



REPORT TO: OVERVIEW AND SCRUTINY COMMITTEE

DATE: 28 JANUARY 2016

REPORT OF THE: FINANCE MANAGER (s151)
PETER JOHNSON

TITLE OF REPORT: ANNUAL GOVERNANCE STATEMENT ACTION PLAN

WARDS AFFECTED: ALL

EXECUTIVE SUMMARY

1.0 PURPOSE OF REPORT

1.1 The report informs Members of the progress made to address the actions identified in the 2014-15 Annual Governance Statement (AGS) action plan.

2.0 RECOMMENDATION

2.1 It is recommended that Members note the progress made to address identified actions in the 2014-15 AGS action plan.

3.0 REASON FOR RECOMMENDATION

3.1 Monitoring progress with identified actions in the AGS is good practice and it helps to demonstrate to the external auditors that the audit committee is properly exercising its role.

4.0 SIGNIFICANT RISKS

4.1 There are no significant risks.

5.0 POLICY CONTEXT AND CONSULTATION

5.1 There is no impact upon specific policies, although the AGS is an important corporate document demonstrating the Council's commitment to an open and transparent philosophy in all its activities.

6.0 REPORT DETAILS

6.1 Good governance is important to all involved in local government; however, it is a key responsibility of the Leader of the Council and of the Chief Executive.

- 6.2 The preparation and publication of an Annual Governance Statement in accordance with the Cipfa/SOLACE Framework is necessary to meet the statutory requirements set out in Regulation 4(2) of the Accounts and Audit Regulations 2011 which require each authority to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”.
- 6.3 To meet the requirement to review the AGS an Action Plan has been agreed and is subject to review by the Council’s Audit Committee.
- 6.4 This report presents a review of the implementation of actions proposed in the Action Plan associated with the 2014-15 AGS.
- 6.5 The Action Plan detailed in Appendix A, sets out the current position with comments on the actions proposed in the plan.
- 6.6 The AGS Action Plan is a document that should be reviewed periodically during the year. A final review will be completed when the AGS for 2015-16 is being drafted and any current items which remain outstanding will then be brought forward into the new AGS.

7.0 IMPLICATIONS

- 7.1 The following implications have been identified:
- a) Financial
None
 - b) Legal
None
 - c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)
None

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Background Papers:
None

ANNUAL GOVERNANCE STATEMENT 2014/15

Action Plan for Implementation in 2015/16

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
Brought Forward	Risk of compromise and weaknesses in operational systems as a consequence of continuing reductions in staffing as Government funding cuts made.	Where changes in staffing occur, that changes in operating arrangements are reviewed prior to reducing the controls. Internal audit will be included in working groups reviewing operating systems and arrangements, including commissioning, partnership arrangements etc.	Finance Manager (s151 Officer).	Ongoing	This will be a continuing issue in 2015/16 and beyond Internal Audit advice given on cash handling procedures in the current financial year.
Brought Forward	In year Internal Audits offering limited assurance/ Specific Control weaknesses highlighted through Internal Audits..	Management to specifically monitor the progress on agreed actions from these Internal Audit Reports.	Heads of Service and Finance Manager.	In line with the dates for completion for agreed actions from the audit reports	Monitoring through Management Team ongoing No significant issues to report at this time
2014/15	Weaknesses in Internal Controls relating to cash payments	Cease taking cash payments at Ryedale House.	Head of Corporate Services and Finance Manager	April 2016	Cash payments no longer taken at Ryedale House. Alternative arrangements made using All-pay via local shops and post offices.
2014/15	Monitoring of the effectiveness of Internal Controls relating to Officer delegated authorisation limits.	Monthly reports to be produced to monitor delegated officer spend limits	Finance Manager	September 2015	Monthly reporting now taking place and monitored by the Finance Manager.
2014/15	Provision of the Property and Facilities Management Service	Management to review alternative delivery of this function including options for delivering valuation services in line with best practice.	Head of Environment, Streetscene & Facilities.	April 2016	Interim arrangements with NYCC continuing.
2014/15	In giving his judgement in respect of	External Auditors (KPMG) to	Chief Executive	November 2015	KPMG letter reported to 26th

	<p>the Judicial Review case of the Queen on the application of Milton (Peterborough) Estates Company trading as Fitzwilliam (Malton) Estate v Ryedale District Council, Mr Justice Dove made a finding that the Officer report to the Planning Committee seriously misled the Planning Committee.</p>	<p>review the outcome of the Judicial Review in line with their role under the Audit & Accountability Act.</p>			<p>January 2016 Audit Committee.</p>
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