

	ANNUAL GOVERNANCE STATEMENT 2008-09	
1	1. Scope of Responsibility	comments / to do?
2	Uttlesford District Council is responsible for ensuring its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure the continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.	
3	In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs and for ensuring that there is a sound system of internal control which facilitates the effective exercise of its functions and which includes arrangements for the management of risk.	
4	The Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government. A copy of the code can be found on the Council Website www.uttlesford.gov.uk in our Members Handbook under Codes and Protocols, or by writing to: Uttlesford District Council Council Offices London Road Saffron Walden Essex, CB11 4ER	
5	This statement explains how the Council has complied with the code and also meets the requirements of Regulation 4(2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.	
6	2. The Purpose of the Governance Framework	
7	The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled and its activities through which it accounts and engages with the community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.	
8	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 the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage	

	them efficiently, effectively and economically.	
9	The governance framework has been in place at Uttlesford District Council for the year ended 31 March 2009 and up to the date of approval of the statement of accounts.	
10	3. The Governance Framework	
11	<p>Uttlesford District Council's governance framework derives from six core principles identified in a 2004 publication entitled The Good Governance Standard for Public Services. This was produced by the Independent Commission on Good Governance in Public Services – a commission set up by the Chartered Institute of Public Finance and Accountancy (CIPFA), and the Office for Public Management. The commission utilised work done by, amongst others, Cadbury (1992), Nolan (1995) and CIPFA/SOLACE (2001). These principles were adapted for application to local authorities and published by CIPFA in 2007. The six core principles are:</p> <ul style="list-style-type: none"> a) Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area; b) Members and officers working together to achieve a common purpose with clearly defined functions and roles; c) Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour; d) Taking informed and transparent decisions which are subject to effective scrutiny and managing risk; e) Developing the capacity and capability of members and officers to be effective; and f) Engaging with local people and other stakeholders to ensure robust public accountability. 	
12	The key elements of each of these core principles at Uttlesford District Council are as follows:	
13	<i>Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area</i>	
14	The Uttlesford District Council Corporate Plan 2007-09 outlined the vision, aims and four priority areas and Medium-Term Financial Strategy. The Corporate Plan has now been reviewed and updated to 2012. These plans and strategy outline the principal objectives for the Council and represents the key planning documents for the Council, from which a number of additional plans are developed in support of it, including the Council's short term Improvement Plan	
15	The objectives outlined within these Strategies are translated into more specific aims and objectives in the service delivery plans which each Council service is required to prepare annually. Performance against these objectives is monitored by individual	

	services and formally reviewed by the Strategic Management Board and Performance Select Committee to ensure the council's objectives are being met.	
16	Satisfaction surveys and a formal complaints procedure allow the Council to gauge customer satisfaction with regard to the effectiveness of service delivery.	
17	In addition the Local Strategic Partnership (LSP) - Uttlesford Futures has developed a new version of the Sustainable Community Strategy in consultation with key stakeholders and the wider community. Membership comprises of a wide range of public, private, voluntary and community sector organisations which are committed to sustaining the high quality of life in the district. A process of consultation will be undertaken throughout the Summer of 2009 which will culminate in a stakeholder conference in October 2009 which will further update the Sustainable Community Strategy and review the appropriateness of the National Indicators the partnership has chosen to "have regard to".	
18	The Council has a formal performance management framework in place providing links from the corporate priorities of the Authority, the budget and work planning process and the annual divisional plans.	
19	Performance Indicators are set at a national and local level and targets agreed for the coming three years. Once the Divisional Plans and budgets have been finalised and approved, individual staff reviews take place to agree work plans and targets.	
20	Performance against targets is monitored on a quarterly and annual basis by Heads of Division and reports are presented to Strategic Management Board and Performance Select Committee, in order that service standards are maintained and corrective action can be taken.	
21	In addition, within the Corporate Plan there is a formal link made between the priorities of the Council and how these measured.	
22	<i>Members and officers working together to achieve a common purpose with clearly defined functions and roles</i>	
23	Uttlesford District Council has adopted a Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure these are efficient, transparent and accountable to local people.	
24	The main decision making Committees are the Policy Committees, namely Finance and Administration, Community and Housing and Environment which are responsible for all matters defined by law and operate within the budget and policy framework approved annually by full Council. In addition to these there is the Licensing Committee which also has certain policy functions. The role of the	

