Annual Governance Statement 2009-10

Wiltshire Council
Where everybody matters

Contents

A.   Scope of Responsibility

1. Wiltshire 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. We also have 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.

2. In discharging this overall responsibility, the Council is also responsible for putting in place proper arrangements for the governance of its affairs, including the management of risk, and facilitating the effective exercise of its functions.

B.   The Purpose of the Governance Framework

3. 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 the Council 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.

4. The assurance framework and the system of internal control are significant parts of that framework. They are designed to manage risk to a reasonable level. They 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 assurance framework and the system of internal control are 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 the impact should they be realised, and to manage them efficiently, effectively and economically. The assurance framework also provides a mechanism for monitoring and implementing a system of continuous governance improvement.

5. The governance framework has been in place at the Council for the year ended 31 March 2010 and up to the date of approval of the statement of accounts for 2009/10

C.   The Governance Framework

6. The Council's governance framework comprises a broad range of strategic and operational controls, which work together to ensure the sound running and well being of the Council. The key elements are summarised below.

7. Documents referred to are available from the Council or may be viewed on the Council's website (www.wiltshire.gov.uk).

Purpose and Planning

8. The Council's vision of creating stronger, more resilient communities is set out in the Corporate Plan 2010-2014. The vision is underpinned by the three goals:

   - deliver high quality, low cost, customer focused services;
   - ensure that decision making is local, open and honest; and
   - work together to support Wiltshire's communities.

9. The Council's Medium Term Financial Plan reflects the Council's goals and priorities. The management of the Council's strategic risks helps achieve the Council's objectives.

10. In its Corporate Plan the Council has identified nine priorities which are reflected in the plans and strategies of its services. Detailed service plans are linked to the Corporate Plan by the 'golden thread'.

Policy and Decision-Making Framework

11. The Council's Constitution provides the framework within which the Council operates. It sets out how decisions are made and the procedures which must be followed to ensure that these are efficient, effective, transparent and accountable.

12. The Constitution defines the role and responsibilities of the key bodies in the decision-making process - the Council, Cabinet, and Committees, including the Strategic Planning Committee, Area Planning Committees, Overview and Scrutiny Select Committees, Standards Committee, Audit Committee and Area Boards.

13. Governance and reporting arrangements for the Council are being developed as part of the current review of the Constitution.

14. The Cabinet is responsible for discharging the executive functions of the Council, within the budget and policy framework set by the Council.

15. The Council publishes a Forward Work Plan once a month giving details of all matters anticipated to be considered by the Cabinet over the following 4 months, including items which constitute a key decision. Whilst not a legal requirement, the Council also publishes Forward Work Plans for Council and main committees.

16. Schemes of Delegation are in place for Cabinet Members and Officers to facilitate efficient decision-making. These are being reviewed as part of the review of the Constitution.

17. The Council has established 18 area committees known as area boards. Each area board exercise local decision making under powers delegated by the Leader.

18. New Overview and Scrutiny arrangements were developed for the unitary authority. They consist of four main select committees covering Resources, Children's Services, Environment, and Health and Adult Social Care. The Select Committees have established a number of standing and ad hoc task groups to undertake detailed monitoring and reviews. Rapid scrutiny exercises have also been undertaken when time constraints existed. The boards of some major projects have also provided for the appointment of a scrutiny member representative.

19. These bodies and activities serve to hold the Cabinet, individual Cabinet Members and Corporate and Service Directors to public account for their executive policies, decisions and actions.

20. The Standards Committee is responsible for:

   • promoting and maintaining high standards of conduct by Members and Officers across the Council
   • determination of complaints under the Members' Code of Conduct
   • oversight of the Constitution, complaints in relation to the Council's services, and the whistle blowing policy.

   The Standards Committee is chaired by an independent member.

21. The Audit Committee is responsible for:

   • monitoring and reviewing the Council's arrangements for corporate governance, risk management and internal control
   • reviewing the Council's financial management arrangements and approving the annual Statement of Accounts
   • focusing audit resources
   • monitoring the effectiveness of the internal and external audit functions
   • monitoring the implementation of agreed management actions arising from audit reports

22. The Constitution is reviewed regularly by the Monitoring Officer and the Standards Committee to ensure that it remains fit for purpose. It was last revised in 2008-09 to ensure that it was fit for the purposes of the new Wiltshire Council. The Standards Committee has established a constitution focus group with cross-party membership, which has been tasked with reviewing the Constitution now that the unitary authority has been operational for a year. Any changes recommended by the focus group will be referred to full Council for approval.

Wiltshire Pension Fund

23. The Wiltshire Pension Fund is overseen by the Wiltshire Pension Fund Committee. This Committee has its delegated power from the full Council, rather than the Executive (Cabinet), so as to avoid any conflict of interest (e.g. in relation to the setting of employer contributions).

24. This Committee is responsible for all aspects of the fund, including:

   - the maintenance of the fund
   - preparation and maintenance of policy, including funding and investment policy
   - management and investment of the fund
   - appointment and review of investment managers.

25. The Wiltshire Pension Fund Committee exercises its responsibilities in relation to investment management when it sets investment policy and appoints/monitors external investment managers.

Regulation of Business

26. The Constitution contains detailed rules and procedures which regulate the conduct of the Council's business. These include:

   - Council Rules of Procedure
   - Budget and Policy Framework Procedure
   - Financial Regulations and Procedure Rules
   - Contract Regulations
   - Members' Code of Conduct
   - Officers' Code of Conduct
   - Corporate Complaints Procedure

27. The statutory officers - the Head of Paid Service (Chief Executive), the Monitoring Officer (Solicitor to the Council) and the Chief Finance Officer have a key role in monitoring and ensuring compliance with the Council's regulatory framework and the law. The statutory officers are supported in this role by the Council's legal services, finance, governance and procurement teams and by Internal Audit.

28. The following bodies have an important role in ensuring compliance:

   - Audit Committee
   - Overview and Scrutiny Committees and Task Groups
   - Standards Committee
   - Internal Audit
   - External Audit and Inspection Agencies.

29. The council has established an Assurance Steering Group whose membership is composed of senior officers with lead responsibility for key

areas of governance and assurance, together with an elected member who is the vice-chair of the Audit Committee, and a member of the Standards Committee. Other officers and members attend by invitation to provide the steering group with information about issues on which the steering group is seeking assurance. Officers can also bring concerns forward to the group for consideration.

30. The Assurance Steering Group meets regularly, and has a forward work plan. It is responsible for gathering evidence for and drafting the Annual Governance Statement. It identifies significant governance issues throughout the year, and oversees the implementation of measures to address any issues that it identifies. It has a key role in promoting and supporting sound governance across the organisation.

31. The group is supported by the Chief Executive, who acts as a link between the steering group and the corporate leadership team, ensuring that issues and activities identified by the group are considered and addressed.

Management of Resources, Performance and Risk

Financial management

32. Financial management and reporting is facilitated by:

   - monthly reports to Cabinet on the Council's Revenue Budget and Capital Programme
   - regular review by the Corporate Leadership Team
   - bi-monthly consideration of these reports by the Budget and Performance Task Group
   - budget monitoring by Service Managers
   - compliance with the Council's Budgetary and Policy Framework, Financial Regulations and Financial Procedure Rules
   - compliance with external requirements, standards and guidance
   - publication of Statement of Accounts
   - overseeing role of the Audit Committee.

33. The Council's financial management arrangements are consistent with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government, issued earlier in 2010.

Performance and Risk Management Reporting

34. The Council's Corporate Plan identifies the Council's priorities, and these are cascaded through a comprehensive performance management system to specific action, indicators and targets for services. Progress is reported quarterly, and this also includes progress against the Local Agreement for Wiltshire with partners. SAP Strategy

Manager is being implemented to improve the processes used for performance and risk management.

