

**TO: OVERVIEW AND SCRUTINY COMMISSION**  
**17 July 2008**

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**ANNUAL GOVERNANCE STATEMENT**  
**Director of Corporate Services – Legal Services**

**1 PURPOSE OF DECISION**

- 1.1 Following the issue of new best practice guidance on governance, the Council now has a statutory requirement to produce an Annual Governance Statement (AGS). This replaces the Statement on Internal Control (SIC). The purpose of this report is to inform the Overview and Scrutiny Commission of the new requirements and the work undertaken at the Council to address these requirements and to set out the AGS as approved by the Final Accounts Committee for the Commission to note.

**2 RECOMMENDATION**

- 2.1 **To note the Annual Governance Statement in Appendix 1.**

**3 SUPPORTING INFORMATION**

Background to Corporate Governance

- 3.1 Corporate governance encompasses the systems and processes by which organisations are directed and controlled. Following a number of high profile cases of abuse of powers, the Cadbury report identified three fundamental principles of corporate governance for the private sector: openness, integrity and accountability.
- 3.2 Aspects of corporate governance in public services were addressed by the Nolan Committee on Standards in Public Life. In addition to the three principles set out in the Cadbury Report, Nolan also defined a further four principles for conduct of governance that should underpin public service: selflessness, objectivity, honesty and leadership. CIPFA and SOLACE jointly published a corporate governance framework and guidance for councils across the UK in 2001 which was adopted by the Council in developing its corporate governance arrangements. New governance guidance has now been issued by CIPFA/SOLACE.

Use of resources

- 3.3 Governance arrangements are a key element of the KLOEs in the internal control section of the Use of Resources. The Use of Resources has been amended for 2007/08 to take account of the new CIPFA/SOLACE guidance. For 2007/08, to maintain our overall score of 3 for Use of Resources, the Council will need to demonstrate that it has a governance framework which satisfies the requirements of the new guidance. Significant changes are proposed for the Use of Resources from 2008/09 which will reduce the focus on financial themes and increase the emphasis on good governance.

New CIPFA/SOLACE Guidance on Governance

- 3.4 Previous guidance on governance has been replaced by the CIPFA/SOLACE publication "Delivering Good Governance in Local Government: Framework". The

Framework defines the following six core principles that should underpin the governance of each local authority:

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

3.5 The Framework recommends that authorities:

- review their governance arrangements to ensure they meet the six core principles,
- update their Local Code of Governance; and
- produce an Annual Governance Statement (AGS) to report publicly on the extent to which the Authority complies with its own Local Code of Governance including how it has monitored the effectiveness of its governance arrangements in the year and any planned changes in the coming period

Governance Working Group

3.6 The Corporate Management Team established a Governance Working Group in March 2008 to coordinate the review of current governance arrangements and provide evidence of compliance with the principles set out in the “Delivering Good Governance in Local Government: Framework”, update the Code of Governance and draft the Annual Governance Statement. The Group is composed of the Monitoring Officer (Chairman), the S151 Officer, the Head of Audit and Risk Management and representatives from Environment, Culture & Communities and Social Care & Learning and reports to the Corporate Management Team.

Reviewing of Existing Governance Arrangements Against the Framework

3.7 The new guidance recommends that a review of existing arrangements should be undertaken in line with advice in the Framework that all authorities will need to review their current governance arrangements to:

- Consider the extent of compliance with principles (see below) and requirements of good governance set out in the Framework.
- Identify systems, processes and documentation that provide evidence of compliance.
- Identify the individuals and committees responsible for monitoring and reviewing the systems, processes and documentation identified.
- Identify the issues that have not been addressed adequately in the authority and consider how they should be addressed.
- Identify the individuals who would be responsible for undertaking the actions required and plan accordingly.

- 3.8 The Governance Working Group has overseen a detailed review of the governance arrangements in place at the Council using a detailed checklist produced by CIPFA setting out the policies, controls and procedures that authorities should have in place to satisfy requirements under each core principle as set out in the new guidance.

#### Update of the Local Code of Governance

- 3.9 Following the review of governance arrangements, the Authority's existing Code of Corporate Governance was reviewed. A new Code is being developed which records the mechanisms the Council has put in place to satisfy the six core principles of good governance and how compliance with the Code will be monitored and reviewed. This will be presented to those charged with governance for approval after stakeholders have been consulted.

