

**Annual Governance Statement 2008/09**

**1. SCOPE OF RESPONSIBILITY**

Mid 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. Mid Bedfordshire 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, Mid 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.

Mid Bedfordshire District 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 our website [www.midbeds.gov.uk](http://www.midbeds.gov.uk) or can be obtained from:-

Mid Bedfordshire District Council,  
Finance Department,  
Priory House,  
Monks Walk,  
Chicksands,  
Shefford,  
Bedfordshire SG17 5TQ.

This statement explains how Mid Bedfordshire District 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**

This 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 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 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 Mid Bedfordshire District Council 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 Mid Bedfordshire District Council for the year ended 31 March 2009 and up to the date of approval of the governance statement and statement of accounts.

### 3. THE GOVERNANCE FRAMEWORK

The key elements of the systems and processes that comprise the authority's governance arrangements are as follows:-

- **identifying and communicating the authority's vision of its purpose and intended outcomes for citizens and service users**

The Vision, which the Council has adopted, is: *To improve the quality of life in Mid Beds*. Of course, quality of life is a combination of many factors such as having a job, staying healthy and enjoying a safe & clean environment.

Recognising the need for clarity, the Council has set itself three aims, which are focused on what it can do to improve the quality of life for residents. These are: *To support our community; To care for the environment; and To deliver quality services*.

The Vision and Aims give us the long term framework for what we are trying to do. We need to translate this into more concrete objectives to guide our work. At Mid Beds we have five corporate objectives in place, namely:

*To minimise waste, prevent and control pollution and encourage sustainability;*

*To help create a safer, stronger, healthier and more prosperous community;*

*To improve the delivery and responsiveness of Council services to our customers;*

*To champion community interests and ensure all sections have an opportunity to be involved/participate in decision making;*

*To ensure that the development of the district is in accord with the Local Plan.*

Beneath these objectives are "High Level Targets (HLT's)" which are reviewed annually and which are the practical expression of our priorities for the coming year. These targets do not attempt to cover all aspects of our services, but are helpful in showing what is most important in the short and medium term.

The 12 High Level Targets were last reviewed in 2007 and are embedded within the corporate plan 2007-09. Because of the circumstances of the authority in terms of Local Government Reorganisation these targets set out our aspirations up to April 2009 when Central Bedfordshire Council comes into being.

The selection of areas as High Level Targets included consideration of a range of survey information to ensure that our priorities are consistent with public concerns. The full evaluation of this information, and the rationale underpinning the choice of targets, is included within the report to Executive of 21 November 2007.

The High Level Targets are communicated through circulation of the corporate plan (to all staff, members and key partners) and through Horizon Magazine to the public more broadly. They are also available through the Council's website.

- **reviewing the authority's vision and its implications for the authority's governance arrangements**

The Council periodically reviews its Vision and Objectives and would ordinarily have done so following the election of the new administration in May 2007. However, in light of local government reorganisation, members agreed to retain the Mid Beds Vision un-amended until April 2009.

Governance arrangements, including Executive arrangements, Overview and Scrutiny and Audit Committee were unaltered during 2008/09. However, during the year Mid Beds streamlined the operation of its Executive and Overview & Scrutiny functions to reduce the number of meetings. This reflects the need to direct resources to establishing the new Council for Central Bedfordshire, including the establishment of a number of member task forces' and a shadow scrutiny committee.

The approach to policy and decision making is laid down in the Council's constitution, which sets down both decision-making arrangements and responsibilities for different functions. The service planning and budget process is integrated to ensure that clear links exist between corporate objectives, service plans and budgets to enable appropriate prioritisation to take place.

- **measuring the quality of services for users, for ensuring they are delivered in accordance with the authority's objectives and for ensuring that they represent the best use of resources**

The Council monitors performance information at regular intervals, to check that we are making progress with achieving our goals. Performance measurement is used to improve services to the public, and improve accountability, i.e. the results which are achieved for the resources that are used.

Measuring performance is the foundation upon which performance management is built, and helps us maintain focus on key priorities, and question areas of poor performance.

