



Annual Governance Statement

Year ended 31 March 2008

Rochdale MBC

Annual Governance Statement For the year ending 31 March 2008

Contents

Section	Detail	Page
1	Introduction & Scope of Responsibility	3
2	The Purpose of the Governance Statement	3
3	The Accounts & Audit Regulations 2006 Regulation 4	3
4	The Accounts & Audit Regulations 2006 Regulation 6	3
5	The Governance Framework	5
5.1	Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area	6
5.2	Members and officers working together to achieve a common purpose with clearly defined functions and roles	8
5.3	Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour	10
5.4	Taking informed and transparent decisions which are subject to effective scrutiny and managing risk	11
5.5	Engaging with local people and other stakeholders to ensure robust accountability	13
5.6	Engaging with local people and other stakeholders to ensure robust accountability	14
6	Review of Effectiveness	15
6.1	Council purpose and objectives	16
6.2	Transparent and effective decision making and scrutiny	17
6.3	Compliance with Laws and Regulations	18
6.4	Engagement with stakeholders	19
6.5	Financial management	20
6.6	Risk management	22
6.7	Internal audit and the Opinion on Internal Control 2007/08	23
6.8	External Audit and Inspection Reports	24
7	Significant governance Issues.	27
8	Action plan to ensure continuous improvement of the governance framework	28
	Signed on behalf of Rochdale Metropolitan Borough Council by	
	Executive Director Resources	30
	Chief Executive	31
	Leader of the Council	31

1. Introduction & Scope of Responsibility

Rochdale MBC 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. Rochdale MBC 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 Rochdale MBC 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.

Rochdale MBC 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 at www.rochdale.gov.uk. This statement explains how Rochdale MBC 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 System of the Governance Statement

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads 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 Rochdale MBC 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 Rochdale MBC for the year ended 31 March 2008 and up to the date of approval of the statement of accounts.

3. Regulation 4

The findings of the review of the system of internal control will be reported to the Audit Committee on the 30th June 2008 along with the Statement of Accounts.

4. Regulation 6

In order to comply with the Accounts and Audit (Amendment) (England) Regulations 2006, the Council must, at least once a year, conduct a review of the effectiveness of its "System of Internal Audit".

Within RMBC, in addition to the Internal Audit Service, there are a number of areas of ongoing self-review with reporting through to senior managers' groups and to Members as appropriate. The most notable examples are:

- Budget monitoring (revenue and capital);
- Review and management of major projects;
- Performance management and service delivery, and
- Absence management

As these are integral to the Council's overall governance arrangements, they are considered within the review of the local Code of Corporate Governance and included within the AGS, so that improvements can be identified, whilst providing the necessary assurances.

To emphasise the ongoing and independent nature of the formal Internal Audit service the Annual Audit Report provides an overview of the work and performance of Internal Audit throughout 2007/ 08. This report, along with further independent reviews by the external auditors, provides an assurance of the effectiveness of the Internal Audit service which is a key component within the overall system of Internal Control.

Details of work performed by Internal Audit during the year is summarised in quarterly reports to the Audit Committee, thereby providing an ongoing view of the effectiveness of the overall internal control environment and also providing the Members with an opportunity to challenge both the audit process and relevant officers in relation to specific issues identified within each service area.

Internal Audit has also completed a self-assessment against the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. This confirmed a compliance rate of 96% (with a further 4% of partial compliance) against the Code, which compares favourably with the average of AGMA authorities of 91%.

Internal Audit was last reviewed by External Audit during 2006/07; the report emanating from the review was very complimentary about the quality and effectiveness of the service. The recommendations made in the external audit review have been implemented.

5 The Governance Framework

The key elements of the system and processes that comprise the Council's governance arrangements are detailed in this section. The elements are based on the six principles of Corporate Governance, which tie in with our Code of Corporate Governance (at draft), the assurance gathering principles laid out in the CIPFA Finance Advisory Network 'Rough Guide for Practitioners' and the CPA Use of Resources Key Line of Enquiries (KLOE's), particularly in relation to Internal Control.

The six principles are detailed below in RMBC terminology.

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

The following paragraphs detail the Governance framework of Rochdale MBC, which collectively firmly underpin the six objectives.

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

Why is this important?

All local authorities have a 'well being' duty. This means we are responsible for helping to achieve the best quality of life and outcomes for people locally.

We do this through:

- ✚ The **Local Strategic Partnership** 'The Pride Partnership' - through this body we work with our key partners across the borough to engage our local communities and develop a shared vision, Pride of Place and our **Local Area Agreement**. The Local Strategic Partnership, led by the Authority has developed a hierarchy of plans setting out its work for up to the next 5 years. The top-level plan is "**Pride of Place**" (Community Plan) which sets out the overall aims of the borough. Pride of Place has produced a vision for Rochdale for the year 2021, bringing together key issues which local residents and organisations have identified as the issues which matter most, guided by the overarching principles of equality, community cohesion and sustainability. The plan has been refreshed during 2007.
- ✚ The **Local Area Agreement** - Rochdale MBC and its partners negotiated and agreed a Local Area Agreement (LAA) with the Government Office in 2007. In addition to a set of outcomes, indicators and targets, the agreement sets out plans to develop governance, financial management and performance management arrangements across the Pride Partnership. The LAA agreement sets out the main aim which is that Rochdale becomes 'a thriving place where people want to live, work, visit and do business - a place in which we can all take pride'.
- ✚ **Aiming High** - To ensure that Rochdale Council focuses on the priorities that are important and have been identified in Pride of Place the Council produces a corporate plan -Aiming High which sets out what we will do to support the achievement of the vision.

During 2007 Aiming High has been reviewed. Considerable consultation and focus group work has taken place with the local community, Elected Members, RMBC officers, partners and the community, to identify and restate the corporate priorities and expected outcomes.

