

Scope of Responsibility

Bromley 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. Bromley 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, Bromley is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, and which includes arrangements for the management of risk.

Bromley 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 our website at www.bromley.gov or can be obtained from Legal, Democratic and Customer Services, Bromley Civic Centre, Stockwell Close, Bromley BR1 3UH. This statement explains how Bromley 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.

The Purpose of the Governance Framework

The governance framework comprises the systems and processes, and culture and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

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 Bromley'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 Bromley for the year ended 31 March 2010 and up to the date of approval of the annual report and statement of accounts.

The Governance Framework

The key elements of the systems and processes that comprise Bromley's governance arrangements are set out in the following sections:

1) Identifying and communicating Bromley's vision of its purpose and intended outcomes for citizens and service users:

Our purpose is to enhance quality of life in the Borough. Our vision for Bromley is that it remains the place where people choose to live and do business. We want to be seen as excellent in the eyes of local people.

'Building a Better Bromley - 2020 Vision' is our shared partnership long-term 'sustainable community strategy' for improving quality of life in the Borough. This is a comprehensive 10-year strategy to improve the economic, social and environmental well-being and health of people who live and work in

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the Borough. The plan sets the direction and policies which other plans should help to deliver and has been agreed by the Council and the Bromley Local Strategic Partnership in consultation with other stakeholders having an interest in effective public services in the Borough.

The future for Bromley is described in eight vision statements which cover:

- Children and Young People – ‘all children and young people achieve their potential’
- Housing – ‘housing of highest quality, meeting local needs’
- Safer Communities – ‘seen as one of London’s safest boroughs’
- Prosperous and Thriving – ‘one of the most prosperous, thriving and skilled boroughs in London’
- Quality Environment – ‘remains the ‘cleanest and greenest’ environment in London’
- Independence and Health – ‘everyone leads active, healthy and independent lives’
- Involving Communities and Citizens – ‘all communities and citizens actively involved and enabled to take greater control’
- Quality Public Service – ‘local public services of the very best quality, working seamlessly in partnership’

The strategy is used as a basis for corporate and service planning and integrated with the Local Area Agreement 2008-11, a 3 year multi-agency delivery plan for the Borough’s priorities. The Local Area Agreement (LAA) enables the Council and its partners to achieve reward monies from central Government subject to achieving agreed local and national outcomes.

Short term priorities are detailed in ‘Building a Better Bromley 2008-10’ which highlights the key actions that form a focus for the Council’s Executive. A summary of the Council’s delivery against our priorities for 2008-09 was published in the local free News Shopper in June 2009.

2) Reviewing Bromley’s vision and its implications for the authority’s governance arrangements:

In July 2004 the London Borough of Bromley announced its priorities for the future, the key aims are:

- Safer communities
- A quality environment
- Vibrant, thriving town centres
- Supporting independence
- Ensuring all children and young people have opportunities to achieve their potential
- An excellent council

This statement reflects the messages obtained from public feedback, and has been refined through annual consultation events. At the same time, the outcomes within Bromley’s long-term strategy have also been revised to ensure a greater alignment with each of the partners’ and the public’s priorities.

To ensure that Bromley is best placed to deliver on Building a Better Bromley through to 2011, alongside new Financial and Human Resources strategies, a significant work programme has been undertaken to develop a ‘Fit for Purpose’ organisation, aligning our Member and departmental structures with our priorities.

As part of ‘Fit for Purpose’ 8 foundation strategy reviews were commissioned by the Chief Executive in 2008 to review how each of the corporate strategies are effectively taking our organisation forward and delivering on our corporate objectives in Building a Better Bromley. The review programme was designed to evaluate and determine how each strategy could be strengthened to achieve national standards and support Bromley’s local priorities to deliver improved outcomes over the next 3 to 5 years. The

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foundation strategies cover: Finance, Customer Focus, Information, Communication and Technology (ICT), Performance Management, Communications, Human Resources, Property and Procurement.

