

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 5 APRIL 2007

REPORT OF THE SCRUTINY AND PERFORMANCE MANAGER

This matter is the responsibility of Executive Councillor Williams
(Leader of the Council)

UPDATE ON CORPORATE IMPROVEMENT PLAN

Executive Summary

This report details the 2006/07 Corporate Improvement Plan, highlighting progress against key improvement areas for the Council and 'Use of Resources weaknesses', both identified through Audit Commission inspections. It also incorporates the 'Statement of Internal Control' improvement plan.

1. Background

1.1 The Audit Commission undertakes an annual assessment of the Council to review our Use of Resources including value for money. This also covers our 'direction of travel' and examines our overall performance, progress against our Corporate Aims and our accounts and governance arrangements. The Audit Commission reports its findings in an Annual Audit and Inspection Letter (AAIL). The AAIL can be viewed through the following web-link:

<http://www.tauntondeane.gov.uk/tdbcsites/finance/annualauditandinspectionletter.asp>

1.2 The Audit Commission scored us 3 out of 4 overall for Use of Resources in their March 2006 AAIL, with the following breakdown:

Element	Assessment
Financial Reporting	3 out of 4
Financial Management	3 out of 4
Financial Standing	3 out of 4
Internal Control	2 out of 4
Value for Money	3 out of 4
Overall	3 out of 4

To put this in context, only 23 out of 238 District Councils in the country had better scores than this, and we were ranked amongst the top four in the South West.

1.3 As part of our Performance Management Framework, we used the AAIL and Use of Resources assessment to identify our weaknesses and formulate a Corporate Improvement Plan. We agreed this improvement plan with relevant managers and officers and then monitored progress on a six-monthly basis. The Improvement Plan was last taken to CMT in July 2006.

1.4 To avoid duplication and to simplify matters for managers, we also incorporated the Statement of Internal Control action plan into the Corporate Improvement Plan.

2. The Improvement Plan

2.1 The Improvement Plan is attached as Appendix A (The Key Council Improvement Areas) and Appendix B (The 'Use of Resources' weaknesses.) We deliberately focussed on tackling the Use of Resources weaknesses that would ensure we maintained our 2006 score, with a view to increasing our scores for the Financial Reporting and Internal Control elements.

2.2 The Improvement Plan identifies nine 'Key Council Improvement Areas' (Appendix A), five of which no longer appear in the 2007 Annual Audit Inspection Letter.

2.3 The Improvement Plan identifies 29 areas for improvement under 'Use of Resources' (seven of which are no longer considered a weakness by the Audit Commission) and a further 9 from the Statement of Internal Control (Appendix B). Progress has been made against the vast majority of these weaknesses.

3. The 2007 Picture

3.1 The Audit Commission have recently published their Annual Audit and Inspection Letter for 2007, and have scored us three out of four again, with the same breakdown as last year (see table 1.2). The Audit Commission passed comment that we were doing well to have retained this scoring, as the judgements were becoming stricter and we had also been focussing on other priorities (particularly ISiS and Stock Transfer).

3.2 The 2007 Audit Inspection Letter has identified further areas to focus on improving. These are summarised as follows:

- Monitor general fund expenditure closely to agree timely and effective action for any overspends
- Review working balances in the HRA, taking account of key financial risks
- Ensure clarity and communication of high level efficiency gains and workforce implications of large scale transformation projects
- Review systems for producing performance indicators, especially key indicators
- Provide and enable the development of more affordable housing

The AAIL 2007 can be viewed through the following web-link:

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3.3 The Audit Commission have also reviewed our position against the Use of Resources criteria. They are happy that we have addressed some of the weaknesses, but now have additional criteria to focus on for 2007/08.

3.4 We are in the process of updating our Corporate Improvement Plan to reflect the AAIL 2007, as well as actions required from the recently published White Paper. We will distribute this to managers and staff shortly to communicate the areas they need to tackle, to ensure continuous improvement.

4. Recommendation

4.1 The Corporate Governance Committee is requested to note progress against the Corporate Improvement Plan and to raise any concerns identified.