- ✚ Our **Partnership Framework** that ensures our partnerships are effective and that we maximise the contribution that they make in supporting the achievement of the vision through our corporate and service plans. The Council has three significant strategic partners, Impact, Rochdale Boroughwide Housing and Rochdale Boroughwide Cultural Service - Link4Life. Established monitoring and reporting processes are in place to manage the partnership relationships and monitor outcomes. KPIs have been developed and are monitored in respect of key partnerships
- ✚ It is also important that we define the **roles of our partners** - so many of our aims and targets can only be achieved by working jointly, making best use of the skills and capacity of a number of different organisations who share our purpose. We are currently enhancing our partnership framework with the production of a partnership toolkit which will capture good practice guidance in all elements of setting up and operating in a partnership environment. The toolkit will encapsulate a self

assessment process and the significance testing process which was created in 2007/08.

- ✚ Our **Value for Money (VFM) Framework** that sets the corporate standards we expect from our services – low cost, high performance, successful outcomes and satisfied customers. We set these standards out in our corporate plan so it is clear what we are aiming to achieve. A Business Development Unit within Finance Services has been established to develop and implement the framework and assist Services deliver VFM.
- ✚ Our **Complaints Procedures** and our **'Peoples Champion'** ensure there are effective means of redress when things do go wrong and that we learn and improve. They are another important indicator of how successful we are being in delivering services that match the expectations of people locally and contribute to the vision for Rochdale Borough.
- ✚ **Financial Planning** - The Council's Medium Term Financial Strategy (MTFS) sets out the framework through which financial resources are effectively managed and directed over a three year period and thereby provides for an integrated approach to the preparation of soundly based revenue and capital plans. In doing so it supports the corporate and service objectives and policies that the Council sets out to achieve. The strategy sets out the activities that will be undertaken to achieve these objectives and the targets against which performance will be measured.

The MTFS is updated annually to reflect budget decisions taken by the Council and will be subject to a fundamental review every three years in line with the Government's Comprehensive Spending Review cycle. The existing MTFS approved by Cabinet in March 2007 has been updated to reflect the budget decisions made by Council in February 2008.

- ✚ **Financial Management** - In February/March each year, the Council sets the budget for the forthcoming three financial years based on recommendations from the Cabinet. In accordance with the requirements of the Local Government Act 2003, the Council's Section 151 officer (Executive Director Resources) makes a formal report to Council on the robustness of the budget setting process and the adequacy of the level of reserves. The assurances provided by this report are considered by the Council before decisions regarding the budget are taken.
- ✚ A **budget** monitoring report is submitted to the majority of the meetings of Cabinet. These reports provide a detailed statement of how each Council service is performing in relation to its approved revenue and capital budget and an assessment of the overall position of the Council.
- ✚ **The Statement of Accounts** is prepared annually in accordance with recommended practice. They provide detailed information relating to the Council's financial position at the end of the year (31st March) and its income, expenditure and cash flows during the year. The Statement of Accounts allows the Council and its stakeholders to assess financial performance and the adequacy of reserves, provisions and balances.

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

Why is this important?

As an organisation we will be better and achieve more if we all want to achieve the same things. It is equally important that everyone within our organisation understands their role, what they are responsible for and how they contribute. This ensures everyone is accountable for what they do and for the decisions that are made.

We do this through

- ✚ **Constitution** - The framework we have in place to help us deliver those plans and services is provided by our Constitution. Our constitution sets out how we operate as an organisation, how decisions are made and the procedures which are followed to ensure we are efficient, transparent and accountable to local people and that the respective roles of officers and members are clear. Our constitution includes a scheme of delegation which explains the level at which decisions can be made and the decision making responsibilities of specific officers – for example those whose role it is to ensure we act within the law or spend our money wisely.

Our Constitution also sets out the role of our Chief Executive – the officer with overall responsibility for all aspects of the Council's operational management. Our democratic frameworks support effective relationships between the Chief Executive and the Council's Leader – the chief elected member.

- ✚ Our **Performance Management Framework**, through which we monitor and report on our financial and operational performance and the Annual Report that sets our progress and is shared with our community. This information tells us how well we are doing against the targets and outcomes that we need to achieve to meet the vision.

Appropriate key performance indicators (KPIs) have been established and approved for each service element and are included in service plans. A robust monitoring system has been approved and implemented. There are regular reports on progress on delivering approved KPIs. There is an approved mechanism for reviewing the continuing suitability of KPIs and for securing continuous improvement

Monitoring reports are regularly presented to the appropriate committee. The reports include detailed performance results, both absolute and relative to peer authorities a clear indication of below target, on target and at, or above, target results, highlighting areas where corrective action is necessary, e.g. Scrutiny Committee and Performance Board

The performance management arrangements are revised in line with external or internal review of the arrangements

Performance management arrangements are reviewed to assimilate new techniques and/or technology e.g. developments in performance management information systems

- ✚ The Council has an established **Performance Board** which is responsible for high level monitoring of performance and ensuring that the Council maintains its focus on key performance measures affecting CPA and the Council's priorities. Service heads provide regular updates on progress to date against service plan targets and objectives.

- ✚ Our **performance appraisal frameworks** to ensure that we manage our staff well, maximising the potential of our people and providing a learning and development environment that ensures our people have the right skills to go a good job.
- ✚ The facilitation of policy and **decision-making**, at officer, individual Councillor and Committee level, is set out within Rochdale MBC's Constitution and the associated Schemes of Delegation, as required by the Local Government Act 1972, the Local Government and Housing Act 1989 and the Local Government Act 2000
- ✚ A number of posts within the organisation have very specific and important roles. These include our **Section 151** officer, who is responsible for ensuring the Council receives good financial advice, that we keep proper financial records and there are effective financial controls – such as internal audit and financial regulations. Proper financial management ensures that the Council can maximise the amount of resources spent on Council priorities and services that are important to the public.
- ✚ The role of our **monitoring officer** is also critical in promoting and maintaining high standards of conduct and ensuring that decisions are made and services provided in accordance with legislation and within the powers of the Authority.
- ✚ Our **member/officer protocol** ensures that the communications and interactions between officers and members is appropriate to their respective roles and effective in ensuring we work together well as an organisation to achieve our purpose.
- ✚ **A code of conduct for elected members and officers.** Our codes commits all those working within the Council to high standards of personal conduct and behaviour, and to acting ethically and with integrity in their dealings with each other and the public. The Constitution also includes job descriptions for Cabinet portfolio holders.
- ✚ **Elected Member Induction and Training** – A training and development plan is produced annually to ensure that new members are given appropriate development to reflect the requirements of a modern Councillor. Training includes ability to challenge and scrutinise, how to act as an ambassador and leadership skills. Cabinet Members have job descriptions for their roles.
- ✚ Our **Human Resources Strategy** aims to ensure that we maximise the potential of our people and that we have robust policies, systems and processes to support this. These include schemes of delegation at service level which maximise the opportunity for decision making at the lowest levels where it is appropriate to do so. Staff roles are made clear through detailed job descriptions and person specifications that set out the experience, skills and abilities needed for every post.

