**TAUNTON DEANE BOROUGH COUNCIL**

**CORPORATE GOVERNANCE COMMITTEE 27 JUNE 2007**

**REPORT OF THE CORPORATE PERFORMANCE OFFICER**
**This matter is the responsibility of Ross Henley (Leader of the Council)**

**UPDATE ON CORPORATE IMPROVEMENT PLAN**

**Executive Summary**
This report details the 2007/08 Corporate Improvement Plan, highlighting
progress against key improvement areas for the Council and 'Use of Resources'
weaknesses. These have both been identified through Audit Commission
inspections.

**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/polperf/annualauditandinspectionletter
s.asp

1.2 The Audit Commission scored us 3 out of 4 overall for Use of Resources in
their March 2007 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** |

This was the same breakdown and score as we received in 2006. 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). To put this into
context we are still ranked amongst the top four in the South West and are in the
top quartile of all 238 District Councils.

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. This Improvement Plan was last taken to the Corporate Governance Committee in April 2007.

## 2. The Improvement Plan

2.1 Following the AAIL March 2007 letter and our updated Use of Resources feedback in April 2007, the Improvement Plan has been updated. This is attached as Appendix A.

2.2 The first page of the Improvement Plan (points 6.1 to 6.9) outlines nine key Council Improvement areas identified from the 2007 Annual Audit inspection Letter.

2.3 The following pages 3 to 9 of the Improvement Plan identify 54 areas for improvement under 'Use of Resources' with progress to date outlined. Weaknesses that are highlighted in red are those that we need to demonstrate progress against in order to retain our scores for next year. Other weaknesses listed for each of the categories are not critical but those that are seen as achievable have been updated by the relevant officers.

## 3. 2007 Timetable

3.1 Given the stricter criteria for 2007/08 and the inspection taking place initially in July, the aim is to ensure that we retain our current score for Use of Resources. This will be a challenge given the additional resource implications resulting from ISiS placed on those officers responsible for objectives.

## 4. Recommendation

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

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| | Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at 31st March 2007 | Planned Actions | Timescales |
|---|---|---|---|---|---|---|---|
| | **ANNUAL AUDIT INSPECTION LETTER FEEDBACK** | | | | | | |
| | **PERFORMANCE MANAGEMENT** | | | | | | |
| 6.1 | Review systems for producing performance indicators, focussing initially on those it has identified as the key indicators | S Lewis/ MHale | AAIL | Robust data systems used for the calculation of performance indicators | An audit of systems used for performance indicators has been undertaken for key indicators and will be undertaken for all indicators for the end of year collection | To review Data Quality systems during collection of the year-end 2006/07 performance indicators | May/June 07 |
| | **PARTNERSHIPS** | | | | | | |
| 6.2 | The effectiveness of less formal partnerships and use of grants is still not being fully evaluated | B Cleere/ J Chipp | AAIL | 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 | Formal evaluation of grants to key voluntary sector bodies is now under way, implementing the findings of the VS policy commission.  Use of grant monies by the CDRP and LSP is also performance managed rigorously. | The LSP will be operating under new governance arrangements from June 2007.  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.  Further work to strengthen performance management of grants to other bodies supported by TDBC is also planned (through the Ext Funding Group). | 2007/8 |
| | **BUDGET MONITORING** | | | | | | |
| 6.3 | Monitor general fund expenditure very closely for the remainder of this year and throughout 2007-08, so that the Council can agree timely and effective action in response to any further overspendings against budget that arise | P Carter | AAIL | Agreement of effective action in response to overspends and any budget problems | We are closely monitoring this and working with officers and managers to address the overspend | 2006/07 outturn will be reported to members with ongoing impact on 2007/08 budgets incorporated into budget monitoring. Budget Monitoring reports will identify solutions | 2007/08 |
| 6.4 | Carry out a thorough review of working balances on the HRA, taking account of the key financial risks the Council faces locally, to ensure these are maintained at adequate levels throughout the period of its medium term financial plan | P Carter | AAIL | Maintain appropriate levels of HRA working balance | Housing restructure report March 07 with forecasts balances. These do not fall below the amount recommended of £150 per dwelling. Working balances on the HRA account are high for decent home work to be carried out. | Will use 2006/07 outturn to review this position | 2007/08 |
| | **COMMUNICATION** | | | | | | |
| 6.5 | Ensure clarity and communication of the high level efficiency aims and workforce implications of the large scale transformation projects | S Adam | AAIL | Clear understanding across the organisation and across stakeholders of the aims and impact of transformation projects | Regular ISiS newsletters and contact with Housing Staff over the Stock Transfer has taken place. We continue to update staff on Team Somerset and the Unitary position | All staff (in and out of scope for ISiS) were briefed at Preferred Bidder decision stage (March 07).  Regular updates are provided via Core Brief and dedicated ISiS newsletters.  In addition, in-scope staff have been briefed in depth on employment choices, and on the opportunities the PB is offering for thier service.  Finally, the transformation projects are progressing - and a selection of in and out of scope managers and staff are involved in that scoping exercise. | Ongoing |

| | Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at 31st March 2007 | Planned Actions | Timescales |
|---|---|---|---|---|---|---|---|
| | **AFFORDABLE HOUSING** | | | | | | |
| 6.6 | Provide and enable the development of more affordable houses to meet identified need | L Webb / S Adam | AAIL | An increase in the development of affordable housing for residents | We have completed 54 units in 2007/08 and have more in the pipeline | We have development in the pipeline including the BT building, we anticipate over 300 units in 2007/08.  A Task and Finish Review will report to the Executive on Affordable Housing in summer 2007. | 2007/08 |
| | **CUSTOMER SERVICE** | | | | | | |
| 6.7 | The vision for the level of customer service lacks clarity. For example, it is not clear what level of customer satisfaction the Council is aiming for, or how it will develop its enabling role. | C Bramley | AAIL | Clear Customer Service standards communicated to customers and staff | New customer standards currently being communicated to all managers. New contact standards live from 1 April. Customer charter now available for all customers in paper format - on web by 2nd week in April | Further communication and monitoring of customer service standards across the organisation. Further development of the standards will take place on an on-going basis, monitoring methods being reviewed. | 2007/08 |
| | **SCRUTINY** | | | | | | |
| 6.8 | Scrutiny to date has had limited success in external results | S Lewis | AAIL | Scrutiny embedded within the council and no longer seen as a 'weakness'. Scrutiny drives innovation and improvement. | Members Forward Plan in place, Chairing 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.  We are starting a Corporate Project on Scrutiny in June 2007 to be completed with improved outcomes by Dec 07 | Dec-07 |
| | **LEADERSHIP** | | | | | | |
| 6.9 | The Council is considering a number of arrangements to work more closely with other councils in Somerset. A great deal of management and councillor capacity is being used in dealing with these proposals and the final outcome is unclear. | P James | AAIL | Clear direction, focus on outcomes and deployment of resources to achieve these outcomes. The outcome will be to deliver Team Somerset or the Unitary Proposal. | An outline business case for Team Somerset has been developed. | An implementation plan for Team Somerset will be delivered by September 2007- this will include clear focus on priorities and resources required. There is a Corporate Project focussed on reducing unnecessary bureaucracy to be completed by Dec 07 which will help free up resources | Sep-07 |

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|---|---|---|---|---|---|---|---|
| | **FINANCIAL REPORTING - How good are the Council's financial accounting and reporting arrangements?**<br>**1.1 The council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers**<br>**1.2 The Council promotes external accountability** | | | | | | |
| 1.1 | Ensure the fixed asset register includes adequate information on equipment and housing infrastructure | P Carter | UoR Feedback | March 07 feedback: this has dropped from a 4 to a 3 | Currently developing infrastructure and equipment data | Complete infrastructure and equipment data | Apr-07 |
| 1.1.12 | LEVEL 4: The accounts presented for audit contained only 'trifling' errors and misstatements which did not require reporting to those charged with governance or adjustment | P Carter | | March 07 feedback: non trifling errors in 2005-06 re: fixed assets | 2006/07 accounts being prepared | Complete accounts | Jun-07 |
| 1.1.13 | LEVEL 4:The quality of working papers provided was exemplary | P Carter | | See above re: fixed asset wps | 2006/07 accounts being prepared | Complete accounts | Jun-07 |
| 1.2.4 | **LEVEL 3:  A process of consultation has been carried out with a range of stakeholders to establish their requirements in respect of the publication of summary accounts or an annual report** | P Carter | | March 07 feedback: need to demonstrate that there has been consultation with a range of stakeholders | Letter sent annual to Parish Councils, key stakeholders and councillors requested their views on summary accounts | Continue as present | - |
| 1.2.5 | **LEVEL 3: The council publishes summary accounts that are intelligible and accessible to members of the public** | P Carter | | March 07 feedback:need to publish the summary accounts on a timely basis | The annual report published summary information and signposts more detailed summary and full accounts available in public places and website. Summary accounts sent to key stakeholders (Oct 06) | Ongoing | - |
| 1.2.6 | **LEVEL 3: The most recent published accounts, in either full or summary format, are available on the council's website** | P Carter | | March 07 feedback: accounts should be on the website shortly after the opinion is given | Currently on the website | Continue as present | - |
| 1.2.8 | 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 unaudited summary accounts in the 2007/08 Annual Report | April 2007 for June publication |

