

# Annual Governance Statement 2010/11

**1. SCOPE OF RESPONSIBILITY**

- 1.1 Thanet District Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Thanet District Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Thanet District Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and the management of risk.
- 1.3 Thanet District Council has approved and adopted a Local Code of Corporate Governance, which is consistent with the principles of the CIPFA / SOLACE Framework Delivering Good Governance in Local Government. A copy of the Local Code is available on our website or can be obtained from the council offices, Cecil Street, Margate, Kent, CT9 1XZ. This statement explains how Thanet District Council has complied with the code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of an annual governance statement.

**2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK**

- 2.1 The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of 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 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 risks to the achievement of Thanet District 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 Thanet District Council for the year ended 31 March 2011 and up to the date of approval of the statement of accounts.

### **3. THE GOVERNANCE FRAMEWORK**

To strengthen the council's governance framework the activities and actions undertaken during the year are set out in line with the six core principles from the council's Local Code of Corporate Governance.

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

- 3.1 The Vision for Thanet was adopted by Council in July 2009. This document sets out future plans for what Thanet will look and be like in 2030. It was consulted on widely with staff and members, the residents' panel, partners and stakeholders including Kent County Council, Police, NHS, Manston Airport, Highways Agency and Transeuropa. Details of the consultation were covered in a full page spread in the spring 2009 edition of Thanet Matters (delivered to 64,000 properties) and was published on the front page of TDC's website throughout the consultation period and the consultation pages featured an online survey for residents/partners to complete.
- 3.2 The council identifies and communicates its aims and ambitions for Thanet for 2011 - 2012 through our Interim Corporate Plan. The Interim Corporate Plan was agreed by Cabinet (17 March 2011) and Council (21 April 2011) and actions are now being fed into Service Plans and appraisals. This year a new Corporate Plan will be drawn up, which will be a rolling 4 year plan which will be reviewed every year. The council is committed to ensuring that all key stakeholders, including local people, are able to influence the Corporate Plan and will be developing a consultation programme to facilitate this. Consultation is likely to occur between September and December 2011.
- 3.3 The council has adopted a Local Code of Corporate Governance (Governance and Audit Committee – 13 January 2011), which is reviewed on an annual basis ensuring that the council's governance arrangements are in place and are demonstrating good outcomes for our community and service users through good risk management, performance, financial and internal control processes. An audit of the Local Code gives the assurance level of substantial, which demonstrates the council has sound governance arrangements in place.
- 3.4 Performance progress is tracked through monthly monitoring of key performance indicators, service tasks and corporate plan projects. Indicators and projects within the council's Corporate Plan are reported quarterly through Cabinet. Additionally, monthly service reports summarise all key projects, tasks and performance measures specific to each service. The performance framework is based on PerformancePlus™, a performance management system. This framework is due for next annual review in September 2011.
- 3.5 The council is committed to delivering value for money, and publishes its Value for Money Strategy in its Medium Term Financial Plan which is approved by Council in February each year. A flexible toolkit for undertaking reviews has been developed that will be used to test the value for money that is derived from services and assess the areas for improvement. During 2010/11 the council commenced an organisational development programme, which would deliver an organisation which is fit for the future and can deliver the significant savings imposed by government cuts.

#### **Members and Officers working together to achieve a common purpose with clearly defined functions and roles**

- 3.6 Roles and responsibilities for Cabinet, Council, Overview and Scrutiny and all Committees of the council, along with officer functions are defined and documented, with clear delegation arrangements and protocols for effective communication within the council's Constitution. The Constitution is regularly reviewed and updated, with amendments agreed at Council Meetings in May 2010, July 2010 and February 2011.

- 3.7 The Cabinet is the part of the council that is responsible for most executive decisions and for the period 2010/11 was made up of the Leader and 4 other Councillors. Each theme of the Corporate Plan is sponsored by a Cabinet Member as a Portfolio Holder. When key decisions are to be discussed or made these are published in the council's Forward Plan and will generally be discussed in a meeting open to the public. The Cabinet has to make decisions that are in line with the council's overall policies and budgets. Decisions outside the budget and policy framework must be referred to the full Council. A "call in" procedure allows a Scrutiny Committee to review Cabinet decisions before they are implemented.

