

TAUNTON DEANE BOROUGH COUNCIL

CORPORATE GOVERNANCE COMMITTEE 17 MARCH 2008

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. This evaluates how well we manage and use our financial resources. The assessment focuses on the importance of having sound and strategic financial management to ensure that resources are available to support the Council's priorities and improve services. Five themes are covered which are outlined below.

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

<http://www.tauntondeane.gov.uk/tdbc sites/polperf/annualauditandinspectionletter.s.asp>.

1.2 In December 2007 the Audit Commission scored us 3 out of 4 overall for Use of Resources, for the period 2006/07 with the following breakdown.

| Theme | 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. 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 June 2007.

2. The Improvement Plan

2.1 Following the AAIL March 2007 letter and our updated Use of Resources feedback in December 2007, the Improvement Plan has been revised. 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 March 2007 Annual Audit inspection Letter. A number of these have now been addressed.

2.3 The following pages 3 to 12 of the Improvement Plan identify 54 areas for improvement under 'Use of Resources' with progress to date outlined. Weaknesses that are shaded on the right hand column are those that we need to demonstrate progress against in order to retain our scores for 2007/08. The main areas of weaknesses to address relate to the following areas:

- Partnerships – financial performance and value for money of partnerships
- Asset management – the effectiveness of this
- Financial standing and reserves
- Up to date action plans against corporate risks

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. 2007/08 Timetable

Given the stricter criteria for 2007/08 and the inspection taking place in April/May the aim is to ensure that we retain our current score of Use of Resources. This will be a challenge given the additional resource implications for Southwest One and Pioneer Somerset. The 2007/08 AAIL will be issued shortly by the Audit Commission and we will use this to identify priorities and refocus the Improvement Plan. We will report back to the Corporate Governance Committee on progress against this in September 2008.

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

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CPA Improvement Plan for Use of Resources 2007

| Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at February 2008 | 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 | We spent a lot of time in 2007/08 reviewing systems for collecting all BVPIs, training responsible staff and explaining data quality responsibilities. Plus managers reminded for Service Plans. Plus meetings with services to improve data quality and coaching of members panel to challenge data quality | Implement recommendations from the 2006/07 Data Quality Audit, including rolling out a data quality policy | 2008/09 |
| 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 has been undertaken. We have a template in place to assess VCS organisations and their contribution to our Corporate Aims. All our key partnerships are evaluated and monitored. Partnerships will be reviewed in future to align to the LAA and 35 national targets. We now also evaluate grants provided, with different requirements depending on value | 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). | 2008/09 |
| 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 | Managers monitor budgets monthly and we report the position quarterly to the Strategy and Performance panel. At Q1 we identified an overspend of £370k due to concessionary travel and homelessness. Action was taken which has reduced this to £120k for Qtr 2 and should bring the budget in line for year-end. We continue to monitor the position closely | Managers monitor budgets monthly and we report the position quarterly to the Strategy and Performance panel, and monthly to the Core Council managers group and the Councils Chief Finance Officer. Budget Monitoring reports will identify solutions. | 2007/08 |

CPA Improvement Plan for Use of Resources 2007

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|--|--------------|--------------------|---|---|--|------------|
| 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 | We have set a HRA budget for the period up to and after the Decent Homes deadline. This will draw down on the HRA working balance but remains above our set minimum of £150 per dwelling. When balances are used to fund on-off spend then we continue to ensure that reserves are repaid. All key financial changes are reflected in the HRA MTFP. | This will be reviewed following the 2007/08 outturn. NB the 2007/08 budget monitoring exercise has highlighted an increase in the expected working balance due to underspends | Jun-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 newsletters and briefings (in-scope and out of scope) ensure staff understand the rationale and implications of SW1. In-scope staff have been briefed in depth on employment choices. All SWP staff have had regular briefings. | Regular updates are provided via Core Brief and dedicated ISIS newsletters. The transformation projects are progressing - and a selection of in and out of scope managers and staff are involved in that scoping exercise. | Ongoing |

CPA Improvement Plan for Use of Resources 2007

| Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at February 2008 | 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 | There are clear improvements in the numbers of affordable homes in the development pipeline (53 completed in 2006/07; 148 projected for 2007/08 and some excellent opportunities for 2008/09). Councillors are exploring new approaches in a Task and Finish review | We are consulting residents on plans to develop a site in Enmore Road and Wellsprings Road for affordable housing. Outline planning permission has been granted at Cades Farm, Wellington for a residential development that should deliver 100 affordable homes. Continue progress for new schemes to fund housing without grant. | 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 | We have developed new customer service standards and are benchmarking existing customer satisfaction. We also introduced new contact standards in April 2007 | 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. | We now have a Scrutiny pilot running with a focus on Task and Finish working. This will deliver robust recommendations that should lead to tangible outcomes for the community | Continue to develop Scrutiny and move towards more Task and Finish reviews with more tangible outcomes. The Corporate Project on Scrutiny started in June 2007 and will be completed with improved outcomes by Dec 08 | Dec-08 |
| 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 Pioneer Somerset a model of enhanced two-tier working | The Chief Executives of the Somerset Councils have agreed to take forward a proposal for shared service delivery. We have submitted a bid to LIFT SW for financial support for capacity to develop this joint working approach. We have begun to investigate service areas where collaborative working can be started. E.g. Environmental Health, Building Control, Depot (shared working with Sedgemoor), Strategic Housing | Develop Pioneer Somerset over 2008 starting to deliver services on a county-wide basis where appropriate to residents. | 2008/09 |