The strategies have been reviewed and revised during the year to ensure they are less standalone and more corporate given their reliance on each other and in particular on the finance and ICT support needed. All the strategies now refer to the 'Corporate Operating Principles' which act as an operational model for our organisation, describing how we will meet the challenge and deliver on our strategic objectives. The challenge is to use our limited resources as effectively as possible, reducing bureaucracy to free up staff to do their jobs to the best of their abilities while empowering our residents. Our 'Corporate Operating Principles' are a key part of the modernisation strategy being put together by senior managers and staff across the organisation as part of our 'Improvement, Efficiency and Effectiveness' agenda.

Equality is integral to all these strategies and is overarching 'does our strategy ensure that all our customers and staff are treated fairly whatever their age, race, gender, sexuality or abilities'. The Council uses equality impact assessment techniques to review and ensure that policies and service delivery are both fair and equitable.

3) Measuring the quality of service for users, for ensuring they are delivered in accordance with Bromley's objectives and for ensuring that they represent the best use of reserves:

We measure our success through a balanced scorecard of:

- Resident perceptions - 'excellent in the eyes of local people'
- Measurable improvements in efficiency, value for money and 'use of resources'
- Local Building a Better Bromley indicators and the Local Area Agreement
- Benchmarks with other comparable councils and in independent assessments
- Extent of delivery of key programmes on time and to budget
- Successful identification and management of key risks to achieving our Building a Better Bromley priorities

The Executive receives a quarterly performance monitoring report 'Are we on track?' which provides Members with an overview of Bromley's council-wide performance. The focus is on the Building a Better Bromley priorities, Member objectives and LAA targets. The report also highlights specific areas of good performance and identifies areas of concern.

4) Defining and documenting the roles and responsibilities of executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication:

Member/Officer roles are defined in the Constitution which sets out how the Council operates, how decisions are made and the procedures which are followed to ensure that decision making is efficient, transparent and accountable to local people. The Constitution Improvement Working Group, which was established in 2008, previously examined the role of the full Council meeting and suggested ways to make it more relevant to the interests and concerns of our residents. In their second report, published in January 2009, they recommended reforms to the Portfolio Holder meeting process and as a result the need for more than 40 meetings was eliminated during the year by improving the pre-scrutiny arrangements in the Policy Development and Scrutiny committee meetings.

In their third report 'Proposals for Reform of Leadership, Executive and other functions', published in October 2009, the Working Group made a number of proposals to ensure that the Council's Constitution met the requirements of the Local Government and Public Involvement in Health Act 2007. The Act required all councils to choose from one of two models for its executive arrangements by the end of 2009

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for implementation after the elections in May 2010; either a directly elected mayor and cabinet or a 'new' leader and cabinet. Following a public consultation the Council held a special meeting in December 2009 and formally adopted the 'new' leader and cabinet model, also known as the 'strong leader' model.

Under this system:

- The Council elects a leader for a four year term from amongst the sixty elected councillors, although there is a provision for the full Council to remove the leader during that time.
- The leader appoints the cabinet (or executive), and decides portfolio holder arrangements and responsibilities and any delegation of executive functions.
- The leader is still elected to represent their ward, and so will need to balance this with their wider leadership role.
- The leader must appoint a deputy who will hold office until the end of the leader's term (although the deputy can be removed and replaced mid-term by the leader). This deputy would take up the role of the leader if the leader is unable to act or the office becomes vacant.

Bromley Council is bound by the government's 'Code of Practice on Publicity' in all its dealings including news releases, leaflets, web pages, exhibition material, events, presentations etc. A Communications Working Group was established by the Executive and Resources Policy Development and Scrutiny Committee in May 2009 to ensure that Bromley Council's communications are using all the channels available in the most effective and efficient ways to reach our diverse audiences.

The review included an assessment of what communications the Council needed to undertake to fulfil its statutory obligations, business requirements, and local residents' requirements; and to review this against current provision to recommend the best ways to undertake the tasks required in an effective and cost-effective way. The Working Group's report 'Receiving you loud and clear' - improving our communications to and from residents, issued in February 2010, included a recommendation that the Council's current media protocols be reviewed. The report is currently under discussion.

