



South Cambridgeshire District Council

Annual Governance Statement 2009/10

For the period 1st April 2009 to 31st March 2010

March 2010

1. SCOPE OF RESPONSIBILITY

South Cambridgeshire 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, 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 continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility South Cambridgeshire District Council is responsible for putting in place proper arrangements for the governance of its affairs, and facilitating the effective exercise of its functions, including arrangements for the management of risk.

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 is on the Council's website at www.scambs.gov.uk. 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.

2. THE PURPOSE OF THE GOVERNANCE FRAMEWORK

The governance framework comprises the systems, processes, culture and values by which the Council is directed and controlled and the activities through which it engages with and leads 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.

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.

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

3. THE GOVERNANCE FRAMEWORK

South Cambridgeshire District Council has a responsibility for ensuring a sound system of governance to meet statutory requirements requiring public authorities to adhere to proper practices in reviewing the effectiveness of their system of internal control and preparing a statement on internal control. This governance statement meets that requirement and sets out brief details of the arrangements the Council has in place regarding the key systems and processes comprising the Council's governance framework. This forms part of the Council's overall assurance framework, which incorporates the Local Code of Governance adopted by the Council covering six core principles and the accompanying supporting principles contained within the CIPFA/SOLACE Framework for delivering good governance in local government (2007).

Principle one: Focusing on the purpose of the authority and on outcomes for the community and creating and implementing a vision for the local area.

- The Council's Vision is 'To make South Cambridgeshire a safe and healthy place where residents are proud to live and where there will be opportunities for employment, enterprise and world-leading innovation. We will be a listening Council, providing a voice for rural life and first class services accessible to all'.
- The Council has established the following aims which set out how the vision will be delivered: -
 - Being a listening council, providing first class services accessible to all
 - Ensuring that South Cambridgeshire continues to be a safe and healthy place for you and your family
 - Making South Cambridgeshire a place in which residents can feel proud to live
 - Assisting provision for local jobs for you and your family
 - Providing a voice for rural life
- These aims are underpinned by approaches which provide a framework showing how the aims will be delivered and specific actions which will be undertaken to deliver the aims.
- The Council has also adopted values to guide the way it works and provides services. These are customer service, improving services, trust and mutual respect.
- The Council has communicated its vision, aims and values internally through monthly Corporate Briefs to staff, the internal staff magazine 'Scene' and the intranet "In-Site". They have also been communicated to South Cambridgeshire residents through its quarterly magazine "South Cambs" and via the website.
- The Council produced a Corporate Plan for 2009/10, which set out key achievements for 2008/09 and the challenges and priorities for 2009/10 and demonstrated how the Council planned to meet these challenges during the year, how it has continued to ensure improvements and managed resources effectively to deliver high quality services to the whole community. The Corporate Plan is available on the Council's website.

- The Corporate Plan is underpinned by service plans for 2009/10 setting out the actions to be taken and targets to be met. Achievement of these plans is regularly monitored by service managers.
- The Policy and Performance service drives delivery of the Corporate Plan, working closely with services to spread best practice, track performance and strengthen performance against local targets. The performance management framework monitors delivery against targets and the Cabinet or Portfolio Holder receives quarterly integrated business monitoring reports, which incorporate the Council's financial performance.
- During the year the Council set out a three year action plan for improving performance. A performance improvement group comprising of the Portfolio Holder (Policy and Performance) and an officer from each service has been set up to monitor progress on the action plan. This group will meet monthly to highlight performance issues which can then be dealt with.
- The Council has a Medium Term Financial Strategy, which is reviewed and updated annually as part of the budget setting process to support the achievement of the Council's corporate objectives. The budget and policy framework outlines the process and timetable to be followed each year when setting the Council's budget. The financial management framework includes regular budget monitoring reports to the Senior Management Team, Executive Management Team, Executive and Portfolio Holder meetings to ensure best use of council resources.
- The achievement of efficiency savings is monitored through the efficiency savings group. Each service plan includes a value for money overview which is being further developed for 2010 by the introduction of a value for money template and an assessment of value for money for each service. The annual audit letter for 2008/09 gave an unqualified value for money conclusion.
- Partnership working is an essential element for the Council to deliver its services effectively and assist the Council in meeting its objectives. In order to ensure that the Council participates in successful partnerships with robust governance arrangements, the Council has adopted a "Partnership Toolkit" that covers eight partnership standards agreed by the Corporate Governance Committee. Standard Terms of Reference headings based on national guidance are included in the toolkit for use in all partnerships led by the Council.
- The Council has a full list of all its partnerships and each of these has been scored to identify the key partnerships. All key partnerships are risk assessed and any scoring above the threshold would be included in the risk register which is regularly monitored. Currently none score above the threshold.
- The Local Strategic Partnership provides a framework for addressing the social, economic and environmental concerns of people in South Cambridgeshire through partnership working. The Council's Sustainable Community Strategy, agreed in March 2008, outlines the LSP's long-term vision for a sustainable South Cambridgeshire as well as its three year objectives and priorities. The South