	Policy Committees is to develop policies and services within the framework of the Corporate Strategy and policies. Meetings are open to the public except where personal or confidential matters are being discussed. Policy committees take decisions under delegated powers and those decisions therefore have effect as if decisions of Full Council, they do not need to be and are not ratified.	
25	Policy and decision making are facilitated by a clear framework of delegation set out in the Council's Constitution, with clear details of delegated authorities to officers.	
26	The Council meets in public at least six times a year. There are five cycles of meetings for Committees of the Council in each Council year. The Licensing and Standards Committees also meet on an ad hoc basis to deal with individual cases. This, together with an appropriate level of delegation to senior managers, enables decision making.	
27	The Strategic Management Board of the Council meets on a weekly basis and provides the strategic direction of the Council in delivering the requirements of the Corporate Plans. It also considers other internal control issues, including risk management, performance management, compliances, efficiency, value for money and financial management.	
28	There is also a robust budget and policy framework and detailed financial regulations, which are monitored by the Section 151 Officer and the Monitoring Officer. The Constitution is updated continually to reflect any changes in structure.	
29	<i>Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour</i>	
30	The behaviour of Members is regulated through a Code of Conduct which has been formally approved and adopted. This Code is supported by protocols that apply the principles of the codes to specific areas of Council activity.	
31	In addition the Council has a Standards Committee whose roles and functions include: <ul style="list-style-type: none"> ▪ promoting and maintaining high standards of conduct by councillors and co-opted members; ▪ assisting councillors and co-opted members to observe the Members Code of Conduct; ▪ advising the Council on the adoption or revision of the Members Code of Conduct; ▪ monitoring the operation of the Members Code of Conduct; ▪ advising, training or arranging to train councillors and co-opted members on matters relating to the Members Code of Conduct; ▪ granting dispensations to councillors and co-opted members from requirements relating to interests set out in 	

	<p>the Members Code of Conduct;</p> <ul style="list-style-type: none"> ▪ dealing with any reports from the Monitoring officer or Ethical Standards Officer on complaints or allegations of a breach of the Members Code of Conduct; ▪ the exercise of the above functions in relation to the town and parish Councils wholly or mainly in its area and the members of those town and parish Councils. 	
32	The Head of Paid Services, Section 151 Officer and Monitoring Officer have specified roles within the Constitution to ensure reports prepared for member decision comply with the budget and policy framework and are lawful. The Section 151 Officer is also responsible for preventing the Council incurring expenditure which is unlawful or contrary to policy and the Monitoring Officer for engaging in unlawful or ultra vires activities	
33	Each Member receives copies of the meeting Agendas in advance. As one of the Agenda items for each meeting, the Members are required to declare any interests at the outset of the meeting. In addition, Members are encouraged to undertake any training relevant to their area of decision making.	
34	Internal and External Audit work together to review and provide annual opinions of the control framework, governance arrangements and the validity of the annual accounts. The Internal Audit Section operates to standards set out in the 'Code of Practice for Internal Audit in Local Government in the UK' and the Institute of Internal Auditors – UK and Ireland 'Code of Ethics and the International Standards for the Professional Practice of Internal Auditing'.	
35	The Council has policies to safeguard both itself and its staff when making decisions. An Anti-Fraud & Corruption Strategy and Whistle Blowing Policy have been developed and communicated to staff as part of the Induction process. Both Policies provide clear reporting channels and are reviewed on an annual basis.	
36	The Council's financial management arrangements consist of a number of interlocking strands:	
37	Financial Regulations – The regulations provide the framework for managing the Council's financial affairs. They identify the financial responsibilities of the Council, its committees and officers. They also set out the procedures that the Council has adopted for financial planning, budgeting, risk management, auditing, treasury management and procurement of goods and services including standing orders for contracts. Revised Financial Regulations are scheduled to be presented to Members at the Finance and Administration Committee meeting in June 2009 and will then presented to Full Council.	
38	Medium Term Financial Planning – The Council approved the latest version of the Medium Term Financial Strategy (MTFS) in February 2009. This forecast provides the basis for financial	