Contact Officer

Simon Lewis

Scrutiny and Performance Manager 01823 356397

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Weakness	Lead Officer	Source of Weakness	Outcomes and Targets	Progress at 31st Mar 2007	Planned Actions	Timescales
Annual Audit Inspection Letter Action needed by the Council						
PERFORMANCE MANAGEMENT						
Ensure adequate performance management arrangements exist to measure effectiveness and impact of key priorities and in particular economic investment and partnerships.	S Lewis	AAIL	Quarterly performance reports demonstrate progress against Corporate Priorities and the impact to the community.	Quarterly 'dashboard' reporting of progress against the Corporate Strategy includes impact to residents. The Draft Economic Development Strategy is written and includes measures for impact and effectiveness of actions. Ec Dev priorities have been built into the new Corporate Strategy for 2007-10. This is no longer recognised as a weakness in the AAIL 2007	Continue to develop this through robust monitoring of the Corporate Strategy and Economic Development Strategy	No longer a weakness
Ensure clear objectives and targets to assess progress in achieving economic vitality and impact of investment.	S Kendall	AAIL	Regular reporting of progress against objectives and targets from the Economic Development Strategy will show impact of investment and economic vitality.	Draft Economic Development Strategy written. Ec Dev has been built into new Corporate Strategy for 2007-10. This is no longer recognised as a weakness in the AAIL 2007	Continue to develop this through robust monitoring of the Corporate Strategy and Economic Development Strategy	No longer a weakness
PARTNERSHIPS						
Ensure effectiveness of partnerships and use of grants, assessing whether achievements meet or exceed expectations.	B Cleere	AAIL Delivery	Reports produced and actioned which demonstrate effectiveness of partnerships and use of grants. SLAs in place and "Fit for purpose" LSP from Jan 07. Also 'Somerset Compact' operating effectively	SOLACE partnership review completed	Follow-up work from SOLACE Partnership Review required. We need to review partnerships and SLAs to ensure their actions support key local priorities in the sustainable Community Strategy that feed into wider LAA targets. They will demonstrate clear alignment to the 35 national targets	2007/8
Require better monitoring of the effectiveness of the extensive partnership activity on which economic development services depend.	B Cleere	AAIL	Timely and relevant reports produced on the effectiveness of partnership activity.	SOLACE partnership review completed	Develop systems to monitor and report on effectiveness of key economic partnerships, to report effectiveness of action above	2007/08
EQUALITIES						
Maintain improving focus on internal and external equalities and diversity and more effectively use the results of its consultation with 'hard-to-reach' groups to adapt services to meet all community needs	B Cleere	AAIL SIC Corp Strategy CPA 2004	Following equality impact assessments to all service areas, services adapted to meet all community needs. Corporate Equalities Scheme in place by December 2006	Equality Impact assessments mostly completed. Progress in other areas including diversity forums and documents in other languages and formats. The Corporate Equalities Scheme is now in place and shows programme of equality impact assessments to be completed in 2007. This is no longer recognised as a weakness in the AAIL 2007	Integrate to Heads Plans, involve scrutiny. Roll out Equality Impact Assessments to all other service areas. Embed Corporate Equalities Scheme	No longer a weakness 2007/08 ongoing
SCRUTINY						
Improve the effectiveness of scrutiny to assist in meeting the Council's objectives and as a force for driving innovation and improvement.	S Lewis	AAIL SIC Corp Strategy	Scrutiny embedded within the council and no longer seen as a 'weakness'. Scrutiny drives innovation and improvement.	Members Forward Plan in place, Charing training agreed, officer and member guidance published, Task and Finish reviews launched and having an impact. Discussions taking place to roll out Task and Finish Reviews as the main medium of scrutiny	Continue to develop Scrutiny and move towards more Task and Finish reviews with more tangible outcomes. Increase training after the election	2007/08
LEADERSHIP						
Ensure stronger alignment between human capacity and key priorities including organisational change and project planning.	S Adam	AAIL SIC	Impact of organisational change managed. Prioritisation and project plans implemented effectively.	Leadership training, Change Management training and awareness delivered to staff and managers. Specific teams set up with project plans for main projects (ISiS, LSVT, Waste Board, Job Evaluation etc) This is no longer recognised as a weakness in the AAIL 2007, although capacity is still raised as a concern	SMT to continue to deliver change management and awareness to staff and tackle the important issues	No longer a weakness
STAFF ABSENCE						

Weakness	Lead Officer	Source of Weakness	Outcomes and Targets	Progress at 31st Mar 2007	Planned Actions	Timescales
Set challenging targets and reduce staff sickness.	K Toller	AAIL SIC CPA 2004	Staff sickness reduced.	Staff sickness has reduced by 1 day per FTE in 2005/06 and looks to be dropping further in 2006/07. This is no longer recognised as a weakness in the AAIL 2007, but is still clearly an issue for this Council to tackle	Continue development and implementation of current plans.	No longer a weakness, but we continue to tackle this
BUDGET MONITORING						
Continue to seek further efficiency savings to minimise the impact of budget constraints on the quality and levels of services provided.	S Adam	AAIL	Efficiency savings made whilst maintaining good quality and levels of service.	We continue to meet our Gershon savings targets. Efficiency targets and results are reported in September each year	Restructure of Core Council with ISIS will tackle budgetary issues	Ongoing
Key: AAIL - Annual Audit Inspection Letter; SIC - Statement of Internal Control; CPA - Comprehensive Performance Assessment; Corp Strategy - Corporate Strategy						

