

ANNUAL GOVERNANCE STATEMENT 2011 - 12

1 SCOPE OF RESPONSIBILITY

Tamworth Borough 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. 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.

In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of the Authority's functions and which includes arrangements for the management of risk.

The Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website at www.tamworth.gov.uk. This statement explains how the Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2011 (as amended) in relation to the publication of an annual governance statement.

2 THE PURPOSE OF THE GOVERNANCE FRAMEWORK

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

The system of internal control is a significant part of the framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, 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, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Council for the year ended 31 March 2012 and up to the date of approval of the statement of accounts.

3 THE GOVERNANCE FRAMEWORK

The Council operates a number of processes that constitute, or contribute to the operation of the governance framework, including:

- 3.1 The Tamworth Strategic Partnership (TSP) provides the leadership and strategic direction necessary to achieve the shared priorities and objectives for Tamworth. The TSP Executive Board is made up of Chief Officers and Elected Members of partner organisations. It functions as an outcome based Public Sector Commissioning Board with actions commissioned via an established Commissioning Framework and delivered via either Task & Finish Groups or commissioned service providers;
- 3.2 Based upon the corporate vision and priorities, the Council produces a Corporate Plan which in turn, informs annual business plans produced by each Service Area in order to identify and monitor strategic outcomes, performance targets and community impact;
- 3.3 Executive Board meetings of CMT and Cabinet are held on a regular basis;
- 3.4 Performance management arrangements are in place ensure that progress on business plans and achievement of corporate objectives are reported quarterly but managed on a reactive basis;
- 3.5 Annual financial statements are published in accordance with a prescribed timetable;
- 3.6 Council wide and service specific quality promises are in place and made available to the public through publication on the website and through publications available at all council establishments;
- 3.7 The Tell Us complaints procedures are available to all members of the public through council establishments and the website. Complaints are monitored and reported on, on a monthly basis;
- 3.8 The Counter Fraud and Corruption Policy Statement, Strategy and guidance notes and Whistleblowing Policy were revised in February 2009 and made available to staff and members through availability on the Intranet; staff were issued and accepted these policies through a computerised policy management system. Members of the public can access the documents through the Council's website. The Counter Fraud and Corruption Policy Statement, Strategy identifies the Council's commitment to Counter Fraud. The Counter Fraud and Corruption Policy Statement, Strategy and Guidance Notes and Whistleblowing Policy have been reviewed and updated and were approved by the Audit & Governance In May 2012;
- 3.9 Value for money is measured through participation in benchmarking exercises. A Corporate Change Programme is in place which is a fully integrated corporate project which looks at services, methods of working, systems and processes in order to establish where efficiencies can be gained and improvements made ;
- 3.10 The quality of services is measured through performance indicators and service delivery milestones all of which are based upon either best practice or service specific standards which are monitored through the Covalent performance management system;

- 3.11 The Constitution sets out a clear statement of respective roles and responsibilities of the executive, non executive, scrutiny and officer functions. The Constitution is reviewed on an annual basis;
- 3.12 The Scheme of Delegation is reviewed on an annual basis;
- 3.13 There is a code of conduct in place for members and a member/officer protocol;
- 3.14 Standing Orders, Financial Regulations and Financial Guidance were updated in March 2011 and are reviewed on a regular basis;
- 3.15 The Audit & Governance Committee undertakes the core functions of an Audit Committee as identified in *CIPFA's Audit Committee – Practical Guidance for Local Authorities*. The Audit & Governance Committee have completed a self assessment of their effectiveness during 2011/12;
- 3.16 There is a Governance Working Group in place which reviews Governance documents;
- 3.17 Compliance with the statutory officer roles, ie Head of Paid Service (the Chief Executive), Section 151 Officer (Executive Director – Corporate Services) and Monitoring Officer (Solicitor to the Council) to ensure compliance with laws and regulations. The Monitoring Officer's role is to ensure compliance with established policies, procedures, laws and regulations. After consulting with the Head of Paid Service and Section 151 Officer, the Monitoring Officer will report to the full Council if she considers that any proposal, decision or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered;
- 3.18 The Statutory Officers are members of the Corporate Management Team (CMT);
- 3.19 The financial management of the Authority is conducted in accordance with the financial rules set out in Part 4 of the Constitution and within Financial Regulations and Guidance. The Council has designated the Executive Director – Corporate Services as the responsible financial officer in accordance with Section 151 of the Local Government Act 1972. The Council has in place a four-year Medium Term Financial Strategy (Capital & Revenue), updated annually, to support the medium-term aims of the Corporate Plan;
- 3.20 The Authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2010);
- 3.21 The Authority's internal audit arrangements conform to the requirements of the CIPFA Statement of the Role of the Head of Internal Audit;
- 3.22 The role of scrutiny is aligned to the Strategic Priorities i.e Aspire & Prosper Scrutiny Committee and Healthier and Safer Scrutiny Committee and their roles are continuously being developed;
- 3.23 Records of decisions made at Committee meetings are available on the website;
- 3.24 A Members register of interests is available to the public through the website;

- 3.25 A Members induction scheme is in place and individual training needs are identified. Frequent training sessions are provided for statutory committees in particular in response to legislative changes and policy reforms;
- 3.26 A local induction programme is completed for officers. Personal development reviews are completed annually and reviewed six monthly. Job descriptions and person specifications are in place with all job descriptions reviewed in 2005 as part of the Job Evaluation process. Job descriptions are regularly reviewed as part of the PDR process. An annual staff AGM takes place;
- 3.27 Training for Councillors is provided on Governance and other issues;
- 3.28 Committee meetings are open to the public unless there are confidential items;
- 3.29 Consultation Strategy 2009/2011 is in place;
- 3.30 There is a Standards Committee in place to promote and ensure high standards of conduct for members;
- 3.31 Tamworth Listens is an annual consultation process used to inform corporate priorities;
- 3.32 A Partnership Guidance Policy is in place;
- 3.33 The Regulation of Investigatory Powers Act (RIPA) Policy is in place which is regularly reviewed and updated;
- 3.34 There is a Safeguarding Children and Vulnerable Adults Policy in place which is regularly reviewed and updated;
- 3.35 A risk assessment of the impact of the Localism Act has been completed and working groups set up to monitor and review the impacts of the Act.
- 3.36 Freedom of Information requests are monitored and regularly reviewed by Corporate Management Team.

