

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

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 31st March 2011 and up to the date of approval of the statements of accounts.

The governance framework

Vision and Priorities - Our Vision is to make Breckland "A Better Place with a Brighter Future for Everyone" 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 four year period. The business plan was reviewed during the year and now reflects the changing economic environment and the new shared management arrangements and is aligned to the four year election cycle.

Quality of Services - The Council has an established Performance Management Strategy which sets out how it monitors both performance and the delivery of objectives. The framework for managing performance has been completely reviewed in light of changes to the business planning and shared management arrangements, with new performance measures being developed to reflect the change in central government policy to move away from national targets to those that better identify with local requirements. The system will continue to be developed during the coming year, with a new performance management system, Performance Plus, replacing the Ten system

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:

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- 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
- 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 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. It had been intended to undertake a complete review during the year to reflect changes to the management structure following the decision to operate a shared management team with South Holland District Council. However work has been held to reflect the potential for Great Yarmouth to join the shared management arrangement (although that did not transpire) and to allow for the changes that will be required from the Localism Act to be incorporated. It is anticipated that a software packaged will be available that will facilitate the exercise, and the work will now be completed during 2012-13.

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 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, and to ensure that the authority's financial management arrangements conform to the governance requirements as set out in the Chartered Institute of Public Finance and Accountancy statement on the Role of the Chief Financial Officer (2010).

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The statutory officers are also members of the authority's Corporate Management Team, along with the Deputy Chief Executive, the Director of Commissioning and the Assistant Director Commissioning.

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 has updated its risk policy and process guide during the year to align the framework to reflect latest guidance and to ensure that shared officers with South Holland District Council operate to the same arrangements at both authorities. In the past Breckland 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 and Executive Board, although the system has now been upgraded to the Performance Plus system. 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. Training has been provided to report writers to ensure that risk is appropriated reported.

Communication – The Council believes public understanding of its work, achievements and services coupled with consultation with residents, is key to maintaining high satisfaction levels. This is achieved through continuous PR and consultation activity and upholding the councils values of transparency and openness.

Breckland's residents' magazine, Voice, is distributed six times a year to all households and businesses across the district. It is also available on the council's 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 recently underwent a major update to make it more accessible and easier to use and the council is now looking to further its social media use to complement this.

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.

In 2011/12, the Moving Thetford Forward Partnership has moved from approval to delivery stage, with new governance arrangements being approved to reflect this. There continues to be a Programme Delivery Group tasked with overseeing all project delivery being undertaken on behalf of the Partnership ensuring projects are delivered on time and to budget. This group reports to the Programme Delivery Panel which meets quarterly and consists of key

partners and is chaired by the Leader of Breckland Council as Breckland is the accountable body for the funding. The panel provides scrutiny to all project delivery activity ensuring projects deliver the programme aims and objectives of Moving Thetford Forward (MTF). Finally, there is an MTF Board which meets twice a year and again has cross partnership membership. It is tasked with providing strategic vision, direction and approval of funding should any become available.

The Breckland Community Safety Partnership has established a joint Anti-Social Behaviour 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 St Edmundsbury joining Breckland, Forest Heath, and East Cambridgeshire district councils. The partnership is governed by a Joint Committee.

The Council entered into a shared management arrangement with South Holland District Council with effect from 1st 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.

Group Company – The Council has 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.

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. The authority also reports on the pay and benefits for senior officers as well as its Pay Policy.

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
- Satisfies itself that the control and governance arrangements have operated effectively by considering audit and risk reports and undertaking ad hoc reviews
- 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 15th June 2012, concluded that, based on the work undertaken, the overall standards of internal control in the authority for the year ended 31st March 2012 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 Anglia Revenues and Benefits Partnership Governance arrangements as well as an adequate assurance for the council's Change Control and Corporate Governance 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:

- Replacing its existing (stable, but unsupported) cash receipting system
- Amending Housing Benefit overpayment recovery procedures to ensure that the recovery action being taken remains appropriate
- Formally approving its Asset Management Plan and reviewing its Reinvestment Strategy to ensure that these remain consistent with set objectives
- All contracts should be negotiated in advance of the expiry of the existing contract to ensure that the Council's procurement policies and procedures are followed.

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 reviewed by the Assistant Director Finance 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 2010-11 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.

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Chief Executive:

Leader of the Council:

Dated: