

# Taunton Deane Borough Council

## Corporate Governance Committee – 14 March 2011

### Corporate Governance Action Plan

#### Report of Performance & Client Lead

(This matter is the responsibility of Executive Councillor Terry Hall)

#### 1. Executive Summary

This report shows progress against the Corporate Governance Action Plan as at the end of February 2011.

#### 2. Background

- 2.1 Each year, the Council receives a number of reports and assessments which result in recommendations for improvement. These normally contain individual action plans which can prove challenging to manage and monitor. Therefore an aggregated plan provides the Council with details, in one place, of the scale of improvements required and progress against them.
- 2.2 The Corporate Governance Action Plan has undergone a full review and has been updated to include the most recent audit recommendations. These are in addition to some actions from previous audits that remain outstanding or are still considered as priorities for improvement. It now details the recommendations from the following sources:
  - Value for Money conclusion report (Audit Commission 2010)
  - Use of Resources assessment (Audit Commission 2009)
  - CAA Organisation Assessment (Audit Commission 2009)
  - Annual Audit Letters (Audit Commission 2008 - 2010)
  - Annual Governance Reports (Audit Commission 2008 - 2010)
  - Strategic Housing Review 2010
  - Partnership Audit (SWAP 2009)
- 2.3 Actions progress monitoring is undertaken quarterly by Theme Managers and a summary features in the Corporate Performance Scorecard. The Corporate Governance Group provides an overview of the plan, and may request further actions to be added (for example, significant findings from Internal Audits).

### 3. Progress (as at February 2011)

- 3.1 The Corporate Governance Action Plan lists **34 actions**. Please see **Appendix A**. Progress monitoring against implementation by the target dates has revealed the following:

On Target ☺	Some Concern ☹	Off Target ☹
21 (62%)	13 (38%)	0

There are no items off target, and most actions are on course to be completed by the target date.

### 4. Finance Comments

Recommended improvement actions in relation to Managing Finances are included in the Corporate Governance Action Plan.

### 5. Legal Comments

Recommended improvement actions in relation to legal / Corporate Governance issues are included in the Corporate Governance Action Plan.

### 6. Links to Corporate Aims

The Corporate Governance Action Plan supports all aspects of the Council's corporate aims and operations.

### 7. Environmental and Community Safety Implications

Recommended improvement actions in relation to Climate Change are included in the Corporate Governance Action Plan.

### 8. Equalities Impact

Recommended improvement actions in relation to Equalities & Diversity are included in the Corporate Governance Action Plan.

### 9. Risk Management

There are a number of risks associated with not completing the recommended actions within the Corporate Governance Action Plan (eg External Audit opinion, reputation, financial). Recommended improvement actions in relation to Risk Management are included in the Corporate Governance Action Plan.

## **10. Partnership Implications**

Recommended improvement actions in relation to partnership working, are included in the Corporate Governance Action Plan.











## **11. Recommendations**











- 11.1 It is recommended that Members scrutinise progress of the Corporate Governance Action Plan.



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CORPORATE GOVERNANCE ACTION PLAN 2011				APPENDIX A						
	Feb-11			Corporate Action Plan 2009-10						
Item	Improvement / recommendation	Proposed / Planned activities	Priority (H,M,L)	Target date	Lead Officer	Source	Success criteria	Progress	As at (date)	Status
1	<b>Complete business continuity and IT disaster recovery planning</b>	1. Ensure adequate BC plans in place at corporate and service level, including key partners. 2. Annual testing of BC plans 3. Address any weaknesses identified by audit	H	Mar-11	John Lewis / Alison North	2009/10 Vfm conclusion report Sept 2010	Plans in place & tested	Testing regime to be agreed - probably desktop. Work continuing on Service Plans. Corporate BC Plan circulated to CMT Feb 2011. SW1/Client working on IT Draft Plan.	Feb-11	
2	<b>To carry out a health check on the Council's ethical governance framework</b>	Letter and questionnaire to be sent to all members and senior officers. Results to be assessed by the Standards committee with a view to arranging workshops to cover any gaps in knowledge for members	L	Dec-11	Tonya Meers	Annual Governance Statement 2008/09	50% return rate on questionnaires and good attendance at subsequent workshops.	50% return rate on questionnaires. The workshops are not yet scheduled due to the timing and elections. This recommendation will need revisiting post elections	Feb-11	
3	<b>To further strengthen the Scrutiny function</b>	1) To produce an annual report 2) To implement recommendations of the IDeA peer review	M	Feb-11	Tonya Meers		Completion of the report	Complete	Feb-11	
4	<b>Complete PDPs for all elected Members</b>	Deliver 2011 Member induction programme	M	Dec-11	Tonya Meers	2009/10 Vfm conclusion report Sept 2010	Completion of the report	Training cannot commence until post elections, due to not knowing how the new Coucillors will be. Training is scheduled to take place between May and December.	Feb-11	
5	<b>To take Health &amp; Safety forward</b>	1. Increase knowledge and performance within the Council. 2. Implement the H & S action plan (including audit recommendations)	H		David Woodbury	Annual Governance Statement 2008/09	An up-to-date H & S action plan being delivered. Compliance with TDBC H & S policy & management arrangements	The H&S action plan has been reviewed and is progressing. It has been updated following H & S audit and approved by CMT. The key issue of H & S competence training has been agreed and a rolling programme of 'bite sized' training started. Three new measures for internal monitoring and measurement of H & S performance are being considered and developed for use by the Council. H & S reports are provided quarterly to the Corporate Governance Committee (next 14 March).	Feb-11	
6	<b>Update the IT Strategies and ensure there are clear links from these to financial planning.</b>	Establish an IT work group	H	Sep-11	Shirlene Adam, (+ Alison North; & SW1 IT)	2009/10 Vfm conclusion report Sept 2010	Fit for purpose IT strategy	As per the September 2010 CIP report, interdependencies were identified to define the strategy. These are now being brought together with the ICT Strategy as part of the Budget Review Programme. The Infrastructure Strategy first part delivery funding has been agreed for 11/12 budget and work has begun to implement this.	Feb-11	
7	<b>Update the Workforce Strategy (ensuring there are clear links to financial planning) and complete &amp; agree a new workforce plan</b>	1.Planning Meeting on 24/11/09 2.Outline Plan to CMT by 31/12/09 including member and staff engagement actions 3.Engagement with SW1 HR to support the development of the Plan. 4.Background data and structure of Draft Plan to be completed by 28/02/10 5.Results from Staff Survey to be taken into account by 30/04/10 6.Final Draft Plan to CMT by 31/05/10 7. Member approval sought by 30/06/10	H	Mar-11	Shirlene Adam (+ Martin Griffin; & SW1 HR)	2009/10 Vfm conclusion report Sept 2010	Fit for purpose Workforce Development Plan - refer to L2	Discussions with SW1 regarding support they can provide have taken place but without being resolved. Part 1 of the Workforce Plan has been completed and will be discussed with Simon Lewis with a view to this feeding in to the Budget Review Programme. A Workforce Strategy which includes current data and details the strategies already in place to meet workforce needs will be produced.	Feb-11	
8	<b>Update the procurement strategy to bring it in line with current practices.</b>	To be drafted by SW1 then signed off by partners			Richard Sealy / Paul Harding	UoR 2008-09 (Draft Sept 09)	A new procurement strategy will be adopted	Procurement Strategy approved by Full Council 13th October 2010	Feb-11	
9	<b>Further enhance the council's approach to Equalities &amp; Diversity</b>	1. Improved links between EIAs and decision-making. 2. Embed EIAs within service plans 3. Deliver Corporate Equalities Strategy (2010-13) 4. Collect data on staff equalities issues and customer feedback on equalities issues, and consider action required to address any issues arising	H	On-going	Simon Lewis / Lisa Redston	AAIL 07/08 (March 2009) CAA Organisational Assessment	All staff & members trained. Target levels for EFLG standard achieved. E & D embedded within service planning, & all council comms & reports	Training of 60 members of staff is to be delivered March 2011. Member training has been deferred until post elections. EIA's should now be included in all reports to Committee members, there is a monitoring procedure in place to ensure this. Each Service Plan now has an Equality Action Plan. work on the Corporate Equality Strategy is ongoing. Staff survey has been completed and analysed to draw out inequalities. Customer feedback has been collected via Equality Group Forums, all engagement activities ensure equality issues are raised.	Feb-11	
10	<b>Improve access to buildings for disabled people</b>	TDBC Building Control to provide SWOne with status reports. SWOne to produce programme and cost. TDBC to approve.	M	Dec-11	Helen Acreman SWOne	CAA Organisational Assessment	Buildings compliant with DDA regs	Helen Acreman spoke with Ed Norton early in January and he will be revisiting the properties over the next 6 months to reassess the requirements as existing surveys are out of date and building usage has changed in some cases. When revised reports received P&FM will suggest programme.	Feb-11	
11	<b>To fully review the Financial regulations</b>	To complete review of the financial regulations	M	Jun-11	Shirlene Adam	Annual Governance Statement 2008/09	A new financial regs document produced	Draft completed by Maggie Hammond, awaiting review by Shirlene. Will be done by end of June 2011	Feb-11	

Item	Improvement / recommendation	Proposed / Planned activities	Priority (H,M,L)	Target date	Lead Officer	Source	Success criteria	Progress	As at (date)	Status
12	Agree milestones to guide preparations to comply with IFRS	Liaise with Audit Commission on progress	H	Jun-11	Paul Fitzgerald	2009/10 Vfm conclusion report Sept 2010	Successful Audit of Accounts	Key milestones embedded in external project plan and agreed with Audit	Feb-11	
13	Engage with the local community during budget preparation to identify priorities	Budget Review Programme project includes 'Councillor & Public priorities' workstream	H	Sep-11	Shirlene Adam / Simon Lewis	2009/10 Vfm conclusion report Sept 2011	Public consulted during MTFP budget setting process	Project 'start up' phase completed end Feb 11. Project team in place and staff briefings organised. Phase one (data / research / communications) will be delivered March - June, with 'Public Priorities' workstream due for reporting to Members by Sept. Regular project progress updates are reported to Members Change Steering Group & CMT	Feb-11	
14	Ensure effective performance management framework is in place for all key partnerships	1. Ensure a consistent, appropriate & regular reporting mechanism is in place for all partnerships (SW1, SWP, Tone Leisure & SWAP). 2. Investigate what steps all partners are taking to ensure it will achieve its targets (ref R10)	H	On-going	Richard Sealy / Alison North	AAIL 08/09 (Dec 2009)	Mechanism in place for regular reporting to members	Pre-existing regular reporting mechanisms are already in place in respect of the SWP, Tone Leisure & SWAP partnerships. We have introduced PIs for Tone Leisure which are being reported to members. A general overview report of the SW1 partnership is now being taken to Corporate Scrutiny on a 6-monthly basis. This general report is backed up by specific reports to Scrutiny in respect of key areas of the contract e.g. Procurement, Sickness monitoring, Revs & Bens. Progress against the transformation projects continues to be monitored monthly by the Members Steering Group. Additional high level reporting on key partnerships & trans projects is included within the quarterly monitoring reports to senior management & members.	Feb-11	
15	Maintain a register of partnerships and prepare a protocol for establishing new partnerships	1. Compile comprehensive partnership register. 2. Confirm involvement and they meet authority's aims and objectives. 3. Introduce protocol for establishing membership prior to commitment. 4. Establish framework and categorisation of partnerships. 5. Widen scope of Members Task & Finish Group re membership on outside bodies	M	Sep-11	Tonya Meers	SWAP Partnership Arrangements Audit (Sept 09) / 2009/10 Vfm conclusion report Sept 2010	Partnerships adequately controlled and managed	A more detailed audit is currently being carried out by SWAP which is due to complete at the end of May. Auditors comments will then be addressed.	Feb-11	
16	Identify indicators for assessing the performance of all key services	1. Review all performance measures included in 2011/12 service plans 2. Review Corporate Scorecard with CMT & Members (post local elections) 3. Ensure 2011/12 scorecard only includes Performance Indicators that can be properly measured & reported on (with data collection processes developed)	M	Jun-11	Dan Webb	2009/10 Vfm conclusion report Sept 2010	A fit for purpose corporate performance scorecard	A workshop style review with CMT & Members will be arranged in May/June. Service Planning for 2011/12 will be completed by April, and PIs will be checked for suitability	Feb-11	
17	Improve control and monitoring of Section 106 Agreements	1. Implement regular monitoring (Acolaid system) and reporting to Executive, PH & Senior Management 2. Implement process of management of the payment or other obligation	H	Sep-11	Tim Burton / Tonya Meers	Housing Inspection	S106 agreements in Acolaid - regular monitoring, reporting and prompt raising of invoices. Prompt escalation where non-payment	At 1st stage, ie investigating with Acolaid providers introduction of relevant module / system. Mechanism not currently in place for dealing with existing S106 agreements where obligations are not being met	Feb-11	
18	Develop and implement 4 year Budget Strategy (MTFP) 2012/13 - 2015/16	Deliver Budget Review Programme, including: * Vfm analysis of all TDBC services inc benchmarking (ref R3) * Discuss & agree political priorities * Approve managers 4 year savings plans	H	Sep-11	Shirlene Adam / Simon Lewis	2009/10 Vfm conclusion report Sept 2010	* A clear set of corporate priorities * A plan for a sustainable budget 2012/13 - 2015/16 * Draft updated corporate strategy & financial strategy	Project 'start up' phase completed end Feb 11. Project team in place and staff briefings organised. Phase one (data / research / communications) will be delivered March - June, with service VFM data analysis (costs & performance) due for completion by April. Regular project progress updates are reported to Members Change Steering Group & CMT	Feb-11	
19	Continue to address issues relating to housing	As per Housing Report	M	Dec-11	Martin Daly	CAA Organisational Assessment 2009	Adherence to project plan and completion of project outputs	This externally funded project, which started in December 2010, is designed to improve the quality and effectiveness of strategic (non-landlord) housing services, for example, homelessness, housing advice, lettings, policy development, private sector housing, and enabling affordable housing. To date, good progress has been made in the "start up" phase of the project, with all the initial targets being met, on time and within budget.	Feb-11	
20	Raise the profile of the green agenda across the whole organisation	1.10% less energy campaign 2. Agree actions required to achieve the aim of becoming a carbon neutral authority 3. Use sustainability appraisals to inform decisions	H	On-going	Kevin Toller	2009/10 Vfm conclusion report Sept 2009	Co2 reduction from TDBC operations. Achieve carbon-neutrality. Sustainability appraisal process agreed	The focus in 2010/11 has been to '10% less' campaign - this comes to an end at the end of March. A new Carbon Management Steering Group has been established (from mid March) and the initial meeting aim is to determine the actions required to deliver carbon neutrality. Kevin Toller is to meet 'Sustainability South West' re funding to assist the development of a process to deliver sustainability appraisals as part of the decision-making process.	Feb-11	
21	Ensure that TDBC realises benefits from SW1 and SW1 Transformation Projects	1. Ensure unitary charge savings 2. Implement the benefits tracking tool in SW1 contract 3. Monitor actual procurement savings against target	H	On-going	Richard Sealy / Kevin Toller	2009/10 Vfm conclusion report Sept 2009	Benefits realised	We continue to receive 2.5% pa cumulative savings on our unitary charge. This will result in savings in excess of £5.7m over the lifetime of the SW1 contract. WHY IS THE STATUS AMBER? - because we have not yet completed the launch of SAP and consequently have not implemented the benefits tracking tool. Additionally, the procurement savings are well behind the original profile and we have yet to agree a revised savings profile with SW1.	Feb-11	

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22	To complete the Core Council Review and develop thematic working	1) Selection of a preferred future business model for DLO services (Theme 3). 2) Finalise Theme 5 after May local elections (part of Budget Review Programme) 3) Thematic working OD plan agreed and being implemented	H	Various (see progress update)	Brendan Cleere	Annual Governance Statement 2008/09	To contribute to the aims of the CCR of making significant efficiency savings and enabling the Council to address its corporate priorities	1.)Recruitment to Themes 1,2 & 4 completed. 2.) Interim plan for internal transformation of DLO approved (Dec 2010). Further iteration of internal transformation plan to be produced in summer 2011, alongside re-start of procurement process to develop outsource option. 3.) OD plan approved by CMT (March 2011).	Feb-11	
23	Deliver Staff Survey action plan	1.Planning Meeting on 7/12 with SW1 2.Outline Plan and draft survey to CMT by 31/01/10 following consultation with CCM and UCF 3.Survey completed by 31 March 2010 4.Analysis completed by 30/04/10 for incorporation in IIP Plans and Workforce Development Plan.	H	On-going	Rob North	UoR 2008-09 (Draft Sept 09)	High percentage completion by staff. Clarity on staff attitudes and morale translated into actions within Service Plans, IIP Plan and Workforce Development Plan	Progress continues to be reviewed every two months by CMT and is on target.	Feb-11	
24	Exert more effective management action to reduce staff sickness	1.Planning meeting held with SW1 in early November 2009. 2. Action Plan due by 30 November 2009 to be considered by CMT in December 2009. 3. Action plan to be undertaken over agreed period.	H	On-going Quarterly	Martin Griffin	2009/10 Vfm conclusion report Sept 2009	Stronger emphasis on sickness absence management across the organisation. Revised policies and procedures and additional training. Lower sickness absence during 2010/11	Additional actions have been implemented during 2010/11 including improved reporting from SW1 HR. Further work is being done to challenge higher sickness levels. 2010/11 anticipated sickness levels will be just below 2009/10.	Feb-11	
25	Make effective arrangements to investigate NFI matches	Work with Internal Audit to investigate data matches	M	Mar-11	Shirlene Adam	2009/10 Vfm conclusion report Sept 2010	All data matches successfully investigated	Internal Audit working with Shirlene Adam to investigate data matches identified in Feb 2011	Feb-11	
26	As part of the year end process the Council should instigate a robust review of its accruals to ensure that expenditure is accounted for in the correct period	1) SWONE Advisory Team will undertake a central review of accruals v April transactions to quality assure the accruals process 2) Clear guidance will be issued to budget holders and other relevant staff, as part of the year end guidance notes and training. This will include a requirement to review April transactions for items related to previous years.	H	1) May 11 2) March 11	Paul Fitzgerald	Annual Governance Report 2009/10	1. External auditor satisfied with accruals process; and no material errors reported by external audit. 2. Training and guidance delivered.	1. Year end work programme incorporates this activity. 2. Training is being delivered and guidance issued in early March 2011.	04/03/2011	
27	The Council should review its debtor balances to ensure that the amounts included are receivable, and if the amounts should be considered for write off	1) A review is already underway and write-offs being progressed. A regular review of overall position will be undertaken by Performance & Client Lead, and reported to CMT 2) Managers will review and monitor aged debts, and ensure debts are collected or written off on a timely basis.	H	Mar-11	Paul Harding	Annual Governance Report 2009/10	Bad debts reviewed regularly at service level through running aged debt reports. CMT receive reports from Theme Managers at least quarterly on all debts above £5k which are more than 90 days overdue. Services promptly respond to requests from AR for decisions on whether to write-off a debt.	1. The SW One AR team regularly monitor overdue debt and refer these to TDBC services for their instruction on whether they wish debt to be written off. A number of irrecoverable debts have been referred to the Sect 151 officer for write-off and have been approved. <b>Timeliness remains an issue. No effective mechanism to identify the frequency of services running aged debt reports.</b> 2) Team scorecards require teams to record information concerning the debts due to their team. Training has been provided at the TDBC AR user group ion how to run an aged debt report. Detailed guides on how to run and interpret the aged debts reports have been made available on the Council's Intranet site. CMT have been asked to require theme managers to report quarterly to CMT on level of debt owed to the theme as a means of escalating the visibility of bad debt both within services and at CMT level.	01-Mar-11	
28	Update the master data file for vendors (suppliers) to remove duplicate entries for the same vendor (supplier)	SPS to investigate options for de-duplication	M	TBC	Gary Hood (SW1)	Annual Governance Report 2009/10	Vendor Duplicates records are minimised.	A project team has been formed to assess the work required and plan this work across the different business areas (across SPS, AP, Master Data & retained orgs). Work has started on the identification of duplicate records in SAP.	01-Mar-11	
29	A proper audit trail should be maintained to demonstrate that the council tax and business rates systems fully reconcile to the general ledger	1) SWONE Control Team to undertake regular reconciliation to general ledger on monthly basis. 2) SWONE Advisory to monitor through balance sheet control reviews	M	Mar-11	1) Heather Tiso 2) Paul Fitzgerald	Annual Governance Report 2009/10	Council tax and business rates systems fully reconcile to the general ledger. No material errors reported by external audit.	1) The amounts posted from the Civica System for Council Tax and NDR are posted into the SAP General ledger. However, it is extremely difficult to carry out a reconciliation in the general ledger because other postings are made that Revs & Bens have no control over. 2) No progress made so far due to staffing capacity, but this will be addressed as part of the 2010/11 year end activity.	Mar-11	
30	Sufficient systems access controls should be operated to identify and address any unauthorised access. Evidence of review of this control should be documented to provide assurance that this is working effectively	Arrangements to periodically review high risk roles to be considered.	L	Mar-11	Maggie Hammond	Annual Governance Report 2009/10	A review of high risk roles has been completed and evidenced.	I have investigated how to use SAP to complete the review of high risk roles. This review should be completed by the end of March 2011	03-Mar-11	
31	All transactions on the SAP financial system should contain sufficient narrative to identify the purpose of the transaction, the timing and the source	1) Consider whether TDBC requires descriptions from AP, AR and other feeder transactions to populate GL Description fields in SAP. Prepare/agree RFS if required. 2) Users to be reminded that sufficient narrative should be included on GL transactions such as journals 3) Business process for journals and virements will be reviewed to: i) provide clear guidance on descriptions protocol; ii) build control checks and quality assurance into the process	1) L 2 & 3) M	1) TBC 2 & 3) Dec 10	1) Maggie Hammond 2) Lizzie Watkin 3) Paul Fitzgerald	Annual Governance Report 2009/10	3. Deputy S151 signs off sample of transactions as fit for purpose.	Item 1) There has been no action Item 2. Reminders have been issued to Finance staff periodically regarding need for suitable narratives (last reminder 4/10/10) 3. The business processes have been reviewed and significant improvements made. The process will be further refined during March/April.	Mar-11	

Item	Improvement / recommendation	Proposed / Planned activities	Priority (H,M,L)	Target date	Lead Officer	Source	Success criteria	Progress	As at (date)	Status
32	<b>The arrangements between the Council and the Valuer should be formalised. This is important given the move to IFRS, and the additional work that the Valuer will be instructed to complete in order to assist the Council prepare its accounts under the IFRS.</b>	Review Output Spec and prepare proposed update / addition to the specification for Asset Valuation services. Will require agreement through contract management arrangements	M	TBC	Alison North	Annual Governance Report 2009/10	Output spec reviewed & updated for Asset Valuation service	No progress at this stage - meeting to be set up between Client Lead and Property & Facilities Management (Divisional manager)	Mar-11	
33	<b>All loans and investments taken out on behalf of the Council should be supported by appropriate documentation.</b>	1) Review process for securing documentation from TM Advisory related to treasury decisions. 2) Ensure correspondence and evidence of all loan and investment approvals and details are maintained	M	1) Nov 10 2) Nov 11	1) Maggie Hammond 2) Lizzie Watkin	Annual Governance Report 2009/10	Process has been reviewed and evidence of TM transactions is completed.	Documentation is kept by SWOne where external TM advisors recommend any treasury activity. New loan template in use, investment approvals were already maintained. Item 2) All Loan transactions are supported by pro-forma documentation, including details of loans and approvals. Investments previously supported by approval evidence.	03-Mar-11	
34	<b>All registers of interest should be kept up to date</b>	Undertake review of process to maintain Register of Interests. Set up register on website ready for May local elections	M	Mar-11	Tonya Meers	Annual Governance Report 2009/10	Up-to-date register	In hand - will be complete by the end of March	Mar-11	