. Accordingly, a **further update** of progress in this area will be reported back to the Committee in March 2017.

## Contact and Email

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