PAPER B1

Purpose : For Decision

REPORT TO THE EXECUTIVE

Date : **26 MARCH 2003**

Title : **COMPREHENSIVE PERFORMANCE ASSESSMENT - IMPROVEMENT PLAN (INCLUDING DISTRICT AUDITORS ANNUAL AUDIT LETTER RESPONSE AND CODE OF AUDIT PRACTICE ASSESSMENT PLAN)**

REPORT OF THE DEPUTY LEADER

IMPLEMENTATION DATE : 7 APRIL 2003

SUMMARY/PURPOSE

1. This paper seeks the Executive's approval for the Comprehensive Performance Assessment (CPA) Improvement Plan, which includes a small amendment to the Best Value Review Programme and includes as integral parts of the Plan, the Code of Audit Practice Assessment Action Plan and the response to the District Auditors Annual Audit Letter.

BACKGROUND

2. Following the Comprehensive Performance Assessment (CPA) grading of the Council as 'fair' in October 2002, the Council are required to put in place an Improvement Plan to address the areas of weakness and help ensure that performance continues to improve in future.

3. The Improvement Plan is a direct response to issues identified by the CPA and is contained in Appendix 1.

4. The Plan outlines the actions to be undertaken with regard to the 5 priority areas identified in consultation with the Audit Commission.

5. The Plan includes amendments to the Best Value Review programme, adding a review of Benefits, as an explicit response to the unfavourable reference in the CPA report. It also proposes that phase 1 of the Connecting with the Public review be incorporated into the work on Great Access to Great Services and that phases 2 and 3 are delayed until the autumn to allow for strategies on Information and Consultation to be developed.

6. The CPA process also included an auditor assessment addressing the way the Council manages its resources and the Audit Practice Assessment Action Plan forms an integral part of the overall CPA Improvement Plan and is contained in Appendix 2.

7. On the 15th January the Executive received and noted the District Auditor's Annual Audit Letter and resolved to receive by the end of March, an annual action statement in response. This response forms an integral part of the CPA Improvement Plan and is included for consideration in this paper in Appendix 3.

STRATEGIC CONTEXT

8.   The CPA Improvement Plan is a clear local response to the national policy objective of improving public services. It compliments and extends the actions in the Annual Action Statement that will deliver the Corporate Plan commitments to:

 ❖ strong political and managerial leadership
 ❖ strategically driven excellence in service delivery
 ❖ improving our community focus
 ❖ continuous organisational and staff development

By setting out how the Council proposes to improve its overall capability and capacity the Plan will contribute to the delivery of improved services for the public as envisaged by the Council's six corporate objectives and Council's various responsibilities in the Island Futures Strategy, PSA agreement etc. Individual responsibilities in the Plan will be documented in Service improvement plans and monitored through Personal Performance reviews.

CONSULTATION

9.   The CPA process involved extensive consultation by the inspection team not only with Council members and officers but also with key stakeholders across the Island. The Improvement Plan initially involved round table discussions with the Audit Commission to identify priorities for improvement and sharpen up responses.

10.   Subsequently, the detailed preparation of Appendix 1 has entailed consultation with the Head of Paid Service, members of the Directors Group, those Heads of Service where specific responsibilities have been allocated and the relevant Portfolio holder**.**

FINANCIAL/BUDGET IMPLICATIONS

11.   Directors and Heads of Service believe that the majority of the actions identified in the Plan can be met from within existing resources with the exception of the development of a customer centred culture across the Council. The cost of this initiative and any other additional costs will have to be dealt with through the Council's resource prioritisation framework. Any future costs will need to be subject to the usual budget processes of the Council but will need to be given some degree of priority. Progress against the improvement plan will be closely monitored and the achieving the benefits that would flow from a 'good' or even 'excellent' status is dependent upon delivering the Plan.

LEGAL IMPLICATIONS

12.   The corporate response to the CPA is an essential element of the drive to deliver best value services as required by the Local Government Act 1999.

