

# Report to Audit Committee

Agenda  
Item:

**A.13**

Meeting Date: 14 April 2014  
Portfolio: Finance, Governance and Resources  
Key Decision: Not Applicable:  
Within Policy and Budget Framework YES  
Public / Private Public

Title: CODE OF CORPORATE GOVERNANCE – ACTION PLAN  
Report of: Director of Resources  
Report Number: RD04/14

**Purpose / Summary:**

This report updates Members on the Council’s governance arrangements and its systems of internal control in line with CIPFA’s Good Governance Framework.

It includes a progress report on areas of weakness identified during the preparation of the 2012/13 Annual Governance Statement and any new areas identified during the course of the year for Members consideration.

**Recommendations:**

Members are requested to note the attached action plan and the current position relating to the issues which have been identified.

**Tracking**

Audit Committee:	<b>14 April 2014</b>
Overview and Scrutiny:	<b>Not applicable</b>
Council:	<b>Not applicable</b>

## 1. BACKGROUND

- 1.1 The Council's Code of Corporate Governance was approved by Council in 2008 in line with the CIPFA/SOLACE Framework document 'Delivering Good Governance in Local Government'.
- 1.2 In line with the framework the Audit Committee have previously considered any areas of significant weakness in the Council's governance arrangements by reviewing at each meeting of the committee the action plans put in place to ensure that continuous improvement in the system of internal control is addressed.
- 1.3 Furthermore an Annual Governance Statement, signed by the S151 Officer, Leader and Chief Executive, is prepared which summarises the Council's governance arrangements and which sets out any areas of significant weakness. This is formally approved as part of the audit of the Statement of Accounts process.
- 1.4 Since the original framework was prepared, CIPFA has issued guidance statements on 'The Role of the Chief Financial Officer in Local Government' and 'The Role of the Head of Internal Audit' both of which the Council must consider when preparing its Annual Governance Statement. An updated guidance note has also been issued (December 2012) which provides a revised framework for corporate governance incorporating these two CIPFA Statements. This revised framework was adhered to in preparing the 2012/13 Annual Governance Statement.

## 2. ANNUAL GOVERNANCE STATEMENT & ACTION PLAN

- 2.1 The Annual Governance Statement for 2012/13 highlighted one area of weakness (related to contract monitoring) in the Council's governance arrangements, and progress made against this area is contained within **Appendix A**. During 2013/14 a review of Records Management was undertaken by Audit Services and a significant weakness identified; this has been included within the appendix along with action taken to progress the issue. There are no other new significant issues which need to be brought to Members' attention, nor are there any new areas of risk arising from the Audit reviews or from the Risk Registers that need to be drawn to Members' attention.

### **3. CONCLUSION AND REASONS FOR RECOMMENDATIONS**

3.1 Members are requested to note the attached action plan and the current position relating to the issues which have been identified.

### **4. CONTRIBUTION TO THE CARLISLE PLAN PRIORITIES**

4.1 To ensure that the Council has sound systems of internal control and that the governance arrangements in place comply with statutory requirements.

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**Appendices Appendix A – Code of Corporate Governance – Action Plan attached to report:**

**Note: in compliance with section 100d of the Local Government (Access to Information) Act 1985 the report has been prepared in part from the following papers:**

- None

#### **CORPORATE IMPLICATIONS/RISKS:**

**Chief Executive's – not applicable**

**Economic Development – not applicable**

**Governance – *Delivering Good Governance in Local Government: Framework*** has been given 'proper practices' status by the Department for Communities and Local Government through non-statutory guidance in respect of the requirement for local authorities to prepare an annual governance statement which must accompany the statement of accounts.

**Local Environment – not applicable**

**Resources – included in the main body of the report**



**ACTION PLAN – UPDATE APRIL 2014**

	<b><u>WEAKNESS IDENTIFIED</u></b>	<b><u>RESPONSIBILITY</u></b>	<b><u>TARGET DATE</u></b>	<b><u>CURRENT STATUS AND ACTION REQUIRED</u></b>
1.	<p>Contract Monitoring Procedures:</p> <p>During 2012/13 and as part of the delivery of the annual audit plan, internal reviews identified a significant weakness with regard to the internal monitoring of Council key contracts with recommendations being made to improve internal procedures and processes. Action plans to address these weaknesses have been developed and further consideration of the issues have been debated by the Council's Corporate Risk Management Group. Relevant Directors will have regard to the issues raised when implementing any revised staffing structures. Completion of the</p>	<p>Deputy Chief Executive &amp; Director of Local Environment</p>	<p>January 2014 (original deadline for consideration of formal 'follow up' review from Audit Services)</p>	<p><b>Completed:</b></p> <p>Staffing structures are now in place which enhances roles and responsibilities for the monitoring of outsourced contracts and regular progress meetings take place with relevant contractors.</p> <p>Specific training sessions were provided on Procurement and Contact Monitoring during March 2014; both of which were attended by relevant officers.</p> <p><b>Further Action:</b></p> <p>The formal follow up audits will be completed during 2014/15. The audit of Leisure Management is currently underway. Audit advice on the Recycling tender specification has been provided and the Audit Manger has met with new management in Waste Services to discuss the outcome of the previous audit</p>

	<p>action plans will be subject to a formal audit follow up during 2013/14 and be reported to and closely monitored by the Audit Committee.</p>			<p>and the required improvements to the contract monitoring arrangements. The formal audit of Recycling is scheduled for quarter 3; this provides sufficient time for the remaining service changes to be made and for improvements to embed. The results of these reviews will be reported to a future Audit Committee.</p>
2.	<p>Records Management:</p> <p>The Code of Practice FOI Section 46 should be adopted by the Council in line with recommended practice.</p> <p>Resources should be concentrated on establishing an Authority-wide Records Management Policy. This policy should comply with the requirements of relevant legislation and also embrace recommended practice.</p>	Chief Executive	March 2014	<p>Consultation on the draft Records Management Policy took place between January and March with staff.</p> <p>The new policy provides templates for records management in line with the Code of Practice.</p> <p>The policy forms part of the developing framework for authority-wide records management. The Corporate Programme Board approved a project that will take the framework forward, ensuring that the policy is implemented and deals with emerging issues.</p>