#### Annual Governance Statement

- 3.10 The Framework recommends that an Annual Governance Statement (AGS) is prepared to report publicly on the extent to which the Authority complies with its own local code of governance including how it has monitored the effectiveness of its governance arrangements in the year and any planned changes in the coming period. This best practice guidance has now been made a statutory requirement for English authorities with effect from 2007/08. In England, the preparation and publication of an annual governance statement is necessary to meet the statutory requirement set out in Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006. This requires authorities to prepare a statement in accordance with "proper practices" and the guidance in the Framework recommending an AGS constitutes "proper practice". The new AGS replaces the Statement of Internal Control (SIC).
- 3.11 The SIC reported on the robustness of the internal control environment based on the identification of risks and the controls in place to mitigate those risks. It identified gaps in controls and assurances and plans to close gaps and improve assurances. The AGS subsumes and broadens reporting requirements of the SIC by focusing on the overall governance environment and hence will provide a more holistic view through consideration of the six core governance principles as noted above.
- 3.12 The AGS covers all significant corporate systems, processes and controls spanning the whole range of the Authority's activities. This will include performance issues as poor service is perceived to reflect a failure in governance. Consequently, approval and ownership of the AGS should be at corporate level. A review of the AGS by a member group reinforces its standing. As with the SIC there is a requirement for the most senior officer and most senior member to sign the AGS as having joint responsibility for its accuracy and completeness.
- 3.13 The AGS should be approved at a meeting of the Authority or delegated committee. At Bracknell Forest Borough Council, the Final Accounts Committee is asked to review and approve the AGS.
- 3.14 As a Local Code of Governance compliant with the latest higher standards is being developed, the Governance Working Group has overseen the drafting of the AGS based on the Rough Guide checklist produced by CIPFA. The Group has also reviewed the assurance statements completed by directors and officers with overall responsibility for financial control, risk management and the legal and regulatory framework to support the review of effectiveness of governance arrangements. A log of governance issues was drawn up summarising gaps in assurance and weaknesses

identified from the Rough Guide checklist, assurance statements and internal audit reports. The log was discussed by the Governance Working Group on 27 May 2008 to ensure that all key issues had been included in the draft AGS and that the draft accurately set out the governance framework in place. Following this the draft AGS was reviewed by the Corporate Management Team on 4 June and amended to reflect feedback provided. The AGS was then considered and approved by the Final Accounts Committee on 24 June 2008.

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## BRACKNELL FOREST BOROUGH COUNCIL

## ANNUAL GOVERNANCE STATEMENT

**1 Scope of Responsibilities**

- 1.1 Bracknell Forest Borough Council ("The Council") is responsible for ensuring that its business is conducted in accordance with the law and proper standards and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control facilitating the effective exercise of its functions, including arrangements for the management of risk.
- 1.3 The Council is updating its code of corporate governance to ensure it is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government* published in 2007. This Statement explains how the Council has complied with these principles. It 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**

- 2.1 The governance framework comprises the systems and processes, culture and values by which the authority is directed and controlled. It underpins its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of the strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can only provide reasonable assurance rather than 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.
- 2.3 The governance framework has been in place at Bracknell Forest Borough Council for the year ended 31 March 2008 and up to the date of approval of the Annual Report and statement of accounts.

### **3 The Governance Framework**

#### **3.1 Vision and Priorities**

The Council has identified its strategic direction which is set out in its Vision. "To make Bracknell Forest a place where all people can thrive; living, learning and working in a clean, safe and healthy environment." This vision provides the focus for identifying key priorities and the medium term objectives under each priority. The following five overarching key priorities have been identified for the Council to address both national and local priorities over the period 2007-2011.

- A Town Centre fit for the 21st Century
- Protecting and enhancing our environment
- Promoting health and achievement:
- Create a Borough where people are, and feel, safe:
- Value for Money

These priorities are underpinned by 10 Medium Term Objectives and Key Actions to be delivered over the period.

The Vision, priorities and medium term objectives have been communicated through the Council's public website and intranet and Chief Executive briefings to staff. In addition to the website, there are a number of channels of communication which provide the Council with a means of engaging stakeholders in its strategy and policies, including the Town and Country Newsletter delivered to all households in the Borough, regular surveys of the Bracknell 1500, which is a citizens panel of 1500 local residents, and consultation exercises based on focus groups or publicised on the website.

The Vision, priorities and medium term objectives have been developed after extensive consultation with residents, employees, key strategic partners and local businesses. During 2007/08, the Council reviewed its medium term objectives. After widespread consultation these were updated resulting in 10 medium term objectives supported by the 64 action points across the 5 overarching priorities reflecting the current key aims for maintaining effective service delivery consistent with the needs and aspirations of the community, staff and strategic partners and ensuring achievement of statutory requirements and national targets. Following review at both the Overview and Scrutiny Commission and the Executive, the new medium term objectives were adopted by the full Council on 30 January 2008.

#### **3.2 Performance Reporting**

The Council has a robust and transparent performance management process in place. Performance against targets is reviewed on a quarterly basis at both directorate level and for the Authority as a whole. The quarterly performance management reports are reviewed by the Chief Executive, the Corporate Management Team and all Executive Members. Following this, the quarterly reports for Corporate Services and the Chief Executive's Office together with the quarterly Corporate Performance Overview Report are taken to the Overview and Scrutiny Commission. Quarterly performance management reports for the other directorates are reviewed by the relevant Overview and Scrutiny Panel for their area. The quarterly Corporate Performance Overview Report is also considered by the Executive.

The Annual Report reviews performance against targets set against each medium term objective as well as reporting how well the organisation has performed against Best Value Performance Indicators. In addition, the Annual Report summarises the Council's plans for the following year which are subsequently reflected in departmental service plans. The Annual Report is published at the end of June each year and is also available on the website.

### 3.3 Roles and Responsibilities

The Council's Constitution, which can be found on the public website, sets out the roles and responsibilities of the Executive, the full Council and its committees and sub-committees, overview and scrutiny and key officer functions. The terms of reference for the Overview and Scrutiny Commission and Overview and Scrutiny Panels detail the specific responsibilities of the committees and sub-committees having responsibility for the overview and scrutiny function. The delegation arrangements as set out in the Constitution were reviewed and updated during 2007/08 and the updated delegations were subsequently approved by the Council in February 2008. The Constitution also sets out the financial regulations which Members and officers must comply with. More detailed operational guidance is provided in procedures documentation such as the Risk Management Strategy and Guidance. Such procedures are maintained on the Council's intranet which is accessible by all officers and Members.

### 3.4 The Constitution Review Group

The Constitution Review Group advises the Monitoring Officer on the development of proposals to maintain the Council's constitution, its executive arrangements and procedure rules as fit for purpose and reports these to the full Council for it to consider.

### 3.5 The Audit Committee Role of Members

As in previous years, the Overview and Scrutiny Commission has performed the functions of an Audit Committee. During 2007/08, the Commission has received updates on the performance against the 2007/08 Internal Audit Plan together with a summary of assurances provided by individual audit reports and approved the 2008/09 Internal Audit Plan. The Annual Audit and Inspection Letter and Comprehensive Performance Assessment reports from the External Auditors have been considered by the Commission and the Executive. Other external inspections such as those performed by OFSTED assess performance in specific services and are also considered by the relevant Overview and Scrutiny Panels.

### 3.6 Compliance with Legislation and Policies

Assurance on compliance with relevant laws and regulations, internal policies and procedures and that expenditure is lawful is sought through internal audit reviews and the work of external audit. This is overseen by the Overview and Scrutiny Commission. Further assurance is gained from the comments of the Borough Solicitor and Borough Treasurer on all reports to the Council, Executive, Executive committees, portfolio holders and committees of the Council (except for the Planning and Highways Committee at which a solicitor always attends), as well as reports to Directors on Key Decisions.

### 3.7 Risk Management

The Council has taken steps to further develop its risk management systems during 2007/08. At the beginning of 2008, the post of Head of Audit and Risk Management was filled. The Strategic Risk Register was subject to an in depth review and the revised Register was agreed by the Corporate Management Team in March 2008 and will be reported to Members in July. Changes have been made to the format of

Service Plans for 2008/09 to provide greater emphasis on the identification of risks and actions to mitigate them. A training session was provided to the senior management on risks in service plans and in February 2008 Members also received risk management training at a workshop run by the Head of Audit and Risk Management.

### 3.8 Standards of Behaviour

The Codes of Conduct define standards of behaviour for both Members and Officers. The Code of Conduct for Employees is included in the Employee Manual which is available on the intranet to all staff and is highlighted to all new staff during induction. The Members Code of Conduct is included in the Constitution which is also on the intranet and public website. Members received training on the Code of Conduct through the Members Development training sessions during 2007/08. In addition to this, there is a Member and Officer Protocol which covers the standard of behaviour expected between Members and Officers and advises on effective communication between Members and officers and a Planning Protocol which provides specific guidance for Members in relation to planning applications. In addition, there is a specific protocol for Members who are also on the Board of Bracknell Forest Homes. The Member and Officer Protocol was reviewed and updated during 2007/08.

### 3.9 Partnerships

A Partnership Governance Framework and Toolkit has been developed by the Council to ensure that sound governance arrangements are in place for its key partnerships and to provide guidance on accountability, decision making and risk management. This has been agreed with the Local Strategic Partnership. A risk register was developed for the Local Area Agreement and considered by the Partnership Board in September 2007. Arrangements are now being put in place to draw up a strategic risk register for the new Local Area Agreement.

### 3.10 Complaints Processes

The Whistle Blowing Policy sets out the procedures to be followed when receiving and investigating allegations made by employees, agency staff and contractors. This Policy was reviewed and updated by the Standards Committee during 2007. The revised Policy was subsequently approved by the Council in November 2007. Staff and contractors were made aware of the revised policy which was e-mailed to all staff, summarised in the internal newsletter and made available on the intranet. The processes for receiving and investigating other allegations (other than those alleging a breach of the Code of Conduct for Members in respect of which there are separate procedures under the Local Government Act 2000) are covered by the Corporate Complaints Procedure which was reviewed by the Corporate Management Team during 2007/08 following a full review across the Council. Complaints may be submitted electronically or on a standard form. The Council provides leaflets on the Corporate Complaints Procedure and the Complaints Section on the Council's website clearly sets out whom to contact with complaints and also explains the informal and formal stages of the complaints process and how these can be pursued should the claimant not be satisfied with the response provided. In addition, where required by legislation there are complaints procedures for specific service areas in Social Services and Education.

### 3.11 Training

A broad internal training programme of courses is run each year for officers as well as specific professional training and this is supplemented by regular lunchtime manager training sessions. Compliance with Continuing Professional Development requirements is monitored through the performance appraisal process. The Council has secured Charter status to the South East Charter for Elected Member



Development and provides a Members Development Programme which takes the form of internal training workshops on specific topics. In addition, both officers and Members attend external training courses where training needs cannot be met internally. There is a strong commitment to ensuring that Members and officers individual training and development needs are identified and addressed to ensure they have the skills and knowledge to fulfil their roles. Two departments at the Council have Investors in People status. As part of the performance appraisal process, each officer is required to complete their own personal development plans which form the basis for the Council's internal training course programme. Officers agree their individual plans with their line managers and personal development plans are now being introduced for Members.

## **4 Review of Effectiveness**

Bracknell Forest Borough 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 senior managers 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 the external auditors and other review agencies and inspectorates. During 2007/08, the review of effectiveness was informed by the following:

### **4.1 The Council**

The Council is composed of 42 councillors elected every four years. Councillors are democratically accountable to residents of their ward. The overriding duty of councillors is to the whole community, but they have a special duty to their constituents, including those who did not vote for them. Councillors have to agree to follow a Code of Conduct to ensure appropriate standards in the way they undertake their duties. The Council elects:

- the Leader of the Council who appoints the other members of the decision-making Executive;
- the Public Scrutiny Commission which is responsible for holding the Executive publicly accountable and for developing policies;
- the four regulatory committees which make decisions; and
- the Standards Committee.

The Council is responsible for approving the Council's budget and those major policies comprised in the Policy Framework of the Council. Also, the Council has ultimate responsibility for the Council's Constitution, including the scheme of delegation to officers, codes of conduct and protocols of behaviour.