5) Developing, communicating and embedding codes of conduct, defining the standards of behaviour for Members and staff:

Bromley has adopted a number of codes and protocols that govern both Member and officer activities which are communicated as part of the induction process and made available via the intranet. These include codes of conduct covering conflicts of interest and gifts and hospitality. This year reflected the increasing emphasis placed on ethical governance issues by key decision makers in Bromley. The Standards Committee had discussions with the Leader of the Council, the Leader of the Liberal Democratic Group and the Chief Executive. In addition the Committee heard from senior officers on the role of Internal Audit, partnership working (including the voluntary sector), planning and development control, and the work of Human Resources including its promotion of anti-bullying measures.

In their annual report the Standards Committee commented that "The Committee has been encouraged to see the personal interest, lead and commitment demonstrated by senior figures on ethical issues, and will be interested in following up how they promote and develop the ethical governance agenda further with their colleagues at all levels."

Bromley was shortlisted for the Standards and Ethics category at the Local Government Chronicle Awards 2010 in recognition of our commitment to communicating standards.

At the request of the Standards Committee information on the Code of Conduct has been included in nomination packs for prospective candidates in the May 2010 local elections and in briefings for candidates and agents. The Standards Committee will also be taking an active role in new councillor

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induction following the election to ensure that, once elected, they are aware of the role the Standards Committee plays in working with them to reinforce positive behaviour at all levels across the Council.

6) Reviewing and updating standing orders, standing financial instructions, a scheme of delegation and supporting procedure notes/manuals, which clearly define how decisions are taken and the processes and controls required to manage risks:

The Director of Legal, Democratic and Customer Services (and Monitoring Officer) reviews and updates the constitutional framework including standing orders and the scheme of delegation on a regular basis.

The Scheme of Delegation to Officers sets out formal delegation of various powers to the Council's Chief Officers and their staff, and is normally updated for approval at the Council's annual meeting each year. The General Purposes and Licensing Committee instigated a full review of the Scheme this year to ensure that this meets the requirements of the Local Government and Public Involvement in Health Act 2007, principally by clarifying whether powers are delegated by the Council, by the Leader in the case of executive powers, or both. The amended Scheme is subject to approval by full Council on 19 May 2010.

The Director of Resources (and Section 151 Officer) likewise reviews and updates financial regulations, contract procedure rules and the scheme of delegation (so far as it relates to financial matters), which are incorporated into the Constitution.

Financial Regulations are one of a set of management documents which collectively control and co-ordinate the financial affairs of the Council. Following a consultation process revised Financial Regulations for Schools and Colleges were approved by full council on 29 March 2010 with effect from April 2010.

The Council's Risk Management Strategy is kept under review to reflect current procedures, guidance issued by CIPFA and best practice. This is overseen by the Risk Management Group, chaired by the Assistant Director Audit and Technical, with representation at a senior level from each department, reporting to Audit Sub-Committee. Each departmental representative acts as risk champion for their area to disseminate risk management information and facilitate the identification and assessment of risks.

7) Ensuring the authority's financial management arrangements conform with the governance requirements of the CIPFA Statement on the Role of the Chief Financial Officer in Local Government (2010).

The Statement sets out five principles that define the core activities and behaviours that belong to the role of the Chief Financial Officer (CFO) in public service organisations and the organisational arrangements needed to support them.

The CFO in a public service organisation:

1. is a key member of the Leadership Team, helping it to develop and implement strategy and resource and deliver the organisation's strategic objectives sustainably and in the public interest.
2. must be actively involved in, and able to bring influence to bear on, all material decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's financial strategy.
3. must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently and effectively.

To deliver these responsibilities the CFO:

4. must lead and direct a finance function that is resources to be fit for purpose
 5. must be professionally qualified and suitably experienced.
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We confirm that Bromley's financial management arrangements conform with the governance requirements of the CIPFA statement on the Role of the Chief Financial Officer in Local Government (2010). The Director of Resources has the role of Chief Financial Officer.

8) Undertaking the core functions of an audit committee, as identified in CIPFA's *Audit Committees - Practical Guidance for Local Authorities*:

The Audit Sub-Committee is responsible for developing and reviewing all aspects of the Council's arrangements for audit and probity specifically including; financial regulations, fraud prevention, internal and external audit reports (in particular audit plans and monitoring audit delivery) and risk management.