APPENDIX B CPA Improvement Plan for Use of Resources

Weakness	Lead Officer	Source of Weakness	Outcomes and Targets	Progress at 31st Mar 2007	Planned Actions	Timescales
VALUE FOR MONEY						
Objectives to achieve Level 4						
Develop the benchmarking of value for money; there is scope for making more comparisons based on direct links between costs (including unit costs) and service performance. There is a specific need to establish benchmarking for asset management.	S Lewis	AAIL	Effective measures and benchmarking in place to improve focus and reporting on Value for Money.	We have written a position statement on our existing benchmarking. We have agreed an approach to developing Asset Management benchmarking	Complete a review of the opportunity of benchmarking at the Council with recommendations. Work with the Asset Management Group to identify which performance measures and how to benchmark in future	June 07 March 07
Develop appropriate local indicators for cost-effectiveness and value for money.	S Lewis	AAIL	Local indicators for cost effectiveness and value for money being used and driving Value for Money.	We have reviewed Best Practise from other Councils (Wychavon, Chichester, Horsham) written a position statement and identified measure for cost-effectiveness and vfm	To review this further to ensure it is robust and built into systems across the organisation	Jul-07
Continue to assess the benefits of further integration with neighbouring councils using a clear business case with all options considered.	S Adam	AAIL	Integration implemented through ISIS, waste partnerships and consideration of other business cases.	ISIS preferred bidder selected. Waste Partnership progressing.	Commence ISIS partnership. Start Waste Partnership. Identify other suitable partnerships to progress (e.g. Building Control) This is no longer recognised as a weakness in the AAIL 2007	Jul-07
Use the proposed procurement strategy to effectively assess and help address wider community needs, and to drive a consistent approach to procurement across all services.	S Lewis	AAIL	Procurement Strategy driving procurement across the Council and addressing wider Community needs.	Scrutiny of required Community Benefits of Procurement by members and agreement of the Joint Procurement Strategy (RR Panel)	Work closely with the ISIS bidder to revise the Joint Procurement Strategy to ensure that outcomes are achievable, meet wider Isis requirements and our own needs	Summer 2007
FINANCIAL REPORTING - How good are the Council's financial accounting and reporting arrangements? □ (Striving to achieve Level 4)						
1.2 The Council promotes external accountability						
1.2 LEVEL 3: The council can demonstrate that it is considering the views of a range of stakeholders in making its decision whether to publish an annual report (new definition)	P Carter	UoR Feedback	Parish Council opinions helping to shape the Annual Report.	Letter sent annual to Parish Councils, key stakeholders and councillors requested their views on summary accounts	Continue as present	Ongoing
1.2 LEVEL 3: The council publishes summary financial information that meets the needs of a range of stakeholders. (new definition)	P Carter	UoR Feedback	Summary financial information easily accessible to stakeholders	The Annual Report published summary information and signposts more detailed summary and full accounts available in public places and website. Also summary accounts sent to key stakeholders (Oct 06)	Completed and ongoing	Ongoing
1.2 LEVEL 4: The council publishes an annual report or similar document which includes summary accounts and an explanation of key financial information and technical terms designed to be understandable by members of the public.	P Carter	UoR Feedback	Summary accounts and key financial information produced in a report, easily accessible to the public.	The 2006/07 Annual Report included very basic financial information, plus we produced the summary accounts and Council Tax leaflet	We need to include more detailed summary accounts in the 2007/08 Annual Report	April 2007 for June publication
1.2 LEVEL 4: The annual report or similar document is available in a wide variety of formats to meet local user needs (e.g. different languages, large print, speaking version). (amendment to definition)	S Murphy	UoR Feedback	The Annual Report is accessible for 'hard to reach groups'	Equalities statement included on Annual Report	To include equalities statement on back of summary accounts. No longer a weakness in the 2007 Use of Resources	April 2007 for June publication
INTERNAL CONTROL - How well does the Council's internal control environment enable it to manage its significant business risks? (Striving to achieve Level 3) □						
4.1 The Council manages its significant business risks						
4.2 The council has arrangements in place to maintain a sound system of internal control						
4.3 The Council has arrangements in place designed to promote and ensure probity and propriety in the conduct of its business						

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4.2 LEVEL 2: An appropriate member group has responsibility for review and approval of the SIC and considers it separately from the accounts. (Y scored but need to ensure that the review and approval of the SIC is clearly separate from that of the annual accounts).	S Adam	UoR Feedback	Corporate Governance committee to review SIC to ensure quality and compliance.	SIC to be taken to the Corporate Governance Committee	Corporate Governance committee - happening	Ongoing
4.2 LEVEL 2: The council has identified its significant partnerships and has appropriate governance arrangements in place for each of them. (new definition).	B Cleere	UoR Feedback	Reports produced and actioned which demonstrate governance arrangements effectiveness of partnerships.	We are aware of all of our major partnerships and have corporate governance arrangements in place for ISIS, Tone Leisure, SWAP and will build this in to the Waste Partnership and review our other partnerships	We will review our partnerships to ensure they support the priorities of the Sustainable Community Strategy and feed into wider LAA targets. Refer to CPA Improvement plan under 'Partnerships'	2007/08
4.1 LEVEL 3: The risk management process specifically considers risks in relation to significant partnerships and provides for assurances to be obtained about the management of those risks. (amended definition).	P Weaver To be reviewed	UoR Feedback	Risk management strategy produced and includes significant partnerships, to effectively manage risks.	J Thornberry to be appointed as Director of Corporate Governance April 07. Our biggest partner (ISIS) has been assessed in terms of their governance arrangements, as well as the LSP and CDRP	Strategy under progress	2007/08
4.1 LEVEL 3: Members with responsibility for corporate risk management receive reports on a regular basis and take appropriate action to ensure that corporate business risks are being actively managed, including reporting to full council as appropriate. (amended definition).	P Weaver To be reviewed	UoR Feedback	Risk reports produced for corporate governance committee or Review Board, to ensure effective risk management.	-	Reports to corporate governance committee or Review Board	2007/08
4.2 LEVEL 3: The council can demonstrate that it is effectively delivering the core functions of an audit committee, as identified in the CIPFA guidance; that it provides challenge to the Executive when required and provides for effective leadership on governance, financial reporting and audit issues. (new definition).	S Adam	UoR Feedback	A functioning Audit Committee, leading on governance and challenging the Executive as required.	-	No longer a weakness in the 2007 Use of Resources	-
4.2 LEVEL 3: The procedure notes/manuals for those systems identified by the council as being business-critical are reviewed and updated at least annually.	S Adam	UoR Feedback	Up to date manuals exist for all key systems.		New principal auditor will tackle this as a starting point and managers will update this	2007/08
4.2 LEVEL 3: The standing orders, standing financial instructions and scheme of delegation are reviewed and updated as appropriate. (change to definition).	S Adam/ J Thornberry	UoR Feedback	Scheme of delegation updated		Scheme of delegation to be updated.. Standing Orders and Financial Regulations to be reviewed in 2007	2007/08
4.2 LEVEL 3: Compliance with standing orders, standing financial instructions and the scheme of delegation is monitored by management, and any breaches identified and appropriate action taken.	S Adam	UoR Feedback	Essential monitoring in place to ensure compliance.	This is reviewed by SWAP	We can prove this has been have carried out with a special regs audit	-
4.3 LEVEL 3: The council has effectively identified the key NFI data matches for review from all levels of reports (high, medium and low).	S Adam	UoR Feedback	All fraud areas developed for investigation	This has been reviewed, however there were no matches	Annual. No longer a weakness in the 2007 Use of Resources	Ongoing

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Weakness	Lead Officer	Source of Weakness	Outcomes and Targets	Progress at 31st Mar 2007	Planned Actions	Timescales
4.3 LEVEL 3: Weaknesses revealed by instances of proven fraud and corruption, including NFI data matches, are reviewed to ensure that appropriate action is taken to strengthen internal control arrangements. <i>(moved from Level 3).</i>	S Adam	UoR Feedback	The Council learns and strengthens systems to reduce the risk of fraud	There have been no occurrences, therefore no reviews have been undertaken, but we currently participate in the 2006 fraud initiative	Annual	Ongoing
Introduce arrangements for all staff to acknowledge their responsibilities in respect to preventing fraud and corruption	C Gunn	Significant area from AAIL	All staff are aware of responsibilities	This is covered in the staff corporate induction and is publicised on the intranet	No actions required	-
Review periodically the effectiveness of whistle-blowing procedures	C Gunn	Significant area from AAIL	Process is up to date and communicated	This is covered in the staff corporate induction and is covered on the intranet	No actions required	-
FINANCIAL MANAGEMENT - How well does the Council plan and manage its finances? (Level 3 achieved, but a number of criteria not met) □						
2.1 The Council's medium-term financial strategy/plan, budgets and capital programme are soundly based and designed to deliver its strategic priorities						
2.2 The Council manages performance against its budgets						
2.3 The Council manages its asset base						
2.1 LEVEL 3: The council's medium-term financial strategy is linked to other internal strategies/plans as appropriate, e.g. HR, IT. <i>(Scored "Yes" but need to ensure greater consistency)</i>	P Carter	UOR Assessment	Financial strategy integration into other internal strategies allowing greater consistency across plans	There is significant integration as identified in last year's UOR audit, but can be improved	Review of medium term financial strategy and consistency with other internal strategies/plans. No longer a weakness in the 2007 Use of Resources	Ongoing
2.2 LEVEL 2: The financial performance of significant partnerships is regularly reviewed, linked to outputs, and the results shared with partners and acted upon.	B Cleere/ J Chipp	UOR Assessment	Report produced of financial performance of significant partnerships with results shared with partners and acted upon	Many key partnerships do provide financial information (e.g. CDRP, LSP, Tone Leisure, SWAP etc)	To ensure key partnerships are signed up to the CIPFA checklist or equivalent on reporting use of funding, outcomes etc. See APPENDIX A - Partnerships weaknesses	2007/08
2.2 LEVEL 3: There is a regular training programme providing training on financial issues for members and relevant non-finance staff.	P Carter	UOR Assessment	Members and non financial staff aware of financial issues following training	We have provided recent training for members and have very close working relations with officers for ad-hoc advice and training	To deliver a programme of bite sized workshops. Some of these have been delivered in March 2007	Ongoing
2.2 LEVEL 3: Relevant non-financial and financial information, in addition to the budget, is reported to members and acted upon. <i>(Y score but scope for more consistency in providing underlying activity info to members)</i>	P Carter/ S Lewis	UOR Assessment	Non financial and financial information integrated and acted upon following integration into dashboard	Dashboard is being sent to members quarterly and starts to integrate financial and performance information	To review further how to better integrate relevant volume and output data. No longer a weakness in the 2007 Use of Resources	-
2.2 LEVEL3: Progress in achieving planned savings and efficiency gains is regularly reported to senior management with developed action plans <i>(Y scored but scope for developing regular reporting of progress on achieving Gershon targets)</i>	P Carter	UOR Assessment	Achieved planned savings highlighted in Weekly Bulletin and to CMT	Good progress being made. This is reported to CMT and was recently reported to the CG Committee (18/12/06)	Need to further share with members as well as CMT (weekly bulletin etc). No longer a weakness in the 2007 Use of Resources	-
2.3 LEVEL 3: The council has developed a set of local performance measures in relation to assets that evaluate asset use in relation to corporate objectives. <i>(new definition)</i>	S Rutledge / S Lewis	UOR Assessment	Performance Measures evaluated to make best use of asset base	We are currently using a basic set of performance measures and have identified Best Practise to start measuring and integrate into the next AMP	Incorporate Best Practise into Asset Management Practise and the AMP	April 2007
2.3 LEVEL 3: The council makes investment and disposal decisions based on thorough option appraisal and whole life costing.	S Adam/ K Toller	UOR Assessment	Investment and disposal decisions made from inclusion in Capital strategy	We have some good examples e.g. Greenslade Taylor Hunt options appraisal of Nursery Site	Procedures reviewed as part of capital strategy. This is being done more expansively now	2007/08 Ongoing
FINANCIAL STANDING						
3.1 The Council manages its spending within available resources						

