

TELFORD & WREKIN COUNCIL

AUDIT COMMITTEE 30th OCTOBER 2008

HALF YEARLY PROGRESS ON 2007/08 ANNUAL GOVERNANCE STATEMENT ACTION PLAN

REPORT OF THE CORPORATE DIRECTOR RESOURCES

1 PURPOSE

- 1.1 For the Audit Committee to note progress against the 2007/08 Annual Governance Statement Action Plan.

2 RECOMMENDATIONS

- 2.1 That the Audit Committee notes the progress against the 2007/08 Annual Governance Statement Action Plan (Appendix A).

3 SUMMARY

- 3.1 The Council has a local Code of Good Governance that was reviewed and updated in May 2008. This sets out the six principles by which the Council will lead and deliver services to the community.
- 3.2 Under statutory regulations the Council is required to produce an Annual Governance Statement which should be signed by the Chief Executive and Leader of the Council and is included in the Annual Accounts.
- 3.3 The Annual Governance Statement for 2007/08 was agreed by Cabinet and the Audit Committee in June 2008. Included as part of the statement is an action plan which identifies areas for improvement for the Council.
- 3.4 Directors and the Audit Committee are responsible for monitoring progress against this action plan.

4 PREVIOUS MINUTES

- 4.1 Cabinet 16th June 2008
Audit Committee 17th June 2008

5 BACKGROUND to the 2007/08 Annual Governance Statement Action Plan

- 5.1 The current progress and comments on the action plan is attached as Appendix A with revised implementation dates which Corporate Directors have agreed. All actions are progressing well with some already achieved but there have been some delays due to the CPA and Use of Resources inspections. There are still some concerns about the delays in testing Business Continuity Plans and the current position in respect to the Catering software interim support arrangements.
- 5.2 As the Annual Governance Statement (including the Action Plan) is reviewed by the Audit Committee prior to signing by the Leader and the Chief Executive, it is part of that Committees

role in respect to good governance to receive information on progress against the plan. Consideration of this report fulfils this role.

6 OTHER CONSIDERATIONS

AREA	COMMENTS
Equal Opportunities	Inclusivity is clearly in the Local Code of Good Governance
Environmental Impact	None
Legal Implications	The Accounts and Audit (Amendment) (England) Regulations 2006 has a key aim of strengthening governance and accountability. The half yearly review of the Annual Governance Statement Action Plan will assist the council in meeting this key aim.
Links with Corporate Priorities	The Local Code of Good Governance should ensure improved links with the community and the delivery of appropriate corporate priorities in an open and accountable manner.
Risks and Opportunities	Demonstrating and operating good corporate governance mitigates some of the risks to the Council, particularly ones that may have an impact on the Council's reputation. The opportunities and risks associated with this report have been identified and action has been put in place to ensure that they are appropriately managed.
Financial Implications	Good corporate governance and internal controls reduces the risk to the Council of financial loss.
Ward Implications	None.

7 BACKGROUND PAPERS

Local Code of Corporate Governance 2006 and updated May 2008

CIPFA¹ – Delivering Good Governance in Local Government June 2007

CIPFA's Financial Advisory Network –ANNUAL GOVERNANCE STATEMENT - Meeting the Requirements of the Accounts and Audit Regulations 2003, incorporating the Accounts and Audit (Amendment) (England) Regulations 2006 – Rough Guide for Practitioners with effect from 2007/08 Annual Governance Statement 2007/08

Report by Jenny Marriott, Audit & Risk Manager 383101

¹ CIPFA – Chartered Institute of Public Finance and Accountancy

**ACTION PLAN FOR 2007/08 ANNUAL GOVERNANCE STATEMENT
UPDATED POSITION AS AT 30th SEPTEMBER 2008**

No.	ACTION	Resp.	Original Date	Original Additional Comments	Comments and Progress as at 30 th September 2008	Revised Date
1.	Develop and implement a communication and awareness plan for the revised Code and roles and responsibilities in respect to corporate governance once agreed by Council 26 th June 2008.	Audit & Risk Manager	30/09/08	Leaflet to be developed as part of this and further enhancements to the intranet page.	Leaflets approved by Standards Committee 9 th October 2008 and to be included in November payslips. Outline of new code provided to member update session on 6 th October 2008. Officers to be briefed at November Breakfast Interactive.	30/11/08
2.	Corporate Business Continuity plan – a) review; and b) test.	CD ACC and Head of P&P	31/03/09	Testing of the corporate BCP has slipped due to the absence of a dedicated resource to lead this work, sickness absence of the responsible business manager and consequent delays in appointing a time limited project officer. The project officer will take up their post in Summer 08. A new British Standard has been introduced since the corporate BCP was approved in March 2007 and therefore a review and update of the plan has been commissioned through an external consultant.	The introduction of a dedicated resource means that the Corporate Business Continuity Strategy, the Business Continuity Plan and the Service area plans for priority services will be in place before Christmas, to be approved by Directors no later than January 2009. Corporate training on the plans will be undertaken throughout January and February in preparation for exercise of plans at all levels by end March 2009.	No change 31/03/09

