

SOUTH BEDFORDSHIRE DISTRICT COUNCIL

ANNUAL GOVERNANCE STATEMENT 2008/09

1.0 Scope of responsibility.

South Bedfordshire 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 District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, South Bedfordshire District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

South Bedfordshire District Council has approved and adopted a local code of corporate governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' (CIPFA 2007). A copy of the code is on our website at www.southbeds.gov.uk/ or can be obtained from:

South Bedfordshire District Council
Committee Services
The District Offices
High Street North
Dunstable
Bedfordshire
LU6 1LF

This statement explains how South Bedfordshire District Council has complied with the code and also how we meet 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.

2.0 The purpose of the governance framework.

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.

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, 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. It is also designed to evaluate the likelihood of those risks being realised and their impact should they be realised, and to manage them efficiently, effectively and economically.

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

3.0 The Governance Framework.

Our governance framework derives from six core principles identified in a 2004 publication entitled The Good Governance Standard for Public Services. This was produced by the Independent Commission on Good Governance in Public Services – a commission set up by the Chartered Institute Of Public Finance and Accountancy (CIPFA), and the Office for Public Management. The commission utilised work done by, amongst others, Cadbury (1992), Nolan (1995) and CIPFA/SOLACE (2001). These principles were adapted for application to local authorities and published by CIPFA in 2007. The six core principles are:

- a) Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area;
- b) Members and officers working together to achieve a common purpose with clearly defined functions and roles;
- c) Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour;
- d) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk;
- e) Developing the capacity and capability of members and officers to be effective; and
- f) Engaging with local people and other stakeholders to ensure robust public accountability.

The key elements of each of these core principles are as follows:

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

The South Bedfordshire Community Plan (SBCP) outlines the vision, aims and nine priority themes for the area. It was produced in conjunction with the South Bedfordshire Local Strategic Partnership (SBLSP), which brings together all relevant stakeholders, including those that deliver services in the area.

Once the scale of the growth for the area was known it was agreed that the Community Plan should be reviewed to ensure it was fit for purpose. An evidence base was commissioned and a high profile public consultation was carried out in the summer of 2007. These activities have shaped the development of a revised vision, priorities and set of objectives for the new Sustainable Community Strategy which was published in June 2008.

The Council's aims and objectives are set out in the annually updated Council Plan. This contains a statement of priorities within six ambitions which describe the areas where we are focussing our activities over a three year period. These priorities reflect the Sustainable Community Strategy. The Council Plan also reports on progress against the previous year's priorities.

The Council Plan includes information about the Council’s services and finances, and lists targets for the next three years together with planned improvements. It includes performance indicators, both national and local, to show how well we performed in previous years, plus our plans against these indicators for future years.

The Executive receives an annual medium-term financial strategy covering a five-year period, which is used to set initial parameters for the subsequent budget process.

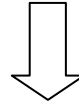
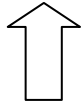
We are committed to encouraging all members of the local communities to contribute to, and participate in, the work of the Council. As part of this process we are founder members of the Bedfordshire Consultation Group (‘BedsVoice’) which started in 2007 and runs a residents panel of nearly 5,000 residents across the county. Surveys, workshops and other consultations are run on behalf of Bedfordshire County Council, Mid Beds and South Beds District Councils, Bedfordshire Police Authority and Bedfordshire and Luton Fire and Rescue Service using the panel.

The results are used to shape the future development of our vision including future investment and services provided. As part of this process any impact on governance arrangements will be identified and responded to. This is in addition to other activities throughout the year which have reached out to specific groups such as tenants and those hard to reach as well as undertaking the nationally required ‘Place Survey’.

The diagram below sets out the various links in the process of establishing and monitoring the achievements of the Authority’s ambitions, and shows the links between the Community and Council Plans which then feed into, and are informed by, service plans, service targets and individual employees via specific areas of responsibility allocated to them:



service plans and team targets



key result areas

The Council has an effective performance management framework – set out in the Performance Management Handbook - utilising a dedicated IT system to record and report upon performance management information. The system is driven by the Council Plan which focuses attention on Council ambitions and priorities. This is cascaded through departmental service plans, individual employee appraisals and action plans. It is clearly laid out in the annual service and financial planning and performance management cycle. The Council's Executive and Local Governance Committees monitor and scrutinise progress against targets and performance in priority areas affecting relevant service areas, and consider and approve corrective action where necessary, on a quarterly basis. This reporting uses a traffic light system to make interpreting of the results easier. These reports also include quarterly budget monitoring information covering the General Fund, Housing Revenue Account, capital projects, key Prudential Code indicators and certain specific budget areas regarded as particularly sensitive. The reporting process is under constant review in order to develop its maximum potential, and we are exploring ways in which the financial information can be more closely linked to the service performance information.

