

REPORT TO	DATE OF MEETING
Governance Committee	27 June 2012

Report template revised June 2008



SUBJECT	PORTFOLIO	AUTHOR	ITEM
Draft Annual Governance Statement	Not applicable	M Wood	5

SUMMARY AND LINK TO CORPORATE PRIORITIES

The report presents the Council's draft Annual Governance Statement (AGS) for 2011/12. 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, 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. As explained below some of these areas are a continuation of work that has already been started.

Following the external audit of the Council's accounts in September, the finalised accounts for 2011/12, 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 demonstrates that considerable progress has been made in delivering 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 January 2013.

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 2011/12

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 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 2012. During and beyond this period, further development and improvements have continued right up to the date of approval of the annual report scheduled for 27 June 2012. 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 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 2011/12 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 ongoing 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 community consultation and engagement.
- The Corporate Plan and the financial strategy incorporate the Council's key improvement areas and focus 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 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, published in January 2012, found that at least 94% 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 local 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 are 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; 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 agrees and prioritises 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.
- The Member Induction and Development Plan identify the priority objectives and actions for member development and annual reports are presented to Scrutiny, Cabinet and Council.
- Our People plan identifies the priority areas for officer development and 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: customer surveys, public meetings, partnerships, multi agency working, community and voluntary groups.
- The last 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 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 Council has a 'you said – we did' approach for residents, which highlights local investment and improvements to Council services over the year.
- My Neighbourhood forums involve local communities shaping and delivering improvements to enrich the lives of local people.

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 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 last Citizens' Panel survey late in 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 continues to work with its partners through the South Ribble Partnership (SRP) to deliver the priorities identified in South Ribble's Sustainable Community Strategy. In 2011/12 SRP's Community Bids Fund funded 13 community-based projects across the borough to the tune of £26,840. SRP also secured £100,000 investment for the Walled Garden project in Worden Park from the Veolia Environmental Trust and a further £22,647 from the Warm Homes Fund to help reduce winter deaths in the borough. Following the closure of Chorley and South Ribble Council for Voluntary Service, the partnership facilitated the development and launch of a new South Ribble Voluntary, Community & Faith Sector Network in June 2011.

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. 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 2011/12 we continued with a comprehensive programme of reviews resulting in the transformation of a number of services whilst delivering overall savings in excess of £1.8million.

One of the major reviews included the transformation of the Council's Revenue and Housing Benefit services which resulted in excess of £200,000 of savings. This also aligns the new combined service with the Government's emerging Welfare Reform Agenda which includes Universal Credit; the demise of housing benefit and the introduction of a localised Council Tax scheme.

A further review was to modernise the Council's approach to involving communities in shaping their local areas and creating community plans. Five "My Neighbourhood" forums have been introduced which encourage informal meetings of people with local issues who have open access to their councillors. More than 600 residents have participated so far, including representatives from Police, Fire & Rescue, Progress Housing, Lancashire County Council and others. Core funding was provided in 2011 and further funding has been highlighted in 2012/13 to support the Council's investment in community projects.

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. In 2011/12, all Service Managers have been trained or re-trained in project management disciplines and directly engaged in the delivery of key projects identified in the corporate plan. The Values

Framework is fully integrated with the 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 members' development is rewarded by the achievement of the North West Member Development Charter which was first awarded in 2003. Member development is integral to the governance agenda to ensure members are informed and engaged; accordingly a comprehensive member induction programme was also delivered following the elections in 2011. Late in 2011 the biennial employee survey was undertaken with 78% of the workforce providing their views on 91 questions. The results were extremely positive despite the very challenging times. 85 of the questions asked were also included in the previous survey in 2009, 76 of the responses were either an improvement or remained the same compared with the results in 2009.

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

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 £158,139 of fraudulent benefit overpayments, 23 offenders were prosecuted, £72,803 was identified in claimant error overpayments and a further £4,465 was withdrawn from Single Person Discount payments as a result of the National Fraud Initiative (NFI).