There are different types of performance measures:-

*National Performance Indicators (NPIs) are required by law and reflect the government's priorities. These provide national comparisons of performance;*

*High Level Targets (HLTs) are set by Members and reflect our local priorities (some of which will also be national priorities). These align directly to our Corporate aims and objectives;*

*Local Performance Indicators (LPIs) are set by Directors through service planning, and reflect both local objectives and day-to-day management.*

Members of the Council agree a budget at the beginning of each year. This is monitored by officers on a monthly basis to identify whether expenditure and income show any major variances. Budget monitoring reports are then presented to Management Team and the Overview and Scrutiny Committee on a quarterly basis. Using briefing books, which are published at various intervals, the Council can see how well it is delivering on its day-to-day services, and on the range of long-term plans and strategies, for example the Crime & Disorder Reduction strategy and the Sport and Physical Activity strategy.

A performance management software system (PB Views) is used across all divisions. This primary dataset is known as "Vital Signs" and consists of approximately 50 indicators. It is collated and presented quarterly to the Scrutiny committee, who hold the relevant Executive member (Portfolio Holder) to account for performance in their portfolio. The content of the Vital Signs data set was reviewed in March 2008. Management Team and Corporate Management Group receive bi-monthly presentations of performance data, based upon Vital Signs, but augmented with a selection of further indicators of interest to senior managers.

With regard to ensuring that services are delivered in a cost effective manner, the Council utilises cost comparison information provided by the Institute of Public Finance. This shows that the Council provides good value for money (both overall and within services). This was confirmed within the Council's corporate performance assessment carried out in 2007 and in the latest Use of Resources (VFM) assessment, whereby a scored judgement of 2 was assessed by the external auditors

- **defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication**

The Council Constitution lays down the roles and responsibilities of specific Officers, Members and Committees. It also lays down the delegation arrangements and protocols that both Officers and Members are expected to follow.

- **developing, communicating and embedding codes of conduct, defining the standards of behaviour for members and staff**

Part 5 of the Council's Constitution sets out the Code of Conduct expected of Council Members, together with various other codes and protocols. Following the changes to the Code in May 2007 training was rolled out to all Members of the District Council and also to Town and Parish Councils to ensure they were aware of the changes contained within the new Code. Training continues on an ad hoc basis as required.

Additionally, Members also have completed new Register of Interest forms, which were approved by the Ethics & Standards Committee, together with guidance in January 2008.

- **reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks**

The Council's Constitution, incorporating procedures, financial instructions, scheme of delegation, etc. underwent a review in 2006. Subsequently, areas of the Constitution are reviewed / updated as the need arises and suitable authorisation for such changes is obtained. The Financial Procedure Rules were revised in June 2006, to take account of a CIPFA "best practice" model. These are not intended to be reviewed on a cyclical basis. Instead their contents are reviewed / revised when, for operational reasons, it is deemed appropriate.

All the Council's financial records are governed by various computerised systems. It is for the system owners to ensure there are appropriate supporting procedure notes / manuals, that define how decisions are taken, and the controls required to manage the risks.

- **undertaking the core functions of an audit committee, as identified in CIPFA's *Audit Committees – Practical Guidance for Local Authorities***

The Council introduced a new Audit Committee in May 2007. Its Terms of Reference are set out in Part 3 of the Council's Constitution, and are broadly in accordance with the CIPFA guidance document. The purpose of the Audit Committee is to provide independent assurance of the adequacy of the risk management framework and the associated control environment, independent scrutiny of the Authority's financial and non-financial performance to the extent that it affects the Authority's exposure to risk and weakens the control environment, and to oversee the financial reporting process.

- **ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful**

The Council has designated the Director of Corporate 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. The Council has agreed a constitution, which sets out how the Council operates, how decisions are made, and the procedures, which are followed to ensure that these are efficient, transparent and accountable to local people. The Monitoring Officer will report to full Council, or to the Executive in relation to an Executive function, if they consider that any proposal, decision or omission would give rise to unlawfulness or if any decision or omission has given rise to maladministration.

The Council has designated the Chief Finance Officer as the s151 Officer. This Officer has the specific statutory responsibility to ensure the proper arrangements of the authority's financial affairs, and to set the financial management standards and to monitor compliance with them. This is achieved through compliance with Financial Procedure Rules, as laid down in the constitution. This is the framework to be followed, and applies to every Member and Officer of the Council, and anyone acting on its behalf. The Chief Finance Officer will report any breaches of these rules to the full Council and the Executive. The Chief Finance Officer will report to full Council, or to the Executive in relation to an Executive function and the Council's External Auditor if they consider that any proposal, decision or course of action will involve incurring unlawful expenditure, or is unlawful and is likely to cause a loss or deficiency or if the Council is about to enter an item of account unlawfully.

