

EAST HERTS COUNCIL

AUDIT COMMITTEE - 16 JULY 2014

REPORT BY DIRECTOR OF FINANCE AND SUPPORT SERVICES

UPDATE ON IMPLEMENTATION OF 2013/2014 ANNUAL
GOVERNANCE STATEMENT ACTION PLAN

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- The 2012/13 Annual Governance Statement includes seven measures to enhance East Herts Council's internal control framework during 2013/14. The Audit Committee is requested to consider the content of **Essential Reference Paper 'B'** that provides details of the latest positions measured against the actions that need to take place prior to confirmation being given that adequate and effective controls are fully in place.

RECOMMENDATION FOR AUDIT COMMITTEE:

That:

(A)	The report now submitted, detailing progress made to implement the action plan contained in the 2012/13 Annual Governance Statement, be received; and
(B)	Revised target dates for actions be agreed; and
(C)	Consideration be given as to which of the "Amber" rated issues remain significant enough for carrying forward to the 2014/2015 Annual Governance Statement Action Plan.

1.0 Background

1.1 The Annual Governance Statement Action Plan has identified key responsible officers and timescales and is monitored through reports to Corporate Management Team and Audit Committee.

Actions needed to address issues have been identified and are monitored on a R(ed), A(mber) and G(reen) basis.

2.0 Report

2.1 For the purposes of the Annual Governance Statement, internal control is being interpreted in its broadest sense covering both financial and managerial controls that ensure that the implementation of East Herts Council's vision and priorities is being managed effectively.

2.2 The current position statements are reflected in **Essential Reference Paper 'B'** following consultation with key responsible officers. The position statement contains a traffic light system whereby:

- "Green" indicates that the planned action has been achieved,
- "Amber" indicates that satisfactory progress is being made towards achieving the planned action, and
- "Red" is where a planned action has not been achieved or that progress is unsatisfactory.

2.3 Since the previous Audit Committee the current positions have been updated but there have been insufficient movements to change the RAG status of any actions which all remain at Amber.

2.4 Revised target dates have been put against the outstanding issues:

- The two IT related issues have slipped largely due to priority work to ensure compliance with the Public Services Network, alongside the roll-out of new IT kit.
- SIAS will now be undertaking a review of the governance arrangements at Hertford Theatre in September 2014.
- The recent SIAS Asset Management review has recognised that further work is needed on consideration of the option to invest in property and a target date of December 2014 has been set.
- The impact of welfare reform changes are considered to be an on-going risk and March 2015 has been shown as the revised date.
- The review of the operation of all shared service partnership arrangements has been put back and will be assessed by SIAS by December 2014 as part of the Audit Plan.
- Monitoring processes are now in place to review the use of Section 106 monies. However, these processes are considered to be not sufficiently well-embedded and a revised date of December 2014 has therefore been set.

2.5 **The Essential Reference Paper ‘B’** template was considered by Corporate Management Team on 10 June 2014. The outstanding “Amber” issues are all considered to remain significant during 2014/15 and the proposal is to therefore carry them forward as part of this year’s Annual Governance Statement.

3.0 Implications/Consultations

3.1 Information on any corporate issues and consultation associated with this report can be found within **Essential Reference Paper ‘A’**.

Background Papers

Update on Implementation of 2013/ 2014 Annual Governance Statement
Action Plan – Audit Committee 19 March 2014.

Contact Member: Councillor Tony Jackson
Leader of the Council
Ext 1642
anthony.jackson@eastherts.gov.uk

Contact Officer: Adele Taylor
Director of Finance and Support Services
Ext 1406
adele.taylor@eastherts.gov.uk

Report Author: Chris Gibson
Manager of Corporate Risk
Ext 2073
chris.gibson@eastherts.gov.uk