



Report Reference Number: A/18/18

To: Audit and Governance Committee
Date: 30 January 2019
Author: Karen Iveson; Chief Finance Officer (s151)
Lead Officer: Karen Iveson; Chief Finance Officer (s151)

Title: Annual Governance Statement 2017/18 – Action Plan Review

Summary: To review progress on the Annual Governance Statement (AGS) 2017/18 Action Plan approved in July 2018.

Recommendation:

It is recommended that progress against the Action Plan for the Annual Governance Statement for 2017/18 be noted.

Reasons for recommendation:

To ensure the necessary actions have been carried out in accordance with the approved Annual Governance Statement and action plan.

1. Introduction and background

- 1.1 Good governance is important to all involved in local government; however, it is a key responsibility of the Leader of the Council and of the Chief Executive.
- 1.2 The preparation and publication of an annual governance statement in accordance with the CIPFA/SOLACE Framework was necessary to meet the statutory requirements set out in Regulation 4(2) of the Accounts and Audit Regulations which requires authorities to “conduct a review at least once in a year of the effectiveness of its system of internal control” and to prepare a statement on internal control “in accordance with proper practices”.

- 1.3 To meet the requirement to review the AGS an Action Plan has been agreed and is subject to half yearly review by the Audit and Governance Committee.

2. The Report

- 2.1 The present Action Plan for review is attached as Appendix A. Progress against the approved action plan has been made although there are some actions on-going which will be monitored by Leadership Team over the remaining months of the year in order to ensure actions are delivered to the agreed revised deadlines.

3. Legal/Financial Controls and other Policy matters

3.1. Legal Issues

- (a.) None.

3.2. Financial Issues

- (a.) None.

4. Conclusion

- 4.1. The AGS and scrutiny of the Action Plan represents progress towards setting the highest Corporate Governance standards and meets the requirements of the Accounts and Audit Regulations.

5. Background Documents

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Appendices: **Appendix A – AGS 2017/18 Action Plan**

Appendix A

Issue Identified	Source of Evidence	Previous Summary of Action Taken & Proposed	By whom & By when	Current Position
Review of Overview and Scrutiny arrangements	Corporate Peer Challenge Nov 2017	Training has been delivered to members of the Executive and Scrutiny Committees. This included a workshop style session with officers and members to identify areas for improvement and development.	Solicitor to the Council 31 March 2019	<p>Update since the last report:</p> <ul style="list-style-type: none"> Established a Quarterly Work Programme Liaison Group between the Executive and the Chairs of Audit and Governance, Scrutiny and Policy Review Committees. It has met on 2 occasions so far (July 2018 and November, next meeting scheduled for 21 February) Scrutiny Training for Members arranged and delivered in October 2018 - very well received by attendees as it was focused on SDC arrangements. Role profiles for the Chairs of Scrutiny, Policy Review and Audit and Governance Committees

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				<p>developed, agreed and adopted into the Constitution at July Council.</p> <ul style="list-style-type: none">• Executive Meeting dates circulated at Scrutiny Committee in order to encourage attendance by a member of the Committee at Executive meetings.• Scrutiny has identified a 'deep dive' issue it may wish to look at in 2019/20 - ToR still to be developed.

Appendix A

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Information Governance and breaches in Data Protection are not adequately managed.	Internal Audit Report	Plans are now in place to: <ul style="list-style-type: none"> • Assign clear roles and responsibilities; • Approve and implement the necessary policies and procedures; • Deliver a targeted training programme; • Ensure adequate reporting arrangements; and • Consider appropriate disciplinary procedures for data breaches. 	Solicitor to the Council 8 June 2018 Amended deadline - achieved Deadline for new actions 31 March 2019	An action plan is now in place to address the implications of the General Data Protection Regulation (GDPR) and the remaining actions resulting from previous Internal Audit reports. The GDPR action plan is now substantially complete. Veritau now act as DPO for SDC and in this capacity, a new Information Governance Action Report has been developed by Veritau for Q4 2018/19 which will address these outstanding actions. Veritau are scheduled to report progress on this action plan to the SIRO and CIGG by 29 March 2019. It is proposed to share this report with Audit & Governance Committee on 10 April 2019.

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Non-compliance with the Payment Card Industry Data Security Standard (PCI DSS)	Internal Audit report	<p>Agreed actions:</p> <ul style="list-style-type: none"> • Management responsibility has been defined • The cardholder data environment will be mapped and documented • Policies and procedures will be developed in relation to PCI DSS • Dependencies on third parties will be explored and assessed • Responsibility for completing annual self-assessment questionnaires will be assigned 	<p>Head of Business Development and Improvement</p> <p>30 September 2019</p>	<p>Civica have bought Northgate PARIS – our current payments and income management system – and will no longer commit to supporting the software. As a result we are required to procure new software. A bid for funding procurement of Civica Pay (or similar) is included in the draft budget for 2019/20. Implementation of new software will resolve PCI DSS issues. Revised date of 30 Sept 2019.</p>
Creditors	Internal Audit report	<p>A number of duplicate invoices and payments were identified during the previous audit. In addition, a high number of orders were found to be raised outside of the e-procurement system.</p> <p>An action plan was agreed and good progress has been made towards this with an update provided to the Audit and</p>	<p>Head of Operational Services</p> <p>31 December 2018</p>	<p>A further audit of Creditors was completed in 2017/18 and found reasonable progress had been made. No further duplicate payments were identified, however a high number of orders are still being raised outside of e-procurement. The current exemptions list will be reviewed to ensure all</p>

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		Governance Committee in April 2017.		<p>exemptions are necessary. Thereafter, the list will be reviewed annually by Finance in conjunction with Business Support to minimise and clarify the reasons for a non-POP invoice.</p> <p>Business support have a clear process in place should an invoice be received without a PO that isn't included on the exclusions list. This will be followed up as part of the 2018-19 audit.</p>
Payroll reconciliation	Internal and External Audit reports	Delays to and errors within the payroll costing file	Head of Finance 31 July 2018	Completed - Historical issues have now been resolved. There are ad-hoc differences but these are being addressed as they occur as part of the reconciliation process. The reports are now being received on time.