

Agenda Item No: 7

Report To: Audit Committee

Date of Meeting: 21st March 2017

Report Title: Annual Governance Statement – Progress on Remedying Exceptions

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

Summary:	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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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. The update report to the September 2016 meeting of the committee concluded that the Performance Dashboard was now suitably embedded, given that the outputs of the Dashboard have been considered by the Cabinet and Overview & Scrutiny Committee for three straight quarters. As such, the committee noted this area as **completed**.
4. It should 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 planned survey of all users and other feedback from more regular use of the site, further integration of service planning and programme management data will provide further developments (and a deepening) of the overall performance picture.

Purpose of this report

5. To update on the progress made towards the remaining area of review highlighted by the 2015-2016 Annual Governance Statement.

Progress to Date

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

6. An initial set of seven **strategic** risks was presented and endorsed by the Audit Committee in April 2016, with an update on these risks presented to the September 2016 Committee.
7. Complementary work was 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.
8. These corporate risk registers were reported to the Overview and Scrutiny Budget Task-group as part of pre-Budget scrutiny for 2017/18, complementing the council's enhanced service planning process. The Task Group felt that the new service plan template and risk registers were helpful in providing clarity over the resource requirements for the various service activities. In engaging with and using the service risk registers, the Taskgroup made a number of observations to strengthen both the service and strategic risk registers, namely in relation to staffing and resourcing. These were reflected in subsequent recommendations to the Cabinet, which were accepted.
9. 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.
10. A separate report, updating the Audit Committee on progress relating to strategic risk management will be presented to this meeting (March 2017).
11. This report updates the committee on four issues aimed at strengthening the strategic risk framework within the council, namely –
 - a. A change to the presentational style
 - b. Minor, and relevant, amendments to headings
 - c. Updating the key controls, risk factors and mitigation
 - d. Strengthening the process of assessing, reviewing and evaluating strategic risk

Conclusion and Next Steps

12. 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 reinforce that the new approach is suitably embedded within the organisation.
13. 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 ongoing, but are

being embedded across the organisation - for example in playing a crucial role in the Budget scrutiny process during December 2016. Accordingly, a **further update** of progress in this area is also being reported separately to the Committee at this meeting (March 2017).

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