It is a sub-committee of the General Purposes and Licensing Committee.

9) Ensuring compliance with relevant laws and regulations, internal policies and procedures, and that expenditure is lawful:

The Director of Legal, Democratic and Customer Services (and Monitoring Officer) is responsible for ensuring the lawfulness and fairness of Council decision making, compliance with codes and protocols, and promoting good governance and high ethical standards.

The Director of Resources (and Section 151 Officer) is responsible for the proper administration of the Council's financial affairs, preparing the Council's statement of accounts in accordance with proper practices, keeping proper accounting records and taking reasonable steps to prevent and detect fraud.

Corporate leadership is provided by Chief Officers' Executive, led by the Chief Executive (and Head of Paid Service) who is responsible and accountable to the Council for all aspects of corporate and operational management.

Internal Audit is responsible for conducting audits, using a risk based approach, to highlight any weaknesses throughout the Council.

10) Whistle-blowing and for receiving and investigating complaints from the public:

Bromley is committed to the highest possible standards of openness, probity and accountability. The Council's confidential reporting code 'Raising Concerns' sets out how employees and contractors working for the Council on council premises can report their major concerns about any aspect of the Council's work including concerns about Members of the Council. This is designed to enable people to raise concerns without fear of victimisation, subsequent discrimination or disadvantage. The code is widely publicised via posters, internal newsletters, the intranet and on the Council's website. The Director of Legal, Democratic and Customer Services has overall responsibility for maintenance and operation of the code and provides an annual report to the Standards Committee.

In the last year three issues have been reported under the scheme, and the concerns have been dealt with appropriately.

Arrangements are in place for receiving and investigating complaints from the public under the Council's 'Getting it Right' procedures - how to complain, make a suggestion or pay a compliment about a council service. There are separate procedures in place for complaints about social care and housing and complaints about schools. Leaflets and forms are available from enquiry points and libraries. Information is also available on the Council's website. The Chief Executive and Director of Legal, Democratic and Customer Services monitor how complaints are handled within departments. Bromley produces an annual report on 'Getting it Right' together with details of complaints referred to the Local Government Ombudsman.

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From May 2008 all complaints about Bromley councillors have been considered by the Standards Committee in the first instance rather than at national level. The Committee has established structures and procedures for local filtering and hearing of complaints. They monitor the conduct of councillors against their compliance with the Code of Conduct, and any complaints received against them. Over the year, two formal complaints were received, relating to two specific incidents. These were filtered by Initial Assessment Sub-Committees of the Standards Committee. In both cases the Initial Assessment Sub-Committee decided to take no further action.

We also await the outcome of one case which was referred for further detailed investigation by the Standards Board in December 2008 and which has been passed on to the Adjudication Panel (now the First-Tier Tribunal (Local Government Standards, England)) for determination. In all cases we have achieved and published our decision well within the 20 day national target timescale.

In their annual report the Standards Committee commented that “we have received relatively few complaints that have required local filtering; we believe that this is a positive situation, and we do not wish to have to exercise this power more than we need to. As such, we look to our councillors to maintain their excellent record of responsible behaviour.”

11) Identifying the development needs of Members and senior officers in relation to their strategic roles, supported by appropriate training:

There is a corporate induction process for Members and officers joining the Council.

Following the May 2010 elections a full programme of induction events has been organised for new councillors. In addition specific training for Members targets areas where local authorities are subject to most challenge. This is supported by a dedicated Member Development site on the intranet.

Officer training needs are identified as part of the annual Performance and Appraisal Development Scheme and there is a comprehensive training programme for all staff. In parallel a ‘Managers’ Toolkit’ site has been developed on the intranet to provide a depository of policies, procedures, guidance and tools to enable all managers across the Council to work more effectively and efficiently.

The Chief Officer Executive has agreed four training and development priorities for the organisation to enable us to achieve our priorities and deliver an even Better Bromley. The priorities are Effective People Management, Strategy and Service Improvement, Personal Effectiveness and Customer Focus.