OPTIONS

13.   To approve the improvement Plan at Appendix 1 or to approve amendments to it.

EVALUATION/RISK MANAGEMENT

14.   The risks are essentially that events, internal or external, over the next 12 months will draw resources away from achieving the Improvement Plan. In addition there is a danger, recognised nationally, that Council's will not pursue the Governments continuous improvement agenda now that the CPA has been completed. This is felt to be most likely for authorities, like this Council, that are currently in the middle of the rankings and are not subject to obvious incentives or risk intervention. The continued and sustained attention of senior members and officers is crucial to the achievement of the Plan.

15.   To minimise risk, individual responsibility has been assigned to Heads of Service and progress will be discussed regularly with the relevant Strategic Director. Major pieces of work will be subject to appropriate project management disciplines. Individual actions will be included in the appropriate service plans and the PDP's of the staff concerned. Monitoring reports will be produced for Directors Group and discussed with relevant Portfolio holders. Reports will be produced for the Executive and Select Committees as required.

RECOMMENDATIONS

16.   Approve the CPA Improvement Plan at Appendix 1

17.   Approve the Code of Audit Practice Assessment – Action Plan

18.   Approve the response to the District Auditors Annual Audit Letter

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BACKGROUND PAPERS

19.   Letter from Head of Paid Service to the Audit Commission dated 4 November 2002 - Proposed Improvement Plan Priorities; Corporate Plan 2002 - 2005 - Executive 8 October 2002 and the Comprehensive Performance Assessment Report - December 2002.

ADDITIONAL INFORMATION

20.   Appendix 1: CPA Improvement Plan
      Appendix 2 : Code of Audit Practice Assessment – Action Plan
      Appendix 3 : Action Plan in response to District Auditors Annual Audit Letter

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APPENDIX 1 – CPA IMPROVEMENT PLAN

APPENDIX 1   CPA Improvement Plan

As is stated in its Corporate Plan, the Isle of Wight Council is committed to its vision 'to improve Island Life' and to becoming classified as a 'high performing authority' by the Government. It has clearly identified its 5 common values to help define and guide its actions and stated its 6 key objectives.

It is well placed to push forward and obtain its goals but is aware that improvements are still needed and that recent momentum must not be lost.

The recent Corporate Performance Assessment marked the Council as 'fair' and helped to provide a focus on those areas where improvements are needed.

In consultation with the Audit Commission five priorities for improvement have been identified by the Council and they are:

- ➢ To ensure that the momentum of change is maintained
- ➢ Performance Management
- ➢ Organisational Development
- ➢ Modernised Political Structures
- ➢ Best Value Reviews

This Improvement Plan will focus on these five priorities and will:

- State what we want to achieve with regard to the 5 priority areas
- State what specific actions will be undertaken with regard to the 5 priority areas
- State when these specific actions will be completed
- State who is responsible for their delivery

In taking a strongly output-based approach, the improvement planning will not only act as a direct response to issues identified by the CPA assessment but also provide the action framework by which the Council is going to actively pursue its goals.

Quarterly reports on the delivery progress of the plan will be submitted to both the Executive and the Directors Group to ensure effective monitoring of actions against established criteria.

Best Value Review

What we want to achieve	What we will do	Timescale	Who is responsible
An expanded and vigorous Best Value Review process.	Actions to improve the Best Value Review Process ➢ Better focusing of the review programme into corporate priorities ➢ Deeper involvement of Members and Directors ➢ The inclusion of external challenge in every review ➢ Scrutiny of BV action plans by Select Committees Timetable of Best Value Reviews Youth Services Best Value Review (BVR) Community Development Connecting with the Public – phase 1 Planning Services Procurement Benefits Connecting with the Public – phase 2 & 3 Drug related crime Transport Education Inclusion Homelessness Fire Service Training	Adopt March 03 Adopt March 03 Adopt March 03 Adopt March 03 Complete March 03 Complete April 03 Incorporated into Great Access to Great Services Complete November 03 Complete March 04 Start May 03 Start Autumn 03 To be completed sequentially once above BVRs completed	Alistair Drain