The Council maintains an objective and professional relationship with external auditors and statutory inspectors, as evidenced by the Annual Audit Letter.

Through reviews by external auditors, external agencies, Internal Audit, and internal review teams, the Council constantly seeks ways of ensuring the economical, effective and efficient use of resources, and for securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. A systems thinking approach has been utilised within some housing services in order to streamline activities and reduce wasteful effort. A corporate group has reviewed procurement arrangements and produced a corporate procurement toolkit in order to ensure proper arrangements are in place for procurement of goods and services.

The Council reviewed its financial rules in November 2006, with modernised financial regulations being approved by Council in December 2006. In addition the Code of Practice for Budgetary Control has also been reviewed. Revised procurement rules were adopted in 2005/06, and further refinements were identified during 2006/07. Since then, the decision to abolish the council and create a new council for Central Beds has meant that further development would be superfluous. However the new council is expected to adopt procurement rules along the lines of those used at this council. All budget heads are allocated to named budget officers, who are responsible for controlling spend against those budgets and for those assets used in the provision of their services.

Contracts let, as well as partnerships entered into, include appropriate arrangements for monitoring against agreed targets and indicators e.g. the joint planning and transportation committee or the revised arrangements for refuse collection.

South Bedfordshire had adopted the Bedfordshire and Luton Compact as its framework for working with the Third Sector, and this will now be taken forward by Central Bedfordshire. A decision had also been taken to provide stability and security to the Third Sector and the new authority will honour all existing contractual arrangements that South Bedfordshire has in place with the voluntary sector and will review these as part of a fundamental review of Third Sector funding to be carried out in the first year of Central Bedfordshire.

The Council continues to develop and refine systems for identifying and evaluating all significant risks, via the corporate Business Risk Group. The Council approved a Risk Management Policy Statement in December 2003. The Business Risk Group has defined terms of reference to develop a comprehensive performance framework for risk management and to embed risk management across the Authority. The Audit Committee in September 2006 adopted the risk management strategy and approved the risk register, with a requirement to maintain this as a dynamic document and submit it to the Audit Committee on an annual basis. The Business Risk Group will report to the Audit Committee more frequently if there are significant matters requiring members' attention. In addition a business continuity plan has also been produced – again this will be reviewed on an annual basis via the Audit Committee.

Members and officers working together to achieve a common purpose with clearly defined functions and roles

The District Council has adopted a constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people. The constitution reflects the 'Executive/Scrutiny' model following the Local Government Act 2000.

The main decision-making committee is the Executive, which is responsible for all executive matters as defined by law and operates within the budget and policy framework approved annually by full Council. Meetings are open to the public except when personal or confidential matters are being discussed. In addition, senior and other officers of the Council can make decisions under delegated authority – again the extent of these delegations is set out in the constitution. The Council publishes a forward plan which contains details of key decisions to be made by the Executive. Each Executive member has a specific portfolio of responsibilities requiring them to work closely with senior and other employees so as to achieve the Council's ambitions. However the Council has not adopted individual decision-making powers for the portfolio holders.

The Council's Corporate Management Group (CMG) of Chief Officers meets on a regular basis to develop policy issues commensurate with the Council's aims, objectives and priorities. CMG also considers other internal control issues, including risk management, performance management, compliances, efficiency and value for money, and financial management. CMG will meet with portfolio holders on a three-weekly basis to review progress in achieving the Council's ambitions, priorities for action, performance management and forward planning for major issues. It has a corporate responsibility for the messages that the council puts out, both internally and externally.