Cambridgeshire Local Strategic Partnership Board meets regularly to discuss progress against indicators and targets. The Board is to merge with Cambridge City LSP to increase efficiency and effectiveness.

Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles.

- The Constitution was last updated in January 2010 and acts as the guide for the operations of the Council and identifies the roles and responsibilities of the Executive, Officers and Members. The Constitution also identifies the delegation of responsibilities for Council functions through Committees, the Executive, portfolio holders and officers, and sets out how decisions are made. It sets out management and operational responsibility within the Council. All decisions are published in a weekly e-bulletin, which is distributed to all Members, staff and all parish councils within the district.
- The Constitution contains Codes of Conduct for officers and members, a protocol for member/officer relations and full job descriptions for Members, including role descriptions for Chairmen of the Council's Committees.
- The Monitoring Officer and Democratic Services team maintain up to date versions of the Constitution and ensure decision-making is fair and lawful. Advice from the Monitoring Officer and/or the Chief Finance Officer is taken on whether any decisions are outside the budget and policy framework. All Executive reports are forwarded to Legal and Finance prior to publication for input into the implications of proposed actions and strategies.
- The roles and responsibilities of statutory officers are set out in the Constitution and job descriptions. The Chief Executive is designated Head of the Paid Service, the Executive Director (Corporate Services) is the designated Chief Finance Officer responsible for the proper administration of the Council's financial affairs under Section 151 of the Local Government Act 1972 and the Executive Director (Operational Services) is the Monitoring Officer.
- A remuneration panel is in place to monitor and review the remuneration of members each financial year. A local agreement covers pay and conditions for officers, a steering group has been set up to review all pay and benefits and a full job evaluation exercise is underway.
- Service delivery is monitored through quarterly integrated business monitoring reports, covering the following areas:
 - Financial Performance
 - Corporate Plan Performance
 - CORVU – Integrated Performance Management System

Principle 3: Promoting values for the authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.