We are pleased to report that the Council's Regulation of Investigatory Powers Act 2000 (RIPA) arrangements have not been used in the period from 1 April 2011 to 31 March 2012 and that they were last authorised for use in 2008.

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

The effective Governance Committee has enhanced member oversight and scrutiny of the Council's business controls. The committee is supported by a senior officer steering group and both contribute to the continuous improvement and strengthening of the governance environment. The committee has 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. This year it also championed the considerable work that has been completed to support our commitment to local transparency and increase the information that is made available to the public. Through a member sub group, the committee also worked on improvements to the Council's constitution, in particular the financial regulations and a protocol for members involved in the planning regime.

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 2011, the committee monitored the continuous improvement plans that are aimed at strengthening the financial management and assurance arrangements for both councils.

In 2011 the Standards Committee has spent considerable time on assessing the implications for a changing standards regime proposed in the Localism Act for implementation later this year.

The Scrutiny Committee continues to provide a high degree of challenge and has effectively managed the Council's performance through quarterly reports. It has held each Cabinet portfolio to account for its services and monitored performance of the Council and its key partnerships. These include South Ribble Partnership, Safer Chorley & South Ribble Partnership and South Ribble Community Leisure Trust. Following a major review by a Scrutiny Committee Task Group of the way the Council communicates with its residents, the committee agreed a number of recommendations together with a previous Committee's review of the community leadership and ward role of the Councillors which was used with the introduction of the new 'My Neighbourhood' forums. The Committee also used its 'call-in' powers for the first time in 12 years to review a decision made about the kiosk in Worden Park, which has resulted in a number of areas for improvement being identified.

Robust governance arrangements are also reflected in external assessments and reports. In 2011 these included the Annual Audit Letter, Customer Service Excellence award, Investors in People (IIP), Health and Wellbeing and the Local Government Ombudsman.

The IIP assessment was in November 2011 and highlighted "All value highly the friendly, "family" culture which is embedded and has enabled unity to be maintained through what has been a challenging period following reductions in budget settlement and the need to restructure in many areas. The organisation as a whole has a strong awareness of how it needs to proceed in the future to ensure that it is efficient and effective in delivering the services required by the community it serves – early actions have been taken to establish structures for the future and to engage with key partners where sharing of services is the optimum path. Many people also used the words "in it together" which mirrored sentiments expressed by SMT members – again emphasising the degree of unity across all at the Council and directly reflecting the Teamwork Value".

In addition in 2011 the Council was also assessed and achieved a Good Practice Award for Health and Wellbeing of its workforce. The assessor reported "There is strong awareness of the importance of Health and Wellbeing across all areas and this is valued within the culture at the Council as part of the caring nature".

In February 2012 the Council's Gateway, Revenues, Benefits and Benefit Enquiry Services were successful in their assessment for the Customer Service Excellence award. In the report, the Inspector stated 'There is an excellent understanding of customers' needs based on staff knowledge and customer data. Managers and staff are continually seeking to improve customers' journeys. There is a culture of customer focus that stems from the Chief Executive and managers and flows down to, and upwards from, front line staff. 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 Commission for Local Administration in England (the Ombudsman) deals with complaints from members of the public about the Council. They look into a complaint once the complainant has exhausted a council's internal complaints procedure. If the Ombudsman finds that a council has dealt with a particular individual in an inappropriate way then it may make a finding of maladministration against a council. The Ombudsman received 8 complaints in 2011/12. 4 were investigated and there were no findings of maladministration.

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 2011. They highlighted "The Council has adopted a strategic approach to dealing with a significant reduction in resources. It has a good track record in identifying and delivering significant savings whilst also maintaining or improving services. In 2010/11 the Council over achieved its efficiency target resulting in savings of £1,181,000 being delivered. Budget monitoring in 2011/12 shows the Council is again on track to deliver its targeted efficiency savings. Plans for future years' savings are not yet fully developed and the key challenge for the Council is to identify further significant efficiency savings whilst continuing to provide good services to the local

community. Its response to the current financial climate, together with its track record, indicate it is well placed to meet this challenge”.

