

REPORT TO	DATE OF MEETING
Governance Committee	28 June 2011

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Draft Annual Governance Statement	Not applicable	M Wood	7

SUMMARY AND LINK TO CORPORATE PRIORITIES

The report presents the Council's draft Annual Governance Statement (AGS) for 2010/11. The report provides assurance on the Council's standards of corporate governance spanning all the Council's priorities and covering all activities.

RECOMMENDATIONS

That the Committee review and approve the Council's Annual Governance Statement and make appropriate comments.

DETAILS AND REASONING

The Annual Governance Statement

There is a statutory requirement for the Council to conduct a review (at least once in a year) of the effectiveness of the internal control environment and to publish a statement on the adequacy of the system with its annual accounts. This statement is referred to as the Annual Governance Statement (AGS) and is attached at Appendix A.

The AGS explains our governance arrangements, the review of the governance framework and future plans to improve and strengthen the governance environment. The regulations state that the document should be published with the financial statements however, it should be emphasised that the AGS is a broader reflection of the whole governance of the Council, relating not just to financial controls but covering all activities of the Council.

Accordingly it is good practice that the statement is approved (separate to the accounts) and also signed by the Leader of the Council and the Chief Executive to emphasise its importance and corporate nature.

The Review Process

The review of the Council's governance framework is directed by a senior officer governance group comprising; the Chief Executive / Chief Financial Officer, the Monitoring Officer and senior management representatives from Finance, Assurance, Policy and Corporate Governance Services. The main role of the group is to monitor and review the Council's governance practices and to continually strengthen and improve the Council's arrangements. Both the governance group and this committee have a contributory role to play in improving and strengthening the governance environment.

Assurance Gathering

Due to the corporate nature of the statement and the variety of people involved with delivering governance a shared approach is taken to assurance and evidence gathering. Considerable evidence has been documented in support of the AGS for subsequent review by the Council's external auditors.

Evaluation of the assurance evidence, identification of recommended development areas and compilation of the draft statement has been undertaken by the governance group.

Reliance has been placed on the Council's constitution; corporate and service planning processes; performance, risk and financial management frameworks; the Our People strategy and work plans; anti-fraud and ethical governance arrangements; the Internal Audit service and the Governance, Joint, Standards and Scrutiny Committees. The process has also been supplemented by service assurance statements that have been signed by each Director / Head of Service and work to assess the role and duties of the Chief Financial Officer.

Independent assurance for the statement is also taken from the work and reporting of our external auditors and other external review bodies.

Reporting

In preparing the draft statement the group has been guided by a good practice document that was published by The Chartered Institute of Public Finance and Accountancy (CIPFA).

The statement consists of five sections as follows:

Section 1 of the AGS "scope of responsibility" and section 2 "the purpose of the AGS" are fairly prescriptive and the CIPFA guidance sets out appropriate wording that we have adapted slightly to ease understanding.

Section 3 of the statement identifies the key elements of the Council's governance arrangements.

Section 4 demonstrates how those arrangements have been evaluated and how assurance is gathered.

Section 5 highlights areas of development that have been identified from the review process which will further enhance our governance arrangements.

Following the external audit of the Council's accounts in September, the finalised accounts for 2010/11, including the AGS, will again be presented to the Governance Committee prior to publication. At this time the statement will incorporate feedback and also have been signed by the Leader of the Council and the Chief Executive.

The whole process of reviewing the Council's arrangements, reporting and continuous improvement operates in a cyclical basis with progress reports to this committee at half yearly intervals. Appendix B shows the progress from last year's improvement plan and because the process identifies significant aspects requiring attention then it is not unusual to have some overlap with areas in section 5 of the AGS. That is to say that some actions will continue from the old year to the following year.

Progress on improvement actions will continue to be reported to this committee and the next update is scheduled for February 2012.

WIDER IMPLICATIONS

In the preparation of this report, consideration has been given to the impact of its proposals in all the areas listed below, and the table shows any implications in respect of each of these. The risk assessment which has been carried out forms part of the background papers to the report.