- Performance update reports are received by Cabinet and the Corporate Leadership Team (CLT) on a quarterly basis
- CLT also receives performance information on aspects of its 'scorecard'.

35. The Council's framework policy on the management of resources, performance and risk outlines the way we manage and control the performance, budgets and risks associated with the Council's services in an integrated way. The integration of these processes informs and influences the Corporate Plan and Medium Term Financial Strategy, ensuring a more cohesive approach to managing the business of the Council as a whole.

36. The Risk Management Strategy has been reviewed for the new Council to ensure that risk management arrangements remain appropriate. The revised strategy strengthens risk management arrangements and complies with good practice so that opportunities and threats are identified and managed to help achieve the Council's objectives.

37. The Risk Management Strategy is approved by Cabinet annually and gives a clear explanation of what risk management is, and what is expected from members and employees in the Council. Quarterly reports which cover the significant risks are submitted to the Corporate Leadership Team on a quarterly basis and to the Audit Committee 6 monthly.

38. The Council's Business Continuity Policy provides a framework to maintain and develop business continuity arrangements at both corporate and service levels. It sets out the responsibilities of different management levels and groups as part of this process. Within this framework the Council has a Corporate Business Continuity Plan, which outlines the arrangements that will operate in the event of a major service disruption. Service Business Continuity Plans are being developed in conjunction with the Corporate Business Continuity Plan to address service specific issues and incidents.

Internal Audit

39. The main role of Internal Audit is to provide an independent and objective opinion to the Council on its internal control environment, comprising risk management, control and governance by evaluating its effectiveness in achieving the Council's objectives.

40. Internal Audit has the following additional responsibilities:

- providing support to the Chief Finance Officer in meeting his responsibilities under Section 151 of the Local Government Act

1972, to make arrangements for the proper administration of the Council's financial affairs
- investigating any allegations of fraud, corruption or impropriety
- advising on the internal control implications of proposed new systems and procedures.

41. The annual Internal Audit Plan is based on an assessment of risk areas, using the most up to date sources of risk information, in particular the Council's Corporate and Service Risk Registers. The plan is agreed with Corporate Directors and Service Directors, and presented to the Audit Committee for approval. The Committee receives reports of progress against the plan throughout the year. The Internal Audit Annual Report summarises the results and conclusions of the audit work throughout the year, and provides an audit opinion on the internal control environment for the Council as a whole.

External Audit and Inspections

42. All services of the Council are subject to reviews by external inspection agencies, including the Audit Commission, OFSTED, and the Care Quality Commission (CQC). The results of these inspections are used to strengthen and improve the Council's internal control environment, to ensure the economic, efficient and effective use of the Council's resources and to secure continuous improvement in the delivery of its services.

Directors' Assurance Statements

43. Directors' assurance statements have been obtained from each Corporate Director. These confirm that suitable governance arrangements were in operation within each department during 2009/10 to date and there are no significant governance issues to report other than those referred to in Section E.

Monitoring Officer

44. The Monitoring Officer has not made any adverse findings in the course of the exercise of his statutory responsibilities.

D. Review of Effectiveness

45. 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 effectiveness is informed by the work of the executive managers within the Council 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.

46. The key principles of corporate governance are set out in the Council's Code of Corporate Governance as follows:

- Focusing on the purpose of the Council and on outcomes for the community, creating and implementing a vision for the local area

- Engaging with local people and other stakeholders to ensure robust public accountability

- Ensuring that members and officers work together to achieve a common purpose with clearly defined functions and roles

- Promoting high standards of conduct and behaviour, and establishing and articulating the Council's values to members, staff, the public and other stakeholders

- Taking informed, risk based and transparent decisions which are subject to effective scrutiny, and

- Developing the capacity of members and officers to be effective in their roles.

47. The effectiveness of the Council's assurance framework and system of internal control is assessed against these 6 principles.

