Vale of White Horse District Council

ANNUAL GOVERNANCE STATEMENT 2007/08

1. Scope of responsibility

1.1. Vale of White Horse District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively.

1.2. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

1.3. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, including arrangements for the management of risk.

1.4. The Council's corporate governance reporting arrangements, which were introduced several years ago, reflect the best practice guidance set out in the CIPFA/SOLACE framework (2001) Corporate Governance in Local Government – a Keystone for Community Governance: the Framework; and, in the CIPFA/SOLACE framework (2007) 'Delivering Good Governance in Local Government'.

1.5. Our website at www.whitehorsedc.gov.uk/ contains details about our corporate governance arrangements or they can be obtained from:

Principal Performance Management Officer
Organisational Development and Support
Vale of White Horse District Council
Abbey House
Abbey Close
Abingdon
Oxon
OX14 3JE

2. The governance framework

2.1. The governance framework comprises the systems and processes, and culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

2.2. The internal control environment is a significant part of that framework and is designed to manage risk to an acceptable level. It cannot eliminate all risk of failure to achieve policy objectives, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives. This entails the evaluation of the likelihood of the risks being realised and their impact, and to manage them efficiently, effectively and

economically. The main mechanisms for managing the internal control environment and the associated review mechanisms are listed in the appendix to this Statement.

2.3. The Council has had the governance framework described below in place for the year ended 31 March 2008 and up to the date of approval of the statement of accounts (by the Audit and Governance Committee at its meeting on 22 September 2008).

3. The purpose of the governance framework

3.1. The purpose of the governance framework is to do the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner. 'Full Council' (meetings comprising all 51 councillors elected to the Council) is responsible for directing and controlling the organisation in this manner. Full Council's responsibilities include agreeing the Constitution and key governance documents, the policy framework and key strategies including the community strategy, and approving the budget.

3.2. Vale of White Horse District Council has executive arrangements in place consisting of an 'Executive' (comprising of the 'Leader' and six other Councillors elected by the majority political group) and a 'Scrutiny Committee' (comprising twelve councillors from both the majority and minority political groups).

3.3. Each member of the Executive is a 'Portfolio Holder', personally responsible for overseeing the operations of specific services and projects. In addition, the minority political group on the Council (also known as 'the Opposition' group) has designated 'shadow Portfolio Holders' who also oversee particular services.

3.4. The Executive is responsible for proposing the policy framework and key strategies, proposing the budget and implementing the policy framework and key strategies.

3.5. The Scrutiny Committee can question and challenge the policy and performance of the Executive and promote public debate.

3.6. Councillors on the Executive and various committees take decisions about policy, service delivery and the future direction of the Council. Councillors are also known as 'Members'. In addition to the 51 councillors elected democratically by the district's voters, the Council employs 300 'officers'. Officers are employed (not elected) to deliver council services and take any decisions delegated to them by the councillors.

3.7. The Chief Executive is the Council's 'Head of Paid Service' – one of three statutory posts which every council must have by law. He is the most senior 'officer' who advises councillors on policy and procedures to drive the aims and objectives of the Council. As head of the Council's staff, the Chief Executive is responsible for ensuring all officers carry out their employment duties. The Chief Executive leads the Senior Management Team comprising two strategic directors and seven deputy directors. The Senior Management Team is responsible for advising the Executive and Scrutiny Committee on legislative, financial and other policy considerations to achieve Vale of White Horse District Council's objectives and are responsible for implementing Councillors' decisions.

3.8. Our governance framework aims to meet the principles of good governance in all aspects of the Council's work giving particular attention to community focus, service delivery, structures and processes, risk management and internal control and standards of conduct against which we set targets to monitor our performance.

4. The strategic planning framework

4.1. To ensure we do the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner, our strategic planning framework incorporates residents' and service-providers' views as well as national and local priorities. Our strategic planning framework incorporates the Local Strategic Partnership's sustainable communities strategy for the area. It also takes account of the 35 priority indicators within the Local Area Agreement for Oxfordshire. In addition, we have responsibility for the local development framework – a set of planning policy documents that set out how we will use land in the district to achieve the Government's priorities, our partners' objectives and our own wider objectives. We also carry out regular consultation with residents and service-users to identify their priorities for service improvement and how satisfied they are with our services. Their feedback has helped to shape our strategic priorities and objectives.

