

# Taunton Deane Borough Council

## Corporate Governance Committee – 23 June 2014

### Corporate Governance Action Plan

#### Report of Corporate Performance Lead

(This matter is the responsibility of Executive Councillor Stock-Williams)

#### 1. Executive Summary

This report shows progress against the Corporate Governance Action Plan as at the end of May 2014.

At the previous review point (Dec 2013) the Corporate Governance Action Plan included 8 'open' actions. This included 3 actions carried over from previous years plus 5 new external audit recommendations (Grant Thornton audit findings 2012/13).

- 4 of these actions are now considered 'closed'
- Of the remaining 4 'open' actions, 2 are 'Green' (on track), and 2 are 'Amber' (some concern).

#### 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 This report includes recommendations / actions which have emerged from **external** audits (ie Audit Commission and Grant Thornton) – specifically, recommendations from the Annual Governance Reports and Audit Findings / Financial Resilience reports – most recently the 2012/13 reports (received Sept - Oct 2013).
- 2.3 Actions progress monitoring is undertaken quarterly by the Performance Lead and a summary features in the Corporate Performance Scorecard. The Corporate Governance Officers Group and Joint Management Team (JMT) are provided with an overview of the action plan.

#### 3. Progress of Corporate Governance Action Plan 2013-14

**Please refer to the action plan at Appendix A**

- 3.1 The position previously reported in:

- May 2013: total 18 recommendations minus 10 closed = 8 remained open.
- December 2013: 6 further recommendations were closed (2 recommendations remained open), 6 new recommendations added (from the 2012/13 Audit Finding and Financial Resilience reports by Grant Thornton) = 8 remained open

3.2 The latest review process (April – May 2014) revealed:

- 4 of these actions are now considered 'closed'
- Of the remaining 4 'open' actions, 2 are 'Green' (on track), and 2 are 'Amber' (some concern).

3.3 The 4 recommendations that have been **closed** since Dec 2013 are:

- a) To fully review the Financial regulations
- b) Review the method for calculating the bad debt provision for housing debts.
- c) Work with Somerset CC, Avon and Somerset Police and South West One to address the recommendations from the review of IT controls.
- d) Ensure that expense claims and supporting receipts are kept in accordance with the Council record retention policy

3.4 Committee Members should also note that all additional recommendations resulting from our on-going annual programme of *internal* audits (ie by the South West Audit Partnership – 'SWAP') are also monitored by the Performance Lead. Regular progress & status updates are provided to the Section 151 Officer, the Corporate Governance Officers Group, and Joint Management Team.

#### **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**

Any recommended improvement actions in relation to Climate Change will be included in the Corporate Governance Action Plan.

## **8. Equalities Impact**

Any recommended improvement actions in relation to Equalities & Diversity will be included in the Corporate Governance Action Plan where relevant.

## **9. Risk Management**

The Corporate Risk Register includes the risk:

*There is a risk of failure to comply with key internal controls & corporate governance arrangements (ie compliance with audit recommendations).*

The Corporate Governance Action Plan is a key control measure, however 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).

## **10. Partnership Implications**

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

## **11. Recommendations**

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

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## Corporate Governance Action Plan (May 2014)

## APPENDIX A

	Section	Audit Name	Recommendation Action	Priority	Created Date	Responsible Officer	Progress	Target Implementation Date	Status
1	Corporate Policy	To fully review the Financial regulations.	To complete review of the financial regulations	M	20/03/2012	Paul Fitzgerald	<b>June 2014:</b> The Financial Regulations have been reviewed and are considered to be fit for purpose by the S151 Officer. There is a follow up action to review Financial Procedure Rules, that provide detail to support best practice for applying the FRs, which will be addressed through the JMASS implementation.	March 2014	Closed
2	Housing Debt Provision	Review the method for calculating the bad debt provision for housing debts.	Review the method for calculating the bad debt provision for housing debts. (The Council has reviewed and revised the basis of the provision for Council Tax.)	M	23/09/2013	Paul Fitzgerald	During 2012/2013 the Council reviewed the method to calculate debt impairment within the Collection Fund (Council Tax) and for Housing Benefit. <b>29/5/14:</b> The method for calculating debt impairment for housing debts has been reviewed for the 2013/14 accounts.	March 2014	Closed
3	Human Resources	Update the Workforce Strategy (ensuring there are clear links to financial planning) and complete & agree a new workforce plan	August 2011 - review statistical data in draft workforce strategy. By November 2011 - Revised workforce strategy to compliment four year budget strategy.	H	22/03/2012	Richard Sealy	<b>The JMASS Project has superceded this action and this will need to form part of that Project.</b>	31 December 2013	Amber
4	Human Resources	Measures to reduce sickness absence.	The Council should consider what further measures it needs to undertake to reduce the high level of sickness absence.	M	23/09/2013	Richard Sealy	The Council has been delivering the actions on its Wellbeing and Sickness Action Plan which has seen the BVPI figure for 2013/14 reduce to 8.2 days per employee (a reduction of over 2 days per employee).	March 2014	Green
5	IT Controls	Work with Somerset County Council, Avon and Somerset Police and South West One to address the recommendations from the review of IT controls.	The Strategic Finance Officer will liaise with the partners of SWOne to fully understand the report and contact SWOne to answer questions arising from the report.	M	Sep-13	Maggie Hammond	SAP access report and action plan reported to Corporate Governance committee 10 March 2014 - all actions completed	October 2013	Closed
6	Main Accounting	Ensure that expense claims and supporting receipts are kept in accordance with the Council record retention policy	The organisation will be reminded of the Council's record retention policy and reminded that supporting evidence can be attached to Electronic Payment Request Forms in SAP.	L	Sep-13	Paul Fitzgerald	<b>June 2014:</b> The service in question has been reminded of the need to retain records, and has updated its processes accordingly. A general reminder to staff will be issued shortly, although issue marked as closed as no other evidence of non-retention of records found.	Ongoing	Closed
7	Resources	Address identified Weakness in financial systems.	The Council should consider address the weakness identified by Internal Audit in the financial systems for creditors and for debtors.	M	23/09/2013	Paul Fitzgerald	<b>June 2014:</b> There are a number of actions arising from the debtors and creditors audits, and these are progressing.	September 2014	Green

8	Value for Money	Develop benchmarking to support allocationg resources	Develop benchmarking to support decisions in allocating resources (Recommendation from the vfm conclusion in 2011/12)	M	Sep-13	Richard Sealy	<p>The Council has started gathering data to allow benchmarking information to assist and support decisions moving forward (as we embark on a period of major change re. shared services and organisational transformation). VFM data (organisational and service) was collated from tools available (LG Inform, Sparse etc) and included in a pack of information produced for Directors to use as part of workshops to decide on approach on developing and implementing the new Corporate Business Plan (May 2013). This data was also included in 2013 Service Profiles issued to &amp; used by Theme Managers during Theme/Service &amp; budget reviews for 2014/15. Some benchmarking data was also used in the JMASS business case.</p>	Ongoing	Amber
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