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

- 3.8 Codes of conduct defining the standards of behaviour for members, staff, our partners and the community have been developed and communicated and are available on the council's web site and on TOM. These include Members' Code of Conduct, Code of Conduct for staff, Anti-fraud and Corruption Policy, member and officer protocols, regular performance appraisals linked to service and corporate objectives, and a Standards Committee comprising 7 Members, 4 independent members of the public (1 of which is Chair) and 3 Parish Council representatives.
- 3.9 The principle of the formation of a Governance and Audit Committee was agreed by the Cabinet on the 23 March 2006 and adopted by Council on the 11 May 2006, and then re-constituted each year since by Council. The terms of reference for the Committee were prepared in line with 'CIPFA's Audit Committees – Practical Guidance for Local Authorities' and the annual review of these terms of reference has taken place, the latest having been agreed by Council in April 2011. There was also a Governance Group in place, which was made up of all of the Directors, a representative from the East Kent Audit Partnership, the Head of Legal and Democratic Services, the Communications and Marketing Manager, the Corporate Resources Manager and the Corporate Governance and Risk Officer. This group met on a quarterly basis in line with the timetable of the Governance and Audit Committee and was chaired by the Director of Finance and Corporate Services who is the Section 151 Officer.
- 3.10 Thanet District Council is required to ensure compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful. To this end, the council has in place a number of procedures, protocols and processes that underpin the delivery of its services and functions. The council's protocols or procedures are reviewed and updated on a regular basis for standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes / manuals, clearly defining how decisions are taken and the process and controls required to manage risks.
- 3.11 The council has in place a Whistleblowing Code whereby staff and others can report concerns about various sorts of wrongdoing or alleged impropriety. The Whistleblowing Code was revised and approved by Governance and Audit Committee, as part of the council's Anti-Fraud and Corruption Policy, on 22 June 2010. A presentation was given to members at this meeting on this policy which covered the purpose of the Whistleblowing Code. The Code is available to staff via the intranet and is referred to in the induction training programme. The Code is also proactively communicated to those contracting with the council.

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

- 3.12 The contribution by the Overview and Scrutiny Panel, its working parties and sub-groups to the council decisions has been significant. The role of the Panel continues to evolve in response to issues generated in part by the needs of the residents, economic development challenges and new legislation; particularly the development of the Kent International Airport, shared services (joint arrangements), Councillor Call for Action (CCfA) and Crime and Disorder Reduction Partnership (CDRP). The work of the Panel for the year was largely constituted of working party and sub-group activities.

- 3.13 The Overview and Scrutiny Panel made 16 recommendations to Cabinet and Council in the 2010/11 municipal year 14 of which were accepted.
- 3.14 The Risk Management Strategy and associated process document underwent an annual review, which were approved by Governance and Audit Committee in September 2010 and then Cabinet in November 2010. Regular reports from the council's corporate risk register system were provided to the Governance and Audit Committee.

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

- 3.15 The development needs of senior officers in relation to their strategic roles, have been identified and the East Kent HR Partnership Learning & Development Strategy 2010-2014 outlines activities as follows:
- Review current management/leadership development programmes to determine future needs for partner authorities.
  - Review and determine individual requirements as appropriate (e.g. individual bespoke leadership development).
  - Incorporate coaching and mentoring programmes into leadership/management development programme.
  - Subsequent to review, identify suitable management and leadership programme/development interventions that will meet the needs of all authorities.
  - Establish partnership working with KCC/other appropriate providers for our leadership/management development programmes.
  - Undertake diagnosis and design process with customer group.
  - Commence programme delivery.
  - Work to ensure that all future management/leadership development supports and complements the wider organisational change agenda and related projects.
- 3.16 A survey of Elected Members has been undertaken to identify future training needs, with a view to establishing a more formally structured member development programme. Member development sessions will be programmed to reflect the results of the survey. The council has also undertaken a comprehensive induction programme for Members following the 2011 District Council elections, which included training sessions on the code of conduct, planning law, regeneration, housing, equality and diversity, local government finance and overview and scrutiny.