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

Why is this important?

Local authorities are the lead organisations within their communities. The standards they set provide an example to all organisations and individuals as employers, employees and members of their townships and wards. The costs of Council services are met from public funding and it is important that this funding is spent properly and wisely. It is therefore important that local authorities uphold high standards of conduct and behaviour, such that the public has confidence that their Council will always act ethically and in their best interests.

We do this through:

- ✚ **Financial statements** - The Council's medium term financial strategy sets out the framework through which financial resources are effectively managed and directed. In doing so it supports the corporate and service objectives and policies that the Council sets out to achieve.
- ✚ **Financial regulations and procedure rules** provide a framework for our officers to ensure their operational practices meet high standards of financial, legal and contractual practice.
- ✚ Our **single team principles** make a commitment to shared set of values for our whole organisation. They reflect how we work together and with our partners for the community.
- ✚ **A leadership framework** – an internally developed 360 degree leadership blueprint for our most senior staff and an enterprising leadership programme to develop our future leaders.
- ✚ **Staff Development and Conduct** - The main objective is to ensure that experienced and appropriately qualified people deliver services. Job descriptions are designed in a standard format. Where adherence with legislation is part of the role of the post this is included in the job description and person specification. Essential qualification requirements are included where appropriate against posts to ensure that properly experienced and qualified people are placed in the correct roles. Pilots in some areas have used competency based person specifications
- ✚ **A Standards Committee** - The Standards Committee has responsibility for the Council's ethical framework and monitoring our codes of conduct ensuring members and officers are held to account for their actions and behaviour.
- ✚ **Anti – Fraud and Corruption Strategy** - During 2007 the Anti Fraud and Corruption Strategy was reviewed and updated. This combined the Confidential Reporting Policy (Whistle blowing), the Prosecution Policy, the Benefits Prosecution Policy and the Anti Money Laundering Policy into one cohesive strategy. It was reported to Cabinet and Scrutiny Committees and adopted corporately.

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

Why is this important?

Local authorities are democratic organisations – challenging what we do and how we do things is an important part of that democracy. Managing our risks is important to ensure we take advantage of our opportunities (positive risks) and that we do everything we can to ensure that negative risks don't reduce our chances of success. Understanding risk also helps us to make better decisions about the best course of action to take to achieve our vision and purpose.

We do this through:

- ✚ Our system for **committee reporting** and decision making ensures that decisions with legal or financial implications can only be made after seeking the advice of the Head of Finance and Head of Legal Services. Committee reports for decision will include that advice to ensure that the financial and legal implications of a course of action are clear.
- ✚ **Scrutiny Function** –The Scrutiny process has been fundamentally reviewed during 2006/07. There are no longer five Overview & Scrutiny Committees these have been replaced by a Policy Overview Committee and a Performance Scrutiny Committee. Once a decision has been made, the Council's call-in process enables executive decisions to be examined by the Scrutiny Committee if it is considered that the decision is not valid, for reasons, which are laid out in the Constitution's Procedure Rules. Such reasons include where it is considered that the decision does not accord with the council's pre-determined Budget and Policy Framework.
- ✚ **Audit Committee** - During 2007 the Council constituted an Audit Committee. The Committee is independent from the Cabinet and has political balance. The Audit Committee is charged with examining, challenging and decision making in respect of Internal and External Audit matters, Risk Management, Governance and Financial probity around the Annual Accounts.
- ✚ **Risk Management** - Rochdale MBC's aims in relation to risk management and internal control are to establish and maintain a systematic strategy, framework and processes for managing risk. Risk Management has gained increasing focus and profile within the public sector over the last few years. There are many definitions but the one adopted by Rochdale MBC is: -

"The identification, analysis and economic control of those risks which can impact on the Authority's ability to deliver its priorities and objectives".
- ✚ **Business Continuity Management** - The Council has a corporate Business Continuity Plan which sets out the key principles for ensuring that its critical services are able to continue functioning in the event of disruptions. This defines key roles and responsibilities of staff across the Council should a major incident involving loss of multiple services take place. In addition, further detailed plans have been developed for managing specific incidents such as flooding, influenza pandemic and fuel shortages.
- ✚ **Data Quality** - There is an agreed strategy and Services are self assessing their understanding and processes for supporting good data quality. In early 2007, the Council put an ambitious action plan in place to improve data quality. All Services will be reviewed based on a self assessment and action plan process, scheduled on a risk based approach.

✚ **Equality & Diversity** - The Council is committed to creating a climate of openness, support and respect to for its employees and the community it serves. Several policies underpin this commitment, not least the Equality and Diversity policy and the Dignity at Work policy. These are further supported by adoption of the single team principles corporately.



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

Why is this important?

The achievement of corporate objectives and sound decision making processes is dependant on staff and Members who are well trained and capable to fulfil their roles effectively.

We do this through

- ✚ Our **member/officer protocol** ensures that the communications and interactions between officers and members is appropriate to their respective roles and effective in ensuring we work together well as an organisation to achieve our purpose.
- ✚ **A code of conduct for elected members and officers.** Our codes commits all those working within the Council to high standards of personal conduct and behaviour, and to acting ethically and with integrity in their dealings with each other and the public. The Constitution also includes job descriptions for Cabinet portfolio holders.
- ✚ Our **Human Resources Strategy** aims to ensure that we maximise the potential of our people and that we have robust policies, systems and processes to support this. These include schemes of delegation at service level which maximise the opportunity for decision making at the lowest levels where it is appropriate to do so. Staff roles are made clear through detailed job descriptions and person specifications that set out the experience, skills and abilities needed for every post.
- ✚ Our **Stepping Up** programme for internal transformation – we recognise the importance of values and culture to the success of the programme of improvement we want to make. Stepping Up commits our whole organisation to a set of values that will help support effective organisational change.

