Annual Governance Report 2011/12 – Action plan

Recommendations	
Recommendation 1	
Maintain sufficient capacity in the central finance team to enable the efficient preparation of the financial statements, particularly in technical areas such as asset and PFI accounting.	
Responsibility	Mick Bowden
Priority	High
Date	31 March 2013
Comments	In line with the approach taken to planning the 2011/12 accounts we will identify areas that need strengthening and reallocate resources accordingly. This will be informed by our own internal review of the 2011/12 process and feedback from the external auditors
Update Dec 2012	Central finance team resource secured through internal appointment to two qualified accountant posts. Planning for 2012/13 closedown, including resource allocation, currently underway.
Update Mar 20013	Capacity in the central team will be impacted by the resignation of a key member of staff. Contingency arrangements are being put in place to reallocate workloads and manage competing demands for officer time.
Recommendation 2	
Review the asset register prior to the closure of the 2012/13 accounts to remove spurious assets with no evidence of existence or ownership.	
Responsibility	Mick Bowden
Priority	Medium
Date	31 March 2013
Comments	Further work has already been undertaken in this area since the initial audit work was undertaken. The total asset values identified much lower than the estimated maximum and these will be removed from the asset register.

| Update Dec 2012 | The update of the asset register incorporating these changes and software updates to the system is being undertaken and will be completed by the end of January. |
| Update Mar 2013 | Not all of the software updates have been released by CIPFA. It is anticipated that these will be released by the end of March. |

Recommendation 3

Maintain close monitoring arrangements to ensure Internal Audit recommendations are implemented on a timely basis and internal controls are strengthened.

Responsibility	Mick Bowden
Priority	Medium
Date	31 March 2013
Comments	All internal audit recommendations for the key financial systems have agreed action plans including responsible officers and deadlines. I will review progress against these on a monthly basis with the Head of Service responsible to ensure internal controls are strengthened.
Update Dec 2012	The latest position is that eight recommendations have been implemented, eight are in progress and one is no longer relevant due to changes arising from project Athena.
Update Mar 2013	Substantial assurance opinions have been given on accounts receivable and accounts payable audits undertaken in 2012/13. Accounts payable audit resulted in a limited assurance and action already been put in place to address the key issues around supplier details and CHAPS payment forms.

Recommendation 4

Make arrangements to comply with the Council's policy on componentisation in future years.

Responsibility	Mick Bowden
Priority	Medium
Date	31 December 2012
Comments	The approach to componentisation will be agreed with the external auditors and the Council's valuer as part of the early planning for 2012/13 closedown. A clear approach to the valuation process will be set out and adhered to.

Update Dec 2012	A proposed approach has been developed and shared with the auditors.
Update Mar 2013	The instructions issued to the valuer are based on agreed approach

Recommendation 5

Continue to improve compliance with accounting disclosure requirements.

Responsibility	Mick Bowden
Priority	Medium
Date	31 March 2013
Comments	This will be achieved through reviewing existing requirements to identify any residual issues. We will also consider changes to disclosure requirements being brought in for the 2012/13 and identify the impact of these on our processes.
Update Dec 2012	Review meetings have been held with each individual finance team to identify areas for improvement. The outcome of these is being incorporated into the planning for 2012/13 closedown.
Update Mar 2013	Overall closedown timetable has been produced covering requirements. Local timetables for individual finance teams have been produced and submitted for review centrally to ensure compliance with requirements.

Recommendation 6

Review and update the Council's Anti-Fraud and Corruption Policy.

Responsibility	Simon Lane
Priority	Medium
Date	31 March 2013
Comments	The Anti-Fraud and Corruption Policy is in the process of being reviewed. However, due to the proposed implementation of the Single Fraud Investigation Service from April 2013, there is considerable uncertainty as to how involved the local authority will be in setting policy and procedure for benefit investigations. Given that Housing Benefit fraud is a substantial proportion of the team's work, there will be a delay in producing a new policy until proposals from the Department of Work and Pensions are made clear. We intend to have a new policy in place by 31st March 2013.
Update Dec 2012	The position regarding Single Fraud Investigation Service has now been clarified by the DWP. A revised framework is

	expected to be available for approval by the Audit Committee at its meeting in February.
Update Mar 2013	Draft policy submitted for approval at March 2013 meeting

Recommendation 7

Continue to manage the financial position closely and build the level of the General Fund reserve.