The Council maintains an Internal Audit Section. It is the role of the auditors to assist management, by reporting compliance with the Council Financial Procedure Rules as laid down in the constitution.

The Council is fully committed to the principles of good corporate governance. This is demonstrated through the measures outlined within a Corporate Governance - Code of Practice, which was revised in March 2008, and the many documents / processes already in place. Regular reviews against a CIPFA/SOLACE checklist are carried out. The results having been reported to our Audit Committee are then published on the Mid Beds web-site.

Councillors review proposed changes to the policies and procedures. The Audit Committee approves the Anti Fraud and Corruption Policy, and related policies, and monitors the operation of those codes and practices.

The Chief Executive has overall responsibility for ensuring that risks are effectively managed within the Council. The Management Team act as the Council's co-ordinating group on Risk Management, rather than having a separate group established. All Directors of Services and the Chief Finance Officer, in conjunction with their staff have identified, analysed and profiled their operational risks. These operational risks have been identified in risk registers and the operation of controls to mitigate the risks to an acceptable level. Management at all levels are responsible for establishing the internal control environment, ensuring staff comply with controls. The Internal Audit section assists Management, by reviewing operations in accordance with an audit plan, to confirm compliance with procedures / controls and recommending further improvements where necessary. A control environment statement was included in every audit report issued. The Directors of Services signed off Risk Assurance and Internal Control Assurance Statements. This enabled a wider impression of the risk and control environment to be given.

- **whistle-blowing and for receiving and investigating complaints from the public**

The Whistle-blowing Code was reviewed by the Council's Ethics and Standards Committee on 6 December 2006. Complaints under this Code are investigated by the Monitoring Officer. There have been no complaints this year.

In addition, a formal procedure operates for complaints received from members of the public. The results of which are reported quarterly to the Ethics and Standards Committee.

- **identifying the development needs of members and senior officers in relation to their strategic roles, supported by appropriate training**

All Officers' undertake a Personal Development Review on a six monthly basis. Part of which, is to determine any development / training needs necessary to enable Officers to be more effective when carrying out their roles and responsibilities.

A training programme is developed for Members to follow, including an extensive induction programme for new Members.

- **establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation**

The Council, as part of a county wide consortium, operates a resident's panel (BedsVoice) which is used as a sounding board for consultation purposes. This is supplemented by a range of "subject specific" consultations carried out in a way which fits the particular needs. In the last year, issues which have been subject to consultation have included waste and recycling.

The Council also undertakes sector specific consultation exercises and in the last year this has included direct consultation with the transgender community and with disabled people. This combination of approaches ensures that we understand and communicate with our stakeholders in a comprehensive manner.

- **incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in the authority's overall governance arrangements.**

Management Team identified the significant partnerships with which we are involved. Assurance reporting arrangements includes reporting on the governance arrangements of our significant partnerships. This information is incorporated into our overall governance arrangements e.g. in accordance with our local code of governance.

#### 4. REVIEW OF EFFECTIVENESS

Mid Bedfordshire 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 Management Team within the authority, 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 appropriate Officers, external audit, other review agencies and inspectorates.

The process that has been applied in maintaining and reviewing the governance framework, is as follows:-

- **The Council** – This is the body that consists of 53 Members and which exercises all its powers and duties in accordance with the law and Constitution. Article 4 of the Constitution sets out its role, including its functions.
- **The Executive Committee** – This is the body responsible for the majority of day-to-day decisions. The Executive can only take decisions, which are in line with the Council's Budget and Policy Framework. If it wishes to make a decision that is outside the Budget or Policy Framework, this must be referred to the Council as a whole to decide. As a control mechanism, there is a procedure to allow decisions made by the Executive, but not yet implemented to be "called in" for review by the Scrutiny Committee. A detailed "call-in" scheme is appended to the Overview and Scrutiny Procedure Rules in the Constitution and sets out the provisions governing the "call-in" of Executive decisions. No "call-ins" were made during 2008/09. The Executive consists of the Leader, who is elected by the Council, together with at least six but not more than nine Councillors who are appointed by the Leader. The Leader has the authority to determine the Portfolio structure of the Executive and to allocate Portfolios to individual Members of the Executive. The Portfolio Holders work closely with the Directors of Services responsible for the operational activities within the Portfolio. Regular meetings of the Management Team, Directors of Services and Portfolio Holders are held to ensure co-ordination of corporate and operational objectives. Portfolio Holders are accountable, on behalf of the Executive, in respect of the Portfolio and are responsible for presenting reports and recommendations at meetings of the Executive, justifying proposals and responding to questions. They are also accountable to the Overview and Scrutiny Committees and the Council, as appropriate.
- **The Audit Committee** – This Committee oversees our corporate risk management and governance arrangements, receiving regular updates. This helps to ensure our arrangements are effective, and in accordance with approved strategy and policy documents. The Anti Fraud and Corruption Policy was last reviewed / updated December 2007. The Council continues to have a very low instance of fraud and corruption, supported by these documents. All these documents are available to both Officers and Members of the public on the Mid Beds web site.



