
QUARTERLY GOVERNANCE PROGRESS REPORT

To: **Governance and Audit Committee – 15 March 2011**

Main Portfolio Area: **Finance and Corporate Services**

By: **Corporate Governance and Risk Officer**

Classification: **Unrestricted**

Ward: Not applicable

Summary: To provide Governance and Audit Committee with a progress report on governance related issues.

For Information and Decision

1.0 Introduction and Background

1.1 This report provides Governance and Audit Committee with an update on governance related issues. The items covered in this report are:

- 2.1 Corporate risk register
- 2.2 Annual Governance Statement 2009/10 action plan
- 2.3 Programme of reports for 2011/12
- 2.4 Terms of reference – annual review

2.0 The Current Situation

2.1 Corporate risk register

2.1.1 Attached at **annex 1** is a copy of the corporate risk register. Governance and Audit Committee need to be confident that the risk management process is being followed, such as ensuring reviews are being undertaken and target dates for implementing control measures are met.

2.1.2 The table below provides a summary of the corporate risk register for the period January to March 2011.

Directorate	No of risks per area	Risk review overdue	Risk rating		
			Increased	Reduced	Remained the same
Community Services	2	0	0	0	2
Customer Services and Business Transformation	0	0	0	0	0
Finance and Corporate Services	17	0	0	2	15
Environmental Services	1	0	0	0	1
Regeneration Services	2	0	0	0	2
Total	22	0	0	2	20

2.2 Annual Governance Statement 2009/10 action plan (including G & A annual report half yearly monitoring)

- 2.2.1 For the period 2009/2010 the council prepared an Annual Governance Statement (AGS) which was agreed by Governance and Audit Committee on the 22 June 2010.
- 2.2.2 Within the Annual Governance Statement 2009/10 areas of concern identified from the numerous assessments into our governance arrangements were detailed within Section 6 'Significant governance issues'.
- 2.2.3 The council proposed to take steps to address these matters and report on the action plan to this Committee on a regular basis. The action plan is attached at **annex 2** for Members information.
- 2.2.4 The table below provides a summary of the Annual Governance Statement 2009/10 action plan.

Section	No of actions	Comment outstanding	Comment provided	No of actions completed
1.	2	0	2	0
2.	14	0	14	4
3.	4	0	4	4

1. Within this section are the governance issues identified in previous Annual Governance Statement action plans, which have not been completed for various reasons and will therefore be updated and incorporated into the 2009/10 action plan
2. The identified areas detailed below have arisen from our numerous assessments into the council's governance arrangements for 2009/10 and have been deemed to be significant by the Governance Group. These will be addressed during 2010/11 and for those already actioned an update has been provided.
3. To comply with best practice the Governance and Audit Committee determined that it would consider annually whether it meets its terms of reference and how it has impacted on the internal control environment. The Committee carried out the National Audit Checklist and identified some actions which it recommends will improve performance against best practice for the forthcoming year. These issues have already been actioned and an update is provided but will continue to be monitored to ensure they are effective.

2.3 Programme of reports 2011/12

- 2.3.1 The programme of reports for future Governance and Audit Committees has been reviewed, and an updated list is provided as **annex 3** for Members' information. Once agreed, this will be incorporated in the Guidance Pack which will be distributed to Members of the Group at the 22 June meeting.

2.4 Terms of reference – annual review

- 2.4.1 The terms of reference for this Committee have been reviewed and were discussed as part of the Governance and Audit Committee annual report review process carried out on the 23 February 2011. The recommended changes are detailed in **annex 4** to this report, shown as track changes.
- 2.4.2 The main change that needs to be brought to Members' attention is the addition under 'Regulatory Framework', following questions raised at the last Governance

and Audit Committee around ensuring governance processes are in place for EK Services and how they will be monitored.

2.4.3 Following agreement by this Committee to the recommended changes, the terms of reference will go before the Constitutional Review Working Party, Standards and then onto Council on the 21 April 2011.

2.4.4 A copy of the terms of reference will be included within the Guidance Pack that is to be issued in June 2011.

3.0 Options

3.1 That Members note the content of annex 1, the Corporate Risk Register and identify any issues on which they require more clarification.

3.2 That Members note the content of annex 2, the Annual Governance Statement 2009/10 action plan and identify any issues on which they require more clarification.

3.3 That Members agree the reviewed programme of reports for 2011/12.

3.4 That Members agree the changes to the terms of reference and agree that they go forward to the Constitutional Review Working Party, Standards and Council for formal agreement.

4.0 Corporate Implications

4.1 Financial

4.1.1 There are no financial implications arising directly from this report.

4.2 Legal

4.2.1 There are no legal implications arising directly from this report.

4.3 Corporate

4.3.1 The Annual Governance Statement Action Plan is a corporate document that addresses the areas of improvement identified as necessary through the Annual Governance Statement process.

4.3.2 Governance and Audit Committee are charged with monitoring the effective development and operation of risk management, and to this end receive the corporate risk register on a regular basis to ensure that the risk management process is being applied appropriately across the organisation.

4.4 Equity and Equalities

4.4.1 There are no equity or equalities issues arising from this report.

4.5 Risks

4.5.1 Failure to undertake these processes will impact on the council's approach to Corporate Governance.

5.0 Recommendation(s)

- 5.1 That Members note the content of annexes 1 and 2 and identify any issues on which they require more clarification.
- 5.2 That Members agree the programme of reports for 2011/12, on the understanding that there may be variations to the programme should the need arise.
- 5.3 That Members agree the changes to the terms of reference and agree that they go forward to the Constitutional Review Working Party, Standards and Council for formal agreement.

6.0 Decision Making Process

- 6.1 These recommendations do not involve the making of a key decision and may be taken by the Governance and Audit Committee.

Future Meeting if applicable:	Date:
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Annex List

Annex 1	Corporate Risk Register
Annex 2	Annual Governance Statement 2009/10 action plan
Annex 3	Programme of reports for 2011/12
Annex 4	Terms of Reference (Version 5 11-12)

Background Papers

Title	Details of where to access copy
Annual Governance Statement 2009/10	Members Portal, Council website (www.thanet.gov.uk) and hard copy within Corporate Resources, first floor, Cecil Street Offices, Margate
Terms of Reference (Version 4)	Within Constitution

Corporate Consultation Undertaken

Finance	Not applicable
Legal	Not applicable