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:

- Review and update our approach to consulting with and providing feedback to the local community and other stakeholders on service design & delivery.
- Review and update our Communications Strategies and Policies.
- Raise staff awareness of our Customer Charter in order to maximise levels of compliance with the agreed standards of customer care.
- Further embed the revised Values Framework throughout the Authority.
- Introduce a Local Code of Conduct for Members on Standards following the publication of new national guidance, including procedures in relation to the declaration of interests and for the investigation and hearing of complaints.
- Implement the recommendations emanating from the re-assessment of the North West Member Development Charter in September 2012.
- Undertake a review of compliance with the revised CIPFA Standards on Audit Committees once they are published.
- Fully implement all the agreed areas for improvement in the Equality Action Plan.
- Finalise the Council's suite of Business Continuity Plans.
- Further strengthen the Council's approach to data transparency.

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 20011/12 this involved the following officers: Chief Executive/ Section 151 Officer; Monitoring Officer; Heads of Service/Service Managers with responsibility for Assurance, Finance 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 2011/12

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.	SMT	September 2011	<p>Completed</p> <p>The Council's key partnerships have been reviewed and a revised list has been produced.</p> <p>Assurance is obtained through the annual service statements produced by each Director / Head of Service which now include control information on each of the key partnerships. Areas for improvement are also identified and will feed into the Annual Governance Statement.</p>
2. Continue to embed project management disciplines within the council.	2.1 Ensure relevant training and education is provided for all key staff.	IP	September 2011	<p>Completed</p> <ul style="list-style-type: none"> ▪ A new Project Management Framework has been ratified by SMT ▪ All projects will follow this framework ▪ All project leaders must undertake full training ▪ Training has been rolled out to nearly 30 middle managers and team leaders
	2.2 Introduce processes for consulting with members of the local community in order to help shape new projects before they are initiated and to gauge their satisfaction post implementation.	IP	December 2011	<p>Completed</p> <ul style="list-style-type: none"> ▪ This is entirely dependent upon the type of project being undertaken ▪ The Project Management Framework makes it clear that all stakeholders must be consulted as part of the process and evaluation must take place post implementation
3. Further develop the management accounting	3.1 Further develop the management accounting process to	SG	March 2012	<p>Completed</p>

process	improve efficiency and effectiveness of financial reporting for monthly reports to managers and also corporate reporting to members.			The implementation of the new Financial Management Information System (FMIS) has provided the opportunity to improve management accountancy reporting. This has been achieved and the reports are now generated directly from the system improving efficiency. They are also more effective as the format is also greatly improved including colour coding and graphical presentation of data and information to Budget Holders. This development is considered to be a core task and will be progressed on an ongoing basis as the system is developed by the supplier as a result of new technology.
4. Roll out training & awareness of updated corporate governance policies and procedures	4.1 Deliver appropriate training	MW	September 2011	Completed Following the Local elections in May a number of training events took place as part of the comprehensive Member Induction Programme. This included training on standards, anti-fraud and governance issues in general. A further session to raise awareness took place for all Managers in August The updated policies are also highlighted on the Council's intranet - Connect - for all officers to view.
5. Encourage greater involvement of the local community (individuals and organisations) in the work of the council.	5.1 Seek and assess the views of the public and members on how community involvement could be inclusive and focused	DJ	August 2011	Completed A questionnaire was sent to all members at the end of June 2011 and letters and questionnaires sent to members of the public. The findings were considered by the cross