An assessment of the effectiveness of the Audit Committee was carried out, against a CIPFA Audit Committee checklist in January 2009. There were no significant issues highlighted, and no action plan was proposed, partly due the decision to supersede Mid Bedfordshire District Council with Central Bedfordshire Council from April 2009.

- **The Overview and Scrutiny Committees** – The Council introduced revised Overview and Scrutiny arrangements with effect from April 2005, with the aim of establishing an influential overview and scrutiny function, which adds value to the Council. The Overview Committee assists the Executive and the Council in the development and review of its Budget and Policy Framework and other policies and strategies by in-depth analysis of policy issues. The Scrutiny Committee reviews and scrutinises decisions and performance in relation to the Council's policy objectives, performance targets and/or particular service areas. A further Constitutional review was conducted during early 2006, where a number of minor adjustments were made to the Council's call-in scheme. These revised overview and scrutiny arrangements are acknowledged as a success.
- **The Ethics and Standards Committee** - The Council acknowledged the increase in workload for the Ethics and Standards Committee following the introduction of the new local regime which deals with complaints received in relation to Members' conduct. The Standards Board for England previously dealt with these. The constitution was amended to set up the necessary Sub-Committees to deal with the process and these have met. Additionally, the new monitoring of performance regime required by the Standards Board for England has been implemented.
- **Internal Audit** – It is not feasible for all activities, in all divisions, to be reviewed by Internal Audit on an annual basis, nor would it be cost effective to do so. The Audit Manager prepares an annual audit plan in accordance with the audit strategy and based upon an assessment of those areas to be reviewed and the anticipated audit resources needed to complete the plan. This audit plan is then reviewed and approved by the Chief Finance Officer (s151 Officer) and reported to the Audit Committee for information.

For each audit review, a brief is developed, with auditee management. Sample testing is performed to test that controls laid down by Management are working as expected, highlighting risks and making recommendations for improvements in the audit report.

A copy of the audit report is issued to the relevant Director of Service, s151 Officer and Service Manager. This report includes recommendations for improvements that are included within an action plan and require agreement or rejection by Service Managers.

Each audit report contains the auditors' assessment of the internal control environment operating over areas reviewed. This is based upon the number and significance of the recommendations made. An executive summary of the audit findings / control environment is issued to Management Team, as part of the reporting process. Copies of the executive summaries of all audit reports are available to Audit Committee Members, if required.

The Auditor carried out all eleven “fundamental” reviews planned to be completed in the year, supplemented with five “other” reviews. The Audit Manager is pleased to report that “Satisfactory” and above controls have been introduced by auditee management in the areas audited, and these controls were working as expected. This was an overall improvement of the control environment in the areas reviewed, when compared to 2007/08.

All audit reports are routinely followed up, to determine whether agreed audit recommendations have been suitably addressed. In September 2008, all agreed recommendations made in audit reports issued between July 2007 and June 2008 were followed up. The Audit Committee were subsequently informed that all 17 agreed recommendations had been suitably addressed. No subsequent follow-up work has been carried out.

No formal effectiveness review of our processes against the CIPFA Code of Practice for internal audit in local government has been carried out. However, the Audit Manager, is broadly satisfied that internal audit still complies with the latest CIPFA Code of Practice.

To obtain customer feedback on the Internal Audit service provided, an end of year questionnaire was sent to the Directors, Chief Executive and Members of the Audit Committee, as our main stakeholders. The feedback received indicates the auditors continue to provide a useful role, which adds value to MBDC.