Maintain Momentum of Change

What we want to achieve	What we will do	Timescale	Who is responsible
An Annual Planning Cycle that standardises procedures, cements strategic linkages, increases consultation and incorporates improved management processes and better integrate service and financial planning.	**Implement an Annual Planning Cycle** ➤ Based around Executive approval of the Annual Action Plan every April ➤ Undertake annual prioritising review of resources within Annual Action Plan ➤ Establish tracking mechanism for measuring successful delivery of improvements especially with regard to Performance Management, Project Management, Risk Management, and Procurement ➤ Implement quarterly Executive and Directors Group review of CPA Improvement Plan, especially focusing on measuring progress against established targets	Adopt April 03 Adopt April 03 Complete Aug 03 Adopt April 03	John Bentley John Bentley John Bentley Mike Fisher
	Deliver Action Plan for Code of Audit Practice Assessment ➤ See Appendix 2	See Appendix 2	Paul Wilkinson
	Implement Action Plan in response to the District Audit letter ➤ See Appendix 3	See Appendix 3	Paul Wilkinson
	Conduct IDEA facilitated Peer Group Review	Complete Oct 03	John Bentley
	Develop the role of key partners in consultation and delivery of services ➤ Adopt formal consultation process with the Local Strategic Partnership re. setting of Service Plan priorities ➤ Further development of the Community Partnerships role within the modernising agenda, linking to the Great Access to Great Services report ➤ Develop Council Consultation Strategy ➤ Review Voluntary Sector Compact ➤ Initiate increased stakeholder involvement in Best Value and Select Committee consultations	Complete Sept 03 Complete May 04 Complete Nov 03 Complete Oct 03 Complete March 03	John Bentley John Bentley John Bentley John Bentley Alistair Drain

	Improve Project Management ➤ Review project management techniques ➤ Complete and adopt new Project Management Development Programme	Complete March 04 Complete July 04	John Bentley
	Improve Risk Management ➤ Review and restructure strategic and operational risk groups ➤ Set up a new computerised Risk Register ➤ Embed Risk Management into service planning ➤ Provide Risk Management training for key members and senior officers ➤ Cascade Risk Management Training down through the Council	Completed Jan 03 Complete July 03 Complete Dec 04 Complete March 03 Complete Dec 04	Paul Wilkinson
	Improve Procurement process ➤ Implement new Procurement Strategy – tasks are grouped under 7 generic headings, each with specific target delivery dates. ➤ Undertake Procurement peer group review through IDEA	First grouping to be completed Sept 03, last Dec 05 Complete Aug 03	Paul Wilkinson

Modernised Political Structures

What we want to achieve	What we will do	Timescale	Who is responsible
A modernised political structure which: • ensures informed decision-making • has the confidence and trust of the community • is consistent, open and fair • is underpinned by effective scrutiny	<u>Modernise political structures and processes</u> ➢ Modify Select Committee 'call in' procedure ➢ Incorporate new tracking procedure to map all Select Committee decisions and recommendations. ➢ Monitor and evaluate Select Committee structure through 6 consultation days ➢ Review political structures including the effectiveness of the Executive, the effectiveness of links between the Executive and working groups and a technical review of the constitution. ➢ Provide training and induction for Members for their new role in health scrutiny ➢ Provide training for all Members under the Modern Members Programme ➢ Initiate increased stakeholder involvement in Best Value and Select Committee consultations	Complete July 03 Complete July 03 Complete 6 per year Complete Dec 03 Complete April 03 Complete Dec 03 Adopt Mar 03	Alistair Drain Alistair Drain Alistair Drain John Lawson Alistair Drain John Lawson Alistair Drain
	<u>Improve public confidence in the standards and ethics of the Council</u> ➢ Undergo ethical audit by Standards Committee and publicise results		John Lawson

