

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 20th DECEMBER 2010

Report of the Strategic Director (Shirlene Adam).

This matter is the responsibility of the Leader of the Council, Cllr John Williams

ACTION PLAN – ANNUAL GOVERNANCE REPORT

Executive Summary

The Annual Governance Report was shared at the September meeting of this Committee. This report shares the action plan prepared by officers to deal with the recommendations in that report. The action plan is set out in Appendix 1.

1. Background

- 1.1 The Annual Governance Report is an annual report to the Council from the Audit Commission setting out their findings on:-
 - the audit of the accounts; and
 - their review of the Councils arrangements for securing the economy, efficiency, and effectiveness in the use of resources.
- 1.2 The full report was presented to the September meeting of this Committee by our external auditors, the Audit Commission.
- 1.3 Since then, the Strategic Director (Shirlene Adam) has worked with senior officers to prepare an action plan to pick up on the recommendations made. This action plan is attached at Appendix 1.
- 1.4 Progress against this action plan will be monitored by the Strategic Director, with an update being shared with this Committee in the Spring of next year.

2. Financial Issues / Comments

- 2.1 There are no financial implications from this report.

3. Legal Comments

- 3.1 There are no legal implications from this report.

4. Links to Corporate Aims

- 4.1 No direct implications.

5. Environmental and Community Safety Implications

- 5.1 No direct implications.

6. Equalities Impact

6.1 No implications.

7. Risk Management

7.1 Any risks identified will feed in to the corporate risk management process.

8. Partnership Implications

8.1 The Financial Services Team in Southwest One will progress the majority of the recommendations in the action plan.

8.2 Any key control issues will be reviewed by the Internal Audit Team (SWAP – South West Audit Partnership) as part of their annual managed audit reviews..

9. Recommendation

9.1 Members are requested to note the Annual Governance Report action plan.

Contact Officers:

Shirlene Adam Strategic Director 01823 356310 s.adam@tauntondeane.gov.uk	Maggie Hammond Strategic Finance Officer 01823 358698 m.hammond@tauntondeane.gov.uk
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APPENDIX 1

Page No	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Annual Governance Report 2009/10 – Recommendations						
8	R1 As part of the year end process the Council should instigate a robust review of its accruals to ensure that expenditure is accounted for in the correct period	3 3	Paul Fitzgerald Paul Fitzgerald	Yes	<ul style="list-style-type: none"> SWONE Advisory Team will undertake a central review of accruals v April transactions to quality assure the accruals process Clear guidance will be issued to budget holders and other relevant staff, as part of the year end guidance notes and training. This will include a requirement to review April transactions for items related to previous years. 	May 2011 March 2011
8	R2 The Council should review its debtor balances to ensure that the amounts included are receiveable, and if the amounts should be considered for write off	3 2	Paul Harding Paul Harding	Yes	<ul style="list-style-type: none"> A review is already underway and write-offs being progressed. A regular review of overall position will be undertaken by Performance & Client Lead, and reported to CMT Managers will review and 	March 2011 January 2011

					monitor aged debts, and ensure debts are collected or written off on a timely basis.	
8	R3 Update the master data file for vendors (suppliers) to remove duplicate entries for the same vendor (supplier)	2	Ragnar Forssman	Yes	<ul style="list-style-type: none"> SPS to investigate options for de-duplication 	TBC
8	R4 A proper audit trail should be maintained to demonstrate that the council tax and business rates systems fully reconcile to the general ledger	2 2	Heather Tiso Paul Fitzgerald	Yes	<ul style="list-style-type: none"> SWONE Control Team to undertake regular reconciliation to general ledger on monthly basis. SWONE Advisory to monitor through balance sheet control reviews 	January 2011 March 2011
9	R5 Sufficient systems access controls should be operated to identify and address any unauthorised access. Evidence of review of this control should be documented to provide assurance that this is working effectively.	1	Maggie Hammond	Yes	<ul style="list-style-type: none"> Arrangements to periodically review high risk roles to be considered. 	March 2011
10	R6 All transactions on the SAP financial system should contain sufficient	1	Maggie Hammond	Yes	<ul style="list-style-type: none"> Consider whether TDBC requires descriptions from AP, AR and other feeder 	TBC

	narrative to identify the purpose of the transaction, the timing and the source.	2	Lizzie Watkin		<p>transactions to populate GL Description fields in SAP. Prepare/agree RFS if required.</p> <ul style="list-style-type: none"> • Users to be reminded that sufficient narrative should be included on GL transactions such as journals 	November 2010
		2	Paul Fitzgerald		<ul style="list-style-type: none"> • Business process for journals and virements will be reviewed to: <ul style="list-style-type: none"> i) provide clear guidance on descriptions protocol ii) build control checks and quality assurance into the process 	December 2010
10	R7 The arrangements between the Council and the Valuer should be formalised. This is important given the move to IFRS, and the additional work that the Valuer will be instructed to complete in order to assist the Council prepare its accounts under the IFRS.	2	Alison North	Yes	<ul style="list-style-type: none"> • Review Output Spec and prepare proposed update / addition to the specification for Asset Valuation services. Will require agreement through contract management arrangements. 	February 2011

10	R8 All loans and investments taken out on behalf of the Council should be supported by appropriate documentation.	2 2	Maggie Hammond Lizzie Watkin	Yes	<ul style="list-style-type: none"> • Review process for securing documentation from TM Advisory related to treasury decisions. • Ensure correspondence and evidence of all loan and investment approvals and details are maintained 	November 2010 November 2011
10	R9 All registers of interest should be kept up to date	2	Tonya Meers	Yes	<ul style="list-style-type: none"> • Undertake review of process to maintain Register of Interests 	March 2011