

Annual Governance Statement 2012/13

Scope of Responsibility

The Authority 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 Authority also has a duty under the Local Government Act 1999 (as amended) 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 Authority is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

The Authority 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 Authority's code is on our website at www.tamworth.gov.uk. This statement explains how the Authority has complied with the code and also meets the requirements of Accounts and Audit (England) Regulations 2011, regulation 4(3), which requires all relevant bodies to prepare an annual governance statement.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled and its activities through which it is accountable to, engages with and leads its communities. 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 services and value for money.

The system of internal control is a significant part of that 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 Authority's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at the Authority for the year ended 31 March 2013 and up to the date of approval of the statement of accounts.

The Governance Framework

Our vision “One Tamworth, Perfectly Placed” was endorsed in 2011/12 as a single vision by this Authority along with our partners – County Council, Police, Health Service, Fire & Rescue Services, Voluntary Sector and others. The intended outcomes (corporate priorities) and actions to fulfil these are identified in the Corporate Plan. The Corporate Priorities are “To Aspire & Prosper” and “To be Healthier & Safer”. To align with the corporate priorities, the Authority has “Statements of Intent” for **People, Place & Organisation**.

Some of the key elements of the systems, processes and controls that comprise the Authority’s governance arrangements are set out below in line with our statements of intent. Further details of the systems, processes and controls in place can be found in the Code of Corporate Governance.

People

Every year, the Authority undertakes consultation with local people on a wide range of issues. Further details can be found in the Code of Corporate Governance. A major consultation exercise completed during 2012/13, ensured the successful implementation of the Council Tax Support Scheme in compliance with statutory requirements under the Welfare Reform Act and ensured that those affected were able to put their views forward on the proposals. Survey and consultation results are made available on the website. Communication and feedback is also completed through several publications which are made available on the website.

We use various types of media to communicate our vision and priorities. Examples are the Corporate Plan and quarterly reporting on achievements. All documents are available on the Authority’s website and in hard copy format.

There is a “Tell Us Scheme “ in place which captures comments, compliments and complaints.

Place

The Tamworth Strategic Partnership (TSP) is an umbrella partnership that brings together key local agencies from the public, private, voluntary and community sectors with the vision and priorities aligned to the Authority’s. The TSP has in place a strategic plan, terms of reference, workstreams with lead officers and champions. Partnership Governance guidance has been developed for use in all partnerships.

The Authority is working to promote private sector growth and create quality employment locally. Some of the achievements during 2012/13 include, improvements to be made to the Assembly Rooms and Tamworth Castle which successfully gained heritage lottery funding; progression of the Gateway Projects with the County Council; and influencing both the Greater Birmingham and Solihull Local Enterprise Partnership, and the Staffordshire

and Stoke-on-Trent Local Enterprise Partnership, with successful outcomes for Tamworth.

The Authority has successfully implemented Council House Finance Reform which includes a 30 year business plan to bring new resources to the town.

Organisation

The Authority ensures accountability and openness through the publishing of the Corporate Plan and the Annual Review which detail proposed plans for the coming year and achievement of objectives for the previous year. The Annual Review also details the summary accounts for the financial year. The Statement of Accounts is made available to the public on the website both at draft and final stage. The Authority has a balanced three year medium term financial strategy.

We have a Performance Management Framework in place which ensures that our performance against our intended outcomes as identified in the Corporate Plan, making the best use of resources available whilst obtaining value for money, is measured, monitored and reported on a quarterly basis. Details of performance against target are made available on the Authority's website.

The Constitution and Scheme of Delegation is reviewed and approved annually at Full Council. They detail roles and responsibilities of members and the Statutory Officers and the protocol on member/officer relations. All new members are given induction training which covers conduct and standards of behaviour. Members and officers are required to declare gifts and hospitality and to register their interests. A Code of Conduct for officers has been drafted during 2012/13. There is an E-Induction programme in place which includes a section on conduct. All new staff and members are required to complete an induction programme. On-going development of members and officers is identified through the Performance Development Review (PDR) process which is completed annually.

A Risk Management Strategy is in place which has been formally approved by Corporate Management Team and the Audit & Governance Committee. It is updated and reviewed on a regular basis. There is a Corporate Risk Register in place which is monitored by the Corporate Management Team and reported to the Audit & Governance Committee.

The Authority has in place a Counter Fraud & Corruption Policy Statement, Strategy and Guidance Notes and a Whistleblowing Policy which are available on the website. These are reviewed and revised on a regular basis.

The Authority has been undertaking a change management programme over the last two years. In 2012/13, a Corporate Change Board was set up to strengthen the leadership and ownership of the programme.

The Authority's financial management arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Chief*

Financial Officer in Local Government (2010). The Executive Director Corporate Services (the Chief Financial Officer) reports directly to the Chief Executive and is a member of the Corporate Management Team (CMT). He is professionally qualified and his main responsibilities include those set out in the CIPFA Statement on the role of the Chief Finance Officer in Local Government and also as detailed in the Constitution.