Improve Organisational Development

What we want to achieve	What we will do	Timescale	Who is responsible
- Improved staff skills, performance and motivation - Fair treatment for all - Modern service delivery utilising the latest technology and best practice	**Improve People Management** ➢ Develop new Human Resource Management strategy and business plan ➢ Identify and agree implementation priorities ➢ Determine Action Plan ➢ Develop positive action strategies to ensure greater diversity in senior management positions ➢ Commence implementation/change programme ➢ Progress leadership development of the senior management team through training and away days ➢ Improve understanding of staff feelings and opinions through staff survey	Complete April 03 Complete May 03 Complete June 03 Complete July 03 Staged delivery to Dec 04 Staged delivery to Dec 04 First survey to be completed April 03	Max Burton
	Review Corporate policies re. Diversity and equality ➢ Review current Equalities and Diversities Strategy ➢ Develop Equalities Training Programme ➢ Deliver training programme throughout Council ➢ Draft Race Equality Scheme with extensive consultation ➢ Develop Race Equality training programme for Members and senior officers	Complete Sept 03 Complete Nov 03 Complete June 04 Complete Oct 03 Complete March 04	John Bentley
	Develop a customer-centred culture across the Council and promote better access to services ➢ Define customer-centred vision of the organisation ➢ Establish Programme Board to oversee work ➢ Appoint project team and develop Project Plan ➢ Implement single co-located call centre ➢ Achievement of e-government targets ➢ Other implementation / change work ➢ Confirm the additional resources to build on the funds already allocated to the E-government agenda.	Complete March 03 Complete March 03 Complete April 03 Complete April 04 Complete December 05 Staged completion to 2005 and beyond Complete December 05	David Price

Improve Performance Management

What we want to achieve	What we will do	Timescale	Who is responsible
A comprehensive Performance Management system to monitor the Council's performance and guide its future decisions.	Improve Performance Management ➢ Implement an enhanced Corporate Performance Management framework ➢ Implement an improved performance monitoring system across all departments ➢ Review and verify Best Value Performance Indicators annually ➢ Develop a basket of key performance indicators focused on outcomes to be monitored on a quarterly basis by the Executive and Directors Group ➢ To begin quarterly reporting to the Executive and Directors Group on the effectiveness of the framework against established targets ➢ To use the corporate Performance Management system to identify remedial management action and to help set budget priorities for the Council	Complete July 03 Complete Mar 04 Adopt March 03 Adopt May 03 Adopt April 03 Adopt April 03	John Bentley

APPENDIX 2 – Code of Audit Practice Assessment – Action Plan

Appendix 2   Code of Audit Practice Assessment – Action Plan

Ref.	Recommendation	Priority • = Low •• = Med ••• = High	Authority's response	Officer responsible	Timescale
R1	Continue work to update the medium term financial strategy, and ensure that this includes: • A clear link between service and financial planning • A risk analysis of the variability of income and expenditure.	••	The new prioritisation framework currently being implemented will involve resource distribution being driven by the service planning process, which in turn will be more closely linked with corporate key objectives. Current risk analysis techniques will be refined in parallel to this process and reported to members as part of the budget process.	Chief Financial Officer	First cycle complete Feb 2004
R2	Ensure there are clear links between the capital programme and the priorities set out in the Asset Management Plan.	•••	The Capital Strategy and Asset Management Plan are now a unified policy document, and are administered by a single officer group. Significant resources are, as a result, now distributed in furtherance of Asset Management policies.	Corporate Finance Officer	Complete
R3	Ensure that the performance assessments of individual budget holders are linked to budget management	••	To form part of new resource prioritisation and service planning arrangements	Head of Policy & Communications	September 03
R4	Report the budget position regularly to members along with performance measures and summaries of action on variances.	•••	To form part of quarterly Performance Management reports	Head of Policy & Communications	Quarterly
R5	Ensure the Council is clear about the purposes for holding each of its financial reserves and that these are consistent with its strategic aims.	••	To be incorporated in the medium term financial strategy process	Chief Financial Officer	Feb 2002
R6	Develop a formal approach to financial risk management and use this to optimise the Council's level of reserves.	••	The risk analysis referred to in R1 will address a range of risks, not just income and expenditure variances	Chief Financial Officer	Feb 2004
R7	Develop arrangements for validating management information on key controls against data from other sources.	••	Quarterly performance reports to management have been implemented	Chief Financial Officer	Complete

