

**REPORT FOR: GOVERNANCE, AUDIT &
RISK MANAGEMENT
COMMITTEE**

Date of Meeting: 2nd April 2014

Subject: **INFORMATION REPORT –
Governance Update**

Responsible Officer: Simon George, Director of Finance &
Assurance

Exempt: No

Enclosures: AGS Action Plan Update – Appendix 1

Section 1 – Summary

This report sets out progress against the Council's Annual Governance Statement (AGS) Action Plan for 2012/13 developed to address the governance gaps identified by the annual governance review process.

FOR INFORMATION

Section 2 – Report

Introduction

- 2.1 Harrow Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

- 2.2 In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 2.3 The Council has approved and adopted a corporate governance framework and a Code of Corporate Governance , which is consistent with the principles of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. The Annual Governance Statement explains how the Council has complied with the framework/code and also meets the requirements of regulation 4(2) of the Accounts and Audit Regulations 2011 in relation to the publication of a statement of internal control (Annual Governance Statement).

Annual Governance Statement

- 2.4 Each year the Council undertakes a robust review of its governance arrangements to ensure the delivery of good governance within a local government framework and current good practice. The purpose of the review is to provide assurance that governance arrangements are adequate and operating effectively and to identify action required to ensure effective governance in the future.
- 2.5 Internal Audit co-ordinates the annual review compiling evidence/sources of assurance provided by members of the Corporate Governance Working Group into an evidence table that is used as a basis for the preparation of a draft AGS which is reviewed and agreed by the Corporate Governance Group.
- 2.6 The Annual Governance Statement is prepared on behalf of the Leader of the Council and Chief Executive and has been signed-off by them both. It was submitted in draft to the Governance, Audit and Risk Management (GARM) Committee on 22/07/13 for consideration and review and included with the draft annual accounts to meet the statutory requirement of the Accounts and Audit Regulations 2011 which requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control”
- 2.7 The AGS was finalised and approved by the GARM Committee on 16th September along with the AGS Action Plan.
- 2.8 The AGS Action Plan details the 18 non-significant and the 1 significant governance gap identified by the annual governance review process and the action agreed to address these gaps. This report provides an update on the implementation of agreed actions.
- 2.9 The update attached as Appendix 1 shows that of the 19 actions agreed for 14 (74%) are complete or substantially complete (green assurance), 2 (10%) are in progress (amber assurance) and 3 (16%) are outstanding (red assurance).

2.10 The outstanding actions include review of the Risk Management Strategy, outstanding due to the loss of the Risk Manager's post; the Council's inability to demonstrate that Information Management policies are applied consistently, software being considered to help with this has not proved to be a cost effective solution and directorate/service specific schemes of delegation covering HR/service specific responsibilities not consistently in place across the Council, the planned Internal Audit review has been delayed due to investigation work.

2.11 Progress against these actions will be reviewed again as part of the annual governance review 2013/14 due to begin in April and reported to GARM Committee at the next meeting.

Financial Implications

2.11 Financial implications have been addressed, where relevant, in the main body of the report.

Risk Management Implications

2.12 The work of internal audit supports the management of risks across the council.

Corporate Priorities

2.13 Internal Audit contributes to all the corporate priorities by enhancing the robustness of the control environment and governance mechanisms that directly or indirectly support these priorities.

Section 3 - Statutory Officer Clearance

Name: Simon George



Chief Financial Officer

Date: 21/03/14

Section 4 - Contact Details and Background Papers

Contact: Susan Dixon, Head of Internal Audit,
Tel: 0208 424 1420

Background Papers: None.