The three priorities below form the overall Stepping Up Programme:

- **Value for Money:** to consistently deliver council services which can demonstrate excellent value for money;
 - **Customer Focus:** transforming the organization into one which consistently achieves high levels of customer satisfaction and engagement and focuses on the evolving needs of citizens and service users; and
 - **Maximizing the Potential of our People:** by creating a culture where all staff have a 'can do' approach, flexible, nimble, inspirational, making things happen and supporting Members to be more effective in their ever changing role.
- ✚ **Elected Member Induction and Training** – A training and development plan is produced annually to ensure that new members are given appropriate development to reflect the requirements of a modern Councillor. Training includes ability to challenge and scrutinise, how to act as an ambassador and leadership skills. Cabinet Members have job descriptions for their roles.

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

Why is this important?

The Council has an approach to consultation and engagement that reflects the Council's aspirations and commitment to ensure that we understand the needs and issues that matter to our citizens, including those from vulnerable, minority and deprived groups.

We do this through:

- ✚ Consultation on the **budget proposals** is undertaken primarily through Township Committees, the Local Strategic Partnership and Trade Unions. Cabinet are provided with details of the outcome from consultation before they formulate their recommendations to Budget Fixing Council. Summary financial information relating to the approved budget is then provided to every household that receives a Council Tax bill.
- ✚ The **Community Strategy** (Pride of Place) and the corporate strategy (Aiming High) have been reviewed, updated and launched during 2007/08. Wide consultation has taken place. The Council's refreshed, approved and published strategic plan takes account of all consultation and national and local priorities. The Corporate priorities and objectives are clearly set out in the strategic plan and the Strategic plan takes account of annual budget and medium term financial plan.
- ✚ Clear terms of reference are set for the preparation of **service plans**. Service plans clearly reflect corporate objectives and match approved funding. Quarterly and annual reports are produced on the outcome of departmental and/or service plans
- ✚ Our **Partnership Framework** that ensures our partnerships are effective and that we maximise the contribution that they make in supporting the achievement of the vision through our corporate and service plans. The Council has three significant strategic partners, Impact, Rochdale Boroughwide Housing and Rochdale Boroughwide Cultural Service – Link4Life. Established monitoring and reporting processes are in place to manage the partnership relationships and monitor outcomes. KPIs are being developed and are monitored in respect of key partnerships

6. Review of Effectiveness

Rochdale MBC has responsibility for conducting, at least annually a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also comments made by the external auditors and other review agencies and inspectorates.

To ensure our review processes are qualitative and meet best practice, our audit work, self assessments and checklists have been developed from the CIPFA/SOLACE framework and guidelines on developing good governance in Local Government. The effectiveness of the governance System is supported by the mechanisms underpinning the following areas

- 1 Council purpose and objectives
- 2 Transparent Decision Making and Scrutiny
- 3 Compliance with Laws and Regulations
- 4 Engaging Stakeholders
- 5 Financial Management
- 6 Risk Management
- 7 Internal Audit and
- 8 External Review and Inspection reports

6.1 Council purpose and objectives

- ✚ District Audit carried out a review of the **LAA** during the year. The purpose of this audit was to provide assurance that the potential risks around governance, financial management and performance management of the LAA were effectively addressed. At the time of the audit, the Council and its partners were engaged in developing the new LAA, due to be agreed in May 2008. The audit sought to identify strengths and areas for development in the arrangements for the 2007 LAA that could benefit the new LAA. Some weaknesses were identified and recommendations to address these and strengthen arrangements are included in Section 7.

- ✚ Our **Governance Framework** – this ensures we have an effective structure and designated responsibilities to manage governance well – maximising our chances of achieving the outcomes we have set ourselves.

Rochdale MBC 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, used economically, efficiently and effectively. Members and senior officers are responsible for putting in place proper arrangements for the governance of Rochdale MBC's affairs.

- ✚ This will be further enhanced by plans to create a **governance board** with agreed assurance responsibilities corporately, a Governance framework and refreshed Code in line with new CIPFA / SOLACE guidance, an established and highly regarded system of internal audit (with a developing programme of governance audits), well embedded risk management arrangements and well defined decision making processes.

- ✚ The **Borough Solicitor** (Monitoring Officer) has responsibility to regularly review and monitor the content, coverage and operation of the Constitution to ensure that it remains current, meets all legal requirements and properly addresses and supports the achievement of the aims and objectives of Rochdale MBC. The Council Constitution and Schemes of Delegation are kept under constant review to take account of legislative and local changes.

- ✚ **Stepping Up** - The Audit Commission has been working with the Council to add external challenge and offer support during the Stepping Up programme. One of the key aims was to implement a framework for managing the Stepping Up programme.

The Council has proposed to establish a Programme Office to hold centrally a selection of project and programme management material and strengthen monitoring of the benefits realization of the projects within the programme.

6.2 Transparent and Effective Decision Making and Scrutiny

- ✚ The Council has **clear decision-making structures**. Control of the policy and decision-making process, and ensuring compliance with established policies, procedures, laws and regulations are facilitated at two levels, namely pre-decision and post decision. In preparing to make a decision, officers have access to: guidance on report content, including the need to identify the reasons for the recommendation; alternative courses of action considered and the reasons why they have not been pursued; and the risks involved if the decision is not taken.
- ✚ The process for **authorisation of reports** in advance of their being submitted to Committee, and Financial Regulations for those decisions which will have financial implications.
- ✚ Once a decision has been made, the Council's **call-in process** enables executive decisions to be examined by the Performance Scrutiny Committee if it is considered that the decision is not valid, for reasons, which are laid out in the Constitution's Procedure Rules. Such reasons include where it is considered that the decision does not accord with the council's pre-determined Budget and Policy Framework.
- ✚ Adherence to the **Forward Plan**, published on a monthly basis, ensures that the appropriate Committee makes all key executive decisions within the required timescales. Control of the Forward Plan has become more robust in order to ensure the accountability and transparency of the decision – making process and clear guidance is available to Officers.
- ✚ **Elected Member Induction and Training** has been identified as an area for further development in the Stepping Up transformational programme. Although appropriate training is offered on a regular basis it is not always well attended. A project to evaluate the merits of Members having individual development programmes is in progress.

