



AUDIT AND PENSIONS COMMITTEE

15 March 2012

CONTRIBUTORS	Audit Commission recommendations updates & Annual Governance Statement 2011 Action Plan	WARDS
Internal Audit Manager		All

This report gives an update on the implementation of Audit Commission recommendations and on the AGS 2011 action plan.

RECOMMENDATION:

That the Committee notes the report.

Internal Audit

Update on Audit Commission report recommendations

Updates on Audit Commission recommendations were last reported to the Committee in June 2011 at which point all the outstanding recommendations had been cleared. No further reports have been issued since that date and there are therefore no updates to report to this meeting.

Annual Governance Statement Action Plan

The 2011 Annual Governance Statement (AGS) was first considered by the Audit and Pensions Committee at its September 2011 meeting.

Attached as Appendix 1 is the first update to the action plan relating to the control weaknesses identified in the statement and report on its progress. Updates have been provided for all 1 of the 4 identified control weaknesses. The relevant issues relating to the remaining 3 weaknesses were reported resolved at the December meeting and no further remedial action is required. Updates will continue to be reported to future meetings on the outstanding weakness.

The action plan is a necessary result of producing the AGS. Because these issues are considered to be significant the action plan and the progress made in its implementation should be periodically reported to the Audit and Pensions Committee to agree and then to monitor progress. The action plan should provide sufficient evidence to show that the individual significant control weaknesses taken from the AGS will be resolved as soon as possible, preferably in-year before the next statement is due.

Failure to act effectively on the significant control issues would increase the exposure of the council to risk.

The schedule at Appendix 1 shows the current stated position as reported by the identified responsible officers. Unless otherwise stated, Internal Audit has not verified the current position reported in either appendix and can therefore not give any independent assurance in respect of the reported position.

The Audit and Pensions Committee is invited to note the updates provided by operational management.

LOCAL GOVERNMENT ACT 2000 **LIST OF BACKGROUND PAPERS**

No.	Description of Background Papers	Name/Ext. of Holder of File/Copy	Department/ Location
1.	Annual Governance Statement Action Plan	Internal Audit Manager Ext. 2505	Finance, Internal Audit Town Hall King Street Hammersmith W6 9JU

2010/11 Annual Governance Statement**Action Plan**

AGS Finding re Significant Control Weakness	Responsible Officer	Update reported to December 2011 Audit and Pensions Committee meeting	Update for February 2012 Audit and Pensions Committee meeting
<p>Reconciliation of Financial Systems</p> <p>The Council has progressed well in redeveloping financial systems and processes over the past few years through the journey to World Class Financial Management (which strengthens the resource dedicated to this area) and the adoption of International Financial Reporting Standards. While External Audit note the improvement made over recent years further improvement is still needed.</p>	<p>Head of Corporate Accountancy</p>	<p>A closing 'post-mortem' will be undertaken to identify weak spots and areas for improvement</p> <p>{Target Date 31 October 2011}</p> <p>Workplan for Corporate Accountancy and Capital and detailed closing calendar to be produced.</p> <p>{Target Date 31 December 2011}</p> <p>The accounts production process will be reviewed and revised as necessary, sharing best practice from other Authorities</p> <p>{Target Date 31 January 2012}</p> <p>Quarterly closedown (excluding a quarter 1 close down) to be implemented for 2012/13</p> <p>{Target Date 30 June 2012}</p>	<p>Target dates for 31 October, 31 December and 31 January have been met.</p> <p><i>The accounts production process was reviewed at a workshop in November and changes to the process were implemented following this workshop. We continue to scrutinise our accounts production process, particularly in light of guidance being issued from CIPFA and the Audit Commission and we address issues as and when they arise. We have had an initial session to share best practice with RBKC in November and have timetabled a further session for mid-February.</i></p>

AGS Finding re Significant Control Weakness	Responsible Officer	Update reported to December 2011 Audit and Pensions Committee meeting	Update for February 2012 Audit and Pensions Committee meeting
<p>Contract Management</p> <p>The use of consultants was raised in the Annual Governance Statement last year. While some improvement has been made there continue to be weaknesses in managing contracts for consultants.</p>	<p>Assistant Director – Human Resources</p>	<p>A full review of consultants has taken place and a new corporate procedure for the procurement of consultants has been agreed and implemented by EMT with effect from 1st August 2011. Existing consultants' contracts have been reviewed and HR is in the process of converting these, where appropriate to new contracts in line with the agreed procedures.</p>	<p><i>Issue reported as fully resolved at December 2011 meeting.</i></p> <p><i>No further update required</i></p>
<p>Information Requests</p> <p>The provision of information in compliance with the Freedom of Information Act has been the subject of a review from the Office of the Information Commissioner who has sought a written undertaking from the council to improve the responsiveness to Information requests. In response the council has increased the resource, training and support in this area.</p>	<p>Information Manager</p>	<p>Official monitoring finished at the end of November 2010 with a marked improvement in performance. However staff capacity issues resulted in Geoff Alltimes and the Information Commissioner signing an Undertaking in April 2011. However, performance significantly improved with 92% of all RFIs processed within timescale since April 2011 and 85% (the ICO's target) processed within timescale since October 2010.</p>	<p><i>Issue reported as fully resolved at December 2011 meeting.</i></p> <p><i>No further update required</i></p>

AGS Finding re Significant Control Weakness	Responsible Officer	Update reported to December 2011 Audit and Pensions Committee meeting	Update for February 2012 Audit and Pensions Committee meeting
<p>Health & Safety</p> <p>Substantial progress has achieved in the delivery of a reasonable Health & Safety environment. This has included the training, support, resource and guidance provided by the Corporate Safety Team. Issues remain in relation to the management and control of gas safety certification for temporary accommodation and that of departmental wide risk assessment as a counter-balance to newly emerging areas of risk. There continues to be a focus on addressing these issues</p>	<p>Assistant Director – Building & Property</p>	<p>Quarterly updates are provided to the Executive Management Team of the current status of organisational health and safety.</p> <p>Agreed performance indicators provide information on salient pieces of information including gas safety, risk assessments etc.</p> <p>The status of departmental corporate safety audits are included based on a basic RAG system. (red/amber/green).</p> <p>The report also provides details on organisational accident/incident rates and training records.</p> <p>The sum of this information is conveyed at the quarterly Safety Committee, which is attended by departmental representatives, Unions, HR etc. The minutes are placed on the intranet.</p> <p><i>In addition to this update from the Head of Corporate Safety, Internal Audit has recently carried out audit work relating to Accommodation Services which included coverage of this issue. The audit work concluded that there are no remaining significant issues in this area.</i></p> <p><i>In addition, EMT now sees quarterly reports from the Corporate Safety Unit on gas certification compliance.</i></p>	<p><i>Issue reported as fully resolved at December 2011 meeting.</i></p> <p><i>No further update required</i></p>