### **4.2 The Executive**

The Executive is appointed by the Leader of the Council and individual Executive Members are charged by the Leader with responsibility for specific executive functions. The key functions of the Executive are to develop and propose the policy and budget framework to the Council and to be responsible for all Executive decision-making, other than decisions delegated to officers, within the policy framework by the Executive as a whole, individual portfolio holders or a committee of the Executive. All reports to the Executive and portfolio holders include comments from the Borough Treasurer on financial impact and the Borough Solicitor on legal considerations as well as an assessment of risk.

#### 4.3 Governance Working Group

The Corporate Management Team established a Governance Working Group in March 2008 chaired by the Borough Solicitor. The Group has responsibility for reviewing governance arrangements on an ongoing basis, identifying any gaps and weaknesses to be addressed and reporting these back to the Corporate Management Team. The Governance Working Group was also made responsible for drafting the Local Code of Governance for review at CMT and for reviewing this on an annual basis.

#### 4.4 Overview and Scrutiny

The legislation which required the Council to establish an Executive also requires the Council to appoint one or more committees comprised of non-Executive Members to carry out the following main responsibilities:-

- to review or scrutinise decisions made by the Executive
- to make reports or recommendations to the Executive or to the Council with respect to the disclosure of any of the Executive's or the Council's functions
- to review or scrutinise non-Executive decisions.

The Committee with overarching responsibility for those matters is the Overview and Scrutiny Commission. During 2007/08 there were four sub-committees of the Commission namely:-

- the Adult Social Care and Housing Panel
- the Environment and Leisure Panel
- the Health Panel
- the Lifelong Learning and Children's Services Panel

The Council was also a constituent authority (along with Slough Borough Council and the Royal Borough of Windsor and Maidenhead) of the Joint East Berkshire Health Overview and Scrutiny Committee which discharges the functions of the participating authorities under the National Health Service Act 2006.

The Overview and Scrutiny Panels focus on specific service areas and in addition to quarterly performance management reports for their relevant directorates, they also consider any external inspection reports. The work programme of both the Overview and Scrutiny Commission and Panels is steered by a work programme agreed by the Commission at the start of each municipal year but is flexible allowing for further reviews as the need arises. Additional reviews may be identified by the Commission or at the request of the Executive. For example, in October 2007 the Executive asked that Overview and Scrutiny review the Borough's performance at minimising road traffic casualties.

In addition to its review of the audit functions, the quarterly Corporate Performance Overview Reports and the proposed annual budget are reviewed by the Commission. During 2007/08, the Commission considered the proposed new Medium Term Objectives and the Commission established a working group to review these in detail. The findings were subsequently reported to the Executive.

The Overview and Scrutiny Commission is responsible for reinforcing effective governance, particularly through reviewing the activities of the Council's internal and external auditors, in consultation with the Borough Treasurer. In the CPA Corporate Assessment Report published in February 2008, the Audit Commission concluded

that “overview and scrutiny is good and performance is challenged rigorously”. During 2007/08, the Commission has received summary reports on progress on the delivery of the Internal Audit Plan and key outcomes on completed work. The Internal Audit Plan for 2008/09 was approved by the Commission. It has also considered the Annual Audit and Inspection Letter for 2005/06 and the the external auditors Report to Those Charged with Governance for 2006/07.

#### 4.5 The Standards Committee

The Standards Committee advises the Council on the adoption of appropriate codes of conduct and protocols governing the ethical standards of the Members and officers of the Council and conducts periodic reviews of the Council's Code of Conduct, making recommendations for revision where appropriate. In June 2007, a revised Members Code of Conduct and a revised Employee Code of Conduct were considered and recommendations were made to the Council for the adoption of these documents.

During 2007/08, the Committee has had responsibility for considering and determining any allegations referred to it by the Standards Board for England that a Member has been in breach of the Code of Conduct for Members. In addition, the Committee has responsibility for determining any complaints that a Member has failed to observe a locally adopted protocol. During 2007/08, no allegations against Members have been received.

The provision of training and guidance to Members and officers on the operation of the Council's Codes of Conduct falls within the remit of the Standards Committee. A briefing was given to Members in October 2007 based on the new Code of Conduct.

A report on and update of the Whistle Blowing Policy was considered in October 2007 in response to a recommendation from Internal Audit that the Standards Committee should carry out a cyclical review of the key documents for corporate and ethical governance. A revised policy was recommended to the Council for approval and was duly adopted.