Responsibility	Mick Bowden
Priority	High
Date	31 March 2013
Comments	The budget monitoring position for 2012/13 is under close scrutiny. Despite pressures across a number of services there is a clear understanding and discipline across the Council to maintain spending within budget. The final position for 2011/12 means that the Council is £0.2 million ahead of its planned increase in General Fund reserves as set out in the medium term financial strategy. The Council meeting on 25 February 2013 will set the proposed level of reserves, based on an assessment of the financial risks facing the Council.
Update Dec 2012	Latest budget monitoring for 2012/13 indicates that the planned reserves increase of £1m will be delivered.
Update Mar 2013	Council approved level of General Fund reserve as £12m at its meeting on 25 February 2013.

Recommendation 8

Maintain a corporate focus to embed enhancements to its procurement arrangements and the commitment to ensure the savings associated with improved procurement are realised.

Responsibility	Fiona Leddon
Priority	High
Date	30 September 2013
Comments	Procurement is the subject of 3 one council projects: • Learning and Development - which includes training and development of procurement activity across the organisation. • I-procurement which deals with embedding electronic procurement through a central system which ensures further compliance with procurement processes

	• A project identifying savings from procurement activity. The use of the Council one programme has enabled this activity to become firmly developed and is assisting in it becoming embedded in the organisation.
Update Dec 2012	Procurement is delivering a suite of 3 one council projects: • Training in 'procurement and contract performance management' which is now being delivered across the organisation. The first session was delivered in Nov 2012 in conjunction with learning and development. The initial feedback has been very positive. • 'E-procurement' which is embedding I-procurement (Oracle), E- tendering (Due North) and E-marketplace (EGS) and through the use of automation and standardisation ensures value for money, compliance with legislation and adherence to procurement processes. The implementation of these is being co-ordinated with project Athena which is scheduled for go live in August 2013. • 'Additional operational savings through procurement activity' has made positive progress to identify savings. This has been a product of the investment in category management. The service areas and procurement team have established a good level of dialogue and understanding and agreed an approach to the treatment of such savings. The procurement opportunities are being identified over a three year period with greater certainty applied to those savings in the immediate future. This will allow the council to adopt a planned approach to the identification and achievement of cashable savings.
Update Mar 2013	Procurement savings target for 2013/14 on track to be exceeded. An update report on embedding future procurement arrangements being presented to the one council programme board on 19 March.

Recommendation 9

Continue to explore all options to meet the rising demand for school places in the borough.

Responsibility	Andy Donald / Krutika Pau
Priority	High
Date	Ongoing with first phase delivered by September 2013.
Comments	The Council's Executive agreed a plan in August 2012 for provision of primary school places, both temporary and permanent, to meet the rising need for places. A report is due in December 2012 which will enable Members to agree plans for new secondary places. The August Executive meeting also agreed an approach to the use of the 'free schools' route to achieving additional school places. Ongoing monitoring and review of the effectiveness of the strategy will take place at officer and member level.
Update Dec 2012	An updated report on progress in delivering school places is being presented to Executive in January 2013. This recognises the need to continue to look at alternative options for funding school places in recognition of the significant

resource challenges involved.

Update Mar 2013	The updated strategy, as approved by Executive in January, is being implemented. The DfE announcement of Basic Needs Grant for the next two years has increased funding for Brent by £7m over previous forecast. The government has also announced a Targeted Basic Need Programme which authorities experiencing pupil growth can apply for. The national total for this is £982 million.

Recommendation 10

Continue to embed the risk management arrangements, including undertaking regular reviews of departmental risk registers and relating mitigating actions to operational and financial plans.

Responsibility	Simon Lane
Priority	High
Date	31 March 2013
Comments	Departmental risk registers are already subject to review on a quarterly basis and used as a basis to inform CMT discussion on the corporate register. The highest level operational risks and strategic risks are included in a report to each meeting of the Audit Committee. All key strategic and operational risks are reported to the Policy Coordination Group (PCG) as part of the hotspots process.
Update Dec 2012	Risk registers continue to be reviewed by service areas and by internal audit. The key risks were submitted to PCG in accordance with the quarterly schedule.
Update Mar 2013	Risk management continues to be developed. There is on-going review at CMT quarterly. Report to the March audit committee.