

RUSHMOOR BOROUGH COUNCIL

ANNUAL CORPORATE GOVERNANCE STATEMENT 2013/14

1 Scope of Responsibility

- 1.1 Rushmoor Borough Council (“the 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.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions and which include arrangements for the management of risk.
- 1.3 The Council approved and adopted a revised Code of Corporate Governance on the 10th July 2014, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government (based on the December 2012 Addendum). A copy of the code will be made available on the Council’s website.
- 1.4 This statement explains how the Council has complied with the Code and also meets the requirements of the Accounts and Audit (England) Regulations 2011, regulation 4(3), which require all relevant public bodies to prepare an annual governance statement.

2 The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes and culture and values, by which the Council is directed and controlled and the activities through which it accounts to, engages with and leads the community. It enables the 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 and value for money.
- 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 the Council’s policies, aims and objectives, to evaluate the likelihood of those risks being realised and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place at the Council for the year ended 31 March 2013 and up to the date of the approval of the Council’s statement of accounts.

3. The Governance Framework

The key elements of the systems and processes that compromise the council’s governance arrangements are as described below and include arrangements for:-

Identifying and communicating the authorities vision of its purpose and intended outcomes for citizens and service users.

There is a clear vision of the Council’s purpose and intended outcomes for citizens and service users that is communicated within the organisation and to stakeholders. This is set out in the Rushmoor Borough Council Corporate Plan 2013-2014 as “working with others to improve the quality of people’s lives”. This document has been informed by the Rushmoor Strategic Partnership Sustainable Community Strategy 2010-2026 prepared by

the Rushmoor Strategic Partnership, a non-statutory, non-executive organisation working within the boundaries of Rushmoor bringing together the skills of the public, private, voluntary and community sectors when working at a local level.

This document sets out the partner's vision for the future and the key priorities for the future. The vision and priorities from the SCS have been reflected in the Corporate Plan.

Underpinning the Purpose in the Corporate Plan are five themes:

- Leadership - Providing leadership to make Rushmoor the place where our communities want to live and work
- Prosperity - sustaining and developing our local economy
- Place – protecting and developing a safe, clean and sustainable environment
- People and Communities - supporting our people and communities and meeting local needs
- Good Value Services – ensuring quality services that represent good value for money

Reviewing the authority's vision and its implications for the authority's governance arrangements

The cabinet reviews progress against the Corporate Plan on a quarterly basis by reviewing the targets that relate to what the Council has said that it will do in order to deliver the plans priorities. Details of these reviews are published and the 4th quarter review will inform the measures and targets that are incorporated in the next years plan. The Directors Management Board and the Council's service heads also undertake regular monitoring and performance against targets is scrutinised by member panels with specific remits. This acts as the key corporate performance monitoring process for the Council.

The council has adopted a Code of Corporate Governance ("CCG") which identifies, in one document, how the council ensures that it runs itself in a lawful, structured, ethical and professional manner. The CCG is administered by the Head of Democratic Services and the Head of Paid Service in consultation with the Solicitor to the Council and is subject to an annual "light touch" review with any recommendations presented to the Standards and Audit Committee.

Measuring the quality of services for users, for ensuring they are delivered in accordance with the authorities objectives and for ensuring they represent the best use of resources

The Rushmoor Borough Council Corporate Plan Strategic and Performance Updates Quarter 4 2013-14 and End of Year Section 2 Corporate Health Measures sets out the monitoring measures and the customers satisfaction results on the web site service, on corporate complaints and compliments , customer service unit call statistics and customer satisfaction surveys.

The Councils Procurement Strategy and associated Contract Standing Orders which form part of the Council's constitution, govern how the council buys the supplies, services and works that it needs. The council is committed to achieving Best Value from its suppliers and ensuring that goods and services are procured in the most efficient and effective way.

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 in respect of the authority and partnership arrangements

The Council has a Constitution that sets out how it operates, how decisions are made (including Officers delegated Powers contained in Part 3 of the Constitution) and the procedures followed to ensure that these are efficient, transparent and accountable to local people. The law requires some of these processes, while others are a matter for the council to choose. The Constitution, which is divided into 16 Articles and sets out the detailed rules governing the council's business, is published on the internet at <http://www.rushmoor.gov.uk/article/3625/The-constitution>

Developing, communicating and embedding codes of conduct, defining the standard of behaviour for members and staff

The Councils Constitution contains a Member Code of Conduct based on the statutory code that sets out the expected behaviour and standards to be adhered to by members. In addition, the Disciplinary Procedure, Working with Councillors, Code and Gifts and Hospitality Policy for Staff set out the standards of service and conduct that are expected of employees. Given that the new standards regime introduced by the Localism Act has been in force since July 2012 it is timely to undertake a review of the Member Code of Conduct which will be done in the forthcoming year.