Focus on the purpose of the authority and on outcomes for the community, creating and implementing a vision for the local area

48. The Council's goals and priorities are set out in its Corporate Plan. This supports the shared ambitions from the Sustainable Community Strategy that have been agreed with partners and are shown in the Local Agreement for Wiltshire (LAW). The LAW incorporates the Local Area Agreement (LAA) with government. Its 7 ambitions for Wiltshire are:

- Resilient communities
- Affordable housing

- Lives not services
- Environment for economic growth

- Communities safe and feel safe
- Natural environment and CO_2

- Working together

49. The LAW joins up action across partners and partnerships to tackle issues and achieve the ambitions for Wiltshire. The LAW outlines which organisations and partnerships will take particular action and the people and places in Wiltshire that will particularly benefit from that action.

50. In December 2009 the first Comprehensive Area Assessments were published. This includes the award of 'flags:

- Green flags for exceptional performance/outstanding improvement
- Red flags for significant concerns which are not being tackled adequately

51. Wiltshire received a 'green flag' for *Involving people in decisions that affect their local community*. It received no red flags.

Engaging with local people and other stakeholders to ensure robust public accountability

52. The Council has taken steps to make its purpose and responsibilities clear to staff and the community it serves. These have included:

- Involvement of the Leader of the Council in the corporate induction process.

- Monthly briefings led by corporate directors in each of the council's hub offices. The implementation of new fresh channels of communications: Team Wire (an on-line briefing for staff), the staff magazine, and the Wiltshire Magazine, delivered to all households in Wiltshire and providing information about council services, how to get involved, and information from partner agencies.

- The clarification of lead roles and responsibilities in partnerships, in the context of the Local Area Agreement (LAA) delivery requirements.

53. The development of area boards has played a key role in ensuring robust public accountability and engagement. The 18 area boards are led by Councillors working in partnership with other agencies, groups and local people. They were developed following extensive engagement with interested parties and stakeholders (including the Town and Parish Councils) and a piloting period before the 98 new unitary Councillors were elected in June 2009.

54. Each area board is chaired by a Councillor who is elected annually by the other Councillors in the area. The governance arrangements for the area boards is set out in the Council's Constitution and in further detail in the Area Board Handbook. A review of the area boards has been carried out after 6 months of operation and the Handbook is being further revised. The area boards ensure open, transparent decision-making and a system

enabling citizens to raise and track issues of concern to them and their communities.

55. Further work is being carried out to ensure that the area boards are as inclusive as possible for the whole community. This work includes ensuring that there is easy access to information that could be of interest to local people, for example with mini Joint Strategic Needs Assessments for each community area, information on the Council's annual Budget, the Core Strategy and the Local Transport Plan.

56. Town and Parish Councils have been consulted to determine which functions and responsibilities they would like to have delegated to them and this work continues to be developed.

57. In March 2009, this work was recognised nationally with the Council being awarded the Local Leadership Award by the Local Government Chronicle. The Council has been shortlisted further during the year by the Local Government Association and Improvement and Development Agency's Local Innovations Award. Funding has also been allocated for the dissemination of the Council's practice to other Councils by the South West Regional Improvement and Efficiency Partnership and the Regional Empowerment Partnership. The Council also contributed during this period as one of the 18 authorities on the Network of Empowering Authorities and helped to develop the framework for "the ideal empowering authority" which was launched in March 2010 at a conference with a keynote speech from Andrew Kerr.

58. The Standards Committee has granted a number of dispensations to members of Area Boards who are members of both Wiltshire Council and of Wiltshire Town Councils. They have asked the Monitoring Officer to consider whether the structural arrangements for membership of Area Boards which result in members having personal and prejudicial interests in business affecting both authorities that they represent will promote public confidence in the Council's accountability and transparency.

59. The existing Partnership Protocol and Register has been reviewed and updated to ensure that all partnerships across Wiltshire Council are captured. The revised protocol will ensure that partnerships are underpinned by good governance and to complement the protocol a new electronic database and supporting guidance have been developed.

