

 <b>STANDARDS COMMITTEE</b> 17 <sup>th</sup> , May 2010		<b>Agenda Item No.</b>
<b>Title</b>	Annual Governance Statement 2008-09 Action Plan: End of Year Update	
<b>For further information about this report please contact</b>	Andrew Jones (01926) 456830 andrew.jones@warwickdc.gov.uk	
<b>Service Area</b>	Deputy Chief Executive	
<b>Wards of the District directly affected</b>	None	
<b>Is the report private and confidential and not for publication by virtue of a paragraph of schedule 12A of the Local Government Act 1972, following the Local Government (Access to Information) (Variation) Order 2006</b>	No	
<b>Date and meeting when issue was last considered and relevant minute number</b>	Standards Committee 17 <sup>th</sup> , November 2009 (Minute 22)	
<b>Background Papers</b>	Delivering Good Governance in Local Government & Delivering Good Governance in Local Government - Guidance Note for English Authorities; CIPFA/SOLACE 2007  The Annual Governance Statement – Rough Guide for Practitioners, CIPFA Financial Advisory Network	
<b>Contrary to the policy framework:</b>	No	
<b>Contrary to the budgetary framework:</b>	No	
<b>Key Decision?</b>	No	
<b>Included within the Forward Plan? (If yes include reference number)</b>	No	

<b>Officer/Councillor Approval</b>		
With regard to officer approval all reports <i>must</i> be approved by the report author's Deputy Chief Executive, Finance, Legal Services and the relevant Portfolio Holder(s).		
<b>Officer Approval</b>	<b>Date</b>	<b>Name</b>
Deputy Chief Executive	04/05/2010	Is author
Chief Executive		
CMT		
Section 151 Officer		
Legal		
Finance		
Portfolio Holder(s)	04/05/2010	Cllr Michael Doody
<b>Consultation Undertaken</b>		
Officers responsible for actions have been consulted		
<b>Final Decision?</b>	Yes	
<b>Suggested next steps (if not final decision please set out below)</b>		

## 1. **SUMMARY**

- 1.1 This report sets out an end-of-year update of the Annual Governance Statement (2008-09) Action Plan. The Plan was agreed as an integral part of the statement of Warwick District Council's Accounts for 2008-09 and the Committee agreed to receive an end-of-year update.

## 2. **RECOMMENDATION**

- 2.1 The Committee notes the progress made on the Annual Governance Statement (2008-09) Action Plan for Warwick District Council as set out at Appendix B, making any comments or suggestions it feels are necessary.

## 3. **REASONS FOR THE RECOMMENDATION**

- 3.1 The Committee requested the update to ensure that progress on the Action Plan is monitored on a six-monthly basis.
- 3.2 The highlighted text of Appendix B indicates those actions which still require further work.

## 4. **ALTERNATIVE OPTION CONSIDERED**

- 4.1 None.

## 5. **BUDGETARY FRAMEWORK**

- 5.1 This statement is produced by the staff employed by the authority, within current resources.

## 6. **POLICY FRAMEWORK**

- 6.1 The proposals will assist the Council in furtherance of its Corporate and Strategic Leadership priority of providing clear community leadership and effective management of resources whilst delivering responsive public services in an open and transparent manner.

## 7. BACKGROUND

7.1 The Chartered Institute of Public Finance & Accountancy/Society of Local Authority Chief Executives (CIPFA/SOLACE) governance framework requires an Annual Governance Statement and replaces the Statement of Internal Control with effect from the 2007-08 reporting year (i.e. from 1<sup>st</sup>, April 2007).

7.2 Corporate Governance is everyone's business and can be defined as

*“Ensuring the organisation is doing the right things, in the right way, for the right people, in an open, honest, inclusive and timely manner.”* Audit Commission

*“How the local government bodies ensure that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. It comprises the systems and processes, and cultures and values, by which local government bodies are directed and controlled and through which they account to, engage with and, where appropriate, lead their communities.”*

CIPFA/SOLACE

7.3 The Annual Governance Statement is a document for Warwick District Council. The Committee received a report at its November meeting providing the Annual Governance Statement (2008-09) Action Plan six-month update. The Committee agreed to receive an end-of-year update so that full-year progress could be considered.

