

EAST HERTS COUNCIL

AUDIT COMMITTEE - 12 JULY 2011

REPORT BY INTERNAL AUDIT AND BUSINESS IMPROVEMENT
MANAGER

UPDATE ON IMPLEMENTATION OF 2010/2011 ANNUAL
GOVERNANCE STATEMENT ACTION PLAN

WARD(S) AFFECTED: ALL

Purpose/Summary of Report

- The 2009/10 Annual Governance Statement includes nineteen measures to enhance East Herts Council's internal control framework during 2010/11. The Audit Committee is requested to consider the content of **Essential Reference Paper 'B'** that provides details of proposed actions that need to take place prior to confirmation being given that adequate and effective controls are fully in place.

<u>RECOMMENDATION:</u>	
(A)	That the Committee reviews the progress made against implementing the action plan contained in the 2009/10 Annual Governance Statement and advises of any concerns

1.0 Background

1.1 The Annual Governance Statement Action Plan has identified key responsible officers and timescales and is monitored through reports to this Committee. To date some progress has been made towards achieving planned actions but in order to prevent all actions from continuously being shown as on-going, specific elements have been identified that will enable issues to be fully resolved.

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 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 A number of completed actions have been identified within each issue requiring action that will allow each status to move to "green" status during this financial year. "Green" status can only be shown when all elements within the issue requiring action have been completed.
- 2.4 Since the previous Audit Committee eight issues requiring action are considered to be complete:
- Leisure Contract- risk of Contract failure.
 - Pathfinder initiatives.
 - Variance from financial plan.
 - Procurement capacity.
 - Future options appraisals.
 - Control environment.
 - Governance arrangements for shared Revenues and Benefits service.
 - Governance arrangements for Shared Internal Audit Service.
- 2.5 The remaining seven outstanding actions will be carried forward to the Annual Governance Statement 2010/11. In some instances the issue requiring action will be re-worded to focus on the outstanding key actions needed to address the issues raised.
- 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 2010/2011 Annual Governance Statement
Action Plan – Audit Committee 23 March 2011.

Contact Member: Councillor Anthony Jackson
Leader of the Council

Contact Officer: Alan Madin
Director of Internal Services
Ext 1406

Report Author: Chris Gibson
Internal Audit and Business Improvement Manager
Ext 2073

ESSENTIAL REFERENCE PAPER 'A'

Contribution to the Council's Corporate Priorities/ Objectives:	Fit for purpose, services fit for you <i>Deliver customer focused services by maintaining and developing a well managed and publicly accountable organisation.</i>
Consultation:	No public or partner consultations were required during the preparation of this report.
Legal:	There are no additional legal implications to those already contained in this report.
Financial:	There are no additional financial implications to those already contained in this report.
Human Resource:	There are no additional human resource implications to those already contained in this report.
Risk Management:	There are no additional risk management implications to those already contained in this report.