Information from the audit reviews undertaken; the follow up of agreed audit recommendations; and other assurance statements obtained enabled the Audit Manager to issue an opinion that the overall adequacy and effectiveness of Mid Bedfordshire District Council Internal Control Environment continues to be “Satisfactory.”

- **Other explicit reviews / assurance mechanisms**

Other assurance mechanisms include the annual Direction of Travel report from external auditors and included within the Audit and Inspection Letter presented to Members. The 2007/08 report was positive and highlighted no significant issues of concern in respect of the performance of the authority.

### **Corporate Governance Arrangements**

Mid Beds District Council is committed to having sound Corporate Governance arrangements. A Local Code of Governance both approved and displayed on the Mid Bedfordshire District Council web site assists in achieving this aim.

Senior Officers met in September 2008 and January 2009 to score our governance arrangements against a CIPFA / SOLACE checklist. This checklist includes risk management and internal control, and an action plan is noted to deal with any issues identified. Officers concluded that there is a strong regulatory framework of control, with robust arrangements for monitoring and review. The results noted on the checklist were reported to Management Team and then onto the Audit Committee (who oversee governance arrangements) prior to being published on the Mid Bedfordshire District Council website.

As part of the assurance process, relevant Officers prepared "Significant Partnership Assurance Statements". This required Officers to indicate whether satisfactory governance arrangements were in place. These assurance statements were prepared by appropriate Officers and endorsed by the relevant Director or Member, to indicate that the statement contents agreed with their knowledge. Action plans were recorded to address any issues identified as part of the assurance statement process.

The governance arrangements for all four significant partnerships were reported as "Satisfactory".

However, detailed information about the governance arrangements of these significant partnerships has not been obtained to confirm statements made are accurate.

### **Corporate Risk Management Arrangements**

The Council has designated the Chief Executive, Deputy Chief Executive, four Directors and the Chief Finance Officer as its Management Team. Part of the function of Management Team is to identify Corporate Risks; to review the Corporate Risk Register on a quarterly basis; to agree risk scores and actions where required to reduce the risks to an acceptable level. The risk register results were reported to the Audit Committee (who oversee risk arrangements) prior to being published on the Mid Bedfordshire District Council website.

The Corporate Risk Register was reviewed three times during the year (June, September and December 2008) and the scores awarded were appropriate to the risks identified. The fourth review, planned for the end of March 2009 did not occur, as it was determined to be of little benefit, due to the fact that Mid Bedfordshire will cease after 31<sup>st</sup> march 2009.

These Risk Management arrangements enabled a Corporate Risk Assurance Statement to be issued. This indicated: - that all significant risks have been identified; and the scores awarded were appropriate to the risks identified. There were no Corporate Risks identified (at any time) that were awarded a residual score that needed urgent action to reduce the risk to an acceptable level. This Corporate Risk Assurance Statement has been further strengthened, by obtaining the endorsement of the Leader of the Council, to indicate that the statement content agrees with her knowledge.

The risks of our significant partnerships failing are recorded on the Corporate Risk register. All were reported to be at low risk of failing during the year.

As part of the assurance process, relevant Officers prepared "Significant Partnership Assurance Statements". This required Officers to indicate whether satisfactory risk management arrangements were in place. These assurance statements were prepared by appropriate Officers and endorsed by the relevant Director or Member, to indicate that the statement contents agreed with their knowledge. Action plans were recorded to address any issues identified as part of the assurance statement process.

The risk management arrangements for all our significant partnerships were reported as “Satisfactory”, apart from the Beds Community Safety Partnership. Officers have indicated that satisfactory arrangements will be put in place, post March 2009 for the new partnership.

### **Operational Risk Management Arrangements**

The Deputy Chief Executive, four Directors and the Chief Finance Officer were able to issue Operational Risk Assurance Statements. This was a result of operational risk registers being in place for service areas. They confirmed that the risk registers had been reviewed at least twice during the year, and the scores awarded are appropriate to the risks identified. They gave an assurance that all significant operational risks for which they are responsible have been identified and recorded in operational risk registers.

