

Report

Report subject: Annual Review of Corporate Governance

Report to: Audit Committee

Date: 16 January 2007

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1 Introduction

1.1 The council adopted a local Code of Corporate Governance in February 2005 and this is reviewed annually by the Audit Committee to identify any areas for change and also to monitor the action plan. The corporate governance framework for local government will be changing shortly with the publication of a new framework, due in March 2007. The work required to respond to the new framework was brought to this committee in September 2006.

2 Results of the 2006/7 Review

2.1 The 2006/7 review has consisted of an update of the action plan, in accordance with the report to the last meeting of the committee. This included a piece of work to look at the governance arrangements for the council's partnerships. The table at appendix A shows the current position against the action plan.

2.2 The report on governance arrangements of the council partnerships identified areas of risk that are pertinent to the council's corporate governance framework. Management Team is currently considering this draft report and the action plan can be reported to Audit Committee at a later date. The forthcoming review of the corporate governance framework in 2007/8 will enable implications for the council's local code to be addressed and to consider how partnerships should be incorporated into the new code.



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- 2.3 The Audit Commission has scoped a review of ethical standards, which is also being considered by Management Team at present. This piece of work would support the maintenance of an effective code of corporate governance by reinforcing the importance of appropriate standards of conduct. The workshops should also support next year's review of the corporate governance framework.
- 2.4 Other work to support the effectiveness of the council's corporate governance arrangements is also planned and these actions are included in the action plan.

3 Recommendation – Action Plan for 2007

- 3.1 It is recommended that the following actions are included in the corporate governance framework review during 2007/8 or as appropriate.

Ref	Action	Lead	Target Dates
All aspects of Corporate Governance			
1	Conduct review of corporate governance framework, following publication of new guidance. This includes development of a new local code and preparation for a new governance statement.	Acting Chief Executive	March 2008
2	Monitor the implementation of the action plan for the audit report on the governance arrangements for the council's partnerships.	Audit Committee	December 2007
3	Ensure that the corporate governance review includes consideration of the council's partnership arrangements.	Acting Chief Executive	March 2008
4	Raise awareness of corporate governance and the relationship between it and effective service delivery. This will help ensure that the organisational culture of the council supports effective corporate governance.	Management Team and Extended Management Team	Ongoing requirement
Community Focus			
5	Conduct review of access to information framework	Head of Legal and Property	April 2007
Service Delivery Arrangements			
6	Develop and implement business continuity framework	Head of Legal and Property	April 2007
Risk Management & Internal Control			
7	Continue to implement the risk management work programme, with particular regard to partnership risks.	Risk Management Group	December 2007
Standards of Conduct			
8	If agreed by Management Team, undertake the ethical conduct piece of work and use the results to inform the corporate governance review.	Chief Auditor & Audit Commission	July 2007
10	Further consider code of conduct for agents/contractors with the Council	Head of Legal and Property	April 2007
11	Implement revised Codes of Conduct for Members/Staff following issue of guidance	Head of Legal and Property	On or before March 2008

Implications:

Financial: The cost of the review is quoted at £9,500 for which there is no specific budget, however there is general consultancy budget of £20,000 per annum of which this could have the first call.

Legal: None

Human Rights: None

Personnel: The actions identified in this report will result in more clearly defined standards, codes of practice, required behaviour and levels of responsibility for employees at all levels. This represents good human resources practice.

Community Safety: None

Environmental Impact: None

Council's Core Values: All

Update of 2006 Action Plan

Review Ref.	Action	Lead	Target Dates	Position as at December 2006
General	Raise awareness of corporate governance and the relationship between it and effective service delivery. This will help ensure that the organisational culture of the council supports effective corporate governance.	Management Team and Extended Management Team	Ongoing requirement	Manager's Assurance statements support the Statement on Internal Control and are reviewed by Management Team.
3f	Monitor the outcome from the scrutiny review covering training for Members.	Principal Democratic Services Officer	31 st December 2006	Scrutiny report to Cabinet in May 2006. A new training and development programme has been developed for implementation after elections in May 2007. A report to Audit Committee in September 2006 showed the progress made and considered specific training needs for the Audit Committee.
4a	Continue to implement the risk management work programme; specifically the actions to provide further training to managers and development of operational risk registers.	Risk Management Group	31 st October 2006	The risk management policy has been revised and the risk appetite defined. A programme of training on risk management has been undertaken for 65 team leaders and service unit heads. A process has been put in place for operational risk registers and use of the performance management system for recording risks is under development.
5a	Preparation and adoption of a code of conduct for agents and contractors with the council.	Monitoring Officer	31 st March 2006	Whistleblowing policy updated. Development of contract clauses concerning information disclosure ongoing.
5a	Preparation and adoption of an updated version of the planning code of conduct.	Monitoring Officer	31 st March 2006	Standards Committee decided not to develop this until the National Code of Conduct was updated. This has not yet been issued.
5a	Consult with managers on the need for training on fraud risk awareness.	Chief Internal Auditor	31 st March 2006	Consultation undertaken as part of the audit planning process. Fraud and ethics awareness included in Audit Commission work of ethical conduct.

General	Report on any revised guidance relating to corporate governance as a result of the CIPFA review of the framework.	Chief Internal Auditor	31 st December 2006	Report to Audit Committee on draft framework in September 2006 and to Standards Committee in November. Timetable and action plan agreed for reviewing the final framework in 2007/8.
General	Include within the 2006/7 Audit Plan a review of the council's partnership arrangements that includes consideration of the corporate governance framework.	Chief Internal Auditor	April 2006 for the Audit Plan. Timing of the work to be agreed.	Audit completed and report issued.