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

- 3.17 The council has established clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation. TDC ensures that clear opportunities are provided to inform, consult and involve residents and community groups across the district whether it is regarding a routine council function or is a one off significant decision.
- 3.18 The council has increased the level of community input into its decision making processes by increasing the number and variety of opportunities made available to the community. This includes online conversations and feedback as well as focus groups, workshops and the more traditional methods such as postal questionnaires. The council has a well-established and effective consultation function which includes a wide range of consultation methods to ensure that as many groups and individuals as possible are able to participate. Before undertaking any consultation or communication, action plans are completed by the Corporate Communications Officers to detail exactly how key groups will be targeted. One of the components of the council's consultation is the Residents' Panel - Community Matters - which, along with many other mechanisms, delivers an extensive programme of consultations throughout the year. The council also regularly communicates and consults with residents via Thanet Matters, online via the council website, through local press, via secondary and primary schools, through local forums and organisations and also through the Thanet wide communications database. This database is made up of residents across Thanet who have registered an interest in being kept up to date with any new council projects, campaigns and consultations.

- 3.19 All communication campaigns and community wide consultations are promoted to the council's database of local groups and organisations. Included in this list are organisations that represent more vulnerable and harder to reach groups. This includes organisations who work with children, the elderly, those with mental and physical disabilities, ethnic minority groups, people not in training, education and employment, the homeless, faith groups as well as many other specific interest groups in Thanet. Specific groups and forums are also attended regularly by council officers, including the Senior Citizens Forum, Engage (Youth) Forum, Schools Partnership Council, Disability Forum, Thanet Sports Network and Kent Waste Partnership to promote any current or new council campaigns to members and to encourage participation. The council also co-ordinates an online Community Portal of approximately 400 local groups and organisations who are communicated with on a regular basis.
- 3.20 There are strategies in place such as the Youth Strategy and Older People's Plan, which were produced in consultation with younger and older people to ensure that the council is communicating and involving these groups in the most appropriate ways. A new Youth Strategy 2011-15 is being drafted following extensive consultation with providers and over 500 young people. The council's Child Protection Policy has been up dated to contain the statutory duty to refer a staff member to the Independent Safeguarding Authority when the local authority believes that an individual satisfies the criteria.
- 3.21 The Compact has been successfully active in Thanet for over five years. The Thanet Compact (known as "Working Together") is supported by the enthusiastic Core Implementation Group. A Compact event was held in July 2010 alongside the launch of the Community Engagement Action Plan. The Compact provides guidance for improving working relations between the statutory and third sectors in Thanet. It sets out commitments on all sides to guide the way in which they work together for the benefit of the community and residents.

#### 4. REVIEW OF EFFECTIVENESS

- 4.1 Thanet District Council has responsibility for conducting, at least annually, a review of 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 East Kent Audit Partnership's annual report, and also by comments made by the Audit Commission and other review agencies and inspectorates.
- 4.2 The results of the review of the effectiveness of the governance framework are presented later in section 6 of this document.
- 4.3 The processes that have been applied in maintaining and reviewing the effectiveness of the governance framework, have been undertaken through the following methods:
- 4.3.1 Gaining assurances from various areas such as managers, human resources, performance management, risk management, the Section 151 and Monitoring Officers and also members of the Governance and Audit Committee.
  - 4.3.2 Cabinet receiving quarterly performance packs to monitor achievement against key priorities from the Corporate Plan.
  - 4.3.3 Overview and Scrutiny reviewing the work and decisions of the Cabinet, and areas of the council's work, as well as carrying out specific projects and investigations and considering matters or services provided by an outside organisation that could affect the local residents. The Overview and Scrutiny Panel Chairman provided an annual report for 2010/11 at Council in May 2011.
  - 4.3.4 In March 2011 the Governance and Audit Committee agreed its annual report which went to Council in April 2011. This report details the achievements of the Committee against its terms of reference for the period 2010/11 and details the impact that it has made on the overall system of internal control in operation for that period. One of the responsibilities of the Governance and Audit Committee is to approve the Internal Audit Plan each year. They receive regular reports from the East Kent Audit Partnership on their progress against this annual Audit Plan which provides detail on the assurance levels that can be placed against the various systems and processes in place, and they also provide an annual assessment at year end.
  - 4.3.5 An officer Governance Group has been set up whose purpose is to monitor and review the risk, control and governance processes that have been established and address any upcoming processes when required. They report formally to Corporate Management Team (CMT) following each meeting where appropriate, and copies of the agenda and minutes have been made available to CMT, the Member risk champion and the chair of the Governance and Audit Committee.
  - 4.3.6 The local Standards Framework was introduced in May 2008, when local authorities' standards committees became responsible for receiving and assessing complaints about elected and co-opted members. In addition, the Standards Board for England became a strategic organisation that monitors the local standards framework and sets the national standards agenda. Local authorities now have greater responsibility for their own ethical agenda, with standards committees and monitoring officers having an essential role to play in ensuring the Code of Conduct is adhered to and championing high standards in public life. The Council has also undertaken works in preparation for the anticipated change to the standards regime in the forthcoming Localism Bill.