6.3 Compliance with Laws and Regulations

- ✚ Control of the **policy and decision-making process**, and ensuring compliance with established policies, procedures, laws and regulations is facilitated at two levels, namely pre decision and post decision. Once a decision is made, systems are in place to ensure that the appropriate checks are made at officer level with regard to the accuracy of the minutes.

- ✚ The role of our **monitoring officer** is critical – this post helps to ensure that the Council acts within the law and regulations applicable to local government. Our monitoring officer is responsible for advising the Council – officers and elected members – about the decisions they make and the best way they can achieve their objectives. The role of the Monitoring Officer (Borough Solicitor) is to promote and maintain high standards of conduct and ensure that decisions are made and services provided in accordance with legislation and within the powers of the Authority

- ✚ The Council's **Monitoring Officer** has a series of sources which are used to ensure that we comply with laws and regulations, as follows
 - Accessible record of statutory obligations
 - Membership of legal publishers and electronic legal resources
 - Legal encyclopaedias,
 - law manuals
 - Copies of statute and case law.

- ✚ In addition to this the monitoring officer also uses information from **successful judicial reviews, complaints and ombudsman** contact to ensure compliance.

- ✚ **Legislative changes** to the Councils functions and responsibilities are reported to the Cabinet.

6.4 Engagement with Stakeholders

✚ A **communication strategy** in respect of the corporate objectives has been developed, approved and implemented (see website). Some of the elements of the Council's stakeholder engagement are evidenced as follows

- Evidence of consultation with stakeholders (e.g. public and internal surveys etc) on service provision against cost
- Documented meetings across Services to discuss key objectives in corporate and Service plans (Senior Management Team meetings, Service Plan Validation Panels)
- Corporate objectives and aims are set out in key documents (annual plans etc) on the authority's Website and intranet site.
- The Council's aims and objectives are included in Aiming High which is on Internet, so all stakeholders and partners have access to it.

✚ We engage with our strategic partnerships in the following ways:-

- In relation to communication, for Impact & Culture Trust (Link4Life), all staff are treated as if they are Council Services – Communication & consultation around Council objectives / Aiming High included Impact Service heads and the Link4Life Managing Director.
- All Impact and Cultural Trust Staff have access to the Council's intranet. All receive copies of Global e-mails which include news from across the Council and signposts to other policy developments.
- Impact and Link4Life staff complete the same staff survey as the rest of the Council.
- As part of the Performance and Payment Mechanism, Impact monitor customer satisfaction
- Programme Boards exist for all services in Impact, and provide the forum for heads of service to discuss service plan proposals for following year
- The Joint Transition Steering Group considered the Business Plan for 08/09 at their meeting on 23 February 2008.
- There is a monthly review meeting held between the Head of Business Partnerships and the Managing Director of Link4Life. There are quarterly finance meetings and quarterly performance meetings. A Visioning Event involving Link4Life's stakeholders was held in November 2007.

✚ It is also important that we define the **roles of our partners** – so many of our aims and targets can only be achieved by working jointly, making best use of the skills and capacity of a number of different organisations who share our purpose. We are currently enhancing our partnership framework with the production of a partnership toolkit which will capture good practice guidance in all elements of setting up and operating in a partnership environment. The toolkit will encapsulate a self assessment process and the significance testing process which was implemented in 2007/08.

6.5 Financial Management

- ✚ **Financial Planning** - The Medium Term Financial Strategy approved by members in 2007 is significantly more detailed and comprehensive than earlier versions and represents a significant enhancement to financial planning arrangements. It provides an effective framework for medium term planning and links to other key strategies of the Council including the procurement, IT and people Management strategies.

There is a recognised need to improve the Council's current asset management arrangements. Such improvements are necessary to ensure that assets are managed properly and that comprehensive, accurate information relating to assets is available to support financial planning. An Asset Management Improvement Plan has been prepared and is currently being implemented.

- ✚ **Budget preparation** - The Council's budget setting processes ensure that a balanced budget is set in accordance with agreed timescales and that key stakeholders have an opportunity to input to the process. Steps have been taken to streamline some of the processes involved in budget preparation and the implementation of the Council's new financial system from 1st April 2008 should facilitate further improvement. The setting aside within the revenue budget of resources to accommodate unforeseen spending pressures is a prudent measure that helps to mitigate against the risk of issues not being identified during the budget process. The minimal need to draw on this resource in previous years can however be seen as a measure of the effectiveness of the budget setting process.

- ✚ **Budget monitoring** - The purpose of budget monitoring is to continuously monitor actual income and expenditure against approved budgets in order that variations can be identified and corrective action taken where necessary. The Financial Update reports provided to both Cabinet and Performance Scrutiny Committee allow for detailed consideration and scrutiny of the performance of each service and the overall position of the Council. Heads of Service forecasting significant variations against budget can be asked to attend these committee meetings to explain the position and discuss actions to rectify the situation.

A risk based approach is applied to ensure that the scale of budget monitoring activity in any given area is proportionate to the risk of significant levels of budget variation in that area. The assessment of risk is reviewed periodically in the light of experience and changing circumstances.

A review of financial management arrangements relating to capital, including budget monitoring, is being undertaken during 2008/09. Revised arrangements arising from this review should help to reduce the relatively high level of underspendings due to slippage often experienced in the capital programme.

- ✚ **Statement of Accounts** -The Council is under a statutory obligation to produce its accounts in accordance with "proper practice". This means that the accounts must conform to the Statement of Recommended Practice issued by CIPFA. The Council's unaudited Statement of Accounts are formally approved by the Audit Committee in June each year and are then subject to external audit by the Audit Commission. A report on matters arising from the audit is issued by the Audit Commission by 30th September each year together with an action plan where appropriate.