CPA Improvement Plan for Use of Resources 2007

| Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at February 2008 | Planned Actions | Timescales | |
|---|---|--------------------|-------------------------------|---|--|--|---------------------------------|
| FINANCIAL REPORTING - How good are the Council's financial accounting and reporting arrangements? | | | | | | | |
| 1.1 The council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers | | | | | | | |
| 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 | Infrastructure and equipment asset list now produced | action to produce further breakdown of the assets within the asset register. SW1 considering purchasing specialist asset accounting software as a result of SORP changes for 2007/08 | May-08 |
| 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 | 2007/08 closedown timetable being prepared which incorporate actions to cover off areas which led to 2006/07 errors | Complete accounts for 2007/08 | Jun-07 |
| 1.1.13 | LEVEL 4: The quality of working papers provided was exemplary | P Carter | | See above re: fixed asset wps | 2007/08 closedown timetable being prepared which details the list of working papers required. We have also spoken to our external auditor to agree custom working papers where these do not exactly fit with the AC standard list of WPs | Complete WPs for 2007/08 | 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 produced and were regarded as an example of best practice by the AC for 2007/08 | Ongoing. The 2007 Annual Report has been strengthened and contains summary financial information | - |
| 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, 06/07 accounts on the website. 07/08 timetable includes web publication of draft and audited accounts | - |
| 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 latest annual report (2007/08) included summary financial information on the General Fund, HRA, revenue and capital expenditure, our balance sheet and progress against efficiency targets | Continue with existing format and improve content | April 2008 for June publication |

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|--|---|--------------------|-------------------------------|--|---|---|
| FINANCIAL MANAGEMENT | | | | | | |
| 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 organisation manages performance against budgets | | | | | | |
| 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: - risk assessments and financial contingency planning - 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-08 |
| 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-08 |
| 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 | Outturn performance report highlighted how investment in services had contributed towards achieving corporate goals | Continue with existing format 2007/08 update to be done after closedown |
| 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 SAP implementation however fixed asset accounting software to be purchased to assist with 07/08 SORP changes to fixed assets 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 | Regular training has been arranged for both members and officers on LG finance | Continue with bite sized workshops in 08/09 ongoing |
| 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 SAP implementation however fixed asset accounting software to be purchased to assist with 07/08 SORP changes to fixed assets 2008/09 |
| 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 SAP implementation - the SAP project team will involve users in system design and use 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 | AES reporting process to be discontinued in 08/09 - therefore not relevant past 07/08 outturn Ongoing |

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|----------|--|-----------------------|---|--|---|------------|
| 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? | We continue to maintain an up to date asset register. We are looking to develop the infrastructure and equipment data through Southwest One. Southwest One are currently looking at how we keep our records and identifying how they intend to move forward. | Fixed asset accounting software to be purchased to assist with 07/08 SORP changes to fixed assets | May-08 |

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| Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at February 2008 | 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 | A new set of local performance measures have been discussed for introduction in 2008. These will be determined when the property output spec of Southwest One is confirmed to ensure joined up reporting. | Determine new local performance measures ready for collection in 08-09 when property output spec of Southwest One is complete. | Apr-08 |
| 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. We carry out thorough options appraisals as a matter of course for all investment and disposal decisions. | To continue. | - |
| 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. Portfolio Holders, Directors and staff have an improved understanding of how assets support the corporate aims. | Await Southwest One | - |
| 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 Southwest One | - |
| FINANCIAL STANDING | | | | | | |
| 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 2007/08 - due to concessionary fares and homelessness overspends | Recruitment freeze in place for 07/08 and 08/09 - expected overspend now £228K. Supplementary estimates requested from full council for £150k of this | to be reviewed at 07/08 outturn |
| 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 early 2008. The current policy on "reserves" which was agreed in April 2004 will be revisited at this point. | January/ February 2008 |