- 4.3.7 The internal audit function is an independent appraisal process. The internal audit function for this council is provided by the East Kent Audit Partnership who have direct access to members. They undertake reviews which seek to provide management with a level of assurance on the adequacy of internal controls and of risks to the council's functions / systems. They give sound objectivity as well as benefiting from a large resource-pool which brings with it a good level of robustness. Throughout the year, the Internal Auditors have performed a wide range of reviews covering both financial matters and other more service / output specific objectives, including value for money assessments, the conclusion of which is a report that is produced for management, which includes an assessment of the level of assurance that can be derived from the system of internal controls related to the service that is reviewed.
- 4.3.8 During 2010/11 the Internal Auditors completed 466.09 days of review, which was spent undertaking 40 audits. Of these 10 were assessed as being able to offer substantial levels of assurance; 13 reasonable assurance; 4 limited assurance and none were found to have no assurance. 9 audits on quarterly housing benefit testing, and other topics did not merit an assurance level and 4 audits were a work in progress as at year-end for which the assurance level had yet to be determined. Taken together 85% of the reviews accounted for substantial or reasonable assurance, whilst 15% of reviews placed a limited assurance to management on the system of internal control in operation at the time of the review. Additional work outside of these percentages includes work in progress at the year-end or work not giving rise to an assurance. Where appropriate, the audit report provides management with a set of recommendations that are designed to address weaknesses in the system of internal control. The outcomes of these Internal Audit reviews are reported to the Governance and Audit Committee on a quarterly basis, giving Members an opportunity to understand the Council's compliance with key controls and to discuss any areas of concern with the Auditors.
- 4.3.9 The Council can have very high levels of assurance in respect of all of its main financial systems and the majority of its governance arrangements. Almost all of the main financial systems that were reviewed within 2010/11, which feed into the production of the council's Financial Statements, have achieved a substantial assurance level. The areas that did not achieve substantial were Car Parking and the External Funding Protocol, but these both have reasonable assurance. The Council can therefore be very assured in these areas.
- 4.3.10 In contrast the areas where improvement is required and which are considered to be the primary areas of concern arising from 2010/11 audits are:
- Homelessness and Rent Deposit Scheme – Limited Assurance.
  - Public Health Burials – Limited Assurance;
  - Employee Benefit in Kind Payments – Limited Assurance;
  - Equality and Diversity – Limited Assurance;
- Each of these areas is due to be followed up early in the 2011/12 plan of work. Consequently there is nothing of significant concern that needs to be escalated at this time.
- 4.3.11 The external auditors are appointed to the authority by the Audit Commission. They are required to conduct their audit work to the strictest standards as laid down by the Audit Code of Practice, which ensures that they approach the work with the highest level of objectivity. In addition to being appointed by a third party, their independence is further reinforced by the restrictions put into place on the levels of non-audit work able to be purchased from external auditors. The external auditors provide another area of assurance, which is an essential element in the process of accountability for public money and makes an important contribution to the stewardship of public resources and the corporate governance of the council. They undertake a series of thorough and comprehensive audits that cover matters including financial reporting, financial stewardship and the council's approach to value for money.



