



---

<b>REPORT TO:</b>	<b>OVERVIEW AND SCRUTINY COMMITTEE</b>
<b>DATE:</b>	<b>15 DECEMBER 2011</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>

---

## **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 2010-11 AGS action plan.

### **2.0 RECOMMENDATION**

2.1 It is recommended that the progress with identified actions in the 2010-11 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 The Accounts and Audit Regulations requires 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.

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 2010-11 Annual Governance Statement (AGS).

5.5 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.

## **6.0 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 2010-11 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 2011-12 will be reported to the committee in June and will complete the reviews of this action plan as they will be incorporated into the action plan for the 2011-12 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 2011-12 is being drafted, and all the current items identified and monitored will be brought forward into the new AGS.

**Paul Cresswell**  
**Corporate Director (s151)**

**Author:** James Ingham, Head of Audit Partnership  
**Telephone No:** 01723 232364  
**E-Mail Address:** [James.Ingham@Ryedale.gov.uk](mailto:James.Ingham@Ryedale.gov.uk)  
[James.Ingham@Scarborough.gov.uk](mailto:James.Ingham@Scarborough.gov.uk)

**Background Papers:**  
None

**ANNUAL GOVERNANCE STATEMENT 2010/11**  
**ACTION PLAN for implementation in 2011/12**

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
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 June 2011: -Completed <i>Dec 2011: -Completed; retain as a continuing issue for 2011/12</i>
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.	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. June 2011: - Realignment of responsibilities of the Heads of Service practically completed. <i>Dec 2011: -Completed; retain as a continuing issue for</i>

STATUS	CONTROL ISSUE	ACTION PROPOSED	RESPONSIBILITY	TARGET DATE	CURRENT POSITION & COMMENTS
					<i>2011/12</i>
New 2010/11	With the potential for new partnerships and changes to existing ones over the forthcoming year, there is the risk that system controls could be compromised during the period.	Partnership risk register to be considered by O&S Committee. Partnership changes to be properly "project managed". Internal audit will be involved in working groups and project teams as appropriate. Ensure partnership protocol is followed.	Corporate Director (s151)	Continuing	<i>Dec 2011: - further Partnership development ongoing, managed as distinct projects.</i>