

**PROGRESS ON IMPLEMENTATION OF THE CORPORATE
GOVERNANCE ACTION PLAN 2008/09**

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1.0 INTRODUCTION

- 1.1 The Audit Committee considered the annual report on Corporate Governance on 27th May 2009. The report included an action plan to address areas for improvement, which had been identified by both internal audit, as part of their systems audits for 2008/09, and by the external auditor, as part of the Annual Audit and Inspections Letter 2008/09.

2.0 PROGRESS ON IMPLEMENTATION OF THE ACTION PLAN

- 2.1 Corporate Team have reviewed progress against the action plan, as at October 2009.
- 2.2 Progress on implementation is detailed at the follow up action plan shown at Appendix A, with a summary given below. A total of 16 recommendations for improvement were made.

Priority	Implemented	Part Implemented	Outstanding
P1	6	1	
P2	4	4	
P3			1

3.0 CONCLUSION AND RECOMMENDATION

- 3.1 Substantial progress has been made on implementation of the action plan, with 10 actions being fully implemented and 5 being part implemented. The outstanding action had a target date of July 2010 but initial work had already been undertaken.
- 3.2 Members are recommended to note this report.

Appendices: Appendix A Corporate Governance Follow Up Action Plan

Officers Consulted: Corporate Team

Background Papers: None

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Priority Key: P1 s.151 issue or statutory requirement

P2 Key control

P3 Desirable but not essential

Issue No. / Priority	Appendix A Ref.	Issues	Action Agreed	Responsible Officer	Target Date	Progress
1 P2	3.1	The Anti-Fraud and Corruption Strategy should be reviewed and relaunched in 2009/10.	The Strategy will be reviewed and relaunched to Members, Management Group and in the core Team Brief (TeamTalk). The copy on the intranet will be updated.	M Robinson Audit & Fraud Prevention Manager	October 2009	Part Implemented The Strategy has been redrafted and will be considered by the Audit Committee on 4th November 2009.
2 P1	4.1	Arrangements should be put in place to maintain audit independence.	Letter has been circulated to the Audit Committee and to the Audit Commission, detailing arrangements. Position will be monitored and reported quarterly to the Audit Committee. Audit Charter will be expanded to include arrangements to maintain audit independence.	M Robinson Audit & Fraud Prevention Manager	Ongoing in 2009/10 End date 31/3/10	Implemented Position has been monitored and reported quarterly to the Audit Committee. No non-audit work has been undertaken to date. The Audit Charter was expanded and approved by the Audit Committee on 23rd September 2009. Currently preparing a business case, with 3 other Councils, to provide a Shared Audit Service. This would provide opportunities for audit rotation and strengthen the independence of audit arrangements.
3	4.3	Overall risk management	Risks are monitored and	Corporate Team	Ongoing in	Implemented to date

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P2		arrangements should be considered at least quarterly by the Audit Committee.	recorded on Covalent as part of quarterly monitoring procedures. A quarterly report on risk management to be submitted to the Audit Committee.		2009/10 End date 31/3/10	Revised Strategic Risk Register was considered by the Audit Committee on 23rd September 2009. Corporate Team will review the Strategic Risk Register on a quarterly basis and feed back to the Audit Committee.
4 P2	6.1	The new Cumbria-wide Joint Scrutiny arrangements should be implemented in 2009/10.	Terms of Reference of the new Joint Scrutiny Committee for Cumbria have been agreed and a joint Support Officer for the new Committee has been appointed in April 2009.	M Jepson Head of Legal & Democratic Services	Ongoing in 2009/10 End date 31/3/10	Implemented The joint Support Officer has been in post for several months and arrangements are fully operational, with meetings being held on a quarterly basis.
5 P3	6.2	The Council should consider publishing an Annual Report to co-ordinate information on the vision, strategy, plans and financial statements as well as information about its outcomes, achievements and the satisfaction of service users in the previous period.	Propose an Annual Report, based on progress against the Corporate Improvement Plan.	Corporate Team - Lead Officer: K Parker	31/7/10	Outstanding This action is not due to be completed until July 2010. However, initial work on the format and the proposed content of the report has been undertaken.
6 P1	6.3	The Job Evaluation Scheme must be implemented in 2009/10.	Provisional timetable agreed.	Corporate Team - Lead Officer: F McMorrow	31/3/10	Part Implemented The Council approved the JE Scheme on 23rd June 2009, subject to ratification by the Unions. A review

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						meeting with local and regional Union Representatives was held on 6th October. It is expected that Union members will be balloted in November and, subject to majority approval, JE will be implemented by the end of the financial year.
7 P1	Arising from Revised 2007/08 AGS 27/3/09	Ensure an early monitoring report on the preparation of the 2008/09 Accounts is submitted to the Audit Committee.	Closure Timetable circulated to all Audit Committee Members. Verbal update given to the Audit Committee 22/4/09	J Crellin Head of Finance & MIS	Implemented	Implemented See action agreed.
8 P1	Arising from Revised 2007/08 AGS 27/3/09	Submit the Accounting Policies and Principles for formal approval by the Audit Committee, prior to submission of the Statement of Accounts.	Submitted to Audit Committee 22/4/09	J Crellin Head of Finance & MIS	Implemented	Implemented See action agreed.
9 P1	Arising from Revised 2007/08 AGS 27/3/09	Ensure that the Council has in place proper arrangements to review and revise the Council's practices in financial reporting to meet the requirements of the latest guidance in accordance with statute. This will include resourcing the Accountancy section to ensure sufficient time is available to carry out	SORP 2008/09 has been reviewed and any new requirements have been identified. Detailed timetable, including staff resource allocation, has been drawn up and progress is regularly monitored. Sufficient time has been incorporated to produce the working papers	J Crellin Head of Finance & MIS	June 2009	Implemented See action agreed. Further work will be undertaken to meet the requirements of the SORP 2009/10 and of IFRS for the 2009/10 financial statements.