4.2. Our overall vision is set out on the Council website and in numerous council documents. It complements that of the Vale Partnership (comprising representatives from the public, private, community, faith and voluntary sectors) and reflects our desire to work in partnership to achieve the best services possible for the district.

4.3. Our Corporate Plan sets out the Council's strategic objectives and corporate priorities. This plan along with Oxfordshire-wide plans, guides our decisions on how we invest our financial and staffing resources. They determine the types of projects we support through grant funding. Our Corporate Plan sets out our strategic objectives and corporate priorities. Arising from the Corporate Plan each service team has a detailed service plan which identifies how they will undertake specific activities which will deliver our priorities.

5. Performance management framework

5.1. In order to know that we are achieving our objectives, we measure progress against Corporate Plan objectives and we also measure performance against service plan objectives.

5.2. The Council's objectives are monitored via its performance management system. In the process of monitoring performance, we forecast year-end outcomes and undertake action planning to get performance back on track if it is below target. In addition, we review performance at the end of the year and use this to help set targets for the coming year. Where targets are not being met, deputy directors discuss these on a monthly basis with their Portfolio Holder, shadow Portfolio Holder and strategic director. Quarterly performance monitoring is embedded within the Corporate Governance reports presented to the Executive and Scrutiny Committee at which time the relevant officers and councillors are expected to account for under-performance against agreed targets..

5.3. Our staff appraisal schemes focus on the performance of individual officers. Staff targets, called 'commitments' for senior managers and 'objectives' for other staff, agreed between managers and individuals are linked to service plans, which in turn are linked to the Corporate Plan. Throughout the year, staff have meetings with their managers to review progress and discuss and plan personal development in line with the Council's corporate objectives.

6. Legal framework

6.1. Our Constitution sets out how Vale of White Horse District Council is managed and guides decision-making towards objectives. The Head of Legal Services is the 'Monitoring Officer' – one of three statutory posts which every council must have by law. He is responsible for ensuring the lawfulness of decision-making and maintaining the Constitution. Our Constitution includes a set of procedure rules that govern how we conduct our business. It also includes protocols covering, for example, the disclosure of interests in contracts and the relationship between officers and Councillors. In the Constitution is a Local Code of Conduct for Members and Officers Dealing with Planning Matters together with a Staff Code of Conduct.

6.2. All decisions are made in accordance with the requirements of the Constitution and the scheme of delegation which forms part of the Constitution. The Monitoring Officer will report to Full Council or to the Executive if he considers that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration.

6.3. In his role of Monitoring Officer, the Head of Legal Services contributes to the promotion and maintenance of high standards of conduct through support to the Standards Committee, which is a group of elected Councillors, local parish representatives and independent citizens, which amongst other things oversees the statutory framework of ethical standards for councillors.

6.4. The Constitution includes our Code of Conduct for Councillors which came into effect on 1 July 2007. It incorporates the mandatory requirements of the Model Code of Conduct issued by the Standards Board for England.

7. Financial framework

7.1. The financial management of the Council is the responsibility of the Strategic Director (Chief Finance Officer), who as the Local Government Act 1972 'section 151 officer' is the third of the statutory posts which every council must have by law. The section 151 officer is responsible for the overall management of the financial affairs of the Council. The section 151 officer determines all financial systems, procedures and supporting records of the Council, after consultation with deputy directors. Any new or amended financial systems, procedures or practices are agreed with the section 151 officer before implementation.

7.2. The Full Council is responsible for approving the following:

- MEDIUM TERM FINANCIAL PLAN AND STRATEGY

The medium term financial plan and strategy sets a stable financial framework within which the Council operates, and it is reviewed annually.

- TREASURY MANAGEMENT STRATEGY

The treasury management strategy governs the operation of the Council's treasury function, and is reviewed annually. This includes parameters for lending and borrowing, and identifies the risks of treasury activity.

- CAPITAL STRATEGY

The capital strategy informs the Council's capital programme, which comprises the various building and improvement capital expenditure projects which are mainly funded from the Council's amassed capital receipts.

- REVENUE AND CAPITAL BUDGET SETTING

Both revenue and capital budgets are set by Full Council. Revenue budget setting includes both the calculation of the Council tax base and the surplus or deficit arising from the collection fund.

7.3. The Executive has overall responsibility for the implementation of the Council's financial strategies and spending plans, and is authorised to make financial decisions subject to these being consistent with the budget and policy framework and the Constitution.

7.4. Deputy directors are responsible for ensuring the proper maintenance of financial procedures and records, and the security of assets, property, records and data within their service area.