The complexity, changing annual requirements and wide ranging nature of the Statement of Accounts means that in most years a small number of issues are highlighted by the auditor. The annual accounts have however received an unqualified audit opinion in recent years and the Council has also received a score of 3 in the Financial Reporting element of the Audit Commission's Comprehensive performance Assessment in 2006 and 2007.

6.6 Risk Management

- ✚ The **Corporate Risk Management Strategy** identifies the responsibilities of Elected Members, ELT members, Executive Director Resources, Corporate Risk Management Group (CRMG), Heads of Service and the Head of Finance Services in relation to risk management. The objectives also reflect the need to continue to develop a systematic approach to risk management as an integral element of service planning and performance management. The Strategy clearly outlines the direction for Rochdale in pulling together the risk management agenda.
- ✚ The Strategy was further reviewed and updated by **Corporate Risk Management Group** to recognise the structural changes of the Authority and therefore membership, at the same time the terms of reference were reviewed and amended to include RMBC's responsibilities under the Civil Contingencies Act 2004.
- ✚ The Council scored a '4' in the **Audit Commission's CPA assessment** for the Risk Management element of the 2006/07 Use of Resources in acknowledgement of the standard and extent of embeddedness within the Council. This has been further enhanced by the introduction of a Service based self assessment process, which will inform training needs and areas for enhancement within services, and the identification and purchase of an enhanced Risk Register system which forms part of the performance management monitoring system.
- ✚ The Council maintains a **Corporate Risk Register** (including its significant strategic and operational risks) which is formally reviewed by the Corporate Risk Management Group on a regular basis. All Services and strategic partners (Impact and Link4Life) identify and manage their own risks on the risk register with associated action plans and ELT identify and manage the strategic risks.
- ✚ The **Audit Committee** receives regular updates on audit activity using a risk based approach and an annual report on the Council's risk management arrangements to ensure that these are appropriately robust.
- ✚ **Business Continuity Management** - The Council has a corporate Business Continuity Plan which sets out the key principles for ensuring that its critical services are able to continue functioning in the event of disruptions. This defines key roles and responsibilities of staff across the Council should a major incident involving loss of multiple services take place. In addition, further detailed plans have been developed for managing specific incidents such as flooding, influenza pandemic and fuel shortages.

This is supported by individual service based Business Continuity Plans for all Services. The service based plans were created following a business impact analysis process through which 'critical' services and appropriate service-specific risk treatments are identified. The approach also involves corporate services such as Facilities Management, ICT Services and Communications Team playing an 'enabling' role in ensuring that services are provided with consistent support as part of their planning and during incidents.

6.7 Internal Audit and the opinion on internal control 2007/08

- ✚ The **scope of the Internal Audit** Team includes examining and evaluating the whole system of internal controls established by management, which is not confined to the financial control system. It involves an evaluation of the controls against an assessment of the risks facing the Council to determine their adequacy, reliability and effectiveness and how well the responsibilities assigned to managers are being carried out in practice. In consultation with each Head of Service the Internal Audit Team produces an annual audit needs assessment using a risk indices methodology, which embraces financial and non-financial risks in each audit area.
- ✚ The Internal Audit plan and **strategic plan** for 2007/08 were reviewed and approved by the Executive Director Resources as Section 151 Officer. The audit plan was reported to the Audit Committee 30 June 2008 and adopted.
- ✚ **Opinion on Internal Control 2007/08** -The planned audit coverage for the 2007/08 was based on an assessment of risks. Of the planned audit work completed during 2007/08 (i.e. final report issued) audit opinions issued on the adequacy of the internal controls were recorded as 'adequate' or better in 97.3% of cases (91.4% in 2006/07). 2 pieces of work were awarded opinions below the 'adequate' opinion and were both scored with opinion 4 'marginal' (7 in 2006/07 and 8 in 2005/06). The detail of these pieces of audit work and any follow-up activity has previously been reported to the Audit Committee in the quarterly work activity reports

The 2 'marginal' opinions are not considered to be significant in the wider context of the overall system of internal control. The audit reviews which attracted the 'marginal' opinions related to service specific systems and none related to the programme of material system audit reviews. In both cases an action plan has been agreed to remedy the weaknesses and follow up work by Internal Audit is planned to be undertaken to monitor progress in implementing the recommendations made. There were no audits completed that were awarded opinion 5 'unsatisfactory' during 2007/08. Therefore, within the limitations of the audit work carried out, it is concluded that the Council's overall control framework remains adequate, and generally being complied with.

During 2007/08 a dedicated Audit Committee was created. This is an independent committee and does have discrete decision making power This Committee reviews the activities of the internal audit function (as detailed in their Terms of Reference), including its annual work programme, quarterly reports of activity, significant investigations and systems / services that have been awarded a less than adequate audit opinion (4 or 5). This Committee is also responsible for approving the annual accounts and overall governance arrangements. The Committee will report annually to the Cabinet on its effectiveness after its first 12 months of operation.

- ✚ The Anti Fraud & corruption Strategy which contains the **Confidential Reporting Policy** (including a plain English version) has been rolled out to the Council's workforce with the full support of trade unions. As and when issues are raised under the policy these are progressed in line with the stated procedure.