Any Operational risks that were awarded a residual score of 7, 8 or 9 (any time during the year) were identified, together with actions taken or proposed, to reduce the risk to an acceptable level. In addition, such risks were reported to Management Team with the Corporate Risk Register, so they are aware, and can monitor / ensure that appropriate action is taken to reduce the identified Operational risk(s) to an acceptable level. The Operational Risk Assurance Statements have been further strengthened, by obtaining the endorsement of the relevant Portfolio Holders, to indicate that the statement contents agree with their knowledge.

### **Internal Control Arrangements**

The Deputy Chief Executive, four Directors and the Chief Finance Officer completed Internal Controls “Service” Assurance Statements. This was achieved by Officers carrying out a “Service” Assurance Assessment of Internal Controls.

In some Directorates, more than one service assurance statement was produced. The vast majority of these statements indicated a “High” assurance rating was determined. This helps indicate that appropriate internal controls were in place and were operating to reduce significant operational risks, to an acceptable level. There were only two areas e.g. Environmental and Planning; and Customer Services, where only a “Medium” assurance rating was determined.

Where appropriate, actions taken or proposed to resolve identified control issues have been recorded on these assurance statements. For example, within the Finance area, concerns were raised about IT and Office inventory records, given the high levels of activity in these areas concerning the implementation of Central Bedfordshire. Finance Officers recommended that physical inventory checks be carried out to ensure that the new authority has an accurate record of the assets transferred to it. In view of the practical difficulties due to local government re-organisation, the Chief Finance Officer has determined a 10% check be carried out prior to 31<sup>st</sup> March 2009. These Internal Control "Service" Assurance Statements have been further strengthened, by obtaining the endorsement of the relevant Portfolio Holders, to indicate that the statement content agrees with their knowledge.

### **Director of Corporate and Democratic Services**

The Director of Corporate and Democratic Services (the 'Monitoring Officer') has a duty to monitor and review the operation of the Constitution to ensure that its aims and principles are given full effect. A comprehensive review of the Constitution occurred during 2004/05, following detailed consideration by an Overview and Scrutiny Task Force. A further review was conducted during 2005/06 to consider whether revised political management structures had achieved the aims set in amending the Constitution. As a result of the review some further amendments were approved for implementation during 2006/07 including increasing the number of independent persons serving on the Ethics and Standards Committee and making provision for the Committee to be chaired by one of the independent persons. The Constitution remains under constant review with reports recommending revisions being submitted to the Council as necessary.

Members/Senior Officers have access to appropriate training to ensure continued development and support of their needs.

The Monitoring Officer is of the opinion that arrangements for Mid Beds District Council to be in compliance with established policies, procedures, laws and regulations were "Satisfactory" and operated throughout the financial year.

This assessment is based upon the annual report issued to the Ethics and Standards Committee, other documentation relating thereto in respect of Ethical issues for the Municipal year, and personal knowledge.

## **Chief Finance Officer**

The Chief Finance Officer (the s151 Officer) has a duty to make suitable arrangements for the proper administration of the financial affairs of the Council. This is achieved via Financial Procedure and Procurement Procedure rules, which all Officers and Members of the Council have a responsibility to adhere to. These rules were fully updated in June 2006 in line with the CIPFA model, with minor changes being made during 2007/08, for operational reasons. These rules provide a strong control environment, which Officers continue to follow. No significant breaches of these rules occurred during the year. Technical breaches did occur, but none warranted disciplinary action being taken.

The latest "Use of Resources" assessment, and personal knowledge enabled the s151 Officer to issue the following statement to the Council: - that the financial accounting and reporting arrangements for Mid Beds District Council were "satisfactory" throughout the financial year. The arrangements to plan and manage its finances for Mid Beds District Council were also "satisfactory" throughout the financial year. In addition, the arrangements to safeguard the financial standing for Mid Beds District Council was "satisfactory" throughout the financial year. The internal control environment for Mid Beds District Council was "satisfactory" throughout the financial year, to enable it to manage its significant business risks.

## **Corporate Policy Manager**

The Corporate Policy Manager is of the opinion that "Value for Money" arrangements were "Satisfactory". This assessment is largely based upon the latest Use of Resources (VFM) assessment, whereby a scored judgement of 2 was assessed by the external auditors, and the "good" outcome of the Council's 2007 comprehensive performance assessment.

