

Annual Governance Statement

1. Scope of Responsibility

West Wiltshire District 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 economy, efficiency and effectiveness.

In discharging this overall responsibility, the Council is also 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.

The 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 the Council's website or can be obtained from the Corporate Director (Chief Finance Officer). This statement explains how the 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 2006 in relation to the publication of a statement on internal control.

2. 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 an appropriate, cost effective service.

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 the impact should they be realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at West Wiltshire District Council for the year ended 31 March 2009 and up to the date of approval of the statement of accounts.

3. The governance framework

The key elements of the systems and processes that comprise the Council's governance arrangements are set out below: -

The monitoring of performance

The Corporate Plan 2005-2010 was refreshed in December 2006 and updated in November 2007 for the implications of Local government reorganisation.

The Corporate Plan provides strategic direction and a focus for resources and service delivery. This is supported by a Performance Management framework, which sets out arrangements to monitor progress towards the achievement of national and local targets with quarterly reporting of overall corporate performance to Cabinet and to Scrutiny Committee.

The Council's performance in quarter three has remained fairly static. The indicators currently missing target are as follows:

- BV157a - % of major applications processed within 13 weeks
- BV157b - % of minor applications processed within 8 weeks
- BV157c - % of other applications processed within 8 weeks
- Local – no of new affordable rented houses started on site
- Local – no of individuals in some form of temporary accommodation
- Local - no of Disabled Facilities Grants awarded
- Local - no of swims and other visits to the Council's eight leisure centres
- NI195a - improved street and environmental cleanliness (litter)
- NI195b - improved street and environmental cleanliness (detritus)
- NI195c - improved street and environmental cleanliness (fly tipping)

This has been reported to Corporate Management Team, Scrutiny and Cabinet and action has been taken to improve performance in these areas.

The facilitation of policy and decision-making

The Council has a written published Constitution, which defines the decision making arrangements and the responsibilities for different functions. A new Constitution was developed in 2005/2006 and approved by Council for immediate implementation at its meeting on 12 April 2006. This has been reviewed by the Standards Committee and changes were agreed by Council on 21 February 2007.

There are clear rules of procedure for the running of business meetings and lists of delegated authorities to individuals. Each report, which recommends decision making by members of the Council, receives legal and financial consideration before it is finalised.

The compliance with established policies, procedures, laws and regulations

The Constitution defines and documents the roles and responsibilities of members and officer functions.

The Chief Financial Officer and Monitoring Officer have specified roles within the Constitution to ensure reports prepared for member decision comply with the budget and policy framework. The Chief Financial Officer and Monitoring Officer are members of the Corporate Management Team.

Each agenda for a business meeting contains an item requiring members at the outset of the meeting to declare interests.

A corporate training plan exists for officers, based on need and supporting corporate strategic roles. Members are encouraged to undertake training relevant to the area of decision making in which they are involved. A formal member training program was introduced for 2006/07 and updated in 2007/08.

A number of specific policies have been developed to enhance the control issues. These are available on the Intranet for all staff to read and cover: officer's code of conduct, whistle blowing, staff appraisal, managing capability and corporate fraud and corruption. A new performance related complaints system was introduced in January 2006 and has recently been reviewed.

The corporate risk management process

The Council has been active in risk management since 1996 and the arrangements for risk management have continued to be developed, reviewed and updated. Following a review in June 2004 the Council now has a Risk Management Strategy, Policy, Strategic and Service Risk register and a Risk Management Group.

The Council recognises that it has a responsibility to manage risks and supports a structured and systematic approach to managing them.

The financial management of the Authority

The Council's overall financial arrangements are governed by its Medium Term Financial Plan, which sets out the financial framework for the delivery of the Council's strategies and plans as outlined in its Corporate Plan. Resource allocation is achieved through a Service and Resource Planning process linking corporate plan priorities and service objectives to resource requirements.

In determining the revenue and capital financial framework a number of factors are taken into account, including the national context, the distribution of local government funding by central government, together with local and external funding sources.

The Council has robust budget monitoring arrangements and has detailed arrangements regarding the management and control of financial resources, set out as 'Financial Procedure Rules', which form part of the constitution. Regular monthly meetings take place between the Accountants and Service

Managers (who are responsible for their own budgets), with monthly financial monitoring reporting to Corporate Team and Cabinet and quarterly reports to Scrutiny Committee.

All borrowing and investment is undertaken in accordance with the Treasury Management Policy Statement, which is approved by Council on an annual basis. The Treasury Management function is supported by external advisors.

Communication and engagement with the community

The Council has put arrangements in place to ensure clear channels of communication with all sections of the community, in particular Community Strategy, Community Area Partnerships, Wiltshire Improvement Partnership and West Wilts Matters. Processes are in place for dealing with the competing demands within the community. Community participation is encouraged through the strategic partnership framework and Stakeholder/Area forums.