## 5. IMPROVEMENTS DURING THE YEAR

- 5.1 The Child Protection Policy has been rolled out on NETconsent, the policy management tool that assures governance by making policies more visible and enforceable and which will enable the profile of this policy to be maintained and the staff engagement to be evidenced. The council is now able to report child protection concerns electronically using a secure email to Kent County Council Social Services. A comprehensive training programme for council staff on the Child Protection Policy has been completed.
- 5.2 Following on from the stringent cuts to government funding, the council agreed an organisation change programme to take positive action and implement a programme of activities to achieve the improvements and radical changes required to gain the necessary savings. The Improvement Forum was set up to review the methods of working whilst prioritising efforts to ensure the limited resources are directed to those areas that can make the biggest difference. It was open to any officer in the council who was positive about taking the council forward in challenging times, and could come up with constructive solutions to issues facing the organisation.
- 5.3 The council introduced the Star Chamber process where service managers were asked to justify their service. They were asked to account for their key areas of spending, where service cuts could be made and whether their service could be delivered in a different way. Directors and service managers were then tasked with discussing the recommendations from the Star Chamber with their Portfolio Holder and progressing those that could improve their service delivery or reduce spend within their areas.
- 5.4 The council concluded a three-year accommodation programme which has achieved a number of successes:
- 86% of staff are now based in the Cecil Street offices. This has enabled us so far to make annual savings on running costs of £75k cashable and £21k efficiency savings.
  - 47% reduction in localised paper storage (within the Cecil Street offices).
  - £255,000 capital receipt income from the sale of 44 Hawley Square and vacating Mill Lane areas which has achieved £48k cashable and £47k efficiency operational savings.
  - Improved stairs access and enhancement of disabled toilet facilities contributing to Disability Discrimination Act compliance.
  - Substantial assurance given by an internal audit, concluding that 'The original aims and objectives of the project have not only been achieved but in many instances have been surpassed.
- 5.5 In October 2010 a system of advance 'alert' warnings was introduced to the Information Request (Freedom of Information) process that gives three warnings of the deadline. The first at 15 days is sent to the manager. The second at 20 days to the manager and approving director. The third at 25 days to both at the second stage but also escalated to the Chief Executive. This monitoring process is carried out on a daily basis and, in addition, the deadline date is now clearly shown on the CIVICA 'Main Details' pane of the case itself. Since introducing these changes there has been a marked reduction in late responses i.e. October 22%, November 14% and December 15%.
- 5.6 During 2010/11 the new Communications Strategy for the council was launched. All of the council's communications will now be based on five basic principles that are essential for effective communication, these are:
- 1) simple, clear and concise (using plain English);
  - 2) timely;
  - 3) tailored to meet the needs of the intended audience;
  - 4) presented in a professional manner, correctly branded and comply with the council's standards;
  - 5) use the most effective channel(s) and provide the best possible value for money.

As well as the above, the Communications team will also take into account wider corporate objectives such as environmental, value for money and equality and diversity implications in the design and delivery of their work.

5.7 A 'State of the District' report has been compiled which summarises data for key indicators of social wellbeing in Thanet, comparing the most recently available data with other districts and county averages. The report is the first in an annual series aimed at helping improvement of local reporting by Thanet District Council. It will be combined with material on the website in the 'knowledge hub' section, to give a fuller picture of comparative population, employment, crime, educational attainment, health, and housing data, as well as Thanet lifestyles and residents' perceptions of Thanet.

5.8 The Audit Commission reported the findings from the 2009/10 audit to the Governance and Audit Committee on the 28 September 2010. This included messages arising from the audit into the council's financial statements and the results of the work undertaken to assess the council's arrangements to secure value for money in the use of our resources. The Audit Commission issued an unqualified audit opinion, detailing that the Financial Statements are free from material error and that the council has an adequate internal control environment. It has also issued an unqualified value for money conclusion on the arrangements the council has in place for securing economy, efficiency and effectiveness in the use of its resources.

