

## Scope of responsibility

Breckland 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. Breckland 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, Breckland Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Breckland 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:

[http://www.breckland.gov.uk/council\\_govt\\_code\\_of\\_governance](http://www.breckland.gov.uk/council_govt_code_of_governance)

This statement explains how Breckland Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2011 in relation to the publication of a statement on internal control.

## 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 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 Breckland'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 Breckland Council for the year ended 31<sup>st</sup> March 2011 and up to the date of approval of the statements of accounts.

## The governance framework

**Improved governance arrangements** – The Council continues to strengthen its governance arrangements. Over the last year Breckland has:

- Strengthened the Audit Committee by appointing two independent members to sit on the committee
- Reviewed and updated its constitution
- Updated its Whistleblowing, Money Laundering and Anti-fraud Policies
- Merged its Business Improvement Sub-committee with the Capital Programme Working Group to form a Business and Projects Sub-committee to ensure the controls and performance of capital and business improvement projects have effective governance arrangements
- Attained Charter Plus status for Elected Member Development.

**Vision and Priorities** - Our Vision is to make Breckland “A Better Place with a Brighter Future” To help us deliver this vision we have consulted widely with local people and our partners and listened carefully to what was said. The Business Plan reflects the priorities and high level outcomes for the Breckland area over a six year period. This is supported by the Annual Delivery Plan which specifies how the Council and its services will deliver the Business Plan. The achievement of these objectives is monitored in accordance with Breckland's performance framework. However work is under way to review the authority's

approach to business planning to reflect not only four yearly election cycles, but also the changing economic environment and the new shared management arrangements.

**Quality of Services** - The Council has an established Performance Management Strategy which sets out how it monitors both performance and the delivery of objectives. Performance is monitored on a continuing basis with monthly reports and progress monitoring being considered by Executive Members with their portfolio groups. On a quarterly basis Corporate Management Team and the Executive Board monitor performance, risk and finance through the Governance report.

Core issues covered are:

- Council Objectives and Delivery Plans
- National indicators
- Local indicators
- Contract performance
- Progress against projects
- Complaints and compliments
- Finance performance
- Risk
- Resources

This culminates in a quarterly Performance Clinic attended by the Chief Executive and Leader, along with the relevant Executive Members, Strategic Directors, and managers and staff from the portfolio.

The Council has developed its performance management system using the TEN system, which mirrors the Annual Delivery and Service Team Plans, and ensures that outcomes are delivered effectively. The most recent Organisational Assessment letter issued by the Audit Commission recognises that Breckland has been effective at providing services that are generally better than average, with overall costs being about the same as in other councils.

In accordance with the Value for Money Strategy, the authority conducted baseline reviews of services to measure how effectively it is delivering services to stakeholders. Work is continuing to ensure that the authority continues to use its resources efficiently, effectively and economically in meeting the Vision and the needs of its stakeholders. Residents' satisfaction with the way in which the Council runs things is above the national average as is the proportion of residents who feel that the Council provides value for money. In the 2008/09 Use of Resources assessment the Audit Commission recognised that the Council "effectively manages the money it has to spend to deliver its priorities. It has a good understanding of its costs and performance and has made good savings by being efficient. Overall the quality of the services provided is better than in other councils, without costing more".

The whole of the performance management framework will be reviewed in the short term in light of changes to the business planning and shared management arrangements.

**Constitution and Responsibilities** - A comprehensive document setting out the Council's constitution exists which sets out the clearly defined structure for the Council's organisational and decision-making arrangements based upon a Cabinet/Executive model. In essence the different roles can be summarised as follows:

- Council decides upon certain policies and other specialist functions that cannot be delegated elsewhere including the setting of the council tax
- Cabinet is allocated authority by council to approve policies not reserved for consideration by Council, deliver policies and to take most significant executive decisions
- Cabinet works to a Forward Plan of forthcoming decisions for up to twelve months ahead
- All executive decisions are recorded in a decisions digest, with formal minutes being available for public inspection
- The work of the Cabinet and the Council as a whole is supported by an Overview and Scrutiny Commission and its task and finish groups
- The Overview and Scrutiny Commission has developed its own work programme for the review of council services in addition to scrutinising the work of the Cabinet. It can 'call-in' a decision which has been made by the Executive but not yet implemented

## Appendix A – Annual Governance Statement

- The Audit Committee is now well established, and is responsible for the review of the work of the Internal and External Audit functions and provide independent assurance of the effectiveness of governance arrangements, risk management and financial management processes. It also has the responsibility for the approval of the Statements of Accounts and review of treasury policy and outturn.
- Separate committees exist for Development Control, General Purposes, Standards, Licensing and Appeals
- Delegation arrangements to committees, the Executive and officers are set out in detail within the constitution
- Regular meetings take place between relevant senior officers and members of the Council to discuss and propose policy
- The council's responsibilities with regard to Citizens' rights in their dealings with the Council

The constitution also includes sections on standing orders, financial regulations and conduct of meetings. The constitution as a whole is reviewed periodically with interim updates as and when appropriate. A complete review will be completed during the year to reflect changes to the management structure following the decision to operate a shared management team with South Holland District Council.