7.5. Senior managers and staff consult with the section 151 officer and the Head of Legal Services on the financial and legal implications respectively, of any report that they are proposing to submit to the Full Council, a committee (or sub-committee), or the Executive.

8. Risk management framework

8.1. Risk management is important to the successful delivery of our objectives. An effective risk management system identifies and assesses risks, decides on appropriate responses and provides assurance that the chosen responses are effective. Our risk management approach has been in effect for several years. The overall responsibility for effective risk management in the Council lies with the Chief Executive supported by the senior management team. We use a standard risk management methodology which encompasses the identification, analysis, prioritisation, management and monitoring of risks.

8.2. Councillors have a responsibility to understand the strategic risks that the Council faces, and will be made aware of how these risks are being managed through reports to the Executive and Scrutiny Committee.

8.3. All deputy directors are responsible for ensuring that risk assessments are undertaken in their service areas, and that risks identified are prioritised and entered onto the risk register. This annual process has been integrated with the annual service planning cycle, so that risk mitigation actions can be included in service plans.

8.4. All line managers are responsible for implementing strategies at team level by ensuring adequate communication, training and the assessment and monitoring of risks.

8.5. All officers are responsible for considering risk as part of everyday activities and provide input to the risk management process.

9. Review of effectiveness of the governance framework

9.1. The Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the managers within the Council who have responsibility for the development and maintenance of the governance environment, the internal audit manager's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

9.2. The following highlights our review of our strategic objectives and sets out the assurances of committees, officers and external organisations.

- **Review of objectives**

9.3. The 2008/9 Budget (agreed by Council in February 2008) detailed the Council's priorities which have been developed to meet the most pressing needs of the Vale. The Council is committed as an organisation to devoting extra focus and resources for the next four years towards are corporate priorities. These priorities have been incorporated into the Corporate Plan 2008-12.

- **Legal framework**

9.4. A major revision of the Constitution was started in 2007/08 and continued in 2008/09 to ensure it is up to date. During 2007/08 a review of the scheme of delegation was undertaken.

9.5. The Monitoring Officer did not need to use his statutory powers during the year to ensure legal requirements were met. The Head of Legal Services provided advice during Full Council meetings.

- **Standards Committee**

9.6. The Council adopted a new code of conduct for Members in September 2007. The Standards Committee has actively encouraged the delivery of training on the Code of Conduct to District, Town and Parish Councillors as well as Town and Parish clerks. Between April 2007 and March 2008 there were no complaints made against District Councillors. There was one hearing into an allegation of a breach of the Code of Conduct by a parish Councillor following a complaint made in 2006/07/. The Parish Councillor was found not to have failed to comply with the Code of Conduct.

9.7. In addition, the Committee has prepared for its role in the new 'local filter' arrangements whereby alleged breaches of the Code of Conduct by parish, town and district councillors are considered by the Committee before being processed by the Council. The Committee responded to the consultation on the local filter and it has appointed additional independent and parish representatives to the Standards Committee to enable it to fulfil its role in dealing with complaints.

9.8. The local filter of complaints came into effect on 1 May 2008 and the Committee has adopted procedures and guidance agreed on a countywide basis in order to enable the smooth-running of the complaints process.

- **Financial framework**

9.9. During the 2007/08 financial year, Full Council reviewed and approved the medium term financial plan and strategy, and the treasury management strategy. It was not possible for reviews of the capital strategy and investment strategy to be undertaken. These are programmed for 2009/10.

Action: undertake reviews of the capital strategy and investment strategy during 2009/10.

9.10. Full Council approved a revenue budget for 2008/09, together with a capital programme to 2011/12. This was set following rigorous internal review by the Executive Members, the Chief Executive, strategic directors and deputy directors, together with the section 151 officer and accountancy staff. Budget proposals were also subject to review by the Scrutiny Committee. The council tax was set in accordance with parameters defined in the medium term financial plan and strategy.

9.11. Regular budget monitoring was undertaken throughout the financial year, with budget monitoring reports used by senior managers and Executive Portfolio Holders every month from July onwards to ensure sound financial management. High level budget monitoring reports, with explanatory commentaries, were also published for each quarter as part of the Corporate Governance reporting arrangement. The section 151 officer intervened late in 2007/08 when he implemented special internal measures in order to prevent a significant predicted council overspend. This was successful and the Council achieved a financial surplus by the year-end.