Below CMG the management structure is well defined in a hierarchical manner, comprising the following teams:

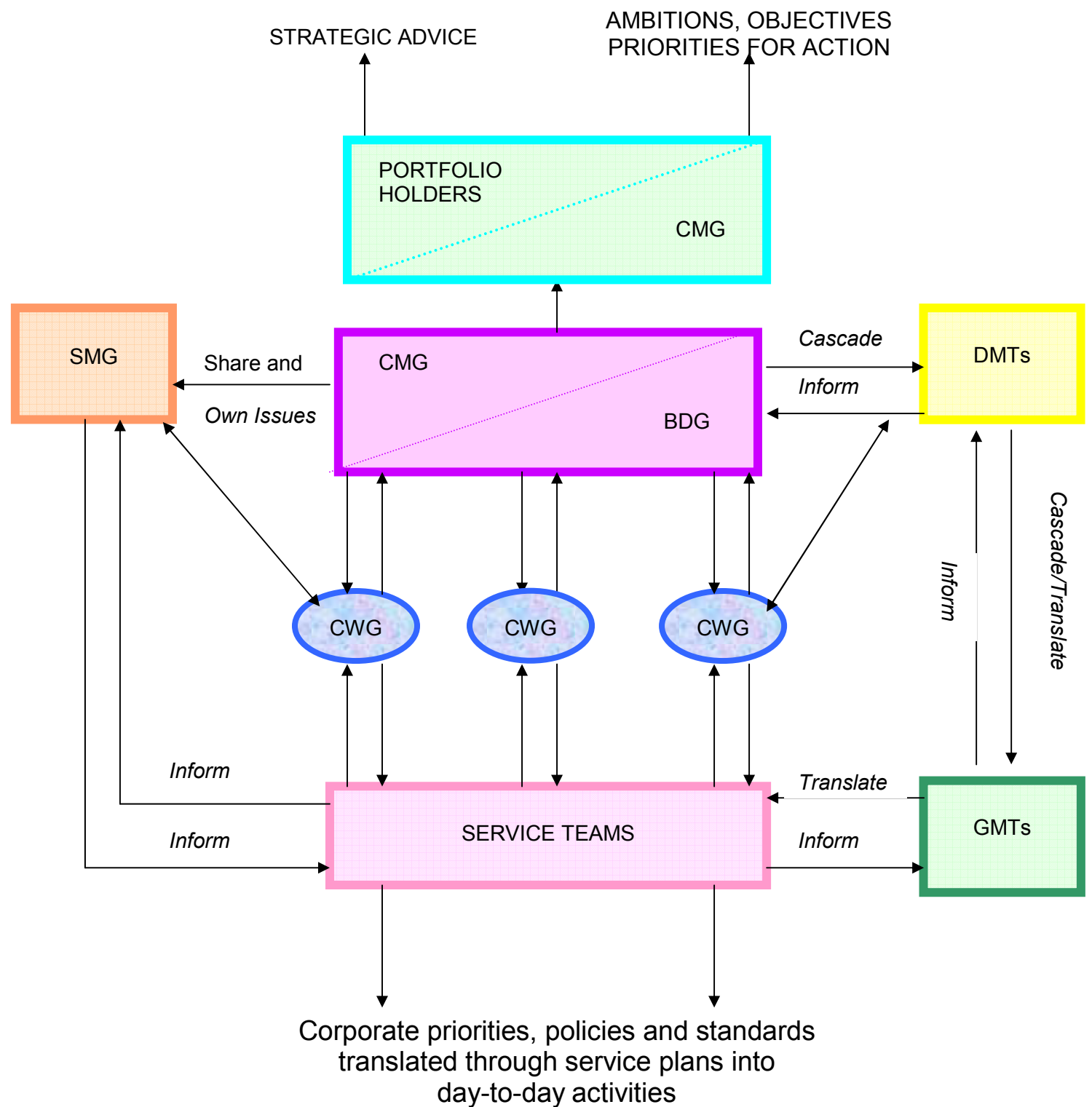
Title	Principal objectives
Directorate Management Team (DMT)	Ensures directorate contributions to CMG, SMG and other teams/groups Ensures feedback from CMG, SMG and other teams/groups is communicated within the Directorate Provides a lead within Directorate to meet corporate requirements
Group Management Team (GMT)	Ensures group corporate contribution Ensures communication of corporate requirements within and between teams in Group Raises awareness of issues for DMT/SMG consideration
Group of 36 – now the Senior Management Group (SMG)	Comprises all senior managers and directors Meets as required to share and understand key corporate issues, priorities and standards