- The Constitution acts as the guide for the operations of the Council and identifies the roles and responsibilities of the executive, officers and Members.
- The Constitution is supported by operational procedure manuals containing information on financial regulations, contract regulations, business procedures and processes to be followed in all areas of the Council.
- Expected standards of conduct and behaviour are set out in the Code of Conduct and other protocols contained within the Constitution. All members have also been given a Members' Toolkit which includes the Code of Conduct and all other relevant protocols and guidance for members. All members have been trained on the Code of Conduct.
- The Code of Conduct addresses the issue of members not taking part in decision-making if they have declared a prejudicial interest and about registration and declaration of personal interests. Declarations of interest are a standing item on all agendas. A register of interests for all members including co-optees on to the Standards Committee is updated annually and shown on the website.
- The Constitution also includes an Anti-theft, Fraud and Corruption Policy.
- Members are asked to sign up to a Member Undertaking to show their commitment to abide by the codes and protocols as a demonstration of support for the high standards of personal behaviour by Members and good working relationships with officers.
- Officers are bound by their own Code of Conduct which sets out guidelines for officer behaviour.
- The Member Toolkit contains an internal disputes resolution procedure which can be used to deal with alleged breaches of the Code of Conduct.
- The Council has adopted four values; customer service, improving services, trust and mutual respect which underpin the way it works and provides services. A programme is underway to embed these values throughout the organisation and they are incorporated into the staff appraisal system.
- The Standards Committee promotes and maintains high standards of conduct within the Council and its' Parish Councils. The Committee assesses, reviews and makes determinations in respect of allegations of misconduct against district and parish councillors, and makes recommendations to Council on matters such as reviews of the Code of Conduct. It currently has 19 members: 8 Council Members who are appointed by Council; 4 Parish members who are nominated by Parish Councils and there are 7 independent (lay) members whose appointment is ratified by Council.
- The Standards Committee has been recognised nationally as an example of best practice and short-listed for the LGC awards in the Standards and Ethics category.

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

- The Constitution acts as the guide for the operations of the council and identifies the roles and responsibilities of the executive, officers and Members. The Constitution also identifies the delegation of responsibilities for Council Functions through Committees and sets out how decisions are made. All decisions are published in a weekly e-bulletin, which is distributed to all Members, staff and the 90 parish councils within the Council's area.
- The Council has a Scrutiny and Overview Committee with terms of reference and operating procedures set out in the Constitution. The committee can call in for review any decision made by the Executive, Individual Portfolio Holders or by officers. The Committee uses task and finish groups to carry out specific pieces of work. A timetable for scrutiny programme planning sets out deadlines and an annual Scrutiny and Overview Committee report is produced to the annual meeting of Council.
- Portfolio Holder meetings are open to the public and, wherever possible, decisions are taken at these regularly scheduled meetings, in line with the Constitution. Matters decided outside of the formal meetings, for reasons of urgency, are published on pro-forma decision sheets. A member of the Scrutiny and Overview Committee attends all portfolio holders meetings.
- Forward plans showing all decisions coming up are produced for meetings of executive portfolio holders, the Cabinet, the Council and senior management team. These plans are published on the website.
- All agendas and reports plus relevant supporting documents are available on the website in compliance with the statutory deadline for publication of five clear working days.
- The Corporate Governance Committee takes responsibility for all governance arrangements within the Council and undertakes the core functions of the Audit Committee.
- The Council has a complaints procedure in place. Complaints are reported to the Senior Management Team and Portfolio Holders on a quarterly basis. Complaints are also reported to the Scrutiny and Overview Committee. The complaints policy has been reviewed during 2009/10 and will now incorporate complaints, compliments and comments. A "Learning from complaints" form has also been introduced in 2009/10.
- A standard report template is used for all meetings which requires authors to cover all options, relevant background, details of consultation, key implications (financial, human resources, legal and equal opportunities) and how the matter contributes to the Council meeting its corporate objectives and service priorities.
- The Council's legal team provides advice to decision makers on areas that have legal implications and financial advice is provided by the accountants. Suitably qualified staff are employed within the legal and financial teams.

- The Council's Risk Management Strategy has been reviewed during the year for approval by the Corporate Governance Committee. The document acknowledges the obligation to minimise adverse risk and details the process for identifying, recording, assessing, managing and reviewing risk. A strategic risk register has been compiled and is reviewed quarterly by the Executive Management Team and Corporate Governance Committee. Project, partnership and service risk registers are also in place, these are reviewed quarterly by departmental management teams and annually by the Executive Management Team on a rolling programme.
- As part of the Internal Audit plan for 2009/10 a follow up to the risk maturity audit was carried out to determine how embedded risk management arrangements are within the Council. The Council was deemed to be "Risk Managed" which equates to a score of four out of five, an improvement on the previous years audit.
- The Council has a Code of Conduct for staff incorporated in the Constitution, an Anti-Theft, Fraud and Corruption Policy and Capability and Disciplinary Procedures.
- The Council's Whistle-Blowing policy has been promoted and communicated to staff throughout the year through "In-Site", "Scene" magazine, and display of posters throughout South Cambridgeshire Hall and at the depot. This policy is included as a standing item on Standards Committee agendas.
- The Council has an in-house legal team supporting Members and all sections of the Council. The Legal and Democratic Services Manager attends all meetings of the Council and a senior lawyer is always in attendance at regulatory committees to ensure that the limits of lawful activity are not breached and that decision-making is fair.

