



ASHFORD
BOROUGH COUNCIL

Annual Governance Statement (2009-2010)

Ashford
best placed in Britain

1. Purpose of the Statement

This Annual Governance Statement comprises an assessment of the structure that Governance takes within the Council, identifying the key roles and functions that provide assurance that all decisions and outcomes are arrived at in a fair and transparent way. Where governance arrangements are recognised as needing particular attention these are highlighted as 'Significant Governance Issues' at the end of this Statement.

2. Scope of Responsibility

Ashford Borough Council is responsible for ensuring that –

Its business and decision-making follows the law and proper standards. 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 secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In carrying out this overall responsibility, Ashford Borough Council is responsible for putting in place proper arrangements to govern its affairs and promote the effective exercise of its functions, including arrangements to manage risk.

Ashford Borough Council has approved and adopted a code of corporate governance, which is consistent with the principles of the CIPFA and SOLACE guidance '*Delivering Good Governance in Local Government*'. A copy of this guidance is available on our web site or from Ashford Borough Council's offices.

3. The Purpose of the Governance Framework

The governance framework comprises the cultural values, systems and processes used by the Council to direct and control its work; enabling it to engage, lead and account to the community. The framework also allows the Council to check progress with achieving its strategic objectives, and to consider whether it has delivered suitable and cost-effective services.

Internal governance controls form a significant part of the framework and help to manage risk to a reasonable level.

These controls cannot remove risk completely; and can therefore only provide reasonable and not complete assurance of effectiveness. The system of internal control provides a continuing means to identify and prioritise risks to achieving Ashford Borough Council's aims and objectives, and associated policies. It provides the means to evaluate the likelihood of risks arising and the impact should they occur; and the means to mitigate risks efficiently, effectively and economically.

The governance framework has been in place at Ashford Borough Council for the year ended 31st March 2010 and up to the date of the approval of the statement of accounts.

4. The Governance Framework

The Chartered Institute of Public Finance and Accountancy (CIPFA) and SOLACE have identified six core principles of corporate governance. Ashford Borough Council has used these principles when assessing the adequacy of its governance arrangements :-

Core Principle 1 – Focusing on the purpose of the Council and on outcomes for the community.

The Council's vision and objectives are set out in its Corporate Plan, the Sustainable Community Strategy and the Local Development Framework. Reviewing progress against the various objectives is undertaken by the Executive Committee, the Overview & Scrutiny Committee and the full Council.

Priorities are translated into detailed service activity through annual Service Plans.

Consultation with the community is a regular feature of the Council's work. Involvement of community representatives is undertaken through forum arrangements (Youth, Parishes and Tenants, the voluntary sector and neighbourhoods) in line with the 'Duty to Involve'. This involvement covers many issues to secure fair and equitable outcomes. The Audit Commission made note in the Council's 2008/09 Organisational Assessment that uncertainty remains as to whether real priorities are sufficiently clear (see Significant Governance Issue 1).

In 2010 the Council started its widest public consultation yet to draw up its new Business Plan for the next five years. It is consulting with households, forums and other community representatives about future priorities.

Due to the increasing importance of partnerships the Council formed the Community Partnership Group. This group has the ability to make recommendations to the Executive Committee about partnership matters.

The Ashford (Local Strategic) Partnership provides a partnership review forum, where the Community Strategy is focused and agreed.

All legally binding partnerships have formal terms of reference agreed and adopted by the partners.

A Medium-Term Financial Plan underpins Council priorities.

The Council's Budget includes financial plans at a detailed level for the financial year, and is open to public consultation.

A key aim of the Council is value for money in all services it provides its residents, with cashable and non-cashable savings through efficiencies.

Performance management is embedded through quarterly management reviews, and reported to the Executive Committee and the Overview and Scrutiny Committee.

Core Principle 2 – Members and Officers work together to achieve a common purpose with clearly defined roles

The Council's Constitution, updated from time to time, clearly states the roles and responsibilities of members and senior officers.

The Constitution includes the Terms of Reference for Committees and Portfolio Holders. Changes to the Executive Committee from May 2010 mean revisions will be considered by the Full Council.

Most major policy issues are considered for recommendation by the Executive Committee to Full Council in public meetings based on published reports.

