

Taunton Deane Borough Council

Corporate Governance Committee – 8 December 2014

Corporate Governance Action Plan Update

Report of Corporate Strategy and Performance Manager

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

1. Executive Summary

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

The Corporate Governance Action Plan captures recommendations / actions which have emerged from **external** audits (i.e. Grant Thornton).

When an update report was last given to the Corporate Governance Committee in June 2014 there were **four** 'open' actions. Two of these were 'Green' (on track) and Two were 'Amber' (some concern).

Since the last report, **one further** external audit recommendation (source: Grant Thornton – The Audit findings 2013/14) has arisen. This has been included with the Action Plan.

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 (i.e. Grant Thornton).

2.3 Progress on these actions is monitored by the Corporate Strategy and Performance Manager and a summary features in the Corporate Performance Scorecard which is reviewed by Corporate Scrutiny and The Executive as well as by JMT quarterly.

3. Progress of Corporate Governance Action 2014-15.

3.1 **Appendix A** provides an update of the current status for the four actions carried over from the last meeting as well as the one new action to the Action Plan.

- 3.2 This report recommends that action no.2, (*The Council should consider what further measures it needs to undertake to reduce the high level of sickness absence*) be closed.
- 3.3 In February 2014, the Local Government Association (LGA), updated their **Local Government Workforce Survey** to reflect the position for the year 2012/13. This most current benchmarking survey reports the local government average sickness FTE employee per annum as **8.80 days** for all Councils. TDBC's average sickness for 2014/15 was 8.2 days per FTE, 2 days per FTE lower than recorded for 2012/13.
- 3.4 Additionally, a recent SWAP *Absence Management* audit report, written in draft format in November 2014, gave a 'reasonable' opinion (the second highest rating out of four possible ratings). There were no significant findings identified during the review.
- 3.5 Absence continues to be reported to both Councils Scrutiny and executive/cabinet quarterly as well as to JMT each quarter as part of the performance reporting process.

3. Finance Comments

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

4. Legal Comments

There are no legal implications in relation to this update report.

5. Links to Corporate Aims

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

6. Environmental and Community Safety Implications

There are no environmental and community safety implications in relation to this update report.

7. Equalities Impact

There are no equalities implications in relation to this update report.

8. 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 (e.g. External Audit opinion, reputation, financial).

9. Partnership Implications

There are no partnership implications in relation to this report.

10. Recommendations

It is recommended that Members:

- scrutinise progress of the Corporate Governance Action Plan;
- determine whether they are satisfied for action 2 to be marked as closed.

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Appendix A – Action Plan Update

	Section	Summary	Recommendation Action	Priority	Responsible Officer	Progress	Target Implementation Date	Status
1	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	Richard Sealy	<p>Dec 2014: The Joint Management and Shared Services (JMASS) Project has superseded this action.</p> <p>During 2014/15, after the May elections, work will commence on developing a new 3 or 4 year Corporate Business plan. A Workforce Strategy complements and forms part of the development of that plan and the HR Manager and Corporate Strategy and performance Manager will work closely to align these two pieces of work.</p>	<p>Summer / Autumn 2015/16</p> <p>(Originally 31 December 2013)</p>	Amber
2	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	Richard Sealy	<p>Dec 2014: The Council has been delivering the actions on its Wellbeing and Sickness Action Plan which has seen average days sickness per FTE reduce to 8.2 days per employee (a reduction of over 2 days per full time employee).</p> <p>Sickness absence continues to be reported to both Councils Scrutiny and executive/cabinet quarterly as well as to JMT each quarter as part of the performance reporting process.</p> <p>SWAP Absence Management audit report written in draft format in November 2014 gave a 'reasonable' opinion (the second highest rating out of four possible ratings). There were no significant findings identified during the review. It was recommended that refresher training take place following the creation of new staffing structures within the Council including stress awareness. Refresher training will take place during 2014/15 and 2015/16.</p>	<p>March 2014</p>	Green

3	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	Paul Fitzgerald	<p><u>Dec 2014:</u></p> <p>There were a number of actions arising from the debtors and creditors audits, and these are progressing.</p>	September 2014	Amber
4	Value for Money	Develop benchmarking to support allocating resources	<p>Develop benchmarking to support decisions in allocating resources (Recommendation originally from the VFM conclusion in 2011/12)</p> <p><i>(2013/14 is the third year that this finding has been carried forward in the findings of out Value for Money work)</i></p>	M	Richard Sealy	<p><u>Dec 2014</u></p> <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 & used by Theme Managers during Theme/Service & budget reviews for 2014/15.</p> <p>Some benchmarking data was also used in the JMASS business case and subsequently visits have been made to Councils sharing services and management to provide ideas for new ways of working.</p> <p>Further benchmarking will be a key element of the transformation phase of the JMASS programme as services look at options for delivering their services differently.</p>	Ongoing	Amber

5	Value for Money	Valuation of property, plant and equipment assets.	The Council should ensure that all assets within the same class are valued within the same financial year to meet the Code's requirements for revaluing of Property, Plant and Equipment.	M	Paul Fitzgerald	<u>Dec 2014</u> Recommendation accepted and the valuation process will be updated to reflect latest requirements. The approach will be discussed with auditors in advance of year end.	Jan 2015	Green
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