FINANCIAL	There are no financial implications resulting from this report.		
LEGAL	The production of the annual governance statement demonstrates compliance with the Accounts and Audit Regulations 2003 (Regulation 4) as amended by the Accounts and Audit (Amendment) (England) Regulations 2006.		
RISK	The statement and more importantly the underlying process of assessment will enhance our internal control and corporate governance status thus minimising risk.		
OTHER (see below)	None directly, but as outlined in the report the process of assessment has covered all statutory and policy obligations.		
<i>Asset Management</i>	<i>Corporate Plans and Policies</i>	<i>Crime and Disorder</i>	<i>Efficiency Savings/Value for Money</i>
<i>Equality, Diversity and Community Cohesion</i>	<i>Freedom of Information/ Data Protection</i>	<i>Health and Safety</i>	<i>Health Inequalities</i>
<i>Human Rights Act 1998</i>	<i>Implementing Electronic Government</i>	<i>Staffing, Training and Development</i>	<i>Sustainability</i>

BACKGROUND DOCUMENTS

The Chartered Institute of Public Finance and Accountancy (CIPFA) "The Annual Governance Statement – Meeting the requirements of the Accounts and Audit Regulations 2003, Incorporating Accounts and Audit (Amendment) (England) Regulations 2006"

A Chartered Institute of Public Finance and Accountancy and the Society of Local Authority Chief Executives and Senior Managers (CIPFA/SOLACE) 2007 document, entitled "Delivering Good Governance in Local Government".

A 2004 publication produced by the Independent Commission on Good Governance in Public Services chaired by Sir Alan Langlands entitled "Good Governance Standard for Public Services".

SOUTH RIBBLE BOROUGH COUNCIL

DRAFT

ANNUAL GOVERNANCE STATEMENT 2010/11

1. Scope of Responsibility

South Ribble Borough Council is responsible for ensuring that its business is conducted in accordance with the law and to high standards. Public money must be protected and properly accounted for. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the delivery of its services, having regard to a combination of economy, efficiency and effectiveness. This is more commonly referred to as providing value for money. In doing this, the Council is responsible for putting in place proper arrangements for the governance of its affairs to support the achievement of the organisation's objectives including arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance (referred to as the local code) that is consistent with best practice governance principles for both public services and in particular for local government. ¹ The Council also complies with the CIPFA statement on the role of the Chief Financial Officer in Local Government (2010).

This statement explains how the Council complies with our local code² and also meets its statutory requirements.³

2. Purpose of the Governance Framework

The governance framework comprises the systems, processes, culture and values; by which the Council directs and controls its activities including those by which it accounts to, engages with and leads the community. It enables the Council to monitor its significant achievements and to demonstrate where this led to improved customer service and the delivery of cost effective services.

The system of internal control is a significant part of that framework and is designed to manage, rather than to eliminate all risk of failure to achieve the Council's objectives. It can therefore, only provide **reasonable and not absolute assurance** of effectiveness.

The system of internal control is based on an ongoing risk management process designed to identify and prioritise the principal risks to the achievement of the objectives of South Ribble Borough Council; to evaluate the nature and extent of those risks, and to manage them efficiently, effectively and economically.

The governance framework at South Ribble Borough Council has been in operation throughout the year ending 31 March 2011. During and beyond this period, further development and improvements have continued right up to the date of approval of the annual report scheduled for 28 June 2011. Further quality improvements are also planned for next year as detailed in section 5.

3. Our Governance Environment

The Local Code of Corporate Governance was revised in 2010, approved by the Council's Governance Committee in June 2010 and adopted by full Council at its meeting on 4 August 2010. It promotes and demonstrates the Council's commitment to the principles of good governance and incorporates the organisational Values that permeate all aspects of Council activity.

The principal elements of the Council's governance arrangements in 2010/11 and our commitment to our local code are described below:

3.1 Good governance means focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area

- The Council's vision and priorities are developed through joint working and extensive consultation with our partners and our local community.
- Our Corporate Plan sets out the priority objectives, key targets and supporting improvement actions and aligns with the Sustainable Community Strategy.
- Corporate, community and county-wide strategies are linked and all parties have the opportunity to influence the planning process through widespread community consultation and engagement.
- The Corporate Plan and the financial strategy incorporate the Council's key improvement areas and focuses attention on community and corporate priorities.
- The Performance Management Framework drives the priorities down through service and individual action plans and facilitates continuous improvement, monitoring and reporting of achievements.
- The Council is constantly examining its service delivery arrangements in order to achieve best value, improve customer service and take corrective action as necessary.
- Our transformation programme demonstrates the continued commitment to service improvement and financial savings.