The Constitution details the structure and relationships between Committees and other Groups and Boards.

Further details on the roles and responsibilities of those Committees engaged with governance are contained in the 'Review of

Effectiveness' section of this Statement.

There are specific interests for Portfolio Holders concerning individual services, though the Constitution does not provide individual decision-making capacity to these Members.

Clear officer delegations and accountabilities are laid down in the Constitution.

Officers are appointed with clear job descriptions and areas of responsibility, adopting statutory and professional standards where necessary.

The Council publishes a Forward Plan containing details of key decisions to be made by the Executive, Committees and chief officers.

Core Principle 3 – promoting values for the authority and showing the values of good governance through upholding high standards of conduct and behaviour

The Council is acknowledged by the Audit Commission as having good governance arrangements.

The Council's vision and aims, as stated in its Corporate Plan (currently under review), Sustainable Community Strategy and Local Development Framework, display its priorities and values.

Member and Officer 'Code of Conduct' protocols are set out within the Constitution.

The Council has adopted a comprehensive good practice protocol for councillors dealing with planning matters.

The Council's Standards Committee, chaired by an independent member of the public, oversees conduct issues.

The Council has adopted a Whistle-

blowing Policy which is incorporated within the conditions of service for officers and is reviewed annually.

The Council has a comprehensive complaints procedure which allows anyone to make a complaint about the Council and the services it provides. This system was enhanced during 2009, with new reporting arrangements recently implemented.

Core Principle 4 – taking informed and transparent decisions which are subject to effective scrutiny and risk management

The Executive is held in public, with an open style and the ability exists for the public to pose questions. It works as a Committee.

Decisions taken by Members across the full democratic process are minuted and published.

The Council runs an effective Overview and Scrutiny Committee.

The Council maintains a public participation scheme, details of which are held within the Constitution. This scheme will be changed in the coming year because of a new statutory duty on public participation.

The financial management of the Council is conducted under the financial rules set out in the Constitution and within Financial Regulations. The Council has appointed the Deputy Chief Executive as the 'Chief Financial Officer' under Section 151 of the Local Government Act 1972. The Medium-Term Financial Plan, updated yearly, supports the medium-term aims of the Corporate Plan. Financial monitoring arrangements are in place and reported at least quarterly to the Executive.

The Executive Committee's yearly budget proposals are reviewed by

the Overview and Scrutiny Committee's Budget Task Group. In the coming year the Task Group is to review some of the budget processes, including the presentation of budget data and monitoring reports (see Significant Governance Issue 2).

The Council has a comprehensive Health & Safety Policy and Risk Register to protect staff and users of services. Issues are overseen by an officer working group.

Freedom of Information Act requests are dealt with under established protocols.

All Committee reports include reference to the potential impact on the Council's priorities and aims, and address financial, risk, equalities and other implications. It is important for the Council to continue to comply with Government policy on areas such as equalities, measured by completing Equality Impact Assessments, where delays have occurred (see Significant Governance Issue 3).

The Council uses active risk management, including –

- Service and Strategic Risk Registers
- Annual Service and Strategic risk assessments
- Quarterly assessment of Service and Strategic Risk Action Plans
- Guidance and training on risk management available to staff
- Involvement by members in the risk management process
- Considering risk implications in all committee reports and decision-making

Core Responsibility 5 – developing the ability and capacity of members and officers to be effective

An induction programme and materials are available for all new staff.

Member training is set through a Member Training Panel and has its own budget.

A central training programme for Officers is set up. During 2009 new arrangements for staff appraisals and development system were introduced. These will play a central role in the personal and professional development of officers through comprehensive assessment of their behavioural and technical competencies, as part of the Council's wider performance management framework.

Core Responsibility 6 – engaging with local people and other stakeholders to ensure robust public accountability

The Community Strategy is comprehensive and in tune with the wider Kent Agreement, as well as local priorities. The Council is working on strengthening the linkages between this and the Corporate Plan. The Council actively takes part in the Ashford (Local Strategic) Partnership, which brings together the strategic aims of local public bodies.

There is regular community engagement with various community groups on issues, including the Council's new Business Plan.

Committee and Council meetings are open to the public, with papers available on-line.

