

## Agenda Item 13

Audit and Governance Committee

3<sup>rd</sup> December 2009

TC



Corporate Governance activity report for the period 1<sup>st</sup> October 2009 to 31<sup>st</sup> December 2009, including:

- Corporate Risk Management – CRMG Chairman’s Progress Report
- Corporate Governance Work Plan, incorporating the progress on NFI and other Counter Fraud Initiatives, and
- Annual Governance Statement Action Plan (Progress Reports from Heads of Service and Directors)

### Summary

The report and appendices outline the work undertaken to ensure the council’s corporate governance arrangements are effective and in compliance with its local Code of Corporate Governance.

### Recommendations

Members are asked to note:

- **The Progress Report from the Chair of the Corporate Risk Management Group**
- **The Minutes of the last Corporate Risk Management Group dated 13<sup>th</sup> October 2009**
- **The Corporate Governance Work Plan for 2008/09**

Members are asked to monitor and keep under review the:

- **Counter Fraud Initiatives including the NFI exercise**
- **Annual Governance Statement - Action Plan**

### a) Reasons for Recommendation

In order that the status and role of Corporate Governance can be confirmed at Member level and to ensure that progress is being made on the Governance plans in line with Member expectations.

### b) Alternative Options

None

### c) Risk Considerations

- Failure to comply with our own Local Code of Corporate Governance
- Failure to comply with the Corporate Governance ‘Key Lines of Enquiry’
- Failure to maintain our Use of Resources score
- Failure to maintain our current CAA rating
- Failure to progress the actions within the Annual Governance Statement
- Criticism from External Audit and other external review agencies

### d) Policy and Budgetary Considerations

There are no budgetary considerations

## **e) Date for Review of Decision**

N/a

### Main Body of the Report

#### Introduction

This report shows the activity for the period October to December 2009.

#### **Corporate Risk Management – CRMG Chairman’s Progress Report**

The Corporate Risk Management Group (CRMG) has been charged with the task of bringing into use a revised Corporate Risk Register (CRR). The CRMG is a member/officer group chaired by an elected councillor and includes the Corporate Director and the Corporate Risk Manager.

The Corporate Risk Management Policy, Strategy and Toolkit have all been updated and the CRMG has commissioned a new CRR (SPAR.net) which is now fully operational.

Population of the CRR is now virtually complete, where appropriate ‘strategic’ (corporate risks) have been linked in SPAR.net to the ‘operational’ (service risks) and review dates have been set up with an email reminder to the various responsible officers. The population and compilation of the CRR has been monitored by the Council’s Risk Manager who has made regular reports on progress to the CRMG.

The design of the SPAR.net system enables easy access to areas for review of information and the clarity of the screens help to ensure that both officers and members are able to enter and browse the CRR without difficulty.

There has however, been an issue with regards Member access to SPAR.net in that although the system is available in the Members’ area of the Knowle offices, it is not available on Members’ computers in their homes. The Chair of CRMG requested that this issue be resolved and ITS are actively working on a solution that will overcome the problem.

At the last CRMG meeting members discussed the possible future role of the Group, the Audit & Governance Committee and the Scrutiny Committees in the risk review process. There was general agreement that the Scrutiny Committee could incorporate a review of risks and controls into their overall review of Council functions and/or services. However, the CRMG would continue to review and challenge the risks and controls within the corporate risk register. The chairman is aware that it will take some months for all members to become confident in using the information included in the Risk Register and some form of training/familiarization may be necessary.

The Chairman is however, pleased with progress and is confident that the Council will have a fully operational CRR in use by the end of the year.

The Minutes of the meeting of the Corporate Risk Management Group dated 13<sup>th</sup> October 2009 are attached to this Agenda.

#### **Corporate Governance Work Plan 2009/10 – Appendix 1**

Please refer to the appendix, a brief summary of the work completed so far this year is detailed below:

#### **NFI Exercise 2009/10**

This exercise is co-ordinated by the Internal Audit & Governance Manager who ensures login and password details are allocated to responsible officers, monitors completion of the work and ensures the on-line database is adequately completed with all relevant details.



We have reported previously that the NFI (creditors reports) highlighted a couple of anomalies (a duplicate payment and a sundry debtor overpayment). These have been dealt with satisfactorily.

The exercise is virtually complete in Housing Benefits, with a target for completion before the Christmas break. Arrangements are being made to complete the online NFI database with case outcomes. A schedule of action taken and savings made as a direct result of participating in the NFI exercise will be presented to the next Audit & Governance Committee in March 2009.

### **Other Counter Fraud Initiatives**

Our external auditors have given the Council's Internal Audit & Governance arrangements a low score in its UoR assessment. Part of the reason for this is that there has been limited pro-active counter-fraud work carried out by the Council (apart from the NFI work detailed above and the counter-fraud work carried out by our Housing Benefit Investigation Team). This situation has developed over time, mainly because of the long-term shortage of audit staff available to carry out the council's audit plans.

Giving assurance on the Council's counter/anti-fraud arrangements falls within the remit of Audit & Governance. There are various tools available for the Council to assess its current counter fraud arrangements and to identify any gaps. Preliminary work has already started on this and we will present a report to Committee on the results in due course.

### **Annual Governance Statement – Action Plan, Progress Report**

The Internal Audit & Governance Manager is pleased to report comments from Head of Service and Directors for each item in the Action Plan.

Legal Implications

None

Financial Implications

None

Consultation on Reports to the Executive

N/A

Background Papers

Corporate Governance Work Plan

Annual Governance Statement - Action Plan

CRMG Minutes

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Internal Audit and Governance

Audit & Governance Committee  
3<sup>rd</sup> December 2009