Ref.	Recommendation	Priority • = Low •• = Med ••• = High	Authority's response	Officer responsible	Timescale
R8	Adopt a fully risk based approach to audit planning.	•••	The Council's audit function has used the facility within its computerised management system to produce a risk index. As at 14 February, the index covered 90% of activities within the Council. It will be completed by 31 March 2003. A programme of reviewing all risks on an annual basis has been drawn up.	Compliance & Risk Manager	31/3/03
R9	Ensure that sufficient resources and skills are available to deliver the internal audit plan.	•••	The Council has made changes to the internal audit function, by recruiting a new Chief Internal Auditor who began his appointment in January 2003. The Council has also approved the appointment of an extra full time auditor who is currently being recruited..	Compliance & Risk Manager	In place by 31/7/03
R10	Institute approval of the Audit Plan and monitoring of progress and results at Directors Group and Member level.	•••	The Council has re-established its Audit Panel which has oversight of both the internal and external audit functions. The Panel has met twice (December 2002 and February 2003). At its last meeting , the Panel approved the Internal Audit Plan for 2003.	Compliance & Risk Manager	Complete
R11	Ensure there is systematic follow-up of progress with agreed Internal Audit recommendations.	••	The procedure for following up agreed recommendations will be re-established by 30 June 2003. It will include the use of the facility within the Section's audit management system. It is also likely that it will include the monitoring of outstanding recommendations by the newly formed Audit Panel .	Chief Internal Auditor	In place by 30 June 2003

Ref.	Recommendation	Priority • = Low •• = Med ••• = High	Authority's response	Officer responsible	Timescale
R12	Introduce a formal approach to obtaining client views about Internal Audit.	••	The system formerly used to seek client views of Internal Audit will be enhanced so that it includes direct feedback based on a revised questionnaire. The results will be presented with other performance data to the Council's Audit Panel and will form the basis of a newly defined performance indicator.	Compliance & Risk Manager	In place by 30 June 2003
R13	Complete the implementation of risk management arrangements in line with the CIPFA/SOLACE guidance.	•••	Action Plan agreed By Strategic Directors Nov 02, Report to Executive Dec 02, Strategic and Operational Risk Groups formed and met in Jan 03, Training for Executive, Strategic Directors, Heads of Service, Opposition Leaders, Chairmen of Select Committees and key senior officers March 03. Risk Register to be reviewed in July 03. Database Program to be utilised for this purpose, further training to be identified. ALARM Risk Management Toolkit to be launched in May – utilise. Linkage to Service Plans.	Insurance and Risk Manager	Dec 2003
R14	Ensure that details of the new ethical framework have been disseminated to officers, partners and public.	•	Monitoring Officer to issue guidance on registration and declaration of interests. Standards Committee to address membership of outside bodies as part of ethical audit.	Monitoring Officer	May 2003

Ref.	Recommendation	Priority • = Low •• = Med ••• = High	Authority's response	Officer responsible	Timescale
R15	Ensure that arrangements are established for monitoring and testing the operation of the new ethical framework.	••	Standards Committee to undertake an ethical audit during 2003. To identify current good practice and to inform targeted programme of improvement. Review of constitution to include: • Contribution by Standards Committee • Review of robustness of constitutional arrangements against statutory requirements • Qualitative assessment by members/officers	Monitoring Officer	March 2003 commence September 2003 commence December 2003 conclude
R16	Ensure that all members and staff are familiar with key governance documents and that copies are available to the public and partners.	••	The authority has in development a one day decision making course designed to equip members and officers with the knowledge to take decisions with due regard to ethics and probity. The course is to be available to key individuals in partner organisations. Delivery to commence April 2003. 9 further courses in the year (to 200 delegates), rolling programme in subsequent years. Mandatory induction program includes section on corporate governance/decision making. Service Level Agreements with partners to prescribe ethical arrangements	Monitoring Officer	May 2003 commencement January 2003 commencement From February 2003

Ref.	Recommendation	Priority • = Low •• = Med ••• = High	Authority's response	Officer responsible	Timescale
R17	Ensure that a pro-active programme of anti fraud and corruption audit work is undertaken on an annual basis.	••	The Council needs to review its approach to responding to allegations of fraud and corruption (reactive) as well as the way in which it pro-actively seeks to identify potential fraud . The latter will depend on making audit resources available and on identifying suitable training for audit staff. The potential for fraud is considered as part of the Section's Risk model, and this can be used to inform a programme of anti-fraud and corruption initiatives.	Compliance & Risk Manager	30 September 2003
R18	Establish a formal register of irregularities.	•••	A register of irregularities and allegations will be one of the outcomes of the review mentioned above. It can, however, be established before the review gets underway. It will form the master record of all fraud and corruption work.	Compliance & Risk Manager	1 April 2003
R19	Seek means of completing accounts for approval by 31 July.	••	Work is currently underway to progressively move to 30th June deadline. Project plan to be complete and agreed corporately .	Corporate Accounting Manager	Dec 2003
R20	Seek to improve further the standard and range of final accounts working papers.	•	Enhanced training has been planned for finance staff and budget managers, informed by continuing liaison with external audit.	Corporate Accounting Manager	Mar 2004
R21	Ensure that the role and responsibilities of the s151 officer are clearly stated and understood.	••	Section 151 role and responsibility will be set out in revised versions of the constitution and financial regulations	Chief Financial Officer/Monitoring Officer	Sep 2003