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3.1 LEVEL 2: The council sets and monitors targets for all material categories of income collection and recovery of arrears, based on age profile of debt. (new definition)	S Adam/ TR Sealy	UOR Assessment	Improved targets for income collection and recovery of arrears	-	This will need to be addressed by the ISiS partnership	2007/08
Carry out regular reviews of the effectiveness of debt recovery procedures	S Adam/ K Toller/ R Sealy	Significant areas from AAIL	Review of debt recovery procedures carried out to ensure spending in line with available resources	-	This will need to be addressed by the ISiS partnership	2007/08
STATEMENT OF INTERNAL CONTROL ACTION PLAN						
To develop a local code of Corporate Governance to help ensure that effective corporate governance arrangements are further embedded in the organisation.	S Adam S Adam	SIC	Code of Corporate Governance produced, published and communicated.	We haven't developed one yet, however the Audit Commission is currently reviewing our Corporate Governance arrangements and we will act on their recommendations	Code of Corporate Governance to be developed following Audit Commission report. Code to be "published" to Officers and Members.	2007/08
To further develop the corporate governance arrangements in relation to Partnership working.	B Cleere S Adam S Adam S Adam/ B Cleere	SIC	Improved Corporate governance arrangements in relation to partnership working.	J Thornberry to be appointed as Director of Corporate Governance April 07. Our biggest partner (ISiS) has been assessed in terms of their governance arrangements. SOLACE have reviewed the LSP and Partnership working and made recommendations	Review of existing arrangements and report on any weaknesses found. Research on best practice for partnership working. Future Partnership governance arrangements agreed by LSP/TDBC.	2007/08 2007/08 2007/08
To further cascade Project Management skills throughout the organisation.	B Cleere	SIC	Training programme implemented, resulting in improved project management	New Strategic Delivery teams to be developed to manage major Council projects as part of restructure (April 2007)	Strategic project teams to be developed. Training programme for project management to be agreed.	Summer 2007
To put systems in place to encourage and share good practices throughout the organisation (corporate learning).	P James P James	SIC CPA 2004	Proposals for good practice sharing implemented.	This is being built into SMT. A lessons learnt document went to CMT in May 06, covering CSL, and we have also used learning from the Wellsprings Contract.	Project team commissioned to Develop Systematic approach to learning. Proposals shared with CMT.	Sept 06 Jan 07
To fundamentally review and enhance the current asset management practices.	S Adam/ K Toller S Adam/ K Toller	SIC	Produced review of current asset management practices, leading to better practice.	SWAP have reviewed the asset register and a number of improvements have taken place following the Use of Resources weaknesses. This will be developed further under ISiS	A number of improvements have been agreed by the Corporate AMP team to build into the next AMP 2007	Ongoing
To fully review the Constitution and Financial Regulations during 2005/07 to reflect the senior management structure, to reflect the results on the current review of the Scrutiny function, and to reflect Partnership working.	S Adam/ J	SIC	Review produced and communicated.	This has been delayed until September 2007	Existing Constitution and Financial Regulations to be reviewed to reflect senior management restructure, and agreed Partnership Working arrangements.	Sept 07
To develop sustainable accounting and reporting arrangements.	S Adam S Adam	SIC	Sustainable accounting and reporting developed and implemented	-	ISiS will deliver the changes required	July 07 onwards

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To fully review the Health and Safety Management System and cascade throughout the authority.	D Woodbury	SIC	New system implemented.	This has been revised to reflect the Core Council / ISIS changes	New system implemented before ISIS contracts start.	July 2007
To promote business continuity planning throughout the organisation.	P Weaver To be reviewed	SIC	Business Continuity Plans produced for high risk service areas.	We are developing a Business Continuity Plan for Pandemic Flu which is nearly complete	Business Continuity Plans developed for high risk service areas.	December 06

