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Ward (s) affected	All	Key Decision	No
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Subject	Corporate Governance – Annual Review
RECOMMENDATIONS	
<p>The Audit Committee is asked to:</p> <ul style="list-style-type: none"> • Consider the contents of this report and confirm they are satisfied with the Corporate Governance arrangements • Note the progress made against areas of focus identified in the 2014 Annual Governance Statement 	

EXECUTIVE SUMMARY
<p>This report:</p> <ul style="list-style-type: none"> • Provides assurance of the adequacy of corporate governance arrangements • Gives an update on progress made against the areas of focus as identified in the 2014 Annual Governance Statement

CORPORATE PRIORITIES
<p>Strong governance arrangements mean that resources are directed in accordance with agreed policy and according to priorities set out in the Corporate Plan; that there is sound and inclusive decision making; and that there is clear accountability for the use of those resources, in order to achieve desired outcomes for service users and communities.</p>

The Committee has the authority to determine the Recommendations

1. Background

Corporate governance comprises the systems, processes, cultures and values, by which the Council is directed and controlled and through which it accounts to, engages with and leads the community.

The Delivering Good Governance in Local Government framework, published by the Chartered Institute of Public Finance (CIPFA) in association with the Society of Local Authority Chief Executives (SOLACE) in 2007, sets the standard for local authority governance in the UK. CIPFA's guidance note that accompanies the framework was updated in 2012 to reflect recent changes to local government arising from the economic downturn and key legislation, such as the Localism Act. New ways of working such as partnership boards provide challenges for managing risk, ensuring transparency and demonstrating accountability.

Mole Valley District Council operates a governance framework which reflects legislative requirements, sound governance principles and management processes. This enables the Council to effectively implement its vision and to engage effectively with its residents and service users and ensure good outcomes for them.

The Council's Code of Corporate Governance was agreed by the Audit Committee in November 2013. It is based on the principles contained in the *Delivering Good Governance* framework (2007) and guidance (2012) published by CIPFA/SOLACE.

Our governance arrangements are reviewed annually by establishing the extent to which we are complying with the Code. This is then reported in our Annual Governance Statement which is a public report. The statement sets out how the Council meets a range of detailed governance standards along with any changes planned for the future.

The Annual Governance Statement is signed by the Chief Executive and the Leader of the Council and included with the Statement of Accounts, as required by the CIPFA / SOLACE framework, the Statement of Recommended Practice (SORP) 2007 and the Accounts and Audit (England) Regulations (2011).

2. Internal and external audit review

Internal audit are required to provide the Section 151 Officer and the Audit Committee an opinion on the adequacy and effectiveness of the organisation's governance, risk management and control arrangements. A Corporate Governance audit of arrangements in 2013/14 was undertaken in April 2014. The audit confirmed that 'the Council's Annual Governance Statement and Local Code of Corporate Governance are supported by evidence and follow best practice guidance; and that action had been taken or planned to address any areas of identified weakness.' There were no recommendations or suggestions made as a result of the audit.

At the meeting of the Audit Committee in June 2014, the internal auditors, Baker Tilly, gave their opinion on the arrangements in place throughout 2013/14, stating that 'governance arrangements were found to be sound through our internal audit work across the year'. It was further noted that our arrangements had continued to improve during the year. The next audit of Corporate Governance is due to take place during 2015/16.

At the meeting of the Audit Committee in September 2014, the external Auditors, Grant Thornton, concluded that 'the Annual Governance Statement complies with the best practice guidance by

CIPFA. We did not identify any omissions or any information which was inconsistent with our knowledge.’

3. Summary of key activity during 2014/15

Ensuring that the Council’s governance arrangements are fit for purpose is an ongoing process. The Annual Governance Statement 2014 identified a number of areas of focus. The table below provides an update of progress made.