Ref.	Recommendation	Priority • = Low •• = Med ••• = High	Authority's response	Officer responsible	Timescale
R22	Ensure that members and staff understand the need to seek advice when developing novel or potentially unlawful courses of action.	•••	Improvements to the decision making process, new pro-formas for: Members decisions - require options appraisal/risk assessment Officer delegated decisions – require legal and financial advice and reasons for decision Delivery of decision making training programme (see R16)	Monitoring Officer/Chief Financial Officer	Completed April 2003 From May 2003
R23	Formalise the arrangements for reviewing the legality of financial transactions.	••	As R22	Monitoring Officer/Chief Financial Officer	
R24	Formalise the arrangements for responding to new legislation.	••	Service planning and Performance Management systems to include identification of service specific legislation. Legal Services service plan to include corporate training and/or advice on new legislation with corporate significance.	Monitoring Officer	Commence May 2003 for 2004 service plans and PDP's.

APPENDIX 3 – District Auditors Annual Audit Letter

Appendix 3   District Auditors Annual Audit Letter

FINANCIAL POSITION OF THE COUNCIL

Recommendations

Complete the development of a medium-term financial strategy.
Ensure there are clear links between the capital programme and the priorities set out in the Asset Management Plan.

Ref.	Recommendation	Priority • = Low •• = Med ••• = High	Authority's response	Officer responsible	Timescale
R1	Continue work to update the medium term financial strategy, and ensure that this includes: • A clear link between service and financial planning • A risk analysis of the variability of income and expenditure.	••	The new prioritisation framework currently being implemented will involve resource distribution being driven by the service planning process, which in turn will be more closely linked with corporate key objectives. Current risk analysis techniques will be refined in parallel to this process and reported to members as part of the budget process.	Chief Financial Officer	First cycle complete Feb 2004
R2	Ensure there are clear links between the capital programme and the priorities set out in the Asset Management Plan.	•••	The Capital Strategy and Asset Management Plan are now a unified policy document, and are administered by a single officer group. Significant resources are, as a result, now distributed in furtherance of Asset Management policies.	Corporate Finance Officer	Complete

PERFORMANCE MANAGEMENT

Recommendation

Complete the implementation of a comprehensive performance management framework

Action Plan

Personal performance reviews (PPR's) will include discussion of relevant PSA, CPA Corporate Plan and Island Futures targets	From 1/1/03
Corporate standards will be developed following the final report of the Connecting with the Public BV review	From 2/03
The service improvement plan (SIM) for each service with unreliable indicators will contain specific targets relating to a satisfactory audit report in 2002/03. The appropriate Portfolio holder will be kept informed on progress	By 31/3/03
Each SIM will contain the relevant PSA, CPA, Corporate Plan and Island Futures targets	By 31/3/03
Quarterly performance management reports for Directors Group, the Executive and Select Committees including an appropriate basket of performance indicators.	From 30/4/03
A Business Management Group is being established to oversee the implementation of performance management and co-ordinate improvements to existing practice. This will consist of selected HoS from each Directorate lead by the Head of Paid Service and supported by the CPT.	From 31/3/03
The Executive will receive a report proposing a new budget planning process developed by the SMT and deputy leader	By 31/3/03
Complete initial SMT development programme	By 31/3/03
External Audit assessment of member training / skills needs and current programme	From 31/3/03
Development of a project management training programme with External Audit	From 1/3/03
All statutory plans that require Council approval to contain in future a programme for monitoring and review	From 1/4/03
Propose revisions to PPR process	By 1/4/03
Develop an internal communications plan	By 31/4/03
Propose revisions / additions to Service Improvement plans for 2003/04	By 15/5/03
External Audit support for the development of a human resource strategy, cultural change programme and a business re-engineering programme	By 31/5/03
Produce Best Value performance plan (BVPP)	By 30/6/03
External Audit 'light touch ' review of the equalities scheme	By 31/7/03
Develop a communications and Pr strategy	By 31/7/03
Complete survey of staff	By 31/7/03
Undertake and complete a Consultation Audit	By 1/9/03
Undertake a review of the complaints process and the use to which the information is put	By 30/9/03
IdeA Peer review of the Council	By 31/9/03
The Auditor will review progress on the Council's overall arrangements for performance management	31/10/03
Develop a community partnership and consultation strategy	By 1/11/03
External Audit review of current political structures	By 31/12/03
All sections of the Authority to have IIP accreditation by the end of 2003/04	By 31/3/04