Principle 5: Developing the capacity and capability of Members and officers to be effective.

- An induction programme is in place for newly elected and re-elected members. An Induction Pack is also provided to all new and continuing Members. In addition, members are provided with a copy of the Member Toolkit which contains more detailed information about standards expected of councillors, and includes vital documents such as the Code of Conduct.
- The Council has agreed a Member Development Strategy 2008 – 2011 which requires all members to carry out an annual self-assessment of their training needs. The results from the self-assessment are built into the member training and development programme. This will assist members to build their skills to enable them to play a full part in the work of the Council and in leading their communities.
- A system of one to one meetings between Committee chairs and their members is planned for 2010.
- Upon appointment, new officers will attend an induction session with the Chief Executive followed by a formal half-day induction and a departmental induction programme with their line manager.

- Ongoing training needs are identified through the staff Performance and Development Review (PDR) scheme and all staff have personal development plans. A management competency framework has also been developed and the competencies are reviewed through the appraisal scheme.
- The Council's Workforce Plan was refreshed during the year to take into account the developments during the year, new challenges facing the Council, corporate objectives and requirements identified within service plans.
- All posts within the Council have a detailed job description and person specification to ensure that staff are suitably qualified to undertake their responsibilities.
- All staff are subject to the Council's PDR scheme which establishes clear links between tangible performance objectives, targets, service plans and corporate objectives. It will enable agreed incremental progression, improve performance, identify development opportunities and improve communications and relationships.
- All staff have the option to apply for support in relation to further education and professional development leading to recognised qualifications, which meet business need, enhance or develop job performance and/or contribute to future role requirements.
- The Executive Management Team has benefited from specific training to develop its capacity.
- The Council has been awarded the Investors in People Standard by demonstrating its commitment to improving business performance through its most valuable asset – its people. This award reflects the very strong ethos of providing development and personal support for staff, a good work – life balance, open and approachable managers, excellent career and professional development, high levels of service to residents, a sound appraisal process and staff involvement in the planning process.

Principle 6: Engaging with local people and other stakeholders to ensure robust public accountability.

- The terms of reference for the Scrutiny and Overview Committee include consideration and implementation of mechanisms to encourage and enhance community participation in the development of policy options. Stakeholders are invited to attend meetings and contribute to the Committee's work programmes including co-option onto panels where appropriate. Some meetings are taken out to the community to encourage participation.
- During 2009/10 the Scrutiny and overview Committee established two task and finish groups covering finance and children and young people. Evidence for these groups was provided through a focus group of residents with an interest in finance and 3 members of the Committee interviewing children and young people in schools and youth clubs.