In January 2008, the Borough Solicitor briefed the Committee on amendments to the standards regime to ensure that Committee members were aware of the extended remit of standards committees in local authorities under the decentralised regime introduced by new legislation.

#### 4.6 Internal Audit

Internal audit provides an independent and objective opinion to the organisation on the control environment by evaluating its effectiveness in achieving the organisation's objectives. It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper, economic, efficient and effective use of resources. The Head of Audit and Risk Management is required to provide an annual opinion to those charged with governance to support the Annual Governance Statement.

Under the 2007/08 Internal Audit Plan, 100 audits have been completed. There were no instances where Internal Audit concluded that they could give no assurance and only 5 cases where limited assurance was concluded. Where limited assurances have been concluded, the Head of Audit and Risk Management reports the detailed findings to the Overview and Scrutiny Commission and follow-up audits are carried out within the following 12 months to ensure that agreed actions have been implemented.

Based on the work of Internal Audit during the year and other sources of assurance outlined, the Head of Audit and Risk Management has given the following opinion:

- there are robust systems of internal control in place in accordance with proper practices except for those reviews where limited assurance was concluded and for procurement where potential breaches in compliance with Contract Regulations and legislation have been identified ;
- key systems of control are operating satisfactorily except for the specific areas where limited assurance was concluded and in procurement ; and
- there are adequate arrangements in place for risk management and corporate governance.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Governance Working Group and the Final Accounts Committee and a plan is in place to address any governance issues arising from the review.

## **5 Significant Governance Issues for consideration in 2008/09**

### **5.1 Governance and Audit Committee**

The functions of the Council's Audit Committee were undertaken by the Overview and Scrutiny Commission during 2007/08. The Audit Commission has advised that this does not satisfy the requirement for a committee charged with governance, in particular because the Commission does not have decision making powers. In response to this, the Final Accounts Committee's terms of reference have been extended to enable it to satisfy governance requirements on an interim basis whilst the arrangements for Members to review governance and audit are given further consideration.

### **5.2 Risk Management Arrangements**

Further steps will be taken to embed a culture of risk management within the Council. During 2007/08, the Strategic Risk Register was reported once to the Corporate Management Team (CMT) in March 2008 following a detailed update of the Register. The Strategic Risk Register will be reported to the Executive in July 2008. Actions to address strategic risks are in the process of being developed. The Strategic Risk Register will now be reported quarterly to CMT and will in future be reported to the committee charged with governance. The Risk Management Strategy and Guidance was last reviewed in 2006 and will be updated during 2008/09. Following this, training on identifying, evaluating and managing risk in line with the updated guidance will be provided to officers.

### **5.3 Procurement**

Ongoing Internal Audit reviews have identified a small number of cases involving potential non-compliance with internal Contract Regulations and legislative provisions. These investigations are still in progress and appropriate actions will be determined once these are complete.

### **5.4 Partnerships**

The Council has developed a Partnerships Governance Framework and Toolkit which has been agreed with the Local Strategic Partnership. However, further progress is needed to apply the Toolkit to the Borough's Themes. During 2008/09 we will carry out a programme of reviews for the Local Strategic Partnership Themes before considering other partnerships in future years.

5.5 Standards Committee Annual Report

The Standards Committee currently does not prepare an annual report of its activities and outcomes. At its meeting on 5th June 2008, the Committee agreed to prepare an annual report on its workings to the Council.

5.6 Protocol between Leader and Chief Executive

Whilst the Council has a Member and Officer Protocol which provides guidance on the working relationship between Members and officers it does not provide specific guidance on the Leader/Chief Executive relationship. The CIPFA/SOLACE guidance indicates that the Council should have in place a protocol which specifically deals with the Leader/Chief Executive interface. During 2008/09, the existing Member and Officer Protocol will be reviewed to ensure this supports the, already effective, working relationship between the Leader and the Chief Executive.

5.7 Annual Disclosure Statements

There is currently no requirement for Members to complete a signed declaration of related party transactions. Although not a requirement under the Code of Conduct, during 2008/09, the Council will consider the introduction of annual disclosure statements.

**6 Action Plan**

An action plan has been developed to address governance issues identified.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

**Signed:**

Leading Member

Chief Executive

on behalf of Bracknell Forest Borough Council