

FLINTSHIRE COUNTY COUNCIL

REPORT TO: **AUDIT COMMITTEE**

DATE: **WEDNESDAY, 10 DECEMBER 2014**

REPORT BY: **CHIEF OFFICER (GOVERNANCE)**

SUBJECT: **CORPORATE GOVERNANCE**

1.00 PURPOSE OF REPORT

- 1.01 To agree the annual update of the Code of Corporate Governance.
- 1.02 To agree the process for preparing the Annual Governance Statement (AGS) for 2014/15.

2.00 BACKGROUND

- 2.01 The Corporate Governance Officer Working Group has two main roles relating to the annual update of the Code of Corporate Governance and the preparation of the AGS. For both roles it prepares the draft documentation for consideration by the Chief Executive, Monitoring Officer and Section 151 Officer prior to consideration by Audit Committee. The current membership of this officer working group is shown in Appendix 1.
- 2.02 The Council's Code of Corporate Governance forms part of the Constitution and applies to all aspects of the Council's business. Members and employees of the Council must in carrying out its business conduct themselves in accordance with the high standards expected by the citizens of Flintshire. The code recognises the emphasis placed upon corporate governance by the Welsh Government and is based upon and reflects the various principles in the Chartered Institute of Public Finance & Accountancy (CIPFA) / Society of Local Authority Chief Executives (SOLACE) document entitled "Delivering Good Governance in Local Government: Framework".
- 2.03 The Code states that the Chief Executive and Monitoring Officer are responsible for ensuring that it is kept up-to-date by way of annual reviews commencing in October each year. This updating review was initially carried out by the Corporate Governance Officer Working Group followed by consultation with the Chief Executive, Monitoring Officer and Section 151 Officer. Attached as Appendix 2 is the Code with the proposed updating changes tracked.

- 2.04 For each financial year the Council is required to produce an AGS as part of its final accounts. The AGS explains how the Council has complied with its Code of Corporate Governance and it also meets the requirements of the Accounts and Audit (Wales) (Amendment) Regulations 2010. CIPFA and SOLACE have jointly produced a detailed guidance note on the preparation and contents of an AGS.
- 2.05 From the financial year 2011/12 the preparation of the AGS has been coordinated by the Corporate Governance Officer Working Group reporting to the Chief Executive, Monitoring Officer and Head of Finance on its work.

3.00 CONSIDERATIONS

- 3.01 Members may recollect that last year there were many updating changes made to the code and this may have contributed to there being fewer needed this year. The main updating changes this year are:-
- Updates to reflect the new Chief Officer structure.
 - To include in 1.13 reference to the in-depth corporate assessment undertaken by the Wales Audit Office.
 - In 2.9 to update on the completion of the single status agreement.
 - In 3.9 to update on the strategic partnership governance framework.
 - To update on improvement and service planning.
 - To include reference to the new e-magazine 'Your Council' and the public consultation on the budget process.
- 3.02 In relation to the AGS the process of preparing this for the financial year 2014/15 is about to commence. Since the coordination of the AGS has been undertaken by the Corporate Governance officer working group the Wales Audit Office (WAO) have not required any significant alterations to it when auditing it as part of the Council's statement of accounts. The WAO did however suggest last year that consideration be given to more Member involvement in the preparation of the AGS. In response to this last year the process was amended to include a report to Audit Committee at the start of the process to endorse the process for preparation of the AGS. Also to introduce questionnaires for the Chairs of Overview & Scrutiny Committees in addition to the questionnaires completed by senior officers. Also that when a draft AGS is available for that to be considered at an informal meeting of the Audit Committee prior to consideration at a formal committee meeting. These changes are proposed to continue this year.
- 3.03 Attached as Appendix 3 is the process for the preparation of this year's AGS which the committee is being asked to endorse. At the Audit Committee meeting on the 25 June 2014 during consideration of a report on budget setting and budgetary control arrangements

Ms Amanda Hughes of the WAO mentioned that in preparation for next year's AGS the Audit Committee may wish to have assurances on procurement, value for money and budgetary control. This was discussed as an informal meeting between Audit Committee members and Overview & Scrutiny Chairs and Vice Chairs on the 9 September 2014 when Members were asked to consider any changes to the process of obtaining input from Overview & Scrutiny Chairs in the preparation of the AGS. It was agreed that the questionnaire for this year would require more details from Overview & Scrutiny Chairs and ask more specific questions. Attached as Appendix 4 is the proposed questionnaire for Overview & Scrutiny Chairs showing the proposed additions to last year's questionnaire that reflects the decision made at the informal meeting.

4.00 RECOMMENDATIONS

- 4.01 For the Audit Committee to agree or amend as appropriate the updated Code of Corporate Governance shown in Appendix 2.
- 4.02 For the Audit Committee to endorse the process for preparation of the AGS as shown in Appendix 3.
- 4.03 For the Audit Committee to agree or amend as appropriate the questionnaire to be sent to Overview & Scrutiny Chairs shown in Appendix 4.

5.00 FINANCIAL IMPLICATIONS

- 5.01 None as a result of this report.

6.00 ANTI POVERTY IMPACT

- 6.01 None as a result of this report.

7.00 ENVIRONMENTAL IMPACT

- 7.01 None as a result of this report.

8.00 EQUALITIES IMPACT

- 8.01 None as a result of this report.

9.00 PERSONNEL IMPLICATIONS

- 9.01 The workload arising from this report can be accommodated within the existing staffing resources.

10.00 CONSULTATION REQUIRED

- 10.01 With the Corporate Governance Working Group, Chief Executive,

Monitoring Officer and Section 151 Officer.

11.00 CONSULTATION UNDERTAKEN

11.01 With the Corporate Governance Working Group, Chief Executive, Monitoring Officer and Section 151 Officer.

12.00 APPENDICES

12.01 Appendix 1 – Membership of the Corporate Governance Working Group

Appendix 2 – Tracked changes to the Code of Corporate Governance

Appendix 3 – Process for Preparation of the AGS

Appendix 4 – Questionnaire for Overview & Scrutiny Chairs

LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985
BACKGROUND DOCUMENTS

Existing Code of Corporate Governance
Report to Audit Committee 18 December 2013

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