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		quality checks, ensure consistency of accounting treatment and to produce working papers which include an analytical review, whilst still meeting the statutory deadlines. [Interim staffing arrangements and the buying- in of private sector resources have been superseded by the appointment of permanent post holders.]	and to carry out quality checks, whilst still meeting the statutory deadline.			
10 P2	Arising from Revised 2007/08 AGS 27/3/09	Improve budgetary control by ensuring the reconciliation of control accounts is up-to-date and by implementing robust close-down procedures, thus ensuring the revenue outturn is accurate and the reserves position can be relied upon. Improve capital monitoring by quality checks on the project management data.	Control Accounts process has been reviewed by the Financial Accountant and new arrangements put in place to monitor progress. Guidance issued to Managers on close down procedures and evidence required to support transactions. Training also given. Evidence reviewed by Accountancy officers before transactions are input to the financial ledger. Full review undertaken of the Earmarked Reserves to ensure transactions are accurate and that expenditure is fully reflected in the Income and Expenditure Account.	J Crellin Head of Finance & MIS	June 2009	Implemented The improved close down procedures ensured that the statutory deadline for production of the Statement of Accounts was met and that there were no material errors. Further improvements are in progress for 2009/10. Work has started on updating and enhancing the close down working papers pack for the 2009/10 Accounts. Work also continues on reviewing the control account reconciliations and, where applicable, improving procedures.

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			Capital Control Group has been set up in April 2009.			
11 P2	Arising from Revised 2007/08 AGS 27/3/09	Improve arrangements to identify and mitigate potential risks associated with partnership working. This will include setting up a register of partnerships, including accountable body status, and financial governance procedures – including risk management.	Partnership Group established, Chaired by J Betteridge. Framework for analysing Partnership Register has been developed to identify key partnerships in terms of risk and impact. Outcome will be reported in 2009/10.	Corporate Team – Lead Officer: J Betteridge	July 2009	Part Implemented The Partnership Group was set up and the framework for analysing the Partnership Register is in place. However, the analysis is not yet complete and the risks have yet to be identified.
12 P2	Arising from Revised 2007/08 AGS 27/3/09	Ensure audit recommendations are implemented promptly. The backlog of outstanding recommendations, and progress on implementation, will continue to be reviewed quarterly by Corporate Team and the Audit Committee. Aim to clear the backlog of 2007/08 recommendations.	All audit recommendations to be re-evaluated for continued relevance.	Corporate Team	September 2009	Part Implemented All audit recommendations have been reviewed by Corporate Team for continued relevance. Progress has been made in implementation of the backlog of recommendations. An analysis of progress is presented quarterly to the Audit Committee.
13 P2	Arising from Revised 2007/08 AGS 27/3/09	Keep under review the Council's arrangements for Business Continuity Planning, including regular testing of these arrangements.	Review will be undertaken. Business Continuity arrangements will be tested as part of the Emergency Planning exercise in July.	Corporate Team – Lead Officer: F McMorro	May 2009 July 2009	Part Implemented The desk top emergency planning exercise was undertaken in July. As a result of this exercise, departmental Business Continuity Plans are to be reviewed, with a deadline

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						of December.
14 P1	Arising from Revised 2007/08 AGS 27/3/09	Following an adverse inspection report on the statutory Housing function, an Improvement Plan was drawn up. Need to monitor progress against the Housing Strategy Improvement Plan. [A special Panel has been established for this purpose].	The Strategic Housing Panel meets monthly and monitors progress closely. Corporate Team have also maintained a monitoring role.	J Betteridge Head of Development Strategy	September 2009	Implemented The Strategic Housing Panel and Corporate Team have monitored progress and contributed towards preparations for re-inspection.
15 P1	Arising from Revised 2007/08 AGS 27/3/09	Ensure procedures are followed to keep the Fixed Asset Register up-to-date.	New procedures were put in place in January 2009. Compliance with these procedures needs to be monitored.	J Crellin Head of Finance & MIS / P Graham Head of Development Operations	Ongoing in 2009/10 End date 31/3/10	Implemented Monthly meetings have been held to date with Capita's Development Surveyor, the Council's Capital Accountant and Contracts & Property Manager. Meetings will continue throughout the year.
16 P2	Arising from Revised 2007/08 AGS 27/3/09	Keep under review the Council's Constitution and take any further reviews to council for approval as required.	Will review at least annually.	M Jepson Head of Legal & Democratic Services	March 2010	Implemented Council approved changes to the Planning Scheme of Delegation on 31 st March 2009. Changes to the terms of reference for the OSC for Safer & Stronger Communities, the introduction of a Searching for Best Value Panel and changes to Portfolio

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						holders' responsibilities were approved on 15 th May 2009. On 23 rd June 2009, Council approved new procedures for Councillor Call for Action, references of Crime & Disorder matters to OSC and minor changes to the terms of reference of the Audit Committee. Further reports will be taken to Council later in the year.