Every organisation must create its own values and use them to inform and influence other organisational drivers. Bromley has adopted REAL leadership values as the basis for leadership development training for all staff and managers. This is being embedded in our recruitment, performance appraisal and reward and recognition processes. The REAL leadership values are focused around:

Respect, Empower, Ambition, Learn

To support this four generic competencies have been developed to help embed behaviour values. The competences are about the key behaviours that combine with the professional and technical competences to get the job done; Communication, Building Relationships, Continuous Improvement, Responsibility and Accountability.

12) Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation:

A detailed survey was carried out by Facts International during the year on the various aspects of two

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way communication (access into the Council and communications out) between residents and the Council. The top three most frequently used sources of information about the Council are free local newspapers, leaflets delivered to the door and the Council's website. The biggest change, since a previous survey in 2005, has been for the Council's website which is now considered the most useful source of information. However, older residents continue to cite the free local papers and leafleting as the most important source. Residents feel as well informed overall by the Council as they did in 2005, with 57% saying in both surveys that they feel very or fairly well informed.

The proportion of people who say they have contacted the Council in the last 12 months (apart from paying a bill) has risen to 55%, up from 44% in 2005. The main method of contact remains the telephone, although there has been increased use of the website and e-mail. As use of the internet has become more widespread, residents feel more comfortable doing things through the Council's website.

The Communications Working Group of the Executive and Resources Policy Development and Scrutiny Committee recently published their report 'Receiving you loud and clear' – improving our communications to and from residents. In addition our Communications Strategy was revised and updated as part of the foundation strategy review process. Both these will be used to drive forward improvements in how we communicate with our diverse audiences.

A public meeting 'Help set the budget' was held in December 2009 as part of a wider consultation prior to finalising the 2010/11 budget. Topics covered included: resources, sustainability and environment, town centre developments, young people's services and social care/voluntary sector. Consultation papers were also sent to local business representatives for their views and comments including the 20 largest business ratepayers in the borough. In addition, prior to finalising the schools budget the Children and Young People Portfolio Holder consulted Head Teachers, Governors and the Schools Forum.

In all we have carried out 49 consultations this year covering a range of issues including the commissioning of older people's day services, car parking in Bromley, the proposed expansion of four Bromley primary schools, licensing policy enforcement and various customer satisfaction surveys.

The results of the statutory 2008 Place Survey conducted by MORI about local quality of life and public services were released during the year and a summary published on the website. The findings are being used to identify where we need to improve our services. Residents' satisfaction with their local area has increased, with 84% now satisfied compared with 80% in 2007. Less positively, Bromley continues to be perceived as performing relatively less strongly on residents' ability to influence local decisions and on communications. These issues are being addressed as part of improving overall communications.

13) Incorporating good governance arrangements in respect of partnerships and other group working as identified by the Audit Commission's report on the governance of partnerships, and reflecting these in Bromley's overall governance arrangements:

The Local Strategic Partnership (LSP) is a broad-based partnership of local organisations representing the views of residents, and the public, private and voluntary sectors of Bromley. The LSP Executive is the body with the ultimate responsibility for monitoring and holding the thematic partnerships to account for delivering against the borough's priorities. Both the LSP and the main thematic partnerships operate under the 'LSP Terms of Reference and Code of Conduct' setting out the ground rules for the operation of the LSP Family. They are designed to support LSP Family members in understanding their roles and responsibilities and in ensuring the business of the LSP is carried out in an effective, professional and transparent way.

As part of their review the Constitution Improvement Working Group has recommended that the Policy, Development and Scrutiny (PDS) committees pre-scrutinise the agendas of the LSP thematic boards in

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their policy area with the chairman of the relevant board expected to attend the PDS meeting. In addition Members appointed as the Council's representatives on outside organisations with a significant role and budget, will be required to provide a short annual written report to the final Council meeting or relevant PDS Committee. Work has also been undertaken on refreshing the Compact which is an agreement between local public bodies and voluntary groups setting out the key principles and values underpinning the statutory / voluntary sector relationship. It makes commitments on both sides, clarifies what partners can expect from each other and how to work together. The shared principles are: Respect, Honesty, Independence, Diversity, Equality, Citizen Empowerment and Volunteering.