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Require better monitoring of the effectiveness of the extensive partnership activity on which economic development services depend.	B Cleere	AAIL	Timely and relevant reports produced on the effectiveness of partnership activity.	SOLACE partnership review completed	Develop systems to monitor and report on effectiveness of key economic partnerships, to report effectiveness of action above	2007/08
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Develop the benchmarking of value for money; there is scope for making more comparisons based on direct links between costs (including unit costs) and service performance. There is a specific need to establish benchmarking for asset management.	S Lewis	AAIL	Effective measures and benchmarking in place to improve focus and reporting on Value for Money.	We have written a position statement on our existing benchmarking. We have agreed an approach to developing Asset Management benchmarking	Complete a review of the opportunity of benchmarking at the Council with recommendations. Work with the Asset Management Group to identify which performance measures and how to benchmark in future	June 07 March 07
Develop appropriate local indicators for cost-effectiveness and value for money.	S Lewis	AAIL	Local indicators for cost effectiveness and value for money being used and driving Value for Money.	We have reviewed Best Practise from other Councils (Wychavon, Chichester, Horsham) written a position statement and identified measure for cost-effectiveness and vfm	To review this further to ensure it is robust and built into systems across the organisation	Jul-07
Continue to assess the benefits of further integration with neighbouring councils using a clear business case with all options considered.	S Adam	AAIL	Integration implemented through ISIS, waste partnerships and consideration of other business cases.	ISIS preferred bidder selected. Waste Partnership progressing.	Commence ISIS partnership. Start Waste Partnership. Identify other suitable partnerships to progress (e.g. Building Control) This is no longer recognised as a weakness in the AAIL 2007	Jul-07
Use the proposed procurement strategy to effectively assess and help address wider community needs, and to drive a consistent approach to procurement across all services.	S Lewis	AAIL	Procurement Strategy driving procurement across the Council and addressing wider Community needs.	Scrutiny of required Community Benefits of Procurement by members and agreement of the Joint Procurement Strategy (RR Panel)	Work closely with the ISIS bidder to revise the Joint Procurement Strategy to ensure that outcomes are achievable, meet wider Isis requirements and our own needs	Summer 2007
FINANCIAL REPORTING - How good are the Council's financial accounting and reporting arrangements? □ (Striving to achieve Level 4)						
1.2 The Council promotes external accountability						
1.2 LEVEL 3: The council can demonstrate that it is considering the views of a range of stakeholders in making its decision whether to publish an annual report (new definition)	P Carter	UoR Feedback	Parish Council opinions helping to shape the Annual Report.	Letter sent annual to Parish Councils, key stakeholders and councillors requested their views on summary accounts	Continue as present	Ongoing
1.2 LEVEL 3: The council publishes summary financial information that meets the needs of a range of stakeholders. (new definition)	P Carter	UoR Feedback	Summary financial information easily accessible to stakeholders	The Annual Report published summary information and signposts more detailed summary and full accounts available in public places and website. Also summary accounts sent to key stakeholders (Oct 06)	Completed and ongoing	Ongoing
1.2 LEVEL 4: The council publishes an annual report or similar document which includes summary accounts and an explanation of key financial information and technical terms designed to be understandable by members of the public.	P Carter	UoR Feedback	Summary accounts and key financial information produced in a report, easily accessible to the public.	The 2006/07 Annual Report included very basic financial information, plus we produced the summary accounts and Council Tax leaflet	We need to include more detailed summary accounts in the 2007/08 Annual Report	April 2007 for June publication
1.2 LEVEL 4: The annual report or similar document is available in a wide variety of formats to meet local user needs (e.g. different languages, large print, speaking version). (amendment to definition)	S Murphy	UoR Feedback	The Annual Report is accessible for 'hard to reach groups'	Equalities statement included on Annual Report	To include equalities statement on back of summary accounts. No longer a weakness in the 2007 Use of Resources	April 2007 for June publication
INTERNAL CONTROL - How well does the Council's internal control environment enable it to manage its significant business risks? (Striving to achieve Level 3) □						
4.1 The Council manages its significant business risks						
4.2 The council has arrangements in place to maintain a sound system of internal control						
4.3 The Council has arrangements in place designed to promote and ensure probity and propriety in the conduct of its business						

APPENDIX B CPA Improvement Plan for Use of Resources

Weakness	Lead Officer	Source of Weakness	Outcomes and Targets	Progress at 31st Mar 2007	Planned Actions	Timescales
4.2 LEVEL 2: An appropriate member group has responsibility for review and approval of the SIC and considers it separately from the accounts. (Y scored but need to ensure that the review and approval of the SIC is clearly separate from that of the annual accounts).	S Adam	UoR Feedback	Corporate Governance committee to review SIC to ensure quality and compliance.	SIC to be taken to the Corporate Governance Committee	Corporate Governance committee - happening	Ongoing
4.2 LEVEL 2: The council has identified its significant partnerships and has appropriate governance arrangements in place for each of them. (new definition).	B Cleere	UoR Feedback	Reports produced and actioned which demonstrate governance arrangements effectiveness of partnerships.	We are aware of all of our major partnerships and have corporate governance arrangements in place for ISIS, Tone Leisure, SWAP and will build this in to the Waste Partnership and review our other partnerships	We will review our partnerships to ensure they support the priorities of the Sustainable Community Strategy and feed into wider LAA targets. Refer to CPA Improvement plan under 'Partnerships'	2007/08
4.1 LEVEL 3: The risk management process specifically considers risks in relation to significant partnerships and provides for assurances to be obtained about the management of those risks. (amended definition).	P Weaver To be reviewed	UoR Feedback	Risk management strategy produced and includes significant partnerships, to effectively manage risks.	J Thornberry to be appointed as Director of Corporate Governance April 07. Our biggest partner (ISIS) has been assessed in terms of their governance arrangements, as well as the LSP and CDRP	Strategy under progress	2007/08
4.1 LEVEL 3: Members with responsibility for corporate risk management receive reports on a regular basis and take appropriate action to ensure that corporate business risks are being actively managed, including reporting to full council as appropriate. (amended definition).	P Weaver To be reviewed	UoR Feedback	Risk reports produced for corporate governance committee or Review Board, to ensure effective risk management.	-	Reports to corporate governance committee or Review Board	2007/08
4.2 LEVEL 3: The council can demonstrate that it is effectively delivering the core functions of an audit committee, as identified in the CIPFA guidance; that it provides challenge to the Executive when required and provides for effective leadership on governance, financial reporting and audit issues. (new definition).	S Adam	UoR Feedback	A functioning Audit Committee, leading on governance and challenging the Executive as required.	-	No longer a weakness in the 2007 Use of Resources	-
4.2 LEVEL 3: The procedure notes/manuals for those systems identified by the council as being business-critical are reviewed and updated at least annually.	S Adam	UoR Feedback	Up to date manuals exist for all key systems.		New principal auditor will tackle this as a starting point and managers will update this	2007/08
4.2 LEVEL 3: The standing orders, standing financial instructions and scheme of delegation are reviewed and updated as appropriate. (change to definition).	S Adam/ J Thornberry	UoR Feedback	Scheme of delegation updated		Scheme of delegation to be updated.. Standing Orders and Financial Regulations to be reviewed in 2007	2007/08
4.2 LEVEL 3: Compliance with standing orders, standing financial instructions and the scheme of delegation is monitored by management, and any breaches identified and appropriate action taken.	S Adam	UoR Feedback	Essential monitoring in place to ensure compliance.	This is reviewed by SWAP	We can prove this has been have carried out with a special regs audit	-
4.3 LEVEL 3: The council has effectively identified the key NFI data matches for review from all levels of reports (high, medium and low).	S Adam	UoR Feedback	All fraud areas developed for investigation	This has been reviewed, however there were no matches	Annual. No longer a weakness in the 2007 Use of Resources	Ongoing