CPA Improvement Plan for Use of Resources 2007

| | Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at February 2008 | Planned Actions | Timescales |
|--------|---|--------------|--------------------|--|--|--|------------|
| 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 | We continue to monitor this through the collection of performance indicators. We have also introduced a robust reporting system to allow members to scrutinise performance. Monthly reports detailing benefits and revenues performance indicators, a performance dashboard, work flows and overpayment debt analysis are sent to the Corporate Resources portfolio holder, shadow portfolio holder and 151 officer. In addition quarterly information reports are sent to all members updating progress at the end of each quarter, highlighting trends and progress against targets. | Continue to report and monitor performance on a monthly and quarterly basis. | - |
| 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 March 08 | Will continue to review as part of the financial management procedures | Ongoing |

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|---|--------------|--------------------|--|---|---|------------|
| 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 | Production of detailed monthly reports allows us to judge the most effective method of debt recovery, giving consideration to the age of the debt and all costs. | Continue to report and monitor performance on a monthly and quarterly basis. | - |
| 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 | We will link better with quartile projections and CIPFA cost benchmarking to provide members with a more rounded picture of performance, cost and value for money | Apr-08 |
| 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? | The Risk Management Strategy has been approved by the Corporate Governance Committee and received feedback in December 06. Each major project has its own risk register (Project Taunton, ISiS, SWP etc) | 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 |
| 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 |

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| 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 completed the Pandemic Flu Business Continuity Service Plans for the Council and have started planning for loss of buildings. The Corporate plan will be complete by January 08. | To move into other BC scenarios, eg. non-availability to premises or IT systems during quarter 4 07/08. Pandemic Plans will be updated in parallel. | 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). | J Thornberry | 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. Southwest One will assess current systems and provide clear direction on moving forward. | 2007/08 and thereafter |
| 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 reviewed in 2007 (after the elections). Aim to present updated Financial Regulations and Standing Orders to Council in Feb / March 08. | Mar-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 annually | 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 reviewed the effectiveness of internal audit in 2007. An action plan was put in place in autumn 2007 to tackle issues arising. We will be carrying out an annual review of the effectiveness of internal audit in support of the council's Corporate Governance Statement. The 2008 review will be carried out in February/March. | We have already implemented some of the actions outlined in the action plan that was put in place following the audit commissions review in 2007. E.g. | - |
| 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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| Weakness | | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at February 2008 | Planned Actions | Timescales |
|--|---|---|----------------------------|---|--|--|------------|
| 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 | We will be carrying out an annual review of the effectiveness of internal audit in support of the council's Corporate Governance Statement. The 2008 review will be carried out in February/March. | We have already implemented some of the actions outlined in the action plan that was put in place following the audit commissions review in 2007. E.g..... We will also implement the necessary actions that come out of the annual review of the effectiveness of internal audit. | - |
| 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. <i>(moved from Level 3).</i> | 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 should be publicised on the intranet | Chris Gunn is checking with Helen Dyer what happened to the information on preventing fraud and corruption when we transferred to the new intranet site in late 2007. Needs to arrange for information to be reposted. | - |
| | 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 in the Staff Handbook | No actions required | - |
| VALUE FOR MONEY | | | | | | | |
| 5.1 The Council currently achieves good value for money | | | | | | | |
| 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 | Core Council Management Group / S Lewis | | All major Council projects have clear efficiency and VFM targets | We have clear targets for savings and efficiencies for Southwest One, Tone Leisure and the SWP. The assessment process of VFM is built into all our projects e.g. the tendering process and evaluation of land use for Project Taunton to ensure we are getting best value | Roll out to our other lower profile partnerships where this is not in place | 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 the 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 | This has been overtaken by Southwest One and the current focus is on identifying category plans and savings. | We will develop a Joint Procurement Strategy with Southwest One by August 2008 to ensure that outcomes are achievable, and meet wider community requirements | Aug-08 |

CPA Improvement Plan for Use of Resources 2007

| Weakness | Lead Officer | Source of Weakness | Outcomes and Targets/Comments | Progress at February 2008 | Planned Actions | Timescales |
|---|--------------|--------------------|---|---|--|------------|
| 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 and are using CIPFA headline benchmarking to review service costs | Continue to work with the Asset Management Group to refine benchmarking. Use the CIPFA cost benchmarking to help give members a more rounded picture of cost, performance and vfm | Apr-08 |
| 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 monitor this in our Corporate Strategy and in all major projects (Southwest One, Project Taunton etc). We are developing this understanding with members through the new Performance panel | We will review all of our BVPIs and local indicators in March 2008 to ensure they are fit for purpose in light of the new National Indicators. This will include indicators measuring cost effectiveness and vfm | Apr-08 |
| 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 | Many of the Task and Finish Reviews have this built in (e.g. 'tackling anti-social behaviour by Housing Services' is challenging whether we get vfm for this issue.) We are also coaching the new panel to challenge this | Continue to develop the Strategy and Performance Panel and deliver challenging Task and Finsih reviews | Ongoing |