5.9 Under the Government's transparency agenda, all public spend over £500 must be published. This was effective from 1 January 2011. The council has met this deadline and now publishes a monthly report on the website showing the following: date of transaction, transaction number, amount, supplier name, supplier reference number, service area, whether the spend is revenue or relates to the balance sheet and the expense type (e.g. stationery, equipment etc.). These were the mandatory elements identified in the guidance on publishing spend.

5.10 At the Staff Conference in June 2010, the council launched the new corporate priorities:

- Prosperity – Attracting employment especially by supporting tourism and the green economy
- Place – Keeping Thanet beautiful by making the place clean, green and a healthy place to be
- People – Working together to make Thanet safe and improve the quality of life for all
- Performance – Delivering services we are proud of and provide value for money for our residents.

The Council will conduct its business in accordance with the following core values:

We will be:

- Fair
- Respectful and considerate
- Focussed on quality
- Interested in listening to your views
- Measured and thoughtful
- Committed to do the right thing, the right way at the right time

5.11 In September 2010 a presentation was given at a Member Development Session looking at factors that contribute to a council's reputation and the role that members have. The presentation was based on the Local Government Communications Guide, which is a recognised national standard taking in account web, press and meeting conduct. This presentation was included within the Member Induction programme in May/June 2011.

## 6. SIGNIFICANT GOVERNANCE ISSUES

6.1 The identified areas detailed below have arisen from our numerous assessments into the council's governance arrangements for 2010/11 and have been deemed to be significant by the Governance Board and will be addressed during 2011/12.

6.2 An action plan will be compiled and regularly reported to the Governance and Audit Committee. 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.

- Following the organisation restructure, there are some governance issues that need to be addressed, these being:
  - a comprehensive review of the Scheme of Delegations,
  - a review of staff who are trained to the appropriate standard in child protection due to the changes in roles,
  - agree objectives, targets and development needs for all staff,
  - assess any skills gaps to inform a comprehensive training and development programme and staff induction programme, with particular emphasis on core competencies around health and safety, risk management and managing contracts,
  - develop a formalised process to enable an effective procurement programme to be compiled and maintained.
- Not all health and safety risk assessments are documented, complete and up to date, this is a priority that is being taken forward with a view to having all activities adequately risk assessed in line with the new health and safety map process.
- The governance processes surrounding shared services need to be reviewed given the council's role as host authority.
- Work needs to be undertaken to ensure that the council is meeting its obligations under the Data Protection Act, to avoid financial penalties or potential reputational damage or harm to individuals and/or the Council.
- Undertake a review of the way that corporate information, including corporate policies and strategies, is communicated to assist managers in front line delivery services, especially those that employ manual staff.
- Back office processes are to be reviewed to reduce the burden of bureaucratic procedures on front line managers, to release time for service improvement and increasing value for money.
- To improve the quality of decision making Member role descriptions and a programme for Members continual professional development are to be introduced.
- The payroll function for the council was outsourced to Kent County Council which went live in April 2010. Officers have identified that some key controls are not operating effectively at the provider, these are to be monitored and addressed over the forthcoming year.

**7. REVIEW OF EFFECTIVENESS OF THE GOVERNANCE AND AUDIT COMMITTEE**

7.1 To comply with best practice the Governance and Audit Committee determined that it would consider annually whether it meets its terms of reference and how it has impacted on the internal control environment. Detailed below are improvements that were identified through this process.

- The Governance and Audit Committee terms of reference need to be reviewed to ensure they are fit for purpose.  
**Action completed:** the terms of reference were reviewed and amended as necessary, with the changes agreed by Council on the 21 April 2011.
- Member training and development.
  - Specific section on governance and finance within Member Induction programme.  
**Action completed:** Presentation given as part of the Member Induction programme in May 2011.
  - Member guidance pack for Governance and Audit Committee be updated.  
**Action completed:** the guidance pack has been updated as necessary.
  - Review the terms of reference and programme of reports documents to produce a simple document that shows a timeline or flowchart on why certain reports have to be received at certain times.  
**Action completed:** a revised format agreed by Chairman of the Committee and included within guidance pack.

Signed by:  
Councillor Robert Bayford  
Leader of the Council  
On the ?? June 2011

Signed by:  
Sue McGonigal  
Chief Executive  
On the ?? June 2011