

**MILTON KEYNES COUNCIL ANNUAL GOVERNANCE STATEMENT
ACTION PLAN**

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1. Purpose

- 1.1 The basic principles of good corporate governance would require the Council to carry out its functions in a way that demonstrates accountability, effectiveness, integrity, inclusivity.
- 1.2 The Annual Governance Statement, a reflection of the Council's Governance arrangements for the past year and the attached Action Plan, designed to strengthen those arrangements was presented to this Committee on 24th June 2009. The Committee requested that quarterly reports be presented to the Committee on progress made against the actions in the Annual Governance Statement Action Plan.
- 1.3 The purpose of this report is to present the progress report against the Annual Governance Statement Action Plan to the Audit Committee and the Standards Committee, including an explanation of areas that are currently rated as 'red'.

2. Recommendations

- 2.1 **That the Committee considers the Milton Keynes Council Annual Governance Statement Action Plan Progress Report for Quarter 3**
- 2.2 **That the Committee comments on progress against the actions as appropriate and that these comments are passed on to the Improving Governance Project Group to be actioned.**

3. Background Information

- 3.1 Corporate governance 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.
- 3.2 The AGS is the formal statement that recognises records and publishes an authority's governance arrangements. It is a statement that subsumes and broadens the previously required Statement on Internal Control (SIC), and was required to be published with the Council's financial statements relating to 2007/08 (and onwards) to

ensure compliance with the Accounts and Audit (Amendment) Regulations 2006. These Regulations require authorities to "conduct a review at least once in a year of the effectiveness of its system of internal control" and to prepare a statement on internal control in accordance with "proper practice". With effect from 2007/08, proper practice is defined as the requirement for an AGS in place of the SIC, as set out in the CIPFA/SOLACE Framework.

- 3.3 The Annual Governance Statement Action Plan is a statement of the actions to be taken by Milton Keynes Council in order to remedy any weaknesses that it has identified in the Council's governance arrangements. Each action has named officer and a time frame by which it should be completed. Quarterly monitoring of the action plan by the Audit and the Standards Committee will allow Members to understand the progress that has been made against the actions and to ensure that appropriate action is being taken to remedy weaknesses in the Council's governance processes.
- 3.4 The Standards Committee and the Audit Committee have joint and complementary responsibilities for the good governance of the Council - the Standards Committee for ensuring and promoting good ethical conduct and the Audit Committee for overseeing the effectiveness of the Council's financial, audit, and risk management processes.
- 3.5 The Audit Committee are invited to make comment on the progress against the Annual Governance Statement Action Plan and these comments will be passed to the Improving Governance Project Group and where appropriate the Improvement Programme Delivery Board for consideration and resolution. The Committee are also requested to consider and agree the extensions to the timescales in the action plan.

4. Issues and Choices

- 4.1 The table below is a summary of the progress against the Annual Governance Statement Action Plan. The key explaining the RAG (red, amber, green) rating can be found on the last page of appendix one which also contains the detailed information against each of the actions.

Action and RAG rating	Rating
1a	G
2a	G
2b (1)	R
2b(2)	G
2c	G
2d	A
2e (a)	G
2e (b)	A
2f	A

Action and RAG rating	Rating
2g	R
2h	G
2i (1)	A
2i(2)	G
2j	A
2k	G
2l(1)	G
2l(2)	G
2m (a)	A
2m(b)	A
3a	G
4a	A
4b	G
4c	G
4d	G
5a	A
6a(a)	G
6a(b)	G

4.2 The key issues for quarter 3 (November, December 2009 and January 2010) are:

1a - Lack of a corporate performance improvement culture

This has moved to a green rating after the milestones were broken down further to give a full representation of the scope of the project.

4a – To define and agree corporate strategic risks and ensure mitigation

This action has moved from green to amber status. It is reported by the Assistant Director – Audit and Risk that the development of the Council's strategic risks has not progressed as quickly as wanted.

4c – Lack of awareness of whistle blowing policy, Re-launch followed by ongoing publicity and monitoring of whistle blowing policy

This action has moved to green. It is reported by the Assistant Director – Audit and Risk that this is due to the whistle blowing policy having been put into place

4d - Include options for decision making in cabinet papers

This action is now green. The Head of Democratic Services reports that this has now been implemented from January.

4.3 Actions rated as 'red'

2b - Constitutional Review

The Head of Democratic Services reports that, although still red, the Commission is now meeting on the 21st January 2010

2g – Leader and Chief Executive protocol

The Head of Democratic Services reports that research has now been carried out on this action and a paper on leadership has been sourced from Solace. Work will be ongoing

5. Background Papers

5.1 CIPFA/SOLACE – Delivering Good Governance in Local Government Framework