				party working group and were used to shape the approach to the new My Neighbourhood forums.
	5.2 As in 2.2 above, undertake consultation with members of the local community in order to help shape new projects before they are initiated and to gauge their satisfaction post implementation	DJ	November 2011	<p>Mainly Completed</p> <p>Additional work identified for 2012/13 to strengthen our approach to consulting with and providing feedback to the local community (Refer Section 5 of the Annual Governance Statement)</p> <p>Following Council approval in September 2011 the revised My Neighbourhood forums were launched in November 2011.</p> <p>Public views have been sought and were considered for inclusion in the My Neighbourhood Plans which were approved by Cabinet in February 2012.</p>
6. Extend employees' involvement in decision making.	6.1 Further develop the role of the Managers' Forum and the Leadership Forum.	SN	January 2012	<p>Completed</p> <p>The Managers' Forum has been extended to include more individuals who will have the opportunity to be included in key projects to deliver the corporate plan.</p> <p>The forum was launched in January 2012 and is now known as the Leaders' Forum.</p> <p>All members of the forum have been provided with project management training and will play a key role in project teams to support the delivery of the Corporate Plan.</p>

<p>7. Maintain standards in the management of risk by updating and testing Business Continuity Plans to take account of the latest organisational changes.</p>	<p>7.1 Revise the BCPs</p>	<p>GB</p>	<p>February 2012</p>	<p>Mainly Completed</p> <p>Additional work identified for 2012/13 to finalise the Council's suite of BCPs (Refer Section 5 of the Annual Governance Statement)</p>
	<p>7.2 Test the BCPs</p>	<p>GB</p>	<p>March 2012</p>	<p>Completed</p> <p>A full BCP simulation exercise was undertaken in March 2012.</p>
<p>8. Review the Equality Scheme and update Equality Impact Assessments.</p>	<p>8.1 Carry out an audit of compliance against the new Equality duty.</p>	<p>DC</p>	<p>March 2012</p>	<p>Completed</p> <p>Areas for future development incorporated into Draft Action Plan.</p> <p>Draft Action Plan considered at the May Corporate Group meeting.</p>
	<p>8.2 Update and re-launch the equality scheme, including a schedule for impact assessments.</p>	<p>DC</p>	<p>April 2012</p>	<p>Partially completed</p> <p>Additional work identified for 2012/13 to fully implement all the agreed areas for improvement in the Equality Action Plan (Refer Section 5 of the Annual Governance Statement)</p>
	<p>8.3 Improve the equality impact assessment of the governance and decision-making process.</p>	<p>DC</p>	<p>June 2012</p>	<p>Partially completed</p> <p>Additional work identified for 2012/13 to fully implement all the agreed areas for improvement in the Equality Action Plan (Refer Section 5 of the Annual Governance Statement)</p>

<p>9. Further strengthen the Council's approach to data transparency</p>	<p>9.1 Assess the Council's performance against the provisions of the Code of Recommended Practice for Local Government in relation to transparency.</p> <p>9.2 Identify Areas of Improvement as a result of the findings of 9.1 and undertake the work necessary to address those areas.</p>	<p>DW</p>	<p>September 2012</p>	<p>Partially completed</p> <p>A detailed assessment was carried out which identified that the Council was already meeting or exceeding many of the provisions of the code and this was reported to the Governance Committee in February 2012.</p> <p>An action plan outlining other areas for improvement was agreed with relevant service areas following discussions at SMT, and the Senior Officer Steering Group. Progress will be reported at the Governance Committee meeting on 26 September 2012.</p> <p>Significant progress has been made in many areas, in particular: publication of information on council expenditure of over £500, senior employees' salaries, pay policy, member allowances and expenditure, contract and tender information and democratic running of the council.</p> <p>Additional work has been identified for 2012/13 to fully enable the Council to meet the provisions of the code in particular an inventory of public data and land.</p>
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KEY TO OWNERS:

GB – Garry Barclay, Head of Shared Assurance Services
DC – Darren Cranshaw, Scrutiny and Performance Officer
SG – Susan Guinness, Head of Shared Financial Services
DJ – Denise Johnson, Director of Regeneration and Healthy Communities

SN – Steve Nugent, Interim HR Manager
IP – Ian Parker, Director of Business Transformation
DW – David Whelan, Legal Services Manager
MW – Maureen Wood, Director of Corporate Governance