- A timetable for scrutiny programme planning is used that sets out deadlines and an annual Scrutiny and Overview Committee report is produced to the Council. The website includes information on scrutiny and a hand out is provided to residents who attend Scrutiny meetings.
- All Council, Committee, Cabinet and Portfolio meetings are held in an open environment. The right to attend and speak at meetings is enshrined within the Constitution and guidance regarding public speaking is made available on the website. The Council's Planning Committee meetings include the opportunity for public speaking by applicants and objectors in accordance with a protocol.
- Stakeholder forums have been set up for development control and building control agents and environmental health.
- All agendas and minutes of meetings are on the website together with a forward plan and record of decisions made.
- The Council's website contains information on all Council services and provides for feedback to be given. A recent development is the inclusion of a 'Get involved' section.
- The Community Engagement Strategy to meet the new duty to involve (as set out in the Local Government and Public Involvement in Health Act 2007) was implemented in 2009.
- The South Cambs magazine is published four times a year and delivered to every household in the district, updating residents on council news and encouraging residents to ask questions at meetings of Cabinet and Council.
- Briefings are held with the local media on average 6 times a year to enhance communications and maximise coverage on service issues.
- The Council continues to ensure that all communications with the public are accessible to all by providing translation, large print, standard phrase descriptions and Braille.
- The Council's Local Strategic Partnership provides a framework for addressing the social and economic concerns of people in South Cambridgeshire through partnership working. It has been agreed that the LSP will merge with Cambridge City.
- During 2009/10 specific developments include a Gypsy and Traveller Community Strategy, a Community Transport Plan to engage those in rural areas and a comprehensive Equalities Policy. A Youth Participation Strategy is being consulted on.
- Liaison with Parish Councils has been improved by the introduction of 6 monthly meetings and quarterly parish planning meetings.
- The Corporate Plan published annually includes a review of performance during the last year and plans for the following year. Performance and value for money

information is provided in the Council Tax leaflet which has been enhanced and improved.

4. REVIEW OF EFFECTIVENESS

South Cambridgeshire District Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control.

This review of effectiveness is informed by the work of the senior managers within the Council who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, and also by comments made by the external auditors and other review agencies and inspectorates, including the Audit Commission through the CGI; CPA; Use of Resources and Direction of Travel statements.

The following actions and processes have been applied in maintaining and reviewing the effectiveness of the governance framework over the last twelve months:

The Council and its Senior Management Team have developed and implemented a number of policies and corporate documents as well carrying out a number of actions, as follows: -

- The Corporate Plan 2009/10 was agreed setting out the priorities for the year and how these will be delivered.
- The Council's Constitution has been reviewed throughout the year to reflect key changes in policy.
- The Partnership Toolkit was reviewed and refined to ensure all partnership arrangements have been assessed and have adequate governance arrangements in place in order to meet the Councils objectives.
- The Medium Term Financial Strategy has been reviewed and updated and is embedded in the business planning process.
- Under the harder Use of Resources test for 2009 the Council achieved a score of level 2 confirming that it is performing adequately.
- The Capital Strategy has been further developed to maximise the contribution of the capital programme towards the achievement of the Council's corporate objectives.
- The corporate management structure has been reviewed and an Executive Director (Corporate Services) appointed with S151 responsibility.
- Work has been ongoing to embed the Council's values throughout the authority.
- The stock transfer ballot held in May/June 2009 resulted in the Council being retained as landlord.
- The Council's risk management strategy has been reviewed.
- Liaison with Parish Councils has been improved by the introduction of 6 monthly meetings and parish planning meetings held every 3 months.
- A Gypsy and Traveller Community Strategy has been adopted and a Gypsy and Traveller Development Plan document consulted on.

The Corporate Governance Committee:

- Monitored performance of the Internal Audit function through quarterly reports
- Approved the Internal Audit Strategic Plan
- Reviewed the Assurance Framework and Annual Governance Statement
- Reviewed the Local Strategic Partnership - Governance Arrangements – this was done by Cabinet.
- Reviewed the Strategic Risk Register on a quarterly basis and approved a revised Risk Management Strategy.
- Approved the Statement of Accounts for 2008/2009
- Reviewed the Comprehensive Area Assessment and Use of Resources updates

The Scrutiny and Overview Committee:

