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PAGE: 1

**INTERIM REPORT TO: AUDIT AND PERFORMANCE COMMITTEE ON 23RD
 JUNE 2010**

SUBJECT: GOVERNANCE

BY: CHIEF LEGAL OFFICER

1. REASON FOR REPORT

1.1 To inform the Committee about progress since the subject was reported to this Committee in June 2009.

2. RECOMMENDATIONS

2.1 **That the Committee:**

- (i) **scrutinises progress since 2009**
- (ii) **notes the development of governance and scrutiny across the Council remains a priority**

3. BACKGROUND

3.1 As Members are aware governance is concerned essentially with the way the Council is directed and controlled. Good governance leads to good outcomes through clarity of vision, sound decision making, good management, stewardship of public money and public engagement.

3.2 The Chief Legal Officer has responsibility for maintaining a local code of corporate governance and the supporting process and assurance framework as part of the “Moray Performs” Programme.

3.3 “Moray Performs” is the Council’s wide ranging programme of developments to improve future delivery of services in terms of the planning and management of those services and to meet the Council’s responsibilities in terms of Best Value, and external inspection, whilst meeting challenging efficiency targets and financial constraints.

3.4 In June 2009 I informed this Committee of this subject and the actions planned to deliver governance and scrutiny arrangements by the Council, a priority for development in 2009 / 10.

Report

- 3.5 This report reflects back over the year since June 2009 and what has been done during this period.
- 3.6 Since being requested by the last meeting of this Committee to report to this Committee on this subject the Chartered Institute of Public Finance and Accounting ("CIPFA") has published a new series of briefing papers for Audit Committee Members and public sector bodies. The briefings contain information of relevance to this Committee. Unfortunately there has not been sufficient time to consider this information in detail and for it to be reflected in the contents of this report. Accordingly this report is submitted to Committee on an interim basis. A further report specifically addressing the issues and questions which the briefing papers raise will be submitted to Committee.
- 3.7 **APPENDIX I** to this report is the process and assurance framework underpinning corporate governance of the Moray Council. Progress of many of the elements within the framework are largely reflected in the Annual Governance Statement (**APPENDIX II** attached). I would however wish to take this opportunity to highlight a number of developments within the statement and elsewhere and look forward to the tasks which lie ahead in 2010/11 to further strengthen governance arrangements.
- 3.8 In particular I would wish to draw attention to:-
- progress reports to Council on concordat / Single Outcome Agreement Commitments;
 - production of job descriptions; roles and responsibilities and CPD Card for elected members;
 - a revised role, remit and performance reporting framework for this Committee, focussing on the Single Outcome Agreement and other major strategic priorities and policies
 - the introduction of a programme for all Council services to undertake the Public Service Improvement Framework of self evaluation.
- 3.9 Going forward for the remainder of this calendar year into 2011 I would wish to highlight the following activities:
- the review of Scheme of Delegation;
 - the Best Value 2 Audit;
 - the Council's forward strategy / budget framework
 - the significant governance issues highlighted in the governance statement
 - the anticipated new Code of Conduct for Councillors; and
 - the CIPFA briefing papers referred to at paragraph 3.6 above.

4. SUMMARY OF IMPLICATIONS

(a) Single Outcome Agreement / Service Improvement Plan

Good governance arrangements were key to the development of the delivery of the Council's stated priorities and plans.

(b) Policy and Legal

The local code of corporate governance and supporting process and assurance framework is based on the national framework published by SIPFA / SOLAS entitled "Delivering Good Governance in Local Government"

(c) Resources (Financial, Risks, Staffing and Property)

With the exception of staff time involved in preparing this statement there are no financial, staffing or property implications arising directly from this report. Lack of good governance will expose the Council to risk of an inability to face the challenge, in a time of financial constraints, of addressing the agenda to deliver modern, efficient public services; resource aspirations and needs; and promote Moray and foster community engagement and confidence.

(d) Consultations

The purpose of this report is to provide members with information on this subject and the opportunity to scrutinise progress.

5. CONCLUSION

5.1 As stated in my report of June 2009 good governance continues to be essential if there is to be the required organisational change and performance culture within the Council to meet the current and future demands on it.

Author of Report: Roddy Burns, Chief Legal Officer

Background Papers: 1. CIPFA / SOLA "Delivering Good Governance and Local Government Framework 2007"
2. The Moray Council Annual Governance Statement June 2010
3. CIPFA "Better Governance Forum Briefing Paper" May 2010

Ref:

Signature: _____

Date: 16 June 2010

Designation: Chief Legal Officer

Name: Roddy Burns