Areas of Focus 2014/15	Time scale	Update
<p>Confirm the corporate business continuity planning arrangements by the production of:</p> <p>a) An Organisational Resource Strategy that sets out MVDC’s strategies for the loss of resources, including; people, premises, technology, information, supplies (power/heating);</p> <p>b) An Incident Management Plan that informs MVDC’s management response to the initial (acute) phase of a business continuity incident.</p> <p>To establish annual testing arrangement of Business Continuity Plans.</p>	<p>Sept 2014</p>	<p>COMPLETED</p> <p>An Organisational Resource Strategy, and an Incident Management Plan are in place following agreement by Corporate Board in July.</p> <p>Arrangements are in place for an exercise to be undertaken by the end of March 2015 and annually thereafter.</p>
<p>Website modernisation</p>	<p>Dec 2014</p>	<p>COMPLETED</p> <p>The new website went live on 13 October 2014. Following the work to refresh the website, Sitemorse carried out its quarterly review in December and rated MVDC’s site as 14th out of 429 authorities’ sites, a rise of 5 places from the previous quarter. These reviews cover the technical aspects of a website as well as the customer experience (site performance, accessibility and email). Mole Valley’s site is currently rated by Sitemorse as the best performing council website in Surrey.</p>

Review of Constitution	Jan 2015	COMPLETED Technical revisions across the whole constitution, including a review of financial regulation and contract standing orders were reviewed by January 2015 and approved by the Council on 17 February 2015.
Review of HR policies	March 2015	WORK UNDERWAY AND ON TARGET 34 out of 46 local conditions and annexes have been reviewed and streamlined. 4 new policies have been added over the period of the review. Staff representatives and employees have contributed to the consultation process. Work on the remaining 12, which includes Hours of Employment, Leave, Pensions and Sickness, is ongoing and programmed to continue into 2015/16.
Review of appointments to outside bodies	March 2015	COMPLETED Scrutiny Committee reviewed appointments to outside bodies during 2014/15 and a new Protocol for Appointments to Outside Organisations was approved by the Council on 17 th February 2015 as part of the technical review of the Constitution.
Vision and values	March 2015	WORK UNDERWAY AND ON TARGET The Council is due to approve the new Corporate Strategy at its meeting on 10 March 2015. The vision will be confirmed at this point. All employees have been working with their teams to identify values for the organisation. The Strategic Management Team are currently considering the proposals put forward with a view to confirming a set of organisational values.
Partnerships	March 2015	WORK UNDERWAY Proposals are currently being considered by the Senior Management Team to establish overarching principles governing MVDC's partnership activity.

4. Next Steps

The annual review of governance arrangements will be undertaken to establish the extent to which we are complying with the MVDC Code of Corporate Governance.

This will then be reported in our Annual Governance Statement which is a public report. The

statement sets out how the Council meets a range of detailed governance standards along with any changes planned for the future. This will be presented to Audit Committee in June 2015.

5. Financial Implications

There are no financial implications arising as a direct consequence of this report.

6. Legal Implications

There are no legal implications arising as a direct consequence of this report.

CORPORATE IMPLICATIONS

S151 Officer commentary – I confirm that all financial implications have been taken into account.

Monitoring Officer commentary – I confirm that all legal implications have been taken into account.

Risk Implications - The Council is responsible for the governance of risk and good governance requires that risk management is embedded into the culture of the organisation. Ensuring that an effective risk management system is in place is one of the supporting principles enshrined in the updated Code of Corporate Governance.

Equalities Implications - There are no equalities implications arising as a direct consequence of this report.

Employment Issues - There are no employment implications arising as a direct consequence of this report.

Sustainability Issues - There are no sustainability implications arising as a direct consequence of this report.

Consultation - There are no consultation issues in this report.

BACKGROUND PAPERS

Delivering Good Governance in Local Government: Framework [Chartered Institute of Public Finance (CIPFA) in association with the Society of Local Authority Chief Executives (SOLACE), 2007]

Delivering Good Governance in Local Government: Guidance Note for English Authorities [CIPFA/SOLACE, 2012]