A review against the governance requirements of the CIPFA Statement on the Role of the Chief Finance Officer in Local Government (2010) has been completed and the Authority's financial management arrangements conform to this.

4 REVIEW OF EFFECTIVENESS

Tamworth Borough 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 Senior Managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and the comments made by the External Auditors and other review agencies and inspectorates.

This review is an ongoing process, and during the year various activities, including the following, have been undertaken as part of this review:-

- 4.1 The Local Code of Corporate Governance is reviewed on an annual basis and an action plan is adopted to deal with any issues;
- 4.2 The Solicitor to the Council (the “Monitoring Officer”) has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution each year at its Annual Meeting;
- 4.3 Review of existing policies as appropriate, production and approval of new or revised policies and procedures;
- 4.4 Further development and embedding of risk management;
- 4.5 The continued extension of management review processes (eg Corporate Change Programme, Senior Management Review and Support Services Review) by which the effectiveness of processes, resource use, and necessary improvement, is considered;
- 4.6 Internal Audit is responsible for monitoring the quality and effectiveness of systems of internal control. A risk model is used to formulate an audit plan which is approved by the Audit & Governance Committee, and from which the annual workload is identified. The reporting process for Internal Audit requires a report on each audit to be submitted to the relevant service manager/Head of Service, and Director. The report includes recommendations for improvements that are included within an action plan and require agreement or rejection by service managers. The process includes follow-up within 6 months of the implementation of agreed actions to address recommendations;
- 4.7 The Head of Internal Audit Services provides a quarterly and annual opinion statement to the members charged with governance – the Audit & Governance Committee;
- 4.8 The Internal Audit Section is subject to regular inspection by the Council’s External Auditors who place reliance on the work and its quality carried out by the section;
- 4.9 The Authority has access to various Anti Fraud networks and participates in the National Fraud Initiative;
- 4.10 Managers are required to provide statements of assurance with regard to the adequacy of internal controls in their areas of responsibility, which are reflected in this Statement where necessary;
- 4.11 The Authority receives reports from the Audit Commission in relation to its governance and internal control, and considers and takes action on their recommendations as appropriate;
- 4.12 Internal Audit complete a self assessment against the CIPFA Code of Internal Audit Practice and comply with the Code;
- 4.13 An Annual Ombudsman’s report is presented to the Audit & Governance Committee;
- 4.14 CMT meet on a fortnightly basis and part of their remit is to address matters concerning performance;
- 4.15 The Corporate Change Programme is a fully integrated corporate project, a primary aspect of which looks at services, methods of working, systems and processes in order to establish where efficiencies can be gained and improvements made. Various services engage in benchmarking to aid performance improvement. The Audit Commission VFM profile tool is being used to allow high level analysis of comparative spend and performance;

- 4.16 The CMT is the Risk Management Group and risk management performance is reported to the Audit & Governance Committee;
- 4.17 The Civil Contingencies Working Group meets bi-monthly to develop the business continuity plan within the Authority. The Director Technology & Corporate Programmes is chair of the Group and liaises with other authorities within Staffordshire, co-ordinated through the Civil Contingencies Unit of Staffordshire Fire and Rescue Service which seeks to support all authorities in Staffordshire in having robust BCM arrangements and promote BCM to the Business and voluntary sectors in compliance with the Civil Contingencies Act;
- 4.18 A Security Management Group is in place which reviews security issues, IT policy and operating standards;
- 4.19 Treasury Management Strategy and Policies are presented to the Audit & Governance Committee for scrutiny.

5 SIGNIFICANT GOVERNANCE ISSUES

The Council is satisfied that the governance framework generally provides a reasonable assurance of effectiveness. However, there are a small number of issues that are significant enough to be highlighted, and will be subject to close monitoring until the Council is able to assure itself that the actions proposed to deal with them have been successfully concluded. Other minor issues highlighted through the assurance gathering process have been noted with planned actions to address these issues. Monitoring of the completion of these issues will be completed through reporting to the Audit & Governance Committee.

The significant issues and proposed actions are:

Issue	Proposed Actions
<p>Medium Term Financial Strategy</p> <p>The Council should continue vigorous monitoring and scrutiny of its financial position to ensure the savings plan can be delivered with the planned use of reserves; and that there is no impact on the quality and range of services provided.</p>	<p>The Medium Term Financial Strategy is under continuous review by CMT and the Executive Board to take account of current circumstances and that planned savings are implemented / achieved to enable minimum impact on service delivery.</p>

Signed:

D Cook, Leader

A Goodwin, Chief Executive

on behalf of the members and senior officers of Tamworth Borough Council

Date:

This information can be produced on request in other formats and languages. Please contact Internal Audit Services on 01827 709234 or email enquiries@tamworth.gov.uk