

COUNCIL – 19TH OCTOBER 2011

Agenda Item 2 – External Auditors Annual Governance Report 2010/11 - Supplementary Information

The Council is required to consider the Auditors section 11 recommendations, to decide whether the recommendations are to be accepted, and what if any action to take in response to the recommendations.

Recommendations:

The Council is requested to resolve

- 1) to accept the auditors recommendations R1 and R2 below
- 2) to complete the actions set out under A1 and A2 below

Audit Commission - Section 11 Exceptions

Section 11 Recommendation

R1 Overhaul your procurement arrangements to ensure that these reflect best procurement practice; ensure that your operational procedures are consistent with standing orders and financial regulations and ensure that revised procurement practice is complied with and operates effectively across the Council.

Council's Response A 1

The Council is undertaking a review of its procurement and financial procedures to ensure that they are clear, concise and consistent and that they enable efficient and effective procurement. Steps have been taken to reduce over-reliance on business exemptions procedures and to remind officers of the need for compliance with good practice in procurement. When revised practice and procedures have been produced they will be widely promoted and compliance secured. It is planned to invest in additional support to ensure compliance, recording, reporting and reviewing relating to procurement and contracts.

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Section 11 Recommendation

R2 Ensure that the Council's finance function has the capacity, capability and necessary resilience to operate effectively with established quality assurance arrangements to meet the Council's statutory reporting obligations in the future.

Council's Response A2

The Council began to restructure the finance team with a formal consultation process in March 2011, the proposals were implemented from the 1 July 2011. The objective of the new structure is to create a cross cutting finance team which is able to provide timely and accurate data and information presented effectively to meet user needs. During the last few months we have significantly improved our ratio of qualified to non-qualified staff in the finance team. We have filled all substantive posts as at 1 October 2011 and are working with the newly formed transactional service to ensure that there are detailed service level agreements in place to provide close down support as required.

Increasing the number of qualified and appropriately skilled accountants provides improved resilience and technical capability. Further, we are now able to fully implement segregation of duties between the preparation and review of the statutory accounts and as a result ensure appropriate quality assurance is built into the closedown process.