In addition there are specific groups established to progress issues on a corporate basis, examples being:

Group	Principal objectives
Asset Management	To confirm the capital strategy and asset management plan To oversee: <ul style="list-style-type: none"> • the full implementation of the capital strategy and asset management plan • the arrangements for maintenance of the corporate asset register • the production of a surplus land and property register To consider future land and property requirements and review under-used or empty property To consider and approve terms for the disposal of surplus land and property assets
Business Risk	To raise the level of management awareness and accountability for the service risks identified by the Group To develop risk management as part of the culture of the council To provide a mechanism for risk management issues to be discussed and disseminated to all areas of the Council To prioritise and accelerate the risk management strategy recommendations which are critical to the achievement of corporate objectives To receive reports from the Corporate Health and Safety group and respond as required
Business Decision (Ad hoc)	This is a task and finish group meeting occasionally to: <ul style="list-style-type: none"> Oversee delivery of Council Plan Oversee performance and financial monitoring and planning Make operational decisions within existing policies and

	framework
Communication Champions (Ad hoc)	To discuss external and internal communications and information sharing, to share experiences and perceptions and to identify priorities in this area
Equalities Working	Development of policies, practices and procedures in relation to: <ul style="list-style-type: none"> • Service planning and delivery • Employment issues Overseeing Equality Impact Assessments Ensuring effective communication with key stakeholders, community groups and other authorities Development and monitoring of service equality action plans
Environmental Working Group	To enable the Council to make its commitment to the Nottingham Declaration and progress environmental issues on a corporate basis including <ul style="list-style-type: none"> • Develop and updating our environmental policy • Develop and monitoring the implementation of the Council's Environmental Improvement Plan • Providing training and support for the development of a Climate Change (mitigation/adaptation) Plan
Making the Links (Ad hoc)	This is a task and finish group meeting occasionally to: <p>Strengthen and improve the links between the parts of the Council's corporate management framework</p> <p>Advise, guide and oversee the annual business planning cycle</p> <p>Communicate best practice and champion the corporate performance management framework</p> <p>Consider links between the Local Area Agreement, Local Strategic Partnership and any Local Delivery Vehicles that may be created.</p>
People Management	Oversee the implementation of the Human Resource Strategy Give final approval to all people management policies and procedures Agree all restructures, advertising of posts and establishment changes Review conditions of service
Procurement	Revise, implement and monitor the council's procurement rules and procedures Oversee: <ul style="list-style-type: none"> • The introduction of e-procurement • The procurement strategy • The contracts register • The 'How to do business with the Council' guide • The procurement handbook Advise on procurement matters and support the procurement process generally

The structure can be set out in diagrammatic form as:



CMG – Corporate Management Group
 SMG – Senior Management Group
 DMT – Departmental Management Team
 BDG – Business Decision Group
 CWG – Corporate Working Group
 GMT – Group Management Team

The District Council has adopted a number of codes and protocols that govern both Member and officer activities. These are:

- Members Code of Conduct
- Officers Code of Conduct
- Code of Conduct for Members and officers regarding planning matters
- Members' declarations of interest
- Member/officer relations
- Gifts and hospitality

Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour

The Council has designated the Corporate Service Manager – Legal and Democratic Services as the Monitoring Officer. It is the function of the Monitoring Officer to ensure compliance with established policies, procedures, laws and regulations. After consulting the Chief Executive he will report to the full Council if he considers that any proposal, decision or omission would give rise to unlawfulness or maladministration. Such a report will have the effect of stopping the proposal or decision being implemented until the report has been considered.

All Council services are delivered by trained and experienced people. All posts have a detailed post profile and person specification. Training needs are identified through the Employee Development Scheme and addressed via the Human Resources service and/or individual services as appropriate.

The Council achieved re-accreditation in November 2006 under the Investors in People Standard, which is a quality framework to ensure that the Council's employees have the right knowledge, skills and motivation to work effectively.

