To the Chair and Members of the
AUDIT COMMITTEE

2012/13 ANNUAL GOVERNANCE STATEMENT

EXECUTIVE SUMMARY

1.   The Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for and used economically, efficiently and effectively. In discharging these responsibilities, the Council must ensure that there is good governance and a sound system of internal controls in place, which facilitate the effective exercise of the Council's functions.

2.   An annual review of governance arrangements and the subsequent preparation and publication of an Annual Governance Statement (AGS) are statutory requirements by virtue of the Accounts and Audit Regulations (England) 2011. The AGS must demonstrably be a corporate document, corporately owned. The Council's governance arrangements in place during 2012/13 have been reviewed and an AGS has been drafted and is attached to this report. There has been 6 significant weakness reported in 2012/13. (Appendix 1)

3.   The Accounts and Audit Regulations require proper practice to be followed in the production and approval of the Statement. 'Proper practice' requires the Council Leader (in Doncaster's case, the Mayor) and the Chief Executive to sign the statement to confirm their satisfaction with the governance framework and the procedures for reviewing it, and their acceptance of the significant issues highlighted in the statement, along with actions for tackling the issues raised. This should be done prior to the publication of the Statement of Accounts in September 2013.

RECOMMENDATIONS

4.   The Audit Committee is asked to:

- Note and comment on the report.

- Note that the Annual Governance Statement has been approved by Directors and the Mayor and the Chief Executive will be asked to sign the Statement prior to its publication along with the Statement of Accounts in September 2013.

BACKGROUND

5.   The Annual Governance Statement is laid out in accordance with proper practice as set out by the Chartered Institute of Public Finance and Accountancy (CIPFA). There are 6 sections:

- Section 1: Introduction
- Section 2: Scope of the Council's responsibility
- Section 3: Purpose of the Governance Framework
- Section 4: The Council's Governance Framework, which identifies the governance arrangements in place at the Council
- Section 5: Review of effectiveness. This looks at the processes that have been applied in maintaining and reviewing the effectiveness of the governance framework
- Section 6: Significant governance issues. These are the main issues that require improving.

6.   Sections 1, 2 and 3 are standard, based on CIPFA's 'model' AGS template. Sections 4 and 5 highlight the governance arrangements in place at Doncaster (Section 4) and how they have operated during the year (Section 5). Section 6 highlights the significant issues arising this year and provides an update on the significant items reported in 2011/12. **The Executive Board's attention is drawn particularly to Section 6 and Appendices 1 – 3 of the AGS.**

7.   Appendices 1 – 3 of the Statement show:

- Appendix 1 (pages 9 - 11): Areas requiring improvement identified following the 2012/13 review of the effectiveness of the Council's governance arrangements, and the actions being taken by the Council to secure the improvements.

- Appendix 2 (page 12 - 16): Areas requiring improvement identified in 2011/12 that were still significant during some part of 2012/13, and the action being taken.

- Appendix 3 (pages 17 - 18): Areas requiring improvement identified in 2011/12 that have been effectively managed to the extent that they were no longer significant in 2012/13. In the interests of consistency and continuity, they are referred to in this appendix to assist in demonstrating that they have been duly considered in the 2012/13 review for the purposes of this statement.

.
OPTIONS CONSIDERED & REASONS FOR RECOMMENDED OPTION

8.   Not Applicable

IMPACT ON THE COUNCIL'S KEY OBJECTIVES

9.   Good Governance is wholly related to the achievement of the objectives in the Council's Corporate Plan and, therefore, applies to all of Doncaster's priorities.

RISKS & ASSUMPTIONS

10.   The production of an Annual Governance Statement is a statutory requirement. The key risk is that failure to produce a statement to meet this requirement would result in an adverse audit report by the Council's external auditor and damage the Council's reputation. The original risk profile is 16 but by producing the Annual Governance Statement and addressing key corporate issues the risk profile is reduced to 8.