	decision making over the next five years for both the Council's Revenue and Capital budgets for deploying of resources and identifying of savings targets. The Council also publishes a Budget Book containing more detailed revenue information for the following financial year together with capital projections for the next five years. The projections are reviewed and updated on an annual basis.	
39	Budget Management - A protocol is in place for the management of budget over and under spends, and use of the Council's financial reserves, that is designed to manage areas of known budget risk, the planning for predictable budget peaks and change management issues. The responsibility for all earmarked reserves is assigned to individual officers.	
40	Budget Monitoring and Reporting – All budgets are assigned to named budget holders who receive monthly financial reports to enable them to manage their budgets. Monthly summary budget monitoring reports are issued to all Members and senior managers. Budget holders and Members received finance training during 2008/09 and were consulted on their needs. Detailed reports regarding the Council's financial performance were received by the Full Council in December 2008 and by the Finance & Administration Committee in March 2009.	
41	<i>Taking informed and transparent decisions which are subject to effective scrutiny and managing risk</i>	
42	The Council has several Committees which carry out regulatory or scrutiny functions as follows:	
43	The Scrutiny Committee is formally responsible for monitoring and reviewing policy and advising policy committees, as well as scrutinising the performance of outside bodies and making reports and recommendations as appropriate and may receive public petitions.	
44	The Performance Select Committee monitors the performance of the Council and progress against improvement plans, fulfils the Council's Audit Committee functions in respect of External Audit, Internal Audit and Risk Management and makes reports and recommendations to policy committees and the Council as a whole on its policies, budget and service delivery as appropriate.	
45	In addition to the above, there are also two regulatory Committees, Development Control which is remitted to take certain decisions delegated from the Full Council and Licensing Committee which has decision making powers under the Licensing Act 2003 and the Gambling Act 2005. In general, these comprise planning and licensing decisions.	
46	The Council is in the process of embedding Risk Management throughout the Council, with an active Risk Management Steering Group re-convened in February 2006. The Risk Management	

	Steering Group is charged with embedding the risk management process throughout the organisation.	
47	<p>Its Terms of Reference reviewed and approved in July 2007 are to:</p> <ul style="list-style-type: none"> ▪ Approve the Council's risk management strategy ▪ Promote a best practice framework that embeds risk management at the Council ▪ Monitor and review the Council's risk management strategy ▪ Monitor and review the Council's various risk registers ▪ Monitor and review the Council's business continuity arrangements 	
48	The Council first adopted a risk management strategy and policy in 2003 which has been regularly reviewed and updated, most recently in September 2008. This policy has been designed to identify, prioritise and manage the risks that exist in order to ensure the Council achieves its aims and objectives.	
49	The strategic and operational risks that have been identified have been prioritised and Strategic and Operational Risk Registers for 2007-09 have been developed. The management of the key risks identified in the Strategic Risk Register have been assigned to the Strategic Management Board with the Chief Executive, Assistant Chief Executive and Directors taking individual responsibility for managing an appropriate action plan to combat the risk. Heads of Division are the Risk Managers for the Operational Risk Registers for the services within their divisions and are responsible for managing an appropriate action plan to combat the risks therein.	
50	A programme of regular monitoring and review of Risk Registers by the Risk Management Steering Group has been agreed and implemented in 2008-09. Quarterly reviews have been carried out on select risks with highest risk ratings and progress towards implementation of actions to mitigate the high risks evaluated. An annual evaluation of the management of high risks throughout the year was undertaken in April 2009.	
51	The Performance Select Committee has specific responsibility for scrutinising Risk Management and receives regular Risk Management update reports from the Risk Management Steering Group at its meetings.	
52	A Voluntary Improvement Board was established during 2008 and comprises representatives of key external organisations and the Council. The Board monitors the Council's progress in priority areas.	
53	<i>Developing the capacity and capability of members and officers to be effective</i>	
54	All Council services are delivered by trained and experienced officers. Job Descriptions and Person Specifications have been drawn up for all posts to ensure that the best candidates are	

