

Audit Committee – 28th June 2007

10. Use of Resources Action Plan

Head of Service: Donna Parham, Head of Finance
Lead Officer: Donna Parham, Head of Finance
Contact Details: donna.parham@southsomerset.gov.uk or (01935) 462225

Purpose of the Report

This report outlines the action plan to achieve a “strong 3” Use of Resources judgement by July 2007.

Recommendation

It is recommended that the Audit Committee approve the Use of Resources Action Plan attached at pages 31-35.

Background

Monitoring the actions from the Use of Resources action plan is included within the terms of reference of the Audit Committee.

“The Audit Commission annually assesses SSDC in terms of “Use of Resources”. In 2006 SSDC scored an overall “3” and this was translated over the following elements:

Element	Score
Financial Reporting	3
Financial Management	3
Financial Standing	2
Internal Control	2
Value for Money	3
Overall Score	3

The Use of Resources Action Plan

The attached action plan aims to achieve a stronger “3” by July 07 when the next assessment is due and work towards further level “4” improvements. However, it also aims to ensure that continuous improvement can be achieved beyond this. There will also be further changes and improvements that will be required for 2008. These will be added where necessary during this year once the Audit Commission releases their final criteria.

Financial Implications

There are no financial implications.

Background Papers: *Audit Commission Use of Resources Judgement*

SSDC Use of Resources Action Plan to achieve a “strong 3” in 2007

Requirement	Achieved in 2006	Timescale	Responsible Officer	Actions required
Financial Reporting	Y/N			
All additional requests from the auditor were responded to promptly in accordance with agreed deadlines (Now must have KLOE)	Y	August 07	AW	Ensure agreed deadlines are realistic and that they are met.
The accounts were subject to robust member scrutiny/discussion prior to approval.	Y	June 07	DP/AW	Training of new audit committee members needs to take place in late May/ early June. However there will need to be some reliance on more experienced members of the committee.
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 (Level 4).	N/A	August 07	MB	Need to decide whether to publish a later annual report to include financial information.
Financial Management				
2.1.15 The corporate business projects forward at least three years and takes account of the following – <ul style="list-style-type: none"> ▪ external drivers, including funding variations and requirements to improve efficiency. ▪ capital investment plans and their revenue implications. ▪ risk assessments and financial contingency plans. ▪ sensitivity analysis. ▪ expected developments in service. 	N	July 07	MB/AH	Completion of workforce planning and IS strategy. Once completed the organisation must clearly link them to its corporate objectives. MTFS must clearly identify joint funding plans with partners and stakeholders Ensure all areas of the corporate plan relating to joint funding are complete.

AC

Requirement	Achieved in 2006	Timescale	Responsible Officer	Actions required
2.2.19 Progress in achieving planned savings and efficiency gains is regularly reported to senior management with developed action plans.	N	June 07	DP/JB	Need to supply evidence that action is taken by Management Board in ensuring targets are met. Also need to start identifying savings for future years.
2.3.12 The council makes investment and disposal decisions based on thorough option appraisal and whole life costing.	Y	June 07	RS/DP	This is included within the capital appraisal and new project management methodology. Need to appoint "directorates experts" to assist with new project management system to ensure that this continues to be considered.
Financial Standing				
3.1.8 Set and monitor targets for all material categories of income collection and recovery based on age profile of debt (now must have KLOE)	Y	May 07	BB/IP	Need to set targets for recovery of debt
3.1.11 Monitoring information is available that evaluates the effectiveness of recovery actions, associated costs, and the cost of not recovering debt promptly.	N	May 07	BB/IP/MH	To reach a "strong 3" need to form working group between finance and Revenues and Benefits. MH to review the costs of recovery at each stage.
Internal Control				
4.1.9 The members with specific responsibility for risk management have received risk management awareness training.	Y	June 07	GR	New members of the Audit Committee will require training.
4.1.10 Members with responsibility for corporate risk management receives 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.	N	April 07	GR	Regular reporting arrangements need to be included within the forward plan of the Audit Committee.

Requirement	Achieved in 2006	Timescale	Responsible Officer	Actions required
4.2.12 The Council has identified its significant partnership arrangements and has appropriate governance arrangements in place for each of them (new must have KLOE 2006)	N	June 07 May 07 July 07	AK JB DP	'Key Partnerships' document will be produced dealing with both governance and performance management issues Finance to gather and review governance arrangements with significant partners. Any areas of concern will be reviewed by the Corporate Governance Group. Also need to strengthen Financial Procedure Rules re financial governance of partnerships
4.3.10 The council is proactive in raising the standards of ethical conduct amongst members and staff, including the provision of ethics training and counter fraud work is adequately resourced (new must have KLOE 2006)	N	May 07	IC	Include in corporate training programme for members and staff.
4.3.15 The council can demonstrate that counter fraud and corruption work is adequately resourced (also inc within VFM)	N	June 07	IP/AC	Review resources and also document success
4.3.17 The whistle blowing policy is publicised within the council and demonstrates the council's commitment to providing support to whistleblowers	N	April 07	IB	Ensure most up to date version is included within induction packs and on insite Annual review to check that all policy documents are up to date and readily available
4.3.18 The council has effectively identified the key NFI data matches for review from all levels of reports (high medium and low)	N	May 07	IB/AC/IP	Review whether to match key data from low as well as high and medium are matched

AC

Requirement	Achieved in 2006	Timescale	Responsible Officer	Actions required
4.3.20 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.	N	June 07	AC/IB/IP	Closed investigations are quality control checked and records whether there are any procedural, legislative or training issues identified by the case.
Value for Money				
Ensure that value for money is being achieved from improving services, in particular planning and street cleaning		Sept 07	MB	Ensure that further benchmarking is carried out on cost, quality, and performance in these areas.
Develop benchmarking further to demonstrate value for money		June 07	MB	Ensure benchmarking is being carried out and that performance, and cost information continues to be updated. Corporate subscription now made to CIPFA stats – check this is being used effectively.
Ensure strategic planning and internal arrangements consistently demonstrate impact e.g. workforce planning		June 07	MB	Ensure that strategies identify the organisational impact of their implementation and the associated costs.
Ensure internal processes are as simple as possible and demonstrate VFM		June 07	MB	Review staff appraisal process
Develop further local indicators for cost effectiveness, and VFM for each service and project		June 07	MB	Review for service planning
Embed risk management at a service level and throughout all appropriate project and change management arrangements.		May 07	MB	Demonstrate where risk is being well managed and as a result better outcomes are being achieved.

Requirement	Achieved in 2006	Timescale	Responsible Officer	Actions required
Improve the evaluation of less formal partnerships and grants		June 07	AK	Incorporate within overall key partnership document

Key To initials

MB – Management Board

RS – Rina Singh – Assistant Chief Executive

DP – Donna Parham – Head of Finance

IC – Ian Clarke – Head of Legal and Democratic Services

GR – Gary Russ – Procurement Manager

BT – Brian Tufton – Head of Property and Engineering

AH – Anne Harland – Head of IT and E:Government

JB – Jayne Beevor – Principal Accountant Revenue Budgets

BB – Bob Brimley – Financial Systems Support Manager

LW – Laurence Willis – Head of Environmental Health

AW – Andrew Weston – Senior Accountant

MH – Margaret Hammond – Senior Accounting Technician

AK – Alice Knight – Voluntary Sector Development Officer

AC – Alison Creagh – Senior Investigation Officer

IP – Ian Potter – Head of Revenues & Benefits

IB – Ian Baker – Group Auditor SWAP

KLOE – Key Line of Enquiry

VFM – Value for Money

NFI – National Fraud Initiative