

Agenda Item No: 5

Report To: Audit Committee

Date of Meeting: 5th December 2017

Report Title: Annual Governance Statement – Progress on Remedying Exceptions

Report Author & Job Title: Lorna Ford, Head of Corporate Policy, Economic Development & Communications

Portfolio Holder Cllr. Shorter
Portfolio Holder for: Finance & IT

Summary:	This report updates on the progress made towards the areas of review highlighted by the 2016-2017 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 2016-2017 Annual Governance Statement (AGS) was agreed by the June 2017 meeting of the Audit Committee and identified three areas for continued work and review -

Governance Area	Responsible Department	To be delivered by
Modern.Gov	Legal and Democratic Services	March 2018 (as set out in PID)
Peer Challenge	Directors / Management Team	January 2018
Compliance with the Transparency Code	Corporate Policy and Performance	March 2018

3. This report updates on the progress made towards these areas of review highlighted by the 2016-2017 Annual Governance Statement.

Purpose of this report

4. To update on the progress made towards the areas of review highlighted by the 2016-2017 Annual Governance Statement, and builds upon a similar update provided to the September 2017 meeting of the committee.

Progress to Date

Modern Gov

5. Work is ongoing to embed the new processes in Management Team and the 'early-adopter' cohort. Work has particularly focused this quarter on the necessary background work of uploading previous committees' agenda, minutes and other documents in order to create the requisite archive to support the full rollout.

Peer Challenge

6. Peer challenge is a process by which a small team of senior councillors and officers from other local authorities are invited to look at the council's systems, processes and outcomes, and to make recommendations about what might be further reinforced or improved. Just over two-thirds of councils have commissioned a peer challenge.
7. Following discussions with the LGA over their availability, a **Corporate** peer challenge is currently scheduled for the week commencing the **16th April 2018**. The review will be carried out to the Council's specification – focussing on what is of most importance to Ashford
8. Accordingly, the peer challenge with focus on areas including leadership, governance, corporate capacity and financial resilience. The peer challenge team will be in situ for 3-5 days, including meetings with political leaders, senior managers and discussion groups including with staff and partners.
9. A second, **service-based** peer challenge is also scheduled for the **14th-16th February 2018**, with a focus on **Planning**, specifically –
 - a. The enforcement function
 - b. The balance of resources
 - c. Joint working between policy and development teams
 - d. Joint working between the council and external partners
 - e. Customer satisfaction

Compliance with the Transparency Code

10. Compliance with the Code is an ongoing item of the council's operations, and as noted in the previous update a four-way best practice governance audit¹ - whilst confirming that no fundamental improvement was needed to the council's transparency arrangements - did highlight a small number of areas with partial compliance. This was either due to out of date information, or information being partially published.
11. Efforts continue with the relevant departments to close these gaps. The table below summarises the progress made on each identified area following the review. It should be noted that as some of this data is published annually (i.e. by the end of each financial year) the overall due date for closing this governance exception is March 2018 –

Area	Reason for not being fully compliant	Progress (to December 2017)
Procurement – Tenders & Contracts	Information does not include all required fields	Findings have been discussed with Procurement Officer; as contracts are renewed, the additional information will be sourced and uploaded

¹ conducted across the Mid-Kent Audit Partnership

Local Authority land	Information not uploaded	Information needed to be drawn directly from the GIS database. This work has been completed, the data cleansed (for duplicate records etc.) and will be uploaded by the end of this month
Grants to voluntary and community organisations	Whilst Information already available through financial records, the audit review recommended that a separate list be created	New list template has been agreed, is currently being populated and will be published for the 2017/18 reporting period onwards
Fraud	Information out of date	Information updated
Social Housing	Information out of date	Findings have been discussed with the relevant officer, and the information is currently being updated

Conclusion and Next Steps

12. Work is still required in each of the three areas identified in the AGS in order to complete the areas of further governance work identified. This is to be expected – being the second quarterly update against the council’s compliance (and still in advance of each area’s ‘to be delivered by’ date).
13. As such, a further update on each area will be provided at the next quarterly update.

Contact and Email

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