9.12. A new financial management system – Agresso 5.5 – became operational in April 2007. A number of operational issues with the system during the financial year have caused many of the key financial systems reviews to come back with a limited opinion. The problems experienced with the system were investigated by a working party of the Scrutiny Committee, whose recommended process improvements were incorporated into the Council's Project Management Methodology. The problems were reported to the Audit and Governance Committee during the year, as well as progress against a recovery plan which was agreed with the contractor. The recovery plan was completed in April 2008 when the system was successfully re-launched, without a repeat of the earlier problems.

Action: the section 151 officer and Deputy Director (Finance) should review the areas of limited assurance identified by internal audit with the contractor to ensure that the concerns raised by internal audit are addressed.

- **Internal audit and the internal audit manager**

9.13. Internal audit is an independent assurance function that primarily provides an objective opinion on the degree to which the internal control environment supports and promotes the achievements of the Council's objectives. It assists the Council by evaluating the adequacy of governance, risk management, controls and use of resources through its planned audit work, and recommending improvements where necessary.

9.14. The internal audit manager contributes to the assurance process by commenting on the effectiveness and outcome of the programme of internal audits and comments on the

effectiveness of the internal control environment of the Council. During the year internal audit harmonised its services with South Oxfordshire District Council.

9.15. The internal audit manager's overall opinion offers satisfactory assurance on the basis of the Internal Audit section's own review work. There is a sound system of internal control in place, but there are some weaknesses which may put some system objectives at risk. Areas of concern in the control environment mainly centre on key financial systems. The implementation of the Agresso 5.5 financial management system, resulted in control weaknesses being identified in the majority of the key financial system audits which require remedial action.

9.16. Internal Audit did not complete specific reviews of risk management, corporate governance arrangements and the Anti-Fraud and Corruption Policy and Response Plan in the year and has included these in the plan for 2008/09

9.17. Internal audit offers assurance that it has complied with the CIPFA Code and a formal quality assurance programme was introduced during the year. Internal audit needs to complete a self-assessment against the code to identify areas for further improvement, from which an action plan will be developed and results will be presented to the Audit and Governance Committee.

Action: the Internal Audit Manager and Deputy Director (Finance) should undertake an internal audit self-assessment against the CIPFA Code to identify areas for further improvement.

- **Governance code**

9.18. In 2007, CIPFA/SOLACE published a revised code of governance. The revised code is intended to be used as best practice for developing and maintaining a locally adopted code of governance. Vale of White Horse District Council chose to adopt this revised code from 1 April 2008 rather than on publication of the revised code. As our governance monitoring is linked with our annual performance targets and measures and we were already more than one quarter into the year we opted to remain with the existing governance arrangements rather than bring in new performance measures part way through the year.

- **Audit and Governance Committee**

9.19. The committee of six Councillors was formed after elections in 2007. It consisted of a number of councillors new to the role of the Committee. It is politically balanced.

9.20. The Audit Commission's team of auditors and inspectors has been complimentary about the effectiveness of our Audit and Governance Committee, indicating that it is one of the best in the region.

9.21. After the appointment of councillors to the Audit and Corporate Governance Committee (comprising an increased number of ten councillors) in May 2008, two training sessions were provided to Committee members covering existing and new governance duties.

- **Scrutiny Committee**

9.22. The Scrutiny Committee helps develop Council policy and review performance in meeting Council objectives. It has exercised a strong corporate challenging role, calling in several Executive decisions for further scrutiny and carrying out an in-depth exhaustive investigation into the Agresso 5.5 project performance problems.

- **Audit Commission: Comprehensive Performance Assessment (CPA)**

9.23. The Council has not been re-accredited since its single corporate assessment in 2004 and remains with a 'Fair' rating.

9.24. Whilst no corporate re-assessment has been undertaken, there are other subsidiary assessments which are carried out. One of these is an annual 'Use of Resources' assessment. In previous years the Council achieved a '2' (out of 4) 'Adequate' rating. However in 2007/08 the Audit Commission awarded a '3' 'Good' rating which reflects the improvements made across a range of financial, probity and asset management processes.

- **Audit Commission: Annual audit and inspection**

9.25. Based on the Audit Commission's basket of key indicators, the Council is achieving strong performance relative to others, with 37% of indicators being in the top 25% performance nationally. Furthermore, satisfaction with the Council and its key services is high. Satisfaction with the planning service, sports and leisure facilities and recycling are all in the best 25% of authorities nationally.