- Completed work and made recommendations to Cabinet from two task and finish groups looking at financial improvements and meeting the needs of children and young people.
- Reviewed the work of the Crime and Disorder Partnership, the Health Service and the Local Strategic Partnership.
- Scrutinised the case for providing the revenue and benefits service in partnership with Uttlesford District Council.
- Provided robust scrutiny and challenge on the financial outturn for 2008/09, the budget for 2010/11 and the medium term financial strategy.
- Examined the Council's process for determining those planning applications that are delegated to officers which resulted in the development of a revised procedure.
- Considered the implications of retaining the housing stock and challenged the methodology used for the stock condition survey.
- Monitored the progress against the action plan for supporting businesses through the economic downturn.
- Provided challenge in the Council's process of self-evaluation against the Equalities Standard for Local Government.
- Examined other issues including the Performance Improvement Strategy, Choice Based Lettings, the Corporate Plan and the draft Youth Participation Strategy.
- Provided scrutiny monitors to attend each portfolio holders' meetings acting as a bridge between Scrutiny and the Cabinet.
- Carried out training with a trainer from the Improvement and Development Agency (IDEA) to refresh monitor skills and share good practice.
- The call-in procedure was used twice during 2009/10 the first to examine a decision regarding the security of councillors' email accounts and the second relating to the decision-making process around the merger of the revenues and benefits service
- Reviewed the continuation of holding meetings at 'off-site' venues as a result of feedback and attendance figures. It was decided to continue with some off-site meetings depending on the agenda.

The Standards Committee:

- Arranged for representatives to attend the 2009 Annual Assembly of Standards Committee
- Considered allegations of breaches of the Code of Conduct at meetings of the Assessment and Review Panels
- Monitored the handling of complaints through quarterly reports from its Assessment, Review and Hearings Panels
- Received updates on references made to Standards Board for England (SBE) and reports of Local Investigations
- Agreed a Standards Committee work programme
- Established links with Corporate Governance Committee and the Chief Executive, leader and group leaders to promote the work of the committee across the council
- Submitted quarterly reports to Standards Board for England
- Monitored the Operation of the Code of Conduct
- Provided advice and training to District and Parish Councillors in relation to the Code of Conduct
- Monitored the operation of the Council's Whistle-blowing Policy
- Established a Parish Liaison Working Group and issued hard copies of the Parish Council Governance Toolkit designed to help ensure good governance for town and parish councils. This was accompanied by the Standards Committee's own meeting preparation checklist for parish councils.
- Published 3 newsletters distributed to parish councils, district councillors and available on the Standards Committee website to raise the Committee's profile locally and provide guidance on the Code of Conduct.
- Articles about the Standards Committee have appeared in each quarterly issue of the South Cambs magazine.
- Held a seminar for officers to explain the role of the Committee and the procedure to follow if an officer made a complaint about a breach of the Code of Conduct.
- Organised training for parish councils in conjunction with the Cambridgeshire and Peterborough Association of Local Councils.
- Held workshops and training sessions for committee members before or after each regularly scheduled meeting.
- Recommended to Council changes to the Members' Allowances Scheme in respect of the effect on allowances of suspension or partial suspension.
- Received national recognition in the Standards for England annual review of 2008/09 and short-listed for the Local Government Chronicle Awards in the Standards and Ethics category.

External Audit and Audit Commission's comments:

- The Council has achieved scores of 2 out of 4 on both use of resources and managing performance.
- The Council's direction of travel is positive.
- The Council's Statement of Accounts 2008/09 received an unqualified opinion from External Audit.
- The Council's was given an unqualified value for money conclusion for 2008/09.
- The Council's internal control environment during 2008/09 was deemed to be adequate.

The Council's Assurance Framework:

The assurance framework is underpinned by the following processes and policies:

- Corporate objectives and priority setting
- Service planning process
- Annual budget and budgetary control process
- Performance management framework
- Self assessment against the local code of governance
- Risk Management Strategy
- Anti Theft, Fraud and Corruption Policy
- Whistleblowing Policy
- Codes of Conduct / Ethical Standards
- Financial Regulations and Contract Regulations
- Partnership protocols
- Constitution
- Data Quality Strategy

The framework is also informed by the views of Internal and External Audit and other review agencies.