APPENDIX B CPA Improvement Plan for Use of Resources

Weakness	Lead Officer	Source of Weakness	Outcomes and Targets	Progress at 31st Mar 2007	Planned Actions	Timescales
4.3 LEVEL 3: Weaknesses revealed by instances of proven fraud and corruption, including NFI data matches, are reviewed to ensure that appropriate action is taken to strengthen internal control arrangements. <i>(moved from Level 3).</i>	S Adam	UoR Feedback	The Council learns and strengthens systems to reduce the risk of fraud	There have been no occurrences, therefore no reviews have been undertaken, but we currently participate in the 2006 fraud initiative	Annual	Ongoing
Introduce arrangements for all staff to acknowledge their responsibilities in respect to preventing fraud and corruption	C Gunn	Significant area from AAIL	All staff are aware of responsibilities	This is covered in the staff corporate induction and is publicised on the intranet	No actions required	-
Review periodically the effectiveness of whistle-blowing procedures	C Gunn	Significant area from AAIL	Process is up to date and communicated	This is covered in the staff corporate induction and is covered on the intranet	No actions required	-
FINANCIAL MANAGEMENT - How well does the Council plan and manage its finances? (Level 3 achieved, but a number of criteria not met) □						
2.1 The Council's medium-term financial strategy/plan, budgets and capital programme are soundly based and designed to deliver its strategic priorities						
2.2 The Council manages performance against its budgets						
2.3 The Council manages its asset base						
2.1 LEVEL 3: The council's medium-term financial strategy is linked to other internal strategies/plans as appropriate, e.g. HR, IT. <i>(Scored "Yes" but need to ensure greater consistency)</i>	P Carter	UOR Assessment	Financial strategy integration into other internal strategies allowing greater consistency across plans	There is significant integration as identified in last year's UOR audit, but can be improved	Review of medium term financial strategy and consistency with other internal strategies/plans. No longer a weakness in the 2007 Use of Resources	Ongoing
2.2 LEVEL 2: The financial performance of significant partnerships is regularly reviewed, linked to outputs, and the results shared with partners and acted upon.	B Cleere/ J Chipp	UOR Assessment	Report produced of financial performance of significant partnerships with results shared with partners and acted upon	Many key partnerships do provide financial information (e.g. CDRP, LSP, Tone Leisure, SWAP etc)	To ensure key partnerships are signed up to the CIPFA checklist or equivalent on reporting use of funding, outcomes etc. See APPENDIX A - Partnerships weaknesses	2007/08
2.2 LEVEL 3: There is a regular training programme providing training on financial issues for members and relevant non-finance staff.	P Carter	UOR Assessment	Members and non financial staff aware of financial issues following training	We have provided recent training for members and have very close working relations with officers for ad-hoc advice and training	To deliver a programme of bite sized workshops. Some of these have been delivered in March 2007	Ongoing
2.2 LEVEL 3: Relevant non-financial and financial information, in addition to the budget, is reported to members and acted upon. <i>(Y score but scope for more consistency in providing underlying activity info to members)</i>	P Carter/ S Lewis	UOR Assessment	Non financial and financial information integrated and acted upon following integration into dashboard	Dashboard is being sent to members quarterly and starts to integrate financial and performance information	To review further how to better integrate relevant volume and output data. No longer a weakness in the 2007 Use of Resources	-
2.2 LEVEL3: Progress in achieving planned savings and efficiency gains is regularly reported to senior management with developed action plans <i>(Y scored but scope for developing regular reporting of progress on achieving Gershon targets)</i>	P Carter	UOR Assessment	Achieved planned savings highlighted in Weekly Bulletin and to CMT	Good progress being made. This is reported to CMT and was recently reported to the CG Committee (18/12/06)	Need to further share with members as well as CMT (weekly bulletin etc). No longer a weakness in the 2007 Use of Resources	-
2.3 LEVEL 3: The council has developed a set of local performance measures in relation to assets that evaluate asset use in relation to corporate objectives. <i>(new definition)</i>	S Rutledge / S Lewis	UOR Assessment	Performance Measures evaluated to make best use of asset base	We are currently using a basic set of performance measures and have identified Best Practise to start measuring and integrate into the next AMP	Incorporate Best Practise into Asset Management Practise and the AMP	April 2007
2.3 LEVEL 3: The council makes investment and disposal decisions based on thorough option appraisal and whole life costing.	S Adam/ K Toller	UOR Assessment	Investment and disposal decisions made from inclusion in Capital strategy	We have some good examples e.g. Greenslade Taylor Hunt options appraisal of Nursery Site	Procedures reviewed as part of capital strategy. This is being done more expansively now	2007/08 Ongoing
FINANCIAL STANDING						
3.1 The Council manages its spending within available resources						

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Weakness	Lead Officer	Source of Weakness	Outcomes and Targets	Progress at 31st Mar 2007	Planned Actions	Timescales
3.1 LEVEL 2: The council sets and monitors targets for all material categories of income collection and recovery of arrears, based on age profile of debt. (new definition)	S Adam/ TR Sealy	UOR Assessment	Improved targets for income collection and recovery of arrears	-	This will need to be addressed by the ISiS partnership	2007/08
Carry out regular reviews of the effectiveness of debt recovery procedures	S Adam/ K Toller/ R Sealy	Significant areas from AAIL	Review of debt recovery procedures carried out to ensure spending in line with available resources	-	This will need to be addressed by the ISiS partnership	2007/08
STATEMENT OF INTERNAL CONTROL ACTION PLAN						
To develop a local code of Corporate Governance to help ensure that effective corporate governance arrangements are further embedded in the organisation.	S Adam S Adam	SIC	Code of Corporate Governance produced, published and communicated.	We haven't developed one yet, however the Audit Commission is currently reviewing our Corporate Governance arrangements and we will act on their recommendations	Code of Corporate Governance to be developed following Audit Commission report. Code to be "published" to Officers and Members.	2007/08
To further develop the corporate governance arrangements in relation to Partnership working.	B Cleere S Adam S Adam S Adam/ B Cleere	SIC	Improved Corporate governance arrangements in relation to partnership working.	J Thornberry to be appointed as Director of Corporate Governance April 07. Our biggest partner (ISiS) has been assessed in terms of their governance arrangements. SOLACE have reviewed the LSP and Partnership working and made recommendations	Review of existing arrangements and report on any weaknesses found. Research on best practice for partnership working. Future Partnership governance arrangements agreed by LSP/TDBC.	2007/08 2007/08 2007/08
To further cascade Project Management skills throughout the organisation.	B Cleere	SIC	Training programme implemented, resulting in improved project management	New Strategic Delivery teams to be developed to manage major Council projects as part of restructure (April 2007)	Strategic project teams to be developed. Training programme for project management to be agreed.	Summer 2007
To put systems in place to encourage and share good practices throughout the organisation (corporate learning).	P James P James	SIC CPA 2004	Proposals for good practice sharing implemented.	This is being built into SMT. A lessons learnt document went to CMT in May 06, covering CSL, and we have also used learning from the Wellsprings Contract.	Project team commissioned to Develop Systematic approach to learning. Proposals shared with CMT.	Sept 06 Jan 07
To fundamentally review and enhance the current asset management practices.	S Adam/ K Toller S Adam/ K Toller	SIC	Produced review of current asset management practices, leading to better practice.	SWAP have reviewed the asset register and a number of improvements have taken place following the Use of Resources weaknesses. This will be developed further under ISiS	A number of improvements have been agreed by the Corporate AMP team to build into the next AMP 2007	Ongoing
To fully review the Constitution and Financial Regulations during 2005/07 to reflect the senior management structure, to reflect the results on the current review of the Scrutiny function, and to reflect Partnership working.	S Adam/ J	SIC	Review produced and communicated.	This has been delayed until September 2007	Existing Constitution and Financial Regulations to be reviewed to reflect senior management restructure, and agreed Partnership Working arrangements.	Sept 07
To develop sustainable accounting and reporting arrangements.	S Adam S Adam	SIC	Sustainable accounting and reporting developed and implemented	-	ISiS will deliver the changes required	July 07 onwards

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Weakness	Lead Officer	Source of Weakness	Outcomes and Targets	Progress at 31st Mar 2007	Planned Actions	Timescales
To fully review the Health and Safety Management System and cascade throughout the authority.	D Woodbury	SIC	New system implemented.	This has been revised to reflect the Core Council / ISIS changes	New system implemented before ISIS contracts start.	July 2007
To promote business continuity planning throughout the organisation.	P Weaver To be reviewed	SIC	Business Continuity Plans produced for high risk service areas.	We are developing a Business Continuity Plan for Pandemic Flu which is nearly complete	Business Continuity Plans developed for high risk service areas.	December 06