9.26. Its partnership working was identified as a strength and its partnership with South Oxfordshire District Council is highlighted as an innovative approach to providing shared services which is already delivering improvements. However, problems with the implementation of the revised contract with the private sector financial services provider have led to a dip in performance and internal control which is being addressed.

9.27. There has been an improved balance between service quality and costs. These improvements are being achieved in the context of one of the lowest Council Taxes in the country.

- **Audit Commission: Audit annual governance report/value for money conclusion**

9.28. The Audit Commission gave an unqualified opinion on the financial statements on 28 September 2007. The Councils has an unblemished record of unqualified annual accounts, which indicates the sound financial governance arrangements employed to close down its accounts and report accurately and fairly its results

9.29. The Audit Commission gave a partly qualified value for money conclusion on the arrangements to secure economy, efficiency and effectiveness in the use of resources. The section 151 officer had explained to the Audit Commission the various financial problems involving the Agresso 5.5 performance problems, and the harmonisation with South Oxfordshire District Council and our private sector financial services provider. This resulted in the Audit Commission qualifying the internal control framework aspect of value for money.

9.30. The Audit Commission recommended that the processes proposed for preparation and review of the statements for 2007/08 be reviewed and improved where necessary. Consequently a restructuring of the accountancy team has taken place to allow joint working with South Oxfordshire Distirct Council resulting in a larger and therefore more robust and resilient structure. There are no ongoing actions in relation to this recommendation.

- **Local government ombudsman**

9.31. The Local Government Ombudsman provides summary information on complaints about Vale of White Horse District Council to enable the Council to incorporate any feedback into service improvement.

9.32. The Ombudsman's letter stated that during 2007/8, the number of complaints increased to 20 from 10 in the previous year. However this increase was essentially due to 2 issues having multiple complainants. The letter also stated that although the comments and complaints procedure was clearly set out on the website, the Council should consider whether staff are adequately signposting the process for those who remain unhappy with what the Council has done.

10. Significant governance issues

10.1. We propose over the coming year to take steps to address the matters set out in the action boxes above to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: Date:

Leader of the Council

Signed: Date:

Chief Executive

Appendix

Vale of White Horse District Council

ANNUAL GOVERNANCE STATEMENT 2007/08

INTERNAL CONTROL ENVIRONMENT

The Council has set out below each of the seven key elements of its Internal Control Environment, along with the mechanisms through which they are managed and the mechanisms by which they are monitored and reviewed.

Mechanisms for managing Internal Control		Review Mechanisms
Key Element of Internal Control 1: Achievement of objectives		
• Adoption of a comprehensive Constitution which sets out how the Council operates, its decision-making process and procedures	1	• Constitution Working Party which meets as required at least once per year • Regular review of the Constitution by the Monitoring Officer.
	2	• Democratic Services Officers refer issues arising from committee meetings
	3	• Periodic review of financial limits
	4	• Annual Strategic Service Review
	5	• Integrated Service & Financial Planning (ISFP) Process
• Adoption of clear corporate priorities to focus resources into the most important activities	6	• Corporate priorities are annually reviewed & updated to keep them relevant (June 2006),
	7	• Active engagement with Local Area Agreement process
• Authority's objectives are communicated to staff and stakeholders	8	• Corporate Plan & associated communications
	9	• Best Value Performance Plan/Corporate Plan process
	10	• Using a matrix of national, regional and local issues
	11	• Support for Local Area Agreement process
	12	• Community Strategy - Consultation • Budget-setting – Statutory consultation with local businesses ('business breakfasts')
	13	• Internal Communications strategy (e.g. monthly Team Brief)
• Each service's contribution to the corporate priorities is regularly assessed through the service planning & reporting process	14	• Portfolio Holders personally validate and sign off service plans with Director and Deputy Director (July 2006)
	15	• Service Plans, Best Value Performance Plan/Corporate Plan – Demonstrate links to corporate aims
	16	• Service plan – Member review of full & half year reports
	17	• Deputy Directors / Line managers monitoring of operations
	18	• Regular service performance review meetings
• An Integrated Service & Financial Planning process has been developed to ensure resources match planned service levels	19	• Process is reviewed and updated annually by senior officer group
	20	• Directors group and committee minutes
	21	• Input from Deputy Directors, line managers and Portfolio Holders
	22	• Quarterly Corporate governance reporting of financial performance, service performance (BVPIs, key projects, action plans), staff performance (turnover & sickness), etc.
	23	• Executive Reports consider ISFP issues throughout the year and the Scrutiny process ensures rigorous challenge