Reviewing the effectiveness of the authority's decision making framework, including delegation arrangements, decision making in partnerships and robustness of data quality

The Councils Constitution details how the Council operates, including how decisions are made and the role of the Policy and Review Panels that perform a scrutiny function. It also includes the powers, duties and functions that are delegated to officers in Part 3 of the constitution. The Head of Democratic Services with advice from the Monitoring Officer is conducting an ongoing review of the Council's constitutional arrangements in order to ensure that the arrangements are up to date and compliant with the Councils legal duties. Reports will be taken to the Standards and Audit Committee with any recommendations for revision and then considered by the Licensing and General Purposes committee prior to submission to Council for adoption of any recommendation changes

Reviewing the effectiveness of the framework for identifying and managing risks and demonstrating clear accountability

The Standards and Audit committee has responsibility to provide independent assurance on the adequacy of the risk management framework and the internal control and reporting environment including (but not limited to) the reliability of the financial reporting processes and the annual governance statement. In addition, the committee needs to satisfy itself that appropriate action is being taken on risk and internal control related issues identified by the internal and external auditors and other review and inspection bodies.

The Council has in place a Risk Management Policy that sets out the councils overall approach to managing risk. The policy which is formally approved by the Standards and Audit Committee, is subject to an annual review to ensure that it continues to reflect good practice and remains aligned with current business processes and practices. The council also has in place a Business Continuity and Disaster Recovery Plan.

Ensuring effective counter-fraud and anti-corruption arrangements are developed and maintained

The Council has in place an Anti-Fraud and Anti-Corruption Policy and Strategy that is published on the internet as part of the Council's Constitution, which reflects the Council's approach and commitment to the prevention, and detection of fraud and corruption.

Ensuring effective management of change and transformation

The Council continues to develop and deliver improvements using System Thinking Principles to improve the quality and efficiency of its services, as part of its 8-point plan to achieve sustainability. Workshops were developed, with initial roll out in February 2014, to broaden understanding of the principles throughout the Council and embed them in the work of the organisation. A Systems Thinking Learning Network is up and running and this model will be used to roll out other Corporate Learning and Development to the organisation. In addition, the Council has made progress in its Organisational Development Programme and will be introducing Action Learning Sets, mentoring and coaching among a raft of initiatives designed to shape a flexible, motivated and efficient workforce for the future.

The Programme Board continues to provide effective monitoring of major projects with the application of strong project management principles.

The Council has spent considerable effort during 2013/14 exploring and understanding the effects of two major change programmes – Welfare Reform and Business Rates Retention. The Welfare Reform Task & Finish Group continues to analyse the impact of Welfare changes on both the Council and its residents while much work has been done on extracting relevant data from our own systems and from the Valuation Office in respect of Business Rates, particularly regarding the impact of appeals.

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 Chief Financial Officer has responsibility for the proper administration of the Council's financial affairs in accordance with Section 151 of the Local Government Act 1972.

During 2013/14 the post was held by the Director of Resources and arrangements conformed with the governance requirements of the CIPFA Statement. Following the retirement of the Director of Resources, at the end of May 2014, the Council has designated the Head of Financial Services as the Chief Financial Officer. While this arrangement does not conform precisely with the requirements of the CIPFA Statement it does not impact on the effectiveness of the Chief Financial Officer in undertaking her role. The Head of Financial Services is a member of the Wider Leadership Team and has unfettered access to Directors' Management Board, the Chief Executive and to Cabinet.

A review of the Council's structure is being undertaken during 2014/15 and any proposed changes to the structure will be reviewed against compliance with the CIPFA statement on the role of the CFO, the continued delivery of good governance and delivery of a framework within which the CFO is able to carry out their statutory role.

Ensuring the authority's assurance arrangements conform with the governance requirement of the CIPFA "Statement on the Role of the Head of Internal Audit (2010)

The Head of Internal Audit (HIA) occupies a critical position in the organisation, helping it to achieve its objectives by giving assurance on its internal control arrangements and playing a key role in promoting good corporate governance. The HIA reports directly to the Director of Resources and has unfettered access to the Chief Executive, Chief Financial Officer and to the Standards & Audit Committee. The HIA works closely with the Wider Leadership Team in carrying out internal audit work, promoting good governance and more recently in providing project management expertise. The HIA also works closely with the independent, external auditor in order to use audit resources most effectively. Any changes to the Council's structure, following the review referred to in the previous paragraph, will be reviewed against compliance with the CIPFA statement.