No.	ACTION	Resp.	Original Date	Original Additional Comments	Comments and Progress as at 30 th September 2008	Revised Date
3.	Revised ICT business continuity plan to be produced during 2008/09	Head of ICT	31/03/09	This is work that is continuing to completion in 2008/09.	The plan is to be revised based on the new technology implemented in item 4. The plan is currently on hold.	No change 31/03/09
4.	Ensure that ICT infrastructure projects supports the corporate & service continuity plans	Head of ICT	31/03/09	Implementation of the ICT infrastructure is currently being planned. This will provided improved business continuity arrangements for servers in scope. Plans will need to be developed for servers not in scope.	Delays in the design of the Councils new infrastructure have been incurred and plans are being developed to progress this project by reviewing the ITT and developing a gap analysis between the ITT, BAFO and current designs. This work is scheduled for completion early in October with a view to agreeing a revised implementation plan with the supplier during October.	No change 31/03/09
5.	Catering - Implement the outstanding areas from the internal audit review and on-going system/processes update.	Head of BSF, Resources & Regeneration	31/08/08	There are still some issues with the new computer system. Internal Audit is continuing to work with catering to improve the systems and controls.	The company providing the new computer system has now entered administration. Interim support arrangement has been put in place to provide ongoing support to schools including contingency plans in case the system fails. For the longer term a Business Case has been prepared for the procurement of a revised system.	Interim solution in place. Longer Term new software – April 2009

No.	ACTION	Resp.	Original Date	Original Additional Comments	Comments and Progress as at 30 th September 2008	Revised Date
6.	Develop and agree a corporate procedure for the appointment, induction and control of consultants.	Head of HR	31/07/08	Agency contract implemented but still further work required on corporate procedures.	Agency contract in place. Efficiency savings being achieved. New contract due in April 2009 – planning and preparations in place. Policy on consultants report due at Directors in November 2008.	31/12/08
7.	Develop a specific confidential reporting statement for contractors	Audit & Risk Manager	31/07/08	Speak Up policy updated again March 2008 therefore contractor statement delayed.	Letter drafted to accompany leaflet and to be sent to selection of suppliers by end October 2008	31/12/08
8.	Ensure robust evidence for CPA Use of Resources 2008 (2007/08)	CD Resources; Head of Finance; Head of PPP; Audit & Risk Manager	30/09/08	Action plan from 2007 feedback report being worked on along with evidence for 2008 requirements.	Inspection in progress. Evidence is continued to be submitted to KPMG in response to specific requests. Should have feedback in Nov/Dec 08. A working group has been set up to consider the requirements for use of Resources 2008/09.	Achieved but 31/12/08 for feedback.
9.	Continue the implementation of the actions from the review of the effectiveness of the system of internal audit 2007 and undertake a full review when guidance received for 2008/09.	Audit & Risk Manager	31/10/08 31/03/09	Reviewed January 2008 and outstanding actions included in 2008/9 action plan. Guidance awaited for 2008/09 review.	Guidance still awaited but a review will be undertaken with the format agreed by the Audit Committee if further guidance is not available.	No change 31/03/09

No.	ACTION	Resp.	Original Date	Original Additional Comments	Comments and Progress as at 30 th September 2008	Revised Date
10.	Review and agree revised scrutiny arrangements and provide appropriate additional training when appropriate.	Head of Audit & Democracy	31/12/08	To be presented to Council in November 2008	All political groups have been consulted on proposals and an Away Day for the Scrutiny Chairmen and Vice Chairmen with Professor Steve Leach has been held. We are still on target to take a set of possible amendments to our scrutiny arrangements to the Council Constitution Committee on 10th November and to Council on 27th November and will be looking to implement any agreed changes from 1st January 2009.	No change 31/12/08
11.	a) Review the results of the Ethics, Standards and Conduct Survey undertaken in March 2008 and develop an action plan b) implement actions as per the action plan.	Audit & Risk Manager	31/07/08 31/03/09	This survey was undertaken in March 2008 based on an IDEA/ Audit Commission toolkit to assess levels of awareness and understanding of members and officers down to business level in these areas.	Analysis of results delayed due to CPA and Use of Resources but presented to Standards Committee 9 th October 2008. Action plan in place to achieve actions by 31//03/09	Achieved No change 31/03/09
12.	Implement any governance recommendations from the 4 external inspections: a) CPA b) JAR c) Enhanced Youth Inspection d) Youth Offending Service	Chief Exec & CD C&YP	31/03/09	Final reports to be received by the Council over the next 3 – 4 months. Action plans will then be developed.	Action plans still being developed but on target for any governance issues.	No change 31/03/09