Mechanisms for managing Internal Control		Review Mechanisms
		is applied to the process
• The Council's annually published Best Value Performance Plan/Corporate Plan sets out the Council's intentions and targets for the years ahead	24	• Annually reviewed and updated by the Leader, Leader of the Opposition. Chief Executive, Strategic Directors and Principal Performance Management Officer.
	25	• Local Performance Indicators (LPIs) allied to Council corporate aims where Best Value Performance Indicators (BVPIs) inadequate. LPIs reviewed at performance management meetings
Element 2: Facilitation of policy & decision-making		
• A range of committees are able to suggest or formulate new policies including the Executive; the Scrutiny Committee; the Personnel Committee – all of which have to be approved by Full Council	26	• Policies are reviewed by various committees including the Scrutiny Committee, as well as by the Strategic Management Group • The Council created a new 'Audit & Governance Committee' which replaced the Accounts Committee, to further strengthen corporate governance and internal control arrangements (2006) – First meeting in 2007.
	27	• Member Advisory Groups which advise the Executive and Council on specific policy matters e.g. Strategic & Local Planning Advisory Group; Reservoir Advisory Group
• Council meetings are open to the public except for restricted range of confidential reports	28	• Public speaking at committees; adherence to confidentiality rules enforced by Monitoring Officer & Democratic Services Officers
• Consultation with stakeholders on priorities/objectives	29	• Consultation with public and stakeholders on key policy issues e.g. Budget; Local Plan/Local Development Framework, Vale Views • Maintenance and regular use of Vale Voice Panel
• Publication of the Forward Plan, which contains details of planned decisions, including key decisions	30	• Reviewed & updated monthly, including at Directorate Management Team meetings
	31	• Informal briefings to Members
Element 3: Compliance with established policies, procedures, laws and regulations		
• A corporate health and safety policy has been drawn up, formally approved, subject to regular reviews and communicated to all relevant staff	32	• Health & Safety Management arrangements, Review of Health and safety policy, formal approval, dissemination to staff, report mechanism
• A corporate complaints policy/procedure has been drawn up, approved, communicated to staff, the public & stakeholders.	33	• Complaints policy/procedure exists, is reviewed and updated, compliant with statutory requirements, disseminated to staff, promoted to members of the public, information recorded and evaluated. Also reported to Executive
• Responsibility for statutory obligations are formally established	34	• Constitution- delegation scheme, recording of individual officer and members responsibilities, committee terms of reference, Job Description of key officers
• Reports must make reference to compliance or contravention with policies and strategies	35	• Examples of reports
	36	• Compliance statement
	37	• Scrutiny Role
	38	• Pre-agenda meetings used to consider legal, financial, policy & contentious issues
• Service plans address current and new policies, laws and regulations	39	• Three-way challenge of service plans (Portfolio Holder, Deputy Director and Strategic Director)
	40	• Executive and Scrutiny review of service plans
• Service plan objectives cascade to individuals' Service and Personal Plans, including the identification of training needs	41	• Periodic audit of Service and Personal Planning process, with improvements (November 2006) ; Commitments & Personal Development Planning new staff appraisal