Ensuring the arrangements are in place for the discharge of the monitoring officer function

The Solicitor to the Council is designated as the Monitoring Officer with responsibility for ensuring compliance with established policies, procedures, laws and regulation, and reporting any actual or potential breach of the law or maladministration to the full Council and / or the Cabinet. The Legal Service Manager is the nominated Deputy Monitoring Officer.

Ensuring effective arrangements are in place for the discharge of the head of paid service function

The Chief Executive is designated as the Head of Paid Service with responsibility for leading the Director Management Board and the Wider Leadership Team and in driving forward the strategic agenda, set by Cabinet, improving the efficiency and performance of the council and ensuring that the community receives high quality, value for money services.

Undertaking the core function of an audit committee, as identified in CIPFA's Audit Committee – Practical Guidance for Local Authorities

The council has a formally constituted Standards and Audit Committee that undertakes the core functions of an audit committee and operates in accordance with CIPFA guidance. It provides independent assurance on the adequacy of the risk management framework and the internal control and reporting environment, including (but not limited to) the reliability of the financial reporting processes and the annual governance statement.

Whistle Blowing and receiving and investigating complaints from the Public

The Council is committed to the highest possible standards of openness, probity and accountability and has in place a "Whistle Blowing Policy". This policy has been revised in 2014 and reflects the legal framework and obligation on the council to enable staff to raise concerns that may involve unlawful conduct, illegality, financial malpractice or dangers to the public, employees or the environment.

Complaints from the public are dealt with in accordance with the Complaints Policy that has been formally approved and is published on the council's website. There is a separate policy in place in respect of dealing with complaints made about Members.

Identifying the development needs of members and senior officer in relation to their strategic roles, supported by appropriate training

The Council has developed and keeps under review a Member Training and Development Plan which is aimed at providing a long-term view to learning and development whilst remaining sufficiently flexible to reflect changing priorities. The Council was awarded the South East Employers Charter for Member Development in 2013, following an assessment of the Council's approach to Members' learning and development.

The Member Training and Development Plan currently include the following:

- Induction Programme
- Regulatory Panel training
- Ward Member mentoring Scheme
- Skills training and workshops
- Personal development planning is offered and available
- Work shadowing front line services
- Scrutiny training
- Governance and Code of Conduct training
- A range of electronic resources and training

Priorities for learning and development form part of the annual performance appraisal process with a requirement that training priorities link to achievement of objectives and service plans as well as on going professional competence.

In addition, the Council embarked on a programme of organisational development for staff starting two years ago with its Wider Leadership Team that is being rolled out throughout the organisation to ensure that the council is sustainable for the future. Whilst the programme has started with the Wider Leadership Team, it is now being extended to Middle Managers. Action Learning Sets are being established and will be open to all staff following the Chief Executive's briefing sessions for staff on Organisational Development.

Establishing clear channels of communication with all sections of the community and other stake holders, ensuring accountability and encouraging open consultation

The council believes that all people should have the opportunity to voice their opinions on issues that affect them and to this end has developed its Community and Business Engagement Strategy. The views of customers and staff are actively sought by services via customer satisfaction surveys, messaging, community consultations events and through the web site.. The council has a walk in Customer Services Unit where customers are seek advice and access services.

Information on how to "have your say" is contained on the councils web page and is linked to a customer survey form and promotes Rushmoor Business Network, the Senior Citizens Forum, the Citizens Panel, Rushmoor Youth Forum and the "Join in the big Aldershot conversation" all as means of communication with the council . The purpose of these various groups and forum is to provide a systematic analysis of needs provision, opportunities and gaps in the borough, based on accurate, relevant and up-to -date information that will inform collaborative work with partners and help deliver the priorities in the Rushmoor Plan. A budget consultation exercise was also undertaken with Senior Citizens Panels, Business Ratepayers and Voluntary Sector.