Review of Effectiveness

Bromley 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 Chief Officer Executive, which is the officer managerial board within the authority who have responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's annual report, the Policy Development and Scrutiny annual report, the Standards Committee annual report and also by comments made by the external auditors and other review agencies and inspectorates.

As part of this review the Assistant Directors have completed and signed an Assurance Statement in relation to their own service areas. In turn each Chief Officer has reviewed the effectiveness of key controls, using a detailed checklist, to provide an overall Assurance Statement for their own directorates.

The governance framework and internal control environment encompasses all the organisation's policies, procedures and operations in place. At Bromley this is based on a framework of regular management information, financial regulations, administrative procedures (including segregation of duties), management supervision, and a system of delegation and accountability.

The process of maintaining and reviewing the effectiveness the governance framework including the system of internal control includes the following elements:

Corporate Framework

Bromley's plans outline how we will deliver our priorities and include specific actions and targets that allow us to measure our level of success. Some plans are produced in partnership with other agencies, which help us to focus our resources. The planning framework is arranged under portfolio headings. We currently operate with a Leader and an Executive. The Council maintains the policy and budgetary framework and appoints the Executive. In 2009/10 this contained the Leader and eight Executive members. Six majority members of the Executive were responsible for their portfolios. Each portfolio holder annually outlines, in a 'portfolio plan', their aims over the coming three years, and what they will be doing towards achieving their goals and their performance targets.

Under the Local Government and Public Involvement in Health Act 2007, the Council has adopted the 'new' leader and cabinet system also known as the 'strong leader model' with effect from April 2010. The Leader will personally control all decisions about the Council's executive functions. They can then choose whether to make all decisions personally, or to make arrangements for others to do so (for example, the cabinet, an individual member of cabinet, or certain senior officers).

Formulation of policies and decision making

Policy and decision-making are managed and controlled within a strong well-established framework. The Council's written constitution sets out in detail how the council operates, how decisions are made and the procedures to be followed to ensure efficiency, transparency and accountability. The Constitution

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Improvement Working Group has proposed a number of changes to the Constitution this year in response to the 2007 Act. Political and management control is exercised through the Executive who work to defined and established processes.

Compliance with policies, laws and regulations

Compliance with policies, laws and regulations is dealt with through a range of written rules and procedures which are regularly reviewed and updated. These include the Constitution, Financial Regulations, Codes of Conduct, and the Anti-Fraud and Corruption Strategy.

Performance management

Performance management in Bromley is considered through a range of review arrangements including external inspection bodies, external/internal audit reviews and the detailed monitoring and reporting of national and local performance indicators.

The Improvement, Efficiency and Effectiveness programme provides a planning/budget framework to support divisional, departmental and cross-cutting efficiencies and provides specific reviews to Members and Chief Officers. The work is governed by the Improvement and Efficiency Sub-Committee who are responsible for developing and implementing a Council strategy to achieve greater improvement and efficiency. A quarterly integrated performance monitoring report, 'Are we on track?' is sent to all Members.

Financial management

The financial management of the authority is organised through a wide range of well-established processes and procedures which delivers strong financial control arrangements. Bromley has in place a strategic budget planning process which includes detailed written procedures and which is supported by comprehensive financial regulations and procedures. Members and Chief Officers receive and consider detailed financial information on a regular basis and this facilitates the political decision-making process.

Policy Development and Scrutiny Committees

There are six Policy Development and Scrutiny (PDS) Committees who have a major role in policy development and pre-scrutinising the decisions of the Executive. They have no decision making powers but make reports and recommendations which advise the Executive and the Council as a whole on its policies, budget and service delivery. PDS Committees also monitor the decisions of the Executive. Any five Members can challenge or 'call-in' a decision that has been made by the Executive. This enables them to consider whether the decision of the Executive was appropriate. They may recommend that the Executive reconsider the decision. They may also be consulted by the Executive or the Council on forthcoming decisions and the development of policy.