	appointed into each position.	
55	All officers employed by the Council receive an annual 'U Perform' and regular reviews throughout the year at which performance can be measured against set objectives. Training needs are also identified as part of this process and addressed via the Human Resources service and/or individual service as appropriate.	
56	Uttlesford District Council has made a significant commitment towards the training of its staff. Staff are actively encouraged to apply for training through the 'U Perform' process. Significant budget is set aside annually to ensure that these training needs are met.	
57	A significant commitment has also been made towards retaining good staff, by offering numerous 'work friendly' schemes and where possible encouraging succession planning and promotion from within. This ensures that valuable skills and experience are retained and passed on, rather than being lost.	
58	The Chief Executive and Leader of the Council have a good working relationship and hold regular meetings to discuss any emerging issues. The Chief Executive also briefs all members with regard to their roles at the time they are sworn in.	
59	There are regular meetings between Senior Members and Officers. These include Chairs and Directors fortnightly meetings and Committee Chairmen briefing meetings. These meetings allow Members to be briefed on reports going through Committee, forthcoming matter for consideration and to allow Members to ask pertinent questions to inform the decision making process.	
60	Members are being trained above and beyond the initial induction phase. In 2008/09 finance training has been delivered by CIPFA FAN which consisted of up to four courses depending upon the individual Members Committee responsibilities.	
61	<i>Engaging with local people and other stakeholders to ensure robust public accountability</i>	
62	Uttlesford District Council recognises that communication with all stakeholders plays a fundamental role in the successful delivery of high quality, cost effective services.	
63	<p>The Council is constantly striving to improve its communications performance, to build on its track record of continuous improvement and to ensure that the authority as a whole is open and accessible to the community, service users and staff. Most recently Uttlesford has:</p> <ul style="list-style-type: none"> ▪ Relunched its web-site ▪ Invested in new technology to ensure that services are available electronically ▪ Entered into a partnership with Essex County Council to deliver a joint bi-monthly newsletters to all households. 	

	<p>The joint magazine initiative was launched in August 2008 and has been very successful – the district magazine is inserted in the county magazine and the two are distributed together – making a significant saving on distribution costs and presenting a more “joined up” appearance to the public</p> <ul style="list-style-type: none"> ▪ Funded free electronic access points at some remote sites with direct links to both the Council and Citizens Advice Bureau ▪ Introduced a Customer Service Centre that will enable the majority of queries to be answered and problems solved at the initial point of contact. 	
64	<p>Uttlesford continues to listen to feedback from the local community and to learn from best practice across the country. A new external communications strategy is in first draft stage and should be adopted by the summer. The council already has a consultation strategy in place and is now using Snap software to enhance its consultation capabilities. An internal communications strategy was adopted in 2008.</p>	
65	<p>All Committee meetings are open to the public except where personal or confidential matters are discussed. All agendas and minutes are placed on-line, along with the Council's policies and strategies. These items are also available by directly contacting the Council, should a Stakeholder be unable to access it electronically.</p>	
66	<p>The Council's Corporate Plan represent the key documents that outline the vision, priorities and objectives for the year ahead, sets performance targets and outlines the Council's accountability to its stakeholders. When identifying the priorities and objectives for the Corporate Plan the views of stakeholders and the wider community are sought through a number of consultation mechanisms, and are taken into account. The Corporate Plan is made available to all via the Council's website.</p>	
67	<p>The Council's programme for securing continuous improvement in its services is set out in the Corporate Plan. Actions for improvement are drawn from a variety of sources including external inspections, internal audit reviews and scrutiny reviews; issues arising from performance management; consultation exercises; and service improvements identified by the Council's complaints and comments procedure.</p>	
68	<p>The Council has formal complaints procedures which allows the public or other stakeholders to make a complaint regarding the service received from the Council or on the conduct of Members. Complaints can be made on-line or in writing and the Council has set targets for responding to all complaints received, ensuring accountability to its Stakeholders.</p>	
69	<p>There is a Local Strategic Partnership - Uttlesford Futures - which has adopted a new Sustainable Community Strategy up to 2018. The membership of the thematic working groups is being reviewed</p>	

	alongside the action plans and additional partners are being identified and invited to participate. The Transport Forum is set become one of the thematic groups under the Uttlesford Futures Partnership and meetings held with Essex County Council representative to secure commitment to the development of transport action plans. A training programme has been established for the LSP and involves partners, council members and officers to improve the awareness of the responsibilities of this strategic partnership.	
70	The Sustainable Community Strategy was developed following consultation with key stakeholders and the wider community. Progress against the actions are measured on a quarterly basis and reported to Uttlesford Futures Management Team and Board. Since December/January a review has been taking place of all of the action plans to ensure that completed or unachievable projects are removed and replaced with a smaller number of SMART projects to ensure the community benefits from the pooling of partnership resources. In addition, projects have been established for which Performance Reward Grant (PRG) funding has been secured to the value of £263,671 and will be implemented over a 2 year period. By way of introducing partnership risk assessments these will be applied initially to the PRG projects and then rolled out across all of the thematic groups' actions plans and partners.	
71	There are terms of reference and constitutions set up for key partnerships which ensure that all members of the partnership act lawfully throughout the decision making process. Uttlesford Futures has a comprehensive Governance Handbook and the terms of reference for all of the working groups are being reviewed to ensure they comply with the overarching document. Key partnerships include the Local Strategic Partnership - Uttlesford Futures and the Essex Waste Management Partnership. A Parking Partnership has been established between Colchester (lead authority) Braintree and Uttlesford Councils, which will be overseen by a Joint Committee and a Joint Committee Agreement is in place.	
72	4. Review of Effectiveness	
73	Uttlesford District Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the Internal Auditors and the Management Team within the Authority, who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the External Auditors and other review agencies and inspectorates	
74	The key features of the Council's internal control framework are:	
75	<i>The Authority</i>	
76	The key formal document governing the internal control framework	