Internal Audit:

- The internal audit provision is managed, independently, by the Audit Partner and operates in accordance with the CIPFA Code of Practice for Internal Audit in Local Government 2006.
- The Audit Plan is prioritised by a combination of the key internal controls, assessment and review on the basis of risk and the Council's corporate governance arrangements, including risk management.
- Regular meetings between the internal and external auditor and review of the internal audit work by external audit ensure that duplication of effort is avoided.
- All Audit reports include an audit opinion on the adequacy of internal control; direction of travel and prioritised action plans to address any areas requiring improvement. Audit reports are submitted to the Chief Executive, Executive Director and Corporate Managers as appropriate; the Corporate Governance Committee receives regular updates on progress of the plan and full reports on request.

Internal Audit Opinion

The Internal Audit Opinion for 2009/19 is as follows:

"We are satisfied that sufficient internal audit work has been undertaken to allow us to draw a reasonable conclusion on the adequacy and effectiveness of South Cambridgeshire District Council's arrangements.

In our opinion, based on the work we have undertaken, for the 12 months ended 31 March 2010 South Cambridgeshire District Council has adequate and effective risk management, control and governance processes to manage the achievement of the organisation's objectives."

Internal Audit reviewed the Council's risk management policy, Risk Register and the embedding of Risk Management and undertook a review of the Council's risk maturity and concluded that the Council is a "Risk Managed" organisation. This, the second-

highest level achievable, is defined as the council having an “enterprise-wide risk management approach considering risk at highest level but could be further embedded in decision making”.

Only one audit, the ICT Review, had a “Limited Assurance” opinion. The Council has already put steps in place to address the findings of this Audit and this action should be completed by the end of July 2010.

5. IMPROVEMENTS DURING THE YEAR

This table highlights the progress made on the sole issue that was identified in the 2008/09 review as significant:

2008/2009 Recommendation	Progress in 2009/2010
1) Following on from recommendation 4 from 07/08 the Council to ensure that CORVU use is implemented successfully.	The CORVU system has been implemented and is providing ongoing information for the monitoring of performance. Developments are ongoing to ensure that the system is used to its full capacity. Training has been provided.

6. SIGNIFICANT GOVERNANCE ISSUES

No issues which may be regarded as significant were identified during 2009/10 as a result of the review of arrangements and by the work of external and internal audit .

Although not classed as significant, the following issues have been identified as meriting attention to further strengthen effective corporate governance:

2009/2010 Recommendation	Action Planned for 2010/2011
1) Continue to develop the CORVU system to ensure that it is used to full capacity.	<i>CorVu system is being well used throughout the authority, however a post-implementation action plan will be put in place in 2010/11 to ensure that it is easy to use and relevant, that is being used to its full capacity and to further develop the system</i>
2) Ensure full integration between financial and performance monitoring.	<i>Good progress has been made in 2009/10 with the integrated business monitoring reports starting to make links between finance and performance when necessary. This development will continue into 2010/11 with links being highlighted where appropriate to enable policy decisions to be made.</i>

<p>3) Develop procedures to share and receive quality information in respect of partnerships and provide more systematic reporting.</p>	<p><i>It will be ensured that elected members are briefed to update cabinet meetings on key partnerships. Important information from key partnerships will also be included in CCS e-newsletter outlined in 4 below.</i></p>
<p>4) Ensure that the system of learning from complaints is implemented and information disseminated throughout the organisation.</p>	<p><i>As number 2, good progress has been made in 2009/10 but it is accepted that further development is needed. Use of the learning forms will be enhanced and learning will be made a separate section on the quarterly reports. Community and Customer Services will circulate regular e-newsletters outlining with learning from complaints, consultations etc to the rest of the organisation.</i></p>

These improvements are planned to strengthen effective corporate governance.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Council's Corporate Governance Committee and a plan to address weaknesses and ensure continuous improvement of the system is in place.

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed

Signed

Date:
Greg Harlock
Chief Executive

Date:
Councillor Ray Manning
Leader of the Council