



DERBY CITY COUNCIL

**AUDIT AND ACCOUNTS  
COMMITTEE  
25 JUNE 2009**

Report of the Head of Audit and  
Risk Management

# ITEM 12

## Governance Update

### RECOMMENDATION

- 1.1 To note the report.

### SUPPORTING INFORMATION

- 2.1 This report provides Members with an update on progress with several key governance issues.

#### **Governance Working Group**

- 2.2 The Group has been undertaking a self-assessment of the governance environment in place at the Council using the CIPFA/SOLACE "Delivering Good Governance in Local Government" guidance and framework documents. The outcome will be a revised Local Code of Corporate Governance and an action plan on the areas for improvement. It is intended to bring both these documents to the meeting on 24 September 2009. The work of the Group also feeds in to the drafting of the Annual Governance Statement.

#### **Risk Management Issues**

- 2.3 A draft list of strategic risks has been produced by the Strategic Risk Group. Chief Officer Group was consulted on the list and will feedback any amendments to the Head of Audit and Risk Management. A workshop has been arranged on 13 July 2009 for the Strategic Risk Group to identify any other future risks and to establish overall priorities for the management of risk, including assigning ownership for each risk.
- 2.4 The Council has now purchased a Risk Management System, JCAD Risk, to provide the Council with an electronic solution for analysis, monitoring and reporting on risks. The Head of Audit and Risk Management will brief members at the meeting on the progress with the installation of the software.
- 2.5 An action plan is being drawn up for the further embedding of risk management within the Council. This plan will be brought to the September meeting of the Committee.

## **Financial Procedure Rules - Review**

- 2.6 The last full review of the Council's Financial Procedure Rules (FPRs) was undertaken in 2006. Since that time the Council has implemented a new financial management system (Oracle). The Assistant Director – Corporate Finance and Performance is co-ordinating a full review of the FPRs and aims to bring the revised version to this Committee on 24 September 2009.

## **Compliance with Contract Procedure Rules**

- 2.7 It was agreed by Members that the Head of Audit and Risk Management would report significant issues of non-compliance with Contract Procedure Rules (CPRs) to this Committee in June and December each year. There have not been any significant issues of non-compliance with CPRs in the last 6 month period that the Head of Procurement and the Head of Audit and Risk Management need to bring to the attention of the Committee.
- 2.8 The Head of Procurement has been running a number of training sessions on the revised Contract Procedure Rules which come into effect on 1 July 2009.

## **National Fraud Initiative 2008/9**

- 2.9 The matches from the Audit Commission's National Fraud Initiative 2008/9 were made available in early February 2009. Individual reports are currently being reviewed. As at 15 June 2009, 78% of the individual matches have been resolved across all 70 reports. A further run of all the data has been undertaken by the Audit Commission on the 13/14 June 2009, which has resulted in 33 additional cases to be investigated across all the reports.

## **Review of Policies and Strategies**

- 2.10 The Anti-Fraud and Corruption Strategy, the Risk Management Strategy, the Anti-Money Laundering Policy and the Confidential Reporting Code are all due for review in 2009/10. These will be brought to future meetings of this Committee for approval.

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**Background papers:**

**List of appendices:** Appendix 1 – Implications

<b>IMPLICATIONS</b>
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**Financial**

1. None directly arising

**Legal**

2. None directly arising

**Personnel**

3. None directly arising

**Equalities impact**

4. None directly arising.

**Corporate objectives and priorities for change**

5. None directly arising.