Ensuring that members and officers work together to achieve a common purpose with clearly defined functions and roles

60. The Constitution sets out clearly the roles and responsibilities of members and officers in the decision making process. This includes schemes of delegation which are being reviewed within the Constitution Review.

61. The Council has adopted a Member and Officer Relations Protocol which:

- outlines the essential elements of the relationship between members and officers
- promotes the highest standards of conduct
- clarifies roles and responsibilities
- ensures consistency with the law, codes of conduct and the Council's values and practices, and
- identifies ways of dealing with concerns by members or officers.

Promoting high standards of conduct and behaviour, and establishing and articulating the authority's values to members, staff, the public and other stakeholders

62. All staff are required to meet high standards of ethical conduct under the Officers' Code of Conduct. A revised Code of Conduct for officers was introduced in May 2010.

63. The Council has a Whistle Blowing Policy and an Anti-Fraud and Corruption Policy which were updated in 2010. It has also introduced an Anti Money Laundering Policy. The Standards Committee receives an annual report on the effectiveness of these policies. Following approval of the updated Anti-Fraud and Corruption Policy, the Council implemented an online fraud awareness training course, which was made available to all staff and members. In addition, the Audit Committee has responsibility for monitoring the implementation of the Anti Fraud and Corruption policy and strategy.

64. The council has established a new governance service with responsibility for customer complaints, access to information legislation, the Code of Conduct for members, and the promotion of good governance within the council and with key partners, including the town and parish councils of Wiltshire. In connection with the last two functions listed, it has appointed two ethical governance officers.

65. In August 2009 the governance service sent a "welcome pack" to all of the 276 town and parish councils within its area. The pack was developed in collaboration with the Standards Committee, who established a working group to explore how best to promote good governance within the towns and parishes. Wiltshire Association of Local Councils (WALC), which is an independent organisation that supports town and parish councils, also made a significant contribution to the pack. The pack included a letter that outlined the work of the Standards Committee, gave specific information about how to access various functions of the committee and the council in relation to the Code of Conduct and dispensations, and provided contact names and numbers. The pack also contained a copy of "The Good Councillor's Guide" – a book provided by WALC, a leaflet on the Code of Conduct developed by the Standards Committee's working group, a DVD on standards and the Code produced by Standards for England, and a number of other useful materials related to good governance. The pack was well received and featured in a number of subsequent town and parish council meetings.

66. The Council's Standards Committee plays an important role in overseeing and promoting ethical governance throughout the Council, and this role is established in the Council's constitution. The Committee has developed and published a leaflet for the public explaining its role. Working with officers, the Committee has ensured that the Member Induction Programme for the new Council included Code of Conduct training for the 98 members of Wiltshire Council and further training was provided. The Standards Committee has also developed a training session for town and parish members on the Code and the principles of good governance. This was piloted in April 2010, and is being further developed in the light of feedback, for rollout on a targeted basis.

67. The Committee has also had oversight of the development and implementation of a new on-line Code of Conduct training package for Wiltshire councillors, and has established a number of task-and-finish groups to explore the development and promotion of high standards of conduct. In addition to this pro-active role, the Standards Committee has maintained oversight of ethical governance, receiving reports on the efficacy of the whistle-blowing procedure, customer complaints procedures, the member's Register of Interests, and a range of other governance matters.

68. The Committee has fulfilled its statutory role by receiving, assessing and determining a number of complaints brought under the Code of Conduct for members, and has worked to ensure that the processes that underpin this statutory function are kept under review to ensure that they work effectively.

Internal Audit

69. Internal Audit represents an important element of the Council's internal control environment, and to be effective it must work in accordance with the Code of Practice for Internal Audit in Local Government, which lays down the mandatory professional standards for the internal audit of local authorities. As part of its review of internal control, the Council is required to review the effectiveness of its system of internal audit. This has been done by means of an assessment of internal audit's current arrangements for meeting the various standards within the Code.