Also, performance reporting arrangements were "Satisfactory" throughout the financial year. This assessment is based upon the production of regular performance reports, the ongoing use of Actuate software i.e. PBViews to monitor performance; an unqualified audit opinion for the Council's best value performance plan and performance indicators; and an adequate score for the external audit of the Council's data quality arrangements.

The Council has in place a Policy and Performance Improvement team, who monitor and regularly report performance achieved to Members and Management Team against targets set. Members and Managers have confidence in the accuracy of data being reported to them. The Audit Commission's annual audit of data quality showed that management systems were adequate, with no performance indicators reserved or qualified.

Systematic monitoring and review of performance is firmly embedded. Evidence lies in:-

*Routine quarterly performance reports to Scrutiny committee, Management Team/CMG;*

*Comprehensive service planning, linked to the budget;*

*Performance, including targets, is discussed at team meetings;*

*Director/Portfolio Holder meetings;*

In 2008 the Audit Commission examination of "Use of Resources" concluded that the Council's arrangements, including value for money was adequate, scoring 2 out of 4.

### **Emergency Planning Officer**

The Emergency Planning Officer is of the opinion that the arrangements to comply with the Civil Contingencies Act, during the year were "satisfactory". This assessment is largely based upon personal knowledge, plans of capability, exercises and training arrangements in place, and positive feedback received from Elected Members.

Mid Beds Crisis Management plan was activated in 2008 for minor incidents – some examples include reacting to burst water mains, and a potential fuel dispute.

It was agreed at Management Team in April 2008 that in light of Local Government Reorganisation the existing arrangements would continue 'as is' until April 2009. Whilst there has been some reduction in numbers of trained Flood Team members, this was accepted in light of Local Government Reorganisation and is mitigated by the provision of mutual aid by the new Bedfordshire County Council flood team who will work under Mid Beds' direction.

The partnership arrangements within the Local Resilience Forum remain strong with good results on the government's 2008 National Capability Survey, and positive feedback from the Government Office when comparing across the East of England.

The controls put in place included:-

*Mid Beds' Crisis Management plan in place, last revised November 2007;*

*Divisional Business Continuity Plans in place, last revised July 2008;*

*Plans stored securely off-site with Emergency Contacts List (last revised January 2009), Next of Kin details and all officer home contact details updated (last revised July 2008 – technical problem with Snowdrop being resolved to provide final update);*

*39 Officers issued with Mid Beds Crisis Management Plan;*

*Ten trained 1<sup>st</sup> Responders;*

*Ten trained members of Flood Team, last trained and exercised November 2008;*

*Briefing to Elected Members at Full Council June 2008;*

*Plans last exercised in November 2008 (major Local Resilience Forum exercise);*

*BCM programme to April 2009 signed off by Management Team in April 2008. This included approval of updated Business Impact Analysis and Business Continuity strategies for accommodation, Information Technology and contractors; and increasing cover under SunGard IT Disaster Recovery contract in light of Business Impact Analysis.*

## **External Audit**

Other assurance mechanisms include the annual Direction of Travel report from external auditors and included within the Audit and Inspection Letter presented to Members. The 2007/08 report was positive and highlighted no significant issues of concern in respect of the performance of the authority.

## **TO CONCLUDE**

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by a group of senior officers and the audit committee, who conclude that a detailed plan to address weaknesses and ensure continuous improvement of the system is not required. The review of local government in Bedfordshire has determined that Mid Bedfordshire District Council will be superseded, as part of a new Authority Central Bedfordshire, to be set up from April 2009. Officers' attention and efforts during 2008/09 were targeted at creating sound governance arrangements for this new authority while ensuring that established systems operating in Mid Beds continued to function effectively in Mid Beds' final year.

## **5. SIGNIFICANT GOVERNANCE ISSUES**

In last year's Annual Governance Statement, no significant governance issues were identified, where further improvements could be made to the control environment.

Following a review of our governance arrangements for 2008/09, the following significant control issues were identified, where areas of improvement are needed for the new Council:-

Ethical training for all staff needed.

Training for members of the Audit Committee in terms of role and responsibility is needed.

Risk Management training is appropriately aimed at all staff.

Governance arrangements to be defined and implemented.



No action plan is shown for the governance issues identified above, as it felt inappropriate to record actions for a new Council to implement. Instead, these issues are shown for the new Council to consider and action as deemed necessary.

P Turner MBE  
Leader

J Salisbury  
Chief Executive

Dated

Dated