PERFORMANCE INFORMATION

Recommendation
Ensure that priority is given to improving the accuracy and reliability of performance information.

<u>Action Plan</u>

All published performance indicators will, from now on, have a named provider responsible for collecting, retaining and calculating data, maintaining evidence and providing the indicator according to the Best Value Performance Plan (BVPP) timetable.	By 31/1/03
The data provider will also be responsible for any targets or estimates of their indicators and agreeing these with their Head of Service (HoS) who has the ultimate responsibility for accurate performance indicators.	From 31/1/03
The current system of Quality Assurance for each indicator will be strengthened in future by requiring the completed QA form to be discussed and signed off by, the relevant HoS.	From 31/3/03
The completion of QA forms will be discussed as part of each HoS's regular performance appraisal meetings with their Director. Similarly supervision arrangements will apply to the data providers and co-ordinators.	From 31/3/03
The BVPI's are being risk assessed to gauge the likelihood of qualification in 2003/04. Indicators are being ranked as of High, Medium or Low risk	By 1/3/03
For system for producing High and Medium risk indicators, the adequacy of the record keeping and the final calculation has been reviewed in detail to assess exactly what resources are required to minimise the likelihood of qualification in future. This will be done by either internal audit or the CPT	<u>From 1/3/03 for one week</u>
A more detailed internal verification of the processes in place to collect indicator data will be undertaken by the CPT and internal audit. *The risk assessment mentioned above has been done first so that the start of the systems audit has been delayed by one month from its original timing*	<u>From mid 2/03 until 16/5/03</u>
Any recommendations for improvements to systems and processes arising from this review will be implemented by the appropriate HoS by June 30th 2003 so that, in future years indicators do not suffer from the same weaknesses. *Originally it had been hoped that improvements could be in place by 31st March but the systems audit will take at least 3 months to complete.*	<u>Between mid 2/03 and 30/6/03</u>
Should implementation not be possible by this timescale the HoS will inform their Director and appropriate Portfolio holder who will decide what action should take place, by whom and by when.	<u>Between mid 2/03 and 30/6/03</u>
A BVPI co-ordinator has been confirmed by each Director with wide ranging responsibilities for ensuring the quality and provision of performance information.	By 31/1/03
A training session was held on 28 January 2003 for all BVPI co-ordinators	28/1/03
The Strategic Management Team (Directors and Heads of Service) will also be briefed on the past weaknesses and future requirements.	By 1/6/03
In addition to information gathered by the BVPI co-ordinators themselves, the CPT will be responsible for ensuring that they are updated on changes to guidance, definitions etc relating to BVPI's. Specific CPT staff are being designated as the first point of contact & advice for individual directorates.	From 1/2/03
Further training sessions will be arranged by the CPT to meet identified needs be they authority wide or in individual services / Directorates	As requested from 1/2/03
The publication of local performance indicators will be reviewed so that they are useful for internal management and monitoring purposes and provide a consistent coverage of the Council's major services.	By 30/6/03

Specific actions designed to improve the Council's performance management framework are tabled below. Improvements relating to e-government. procurement and risk management are dealt with under separate headings in this report

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E-GOVERNMENT

Recommendation

There is a need to create a clear vision of how e-government will improve services, and to establish the project management arrangements to deliver the vision.