**Codes of Conduct** - The Council's constitution contains codes of conduct applying to members and officers as well as a protocol for councillor/officer relationships. These have enabled the authority to develop an inclusive culture over the years, whereby members and officers work together to deliver the Council's vision and quality services to its residents. The codes include reference to the need to declare any interests which may conflict with the individual's role at the Council and such registers for councillors and officers are maintained by the Council.

**Complaints** - The Council has in place a whistle-blowing policy (which has recently been updated) as well as a compliments and complaints procedure, that ensures that any referrals are fully investigated, properly resolved and learning applied to service delivery. Systems and procedures have been enhanced to ensure that complaints/service requests are the cornerstone of the Council's management approach.

**Policies, Procedures, Laws and Regulations** - The Council's statutory officers are the Chief Executive, the Monitoring Officer (Assistant Director Governance) and the Section 151 Officer (Assistant Director Finance). They are responsible for ensuring that the Council acts within the law and in accordance with established policies and procedures. The Section 151 Officer is specifically responsible for the proper discharge of financial arrangements and must advise the Council where any proposal might be unlawful or where expenditure is likely to exceed resources.

Service Managers are responsible for ensuring that legislation and policy relating to service delivery and health and safety are implemented in practice.

**Development and training needs** – Breckland is a learning organisation, both in terms of Members and Officers. The training budget for staff is centralised under Human Resources, and continues to deliver a programme to develop the skills of its workforce.

Breckland is committed to investing in the staff and maintains the Investors in People standard. This recognises the investment in staff development and ensures that staff are valued and given the opportunities to develop and achieve their full potential. Training and Development is at the core of the personal appraisal system and this work is informed and underpinned by the Council's revised performance related payment and appraisal system.

Having achieved the EERA Elected Member Development Charter in 2008, Breckland continued to deliver a training and development programme to provide Members with the support and skills necessary to assist them in carrying out their duties. Personal development plans have been developed, setting out personalised training programmes to meet individual Members' needs. A joint member and officer training programme has been developed to ensure a more efficient and effective way of delivering the authority's training needs. As a result of this work programme the authority was awarded Charter Plus status in September 2010.

**Risk Management** – The Council adopted the current Risk Strategy in March 2010 to help it manage its risk. It has developed the TEN system to maintain a register of the key strategic risks it considers it faces along with the actions planned or taken to mitigate these risks, which have been monitored by the Audit Committee, Executive Board, Corporate Risk Management Team and Performance clinic. Risk logs are also being used to manage the risks for key projects and partnerships, along with other project management techniques, and all key decisions are required to be assessed for risks. Service continuity plans are reviewed and updated to address key operational risks. All committee reports contain a mandatory risk section to ensure that members can consider the risks and opportunities of any recommendations or options, so that the consideration of risk forms an integral part of all decision making.

A review of the council's risk management arrangements was conducted by Internal Audit during the year. This recognised a 'Good Assurance' assessment and raised no recommendations.

**Communication** – The Council believes consultation and public involvement are at the heart of good decision making. We are committed to consulting widely when making decisions and we will actively listen to the views of the public and others with an interest in the services we provide. Guided by a Consultation Plan the authority annually consults with stakeholders on budget spending plans, using the Citizen's Panel as well as other surveys aimed at specifically reaching older and younger residents.

Breckland's newsletter, Voice, is distributed six times a year to all households and businesses across the district, and is also available on our website. It provides taxpayers with regular updates on information and news about the Council's services and performance, and regularly seeks feedback from readers. This is supplemented by the website, which is regularly updated. Other key stakeholder groups are reached through public meetings such as the annual business ratepayers' event and town and parish forums.

The Council website is currently undergoing a major update to make it more accessible and easier to use. A social media policy has also been approved and is in the process of being implemented.

**Partnerships** – The Council is involved with a variety of partnerships that have developed over the years. To ensure that governance and risk management arrangements are effective a review of significant partnerships has been completed, and findings have been implemented where appropriate. A partnership framework has been adopted to ensure that we adopt a consistent approach when entering into any new partnerships. With the award of Growth Point funding to Thetford, a local delivery vehicle was set up, in accordance with Government Office advice, with robust governance arrangements to ensure the successful delivery of the programme outcomes.

The Breckland Local Strategic Partnership has strong performance management arrangements in place to ensure delivery of the Sustainable Community Strategy for Breckland. Project Groups are established as required on a "task and finish" basis to reflect current priorities and trends. The Breckland LSP is involved in a number of key projects, including: Thetford Healthy Town, Future Jobs Fund, Leadership of Place and Migration Impact funding. Over £1m has been secured - in the last 24 months - through the LSP for partnership projects that add value to mainstream delivery. Project leads for all key projects present a performance report at each LSP Board meeting.

The Breckland Community Safety Partnership has established a joint ASB Team comprising Norfolk Constabulary and Breckland Council officers working under a joint management structure and co-located at Breckland Council offices.

