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<b>REPORT TO:</b>	<b>OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>15 OCTOBER 2009</b>
<b>REPORT OF THE:</b>	<b>CORPORATE DIRECTOR (s151) PAUL CRESSWELL</b>
<b>TITLE OF REPORT:</b>	<b>ANNUAL GOVERNANCE STATEMENT ACTION PLAN</b>
<b>WARDS AFFECTED:</b>	<b>ALL</b>

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## **EXECUTIVE SUMMARY**

### **1.0 PURPOSE OF REPORT**

1.1 This is a report to committee to inform members on progress with the actions identified in the 2008-09 AGS action plan.

### **2.0 RECOMMENDATION**

2.1 It is recommended that the progress with identified actions in the 2008-09 AGS action plan be noted.

### **3.0 REASON FOR RECOMMENDATION**

3.1 Monitoring progress with identified actions in the AGS is good practice, and it demonstrates to the Audit Commission that the Audit Committee is properly exercising its role. This will also contribute to the assessment of the Council in the Commission's Use of Resources evaluation as part of the CAA (Comprehensive Area Assessment) process.

### **4.0 SIGNIFICANT RISKS**

4.1 There are no significant risks.

## **REPORT**

### **5.0 BACKGROUND AND INTRODUCTION**

5.1 Regulation 4 of the Accounts and Audit (Amendment) (England) Regulations 2006 requires audited bodies to conduct a review at least once a year on the effectiveness of its system of internal control and publish an Annual Governance Statement (AGS) each year with the Statement of Accounts.

5.2 The document has then to be signed by the Chief Executive and the Leader (or equivalent) of the Council. This emphasises that the document is about all corporate controls and is not confined to financial issues.

- 5.3 The Council has adopted the CIPFA framework for producing the AGS. Part of this framework is for the Council's Audit Committee to consider the content of the AGS including any action plans to address identified 'significant' internal control issues.
- 5.4 It is for Members to review the progress of implementation of the actions identified in the Action Plan of the 2008/09 Annual Governance Statement (AGS).
- 5.5 This is not required under The Accounts & Audit (Amendment) (England) Regulations 2006; however it is good practice for the Committee to monitor progress of the actions as part of their Governance responsibilities.

## **6.0 POLICY CONTEXT**

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

## **7.0 CONSULTATION**

- 7.1 No external consultation has been carried, as this is an internal report covering the progress with actions identified in the AGS.

## **8.0 REPORT DETAILS**

- 8.1 The purpose of the AGS is to provide a continuous review of the effectiveness of the organisation's internal control and risk management systems so as to give assurance on their effectiveness.
- 8.2 The AGS should not be seen as a task at a particular point in time. Therefore, for the process to add value to the Council, assurances on the effectiveness of controls over key risks should be obtained throughout the year. This allows remedial action to take place at the earliest opportunity, thereby improving the internal control framework.
- 8.3 There is also a need to identify and resolve weaknesses by the production of an action plan. This report presents a review of the implementation of actions proposed in the Action Plan associated with the 2008/09 AGS.
- 8.4 The Action Plan detailed in annex A, sets out the current position with comments on the actions proposed in the plan since the last consideration by this Committee in italics.
- 8.5 The AGS for 2009/10 will be reported to the committee in June 2010 will complete the reviews of this action plan as they will be incorporated into the action plan for the 2009/10 AGS.
- 8.6 The review of the AGS action plan and the involvement of the Audit Committee will also seen as an important component by the Audit Commission in their Use of Resources assessment.

## **9.0 IMPLICATIONS**

- 9.1 The following implications have been identified:
- a) Financial  
None

b) Legal  
None

c) Other (Equalities, Staffing, Planning, Health & Safety, Environmental, Crime & Disorder)  
None

## **10.0 NEXT STEPS**

10.1 The AGS Action Plan is a document that should be reviewed periodically during the year. A further review will be done in the New Year and reported to members.

10.2 When the 2009/10 AGS is drafted all the current items identified and monitored will be brought forward into the new AGS.

