

Taunton Deane Borough Council

Corporate Governance Committee – 12 December 2011

Corporate Governance Action Plan

Report of Performance & Client 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 November 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 by the Strategic Director / Section 151 Officer and has been updated to include the most recent audit recommendations. These are in addition to 8 actions from previous audits that remain outstanding or are still considered as priorities for improvement.
The 14 new recommendations are from the following sources:
 - Annual Audit Letter 2010/11 (Audit Commission , Oct 2011)
 - Annual Governance Report 2010/11 (Audit Commission, Sept 2011)
- 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).
- 2.4 A summary of the Corporate Governance Framework and Process (for monitoring and reporting) is found at appendix B.

3. Progress (as at November 2011)

3.1 The Corporate Governance Action Plan currently lists **22 actions**. Progress monitoring against implementation by the target dates has revealed the following:

Priority	On Target / Complete ☺	Some Concern ☹	Off Target ☹
High	5 (50%)	5 (50%)	
Medium	9 (90%)	1 (10%)	
Low	2 (100%)		
Total	16 (73%)	6 (27%)	

This indicates a similar position compared to the previous report in June 2011, where 72% of actions were 'on target', 25% of actions with 'some concern', and 3% were 'off target'.

Most actions are on course to be completed by the target date.

There are however 5 'High Priority' actions items with an 'Amber' status (this represents 50% of all the high priority actions). These actions are shown in the table in appendix A.

Key to alerts:

☺ (Green)	Planned actions are on course to be achieved by target date, or have been completed
☹ (Amber)	Some uncertainty or concern in meeting planned actions by target date
☹ (Red)	Planned actions are off course, or have not been achieved by target date

3.2 Following discussions with the Strategic Director / Section 151 Officer and the Audit Manager (SWAP), it has been agreed that the Performance & Client Lead will liaise with SWAP to monitor both our external and internal audit recommendations from January 2012. Future reports to this committee on the Corporate Governance Action Plan will therefore also be able to include progress against 'High Risk'* Internal Audit recommendations.

* 'High risk' recommendations are those defined as: *"Findings that are fundamental to the integrity of the unit's business processes and require immediate attention of management"*

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

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

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List of all HIGH priority actions with 'AMBER' status

Item	Improvement / recommendation	Proposed / Planned activities	Target date	Lead Officer	Success criteria	Progress	As at (date)
1	Complete Business Continuity (BC) and IT disaster recovery planning (including SW1 services)	1. Ensure adequate BC plans in place at corporate and service level, including key partners. 2. Annual testing of BC plans	Mar-12	John Lewis / Alison North	Plans in place & tested	SW1 IT Services Disaster Recovery Plan completed. Draft TDBC Corporate BC Plan seen by CMT Feb 2011. Work continuing on service specific plans. Testing regime to be agreed - probably desktop. Discussions ongoing with Police re building in security aspects. Target date pushed back from Dec 11 to March 12.	Nov-11
2	Update the IT Strategies and ensure there are clear links from these to financial planning.	Establish an IT work group	Apr-12	Shirlene Adam Alison North & SW1 IT	Fit for purpose IT strategy	We are working with SW1 to obtain strategies in time for budget setting.	Nov-11
3	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.	Mar-11	Shirlene Adam Martin Griffin & SW1 HR	Fit for purpose Workforce Development Plan - refer to L2	We are working with SW1 HR to agree a realistic timescale for this. We would aim to have this in place during 2012	Nov-11
16	Determine spending priorities and reduce expenditure to ensure that future budgets are balanced		Mar-12	Shirlene Adam		This recommendation is in hand and will be dealt with as part of the Medium Term Financial Plan and budget setting for 2012/13. As at Nov 2011 we still have a budget gap for 2012/13	Nov-11
19	Ensure that future budgets are balanced by closing the gap between expenditure and projected income		Mar-12	Shirlene Adam		As at November 2011, savings plans shared do not close the 2012/13 budget gap	Nov-11

TDBC Corporate Governance Framework

What is Corporate Governance?

Governance is about how the Council ensures that they are doing the right things, in the right way, for the right people, in a timely, inclusive, open, honest and accountable manner.

It comprises systems and processes – together with the cultures and values by which the Council is directed and controlled and through which it accounts to, engages with, and where appropriate, leads its communities.

Principles of good Corporate Governance

TDBC has adopted a Code of Corporate Governance which is drawn from the CIPFA/SOLACE guidance “Good Governance in Local Government – a Framework”. The six principles are:

- Community Focus
- Service Delivery Arrangements
- Standards of Conduct
- Effective Decision-Making
- Capacity & Capability
- Accountability

This Code sets out the six core principles and against each outlines the approach that the Council is committed to in order to achieve those principles and the actions that need to be taken.

Accountability and responsibility

Corporate Governance Committee

This committee is charged with taking a strategic approach to openness, integrity and accountability in the running of the Council. The purpose of the committee is to monitor the Council’s approach to corporate governance. Specific roles and responsibilities are to:

- Consider the adequacy and effectiveness of the Council’s internal control environment
- Monitor and review the effectiveness of the Council’s internal audit function
- Monitor and review the effectiveness of the Council’s external audit service and respond to its findings
- Monitor the arrangements for the identification, monitoring and control of strategic and operational risks within the Council
- Review and approve the annual Statement of Accounts

Corporate Governance Group

The core group will be made up of the three Statutory Officers of the Council – the Head of Paid Service, the Monitoring Officer, and the Section 151 Officer. The group will encourage best practice in governance and ensure that staff and members are aware and trained in governance through articles in Core Brief, briefings at Leads meetings, induction and other training.

Key reports & documents

- TDBC Code of Corporate Governance (and review of compliance)
- TDBC Annual Governance Statement
- Annual Governance Report (Audit Commission)
- Annual Audit Letter (Audit Commission)
- TDBC Corporate Governance Action Plan

Monitoring & reporting process

External (Audit Commission) and Internal (SWAP) Audit recommended actions

STEP 1
Corporate Governance Action Plan
Progress updates (quarterly)

Process:

- i. SWAP send action plan (External & Internal Audit recommendations) to Performance & Client (P & C) Lead
- ii. P & C Lead distributes action plan to relevant responsible managers
- iii. Managers complete a progress update & 'RAG' status, and return to P & C Lead
- iv. P & C Lead collates all progress updates, and returns completed update list to SWAP
- v. SWAP update database (MKI system) and produces MKI system report split down by audit type (External, Internal - by 'priority' level) - and sends detailed report to P & C Lead
- vi. P & C Lead produces summary report for Strategic Director & Corporate Governance Group



STEP 2
Corporate Governance Group
Consider overall position (quarterly)

The Corporate Governance Group will review the summary report and will focus on any 'exceptions' identified, ie actions with 'High Priority' and given a Red or Amber 'RAG' status. Further action will be recommended, or additional information requested as appropriate.



STEP 3
Corporate Governance Committee
Review overall position and 'exception' report (bi-annually)

The bi-annual report for the Corporate Governance Committee will include:

- an overview summary of all actions broken down by Priority (High, Medium, Low), and 'RAG' status (Red, Amber, Green)
- a summary of all closed actions
- a summary of all new actions
- details of actions progress and issues by exception only (ie 'High' priority, and with Red or Amber alert)