6 8

External Review and Inspection reports

- ✚ **External Audit** - All public bodies are subject to external scrutiny. The role of these review agencies has expanded from certifying the accounts to include performance reviews and quality audits.
- ✚ The Audit Commission is responsible for appointing all external auditors to authorities. The Commission also undertakes Comprehensive Performance Assessment (CPA) reviews for all Authorities, judging them in the following areas: -
 - Sustainable communities and transport
 - Healthier communities
 - Children and young people
 - Safer and stronger communities
 - Older people.
- ✚ In the service blocks above, the 'harder test' places much greater emphasis on performance indicators and achieving minimum standards across all services. An overall CPA rating is awarded at the conclusion of the process based on star ratings (0 – 4 range, 4 being high).
- ✚ The Audit Commission in its Annual Audit and Inspection Letter dated March 2008 provided an overall summary of the Audit Commission's assessment of the Council. It draws on the findings and conclusions from the audit of the Council and from a wider analysis of the Council's performance and its improvement over the last year, as measured through the Comprehensive Performance Assessment (CPA) framework.
- ✚ The main messages for the Council included in this report are as follows.
 - The Council is improving adequately, and is now rated as a two-star Council under CPA methodology. This represents a decline from last year's performance progress and rating.
 - Performance is improving in many priority areas. Notable and continuing progress is being made in services for children and young people, with educational attainment rising, and exceeding local targets.
 - Good progress has been made in improving community safety, with falling crime levels.
 - There is encouraging progress in regenerating the Borough, with improving local town centres, job creation and rising local prosperity.
 - There are areas requiring significant improvement, especially adult social care where the previous year's external service rating has not been sustained due to a decline in the performance of older people's services. In addition, a significant gap exists between residents' perceptions and users' experience of services.
 - Prospects for further improvement remain encouraging. Future plans have been aligned with partners to tackle such issues as health inequalities and community safety. Internal capacity continues to be strengthened, with significant emphasis placed on the ongoing 'Stepping Up' programme.
 - Value for money is steadily improving, although asset management remains an area for improvement.
 - Work continues to improve performance management, and benefits from the arrangement with Impact Partnership are beginning to be seen.

✚ **Audit of accounts and value for money** - The External auditor has reported to the Regulatory Committee who (prior to the creation of the Audit committee) were those charged with governance of the Council, on 27 September 2007 about the issues arising from the 2006/07 audit and has issued:

- an audit report, providing an unqualified opinion on the accounts and a conclusion on value for money arrangements to say that these arrangements are adequate except those for the management of its asset base, on 28 September 2007; and
- a report on the Best Value Performance Plan confirming that the Plan has been audited.

✚ **Use of Resources** - The findings of the auditor are an important component of the CPA framework described above. In particular the Use of Resources score is derived from the assessments made by the Audit Commission in the following areas.

- **Financial reporting** - the preparation of the accounts of the Council and the way these are presented to the public.
- **Financial management** - how the financial management is integrated with strategy to support Council priorities.
- **Financial standing** - the strength of the Council's financial position.
- **Internal control** - including how effectively the Council maintains proper stewardship and control of its finances.
- **Value for money** - including an assessment of how well the Council balances the costs and quality of its services.

✚ For 2006/07 the Audit Commission has assessed the Council's arrangements for use of resources in these five areas as follows.

Element	Assessment
Financial Reporting	3 out of 4
Financial Management	2 out of 4
Financial Standing	3 out of 4
Internal Control	3 out of 4
Value for Money	2 out of 4
Overall assessment of the Audit Commission	3 out of 4

The issues arising from the use of resources judgments have been included in an audit report with an action plan agreed by officers to address them and to improve further, which was reported to the Audit Committee on 6 March 2008. The Audit Commission's criteria for the next judgments in 2008 are more demanding.

✚ **Inspection of Adult Care Services** - In its inspection of older people's services, the Commission for Social Care Inspection (CSCI) concluded that some people were being served well by services in Rochdale, and that the Council's capacity for improvement was promising. However, it also highlighted a number of weaknesses, which the Council needs to give immediate attention to. Details in section 7.

✚ **Inspection of Children's Services** - The Council has made good progress in improving outcomes for children and young people. In its Annual Performance Assessment (APA), the contribution of children's services in four of the five outcome areas was rated as good. In the fifth, 'making a positive contribution', it was judged to be outstanding, notably for the approach to engagement with children and young people.

The capacity of children's services for further improvement was judged to be outstanding. The APA noted the highly effective partnerships that had been forged to drive forward innovative strategies that are designed to deliver major improvements, such as the 14-19 strategy. The Council's plans for the further improvement in outcomes for children and young people are thorough and soundly based.

Good progress has been made with school organisation. Five new schools have been built, one secondary school refurbished, and the Council's Building Schools for the Future (BSF) strategy for change has been approved by the Department for Children, Schools and Families (DCSF). The Gateway review by 4Ps said that: "The project is well led with very strong top level support. The project is thoughtfully conceived and the project plan appears to be achievable".

✚ **Data Quality** - The Council's overall management arrangements for ensuring data quality for 2006/07 demonstrated adequate performance. However, they are showing signs that they are likely to improve rapidly in 2007/08. In early 2007, the Council put an ambitious action plan in place to improve data quality, but its impact on 2006/07 was inevitably limited. The Council's commitment to data quality has improved. There is an agreed strategy and services are self assessing their understanding and processes for supporting good data quality. Processes and systems are also improving. The review found much progress but most of the improvements were still to come to fruition.

✚ **Performance Management** - The review of performance management aimed to both examine progress and support the Council as it further develops its arrangements. Councillors, senior managers and staff focus groups were involved in contributing to the findings.

The Council has a clear framework for performance management and has introduced a range of policies and procedures to support the process but it is not being applied consistently. The Performance Scrutiny Committee, performance board and newly established value for money board provide Councillor and senior management input to the process. The quality of appraisal varies, challenge is not applied consistently and use of corporate systems such as the performance information management system varies. Barriers include a lack of understanding of policies and procedures, a lack of skills in some important aspects of performance management such as data analysis, challenge and communication. These barriers leave managers unclear about their roles and responsibilities around performance management and hinder cross-service working.

The quality of human resource management varies across services. The human resource strategy, policies and procedures are not well communicated to managers, leaving staff unaware about how their approaches comply with Council expectations and what support they can expect in this area. There is a lack of understanding about the Council's approach to workforce planning.

7 Significant Governance Issues.

There are a number of issues and developments in the near future that have significant implications for the internal control environment. The issues are detailed in the action plan attached at section 8 'Action plan to ensure continuous improvement in the Governance framework'. A summary is detailed below of the major areas.

Partnership Risks

We are currently enhancing our partnership framework with the production of a partnership toolkit which will capture good practice guidance in all elements of setting up and operating in a partnership environment. The toolkit will encapsulate a self assessment process and the significance testing process which was implemented in 2007/08.

