



REPORT TO: OVERVIEW AND SCRUTINY COMMITTEE

DATE: 21 FEBRUARY 2013

REPORT OF THE: CORPORATE DIRECTOR (s151)
PAUL CRESSWELL

TITLE OF REPORT: ANNUAL GOVERNANCE STATEMENT ACTION PLAN

WARDS AFFECTED: ALL

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 2011-12 AGS action plan.

2.0 RECOMMENDATION

2.1 It is recommended that members note the progress made with identified actions in the 2011-12 AGS action plan.

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.

4.0 SIGNIFICANT RISKS

4.1 There are no significant risks.

REPORT

5.0 POLICY CONTEXT AND CONSULTATION

5.1 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.

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

6.0 REPORT DETAILS

6.1 The Accounts and Audit Regulations require audited bodies to conduct a review at

least once a year on the effectiveness of its Internal Audit and publish an Annual Governance Statement (AGS) each year with the Statement of Accounts.

- 6.2 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.
- 6.3 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.
- 6.4 It is for Members to review the progress of implementation of the actions identified in the Action Plan of the 2011-12 Annual Governance Statement (AGS).
- 6.5 This is not required under The Accounts & Audit Regulations; however it is good practice for the Committee to monitor progress of the actions as part of their Governance responsibilities.
- 6.6 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.
- 6.7 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.
- 6.8 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 2011-12 AGS.
- 6.9 The Action Plan detailed in annex A, sets out the current position with comments on the actions proposed in the plan.
- 6.10 The AGS for 2011-12 will be reported to the committee in June and this will complete the reviews of this action plan as any outstanding items will be incorporated into the action plan for the 2012-13 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

8.0 NEXT STEPS

- 8.1 The AGS Action Plan is a document that should be reviewed periodically during the year. A final review will be done when the AGS for 2012-13 is being drafted, and any

the current items which remain outstanding will be brought forward into the new AGS.

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Background Papers:
None

Background Papers are available for inspection at:
n/a

ANNUAL GOVERNANCE STATEMENT 2011/12

Action Plan for Implementation in 2012/13

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
Brought Forward	Corporate Business Continuity Plan (BCP) requires testing for resilience and further training may be 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)	Completed	Ongoing updating and training now well established.
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.	Corporate Director (s151)	Continuing	This will be a continuing issue in 2012/2013

New 2011/12	Internal changes within the Council including the establishment of the Hub and implementation of the new FMS weaken the control environment or affect service standards.	Project and Risk Management applied to changes Changes subject to audit review Ongoing monitoring of performance	Corporate Director (s151)	Ongoing	New control Issue. Close management of resources to ensure resilience in application of systems and processes , to ensure control environment is maintained.
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