This has been the first year of the new arrangements whereby there are usually no Portfolio Holder meetings but the appropriate PDS committee discusses the proposed decisions of the Portfolio Holder (PH) and makes recommendations to the PH. The PH then states whether the recommendations will be followed and later makes a decision without the need for a separate meeting. If the PH does not agree with the recommendation then a meeting will be held open to the public. The Executive and Resources PDS Committee has an overarching, coordinating role on behalf of the other five PDS Committees and provides an Annual Report to full Council summarising the work that has been carried out during the year.

The Audit Sub-Committee

The Audit Sub-Committee has the responsibility for developing and keeping under review all aspects of the

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Council's arrangements for audit and probity specifically including:

- Financial regulations
- Fraud prevention
- Internal and external audit
- Risk management

Internal audit reports all significant weaknesses to management and Members in the form of prioritised recommendations. All such recommendations are followed up for implementation or appropriate management action.

The Standards Committee

The Standards Committee has responsibility for promoting and maintaining high standards of behaviour within the authority with respect to all aspects of ethical conduct including member conduct. During the year the membership of the Committee was increased by an additional independent member, and two additional councillors. The Committee now has a membership of 10 of whom 5, including the Chairman, are independent members. The Committee provides an Annual Report to full Council including details of its forward programme of work.

Chief Financial Officer

The role of CFO is performed by the Director of Resources (and Section 151 Officer). He is a member of the Chief Officers' Executive and is responsible for ensuring the proper management of all Bromley's financial affairs. He also deputises for the Chief Executive when he is absent or unable to act.

Internal Audit

Internal audit is an independent appraisal function that acts as a control that measures, evaluates and reports upon the effectiveness of internal controls, financial and others, as a contribution to the efficient use of resources within the authority.

Internal Audit's service aims are to:

- independently review and appraise systems of control throughout the authority and its activities
- ascertain the extent of compliance with procedures, policies, regulations and legislation
- provide reassurance to management and Members that their agreed policies are being carried out effectively
- facilitate good practice in managing risks
- recommend improvements in control, performance and productivity in achieving corporate objectives
- work in partnership with the external auditors
- identify fraud as a consequence of its reviews and to deter crime

An Annual Audit Plan is used to map out the cyclical coverage of fundamental financial systems and other audits. The plan is based on the identification of the Council's systems and activities to be audited, each assessed for risk. Work relating to prevention and detection of fraud and corruption is integrated into this audit planning process.

Internal Audit operates to defined standards as set out in the Chartered Institute of Public Finance and Accountancy (CIPFA) Code of Practice for Internal Audit in Local Government. The effectiveness of the system of the system of Internal Audit is measured by compliance with this code and peer reviews. Internal Audit provides an independent opinion on the adequacy and effectiveness of the system of internal financial

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control. Each audit is reported to the appropriate level of management together with agreed action plans where appropriate. The supporting summaries of audit reports help inform the overall assessment of internal financial controls. The Chief Internal Auditor is empowered to report any matter of concern directly and independently, to the Chief Executive, the Chairman of Audit Sub-Committee or the Leader of the Council, if necessary.

External Inspections

The Audit Commission assessed the Council's performance under the new Comprehensive Area Assessment (CAA) as follows:

“Overall Bromley Council performs well and is doing well in improving the things which are its priorities. The Council's priorities are clear and ambitious for the area, and reflect local people's needs well.”

Managing performance	3 out of 4
Use of resources (see 3 components below)	3 out of 4
Managing finances	3 out of 4
Governing the business	3 out of 4
Managing resources	3 out of 4

3 = An organisation that exceeds minimum requirements - Performs Well

This is a strong score, particularly as the 2009 assessment is new and is designed to be a harder test.

Under the new arrangements Children's Services was rated as 3 - Performs Well and Adult Social Care as 2 - Performs Adequately.

During the last year the Council has received the following assessments from other inspectorates:

Care Quality Commission – Safeguarding Adults; Increased choice and control for older people

Performing adequately in safeguarding adults.

Performing adequately in supporting increased choice and control.

In conclusion the capacity to improve was promising.