7.4 CIPFA/SOLACE has issued a framework and guidance on delivering good governance in local government. It is built on the six core principles set out in the Good Governance Standard for Public Services that were themselves developed from earlier work by Cadbury and Nolan. These principles in relation to local government as set out in the new framework are:

- a clear definition of the body's purpose and desired outcomes and focusing on the purpose of the authority and the outcomes for the community and creating and implementing a vision for the local area
- members and officers are working together to achieve a common purpose with clearly defined functions and roles
- promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour
- taking informed and transparent decisions which are subject to effective scrutiny and managing risk
- developing the capacity and capability of members and officers to be effective
- engaging with local people and other stakeholders to ensure robust public accountability

Both the Code of Corporate Governance (reviewed annually by this Committee at its November meeting) and the Annual Governance Statement reflect these six themes.

7.5 An officer working group consisting of those detailed below developed the evidence, the Annual Governance Statement, and Action Plan:

- Deputy Chief Executive
- Head of Finance
- Audit & Risk Manager

7.6 The publication 'The Annual Governance Statement – Rough Guide for Practitioners' by CIPFA, sets out a number of stages in producing the Annual Governance Statement, these are set out at Appendix A, and the action plan at Appendix B follows the format of this guidance. Actions resulting from a review of Objectives 1 to 8 and actions in relation to the six key CIPFA/SOLACE principles in the Code of Corporate Governance are dealt with separately.

## **CIPFA/SOLACE GUIDANCE ON STEPS TO TAKE IN PREPARING ANNUAL GOVERNANCE STATEMENT**

### **Objective 1, ESTABLISHING PRINCIPAL STATUTORY OBLIGATIONS AND ORGANISATIONAL OBJECTIVES**

Step 1: Mechanisms established to identify principal statutory obligations

Step 2: Mechanisms in place to establish organisational objectives

Step 3: Effective Corporate Governance arrangements are embedded within the authority

Step 4: Performance management arrangements are in place

#### ***THEN apply the Six CIPFA/SOLACE Core Principles***

*(i) Focusing on purpose/outcomes and creating a vision for the local area*

*(ii) Members & officers working together to achieve common purpose with clearly defined functions & roles*

*(iii) Promoting values for the authority and demonstrating values of good governance through upholding high standards of conduct and behaviour*

*(iv) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk*

*(v) Developing the capacity and capability of members and officers to be effective*

*(vi) Engaging with local people and other stakeholders to ensure robust public accountability*

### **Objective 2, IDENTIFY PRINCIPAL RISKS TO ACHIEVEMENT OF OBJECTIVES**

Step 1: The authority has robust systems and processes in place for the identification and management of strategic and operational risk

### **Objective 3, IDENTIFY AND EVALUATE KEY CONTROLS TO MANAGE PRINCIPAL RISKS**

Step 1: The authority has robust systems of internal control which includes systems and procedures to mitigate principal risks

### **Objective 4, OBTAIN ASSURANCES ON THE EFFECTIVENESS OF KEY CONTROLS**

Step 1: Appropriate assurance statements are received from designated internal and external assurance providers

### **Objective 5, EVALUATE ASSURANCES AND IDENTIFY GAPS IN CONTROL/ASSURANCES**

Step 1: Make adequate arrangements to identify, review and evaluate reports from the defined internal and external assurance providers to identify areas of weakness in controls

### **Objective 6, ACTION PLAN TO ADDRESS WEAKNESSES AND ENSURE CONTINUOUS IMPROVEMENT OF THE SYSTEM OF CORPORATE GOVERNANCE**

Step 1: Robust mechanism to ensure that an appropriate action plan is agreed to address the identified control weaknesses and is implemented and monitored

**Objective 7, ANNUAL GOVERNANCE STATEMENT**

Step 1: Governance statement is drafted in accordance with regulations and timescales

**Objective 8, REPORT TO CABINET /EXECUTIVE COMMITTEE**

Step 1: Report in accordance with pro-forma