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**Background Papers:**  
None

**Background Papers are available for inspection at:**

**ANNUAL GOVERNANCE STATEMENT 2008/09**  
**ACTION PLAN for implementation in 2009/10**

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
Brought Forward From 2007/2008 Action Plan	<u>Code of Conduct</u> A Code of Conduct for Members has been adopted and signed by all Members as a condition of office. A Code of Conduct for Officers is required.	Code of Conduct for Officers to be introduced following publication of the national code.  Further report to be considered by Overview and scrutiny on 2 July to consider this issue.	Monitoring Officer	1/10/08  revised at 2/7/09 meeting of committee.	National Code for members now published, but National Code for Officers still outstanding. The current Officer code (RDC) is accessible on the Intranet and was revised in Oct 2005. Due to uncertainty a bespoke RDC version is required and will be drafted. <i>Oct 2009 - it is anticipated that a draft code of conduct for Officers will be presented to P&amp;R committee in Dec 2009.</i>
Brought Forward From 2007/2008 Action Plan	<u>Partnerships</u> The Council will need to establish sound governance arrangements for its significant partnerships.	Identify significant partnerships and establish appropriate governance arrangements relevant to each.  Partnership Governance protocol to be considered by Overview and Scrutiny Committee on 6 August 2009	Head of Transformation	31/12/08  Protocol 6/8/09 Review ongoing thereafter	The Use of Resources assessment requires Governance arrangements to be reviewed. Outcome will be reported to Overview and Scrutiny. <i>Oct 2009 - Completed</i>
Brought Forward From 2007/2008 Action Plan	<u>Asset Management</u> The Audit Commission KIoE for UoR Action Plan 2008 notes that the Council' approach to Asset	That the software bought to assist with asset management be installed and commissioned as a priority.	Head of Resources	Fully functional by 31/12/09	Progress is being made towards populating the estates management system. <i>Oct 2009 - the locally designed spreadsheet to manage assets is</i>

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
	Management did not reach level 3 assessment. (Level 3 requires that the council maintains an effective asset register.).				<i>operational. The estates management software (a module of Uniform) has not been populated, and the date for that to be complete is suggested to be 30/6/2010.</i>
New 2008/09	There are some significant weaknesses in budgetary management. (Identified through good budgetary control framework.)	Review is being undertaken of the specific budget areas, with remedial action as necessary	Corporate Director (S151) Head of Environmental Services	To be completed by 30/9/2009	<i>Oct 09 - Further work to be undertaken by the Council's external auditors in reviewing the control failures in the process. This will be reported to Overview and scrutiny Committee in December/February.</i>
New 2008/09	There are some weaknesses in the tendering process for maintenance and small capital projects.	Review is being undertaken of the specific contracting areas, with remedial action as necessary	Corporate Director (S151) Head of Environmental Services	To be completed by 30/9/2009	<i>Review complete, no further action required. Reminders on proper completion of returned tender documents issued to staff.</i>
New 2008/09	The role and responsibilities of member champions are not established within the Council	Review to be undertaken setting out necessary information for member champions and officer leads.	Head of Transformation	To be completed by 30/9/2009	<i>Oct 2009 - Generic Job descriptions in place. Following review by Heads of Service, the role of each member champion is being developed. These expect to be finalised by March 2010.</i>
New 2008/09	There have been significant changes to the constitution in 2008/2009 and further member and officer training is required.	Training and member briefing to take place. Ongoing training as further changes are made.	Chief Executive Monitoring Officer	To be completed by 30/9/2009	<i>Oct 09 - The Council has embarked on a series of Leadership training modules for the service unit managers, and Heads of Service, which should lead to a better understanding of the Constitution. Human Resources team are planning a series of training sessions for this</i>

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
					<i>group to cover core issues and skills around the basic operation of the council, including Risk management; Procurement, and these should link into the Constitution.</i>
New 2008/2009	Whilst member training is provided a more structured programme is required	Member training Plan to be agreed	Head of Organisational Development	To be completed by 30/9/2009	Plan in outline produced Oct 2009 ~ details are being consolidated, 1 <sup>st</sup> meeting to discuss the programme has been held; 2 <sup>nd</sup> to be held shortly, linking to use of the Charter Mark, and developing use of Covalent.
New 2008/2009	The Council has a good record of achieving value for money, however more work is required to review high value services and high comparative cost services	Value for Money strategy to be taken to Policy and resources committee establishing a series of prioritised reviews	Corporate Director (s151)	Strategy by 31/7/09 reviews ongoing	Oct09 - Strategy was presented and approved by Policy Committee on 25 June 2009. Work on review programme underway monitored by VFM officer group. Reports to be brought to members as appropriate.
New 2008/2009	Corporate Business Continuity Plan requires testing for resilience and further may be training required.	Use consultancy days from our insurers and specialist to ensure the plan is fit for purpose and appropriate staff have currency of knowledge.	Corporate Director (s151)	To be completed by 31/12/2009	Oct 09 - Work ongoing, further assistance agreed from NYCC emergency Planning Unit.