Development Control achieved accreditation under the Charter Mark standard in July 2008 – the Environmental Health (2005) and Building Control (2006) services having already achieved accreditation. Charter Mark is the government's national standard for excellence in customer service.

The financial management of the Authority is conducted in accordance with the financial rules set out in Parts 2 and 4 of the Constitution and with Financial Regulations. At the start of the year the Council had designated the Chief Executive as Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972. From 1 July 2008 this role was undertaken by the Corporate Service Manager – Business Services. The Council has in place a five-year Financial Strategy, updated annually, to support the medium-term aims of the Council Plan.

The Council maintains an Internal Audit section, which operates to the standards set out in the 'Code of Practice for Internal Audit in Local Government in the UK'.

Individual services have produced Service Plans, which currently cover the time period 2007/10. These Service Plans are updated each year so as to incorporate the Council Plan requirements into service activities, so that services know what they are required to do to achieve the Council's priorities and ambitions. These plans also identify any governance impact.

At employee level we have established an Employee Development Scheme so as to jointly agree employee objectives and identify training and development needs. The Scheme provides for an annual appraisal at which past performance is reviewed, and also provides for regular monitoring of performance during the year.

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

The Council has several committees which carry out regulatory or scrutiny functions. These are:

- A Planning Committee to determine planning applications and related matters;
- A Standards Committee which promotes, monitors and enforces probity and high ethical standards amongst the Council's Members, and this extends to having the same responsibility for all town and parish councils within the District;
- An Audit Committee to provide assurance about the adequacy of internal controls, financial accounting and reporting arrangements, and that effective risk management is in place. Its work is intended to enhance public trust in the corporate and financial governance of the council;
- A Licensing Committee, which monitors and reviews the effectiveness of the Council's licensing policy and procedures;
- A Local Governance Committee, which is the authority's principal overview and scrutiny committee and which reviews and/or scrutinises decisions made or actions taken in connection with the discharge of any of the Council's functions;;
- The Growth Area Committee, with primary responsibility for scrutinising options and proposals relating to the Luton and South Bedfordshire Growth Area.

Previously the Policy Review Committee had shared responsibility for overview and scrutiny with the Local Governance Committee. The former committee was discontinued in April 2008 in view of new arrangements for policy review as part of the preparations for the new unitary of Central Bedfordshire.

Developing the capacity and capability of members and officers to be effective

Corporate Management Group continues to ensure that senior management capacity is directed towards delivering on our priorities, as well as making the appropriate levels of contribution to the Central Bedfordshire agenda. With the recent appointment of a number of senior managers (from service manager level to Directors) to the Central Bedfordshire team, they have continued to review the impact of these appointments and put in place flexible management arrangements to enable these officers to fully participate in the preparations for the new authority.

South Bedfordshire has also made arrangements to compliment the ICT and corporately run training courses already available to employees, by offering access to the Skills for Change programme developed by colleagues at Bedfordshire County Council. The aim of that programme is to help equip employees with tools, knowledge and support during this transition period. The Skills for Change programme details were made available online via the 'Bedford Academy' and the site also contained a wide range of learning and development materials.

The Council's Knowledge and Information Management Strategy seeks to enhance the value and usefulness of the corporate resource that information, data and knowledge represents. In support of this, the Council has been taking forward a corporate records management programme coupled with an EDRMS pilot project. The aim of this is to enable the Council as a whole (and all services individually) to better locate and manage its stored information and data plus other knowledge material so that it can be more effective.

Key deliverables during 2008/09 include: training and awareness for all teams, a refresh of the Data Protection Policy and updated records management guidelines (covering records holdings rationalisation and storage or disposal, indexing of records and records tracking), and ongoing support for all services to implement these activities.

Over the past six months this programme has been fine-tuned and redirected to the objective of ensuring that all South Bedfordshire's records and information holdings have been rationalised. In doing so this will facilitate the effective transfer of knowledge and information from the existing council to the new authority, so that it can develop the solid corporate information, data and knowledge resource that it will need to have in place.

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

On 13 March 2007 the Executive approved the Reputation & Communications Strategy 2007-2010 which set out objectives and plans for reinforcing the council's corporate and brand identity, internal communications, media training and enhancing two-way communication to and from the council's customers (residents, community groups, commercial enterprises, hard-to-reach customers etc). Implementation of this strategy has been under way since mid-2007 and is scheduled to meet several of its objectives by the end of 2007/2008 and during 2008/09.