3.2 Good governance means members and officers working together to achieve a common purpose with clearly defined functions and roles

- Council business is conducted in accordance with the Constitution which governs and controls its business responsibilities and activities. It is reviewed annually to ensure that it is fit for purpose and that we comply with changes to legislation.
- The role and responsibilities of all members, senior officers and the Council's committee structure are clearly defined.
- The constitution also explains how decisions are made; the extent of delegated powers and includes standing orders, contract procedure rules and financial regulations.
- The responsibilities of the two statutory officers (the Head of Paid Service / the Chief Financial Officer and the Monitoring Officer) are clearly defined and a protocol assists with the effective exercise of those roles.
- Each Cabinet Member has portfolio responsibilities for leading strategic matters and for championing specific services and cross cutting initiatives.
- Success in leadership and workforce related governance has been recognised in the achievement of both Investors in People and North West Member Development Charter awards.
- Our values and integrated approach to performance, project, financial and risk management are key to sustained progress against priorities.
- Cabinet, Scrutiny and Senior Management Team monitor overall performance on a quarterly basis to manage delivery of the Corporate Plan.
- The Corporate Plan is supported by financial, risk and other cross cutting strategies and further deployed through service and individual performance plans to ensure that resources are focused on agreed priorities

3.3 Good governance means promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

- The Council's constitution governs the way we conduct our business and is based on the principles of *accountability, transparency, efficiency and openness*.
- The Council prides itself on maintaining and continually strengthening its culture of sound governance and ethical arrangements.
- Our values of Integrity, Positive Attitude, Learning Organisation, Teamwork and Excellence are at the core of our business and they influence everything we do. They demonstrate that we are serious not just about - what is achieved, but equally as important - how business is done.
- The last employee survey found that at least 86% of employees feel that the Council's core values are applied.
- A cross party Standards Committee is at the heart of raising ethical standards and experienced independent members and local councillors continue to promote high standards.
- All Members have signed up to the Code of Conduct for Elected Members and through the Council's induction process all staff sign up to the voluntary Code of Conduct for Employees.
- The Council takes a proactive approach to both prevent and detect fraud and this is supported by the Council's anti-fraud and whistleblowing policies, Internal Audit programmes, fraud investigations, participation in National Fraud Initiative exercises, and publication of proven cases.

3.4 Good governance means taking informed and transparent decisions which are subject to effective scrutiny and managing risk

- The Cabinet takes the lead in developing and delivering the Council's policies and plans and the published Forward Plan contains details of the key decisions to be made.
- Cabinet is supported and challenged by the Scrutiny Committee who play an active role in scrutinising decisions, monitoring performance, shaping policies and strategies and reviewing the effectiveness of partnerships and external organisations.
- The Governance Committee is responsible for reviewing and challenging the adequacy of the Council's governance arrangements. It closely monitors progress on control matters including improvement plans, external and internal audit programmes, risk management, budget and financial investment reports.
- The Council has a comprehensive Risk Management Policy and Strategy that clearly outlines the responsibilities for risk and is endorsed by both the Leader of the Council and the Chief Executive.
- The Chief Executive has overall responsibility for risk management; a cabinet member has portfolio responsibility and is the member champion; operationally a Head of Service leads the risk management function and is recognised as the officer champion.
- The Senior Management Team (SMT) functions as the corporate risk management group and annually they agree and prioritise the corporate risk register which is aligned with the corporate plan.
- The Council has a variety of control mechanisms to ensure compliance with legal requirements, public law and Council policy. These include the roles of the Monitoring Officer; the Chief Financial Officer (Section 151); the assurance work undertaken by both External and Internal Audit; and the Council's performance and committee reporting systems.
- The Council maintains a robust Internal Audit service, which annually provides an independent and objective opinion on the internal control environment, verifies compliance with policies, laws and regulations, evaluates and makes recommendations to improve the effectiveness of risk management, value for money and governance processes.

