

EAST HERTS COUNCIL

AUDIT COMMITTEE - 15 JULY 2015

REPORT BY DIRECTOR OF FINANCE AND SUPPORT SERVICES

UPDATE ON IMPLEMENTATION OF 2014/2015 ANNUAL
GOVERNANCE STATEMENT ACTION PLAN

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- The 2013/14 Annual Governance Statement includes eleven measures to enhance East Herts Council's internal control framework during 2014/15. 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 2013/14 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 2015/2016 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 CMT 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 last Audit Committee meeting seven actions are considered to have been achieved and have therefore moved the RAG status from "Amber" to "Green":

- The IT Strategy is now in place.
- A review of governance arrangements at Hertford Theatre has been completed.
- Property fund proposals have been approved.
- The Here to Help programme is now considered to be well-embedded.
- The Here to Help programme is providing a strong programme for organisational development to manage increased levels of demand for services.
- SIAS have completed a review of the operation of shared service partnership arrangements.
- The process for monitoring Section 106 Monies is now considered to be embedded.

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

- The completion of the review of assets has a revised target date of December 2015.
- The development of a District Plan has a revised target date of October 2016.

- The impact of welfare reform changes are considered to be an on-going risk and March 2016 has been shown as the revised target date.

2.5 The three outstanding “Amber” issues are all considered to remain significant during 2014/15 and the proposal is therefore to carry them forward as part of this year’s Annual Governance Statement. This was confirmed by Corporate Management Team on 30 June 2015.

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 2014/ 2015 Annual Governance Statement
Action Plan – Audit Committee 18 March 2015.

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