The Anglia Revenues and Benefits Partnership continues to grow, with the partner authorities (Breckland, Forest Heath, and East Cambridgeshire district councils) approving the expansion of the partnership, and admitting St Edmundsbury with effect from April 2011. A project was initiated to integrate the staff and systems, with the main operations based in Thetford. The partnership is governed by a Joint Committee.

During the year the authority forged closer links with South Holland District Council, initially sharing the Chief Executive in a joint role. The two authorities subsequently developed an innovative proposal for a shared senior management team, and implemented its new structure on 1<sup>st</sup> April 2011. Despite the commitment to sharing a management team the two

councils will continue to exercise independent democratically accountable local government in their respective areas, each having its own governance arrangements. The two councils are expecting to share in excess of £700,000 revenue savings per annum from this arrangement

**Group Company** – The Council joint ownership of a limited company, Anglia Revenues Partnership Limited, which was formed in 2006 to deliver revenue and benefits services to local authorities. It shares control on a 50:50 voting basis with a neighbouring authority, Forest Heath District Council, although the financial share of the company is 66% in Breckland's favour, with the remainder owned by Forest Heath. Two of Breckland's Members represent the authority's interests on the board of directors.

**The Green Agenda** – The Council takes its role as a community leader in reducing harm to the environment very seriously, and has reconstituted its Green Agenda Development Panel from a panel of Overview and Scrutiny Commission to a Working Group reporting to Cabinet. This group drives the progress of our Environmental Strategy.

**Transparency** – As a Council we want to be publicly accountable and present our work with openness and transparency. As such, any expenditure over £500 (including VAT) with external suppliers has been made available online in a monthly report, as part of a move to make this information more easily accessible. These reports are published approximately 10 working days after the end of each calendar month.

## Review of effectiveness

Breckland 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 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.

**The Council** approves and keeps under regular review all the strategic policies which it reserves for its own consideration, including:

- The Constitution
- The Corporate Business Plan
- The Policy Framework
- The Medium Term Financial and Capital Strategies
- The Sustainable Community Strategy
- The Housing Strategy
- The Local Development Framework
- The Treasury Management and Investment Strategies

**The Cabinet** carries out the executive functions of the Council as required by legislation and the Council's constitution. It accordingly:

- Takes executive decisions
- Approves policies other than those reserved for Council
- Recommends to Council policies and budgetary decisions

**The Overview and Scrutiny Commission** may undertake any work relating to the four key principles of scrutiny as follows:

- Hold the Executive to Account (Call-In)
- Performance Management
- Assist Policy Development and Review
- Internal/External Scrutiny

### **The Audit Committee**

- Considers and approves audit plans
- Considers audit reports
- Comments on the work of audit in addressing the authorities significant risks

## Appendix A – Annual Governance Statement

- Satisfies itself that the control and governance arrangements have operated effectively
- Annually self-assess themselves against best practice guidance to check their effectiveness
- Approves the Statements of Accounts
- Reviews treasury policy

**The Head of Internal Audit** provides an independent opinion on the adequacy and effectiveness of the system of internal control, which is incorporated in the Annual Report on Internal Audit Activity to the Audit Committee. The Annual Internal Audit Report for 2010-11, which was presented to Audit Committee 10<sup>th</sup> June 2011, concluded that, based on the work undertaken, the overall standards of internal control in the authority for the year ended 31<sup>st</sup> March 2011 are considered to be adequate, and hence accord with proper practice. An adequate assurance opinion is a positive judgement, recognising that while there is a basically sound system of internal control in place, there are weaknesses which could put some of the authority's objectives at risk. The report also recognises a good assurance opinion in respect to the Council's risk management arrangements.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by internal audit, and a plan to address weaknesses and ensure continuous improvement of the system is in place. In particular it is recognised that the authority could improve its internal control arrangements by:

- Ensuring that approvals are appropriately delegated for the planning service and that regulatory responsibilities are fully discharged.
- All appropriate staff receive procurement training
- The procurement process for the building maintenance and street lighting contracts are finalised
- The Corporate Business Impact Analysis is finalised

**Managers** have carried out self assessments of the processes and controls they have in place to allow them to achieve their service objectives. These are reported to Corporate Management Team on a quarterly basis, to provide assurance that effective controls were in place.

**External Auditors** review the Council's arrangements for:

- Preparing accounts in compliance with statutory and other relevant requirements
- Ensuring the proper conduct of financial affairs and monitoring their adequacy and effectiveness in practice
- Managing performance to secure economy, efficiency and effectiveness in the use of resources

The auditors give an opinion on the Council's accounts, corporate governance and performance management arrangements. The Council takes appropriate action where improvements need to be made. The latest Annual Audit Letter relating to 2009-10 gave an unqualified opinion in respect of the value for money assessment and the financial statements, and did not identify any significant issues. The Commission no longer carries out a 'Use of Resources' assessment following changes in central government policy.

### Significant governance issues

There are no significant governance issues to report.

Chief Executive:

Leader of the Council:

Dated: