

**SIGNIFICANT GOVERNANCE ISSUES PROGRESS REPORT - ANNUAL GOVERNANCE STATEMENT 2014-15**

Issue No.	Issue identified	Responsible Officer?	Summary of action proposed	Update Sept 2015	Update December 2015	Update March 2016	Notes
1	Risk of Fraud - the risk of fraud is a continual threat to any organisation and all managers and employees need to be proactive in preventing fraud.	Audit Manager	Promote the Counter Fraud Strategy and Counter Fraud Leaflet via City News. Provide Fraud statistics to staff and follow up all allegations	Article in City News 2nd July 2015 provided information on action taken following allegations received. Audit Manager to look at possibility of holding Whistleblowing workshops/exchange briefing item.	Work in progress		
2	Housing Benefit Data Quality - due to the reduction in quality control checks on housing benefit assessments there has been an increase in the error rate and this has a potential significant impact on the Housing Benefit subsidy received from Government.	Service Improvement Lead (Benefits)	Increased checking resources have been re-introduced into the service.	Housing Benefit Subsidy audit will be undertaken earlier to ensure that checks are being carried out and to identify any potential areas of concern.	Audit testing has now commenced, an update on the outcome of this testing will be given at the next committee meeting.		
3	Business continuity - Although reported last year, this area is still under review and the Council does not have an agreed Business Continuity process in place leaving the Council at risk of service delivery failure in the event of an incident.	Policy Officer	The Council, with support from Zurich Municipal is developing a detailed Business Continuity Plan. Work is continuing in 2015-16.	No change	Policy Officer attending the first meeting of the SW Local Authorities BC Forum 17.11.15.		
4	Partnership Working Protocol - the Council currently does not have a protocol for partnership working, as reported in our annual report last year.	Policy Officer	It has been agreed that this will be a priority for the Policy Unit. However, the work is still continuing and not yet complete.	Draft protocol with Policy Unit for review before sending to Monitoring Officer and Section 151 Officer for comment.	Draft protocol has now been reviewed by Section 151 Officer and is with the Monitoring Officer for comment.		
5	Shared ICT Service - due to the lack of clarity regarding responsibility for providing assurance of internal controls for Strata, it is difficult to provide any form of opinion relating to the Council's ICT service.	AD Finance	Devon Audit Partnership will be providing an internal audit function to Strata, which is intended to provide the assurance required by our own internal audit function.	AD Finance to meet with Devon Audit Partnership 27th August to sign contract and to agree scope of work.	Contract has now been signed. Devon Audit Partnership meeting with Strata 19.11.15		
6	Separation of Duties - with considerable changes to the structure of the Council as it transforms the way in which services are delivered, separation of duties continues to be an area of concern. There is a risk that inadequate separation of duties could weaken the system of internal control, resulting in an increased risk of irregularities, errors and fraud.	Managers	Managers will continue to review the arrangements for separation of duties as a matter of course. No fundamental weaknesses have yet been identified.	No change	Ongoing monitoring continuing		