LEGAL IMPLICATIONS

11.   The production and publication of an Annual Governance Statement is a statutory requirement.

FINANCIAL IMPLICATIONS

12.   There are no direct financial implications resulting from this report

CONSULTATION

13.   This report has no significant implications in terms of the following:

Procurement		Crime & Disorder	
Human Resources		Human Rights & Equalities	
Buildings, Land and Occupiers		Environment & Sustainability	
ICT		Capital Programme	

BACKGROUND PAPERS

14.   CIPFA guidance –annual governance statement preparation
Director returns on internal controls and previous year actions
Corporate Governance Inspection

REPORT AUTHOR & CONTRIBUTORS

Hayley Lloyd, Policy & Performance Data Analyst
☎ 01302 737083 ✆ hayley.lloyd@doncaster.gov.uk

Sennette Wroot, Principal Policy & Performance Officer
☎ 01302 862533 ✆ sennette.wroot@doncaster.gov.uk

Howard Monk, Head of Corporate Policy & Performance
☎ 01302 736911 ✆ howard.monk@doncaster.gov.uk

Simon Wiles
Director of Finance and Corporate Services

Annual Governance Statement Doncaster Council 2012/13

1. Introduction

1.1 In accordance with best practice guidance for local authorities on the preparation and drafting of an annual governance statement, the following statement relates to the period from 1st April 2012 to the date of the certification of the Council's accounts. The responsibilities set out in this statement, the nature of controls in place and the areas identified for improvement apply to the whole or part of the above period. Reference is also made to matters raised in the Council's 2011/12 Annual Governance Statement. Where issues arising from previous years have been resolved, these have been identified in this statement.

2. Scope of Responsibility

2.1 Doncaster Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently and effectively. The Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.

2.2 This document, the Council's Annual Governance Statement (abbreviated to 'AGS'), explains how Doncaster Council has complied with national good practice guidance and meets the requirements of regulation 4(2) & (3) of the Accounts and Audit Regulations (England) 2011, in relation to the publication of an annual governance statement. To this end, the Council has in place a framework of governance to do so.

3. The Purpose of the Governance Framework

3.1 The governance framework comprises the systems and processes, culture and values, by which the Council is directed and controlled, and its activities through which it accounts to, engages with and leads the community.

3.2 These arrangements include systems and processes to enable the Council to monitor the achievement of its objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

3.3 The system of internal control is a significant part of that governance

framework and is designed to manage risk to a reasonable level. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised, the impact should they be realised, and to manage them efficiently, effectively and economically. The Council cannot eliminate all risk of failure to achieve policies, aims and objectives and can, therefore, only provide reasonable and not absolute assurance of effectiveness.

3.4   The governance framework has been in place within the Council for the financial year ended 31st March 2013 and beyond that up to the date of approval of the 2012/13 Statement of Accounts and this Annual Governance Statement, with the exception of controls relating to issues identified in Section 6 and Appendices 1 - 3 of the statement. The Council is taking action to deal with these items.

4.   The Governance Framework

4.1   The key elements of the systems and processes that comprise the Council's governance arrangements include;

- Identifying and communicating the Council's vision of its purpose and intended outcomes for citizens and service users;

- Reviewing the Council's vision and its implications for the Council's governance arrangements;

- Measuring the quality of services for users, for ensuring they are delivered in accordance with the Council's objectives and for ensuring that they represent the best use of resources;

- Defining and documenting the roles and responsibilities of the executive, non-executive, scrutiny and officer functions, with clear delegation arrangements and protocols for effective communication. This includes the establishment and agreement by the Council of its lawful constitution which sets out how the Council operates, how decisions are made and the procedures to be followed to ensure that it is open, accountable and transparent to local people. It also includes its scheme of delegation and the facilitating of policy and decision-making within the elected mayoral regime;

- Developing, communicating and embedding codes of conduct; defining the standards of behaviour expected for members and staff;

- Reviewing and updating standing orders, financial procedure rules and contract procedure rules and supporting procedure notes and manuals, which contribute to defining how decisions are taken, transactions undertaken and the ways in which some risks are managed. In addition, the Council continues to embed and develop its system of risk management, with an updated risk management policy, risk management strategy and updated risk registers. The Council considers significant risk in all its formal decision-making and in its management of major projects. The risk management process extends into its service planning process;

- Undertaking the best practice functions of an effective audit

committee, as identified in professional national guidance, that is in the CIPFA document 'Audit Committees – Practical Guidance for Local Authorities';

- The work of its statutory and regulatory officers, ensuring that there is compliance with policies, procedures, laws, regulations, internal policies and procedures, and that expenditure is lawful;

- Whistle-blowing arrangements for staff and contractors and arrangements for receiving and investigating complaints from the public;

- The identification of development needs of members and senior officers in relation to their strategic and other roles and supporting them by encouraging and providing appropriate training;

- Establishing clear channels of communication with all sections of the community and other stakeholders, ensuring accountability and encouraging open consultation;

- Incorporating good governance arrangements in respect of partnerships and other group working and reflecting these in the Council's overall governance arrangements.