Mechanisms for managing Internal Control		Review Mechanisms
		schemes
• The designated Monitoring Officer continually monitors and advises on legal compliance	42	• The Monitoring Officer's duties are enshrined in the Constitutional Scheme of Delegation & Job Description Questionnaire – both of which are reviewed
	43	• The Monitoring Officer considers any significant reports and decisions, advising and intervening if necessary to ensure legal & regulatory compliance
• The designated s151 officer or 'Chief Finance Officer' holds the statutory qualification and continually monitors and advises on financial compliance	44	• The duties of the chief finance officer are enshrined in the Constitutional Scheme of Delegation & Job Description – both of which are reviewed. Compliant qualification (Membership of one of the 6 accountancy bodies) is a mandatory requirement
	45	• The Chief Finance Officer considers all reports and decisions, advising and intervening if necessary to ensure financial & regulatory compliance
• The Council maintains an effective Internal audit function which adheres to professional best practice and whose role includes the checking of compliance with policies, procedures and regulations	46	• Internal Audit reports – agreed action plans reported to the Audit & Governance Committee
	47	• The effectiveness of Internal Audit is independently assessed by the external auditor
	48	• The performance of Internal Audit is annually reviewed by the Executive and Audit & Governance Committee
• The External Auditor holds the statutory qualification and provides an independent opinion on the Council's activities in the form of regular reports and an annual Management letter	49	• Reporting of Annual Audit and Inspection Letter, Action plans from External Audit reports
	50	• Re-appointed every 3 years
• A Code of Conduct for Members has been adopted and is enforced	51	• Standards Committee review for conduct
	52	• Regular reminders on Committee agenda
Element 4: Ensuring economic, efficient and effective use of resources and securing continuous improvement		
• Financial Regulations have been adopted and are enforced by management	53	• Constitution – regular review of limits
	54	• Periodic review & update (Sept 2005)
	55	• Internal Audit check compliance
• Contract standing orders have been adopted and are enforced by management	56	• Constitution – regular review of limits
	57	• Periodic review & update (due by the end of 2008)
	58	• Internal Audit check compliance
• A Procurement strategy has been adopted which requires managers to assess more cost-effective options for delivering services	59	• Annually reviewed during Budget setting (November 2007 - February 2007)
	60	• good practice promulgated by the IDEA Procurement healthcheck & action plan
	61	• Adoption and utilisation of project management methodology (VIP)
• The Head of Paid Service has clear responsibilities	62	• Head of Paid Service is the Chief Executive
• The Head of Paid Service, Monitoring Officer and Chief Finance Officer roles are performed by separate officers	63	• Head of Paid Service, Monitoring Officer and Chief Finance Officer are separate posts

Mechanisms for managing Internal Control		Review Mechanisms
• Performance measures – PIs; financial variance monitoring	64	• Regular service performance review meetings including Portfolio Holders
• Comprehensive Performance Management systems operate effectively	65	• Quarterly Corporate Governance Reports
	66	• Annual Strategic Service Reviews
	67	• Integrated Service & Financial Planning (ISFP)
	68	• HOWARD performance indicator database used to produce reports
• Benchmarking is used across the organisation to identify areas of weakness (and strength) for more in-depth examination	69	• Best Value Reviews and internal audit reviews assess the usefulness of benchmarking data
	70	• Managers evaluate the cost-effectiveness of undertaking routine benchmarking exercises where data is available
	71	• Staff performance appraisals
• A programme of short, sharp Business Process Improvement Reviews is being delivered – a mixture of cross-cutting & service-specific	72	• Business Process Improvement process is reviewed & updated as necessary (August 2008 SMT)
• Value for money diagnosis-comparing cost versus performance across full range of services and performance indicators.	73	• Society of ICT Managers (SOCITM) challenge & facilitation of new 2006 ICT Strategy including independent opinion on cost efficiency
• Service Standards adopted	74	• Range of service standards agreed in consultation with stakeholders and enforced.
• External Inspections	75	• Housing, Waste Management are reported in public
• Service Prioritisation Plans are formulated to achieve substantial savings	76	• Strategic Management Team & Directorate Management Teams review key issues
	77	• Committee reports – corporate governance
	78	• Service performance review meetings
	79	• Plans include risk assessments
• External Specialist advice is bought in when in-house expertise is insufficient for a particular task	80	• Client Officers manage and monitor effectiveness of each specialist e.g. retail studies, open space audit, Local Services Point phase 2 development, PFI feasibility study
	81	• Project planning methodology adopted and used (VIP)
	82	• Capacity fund bids
• Role of internal audit includes checking the economic, efficient & effective use of resources	83	• Internal Audit reports – reported to Audit & Governance Committee
	84	• The effectiveness of Internal Audit is independently assessed by the external auditor
	85	• The performance of Internal Audit is annually reviewed by Executive and Audit & Governance Committee
Element 5: Financial management		
• A four year Medium Term Financial Plan provides clear financial direction	86	• The Medium Term Plan is updated as part of the annual Budget-setting process
	87	• Delivery is monitored in-year at service review meetings and corporate governance reports
	88	• Achievement of Medium Term Financial Plan is corporate aim
• Regular management information	89	• Comprehensive budgeting system with regular detailed variance analysis reports considered by Officers at service review meetings and by Members by exception at monthly performance meetings, significant changes reported to the Executive
	90	• Regular reviews of periodic and annual financial reports which indicate performance against forecasts
	91	• Setting targets to measure financial and other performance
	92	• The preparation of regular financial reports which indicate actual expenditure against forecasts