70. The Internal Audit Annual Report summarises the results and conclusions of the audit work throughout the year, and provides an audit opinion on the internal control environment for the Council as a whole.

71. The levels of assurance obtained from the range of audits completed during the year has led Internal Audit to the overall audit opinion that for 2009-10, the Council's overall control environment must be seen as limited in terms of its adequacy and effective operation. When seen in the context of the major structural reorganisation which took effect from 1st April 2009, moving from five councils into one, and the inevitable

significant transition and upheaval which has followed, this level of assurance should not be seen as unreasonable in the circumstances.

72. The overall response of management to the various risks and issues raised has been positive and constructive. The need to improve controls is recognised and work is in progress to achieve the desired outcomes. Given the evidence of progress towards control improvements during the latter part of the year, Internal Audit would be looking towards an improved level of assurance for 2010-11, as systems and procedures become more established and robust.

External Audit

73. The latest Annual Audit Letter, issued by KPMG in respect of Wiltshire County Council for 2008-9, was presented to the Audit Committee in December 2009. The Letter summarised the key issues arising from the audit of the final year of the County Council, in relation to its Use of Resources assessment, and the Statement of Accounts

74. The Letter highlighted the key messages as follows:

- The Use of Resources assessment demonstrated that the Council performed adequately, scoring level two (out of four) for all three themes, whilst performing well (level three) for certain elements within each theme. Specific weaknesses were identified within the managing finances theme regarding financial reporting.

- A number of material significant issues were identified in the course of auditing the Council's Statement of Accounts. Adjustments were therefore made to the accounts, and an unqualified opinion issued on the Council's Statement of Accounts, and a qualified opinion on the Council's arrangements for securing value for money in 2008-09.

- Specific risk based project work generated generally positive messages regarding the Council's management of the areas reviewed, and also its comprehensive delivery of agreed actions from earlier audit reports. Reports issued at key stages leading up to the vesting day for the new Council confirmed that good progress had been made overall. The Council had delivered the preparations necessary for the vast majority of the key actions identified in the 'Day One' plan.

75. The Audit Committee has included within its work programme a regular monitoring process to ensure that appropriate closedown procedures are in place for the preparation of the Council's Statement of Accounts for 2009-10.

Comprehensive Area Assessment (CAA)

76. The CAA provides two judgements; an area assessment of how public services work together in an area and an organisational assessment of

particular organisations. As a 'reorganising authority' the Council did not receive a score for its organisational assessment. Its CAA Organisational Assessment summary is:

- The Council has managed the transition from five councils to one well. Leadership during the process has been strong. The Council is keen to change the way that it works so that local people are more involved in decisions and delivering services. It has set up 18 area boards covering the whole of Wiltshire to help make this happen. People in Wiltshire are happy with their ability to influence decisions and the way that public services treat them.

- The Council is working well to support local people and businesses through the recession. Most children make a good start in life, enjoy good health and achieve well in education and training.

- The gap between the majority and those whose circumstances make them vulnerable is closing in some areas, but the picture is inconsistent for different groups. The Council is transforming its adult care services to respond to increasing demand and provide better services. The Council's waste management arrangements are strong. Wiltshire Council works well with partners to reduce crime and the fear of crime in the county. This is reflected in survey data that demonstrates that residents do not think that antisocial behaviour, drug and alcohol abuse are not big concerns in their local area.

- Wiltshire is very well kept. But the Council has only started work on dealing with climate change fairly recently. Planning performance in some parts of the county has been poor but are starting to improve.

- More needs to be done to tackle inequality in Wiltshire. The Council and other public services have a good understanding of where inequality occurs. They are working together to meet the needs of people such as gypsies and travellers who do not find it as easy to get the services they need.

- The Council's housing plans are currently incomplete. It has inherited a range of plans and information from the previous four district councils that it is working to consolidate into a single countywide plan by 2010. The Council's approach to private sector housing and management of its own houses is a concern.