The Council maintains a network of forums with residents and community groups, supplemented by borough-wide communications such as Ashford Voice.

In September 2009 the Council held its annual State of the Borough Debate, providing a forum to reinforce the involvement already shown by its other forms of engagement in the local area.

5. Review of Effectiveness

Ashford Borough Council has responsibility for conducting, at least yearly, a review of the effectiveness of its governance framework including the system of internal control. This review is informed by the work of the executive managers within the authority who have responsibility for the development and maintenance of the governance environment. It is further informed by the Head of Internal Audit's annual report, comments from the external auditors and other review agencies and inspectorates, and from the annual reports of 'governance' committees (Standards, Audit and Overview and Scrutiny Committees). As previously mentioned our external auditors view the Council's governance arrangements as a strength.

The following are integral to preserving sound governance arrangements –

Executive Committee

- Carries out the functions of the Council which are not exercised by the Council itself or delegated by the Council to a Committee or to an Officer. The Executive is also responsible for receiving and responding to reports from the Overview and Scrutiny Committees, the Monitoring Officer, the Chief Financial (Section 151) Officer and recommendations from the Council.

Audit Committee

- Provides independent assurance on the adequacy of the risk

management framework and associated control environment, as well as a central role on reviewing effectiveness. It also provides independent scrutiny of the Council's financial and non-financial performance. The Committee will shortly participate in a 'peer-review' to consider its effectiveness.

Overview and Scrutiny Committee

- Provides a scrutiny role over decisions made by the Executive as well as providing public reviews of issues or council services that affect local people. The Committee reviews its own effectiveness and produces an Annual Report.

Standards Committee

- Set up with Terms of Reference which comply with the guidance set out by the Standards Board for England, including the statutory roles in respect of the local Code of Conduct for members. The Committee produces an Annual Report through the Monitoring Officer (see below).

Selection & Constitutional Review Committee

- Responsible for reviewing representation of Committees and outside bodies, and any amendments to the Council's Constitution.

Community Partnership Group

- Reviews the progress on partnership arrangements. Specifically the Group inputs to reviews of the effectiveness of the Local Strategic Partnership, the Crime and Disorder Reduction Partnership, the Community Safety Strategy, the Council's role in the Ashford Future partnership, and pan-Kent public sector partnership arrangements.

Policy Advisory Group

- Promotes policy discussion, with the authority to make recommendations to the Executive.

Management Team

- Provides the strategic direction for internal governance arrangements, working as a senior officer forum for participative decision-making on matters of process and internal management.

Monitoring Officer

- The Council has appointed the Head of Legal & Democratic Services as Monitoring Officer. It is the role of the Monitoring Officer to oversee compliance with established policies, procedures, laws and regulations. The Monitoring Officer presents an annual report to the Council and the Standards Committee about probity and code of conduct issues.

Internal Audit

- Responsible for monitoring the adequacy and effectiveness of the system of governance and internal control, through a risk-based workplan.
- The Internal Team perform under the statutory Code of Practice and best practice professional standards and guidelines. Since 2005 the Council has operated its Internal Audit team in partnership with Maidstone Borough Council. From 1st April 2010 the partnership arrangements are extended to Swale and Tunbridge Wells Borough Councils.
- The reporting arrangements for Internal Audit require a report of each audit to the relevant Head of Service with a copy to the Chief

Executive and Deputy Chief Executive. The report includes recommendations for improvements to internal controls and these are detailed within an Action Plan for agreement or rejection by Heads of Service. The Internal Audit Annual Report contains a statement / judgement on the overall levels of internal control (a view based on the relative significance of the systems reviewed during the year).

External Audit

- Under the Audit Commission's Code of Audit Practice, the council receives regular reports on its internal control environment from External Audit partners, including governance, performance, risk and financial management.

6. Partnerships

The Council continues to perform most of its core responsibilities internally, but recognises the increased importance of working in partnership within the public sector to collaboratively deliver better services. All these partnerships preserve their own individual governance arrangements.

The Council has a formal partnership, through a service level agreement, with the Ashford's Future Company to deliver development and economic growth. Ashford's Future Company was set up with agreed Articles of Association, and the Council is one of the founding partners on the Partnership Board. However, the Council remains the statutory planning authority for the whole Borough Council area. It is also the Accountable Body for part of the Government capital funding available to the Partnership, although much of the day-to-day administration is delegated to the Company. A recent internal audit review has been

completed and results will be reported to the Audit Committee later in the year.

