

OVERVIEW & SCRUTINY COMMITTEE – 23 NOVEMBER 2004

STATEMENT ON INTERNAL CONTROL 2003/04 – ACTION PLAN PROGRESS UPDATE – OCTOBER 2004

The 2003/04 Statement on Internal Control identified a number of significant issues which needed to be addressed during 2004/05. A summary of these issues and the current position is set out below:

REF	ACTION	RESPONSIBLE OFFICER	CURRENT POSITION
1	Appointment of a new Director of Corporate Governance	Chief Executive	Appointment made in October 2004.
2	Regular review of the internal control environment and reports to Overview and Scrutiny Committee	Director of Financial and Business Strategy	Regular reports to Cabinet, BRWG and O&S to be introduced from January 2005. These reports to provide an overview of the council's arrangements compared to the SOLACE/CIPFA governance model.
3	New escalation procedure for internal audit reports.	Director of Financial and Business Strategy	New officer-level procedure implemented. This provides for upwards referral to executive directors, CMT and Chief Finance Officer. Procedure for referring matters to the Audit Committee being developed.
4	Introduction of procedure to provide assurance that controls are in place and operating effectively.	Director of Financial and Business Strategy	Development and consultation on process by 31 March 2005. Implementation during 2005/06.
5	Integration of service and financial planning and introduction of a corporate standard for departmental service plans.	Director of Financial and Business Strategy	New high level service planning process now in place and being used to inform the budget and corporate plan.

6	Development of an action plan for the community strategy.	Director of Organisational Performance	Due to be presented to the Harrow Strategic Partnership Board in December.
7	Review and revision of the scheme of delegation.	Director of Corporate Governance	New scheme of delegation in process of development. Scheduled for completion by 31 March 2005.
8	Establishment of a new corporate fraud team.	Director of Business Services	Structure and role of team in process of development, arrangements for liaison with internal audit being established, handover of relevant internal audit activities to be completed by 31 March 2005.
9	Development of departmental risk registers.	Director of Financial and Business Strategy	Register in place for Urban Living, and in progress for Business Connections. Remaining registers scheduled for completion by 31 March 2005. Axenaware system to be piloted by 31 December 2004.
10	Development of a business continuity plan.	Director of Financial and Business Strategy	Resources to be bought-in to identify current business continuity risks and make recommendations for the development of corporate and departmental continuity plans. Associated action plan to be developed by 31 March 2005. Development and implementation of continuity plans to take place during 2005/06
11	Action to improve financial awareness and standards of financial management.	Director of Financial and Business Strategy	New financial regulations and contract procedure rules developed and launched in September 2004. Programme of financial management training for budget managers and other relevant staff took place in September/October 2004. Project underway with Cedar to enhance e-financials system. Scheduled for completion by 31 December 2004.

			Processes for self assessment using CIPFA Financial Management model to be developed by 31 March 2005.
12	Development of the corporate performance management system	Director of Organisational Performance	Strategic and directorate level scorecards developed and quarterly monitoring reports being produced for Cabinet. Staff trained in use of Corvu system. Awareness raised through newsletters and intranet site. Full implementation of scorecards and reporting facilities by 31 March 2005.

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