	for the Authority is its Constitution. All delegation of decision-making is made in accordance with the requirements of the Constitution and the Scheme of Delegation, which forms part of the Constitution.	
77	The formal rules governing the way in which the Council, its Committees and Officers conduct their business are also set out as part of the Constitution and include: <ul style="list-style-type: none"> ▪ The Financial Regulations ▪ Rules of Procedure for Council & Committee Meetings ▪ Access to Information Procedure Rules 	
78	The Council has three Policy Committees that approve all policies and reports. The Scrutiny Committee has the powers to 'call in' and challenge any Committee decisions.	
79	The Monitoring Officer has a duty to monitor and review the constitution to ensure that its aims and principles are current. The constitution is reviewed regularly and updates are issued as necessary. Recent changes to the Constitution have included changes to the scheme of delegation and members allowances.	
80	<i>The Scrutiny Committee</i>	
81	The Scrutiny Committee is formally responsible for monitoring and reviewing policy and advising policy committees, as well as scrutinising the performance of outside bodies and making reports and recommendations as appropriate and may receive public petitions.	
82	<i>The Performance Select Committee</i>	
83	The Performance Select Committee monitors the performance of the Council and progress against improvement plans, fulfils the Council's Audit Committee functions in respect of External Audit, Internal Audit and Risk Management and makes reports and recommendations to policy committees and the Council as a whole on its policies, budget and service delivery as appropriate.	
84	<i>The Standards Committee</i>	
85	The Standards Committee met regularly throughout 2008/09 as part of the Committee cycle of meetings. It advised the Council on adopting a revised Code of Conduct compliant with the amended legislation; it responded to various government consultations on issues surrounding the Code of Conduct; it supported training for district, parish and town councillors and parish and town clerks on the new Code of Conduct and provided guidance to a parish council which was having difficulties with its Members not observing the Code. The Monitoring Officer attended the Annual Monitoring Officers Conference in 2009.	
86	The Standards Committee has also dealt with two complaints that have been made against a Member of district councils and against an parish councillor that were referred to them by the Standards Board for England and one from a member of the public ensuring high standards of conduct are maintained. Training has also been	

	received by the Committee Members on the additional powers that the Standards Committee will have regarding complaints in 2008/09 to ensure that they will act lawfully from the outset. The Committee has adopted criteria for referrals and published guidance on the Council's website. A pro-forma form of complaint has also been published which can be completed and submitted electronically.	
87	Internal Audit	
88	The role of internal audit is to review the internal control framework that governs the operations of the Council and, in so doing, provide an independent opinion to both management and members of the Authority on the robustness of the Council's internal control environment.	
89	The Internal Audit function of the Council is delivered by the Internal Audit Team. The work of the team complies in all significant respects with the requirements of CIPFA's Code of Practice for Internal Audit in Local Government in the UK and with the Code of Ethics and International Standards for the Professional Practice of Internal Auditing of the Institute of Internal Auditors – UK and Ireland	
90	Internal audit is part of the Council's corporate governance framework. Corporate governance is defined as the system by which local authorities direct and control their functions. The requirement for adequate and effective internal audit is statutory for all local authorities. Annual audit coverage is traditionally linked to a five year strategic work plan, which ensures that all services are reviewed on a cyclical basis. The frequency with which services are audited within the cycle is dependant on the result of a risk assessment, indications of performance and being reconciled to available audit resource. Senior officers and Members are traditionally consulted about the proposed work plan.	
91	A separate Annual Audit Plan is agreed that identifies the audits to be completed during the year, including the core fundamental systems (audited annually as part of the managed audit agreement with the Council's External Auditors) and other operational systems.	
92	The reporting process for Internal Audit requires a report of each audit to be submitted to the relevant Director, Head of Division and Service Manager. Head of Paid Services, the Monitoring Officer and the Section 151 Officer also receive a report of all audits completed.	
93	Each audit report includes agreed recommendations for improvement, rated in line with the Council's risk rating system <ul style="list-style-type: none"> ▪ 4. Catastrophic effect - immediate action required. ▪ 3. Significant impact – action required ▪ 2. Some impact – action may be necessary. ▪ Little or no impact. All recommendations are regularly followed up to ensure they are	

