



REPORT TO:	OVERVIEW AND SCRUTINY COMMITTEE
DATE:	17 FEBRUARY 2011
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 2009-10 AGS action plan.

2.0 RECOMMENDATION

2.1 It is recommended that the progress with identified actions in the 2009-10 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.

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 2009/10 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 2009/10 AGS.

8.4 The Action Plan detailed in annex A, sets out the current position with comments on the actions proposed in the plan.

8.5 The AGS for 2010/11 will be reported to the committee in June will complete the reviews of this action plan as they will be incorporated into the action plan for the 2010/11 AGS.

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 final review will be done when the AGS for 2010/11 is being drafted, and 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:
Location or web address

ANNUAL GOVERNANCE STATEMENT 2009/10
ACTION PLAN for implementation in 2010/11

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
Brought Forward From 2007/2008 Action Plan	<p><u>Asset Management</u> The Audit Commission KIoE for UoR Action Plan 2008 notes that the Council' approach to Asset Management did not reach level 3 assessment. (Level 3 requires that the council maintains an effective asset register.).</p>	That the software bought to assist with asset management be installed and commissioned as a priority.	Corporate Director (s151) [Head of Resources]	Fully functional by 31/12/09	<p>Progress is being made towards populating the estates management system.</p> <p>Oct 2009 ~ the locally designed spreadsheet to manage assets is said to be operational.</p> <p>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.</p> <p>Feb 2010 ~ work continues to achieve this target date.</p> <p>June 2010 ~Due to extreme difficulties populating Uniform this format has not been used to store property management information. A bespoke spreadsheet has been developed internally in liaison with Internal Audit and information is currently being installed. The completion date has been put back to 30 September.</p> <p>October 2010 ~ Completed. The active Asset Register was finalised in conjunction with</p>

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					<p>Finance for this year's audit and a report was submitted for use by the auditors. Follow up internal audit review planned for later in year.</p>
<p>Brought Forward From 2008/09</p>	<p>The role and responsibilities of member champions are not established within the Council</p>	<p>Review to be undertaken setting out necessary information for member champions and officer leads.</p>	<p>Head of Transformation</p>	<p>To be completed by 30/9/2009</p>	<p>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. Feb 2010 ~ work continues to achieve this target date. June 2010 ~ All lead officers now liaising regularly with their respective member champions as appropriate to the area being championed. New member champions appointed at full Council in May 2010. Job Description and list of Lead Officers to be circulated to all member champions. Lead officers making contact with their champions directly. Oct 2010 ~ Completed: Officer leads and Member Champions working constructively together and developing their roles in line with the requirements of the Member Champion JD contained in the Council's Constitution. Member Champions are continuing to</p>

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					add value to the work of the Council. Action Completed
Brought Forward From 2008/09	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)	To be completed by 31/12/2009	Feb 2010 ~ Obtaining advice and assistance from NYCC to finalise and test BCP. June 2010 ~ NYCC supplied with Council current situation awaiting feedback. Oct 2010 ~ meeting with NYCC scheduled for 29/9/2010 Feb 2011~ Full days training for managers November 2010. Ongoing update to Business Impact Assessments for all services with facilitation by NYCC.
New 2009/2010	Risk of compromise and weaknesses in operational systems as a consequence of reduced staffing over forthcoming years through downsizing as Government funding cuts made.	<ul style="list-style-type: none"> Where changes in staffing occur, that changes in operating arrangements are reviewed prior to reducing the controls. Internal audit are included in working groups reviewing operating systems and arrangements, including commissioning, partnership arrangements etc. 	Corporate Director (s151)	Continuing	Oct 2010 ~ Staffing reviews and service reviews considering the control environment and impact of individuals leaving the Council. Further staffing reductions expected over future years, continuing risk based internal audit reviews continuing. Feb 2011 ~ Changes in staffing in majority of cases embedded in operations work ongoing on others.
New 2009/2010	There are significant changes to IT systems supporting services planned over the forthcoming year and beyond.	<ul style="list-style-type: none"> All projects are run using established project management methodology. Internal audit will be involved 	Corporate Director (s151) as Chair of ICT Programme Board.	Continuing	Oct 2010 ~ ICT Board continues to monitor and evaluate all proposals for new and upgraded systems with a

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	There is the risk that system controls will be compromised during this period.	in working groups as appropriate. <ul style="list-style-type: none"> • System specifications ensure appropriate controls. • 			review of interdependencies and workloads. The Control Environment is subject to audit and assistance from external auditors sought where applicable and appropriate. Feb 2011 ~ IT Board continues to monitor and evaluate projects. Internal and External audit consulted where necessary.