3.5 Good governance means developing the capacity and capability of members and officers to be effective

- The Council has a strong record of investing in its workforce to develop the culture of the organisation and ensure that current and future strategic priorities are met.
- There is strong political and managerial leadership and members and officers work in partnership to deliver the priorities, promote our values and work collaboratively across Lancashire.
- Our People plan aligns workforce and organisational objectives with the Council's values and Corporate Plan.
- Budget alignment with key priority areas provides capacity and investment.
- Our People plan identifies the priority areas for both member and officer development and half yearly monitoring is undertaken by the Senior Management Team and the Scrutiny Committee.
- Progress is measured using the employee survey results and the achievement of well recognised standards and assessments; namely the North West Member Development Charter and Investors in People awards.
- All employees have an annual performance appraisal to ensure that the organisation has a skilled and trained workforce. The appraisal process evaluates skills, performance and application of the Council's values.
- The Council is committed to increasing its capacity by working in partnership with a wide range of organisations including public, private, voluntary and community groups to build and share resources and deliver locally joined up services.
- Private sector partnerships provide investment and enhanced customer service for Leisure and Waste services.
- A long term partnership with Chorley BC to deliver Financial and Assurance services both increases capacity and skills whilst delivering efficiency savings.

3.6 Good governance means engaging with local people and other stakeholders to ensure robust public accountability

- The Council uses a range of mechanisms to understand the views and needs of its residents and partners. These include: Citizens' Panel, area committees, partnerships, multi agency working, community and voluntary groups.
- In 2009 the Place Survey results ranked South Ribble Borough Council in the national top quartile for overall satisfaction and treating people with respect.
- All committees have extensive levels of public participation and all agendas and decisions are made available to the public except where personal or confidential matters are being disclosed.
- The Council is subject to regular and rigorous external inspection regimes that focus on outcomes for local people.
- The public annual report presents the Council's achievements against citizens' priorities and highlights the delivery of value for money services.
- The Scrutiny Committee supports citizens in highlighting community matters by holding public inquiries into matters of local concern.
- The area committees provide a platform for community leadership and decision making, enabling the public to influence local and borough priorities. They include Member surgeries and opportunities for the public to question the Leader and Chief Executive directly.
- The Council has a 'you said – we did' approach for residents, which highlights local investment and improvements to Council services over the year.
- The 'Your Area' campaign involved partners working together to address local issues and improve neighbourhoods.

4. Our Commitment to Excellence

The Council has a responsibility to keep the effectiveness of its governance arrangements under review to ensure continuous improvement. This is demonstrated by the Governance Committee supported by the work of management and also by the work of external auditors and other review agencies and inspectorates. The Council's Performance, Risk and Financial Management Frameworks and Our People strategy make a significant contribution to the review process.

The annual corporate planning timetable ensures the timely integration of consultation, engagement, planning and reporting of the council's vision, emerging plans and supporting documents.

The latest Citizens' Panel survey in the autumn of 2010 found that 62% of residents agreed that the Council provided value for money and 72% are satisfied with the way South Ribble Borough Council runs things. Also 92% are satisfied with South Ribble as a place to live and 90% are satisfied with their local neighbourhood as a place to live.

The Council and its partners have a clear understanding of the diversity of the local community that is reflected in the Sustainable Community Strategy. Over £80,000 of Performance Reward Grant funding from the Local Area Agreement was invested by South Ribble Partnership throughout 2010/11 in community improvement projects and a further £32,000 was made available for community groups.

'Your Area' action plans were developed with local communities with the involvement of Lancashire County Council, PCT, police and other partners. Each plan has been allocated funding from South Ribble Partnership and Councillors in the six area committees are overseeing the implementation of these plans with their communities.

The Performance Management Framework aligns delivery of the Council's priorities and objectives with operational actions. It enables high level reporting of progress, which highlights those areas at risk of not being achieved so that remedial action can be taken. There are clear links between business, financial and organisational planning to ensure that resources are aligned to achieving the corporate objectives. In 2010/11, all Service Managers were fully engaged in scenario planning and the budget setting process, helping to ensure that budget proposals were both practicable and sustainable. This inclusive approach to budget planning that identified further efficiencies for 2011–13 has been used as evidence for the Audit Commission's assessment of the Council's financial resilience.