Value for Money

Continue to build on significant progress made to systematically evaluate VFM in the organisation, particular emphasis around

- Communication to front line staff – programme of lunch n learn events arranged throughout 2008;
- Design a system for unit costing corporately, using good practice Services as beacons;
- Considering environmental impact and relationships to VFM activities;
- VFM in partnership, linking into VFM toolkit.

Data Quality – Performance Indicators

- Audit Commission (AC) review and spot checks of 7 specified performance indicators revealed that 1 required some amendment.
- Some PI's required extensive work for the AC to be in a position to make a judgement.
- Continued work is needed on supporting systems to ensure the quality of the underlying data

Review of Financial Regulations and Contract Procedure Rules

- Financial regulations and contract procedure rules have undergone a fundamental review during 2007/08; due to the extensive overhaul of the regulations completion is not scheduled until the first half of 2008.

Local Area Agreement.

- **Governance** – Clear links between LAA targets and partners' key strategies; Clarity of decision making processes and develop risk management strategy
- **Financial Management** – Delivery plan, VFM measures and integration of funding for projects around shared objectives
- **Performance Management** – Focus on outcomes, enable scrutiny and challenge and review effectiveness of Performance Management Framework.

Performance Management

An action plan based on these key areas to focus on has been developed and agreed in conjunction with Councillors and officers to cover:

- reviewing arrangements to ensure that staff and Councillors have sufficient knowledge of how services contribute to wider corporate agendas;
- ensuring that those involved in the challenge process are adequately trained; and

- communicating the human resource strategy, policies and procedures to staff and managers as appropriate and ensuring that skill needs are identified and filled.

Stepping Up

- Continue to formulate plans to create a programme office to centrally provide advice and support to Stepping up project lead offices.
- Monitor and evaluate the benefits being achieved through the Stepping Up programme.

Adult Care Service

A number of areas were highlighted by the Audit Commission in their Annual audit and Inspection Letter. It should be noted that they also gave credit for the fact that the Council has recently undergone a significant Service configuration and restructuring to address areas of poor performance. The report also stated that managers and staff in Rochdale have demonstrated they have the capacity to improve. The main issues highlighted are:-

- the promotion of increased independence through the development of wider choice in services;
- a more wholehearted commitment to service users managing their own care;
- develop more clarity in commissioning intentions through setting out a coherent Commissioning Strategy;
- accord higher priority to Direct Payments and addressing poor performance;
- improve the range and accessibility of out of hours services;
- ensure that those in residential care had access to routine care management and review processes; and
- address failures in the implementation of the Hospital Discharge Process.

Strategic Partnerships

The partnership framework ensures our partnerships are effective and that we maximise the contribution that they make in supporting the achievement of the vision through our corporate and service plans. Established monitoring and reporting processes are in place to manage the partnership relationships and monitor outcomes. KPIs are being developed and are monitored in respect of key partnerships. These will be used particularly to ensure that we can evaluate the benefits of the arrangement with Impact Partnership.

Financial Management

There is a recognised need to improve the Council's current asset management arrangements. An Asset Management Improvement Plan has been prepared and is currently being implemented.

A review of financial management arrangements relating to capital, including budget monitoring, is being undertaken during 2008/09. Revised arrangements arising from this review should help to reduce the relatively high level of underspendings due to slippage often experienced in the capital programme.

Member Training

Although the framework for Member training exists it is not always well attended. Alternative methods of Member development are the subject of a Stepping Up project under the Maximising the Potential of Our People.

8 Action Plan to ensure continuous improvement in the Governance Framework.

Effectiveness Area	Issues	Action Required	Delivery Programme or Lead Service	Implementation by
Good Governance Principle 1				
Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area				
Council Purpose & Objectives	Partnership Risks	Continue process of creation of partnership assessment toolkit and significance testing programme.	Finance Services & Business Partnerships Service	31 October 2008
Council Purpose & Objectives	Stepping Up	Continue to formulate plans to create a programme office to centrally provide advice and support to Stepping up project lead offices. Monitor and evaluate the benefits being achieved through the Stepping Up programme	Performance & Development Service. Stepping Up Lead Offices.	31 October 2008
External Review and Inspection Reports	Local Area Agreement	Implement recommendation from the Audit Commission around Governance, Financial Management and Performance Management	Regeneration	31 March 2009
External Review and Inspection Reports	Value for Money	Continue to embed VFM Framework. Particular emphasis around unit costing methodologies, environmental impact and VFM in partnerships.	Stepping Up Programme Finance Service	31 March 2009
Good Governance Principle 2				
Members and officers working together to achieve a common purpose with clearly defined functions and roles				
External Review and Inspection Reports	Performance Management	Implement agreed action plan emanating from Audit Commission review	Performance & Development Service	31 March 2009
Good Governance Principle 3				
Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour				
Financial Management	Financial Regulations	Financial regulations and Contract procedure rules and contract procedure rules are undergoing a fundamental review during 2007/08, completion has slipped into 2008/09 due to the ambitious aims.	Finance Services	31 October 2008

Effectiveness Area	Issues	Action Required	Delivery Programme or Lead Service	Implementation by
Good Governance Principle 4				
Taking informed and transparent decisions which are subject to effective scrutiny and managing risk				
External Review and Inspection Reports	Data Quality	Continue the work on supporting systems to ensure the quality of data underlying performance indicators.	Performance & Development Service.	31 March 2009
Good Governance Principle 5				
Developing the capacity and capability of members and officers to be effective				
Transparent & Effective Decision Making	Member Development	Implement the findings of the Member Development project under Stepping Up once finalised.	Performance & .Development Service	31 March 2009
Good Governance Principle 6				
Engaging with local people and other stakeholders to ensure robust accountability				
Engagement with Stakeholders and Partners	Strategic Partnership	Evaluate the benefits of the arrangement with Impact Partnership.	Business Partnerships Service	31 March 2009

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 improvements as part of our next annual review.

Signed:.....

Margaret Carney
Executive Director (Resources) – Section 151 Officer

Signed:.....

Roger Ellis
Chief Executive

Signed:.....

Councillor A Taylor
Leader of the Council