

Draft Annual Governance Statement

1 Scope of responsibility

- 1.1 West Berkshire 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. West Berkshire 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.
- 1.2 In discharging this overall responsibility, West Berkshire Council 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.
- 1.3 West Berkshire 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.
- 1.4 This statement explains how West Berkshire Council has complied with the code and also meets the requirements of regulation 4 of the Accounts and Audit (England) Regulations 2011.

2 The purpose of the governance framework

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which West Berkshire Council is directed and controlled and its activities through which it engages with, leads and accounts to the community. It enables West Berkshire 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 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 West Berkshire 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.
- 2.3 The governance framework has been in place at West Berkshire Council for the year ended 31 March 2013 and up to the date of approval of the annual report and statement of accounts.

3 The governance framework

- 3.1 The key elements of the systems and processes that comprise West Berkshire Council's governance arrangements are set out below and include arrangements for:
 - Identifying and communicating West Berkshire Council's Strategy that sets out its purpose and intended outcomes for citizens and service users
 - Reviewing West Berkshire Council's Strategy and its implications for West Berkshire Council's governance arrangements
 - Measuring the quality of services for users, ensuring they are delivered in accordance with West Berkshire Council's objectives and ensuring that they represent the best use of resources
 - Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication

- Developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff
- Reviewing and updating the Constitution including Contracts Rules of Procedure and Financial Rules of Procedure, the scheme of delegation, which clearly define how decisions are taken and the processes and controls required to manage risks
- Ensuring the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on "The Role of the Chief Financial Officer in Local Government (2010)"
- The Governance and Audit Committee which performs the core functions of an audit committee, as identified in CIPFA's "Audit Committees – Practical Guidance for Local Authorities"
- The Finance and Governance Group which helps to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful
- Conducting an annual review of the effectiveness of Internal Audit
- Whistle-blowing and for receiving and investigating complaints from the public
- Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training
- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation.

4 Review of effectiveness

- 4.1 West Berkshire 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 all managers within West Berkshire Council who have responsibility for the development and maintenance of the governance environment.
- 4.2 The following process has been applied in maintaining and reviewing the effectiveness of the governance framework, and includes:
- The work of the Finance and Governance Group
 - The work of the Risk Strategy Group and the Risk Management framework
 - The annual assurance statements produced by all Heads of Service
 - The work of the Governance and Audit Committee
 - The work of the Standards Committee
 - The work of Internal Audit
 - The work of the Overview and Scrutiny Commission.
- 4.3 We have been advised of the implications of the result of the review of the effectiveness of the governance framework by the Governance and Audit committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

5 Significant governance issues identified in the AGS for 2011/12

5.1 The following is an outline of the significant governance issues that have been identified in preparing the 2011/12 AGS.

- Service resilience – may lead to failures in key systems. This remains a key risk for the Council, and further work needs to be done to mitigate the risk.
- Judicial Review - Challenges have been made in the Courts to the way the Council proposes to deliver certain services in future, and there remains a risk of Judicial Review in respect of certain changes.

5.2 The following measures were implemented during 2011/12:

- Heads of Service considered service resilience in their ongoing review of service risk. In addition Corporate Board have taken account of service resilience when making proposing service reductions, in an effort to minimise the risk. The Risk Strategy Group has begun a process of reviewing Service Risk Registers to ensure service resilience risk is considered.
- The Head of Strategic Support carried out a review of the way the Council manages and consults on service reductions. New guidance has been prepared and issued to Heads of Service. In addition all challenges have been successfully repudiated.

6 Significant Governance Issues identified in 2012/13

6 Significant Governance Issues identified in 2012/13:

6.1 The following is an outline of the significant governance issues that have been identified in preparing the 2012/13 AGS.

- Judicial Review remains a risk

6.2 We propose over the coming year to take steps to address the above matters 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.

- The Head of Strategic Support will review the revised arrangements for conducting equalities impact assessments in relation to proposed changes in service delivery, to ensure they are effective.

Signed:

Nick Carter – Chief Executive

Gordon Lundie – Leader of the Council