Since then roll-out of the strategy has been running in parallel with the process of planning communications for the new Central Bedfordshire council and of raising awareness about the new authority.

4.0 Review of Effectiveness

The Council has responsibility for conducting, at least annually, a review of its governance framework including the system of internal control. The process to be adopted during 2008/09 for a review is:

January 2009 Production of a draft AGS, and circulation for comments by senior managers

17 March 2009 Approval by the Executive

19 March 2009 Approval by the Audit Committee

The next paragraphs give more detail regarding the actual review process, and actions undertaken during 2008/09.

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 Chief Internal Auditor's annual report and also by comments made by the external auditors and other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the effectiveness of the governance framework includes:

The Corporate Service Manager – Legal and Democratic (the 'Monitoring Officer') has a duty to monitor and review the operation of the Constitution to ensure its aims and principles are given full effect. The Council reviews the Constitution regularly to incorporate any necessary changes. Following a full review in the latter part of 2006/07, and various amendments during 2007/08 including a new Members' Code of Conduct and an updated Members' Allowances Scheme, the only significant amendment to the Constitution during 2008/09 was the establishment of Assessment, Review and Hearings Sub-Committees of the Standards Committee to comply with the requirements of the new local assessment regime. This requires local Standards Committees to play a far greater role in determining complaints that councillors may have infringed the Members' Code of Conduct.

The Council has two overview and scrutiny committees as set out above. They can establish 'task and finish' groups, which can look at particular issues in depth, taking evidence from internal and external sources, before making recommendations to the Executive. The Local Governance Committee can "call-in" a decision which has been made by the Executive but not yet implemented, to enable it to consider whether the decision is appropriate. In addition the Local Governance Committee can exercise its scrutiny role in respect of any Executive function, regardless of service area or functional responsibility, and will conduct regular performance monitoring of all services, with particular attention to areas identified as under-performing. No task and finish groups were set up during 2008/09 as the focus of in-depth work of this nature by Members was in respect of the preparations, jointly with Mid Bedfordshire District Council and Bedfordshire County Council, for transition to unitary status in April 2009.

The Standards Committee on 7 December 2006 conducted a broad-ranging review of the Council's existing procedures for compliance with (a) the SBDC Members' Code of Conduct and (b) related ethical conduct requirements such as the Planning Code of Conduct, Register of Members' Interests, procedures for declaring interests at committee meetings and protocols on accepting gifts and hospitality, member/employee relations and Members' use of ICT equipment supplied by the council. It simultaneously reviewed how compliance is monitored and the evidence of compliance. The Standards Committee confirmed its endorsement of the compliance procedures and evidence sources used by SBDC as representing a satisfactory assessment of Members' standards of conduct. The Standards Committee has also reviewed the wording of both the Planning Code of Conduct and the Gifts and Hospitality Protocol to ensure they are clear and up to date, and in March 2007 recommended Council to approve various amendments. On that date the Committee also inspected the members' register of gifts and hospitality received (an annual task), and the register of members' interests (undertaken at each meeting of the Committee).

In June 2007 the Standards Committee reviewed a proposed new Members' Code of Conduct (which was subsequently approved by the full Council in June 2007), together with arrangements for training Members in its requirements. In September 2007 the Committee reviewed the Local Code of Conduct regarding Planning and Related Matters and the Members' Protocol for Gifts and Hospitality as a result of adopting a new Members' Code of Conduct, both of which were also subsequently approved by the full Council later in September 2007.

The Audit Committee in June 2008 received the annual internal audit report for 2007/08. In September 2008 it reviewed the risk management strategy and the risk register. In January 2009 it received a report on data quality arrangements and reviewed the risk register, and in March 2009 received the annual Audit Commission audit and inspection letter for 2007/08, the Annual Governance Statement (for the 2008/09 financial year), and the Use of Resources Assessment 2008.