Mechanisms for managing Internal Control		Review Mechanisms
	93	• Corporate Governance reporting to Executive and Scrutiny Committee
	94	• Periodic review of asset valuations in accordance with 5 year programme
• Administrative procedures – including segregation of duties - are set out in a series of guidance notes e.g. creditor payments	95	• International Standards Organisation (ISO) audits review compliance and suggest improvements
• ISO EN BS 9001:2000 accredited written procedures and work instructions	96	• Internal audit check compliance
• Management supervision	97	• Organisational structure & chain of responsibility
• System of delegation and accountability	98	• Scheme of Delegation periodically reviewed
• Role of Internal Audit	99	• Consideration of Internal Audit work by Executive, Scrutiny and Audit & Governance Committee • Council policy on internal audit timescales (June 2006)
• Role of External Audit	100	• Consideration of External Audit recommendations by Officers, the Audit & Governance Committee, the Executive and Scrutiny
• Standards of financial conduct, and the prevention and detection of fraud and corruption	101	• Internal audits, Data matching exercises
	102	• Anti Fraud policy, Whistle Blowing Policy
• Register of Interest is maintained	103	• Register is updated and reviewed by senior managers
	104	• Regular reminders to Members
• Independent financial appraisals for potential supplier companies	105	• Regular assessment of effectiveness of appraisal service & re-let the contract
	106	• Chief finance officer review of higher priority appraisals
• Legality of financial transactions	107	• Reviews of Contract Standing Orders & Financial Regulations
	108	• Consultation & involvement of Monitoring Officer
Element 6: Performance and Risk management		
• Performance management process definition	109	• Best Value Performance Plan/Corporate Plan / Service Plans - regularly reviewed in order to identify corrective actions. The Council can assess progress against its planned outcomes
• Written strategy and policy in place for managing service delivery risks, which are approved, reviewed and communicated to all staff	110	• Approved policy and methodology, review process in place and dissemination to all officers
• Systematic approach to service delivery risk management , including established corporate and service risk registers	111	• Service risk registers formally reviewed and updated annually as part of the service planning process, well defined procedures for recording and reporting risk including risk management training.
	112	• Strategic risk register reviewed twice a year by Directors & Executive
• The authority has well established and clear arrangements for insuring against service delivery risks	113	• Policy for insuring against risk is regularly reviewed, Legal requirements for insurance are reviewed and met, self insurance subject to annual independent valuations, property portfolio revalued for insurance purposes
• Integrated Service & Financial Planning Process	114	• Service Planning reviews
	115	• Service Area Annual Reports and six-monthly reports
• Performance Indicators	116	• Performance Management check Performance Indicator Methodology statements
	117	• External audit of Best Value Performance Indicators
• Target setting and monitoring	118	• Corporate Governance reports
	119	• Audit of targets
• Project Management	120	• Formal project management disciplines including 'Vale's Implementation of PRINCE' (VIP) - which incorporates regular review stages

Mechanisms for managing Internal Control		Review Mechanisms
• Business /service continuity plans have been drawn up for all critical service areas and are subjected to regular review and testing.	121	• Disaster recovery plans in place for ICT systems, which is regularly tested • Business /service continuity plans being updated covering all critical service areas (2007)
Element 7: Appropriate quantity and quality of staff		
• Services are delivered by trained and experienced staff	122	• Job Description Questionnaires provide detailed descriptions of each job; Person specification contains essential and desirable criteria
	123	• Person Specifications are used to ensure new staff match the service's needs
	124	• Pay and Grading Reviews are periodically completed (March 2004) to ensure pay relativities are up-to-date
	125	• Training needs are identified through the Commitments and Personal Development Planning processes and are co-ordinated by a central training officer
• Code of Conduct approved and communicated to staff	126	• Code is disseminated to staff through induction and briefings
• Personnel Regulatory and Appeals Committee for establishment	127	• Review of staff structure to ensure it delivers objectives & agreed services
• Integrated Service and Financial Planning process to match resources to plan	128	• Service plan reviews
	129	• Corporate Governance reports
• Recruitment process	130	• Investors In People (IIP) re-accreditation process
	131	• IIP working group
	132	• Recruitment and Selection Policy and training – No one recruits without training
	133	• Take up references, certificates and police checks where appropriate
	134	• Use of market premia policy to help recruit staff in a tight and difficult market
• Training Programmes	135	• Staff appraisal feedback to HR Manager
	136	• Training forms to be signed off by line manager and Deputy Director.
• Review of resources by Head of Paid Service	137	• Part of Integrated Service and Financial Planning Process