The Council has a good awareness of the capacity and resource it needs to deliver its priorities. An annual programme of reviews is delivered to improve the business, deliver efficiencies and ensure that capacity is invested in the priority areas. In 2010/11 the comprehensive programme of reviews resulted in the transformation of a number of services whilst delivering overall savings in excess of £1million.

South Ribble Borough Council has a strong record of investing in its workforce to develop the culture of the organisation and ensure that current and future strategic priorities are met. The Values Framework is integrated with the officers' performance appraisal process, which demonstrates that we are serious about the culture of our Council and how business is done. The Council has been recognised as an Investor in People for some ten years and the investment in Member development is rewarded by the achievement of the North West Member Development Charter which was first awarded in 2003. In addition, all Service Managers have undertaken a Leadership Development Programme to equip them with the leadership skills required to lead, manage and develop the workforce through the challenging times ahead.

The completion of management self assurance statements and the continued development of the senior officer Governance group have strengthened the Council's assurance framework.

Internal Audit and Risk Management frameworks are embedded and the services maintain excellent working relationships with the Governance Committee, Senior Management and the Council's External Auditors to provide an integrated approach to the delivery of assurance services. The Internal Audit Service provides an independent opinion on the adequacy of risk control and, where necessary, makes recommendations to improve governance arrangements and the internal control system. All recommendations and improvement actions are agreed with senior management and overall progress is reported to the Governance Committee.

The Council is compliant with all requirements around the publication of expenditure greater than £500, and was indeed one of the first authorities to make this information publically available on our website in September 2010. In addition, salaries of all senior officers are published, supporting our commitment to local transparency.

Significant work was carried out during 2010/11 to prepare for the launch of the authority's new financial management information system at the beginning of the new financial year. The new system delivered value for money whilst significantly improving service quality. In addition, this project has reduced administration, improved controls, removed duplication and created a more user friendly, simplified and secure system.

Members play an active role in promoting and strengthening our governance arrangements this is demonstrated particularly by the Governance, Joint, Standards and Scrutiny Committees.

The effective Governance Committee has enhanced member oversight and scrutiny of the Council's business control arrangements. The committee is supported by a senior officer steering group and both contribute to the continuous improvement and strengthening of the governance environment. In 2010/11, the committee reviewed regular reports on governance, finance and risk. It closely monitored progress and control matters including the annual governance improvement plan, external and internal audit programmes, risk management, budget and financial investment reports. Through a member sub group, the committee also worked on improvements to the Council's constitution and contract procedure rules.

The Joint Committee monitors service performance of the Shared Assurance and Finance Partnership between South Ribble Borough and Chorley Borough Councils, and is a good example of our effective governance of partnerships. In 2010, the committee monitored the continuous improvement plans that are aimed at strengthening the financial management and assurance arrangements for both councils.

In 2010 the Standards Committee introduced a new simplified approach to annual reporting which was welcomed by members. The report publishes and promotes the work of the committee, both the proactive and reactive aspects to increase awareness, transparency and strengthen the Council's robust ethical culture. Considerable time has also been spent on assessing the implications for a changing standards regime proposed in December 2010 in the Localism Bill.

The Scrutiny Committee continues to provide a high degree of rigour and challenge which was noted by our External Auditors. It has held each Cabinet portfolio to account for its services and monitored performance of the Council and its key partnerships. The Committee has also carried out extensive work on the external environment to benefit our residents. This includes reviews on community leadership, health inequalities and seasonal excess deaths, the increased burden of housing benefit exempt accommodation and public transport. The Committee continues to share its best practice at a national and regional level with Local Government Improvement and Development, the NHS and North West Together We Can all citing examples of South Ribble Scrutiny's effectiveness. External funding has also been granted to finance a project to look into the changes for GP consortia in the National Health Service.

Robust governance arrangements are also reflected in external assessments. In 2010 these included the Annual Audit Letter, Customer Service Excellence award and an inspection from the Office of Surveillance Commissioners.