Action Plan

The organisation has established a clear vision of how e-government will improve services. This is set out in the Great Access to Great Services paper which was formally approved by the Full Council on the 19th February, 2003 and the Council is in the process of appointing a team of officers to implement this. This will include the creation of a new post of Head of Organisational Development who will have all responsibility for driving the agenda forward. A Member/Officer Programme Board has been appointed to oversee the implementation work and the vision is currently being integrated into the Council's Annual Action Plan and the emerging Performance Management and Funding Prioritisation mechanisms.

PROCUREMENT

Recommendation
The Council needs to ensure that it has appropriate arrangements in place and skills available to deliver effective procurement.

Action Plan
The Council's Executive approved the Procurement Strategy in December , 2003. Its implementation is now underway. This includes a number of initiatives arising from the Strategy's action plan and the early tasks are:

(i)   to create a comprehensive picture of the Council's current spending pattern;
(ii)   to provide Members with an analysis of current and future procurement activity;
(iii)   to identify the current procurement skills and competencies of Council staff;
(iv)   to explore the potential benefits of a 'partnering approach to contracting;
(v)   to establish a Procurement Forum of managers;
(vi)   to review the structure of the existing Procurement (Central Purchasing) function, including staffing and resources;
(v)   to establish an e-procurement project.

(for a complete set of actions arising from the Procurement Strategy see the Action Plan attached to it).
In addition to implementing the Strategy, the Council is also undertaking a Best Value Review of Procurement throughout the Council which will, amongst other conclusions, assist in validating the Strategy. As part of the Review, the Council will undergo a Fitness Healthcheck in respect of Procurement, to be performed by the IdEA in July.

RISK MANAGEMENT

Recommendation

Expedite the development of risk management and its integration into service planning.

Action Plan

<u>July 02 to March 03</u>

Action Plan agreed By Strategic Directors Nov 02
Report to Executive for Noting Dec 02
Strategic and Operational Risk Groups formed and met in Jan 03
Training for Executive, Strategic Directors, Heads of Service, Opposition Leaders, Chairmen of Select Committees and key senior officers March 03.

April 03 to Dec 03
Risk Register to be reviewed in July 03.
Database Program to be utilised for this purpose, further training to be identified. ALARM Risk Management Toolkit to be launched in May - utilise. Ensure linking with Service Plans.

INTERNAL AUDIT

Recommendations

Ensure that appropriate resources and skills are available to deliver the internal audit plan. Introduce procedures for approval of the Audit Plan and monitoring of progress and results at Directors' Group and Member level.

Action Plan

<u>Risk- Based Planning</u>

The Council's audit function has used the facility within its computerised management system to produce a risk index. As at 14 February, the index covered 90% of activities within the Council. It will be completed by 31 March 2003. A programme of reviewing all risks on an annual basis has been drawn up.

<u>Member Involvement and approval of the Audit Plan</u>

The Council has re-established its Audit Panel which has oversight of both the internal and external audit functions. The Panel has met twice (December 2002 and February 2003). At its last meeting, the Panel approved the Internal Audit Plan for 2003.

<u>Staffing & skills levels</u>

The Council has made changes to the internal audit function, by recruiting a new Chief Internal Auditor who began his appointment in January 2003. The Council has also approved the appointment of an extra full time auditor who is currently being recruited.

<u>Other Initiatives and improvements</u>

The procedure for following up agreed recommendations will be re-established by 30 June 2003. It will include the use of the facility within the Section's audit management system. It is also likely that it will include the monitoring of outstanding recommendations by the newly formed Audit Panel .

The system formerly used to seek client views of Internal Audit will be enhanced so that it includes direct feedback based on a revised questionnaire. The results will be presented with other performance data to the Council's Audit Panel and will form the basis of a newly defined performance indicator.

The Council needs to review its approach to responding to allegations of fraud and corruption (reactive) as well as the way in which it pro-actively seeks to identify potential fraud. The latter will depend on making audit resources available and on identifying suitable training for audit

staff. The potential for fraud is considered as part of the Section's Risk model, and this can be used to inform a programme of anti-fraud and corruption initiatives.

A register of irregularities and allegations will be one of the outcomes of the review mentioned above. It can, however, be established before the review gets underway. It will form the master record of all fraud and corruption work.