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| | **FINANCIAL MANAGEMENT**<br>**2.1 The council's medium-term financial strategy/plan, budgets and capital programme are soundly based and designed to deliver its strategic priorities**<br>**2.2 The organisation manages performance against budgets**<br>**2.3 The council manages its asset base** | | | | | | |
| 2.1.15 | LEVEL 3: The corporate business plan projects forward at least three years and takes account each of the following:<br>- risk assessments and financial contingency planning<br>- sensitivity analysis | P Carter | UoR Feedback | March 07 feedback: need evidence of financial contingency plans in response to budget risks identified, and use of sensitivity analysis in relation to variations in demand for services | Sensitivity analysis is built into the MTFP (which covers 5 years) | New Medium Term Financial Plan to include risk update | Apr-07 |
| 2.1.21 | LEVEL 4: The medium term financial strategy describes in financial terms joint plans agreed with partners and other stakeholders | P Carter | | Medium Term Financial Plans will describe joint plans | | Will highlight changes to partnership funding arrangements in MTFP | Apr-07 |
| 2.1.25 | LEVEL 4: The council monitors and can demonstrate how its financial plans and strategies have contributed to the achievement of its corporate objectives | P Carter | | March 07 feedback: no structured process for evaluating impact of past financial plans on achievement of objectives | | Summary of investment analysed to correlate to corporate aims and will be included in quarterly finance/performance reports | 2007/08 |
| 2.2.12 | **LEVEL 2: The financial performance of partnerships is regularly reviewed, linked to outputs, and the results shared with partners and acted upon.** | B Cleere/ J Chipp | | March 07 feedback: Some good individual examples of this, but overall, more needs to be done to identify priorities and outcome-focussed PIs for partnerships | Many key partnerships to provide financial information (e.g. CDRP, Tone Leisure, SWAP etc) | Review partnerships to ensure their actions support key local priorities in the sustainable Community Strategy that feed into wider LAA targets. | 2007/08 |
| 2.2.13 | LEVEL 3: The council's financial information systems have flexible reporting tools to enable specialist reports to be designed | P Carter | | March 07 feedback: still non bold, ageing FMS | More flexible reporting tools introduced following ISiS allowing specialist reports to be designed | Awaiting ISiS | 2007/08 |
| 2.2.15 | **LEVEL 3: There is a regular training programme providing training on financial issues for members and non-finance staff** | P Carter | | March 07 feedback: there needs to be an organised programme of training | We have provided recent training for members and have very close working relations with officers for ad-hoc advice and training | Induction session for new members on finance scheduled. Series of bite sized workshops on finance in place for 2007/08 | 2007/08 |
| 2.2.21 | LEVEL 4: The council ensures through regular testing of its financial systems that the report outputs are timely, accurate, reliable, clear, in a convenient format (hard copy and online, in summary and in detail, as appropriate) and readily understood by their recipients | P Carter | | Ageing FMS | - | Awaiting ISiS | 2007/08 |
| 2.2.22 | LEVEL 4: The Executive has reviewed its effectiveness and the leadership it provides with regard to financial management, and is taking appropriate action to address areas of weakness | S Adam | | Need evidence of such a review | - | - | - |
| 2.2.24 | LEVEL 4: The council consults with, advises and train users so that it develops and provides the financial information systems to meet their needs. | P Carter | | March 07 feedback: Y but need evidence of improvements in response to consultation | We undertake various training and advice | Awaiting ISiS | Ongoing |
| 2.2.25 | LEVEL 4: Savings and efficiency gains are profiled over the year and there is monitoring throughout the period by members to ensure their achievement | P Carter | | March 07 feedback: are they profiled? | Feedback provided to members on Annual Efficient Statement on progress | To continue | Ongoing |

| | Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at 31st March 2007 | Planned Actions | Timescales |
|---|---|---|---|---|---|---|---|
| 2.3.3 | **LEVEL 2: The council maintains an up to date asset register** | G Stark / P Carter | | March 07 feedback: Y but weaknesses in asset register identified last year - are these being addressed? | Currently developing infrastructure and equipment data | Complete infrastructure and equipment data | Apr-07 |

| | Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at 31st March 2007 | Planned Actions | Timescales |
|---|---|---|---|---|---|---|---|
| 2.3.11 | **LEVEL 3: The council has developed a set of local performance measures in relation to assets that link asset use to corporate objectives** | G Stark / S Lewis | | March 07 feedback: Need to demonstrate that now using a set of local Pis to evaluate performance | We are currently using a basic set of performance measures and will develop this further in 2007 | To identify Best Practice and incorporate into Asset Management Practise and the AMP | May-07 |
| 2.3.12 | **LEVEL 3: The council makes investment and disposal decisions based on thorough option appraisal and whole life costing** | G Stark / P Carter | UOR Assessment | March 07 feedback: Need to show that WLC is being used routinely | We have some good examples e.g. Greenslade Taylor Hunt options appraisal of Nursery site | Option appraisal to be used more consistently and procedures reviewed as part of capital strategy | Apr-07 |
| 2.3.13 | LEVEL 4: Performance measures and benchmarking are being used to describe and evaluate how the council's asset base contributes to the achievement of corporate and service objectives, including improvement priorities | G Stark / S Lewis | | A clear understanding of how assets support the corporate aims | We have identified some Best Practice and are agreeing benchmarking through the Somerset Procurement Group | To identify Best Practice and incorporate into Asset Management Practise and the AMP | May-07 |
| 2.3.14 | LEVEL 4: The results of performance measurement and benchmarking are communicated to stakeholders where relevant | G Stark | | Benchmarking information is communicated, reported and acted upon | We have agreed benchmarking arrangements across the Somerset Procurement Group | Await ISiS | - |
| 2.3.15 | LEVEL 4: The council has developed an approach for the co-ordination of asset management information and its integration with relevant organisation financial information | G Stark | | A robust framework in place for asset decisions | - | Await ISiS | - |
| | **FINANCIAL STANDING**<br>**3.1 The Council manages its spending within the available resources** | | | | | | |
| 3.1.2 | **LEVEL 2: The council maintains its overall spending within budget** | P Carter | | March 07 feedback: forecast overspend in 2006-07 | We have identified an overspend for 2006-07 | We aim to minimise the impact of the overspend in a number of ways such as through salary underspends, no carry forwards etc. To review following 06/07 closedown, June 07 | Ongoing |
| 3.1.3 | **LEVEL 2: The council has a policy on the level and nature of reserves and balances it needs that has been approved by members and reflected in the budget and medium-term financial strategy** | S Adam | | March 07 feedback: need to demonstrate that the policy is reviewed annually | Financial strategy in place, we have recently reviewed the reserves | The council's financial strategy will be reviewed in the summer of 2007 (after the elections). The current policy on "reserves" which was agreed in April 2004 will be revisited at this point. | Summer 07 |
| 3.1.8 | **LEVEL 2: The council sets and monitors targets for income collection and recovery of arrears, based on age profile of debt** | H Tiso | | March 07 feedback: Reporting arrangements slipped in 2006 | This has been monitored through the collection of performance indicators as well as basic monitoring taking place | Awaiting ISiS | - |
| 3.1.9 | **LEVEL 3: The council consistently maintains its spending within its overall budget and without significant unexpected overspends or under-spends** | P Carter | | March 07 feedback: Y?Overspend in 2006/07 | As 3.1.2 we anticipate an overspend | Actions as 3.1.2 | Ongoing |
| 3.1.10 | **LEVEL 3: The council's policy for reserves and balances is based on a thorough understanding of its needs and risks, and clearly reported to members** | P Carter | | March 07 feedback: Y? Need evidence of a thorough, risk -based review of target levels | A review of reserves and report to members was undertaken in Feb 07 | Will continue to review as part of the financial management procedures | Ongoing |

| | Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at 31st March 2007 | Planned Actions | Timescales |
|---|---|---|---|---|---|---|---|
| 3.1.11 | **LEVEL 3: Monitoring information is available that evaluates the effectiveness of recovery actions, associated costs, and the cost of not recovering debt promptly** | H Tiso | | March 07 feedback: Y? Need evidence of regular reviews of the effectiveness of debt recovery procedures | New debt system has prevented progress | More detailed reporting of debt recovery (including aged debt analysis) should be available through new software for Revenues & Benefits. With regular reporting being resumed from the end of the first quarter of 2007/08, the effectiveness of recovery action can be more closely scrutinised. | - |
| 3.1.12 | LEVEL 4: Members monitor key financial health indicators and set challenging targets, e.g. income collection, levels of variances from budget, prudential framework indicators, cp | S Lewis | | Robust monitoring of key financial health indicators | Largely covered through quarterly performance management reports | To develop further as part of performance reporting | Ongoing |
| 3.1.13 | LEVEL 4: When target levels for reserves and balances are exceeded, the council has identified and reported to members the opportunity costs of maintaining these levels and compares this to the benefits it accrues. | P Carter | | Identify opportunity costs of excess reserves and balances | Not a priority | - | - |
| | **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** | | | | | | |
| 4.1.7 | **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).*** | J Thornberry | UoR Feedback | Risk management strategy produced and includes significant partnerships, to effectively manage risks. March 07 feedback: Need a process to provide assurance on how the risks identified are being managed - say via an annual report to the CG Ctee? | Work has started on the strategy | Strategy under progress.  A review of the Risk Management Process to ensure it is fit for purpose, streamlined and effective | 2007/08 |
| 4.1.10 | **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).*** | J Thornberry | UoR Feedback | Risk reports produced for corporate governance committee or Review Board, to ensure effective risk management. March 07 feedback: Members should receive reports at least annually which provide a summary of how corporate business risks are being managed. | The Corporate Governance Committee has had training and some update reports | Reports to corporate governance committee or Review Board.  A review of the Risk Management Process to ensure it is fit for purpose, streamlined and effective | 2007/08 |
| 4.1.12 | LEVEL 4: The council can demonstrate that it has embedded risk management in its corporate business processes, including: - strategic planning - financial planning - policy making and review - performance management | J Thornberry | | March 2007: N | - | We will review the risk management process to ensure it is fit for purpose, streamlined and effective | 2007/08 |

| | Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at 31st March 2007 | Planned Actions | Timescales |
|---|---|---|---|---|---|---|---|
| 4.1.13 | LEVEL 4: All members have received risk management awareness training | J Thornberry | | March 2007: N | Some councillors have received training | We will review the risk management process to ensure it is fit for purpose, streamlined and effective | 2007/08 |
| 4.1.14 | LEVEL 4: The council considers positive risks (opportunities) as well as negative risks (threats) | J Thornberry | | March 2007: N | | We will review the risk management process to ensure it is fit for purpose, streamlined and effective | 2007/08 |
| 4.2.8 | **LEVEL 2: The councils has a business continuity plan in place which is reviewed on a regular basis** | J Lewis | | March 2007 feedback: Need evidence that regularly updated P&CCM will put in place mechanism requiring all managers to confirm status of BC plans. Probably quarterly. | We have nearly completed a Pandemic Flu Business Continuity Plan for the Council | To complete Pandemic Flu BC Service Plans, overarching Corporate Plan. To move into other BC scenarios, eg. non-availability to premises or IT systems. | 2007/08 |
| 4.2.12 | **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. March 07 feedback: all significant 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 |
| 4.2.17 | **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. March 07 feedback: need evidence of a review process | We have flow charts for all major financial systems | To review 2007/08. The ISiS partnership will assess current systems and provide clear direction on moving forward. | 2007/08 |
| 4.2.18 | **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 March 07 feedback: need evidence that regularly reviewed and updated | Delayed until Sept 07 | Scheme of delegation to be updated.. Standing Orders and Financial Regulations to be reviewed in 2007 (after the elections). | Sep-07 |
| 4.2.19 | **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. March 07 feedback: need evidence of a monitoring process | This is reviewed by SWAP | We can prove this has been have carried out with a special regs audit. Additionally, the year end timetable specifically allows for "review of compliance" meetings with budget holders on their outturn position. | - |
| 4.2.21 | LEVEL 4: The council can demonstrate corporate involvement in/ownership of the process for preparing the SIC | S Adam | | Need evidence of member involvement in the preparation of the SIC | SIC working party established with a cross-section of officers deciding actions.  This is taken to CMT for approval and ownership | Continue working group | - |
| 4.2.22 | LEVEL 4: An audit has been established that is independent of the executive function, with terms of reference that are consistent with CIPFA's guidance. It provides effective challenge across the council and independent assurance on the risk management framework and associated internal control environment to members and the public, and can demonstrate the impact of its work | C Gunn | | March 07 feedback: ? Can demonstrate impact of its work? Effective audit committee challenges performance across the Council. E.g. CCTV review led to Sedgemoor now managing our contract. | The Audit Commission are undertaking a review of the effectiveness of internal audit. Recommendations from this review will be acted upon to improve further | The Audit Commission are undertaking a review of the effectiveness of internal audit.  Recommendations from this review will be acted upon to improve further | - |
| 4.2.23 | LEVEL 4: The standing orders, standing financial instructions and scheme of delegation make specific reference to partnerships | J Thornberry | | March 07 feedback: need specific refs in SoS and FRs | Delayed until Sept 07 | Standing Orders and Financial Regulations to be reviewed in 2007 | Sep-07 |

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|---|---|---|---|---|---|---|---|
| 4.2.24 | LEVEL 4: Governance arrangements with respect to are subject to regular review and updating | C Gunn | | March 07 feedback: need evidence of regular updating | The Audit Commission are undertaking a review of Corporate Governance | Actions as required from Audit Commission Review. Restructure of the Council creates the post of Director of Corporate Governance | - |
| 4.3.20 | 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. *(moved from Level 3).* | S Adam | UoR Feedback | The Council learns and strengthens systems to reduce the risk of fraud March 07 feedback: need a structured process to ensure procedures are reviewed when weaknesses have been identified | 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 | - |
| | **VALUE FOR MONEY**<br>**5.1 The Council currently achieves good value for money**<br>**5.2 The Council manages and improves value for money** | | | | | | |
| 5.1 | Ensure that clear efficiency and VFM targets are in place and monitored for key project and partnership working | SMT Corporate Business Group / S Lewis | | All major Council projects have clear efficiency and VFM targets | n/a | New Council structure to include a Corporate Business Group to work on key projects. A consistent approach to building in and measuring efficiency and VFM | 2007/08 |
| 5.1 | Ensure that the full impact of the rejection of the LSVT are understood and integrated into budget planning | S Adam | UoR Feedback 2007 | Appropriate structures, business plan and budgets are in place | Budgets and actions have been agreed | We will continue to deliver and monitor the delivery plan for Housing to ensure we meet Decent Homes Standard and deliver he best housing service possible | Ongoing |
| 5.2 | Use the proposed procurement strategy to assess and address wider community needs, and to drive a consistent approach to procurement across all services | S Lewis | | 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 | April 2007 onwards |
| 5.2 | Further develop the benchmarking of value for money. There is scope for making comparisons based on costs (including staff costs) and service performance | S Lewis | | 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 | Jul-07 |
| 5.2 | Continue to develop appropriate local indicators for cost-effectiveness and value for money for each service and major project | S Lewis | | 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) and identified measures for cost-effectiveness and vfm | To review this further to ensure it is robust | Ongoing |

| | Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at 31st March 2007 | Planned Actions | Timescales |
|---|---|---|---|---|---|---|---|
| 5.2 | Focus on improving the performance of the scrutiny function so that it is actively engaged in reviewing value for money of services and projects | S Lewis | | Effective Scrutiny, focussed on outcomes, improving decisions by members and making a difference to local communities | An agreement to review this to move towards Task and Finish Reviews and develop Area Working post election | Working Group to agree final model and delivery of Scrutiny post election | May-07 |