

MILTON KEYNES COUNCIL ANNUAL GOVERNANCE STATEMENT ACTION PLAN PROGRESS REPORT– QUARTER 4

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1. Purpose

- 1.1 The basic principles of good corporate governance require the Council to carry out its functions in a way that demonstrates accountability, effectiveness, integrity, inclusivity.
- 1.2 The purpose of this report is to present the progress against the Annual Governance Statement Action Plan to the Committee, including highlighting any issues arising as a result of the collection process.
- 1.3 The Annual Governance Statement (AGS) is approved by the Committee for submission alongside the annual accounts. It is a reflection of how the Council sees its Governance arrangements for the previous year and includes an AGS Action Plan, designed to strengthen identified weaknesses in those arrangements over the coming year. The current AGS Action Plan was presented to this Committee in June 2012 and reflects issues raised in the 2011/12 financial year, which have been addressed in 2012/13.
- 1.4 This is the final update for this year. Any outstanding actions should be rolled into the new 2012-13 Action Plan which will address the issues raised in the 2012-13 Annual Governance Statement throughout 2013-14 and will also be reported to the Audit Committee on a quarterly basis.

2. Recommendations

- 2.1 That the Committee considers the Milton Keynes Council Annual Governance Statement Action Plan Progress Report at Annex A and notes those actions which have been reported as key issues for Quarter 4.
- 2.2 That the Committee agree to the closing of actions 3, 9, 12 and 14.
- 2.3 That the Committee note actions 10 and 15 were closed at the January Audit Committee meeting.

- 2.4 That the Committee note that actions 1, 2, 4, 5, 6, 7, 8, 11 and 13 have been rolled forward into the Annual Governance Statement Action Plan for 2012-13.

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 Regulations 2011. 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". Proper practice is currently defined by the 2012 addendum to the 'Delivering Good Governance in Local Government: 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 or areas for improvement which 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 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 and improve governance for Milton Keynes Council.
- 3.4 The Audit Committee are invited to make comment on the progress against the 2011/12 Annual Governance Statement's Action Plan and are asked to agree those actions which should be removed from the reporting structure due to their completion.

4. Issues and Choices

- 4.1 The key issues for Quarter 4 (January to March 2013) are:

Actions recommended for closure:

- **Action 3** – The Overview and Scrutiny Survey did not identify any major issues and the response rate was good. Work will continue throughout the year on the basis of the priority setting meeting held in April.
- **Action 9** – This action regarding human resources projects will continue to be managed within the Human Resources department, but is recommended for closure in the Annual Governance Statement Action

Plan, however an action regarding appraisal rates specifically is to be carried forward into the 2012/13 action plan, action 22.

- **Action 12** – Responses in respect of the whistle blowing survey are to be circulated to the Audit Committee in June 2013. No further comments have been made during the Annual Governance Statement drafting process, however should concerns arise at this meeting an addition may be made to the action plan for 2012/13.
- **Action 14** – It is advised that this action should now be closed as the work detailed in this action has been completed; however separate actions regarding governance of MKDP and the operation of the tariff have been included in the 2012/13 action plan.

Actions outstanding

- **Action 1** – issues regarding the member/officer protocol have been taken forward in the 2012/13 Annual Governance Statement Action Plan 2012/13, action 21 and in respect of training action 11
- **Action 2** – Due to further changes in respect of the Standards process in Milton Keynes this action has been reflected in the 2012/13 Annual Governance Statement Action Plan, action 12.
- **Action 4** – role profiles and Personal Development Plans are in the final stages of drafting however have not been completed by the target date, it is recommended that this action is taken forward in the action plan for the Annual Governance Statement 2012/13, actions 13, 14 and 15.
- **Action 5** – this work in respect of governance structures is continuing and is reflected in action 5 of the 2012/13 Annual Governance Statement Action Plan.
- **Action 6** - The only outstanding action in respect of the Peer Review is with regard to member/officer working relations, which is reflected at action 21 in the 2012/13 Annual Governance Statement Action Plan.
- **Action 7** – the OTP Programme continues and is reflected in action 16 in the 2012/13 Annual Governance Statement Action Plan.
- **Action 8** – The Committee have commented that they are not satisfied that appropriate assurances have been received in respect of this action, as a result, it has been rolled forward into the 2012/13 Annual Governance Statement action plan for a follow up audit, action 17.
- **Action 11** – as the Contract Procedure Rules have continued to be updated, this action is recommended to be rolled into the 2012/13 Annual Governance Statement Action Plan to recognised that the rules have been further altered and are pending agreement by Council.
- **Action 13** – the issue regarding member support in respect of IT has not yet been resolved, this has been included on the 2012/13 action plan – action 19.

5. Background Papers

CIPFA/SOLACE – Delivering Good Governance in Local Government Framework