Customer Service Excellence standard – Environmental Services Department

“Environmental Services were found to have maintained a deep understanding and a commitment to Customer Service Excellence. The commitment was found from Senior Management levels through to operation and front line staff.”

Lexcel standard – Legal Services

Assessed as having a good level of compliance.

Ofsted – Bromley Adoption Agency

Rated as good – “This is a good service, and one in which the commitment of staff to good outcomes for children is clearly evident.”

Ofsted – Children Social Care Services (Contact, Referral and Assessment Arrangements)

“Safeguarding arrangements are secure, well-established and effective with clear-decision making and timely action to ensure children's safety and well-being.”

The Registrar General – Registrars

Rated as excellent, on both technical service delivery and on customer service.

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Youth Justice Board – Youth Offending Team Partnership (re-inspection)

“Good prospects for improvement”

Action plans to address any issues identified within these services are in place or under development.

We have been advised on the implications of the result of the review of the effectiveness of the governance framework by the Risk Management Group, and a plan to address weaknesses and ensure continuous improvement of the system is in place.

Significant Governance Issues

Good progress has been made on the outstanding control issues identified in previous years. These are no longer considered as significant and now form part of the general ongoing work programme:

Governance Issue	Current Position
<p>The need to ensure that risk management is fully embedded throughout the Council.</p> <p>The need to ensure that key partnership risks are identified and shared amongst all parties.</p>	<p>Actions completed</p> <ul style="list-style-type: none"> • Dedicated risk management site on the intranet • Improvements to risk register to provide links to toolkit and corporate risks • Improvements to risk reporting in the ‘Are we on track?’ quarterly performance monitoring report
	<p>Actions in Progress</p> <ul style="list-style-type: none"> • Rolling programme of training and awareness • Work with Partnership Officer Group on finalising risk registers for the thematic partnerships and the LSP • Review of Risk Management strategy
<p>Full implementation of a practical procurement strategy including strengthening contract management arrangements.</p>	<p>Actions Completed</p> <ul style="list-style-type: none"> • Corporate training on the use of new Contract Procedure Rules • Foundation review outcomes incorporated in to the Procurement strategy • Work on sustainability; the use of whole life costing in decision making and SME engagement
	<p>Actions in Progress</p> <ul style="list-style-type: none"> • Monitor changing relationship with PCT • Review changing legislation for agency staff
<p>Business continuity plans – including work on developing service continuity plans and development of an affordable disaster recovery plan.</p>	<p>Actions Completed</p> <ul style="list-style-type: none"> • Review of issues arising from Exercise Coldplay (Flu Pandemic) including update of action plans. Follow-up exercise run by PCT in November 2009. • Work on ensuring each business area has a designated plan including a Business Impact Analysis and Business Continuity Plan (BCP) • Workshops run for staff and external contractors to enhance their BCP programmes
	<p>Actions in Progress</p> <ul style="list-style-type: none"> • Review existing BCPs as part of overall Business Continuity Management programme • Review of BCPs for main contractors and evidence of testing

ANNUAL GOVERNANCE STATEMENT

Governance Issue	Current Position
Greater and consistent use of sound project and programme management disciplines.	Actions completed
	<ul style="list-style-type: none"> • Training course developed and delivered in-house • Corporate programmes all now rationalised under Chief Executives' department • Health check methodology completed and carried out on the OneWay Programme
	Actions in Progress
Existing code of corporate governance needs to be reviewed to reflect the principles of the new CIPFA/SOLACE <i>Delivering Good Governance in Local Government</i> framework and to ensure best practice.	Actions completed
	<ul style="list-style-type: none"> • Revised Code of Corporate Governance adopted
	Actions in Progress
Develop partnership risks and governance arrangements to ensure a uniform approach based on good practice.	Actions completed
	<ul style="list-style-type: none"> • Training for Partnership Officer Group on risk management • Risk registers for CYP Trust and Health, Social Care and Housing Partnership approved
	Actions in Progress
	<ul style="list-style-type: none"> • Finalising risk registers for the Economic Partnership, Safer Bromley and the LSP

No further significant control issues have been identified during the current review.

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

Chief Executive

Leader of the Council

Date

Date