5. Review of Effectiveness

5.1 The Council has a statutory responsibility for conducting, at least annually, a review of the effectiveness of its governance framework, including its systems of internal control.

5.2 The review of the effectiveness of the governance framework is informed by the work of respective directors within the Council who have responsibility for the development and maintenance of governance arrangements including the internal control environment. The review of the effectiveness of the system of internal control is also informed by other reviews including the work of the Council's Internal Auditors, the Audit Commission and other inspectorates.

5.3 The process that has been applied this year in maintaining and reviewing the effectiveness of the system of governance framework, including the system of internal control includes the following:

- The Chief Executive, Chief Financial Officer and Monitoring Officer monitor and review the operation of the Constitution to ensure that it supports and facilitates the Council's achievement of its policies, aims and objectives. Full Council reviews the Constitution as necessary. Minor amendments do take place each year to reflect reviews by the above officers and to improve the governance framework.

- The Council has in place an Overview and Scrutiny function to consider the effective achievement of Council policy, to monitor major decisions and to call in decisions which have been made by the Executive and officers but have not yet been implemented. Their efforts are supplemented by the work of the various Scrutiny Panels.

- The Council's Directors' and Assistant Directors' evaluations of control and governance issues in their respective areas of responsibility. These evaluations consider the details as laid down in the Local Code of Governance and consider the gaps between these requirements and actual practices. The resulting governance issues have been further reviewed by Statutory Officers and the Corporate Leadership Team and finally included in this statement.

- Internal and external audit arrangements and findings following the review of the Council's governance and internal control environment.

- The conducting of a review at least annually of internal audit in accordance with latest statute, which is formally presented to the Audit Committee.

- Other External inspections and reviews.

- The consideration of the draft Annual Governance Statement by the Council's Audit Committee, which has received reports on governance and internal control matters over the past year.

- The work of the Standards Committee over the past year, which has considered reports on the ethical and standards matters.

6.   Significant Governance Issues

6.1   As a consequence of this review of the effectiveness of the Council's governance arrangements and system of internal control, a number of items have been identified which require improvement or enhancement. Corresponding actions have been identified to deal with these items. In reviewing the effectiveness of the Council's governance and internal control arrangements for 2012/13, the Council has reviewed the ongoing impact of items raised in the 2011/12 Annual Governance Statement.

6.2 Appendices to this Statement show:

Appendix 1: Areas requiring improvement identified following the 2012/13 review of the effectiveness of the Council's governance arrangements, and the actions being taken by the Council to secure the improvements

Appendix 2: Areas requiring improvement identified in 2011/12 that were still significant during some part of 2012/13 and the action being taken.

Appendix 3: Areas requiring improvement identified in 2011/12 that have been effectively managed to the extent that they were no longer significant in 2012/13. In the interests of consistency and continuity, they are referred to in this appendix to assist in demonstrating that they have been duly considered in the 2012/13 review for the purposes of this statement.

Statement of Commitment

We have been advised of the implications of the result of the 2012/13 review of the effectiveness of the governance and internal control framework by the Audit Committee and of the plans to address identified weaknesses and ensure continuous improvement of the system in place.

We propose over the coming year to take steps to address the above matters to enhance further the Council's governance and internal control arrangements.

We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and that we will monitor their implementation and operation over the next year and as part of our next annual review of effectiveness.

Signed on behalf of Doncaster Council:

_____   _____

Mayor   Chief Executive

Annual Governance Statement

2012/13 improvements identified following a review of the effectiveness of the Council's governance arrangements

	Improvement Issue	Improvement Action	Responsible manager	Action Date
1.	**Managing Attendance** The Council has achieved success in reducing the staff sickness/absence rates for the 2012/13 year against the 14.56 days lost in 2011/12. The target for 2012/13 was 10.92. However, detailed checking of the outturn figures for 2012/13 have yet to be verified and will be reported once approved. Projections indicate the Council's performance is moving in the right direction, but figures still remain significantly high The Council entered into a shared service arrangement with Rotherham Council for the provision of HR Transactional Services in April 2012, delivered through a self-service model. The HR self-service portal is where managers administer their staff sickness absences.	The full benefit from the implementation of the HR Self Service System is not yet realised, as phase one of the 2/3 year implementation plan focused primarily on the overall transfer of data from the Council's out-dated payroll system onto the new shared HR portal system. The absence module will, however, be fully implemented from 1st May 2013. It is critical that all managers fully utilise the self-service aspect of the HR System, i.e. ensuring all absences are fully and accurately recorded and monitored. This will enable them to subsequently manage staff absence better using real time data whilst following corporate policies and procedures. Until both the use of the HR Portal and compliance with Corporate Policies and Procedures above becomes fully embedded within manager culture and sickness levels become significantly lower, additional controls need to be put in place to complement and strengthen those already within the Self Service System. These include monitoring of departmental input to the HR System and the implementation and monitoring of Departmental	Director of Finance and Corporate Services	31st March 2014

Improvement Issue	Improvement Action	Responsible manager	Action Date
	Improvement Action Plans		
2.	**Payroll Processing**	A substantial amount of work has been put in during the financial year to transfer all employee payment processes from Doncaster Council to an external payroll provider. This has necessitated the prioritisation of certain processes to ensure that the data and therefore the payment of individuals, transferred smoothly from one payroll provider to the next. This prioritising however, has meant that some peripheral services / control processes have been delayed and now need to be brought up to date, for which plans are in place. Issues were noted with reconciliation services, overpayment recovery and some suspense account clearing.	Director of Finance and Corporate Services	30th June 2013
3.	**ICO Inspection & Recommendations** The ICO carried out a consensual audit in early December 2012 with the outcome of 'Limited Assurance' with the Councils arrangements for Data Protection compliance.	The ICO and the Council have agreed a comprehensive improvement plan with 34 recommendations. The action plan is a standing agenda item on the 6 weekly SIRO board where progress against the actions is reviewed. The ICO will consider the progress made on the recommendations in October 2013.	Director of Finance and Corporate Services	31st October 2013
4.	**Improving CYPS Services** Performance reporting and outstanding arrangements and implementation of actions as a result of recommendations emerging from internal and external audit/inspections recommendations.	Review of resources leading to an increase in capacity regarding reporting arrangements. Detailed reporting on a Daily, Weekly and Monthly basis with appropriate action from senior management. Progress the new multi-agency inspection group to ensure that all inspection recommendations relating to CYPS are effectively addressed.	Director of Children & Young People	30th June 2013

	Improvement Issue	Improvement Action	Responsible manager	Action Date
5.	**Professional Practice** – We continue to experience concerns around the consistency in quality of professional practice highlighted in services own audits and confirmed by the 2012 Ofsted inspection of local authority arrangements for the protection of children.	We have rigorous improvement plans in place to address and monitor issues raised.	Director of Children and Young People's Service	31st December 2013
6.	**Safeguarding Personal Assets** During the financial year there have been some weaknesses in the control systems surrounding the handling of Personal Assets for Vulnerable services users in care. These surrounded the storage, identification and tracking of some personal assets held and a lack of full reconciliation processes surrounding the handing of vulnerable service users daily cash needs.	No fraudulent activity was detected; however, control weaknesses are in the process of being addressed. A full action plan is in place to address the control weaknesses and that this is currently being worked through. Most of the actions within this will be completed within the next 3 to 6 months with the exception of a new recording system which will be in place by 31st March 2014.	Directors of Adults and Communities Service	31st March 2014

Previous years' items that have impacted on governance in 2012/13

Improvement Issue	Improvement Action	Responsible manager	Action Date
1. **Procurement and Contracts Management** During the year internal audit carried out various council-wide reviews into procurement and contract management arrangements, including relating to voluntary sector services, mobile phones, transport and schools advice and support. The Section found significant weaknesses existed in each case, indicating flaws within the Council for ensuring proper and effective procedures are applied.	Considerable progress has been made in ensuring that contracts are in place and compliant. There is now greater visibility of who is spending what, where and with whom. A Contracts Register has been produced which is regularly compared to spend analysis and frequently updated with new contract information. Contract information is now available and having a positive effect on officers involved in procurement and the decision making process, in most areas this has identified savings opportunities by introducing competition. Spend/contract information has been presented to Directorate teams which is being reviewed and validated, with both the quality and content continually improving. *Phase 1 of the Procurement Transformation is now complete with Phase 2 scheduled for completion 30th September 2013.*	Director of Finance and Corporate Services	30th September 2013

2.	**Financial Reporting** In their Annual Governance Report, the Council's external auditors highlighted problems experienced in their audit of the annual accounts. The main weaknesses included a lack of an overall processes for the management of the production of the accounts, delays in producing IFRS compliant information on fixed assets, a delay in providing working papers supporting the accounts and insufficient quality assurance arrangements resulting in a significant number of avoidable errors.	An Interim Head of Corporate Accounts has been appointed to oversee the process and weekly review meetings will be held to identify any issues at an early stage. As part of the process the timetable will be more proactively managed to ensure information is received on time. Working papers have been reviewed and each has an officer assigned to carry out a Quality Assurance assessment. Further Quality Assurance checks will be carried out by senior managers. An additional Senior Finance Officer has been added to the team and annual leave for the team is being closely controlled. A more cohesive approach has been introduced by moving the Final Accounts team onto one floor and having the External Audit team situated in a more accessible location.	Director of Finance and Corporate Services	30th September 2013
3.	**Data Quality Arrangements** Work undertaken by Internal Audit and the Corporate Performance Team has highlighted opportunities to improve the reliability of information to support performance management.	Internal Audit and Corporate Policy and Performance Team have produced a new Data Quality Strategy and Self-assessment framework. The new arrangements are finalised and are currently planned for consideration/ approval in May 2013.	Director of Finance and Corporate Services	30th June 2013
5.	**Corporate Procurement** Internal Audit highlighted various instances of non-compliance with the Council's Contract Procedure Rules, including examples where managers have purchased goods and services from suppliers other than the approved or nominated contract holders. This increases costs and frustrates strategic procurement objectives.	Work continues with all Directorates to improve procurement generally, and also to provide assurance that arrangements are robust and compliant with CPR's. Where breaches are identified, they are recorded and appropriate procurement plans are agreed and developed and progress updates continue to be reported to the Audit Committee. The introduction of "Procure 2 Pay" (P2P) will also completely change the way the Council purchases	Director of Finance and Corporate Services	31st December 2013

		goods and services and therefore it is essential that robust contracts are in place to support procurement when needed. The implementation of controlled purchasing monitored by a corporate P2P Team with greater visibility of spend analysis and budget management, will also help to improve purchasing practices. Training modules will be developed to reinforce CPR's.		
6.	**Income Management** A review completed by Internal Audit identified that there was unsatisfactory compliance with the Council's procedures and associated best practice for monitoring and collecting debt.	A full review of the process for raising and monitoring sundry debt collection has been undertaken as part of the introduction of the new Financial System, which is scheduled to be fully embedded by September 2013. Further work is being undertaken as part of the implementation of Professional Business Support (PBS) to review practice within directorates for managing income. We will be working with Internal Audit to resolve the current position	Director of Finance and Corporate Services	30th September 2013
7.	**Asset Register –** The council is reviewing its arrangements for maintaining its asset register so as to enhance such arrangements and better facilitate its accounting for assets.	The source data for the Final Accounts is held on a spreadsheet. The Technology Forge system is used to provide a Quality Assurance check. Review meetings have been held to identify areas where the quality of the data can be improved. The system will be further developed when the Fixed Asset module of the new ERP system is implemented in 2013/14. This will provide an interface between the Technology Forge and Keystone (Council Housing) system's to produce improved information for the Final Accounts.	Director of Finance and Corporate Services	31st March 2014
8.	**Children's Services – Foster Care Services** During 2009/10 overpayments to the value of	In November 2011 we issued an audit report identifying overpayments to foster carers amounting	Director of Children and	31st December

	£120k were identified as being made to foster carers, with some overpayments dating back to the 2007/08 financial year.	to over £200k and gave no assurance over the systems in place as we considered that there was exposure to critical risks A follow up audit was undertaken and we reported in November 2012 that agreed management actions relating to the major risk exposures were being implemented. However, in February and March 2013 management identified a number of new overpayments arising primarily through Social Workers failing to update the new case management system liquid logic. Checks designed to prevent duplicated payments or payments for Children reaching the age of 18 failed to operate. A series of actions are being put in place to prevent more overpayments being made and to recover these newly identified overpayments, an action plan has been developed. One key development is the proposal now being considered by SLT re the formation of a 'Placements Team'. This team (three Placement Officers and one Placements Manager) will have overall responsibility for the financial management and scrutiny for all children's placements (ie both CLA and non-CLA placement), as well as accessing and managing allowance payments for special guardian, residence and adoption orders. Currently these processes are managed across 4 separate teams; centralising the management and responsibility for these functions will undoubtedly strengthen the ability to properly monitor, record and process all such payments.	Young People's Service	2013

9.	**Equal Pay Litigation** Whilst the Council has eliminated a number of risks associated with equal pay, specifically the backdating of work rated as equivalent claims, the Council is still exposed to potential further equal pay challenges for a period of 6 years from 1 April 2009 up to 31 March 2015.	From the internal pay and rewards appeals, there are a total of 21 appeals outstanding affecting 95 employees. Of these, 13 are schools related appeals affecting 63 employees. The non-schools employee's appeals will be completed by 31stMayl 2013. The schools related ones are estimated to be completed by 30 June 2013, depending on support and direction from School Heads. From the outstanding Equal Pay claims, there remains 83 unsigned agreements with the external Solicitor acting on behalf of the recognised trade unions. A further 59 remain outstanding from more recent applications being lodged.	Director of Finance and Corporate Services	31st March 2015
10.	**Employee Overpayments** In previous years, weaknesses relating to payroll processes have resulted in significant payroll overpayments. Improvements have been noted and reported over previous years' problems. However, despite these and the strenuous efforts being made by payroll staff, problems identified throughout the process have resulted in further significant overpayments during 2010/11. The problems include from late notification by managers, payroll processing errors and incomplete balancing of payments.	Further improvements have been noted in 2012/13. However work will continue to complete the balancing of all outstanding payments and the conclusion of this work has been extended until 30 June 2013 to allow time to improve and embed the future processes with our shared service partner Rotherham Council to ensure the future process runs efficiently.	Director of Finance and Corporate Services	30th June 2013

Previous years' issues no longer significant during 2012/13.

Ref.	Improvement Issue	Action
1.	**Monitoring and control of mobile use across the authority** There should be robust procedures in place for the on-going monitoring and control of mobile use across the authority as well as appropriate charging mechanisms where appropriate.	Electronic billing direct to all budget holders has now been implemented with a range of reports to assist budget holders in monitoring use and identifying abuse. Any issues raised with ICT are investigated. ICT also have the facility to search across all use to spot any discrepancies and take relevant action.
2.	**Information Security and Governance** An Internal Audit review in 2010 identified weaknesses in password and patch management that exposed the Council to unauthorised access to its systems. Work done subsequently by the Audit Commission has highlighted further potential risks to data held by the Council. These show a need to improve the Council's security of information.	Smart passwords have now been implemented across the whole Council including computers and laptops. Use of USB ports has also been restricted to encrypted devices only with any justified exemptions signed for and authorised for monitoring purposes. Patch management is now in progress of being improved
3.	**Anti-Fraud Controls** Awareness of the Council's anti-fraud and corruption framework and procedures was low within the Council and no fraud risk registers were in place.	The Anti-Fraud, Bribery and Corruption Policy and Strategy framework has been revised and updated. It has been presented to the Audit Committee for comment and the Cabinet for approval during 2012/13. Training will be available for all staff and Members shortly and a Fraud Risk Register has been created by Internal Audit. Internal Audit's programme of work includes review of the arrangements in place within the Council for preventing and detecting fraud, bribery and corruption. The Head of Internal Audit has confirmed that the Council had in place a sound internal control environment during 2012/13

Ref.	Improvement Issue	Action
		Revisions to related policies and procedures are in progress.
4.	**Schools' Bank Account Reconciliations:** Also reported in the external auditor's Annual Governance Report were continuing instances of unresolved items in the Schools' bank account reconciliation.	A full analysis of the variance has been carried out to confirm the balance per individual school, with all potential issues investigated and possible solutions implemented. The remaining balance has been written off. Monitoring has taken place during the 2011/12 final accounts process to ensure that a balanced reconciliation can be maintained going forward.