Internal Audit is responsible for monitoring the quality and effectiveness of systems of internal control. A risk model is used to formulate an annual plan, and from which the annual workload is identified. The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant service manager and/or chief officer. The report includes recommendations for improvements that are included within an action plan (and graded as high, medium or low) and requires agreement or rejection by service manager and/or chief officers. The process includes follow-up reviews of recommendations to ensure that they are acted upon, usually within six months. All Internal Audit reports include a report on the quality and effectiveness of internal control within the Council's systems, and an assessment in accordance with quantification and classification of internal control level definitions. These definitions were amended in June 2007 and are:

Full assurance	There is a sound system of control designed to achieve the system objectives with controls being consistently applied
Substantial assurance	Whilst there is a basically sound system, there are weaknesses that put some of the objectives at risk. The control framework may be adequate but a number of controls are not operating effectively
Limited assurance	Weaknesses in the system of controls are such as to place the system objectives at risk. Controls are not being consistently applied.
No assurance*	Control is generally weak, leaving the system open to significant error or abuse. Adequate controls are not in place to meet all of the system objectives and controls are not being consistently applied.

* A rating of no assurance requires immediate management attention and arrangements will be made for a further review to be carried out at a later (agreed) date. Reports with these ratings must also be reported to the Audit Committee for Member scrutiny.

The Internal Audit service is subject to regular inspection by the Council's external auditors who place reliance on the work carried out by the section.

During 2006 the Internal Audit service was reviewed by the Chief Internal Auditor of Luton Borough Council (a peer review process). A number of recommendations were made and have been implemented. In addition the Council has signed up to a 'call off contract' for audit assistance with Deloittes – this will provide in particular specialist audit support when required.

For performance management, a traffic light monitoring and reporting system is in place. Reporting to chief officers and councillors is on a quarterly basis, with corrective action plans put in place for any under-performing areas.

In the Comprehensive Performance Assessment (CPA) by the Audit Commission of July 2004, performance management was assessed as a strong area. The CPA report stated that performance management is embedded within the culture of the Council and that good systems are in place to manage performance proactively with both councillors and management taking a strong lead. The report also stated that the Council has strong financial management and a good approach to risk management. Overall the Council was placed in the "Good" corporate assessment category.

As part of the CPA framework for districts, the Council has been assessed twice under the 'Use of Resources' category. The outcome of this assessment (in March 2009) was to award a score of 3 (out of 4). The most significant areas where further development is needed are set out in section 5.0 below.

The Council's Corporate Management Group has reviewed this Annual Governance Statement and the evidence supporting it.

5.0 Significant governance issues

The following governance issues were identified during 2007/08 as a result of the review of arrangements and by the work of external and internal audit:

No.	Issue	Action/Progress to date
1.	More clearly link the financial and performance information within the 'Managing our Performance' Executive quarterly reports.	All reports to committees since 2007/08 link the reporting of key financial data and Performance Information as part of the council's 'Managing our Performance' quarterly reports. These reports are also published using PBviews on the council's website.
2.	Undertake further work to evaluate the effectiveness of debt recovery actions, identify associated costs and the cost of not recovering debt promptly.	Work during 2008/09 reduced the recovery time significantly for sundry debts before legal action is taken. Further work was halted pending the recovery arrangements that will be adopted by Central Bedfordshire.
3.	Extend the arrangements for the provision of standards of ethical training to officers.	It was the intention to address this issue during 2008/09 but required workloads in respect of Central Bedfordshire made this impossible.

The following governance issues were identified during 2008/09 as a result of the review of arrangements and by the work of external and internal audit:

No.	Issue	Action/Progress to date
1.	Capital Accounting – non-adherence to the SORP and related working papers	This related to a specific aspect of the accounting requirements, and was addressed during the course of the audit. For 2008/09 accounts work has already begun on checking that the 2008 SORP requirements will be fully addressed and that the appropriate working papers will be maintained.
2.	Management of our asset base	This aspect is recognised as a weakness and will need to be addressed by Central Bedfordshire when it sets up its asset management arrangements.
3.	Extend the arrangements for the provision of standards of ethical training to officers.	This was highlighted again in the 2008 Use of Resources assessment. We do not have the internal resources to do this fully, and so this will be an issue for Central Bedfordshire to progress during 2009/10.

6.0 Certification by the Leader of the Council and the Chief Executive

Signed:

Date:

Date:

Leader of the Council

Chief Executive