The Council is involved in some shared services, joint-working and information-sharing initiatives with other local authorities, including the 'Mid-Kent Improvement Partnership', with the aim of delivering greater value for money and resilience through collaboration.

Extensive governance arrangements are in place for shared service work and other partnerships. This includes the Kent Local Area Agreement (KLAA), where the Kent Public Service Board, for the Kent Partnership, oversees the Governance Framework for the KLAA.

The Crime and Disorder Reduction partnership holds weekly liaison meetings of the partner groups to assess issues surrounding antisocial behaviour. The Community Safety Unit reports quarterly to the Community Safety Partnership.

However, The Audit Commission has recommended strengthening arrangements for measuring the

accountability and effectiveness of the Council's partnerships (see Significant Governance Issue 4).

7. The Governance Management Board

A Governance Management Board, consisting of the following members and officers has been set up to review yearly the Annual Governance Statement –

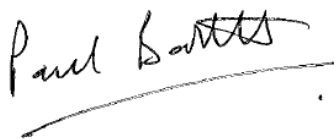
- Chief Executive
- Deputy Chief Executive (Section 151 Officer)
- Head of Legal Services (Monitoring Officer)
- Head of Internal Audit
- Chairmen of the Overview and Scrutiny, Audit, Selection & Constitutional Review and Standards Committees

This group examines the draft Governance Statement before recommending its adoption to the Audit Committee.

8. Significant Governance Issues

Governance Issues	Planned Improvements
<p>1. A lack of strategic prioritisation and therefore direction for the Council.</p> <p>This Audit Commission's 'Organisational Assessment' of the Council for 2008/09 raised this issue, stating that <i>'The Council often does not know if the work it is doing itself and with partners is making a difference to local people.'</i> Clear priorities should then inform performance management and workforce planning arrangements.</p>	<p>The Council has recently engaged in widespread community consultation for the drawing-up of its new Business Plan, and is looking to reprioritise its spending around those areas considered of real importance by local residents. The results of this consultation with and involvement by the community will feed into recommendations for policy change later in 2010.</p>

Governance Issues	Planned Improvements
<p>2. Financial Reporting and Budget Presentation</p> <p>In part this refers to matters raised by our external auditor about the need to <i>‘review and strengthen quality control arrangement for the production of the annual accounts’</i>. It also refers to matters raised by the Overview and Scrutiny Committee about presenting budget information and monitoring reports during its scrutiny of the 2010-2011 Budget and improvements considered necessary.</p>	<p>Arrangements are already in hand to address the issues raised by our external auditors about the Final Accounts and will be the subject of review at the next Final Accounts audit in 2010.</p> <p>The Management Team, through the Finance Manager and Deputy Chief Executive is actively considering improvements to presenting budgetary information and financial monitoring reports to aid stronger understanding and scrutiny by Members. Consultation with relevant members is planned. Internal Audit will also be reviewing this matter during 2010.</p>
<p>3. Equalities Impact Assessments</p> <p>This refers to the continuing work of the Overview and Scrutiny Committee that is overseeing services’ progress with fulfilling the Council’s equalities duties. This includes completion of Impact Assessment against current priorities and policies (where there has been better progress during 2009/2010, but the work is not fully complete) and further progress on the Council’s Equality Scheme. The new Equalities Act will also begin to have an impact on services during the next year.</p>	<p>This is a continuing issue which is programmed for further review by the Overview and Scrutiny Committee. The primary focus is on complying with Equalities Assessment needs before drafting of any suitable policy changes may begin.</p> <p>Ashford Borough Council is currently assessing the implications of the new Equalities Act, and will report accordingly.</p>
<p>4. Partnership-working.</p> <p>A follow-on from a recommendation made by our external auditors about continuing to develop our arrangements for measuring the accountability and effectiveness of partnership working.</p>	<p>Reviews of the Council’s partnership arrangements by both internal and external audit teams are planned to be reported later in 2010.</p>



Cllr Paul Bartlett

Leader of the Council

29th June 2010



John Bunnett

Chief Executive