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**Annual
Governance
Statement
2012/13**

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Introduction

1. Scope and Responsibility

- 1.1 Burnley Borough 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. Burnley Borough Council has also 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, Burnley Borough Council is responsible for putting in place proper arrangements for the governance of its affairs; facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 Burnley Borough Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA¹/SOLACE² Framework *Delivering Good Governance in Local Government*. A copy of the code is on our website at:

http://www.burnley.gov.uk/sites/default/files/Changes_to_the_Constitution_Code_of_Corporate_Governance.pdf

Or can be obtained from:

Chief Executives Office
Burnley Borough Council
Town Hall
Manchester Road
Burnley
BB11 9SA.

- 1.4 This statement explains how Burnley Borough Council has complied with the Code and also meets the requirements of regulation 4[3] of the Accounts and Audit (England) Regulations 2011, which requires all relevant bodies to prepare 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 its communities. 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 services and value for money.
- 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 the risks to the achievement of Burnley Borough Council's policies, aims and objectives, to evaluate the likelihood and potential

¹ Chartered Institute of Public Finance and Accountancy

² Society of Local Authority Chief Executives

impact of those risks being realised, and to manage them efficiently, effectively and economically.

- 2.3 The Governance Framework has been in place at Burnley Borough Council for the year ended 31 March 2013 and up to the date of approval of the Annual Statement of Accounts.

3. The Governance Framework

- 3.1 Some of the key features of the Governance Framework are set out in the following paragraphs.

- 3.2 The Strategic Plan sets out the contribution we will make to enabling communities in Burnley to thrive now and in the future. From 2011/12 it has been linked to the budget, ensuring that the aspirations in the plan are realistic in the context of the funding constraints placed on the Council. The Strategic Plan is reviewed annually. The review takes account of feedback from surveys conducted with the public in Burnley and through the Citizen's Panel.

- 3.3 Delivery of the Strategic Plan is supported by Service Plans and individual's Performance Development Reviews. These include competencies, targets and, where appropriate, service standards against which service quality and improvement can be measured.

- 3.4 Burnley Borough Council's Constitution establishes the roles and responsibilities for members of the Executive, Regulatory and Standards Committees, together with officer functions. It includes the Scheme of Delegation, codes of conduct and protocols for member / officer relations. The Constitution is regularly reviewed to ensure that it continues to be fit for purpose.

- 3.5 The Constitution also contains procedure rules including, Standing Orders and Financial Procedure Rules that define how decisions are taken and where authority rests for decision making. The statutory roles of Head of Paid Service, Chief Finance Officer and Monitoring Officer are described together with their contributions to provide robust assurance on governance and that expenditure is lawful and in line with approved budgets and procedures. The influence and oversight exerted by the Head of Paid Service (the Chief Executive) and the Chief Finance Officer (Director of Resources) is backed by the post-holders' membership of the Management Team.

- 3.6 The Chief Financial Officer has responsibility for the proper administration of the Council's financial affairs. This includes responsibility for maintaining and reviewing Financial Procedure Rules to ensure they remain fit for purpose and submitting additions or changes necessary to the Full Council for approval. The Chief Financial Officer is also responsible for reporting, where appropriate, breaches of the Rules to the Executive and/or the Council. The Chief Financial Officer (Director of Resources) reports directly to the Chief Executive and sits on Management Team.

- 3.7 The Head of Finance and Property Management fulfils the role of Head of Internal Audit. This includes championing best practice and assessing adequacy in governance, management and risk, providing an opinion on these aspects, and leading an effective Internal Audit service.

- 3.8 The Full Council and the Executive are the decision making bodies of the Council. Regulatory Committees operate development control and other delegated decisions. The Council's Scrutiny Committees work to improve service delivery and to review the

Executive decisions The Audit Committee oversees the review of the Council's audit and governance arrangements and the production of this statement.

- 3.9 A complaints procedure and a whistle-blowing policy are maintained and regularly reviewed, providing the opportunity for members of the public and staff to raise concerns when they believe that appropriate standards have not been met. The Standards Committee is responsible for overseeing the investigation of complaints against members.
- 3.10 The Council has an embedded risk management function. The Risk Management Policy and Strategy are reviewed regularly. The Risk Management Group draws together risk issues from across the authority to ensure that issues and concerns are shared and that a consistent approach is adopted throughout the organisation.
- 3.11 Training needs of members and officers are identified through appraisal and review processes. Appropriate training is made available to staff to ensure that individuals are able to undertake their present role effectively and that they have the opportunity to develop to meet their and the Council's needs. All newly elected members undertake an induction programme so that they can quickly make an effective contribution to the work of the authority. The Council has achieved Investors in People (IIP) Gold Standard in 2012/13.
- 3.12 The Council is committed to partnership working. The Burnley Action Partnership brings together representatives from across the community and sectors. This provides a community plan on which the strategy of the Council is based. There are visions for Burnley and these have been developed via the Burnley Vision Board. The Burnley Ambassador programme works to promote Burnley in the region and wider area.

The Effectiveness of the Governance Framework

4. Review of Effectiveness

- 4.1 Burnley Borough Council has responsibility for conducting, at least annually a review of the effectiveness of its Governance Framework including the system of internal control. The review of effectiveness is informed by the work of the Management Team who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report and also by the findings and reports issued by the external auditors.
- 4.2 Burnley Borough Council's Internal Audit section, via specific responsibility assigned to the Head of Internal Audit, is required to provide an annual independent and objective opinion to the Authority on its risk management, governance and control environment. The Head of Internal Audit's report for 2012/13 concluded that the Council's internal controls continue to operate effectively.
- 4.3 The review of compliance with the Governance Framework has involved:
- Heads of Service and key officers (CFO, Monitoring Officer and H&S Officer) providing signed Assurance Statements to their Directors. These have been supported by a control and risk self-assessment questionnaire and were collated by Internal Auditors. Directors considered these statements and also signed Assurance Statements to the Chief Executive and Leader.
 - All Executive Members and Chairs of Scrutiny completing a self-assessment questionnaire and providing a signed Assurance Statement to the Leader of the Council and CEO.
 - Internal Audit completing a review of the corporate documents and evidence for the key elements of Governance and Internal Control. The Internal Audit Opinion (draft) is included as part of the consideration as are external audit reports etc.
 - A draft of the AGS is prepared and provided to Management Team.
 - The authorised AGS is then provided to the CEO and Leader to sign.
- 4.4 We have been advised on the implications of the result of the review of the effectiveness of the Governance Framework. Arrangements continue to be regarded as fit for purpose in accordance with the Governance Framework. The review process has highlighted no significant issue regarding the governance environment and the improvement activity required.

5. Action Taken to Address Previous Issues

- 5.1 The table below describes the governance issue identified during 2011/12 and the progress made against it during 2012/13:

Requirement	Action Taken
Reconciliation between payroll and personnel systems need to be completed particularly when changes are made to either.	Burnley payroll staff are now running reports, for starters, leavers and a further detailed payroll report, that are used to reconcile with Personnel information systems. Service units sign-off quarterly salary payments identifying any errors or changes not implemented.

6. Certification

6.1 The Council has governance procedures that contain comprehensive systems, cultures and values by which it is controlled, and through which it engages with the community in a timely, inclusive, open, honest and accountable manner.

Signed.....
Leader of the Council

Signed.....
Chief Executive

Date.....

Date.....