Enhancing the accountability for service delivery and effectiveness of other public service providers

Annually the council produces a corporate plan. This plan sets out its future priorities and planned activities and actions to deliver on the council's stated purpose of "working with others to improve the quality of people's lives". The cabinet review progress against the Corporate Plan on a quarterly basis. The Directors Management Board also regularly carries out monitoring and the Council's Senior Officers and Member Panels scrutinise performance on areas under their particular remit. This report acts as the key corporate performance monitoring process for the Council. The quarterly report contains detail of performance and identifies where targets are not being met or where slippage has occurred in delivering improvement measures.

A number of Council services are delivered in partnership with external service providers. A contract management team that provide a senior management interface between the council and our partnership service provider manages these outsourced contracts. All such arrangements include a suite of key performance indicators and are based upon a culture of continuous improvement, recognising the need to achieve a balance between the council's financial position and long term strategic aims.

Incorporating good governance arrangements in respect of partnership and other joint working as identified by the Audit Commission report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements

The terms of all joint working arrangements with other authorities are set out in Joint Service agreements such as that of the Community Safety Partnership. In view of the increase in joint working arrangements the council recognises the need to prepare and adopt a Partnership Code which will form part of the council's constitution. This will ensure that sound governance arrangements are in place in respect of partner and partnership engagement and can be reviewed as partnership-working arrangements develop and evolve.

4. REVIEW OF EFFECTIVENESS

The 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 the effectiveness is informed by the work of the Chief Executive and Directors within the authority that have responsibility for the development and maintenance of the governance environment, the Head of Internal Audits annual report, and also by comments made by the external auditors and other review agencies and inspectorates :-

The review process applied in respect of maintaining and reviewing the effectiveness of the system of internal control is informed by:-

The views of Internal Audit reported to the Standards and Audit committee via the Internal Audit Progress Report that include executive summaries of new reports published where critical weaknesses or unacceptable levels of risk were identified.

The views of external auditors, regularly reported to the Standards and Audit committee, including regular progress reports, the Annual Audit Letter and Annual Governance Report.

The Chief Internal Auditor Annual Report and Opinion on the adequacy and effectiveness of the Council's internal control environment.

The Internal Audit Strategy and delivery of the annual operational plan.

The work of the Directors and Chief Executive and Head of Democratic Services within the authority who have responsibility for the development and maintenance of the governance environment.

The independent views of regulatory inspection agencies such as the OSC and Government Connect audit

The Risk Management Strategy, the Risk Management Manual and the Corporate Risks Register supported by the work of the Risk Management Group

The work of the Standards and audit committee to the discharge of its responsibility to lead on all aspects of corporate governance

The Standards and Audit Committee have advised us on the implications of the result of the review of the effectiveness of the governance framework and that the arrangements continue to be regarded as fit for purpose in accordance with the governance framework. The areas already addressed and those to be specifically addressed with new actions planned are outlined below.

	Governance Issue	Planned Action	Officer Responsible
1.	The councils Anti-Fraud and Corruption Policy; Whistle Blowing Policy and Anti- Money laundering Policy all require updating	These policies have been reviewed and updated to reflect current good practice together with a commitment for future periodic reviews. These policies will be approved by the Standards and Audit Committee and appropriate arrangement made to communicate the updated policies.	Auditor
2.	Contract standing orders require revision to give better control over procurement to deliver savings	Review Contract Standing orders; procurement procedures and contracts register	Monitoring officer and Section 151 officer
3.	Enhancing decision making and procurement	Deliver training Programme	–rolling programme Monitoring Officer and Head of Strategy and Communications
4.	Code of Conduct	Review need for local code of conduct dealing with interests other than DPI's	Monitoring Officer
5.	Officer conduct	Review whether need for Officers Code of Conduct	Monitoring Officer
6.	Partnership Code	Consider adopting a partnership code in view of increased partnership working	Monitoring Officer
7.	Media guidelines for councillors	In view of increase social networking use consider adopting a code of Media Guidelines for Councillors	Monitoring Officer
8.	Confidential Information	Review need for protocol	Monitoring Officer
9.	Complaints procedure	Review complaints procedure in accordance with new regulators code	Review commenced. Deputy Monitoring Officer with Head of Customer Services

10.	Transparency Code	Review data transparency arrangements in view of publication of Code of recommended Practice of Local Authorities on Data Transparency Dec 2014	Monitoring Officer and Section 151 Officer
11.	Equality Objectives	Review and update Equality and Diversity objectives	
12.	Fraud	Review the arrangements for investigating corporate fraud in view of the transfer of benefit investigation officers to the DWP	DMB
13.	Project management	Programme and Project Management review including capital projects.	Audit

Signed

Leader of the Council

Signed

Chief Executive

Dated