	acted on. An opinion of the overall internal control environment is also provided.	
94	The Internal Audit Team reports directly to the Performance Select Committee at each of its meetings. The committee approves the Audit Plan and monitors the performance of the Audit Team and progress against audit recommendations. The committee also receive copies of all audit reports issued and selected audits reports are reviewed by the committee at its meetings at which the Head of Division responsible for the service audited is required to attend and confirm progress towards the implementation of the recommendations made in the audit report.	
95	It is considered best practice that an internal review of the effectiveness of the system of internal audit is undertaken and the findings of this review have been reported to Members for their consideration. The purpose of this review is to ensure that the annual audit opinion issued by Internal Audit may be relied upon as a key source of evidence and assurance. Internal Audit was reviewed by the Audit Commission in 2008 and all recommendations in their report have been actioned in 2008-09.	
96	The Performance Select Committee receives regular reports on risk management, updating them on the work undertaken by the Risk Management Steering Group and approving key documents including the risk management strategy and the Corporate Risk Register.	
97	This has enabled the Performance Select Committee to be satisfied that significant progress has been towards embedding Risk Management throughout the authority and that the Council is improving in its identification of and actions to mitigate the key risks to the Council's ability to achieve its objectives.	
98	Other Assurance Mechanisms	
99	In addition to the above, the Council has conducted a formal review of its internal control environment and collated evidence and assurance from a variety of sources. This has included the collation of assurances from all service managers and directors on the effectiveness of the internal control environment. A review of the returns concluded that based on this self assessment, effective controls were in place.	
100	The Council has a Performance Management Framework through which quality of service can be measured by both local and national performance indicators. Performance targets are set and agreed for the coming three years and is monitored on a quarterly basis by Heads of Divisions and reported to the Strategic Management Board and Performance Select Committee in order that corrective action can be taken where services are deemed to be under performing.	
101	Unverified performance data for 2008/09 has identified that 73% of all indicators collected performed on or above target (91% of	

	National Indicators, 77% of Corporate Indicators and 64% of Service Indicators). The Audit Commission will be completing checks of the data submitted but it is not yet known when this will be. To help improve the performance of indicators that are not performing to targeted levels, an under-performing Performance Indicator review process has been developed. Indicators that have under-performed for 2 or more quarters will be subject to selection for a review to be conducted on them by the Business Improvement & Performance Team. The process is currently being piloted on SI 20 – Housing Voids.	
102	The Audit Commission carried out a Comprehensive Performance Assessment Inspection of the Council in 2004. The Council was assessed as “Fair”.	
103	The most recent Audit Commission Inspection was of the Community Housing Services in May 2008. The Council was assessed as Fair Service / Poor prospects for improvement. An action plan was drawn up following the inspection and is being delivered.	
104	As part of the Comprehensive Performance Assessment framework the Council has been assessed three times under the ‘use of resources’ category. The outcome of the first assessment was a score of 2 (out of 4); for the 2006/07 assessment (reported in December 2007) the score had reduced to 1; for the 2007/08 assessment (reported in January 2009) the score had remained at 1. Top priorities for improvement are agreed with the Voluntary Improvement Board and contained in a short term improvement plan. Progress is monitored by the Board at its six weekly meetings.	
105	5 Significant Control and Governance Issues	
106	Outstanding issues from 2007/08 Of the twelve significant control and governance issues identified during 2008/09, the following two are areas where further work is considered necessary to fully address them:	
107	Use of Resources The Council has received a score of 1 for the 2007/08 assessment, a new corporate team has been established which will have lead role in co-ordinating the council’s Use of Resources.	
108	Partnership Working The Council has a number of partnership working arrangements in place, which are critical to the achievement of the Council’s corporate objectives. As such, the Council should ensure that the risk and corporate governance arrangements for these partnerships is fully considered.	
109	Significant Control and Governance issues identified in 2008/09	
110	The Council’s Financial Regulations were last reviewed and	

	updated in June 2005 and do not reflect the current organisational and management structure of the Council. A process of review of Financial Regulations is underway and revised Financial Regulations will be published in 2009-10	
--	---	--