In October 2010 the Council's Regulation of Investigatory Powers Act 2000 (RIPA) arrangements were inspected by Assistant Commissioners from the Office of Surveillance Commissioners. The report was very positive and in particular highlighted the very sparing use of RIPA powers, the thoroughness and usability of the Council's Policy and the quality and determination of the officers concerned with RIPA. Further work has continued to strengthen our arrangements and we are able to report that we did not need to authorise any activity in the period from 1 April 2010 to 31 March 2011.

In January 2011 the Council's Customer Contact Centre, Revenues, Benefits and Benefit Enquiry Services were successful with their assessment for the Customer Service Excellence award. In the report, the Inspector stated 'the Council remains very committed to providing good quality front line services for customers. Notwithstanding, savings have been made in other parts of services, but these have been achieved in a way which has not affected front line service delivery.'

The council prides itself on both preventing and detecting fraud to ensure that our taxpayers get value for money. Throughout the year we were successful in identifying approximately £176,000 of fraudulent benefit overpayments, 16 offenders were prosecuted, £63,000 was identified in claimant error overpayments and a further £16,000 was withdrawn from Single Person Discount payments as a result of the National Fraud Initiative (NFI). Recent comments from the Audit Commission stated, 'we have recently conducted a review to establish the progress councils have made with these NFI reports and we are delighted to see that the NFI web application is showing encouraging results for South Ribble Borough Council.'

Assurance can be taken from the work of the Council's external auditors as they issued an unqualified opinion on the Council's financial accounts and value for money arrangements in September 2010. They highlighted 'the Council continues to perform well in what has been a particularly difficult economic environment. Significant efficiencies have been delivered, over £2m, whilst continuing to maintain good levels of service.' 'The Council has improved value for money through good use of information technology and by re-engineering business processes. Overall costs and most service costs are below average compared with similar councils.' They also emphasise the continued financial pressures that the Council will have to deal with in 2011/12 and beyond.

Despite such challenging times; the Council is committed to continuous improvement of its governance arrangements and to the delivery of excellent customer service.

5. Enhancing our Governance Arrangements

The Council will take the following steps in the forthcoming financial year to build and strengthen our corporate governance arrangements:

- Through an extensive review of Community Involvement seek to encourage individuals and organisations from all sections of the community to engage with, contribute to and participate in the work of the council;
- Extend employees' involvement in decision making by developing the role of the Managers and Leadership Fora;
- Maintain standards in the management of risk by updating and testing Business Continuity Plans to take account of the latest organisational changes;
- Review the Equality Scheme and update Equality Impact Assessments.

The Council is satisfied that these actions will further enhance our corporate governance status and we will continue to review their implementation and operation.

.....
Leader of the Council

.....
Chief Executive

Date.....(Signature of Chief Executive and Leading Member and date)

On behalf of the Members and Senior Officers of South Ribble Borough Council.

References

1. The CIPFA / SOLACE (Chartered Institute of Public Finance and Accountancy / Society of Local Authority Chief Executives and Senior Managers) framework “Delivering Good Governance in Local Government”.
2. South Ribble Borough Council has approved and adopted a code of governance that is consistent with the principles of the CIPFA/SOLACE Framework. A copy of the local code is available on line at www.southribble.gov.uk or can be obtained by contacting M Wood, Director of Corporate Governance, Civic Centre, West Paddock, Leyland, Lancs, PR25 1DH
3. Regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006.