The Authority's Assurance Arrangements conform to the governance requirements of the *CIPFA Statement on the Role of the Head of Internal Audit (2010)*. The Head of Internal Audit Services fulfils this role. She is professionally qualified and reports directly to the Executive Director Corporate Services who is a member of the Corporate Management Team.

The Solicitor to the Council fulfils the role of the Monitoring Officer, the functions of which are detailed in the Constitution and include the responsibility for ensuring that the Authority follows agreed procedures and that all applicable statutes, regulations and other relevant statements of good practice are complied with, for example, changes that have been required regarding the Localism Act 2011 and the Local Authority (Executive Arrangements) (Access to Information) Regulations 2013.

The Chief Executive fulfils the role of the Head of Paid Service, the functions of which are detailed in the Constitution.

The Audit & Governance Committee has been in place since 2006 and its role and function are laid down in the Constitution. The core functions are as identified in *CIPFA's Audit Committees: Practical Guidance for Local Authorities*. Each year, the Committee completes a self assessment against CIPFA guidance to ensure compliance. The Chair reports to the Full Council on an annual basis on the actions taken by the Committee during the year.

Review of Effectiveness

The Authority 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 executive 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 also by comments made by the external auditors and other review agencies and inspectorates as detailed below.

Assurance Cycle			
Understand	Plan	Do	Review
What are we seeking to receive assurance on?	What sources of assurance do we require?	How we will arrange ourselves to receive adequate assurances?	How do we know that we are effective?

- During 2012/13, the Governance Group has reviewed and updated against the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*;
- The Head of Internal Audit Services reports to the Audit & Governance Committee on a quarterly basis and provides an opinion on the overall effectiveness of the system of internal control based upon the work completed. For the 2012/13 financial year, the Head of Internal Audit Services' overall opinion of the control environment at this time is that "reasonable assurance" can be given;
- An annual review of the effectiveness of the system of Internal Audit (as required by Regulation 6(3) of the Accounts and Audit Regulations 2011) was completed and Internal Audit complied with CIPFA Code of Internal Audit practice for 2012/13. From the 1st April 2013, Internal Audit will comply with the Public Sector Internal Audit Standards;
- Our External Auditors report to each Audit & Governance Committee. They reported in their Annual Governance Report that the Authority had prepared its accounts and supporting working papers to a good standard with relatively few issues to be drawn to the attention of the members. They found no significant matters arising from certification of claims and returns;
- The Ombudsman reported in July 2012 on the enquiries and complaints they received in 2011/12. In total, they received 19 enquiries/complaints of which 5 were passed to the investigative team all of which concluded that there was not enough evidence of fault;

- Managers Assurance Statements have been completed and have not identified any significant control issues;
- The Performance Management Framework ensures that the financial healthcheck is reported to Cabinet on a quarterly basis and made readily available on the Authority's website.

Declaration

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Audit & Governance Committee and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The significant governance issues already addressed and those to be specifically addressed with new actions planned are outlined in the attached **Annex 1**. 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.

We propose over the coming year to take steps to address those matters raised 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 operations as part of our next review.

Signed

D Cook

A E Goodwin

Leader

Chief Executive

Date

On behalf of the Authority

Significant Governance Issues raised 2011/12 and action completed

The significant governance issues identified in relation to the Authority achieving its vision in 2011/12 and action completed are:

No	Issue	Action	Update
1	<p>Medium Term Financial Strategy</p> <p>The Authority 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>	<p>The Authority approved an updated Medium Term Financial Strategy for 2013/14 to 2015/16 in line with statutory requirements at its meeting 26 February 2013.</p>

Significant Governance Issues 2012/13

The significant governance issues identified in relation to the Authority achieving its vision in 2012/13 are:

No	Issue	Action
1	<p>Medium Term Financial Strategy The financial planning process has enabled a balanced MTFS to be delivered and has estimated closing balances over three years to £0.5m which is the minimum approved level.</p>	<p>Review on a regular basis the plans in place to deliver the MTFS to ensure that plans remain realistic and achievable including development of the Sustainability Strategy to address future financial constraints.</p>
2	<p>Town Centre Redevelopment The Authority is making plans for the redevelopment of the Town Centre.</p>	<p>Maintain and review plans on a regular basis to ensure that they can be delivered without detrimental impact on the MTFS.</p>
3	<p>Golf Course The provision of golfing in Tamworth was at risk due to the financial stability of the management company running the golf course. The Authority has reopened and is managing the golf course for a period of up to two years.</p>	<p>Work is progressing to look at other options for securing the long-term future of the golf course site, including future redevelopment and investment options.</p>
4	<p>Housing Regeneration An in-depth study of council housing in Tamworth has identified that some housing in Tinkers Green in Wilnecote and the Kerria Centre in Amington was unpopular with residents, outdated and unsuitable for current housing needs.</p>	<p>A major redevelopment plan has been approved by the Authority's Cabinet to involve the demolition and rebuilding of parts of the Tinkers Green and Kerria estates.. The Authority will invest around £21.5 million over the next six years in the redevelopment of the two estates.</p>

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