77. The Council's Use of Resources score was 2 out of 4 (adequate).

Taking informed, risk based and transparent decisions which are subject to effective scrutiny

78. Cabinet Members and Officers exercising delegated powers are required to take decisions in accordance with their respective schemes of delegation. The Leader's protocol for decision-making by Cabinet Members ensures transparency by requiring publication of the intention to make a decision on 5 clear days' notice and the final decision.

79. Risk assessment forms an integral part of management reporting supporting the decision making process.

80. Work of the Council's Overview and Scrutiny Select Committees, task groups and associated activities have focused on:

- Supporting/challenging the delivery of one council benefits and efficiencies, service redesign, harmonisation and transformation

- Monitoring the performance of the Council's major service providers including external partners delivering residential care, highways maintenance and consultancy, facilities management, waste management, PFI projects, ICT and energy supply

- Reviewing the implementation of major corporate projects including the business management programme (and shared services), development of area boards, workplace transformation, customer access strategy and harmonisation of staff terms and conditions

- Monitoring the Council's (and its statutory partners) performance against local area agreement targets and those in its (one year) corporate plan

- Engaging in the Council's budget setting process and budget monitoring

- Engaging in the development of the new (four year) corporate plan

- Initiating reviews into matters of local concern relating to service delivery and contributing to the development and review of policy including:

  - empty homes policy, climate change strategy, flood risk management, gypsy and traveller strategy, waste strategy, car parking, leisure services strategy, housing PFI project and real time passenger information;

  - Laverstock schools, looked after children, 13-19 strategy, teenage pregnancy, extended services and local collaborative partnerships, pupil performance and small schools strategy;

  - Gynaecological cancer services, out of hours services, end of life care strategy, Care Quality Commission annual assessment and inspection report, Focus project, Local Safeguarding Adults Board, burn care and soft tissue sarcoma services and GWR ambulance services performance.

81. The work undertaken by the Audit Committee this year has included:

- review and approval of the Annual Governance Statements and Statements of Accounts of the former county and district councils for

2008/09

- review of the work and findings of Internal Audit, including the Annual Report and audit opinion on the control environment

- review of the Council's risk managements arrangements

- review of the work and findings of External Audit, including the Annual Audit Letter and Report to Those Charged with Governance.

82. Risks are identified and monitored by service departments. Significant risks are identified and put on the Corporate Risk Register. These are reviewed on a regular basis by the Corporate Risk Management Group. Reports are issued on the significant risk areas through the Councils reporting arrangements. Training on Risk Management is delivered to Members annually including the development of specific training for staff involved in risk arrangements as a result of their work.

83. The risks associated with major projects are managed through project management arrangements with regular reporting to the relevant boards and member bodies.

84. From March 2010 work has focused on improving the Corporate Business Continuity Plan. Representatives of services that would have to take a lead role in various kinds of service disruption were involved in designing the response arrangements to ensure that they are realistic and appropriate. The benefit of these arrangements is that they are sufficiently generic to respond to a wide range of service disruptions, using in-house resources as a first line of defence and taking advantage of the flexibility provided by the Workplace Transformation Programme.

85. Awareness of the business continuity process and response arrangements has been variable across the organisation. The new Plan will be tested to ensure resilience and will be widely publicised among staff with the provision of relevant training. Further work will be undertaken with service representatives to improve and embed the arrangements within their services.

86. The Business Continuity Policy was reviewed this summer in order to improve management arrangements.

87. The economic situation is placing increased pressures on the availability of resources within the public sector. This is, in part, due to the combination of higher take up of some services and a reduction in usage of some discretionary services.

88. The pressures have been exacerbated by the reductions in availability of resources as the new coalition government aim to tackle the national deficit.

89. The Council takes regular monthly reports to members, which show the current position against budget and highlight any major variances. These reports reflect the information from the coalition Government's emergency budget in June 2010 and other announced changes. The reports include action plans and management actions with details on how to reduce any potential overspends.

