REPORT FROM:	CORPORATE GOVERNANCE STEERING GROUP
TO:	**ACCOUNTS & AUDIT COMMITTEE**
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CORPORATE GOVERNANCE & RISK MANAGEMENT UPDATE

PURPOSE OF REPORT
This report provides the Committee with an update on the following:
a) the developments relating to the Council's risk management arrangements, including the updated Strategic Risk Register based on Quarter 1 2024/25 updates;
b) the Local Code of Corporate Governance which is a document detailing how the Council complies with the Good Governance Framework 2016 published jointly by CIPFA and SOLACE; and
c) the Action Plan contained within the draft Annual Governance Statement (AGS) which forms part of the Statement of Accounts 2023/24.

RECOMMENDATIONS
The Committee is recommended to:
a) note the current developments and position linked to the Council's risk management arrangements and the Strategic Risk Register and comment as appropriate;
b) review and comment on the Local Code of Corporate Governance; and
c) consider the progress in the delivery of the AGS Action Plan 2023/24 and comment as appropriate.

REASONS FOR RECOMMENDATIONS
To ensure the Committee is made aware of current developments impacting on the Council's wider corporate governance framework.

ISSUE

Background
1. It is considered good practice for the Council's corporate governance and risk management arrangements to be subject to a regular review.

2. The Local Code of Corporate Governance (and incorporated action plan), the Strategic Risk Register and AGS Action Plan are each subject to periodic review by the Corporate Governance Steering Group (CGSG).

3. There are also regular meetings of the Council's Risk Management Working Group (RMWG) who review operational risks; however, this group focusses on primarily health & safety risks.

Risk Management Arrangements and Strategic Risk Register (SRR)

4. A Risk Management Training session was delivered to Corporate Management Team (CMT) by Zurich (the Councils insurers) on 29th July 2024. As a follow-up to this training, Zurich have also undertaken a review of our Strategic Risk Register. The report has been received and contains several recommendations for improvements.

5. The Corporate Client & Governance Team are now working on the feedback from the training session and on the recommendations from the review of the SRR. The team will develop the next steps in enhancing our risk management arrangements within the Council and further updates will follow on this for future meetings.

6. A Risk Management Training / Horizon Scan session has also been arranged for Members on 12th September 2024.

7. The regular review of the SRR has now become embedded within the Council's performance management regime. Individual quarterly review sessions are now held between the Performance Team and each Head of Service / Risk Owner; a process which has greatly improved accountability, ownership and quality of updates provided.

8. The SRR is monitored via the Council's Performance Management software (Pentana) and forms part of the quarterly Performance Clinics. At the clinics Corporate Leadership Team and the Head of Policy & Commissioning receive an update from each member of the Corporate Management Team on key areas, as detailed below:
    - Corporate Priorities
    - Key Performance Indicators
    - Performance Indicators
    - Strategic Risk Register
    - Finance
    - HR
    - Emerging Big-Ticket Issues
    - Requests to CLT

9. The Performance Clinics provide an opportunity to review performance and also feed into the quarterly reports to Executive. They also provide an opportunity to review and update the SRR further. The format and content of the clinics continues to be reviewed and enhanced to ensure these remain relevant and meaningful.

10. A copy of the most recent update of the SRR is attached at Appendix 1. This is based on the Quarter 1 reviews (period ending 30th June 2024) with Heads of Service / Risk Owners and at the Clinics.

11. It is important to note that further progress will have been made on a number of the risk actions which remain and these will be captured fully in the Quarter 2 2024/25 review sessions with Heads of Service.

12. Key points to note from the review of the SRR in Quarter 1 are that:
    - One strategic risk (SRR-02a – GoPlant Insolvency) will now be removed from the SRR following the end of the Quarter 1 performance reporting cycle. This is because the risk has been eliminated with a new service provider taking over.

- the scores of three Strategic Risks were changed. A brief summary of these changes are provided in the table below and the detail can be found in Appendix 1:

Strategic Risk	Previous Current Risk Score	New Current Risk Score
SRR-02b: Organisation's Internal Capacity to Deliver (Local Waste Transfer Station Closures)	8	12
SRR-09: Achievement of carbon neutral targets by 2030	15	20
SRR-14: Joint Venture Companies	20	16

Local Code of Corporate Governance (Local Code)

13. Since the Good Governance Framework 2016 was published by CIPFA and SOLACE the Council has maintained a Local Code together with an action plan identifying the extent of compliance and / or any areas in the council's arrangements that require further development. This is subject to periodic review, primarily by the CGSG.

14. The concept underpinning the framework is that it is helping local government in taking responsibility for developing and shaping an informed approach to governance, aimed at achieving the highest standards in a measured and proportionate way. The Framework is intended to assist authorities individually in reviewing and accounting for their own unique approach. The overall aim is to ensure that:
    - resources are directed in accordance with agreed policy and according to priorities;
    - there is sound and inclusive decision making;
    - there is clear accountability for the use of those resources in order to achieve desired outcomes for service users and communities.

15. The Local Code is regularly reviewed by the CGSG (and Corporate Management Team by exception) looking at each of the seven principles in the framework and the evidence available to demonstrate compliance assessed.

16. As previously reported the format has been reviewed to streamline the Council's Local Code of Governance and the processes required to review this on a regular basis. The updated Local Code is provided as Appendix 2 and is undergoing further work to strengthen this, which includes the development of a Corporate Governance Framework.

17. The identified actions required to maintain or enhance our governance arrangements will be further developed and included and will be allocated a RAG rating to provide an overview of progress / completeness following the last update.

Annual Governance Statement Action Plan 2024/25 – Quarter 1 Update

18. The AGS published as part of the Statement of Accounts for 2023/24 contained the action plan detailed in Appendix 3 and an update on progress is detailed alongside each action within the table.

IMPLICATIONS

Policy: There are no new policy implications arising from this report.

Financial: There are no new financial implications arising from this report.

Legal: There are no new legal implications arising from this report.

Risk Management: There are no new risk management implications arising from this report.

Health and Safety: There are no new health and safety implications arising from this report.

Sustainability: There are no new sustainability implications arising from this report.

Community Safety: There are no new community safety implications arising from this report.

Equality and Diversity: There are no new equality and diversity implications arising from this report.

APPENDICES

Appendix 1 – Strategic Risk Register – Update Quarter 1 2024/25
Appendix 2 – Local Code of Corporate Governance – Update Quarter 1 2024/25
Appendix 3 – Annual Governance Statement Action Plan 2024/25: Quarter 1 Update

LIST OF BACKGROUND PAPERS