GLOSSARY

Annual Audit Letter	An External Audit report presented to Council and containing the findings of the Audit Commission’s work. It is a requirement of the Code of Practice for Auditors.
Assurance	An evaluated opinion based on evidence and gained from review.
CIPFA	Chartered Institute of Public Finance and Accountancy
Control Environment System of Internal Control	Comprises the organisation’s policies, procedures and operations in place to : Establish and monitor the achievement of the organisation’s priorities; Identify, assess and manage the risks to achieving the organisation’s objectives; Facilitate policy and decision making; Ensure the economical, effective and efficient use of resources; Ensure compliance with policies, legislation and regulations; Safeguard the organisation’s assets; Ensure the integrity and reliability of information, accounts and data.
Corporate Governance	Corporate governance is the system by which local authorities direct and control their functions and relate to their communities.
Corporate Governance Group	In 20010/11 this involved the following officers: Chief Executive/ Section 151 Officer; Monitoring Officer; Heads of Service/Service Managers with responsibility for Assurance, Finance and Policy and Legal Services.
SOLACE	Society of Local Authority Chief Executives
SMT	Senior Management Team includes the corporate directors and heads of service.
Statement on Internal Control (SIC)	Regulation 4 of the Accounts and Audit Regulations 2003 requires the Council to conduct a review (at least once a year) of the effectiveness of the internal control environment and to publish a statement on the adequacy of the system with its annual accounts.

Corporate Governance Action Plan 2010/11

Areas for Improvement	Actions	Owner	Timescale	Status
1. Further enhance the Council's governance arrangements for key partnerships, including risk, finance, business continuity and ethical arrangements	1.1 Review arrangements of all key partnerships.	RH	September 2011	The Managers' Forum (comprising of service managers and senior management team) have reviewed the Council's key partnerships. A revised list of key partnerships is currently being produced.
	1.2 Develop the role of Assurance in reporting evidence of financial, risk and business continuity controls for key partnerships.	GB	March 2011	Completed. The Service Assurance Statements which support the Annual Governance Statements have been updated and information on the governance arrangements for key partnerships has been collated and evaluated.
2. Revise tendering and procurement processes to incorporate a review of the governance arrangements of new partners, contractors and suppliers	2.1 Develop a process to assess governance aspects for use in the tendering and procurement processes.	SG	June 2011	Standing Orders for Contracts (Contract Procedure Rules) have been revised and strengthened to ensure that all appropriate governance aspects are evaluated during the pre-procurement process. Guidance will assist to ensure this is proportionate to the value and risks of the potential contract. The new arrangements were implemented following the Council meeting on 13 April.

3. Continue to embed project management disciplines within the Council	3.1 Review the project management framework.	IP	March 11	A review of the Project Management Framework has been completed and ratified by SMT. Presentation provided to a wider Manager Forum.
	3.2 Ensure relevant training and education is provided for all key staff.	IP	Sept 2011	Project Management training on the new framework has started for appropriate officers.
4. Further develop the management accounting process	4.1 Further develop the management accounting process to improve efficiency and effectiveness of financial reporting for monthly reports to managers and also corporate reporting.	SG	Implemented April 2011.	The new Financial Management Information System went live on 1 st April 2011. This is a new and innovative way of delivering a FMIS to two authorities using one platform. The new system has greatly improved processes both in terms of service provision to budget holders and managing financial performance and also efficiency.
			Phase Two to September 2011	Phase two of implementation is well underway which will maximise the benefits of new technology to enhance and develop the management accounting process.
5. Revise and test Business Continuity Plans (BCPs) following the recent senior management restructure	5.1 Revise the BCPs	GB	September 2011	The latest BCP updates are in progress but the re-issue date has been extended to enable the changes resulting from the community involvement service review to be taken into account.

	5.2 Test the BCPs	GB	December 2011	An Emergency Plan test exercise was undertaken in February which tested some aspects of the BCP. Final testing of the BCP will take place once the above organisational changes have been implemented.
6. Roll out training & awareness of updated corporate governance policies and procedures	6.1 Implement automated system for recording officer interests.	MW	Dec 2010	Fully implemented and launched before Christmas.
	6.2 Produce training programme for key development areas.	MW	Dec 2010	Completed. Approach and draft programme discussed and agreed at the Officer Steering Group on 18 November.
	6.3 Deliver appropriate training.	MW	September 2011	A comprehensive programme for member induction is being delivered in June 2011 including governance, ethics, the standards regime and anti - fraud training. Training for officers will follow and will be delivered in August 2011.

KEY TO OWNERS:

RH – Rebecca Heap, Policy Manager

GB – Garry Barclay, Head of Shared Assurance Services

SG – Susan Guinness, Head of Shared Financial Services

IP – Ian Parker, Director of Business Transformation

MW – Maureen Wood, Director of Corporate Governance