90. The authority will continue to regularly monitor the forecast outturn position, report to Members and, where necessary propose and undertake management actions to deal with cost pressures.

91. The Council is developing a high level business plan for 2011/12 to 2014/15 that will take into account the comprehensive spending review that will be announced in Autumn 2010. The plan will demonstrate how the council will manage forecast cuts in government grant whilst also maintaining and investing in priority services.

Developing the capacity of members and officers to be effective in their roles

92. The Council is committed to the ongoing development of its members and recognises the importance of building up the capacity and effectiveness of its members.

93. The Council's Councillor Development Policy:

- establishes members' individual training needs and allocates budget according to the Council's priorities
- ensures equality of access to funds and training events
- evaluates the effectiveness of councillor development annually to inform the allocation of funding for future years.

94. A cross party Councillor Development Group meets regularly to monitor and discuss progress on member development. The group is working towards the achievement of charter status.

95. Wiltshire Council continues to deliver key actions from the People Strategy 2008-2012. The delivery of the People Strategy is critical to enabling us create the capacity we need to work in different ways and successfully meet current and future challenges.

96. Key priorities are:

- Leadership and Management Development - Programmes of development ongoing
- Councillor Development - a programme has been developed with and for Elected Members
- Performance Development Framework (Appraisal) refreshed to incorporate the new Council Values and Behaviours

- A business focussed programme of employee learning which will include the changing capability requirements e.g. commissioning and partnership skills
- Corporate Workforce Planning framework - the organisational wide workforce plan is critical in identifying the people resources required now and in the future to deliver the priorities identified in the Corporate and Business Plan
- Harmonisation of Terms and Conditions – deliver the most cost effective solution to harmonised terms and conditions post Unitary Council 1st April 2009.

E) Significant Governance Issues

97. The following have been identified as significant governance issues in view of their size, complexity and impact on the delivery of the Council's priorities:

SAP Financial Systems

98. Many of the Council's main financial systems were transferred into the newly-implemented SAP system from 1st April 2009. This represented a very significant transition for the processing of financial transactions, and throughout 2009-10 staff have needed time to become conversant with a wide range of new processes, whilst trying to ensure that financial functions continue to work within an adequate control environment. This transitional period has therefore had an adverse impact on system controls, which have not been fully effective throughout the year. This has been a contributory factor in internal audit giving an opinion of limited assurance on the Council's control environment for the year. It has also resulted in external audit raising a significant number of recommendations for improvements.

99. Following the implementation of SAP the Council's financial systems have been undergoing gradual developments and improvements during the latter part of 2009-10, when management has been able to give increased focus and attention to improving control issues. This work is continuing through 2010-11 in order to ensure that financial controls are improved further within SAP systems, and are brought up to the required standard as systems and procedures become more established and robust.

Housing Landlord Service Improvement Plan

100. In February 2010 the Audit Commission inspected the Council's housing landlord service. A number of weaknesses were identified and overall the service was rated as poor. The Council has prepared a detailed Audit Inspection Improvement Plan to deliver significant improvements to the service by April 2010, and has established a Steering Group to ensure its implementation. Major improvements to date include the setting up of a new commission involving tenants, councillors and representatives from other housing partners to ensure that tenants are getting the best deal

possible; publication of a new set of service standards, and the provision of a new customer reception which has full disabled access. The Tenant Services Authority has noted that significant improvements have been made in the areas of complaints and customer feedback, repairs and maintenance and equality and diversity. Progress has, however, been slower in other areas and action is being taken to address these.

101. Progress against the improvement plan will be monitored by the new Housing Commission.

Implementation of the Transformation Programme

102. Implementation of the Council's major transformation programme following reorganisation, including Workplace Transformation, transformation of services and harmonisation of policies and practices (including staff terms and conditions).

Jane Scott
Leader of the Council   _____

Andrew Kerr
Chief Executive   _____