Partnerships

The Council works with many different organisations to deliver services and assist in meeting corporate plan priorities. All key partnerships have the following: terms of reference, clear statement of objectives, clarity of roles and support, statement of funding and dispute resolution. Members regularly report on involvement.

4. The Review of Effectiveness

West Wiltshire District 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 Corporate Management Team within the authority, who have responsibility for the development and maintenance of the environment, the Internal audit annual report, and comments by the external auditors and other review agencies and inspectorates.

Authority

The Council has established its future priorities and operates a Performance Management Framework. This regularly monitors achievement against these priorities through Corporate Management Team, Cabinet and Scrutiny Committee.

The Council has reviewed its arrangements for Corporate Governance and introduced the revised framework. In accordance with the guidance published in the CIPFA/SOLACE 'Delivering Good Governance in Local Government'.

Cabinet

The Cabinet has a published a six month Forward Plan of Decisions to be taken and meets in public on at least a six weekly basis. An open and transparent approach is taken to business with all members of the Council receiving copies of Cabinet agendas, which are available on the Council's website.

Audit Committee

The Audit Committee provides independent assurance of the adequacy of the risk management framework and the associated control environment, reviews financial performance for impact on risk and controls and oversees the financial reporting process. The committee meets on a quarterly basis.

Scrutiny Committee

The Scrutiny Committee monitors the executive decision making as one of its main roles and also conducts topic-based reviews. In 2008/09 the Scrutiny Committee did not formally call-in any Cabinet decisions. Cabinet portfolio holders regularly updated the committee on issues and challenges affecting services and this often led to follow up work and reports back to the committee. A scrutiny committee performance monitoring group also regularly reviewed service performance and highlighted issues for further investigation. During LGR, the committee has been represented on the Joint Overview and Scrutiny Transition Board and has participated in a number of countywide task groups. The Council led the Development Control task group. Recommendations from Scrutiny Committee are considered at each Cabinet meeting, where many are accepted, though sometimes in modified form. Scrutiny Committee minutes are also taken to Council and at the year-end there is an annual report.

Risk Management

Significant progress has been made in this area following a major review in 2004. The following achievements in 2008/09 are given below:

- Business Continuity Plan updated
- Corporate Management Team review of all strategic risks
- delivery of strategic risk management training to Members
- continued integration of risk management into the Service and Resource Planning process
- Internal Audit review of risk management
- update of risk register to include service and strategic risks
- review of all risks linked to Local Government Reorganisation

Standards Committee

The Council's Standards Committee's work includes reporting on proposed changes to the Constitution, overseeing complaints to the Ombudsman, member training and Code of Conduct issues.

Internal Audit

The role of the Internal Audit Service is to review the internal control framework, which governs the operations of the Council and, in doing so, provides an independent opinion to both management and members on the robustness of the Council's control environment. This opinion analyses and evaluates whether there is an adequate and effective system of internal control in respect of all accounting, financial and other operations of the Council

The Internal Audit service at West Wiltshire is delivered through an external contract with KPMG. The approach is fully compliant with CIPFA's Code of

Internal Audit Practice and the Accounting Practice Board's guidelines for Internal Audit.

The Audit Plan is based on risk assessment with direct input from service managers. The plan identifies the work to be performed, covering core fundamental systems and operational audits and liaison with external auditors.

The Annual Internal Audit Report provides a summary of audits performed during the past year and contains the formal opinion on the adequacy of the Council's systems of internal control. It will specifically identify any area for inclusion. No areas were identified for inclusion in 2008/09. All audit reports are presented to the Audit Committee.

5. Significant governance issues

The effectiveness of the system of internal control operated by the Council has been reviewed and the following plan is in place to address significant weaknesses and ensure continuous improvement of the system.

Private Finance Initiative (PFI)

The project is progressing and nearing completion a number of key stages, with risks need to be carefully managed.

- Bidder selection – single bidder robust approach to demonstrate VFM
- Land assembly - provide sufficient land with planning permission
- Set up costs - keep expenditure within agreed budget with adequate contingency
- Other - asset information/condition and changes to design specification

Performance Monitoring

Improving Development Control

An action plan to improve performance across all application types has recently been implemented and additional resources have been brought in to process new and old applications. This has resulted in improved performance in the processing of major and minor applications within time, whilst significantly reducing the number of out of time applications in the system. Further improvement is expected in the final quarter of 2008/09.

Meeting Housing Need

The number of affordable units started on site has significantly reduced since quarter two 2008/09. This reduction is due to developers not building houses because of difficult market conditions.

Local Government Reorganisation

This is a significant change, which will impact on governance in a number of ways:

- Staffing resources to deliver 'business as usual'
- Early merger of services
- Transition and transformation

- Governance arrangements

WCC as continuing authority and working with District Councils has implemented a number of processes and structures to assist with governance arrangements.

Roy While

Ian Gallin

Finance Portfolio Holder

Chief Executive