

Report Reference Number: A/19/19

To: Audit and Governance Committee
Date: 29 January 2020
Author: Karen Iveson; Chief Finance Officer (s151)
Lead Executive Member: Cllr Cliff Lunn, Lead Member for Finance and Resources
Lead Officer: Karen Iveson; Chief Finance Officer (s151)

Title: Annual Governance Statement 2018/19 – Action Plan Review

Summary:

To review progress on the Annual Governance Statement (AGS) 2018/19 Action Plan approved in July 2019.

Recommendations:

It is recommended that progress against the Action Plan for the Annual Governance Statement for 2018/19 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. Alternative Options Considered

Not applicable.

4. Implications

4.1 Legal Implications

None as a direct result of this report.

4.2 Financial Implications

None as a direct result of this report.

4.3 Policy and Risk Implications

Significant control weaknesses present risk for the Council and therefore it is important that agreed actions are implemented.

4.4 Corporate Plan Implications

Ensuring an effective governance and control framework supports the Council in delivery of its 'great value' priority.

4.5 Resource Implications

Resources to deliver the agreed actions are within the approved budget and policy framework.

4.6 Other Implications

There are no other notable implications beyond those set out in the report and associated action plan.

4.7 Equalities Impact Assessment

Not applicable.

5. Conclusion

- 5.1** 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.

6. Background Documents

None.

7. Appendices

Appendix A – AGS 2018/19 Action Plan

Contact Officer:

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| Issue Identified | Source of Evidence | Update/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 | The review of Overview and Scrutiny arrangements has now been completed. There is the ongoing monitoring of training needs of all of the committees along with quarterly discussions and sharing of work programmes between the Scrutiny chairs and the Executive. As a result of the local election, the membership and chairs of the committees have changed and this has been reflected in the outlining of priorities and changes to the work programme for each committee. The Council continues to monitor its scrutiny arrangements to ensure they are effective. |

| Issue Identified | Source of Evidence | Update/Summary of Action Taken & Proposed | By whom & By when | Current Position |
|--|-----------------------|---|---|---|
| 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. | (Chief Finance Officer (SIRO)) 30 June 2019 Amended deadline This action is now considered closed but GDPR action planning and monitoring will continue through the on-going work of the Corporate Information Governance Group and the Data Protection Officer. | 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 but work remains ongoing with assistance from Veritau in the role as Data Protection Officer (DPO). An Information Security Sweep took place in September 2019 – with substantial assurance given. Further improvements in physical information security was observed with significantly less incidents, compared to the previous sweep in January 2019. The importance of data security continues to be raised with staff and instances which were identified have been followed up with those concerned. |

| Issue Identified | Source of Evidence | Update/Summary of Action Taken & Proposed | By whom & By when | Current Position |
|--|-----------------------|--|---|---|
| Non-compliance with the Payment Card Industry Data Security Standard (PCI DSS) | Internal Audit report | Agreed actions: <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 | Head of Business Development and Improvement 30 Sep 20 Amended deadline | Civica have bought Northgate PARIS – the Council's current payments and income management system – and will no longer commit to supporting the software. As a result, the Council is required to procure new software. The Council has now put the order in to purchase CivicaPay – a hosted solution that removes the software risks around compliance. Software to be implemented Q2 next year. Revised date of 30 Sep 20 (from Sept 19) |

| Issue Identified | Source of Evidence | Update/Summary of Action Taken & Proposed | By whom & By when | Current Position |
|------------------|---|---|--|---|
| Creditors | Identified by the service / Counter Fraud and Internal Audit reports. | A mandate fraud was experienced by the Council in the 2018-19 resulting in a payment being made to the wrong recipient. | Head of Operational Services 1 September 2019 | Counter Fraud investigated the incident and Internal Audit have reviewed the procedures. Immediate action to reiterate the following of current procedures were agreed along and further actions to strengthen the process have been completed. The 2019/20 audit is currently in progress and any further update will be reported in due course. |