

- District Councils
- Health Authority
- Police
- Other Bodies/Individuals

FINAL DECISION NO

SUGGESTED NEXT STEPS:

Details to be specified

- Further consideration by this Committee
- To Council 26 June 2007
- To Cabinet 26 June 2007
- To an O & S Committee
- To an Area Committee
- Further Consultation

Agenda No

Audit and Standards Committee – 4 June 2007

Statement of Internal Control 2006/2007

Report of the Strategic Director of Performance and Development and Strategic Director of Resources

Recommendation

That the Audit and Standards Committee consider the results of the review of internal control and the draft Statement on Internal Control and identify any matters that they wish to bring to the attention of the signatories of the Statement.

Background

- 1.1 The Accounts and Audit Regulations 2003, as amended, requires the authority to conduct a review at least once a year of the effectiveness of its system of internal control and publish a statement on internal control with the authority's financial statements. The Regulations specifically require that a relevant committee consider the findings of the review.
- 1.2 The Cipfa Code of Practice for Internal Audit defines the control environment as comprising "the systems of governance, risk management and internal control. The key elements of the control environment include:
 - establishing and monitoring the achievement of the organisation's objectives
 - the facilitation of policy and decision-making ensuring compliance with established policies, procedures, laws and regulations – including how risk management is embedded in the activity of the organisation, how leadership is given to the risk management process, and how staff are trained or equipped to manage risk in a way appropriate to their authority and duties
 - ensuring the economical, effective and efficient use of resources, and securing continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness

- the financial management of the organisation and the reporting of financial management
- the performance management of the organisation and the reporting of performance management.”

1.3 Figure 1 in **Appendix 1** illustrates the recommended steps¹ for the process of reviewing the system of internal control and gathering assurance about the effectiveness of the system in order to produce the Statement on Internal Control. This approach was adopted for the review which was carried out by an Evaluation Team consisting of:

Greta Needham, Head of Law & Governance
 Garry Rollason, Internal Audit & Risk Management Manager
 Ron Williamson, Head of Resources, Adult, Health & Community Services
 Oliver Winters, Head of Finance, Resources
 Balbir Singh, Head of Policy & Performance, Community Protection
 Liz Firmstone, Financial Services Manager, Environment & Economy
 John Betts, Head of Service, Children, Young People & Families

1.4 In carrying out their review, the Evaluation Team

- Considered the approach of the authority to establishing its principal statutory obligations and organisational objectives;
- Considered the approach of the authority to identifying principal risks to the achievement of those obligations and objectives;
- Identified the key control frameworks that the authority has in place to manage its principal risks;
- Obtained assurance from managers on the operation of key control frameworks and on the results of relevant external or internal inspection;
- Evaluated the assurances provided and identified gaps.

1.5 Having reviewed the strategic risks of the Authority identified in the corporate business plan for 2006/2007 and as amended during the year, the Evaluation Team identified 14 corporate control frameworks on which to seek assurance.

1.6 In addition to these 14 corporate control frameworks, the Evaluation Team sought assurance on 7 key departmental control frameworks within the front-line services of Environment & Economy, Adult Services, Children & Young People and Community Protection.

¹ The Statement on Internal Control in Local Government, Meeting the Requirements of the Accounts and Audit Regulations 2003; Cipfa

- 1.7 The full set of control frameworks is set out in **Appendix 2** and the mapping of these control frameworks to the strategic risks of the authority in **Appendix 3**.
- 1.8 Strategic Directors have received a copy of this report on the conclusions of the review.
- 1.9 Section 2 of this report sets out the main findings of the review. A draft Statement on Internal Control reflecting these findings is attached as **Appendix 4**.
- 1.10 Members of the Audit and Standards Committee are invited to scrutinise the findings and draft Statement and identify any matters that they wish to bring to the attention of the Chief Executive and Leader of the Council who will be the signatories to the Statement.
- 1.11 The External Auditors have recommended that the Internal Annual Report for the Year Ended 31 March 2007 is considered at the same time as the Statement. The Annual Report is also included on the agenda for this meeting.
- 1.12 The final Statement will be presented to the Cabinet and Council on 26 June 2006 alongside the accounts.

2 Findings of the review

- 2.1 As a result of the Evaluation Team review, six main areas are highlighted for potential inclusion in the Statement on Internal Control, although in no case was the issue raised for the first time by the review, and in most cases, plans are already in place to address the issues in question.

(1) Partnerships and their Governance

- 2.2 Partnering and partnership arrangements were recognised in the Statements on Internal Control for 2004/2005 and 2005/2006 as an area where further review would be appropriate.
- 2.3 A review of the partnership governance framework was initiated during 2005/2006 and continued throughout 2006/2007. Significant progress was made during 2006/2007, with the Local Area Agreement being finalised and all public service partners involved agreeing to the underlying principles and framework for its future governance and accountability through a Public Service Board for Warwickshire and the development of county wide themed partnership blocks. This major project has been managed during 2006/2007 within the Community Governance workstream of the Council's New Ways of Working Programme.

- 2.4 Whilst there have been significant developments in this area of work during 2006/2007, it does represent an evolving agenda for the Council. Amongst the major challenge for 2007/2008, is the further development of the Localities agenda, and ensuring that the future work and direction of the Public Service Board and its county level themed blocks genuinely reflects the governance principles agreed by all the partners. The new environment intended by these new public partnerships will necessarily involve some difficult decisions for the Council in reviewing the appropriateness of elements of its present constitutional arrangements. In particular, the delegated decision making powers of its members and the future of Area Committees in the context of the evolving Localities agenda will need to be addressed. It is recognised, therefore, that this is an area of significant development work where the Council will be continuously seeking improvement.
- 2.5 The Evaluation Panel also highlighted an aspect of environmental partnership working which requires careful monitoring in the future, namely the achievement of the Council's Landfill Diversion targets post 2010 which is key to the avoidance of future fines. The Council's work with partners in adjoining authorities towards a potential regional solution to address this issue will be kept under review.

(2) Adult Social Care

- 2.6 The delivery of Adult Social Care Services including the Social Care Programme, remains a very challenging area of service for the Authority. The Commission for Social Care Inspection (CSCI) carried out a follow-up review of Adult Social Care performance in 2006/2007, and concluded that whilst improvements were underway and beginning to take effect, the Services would continue to be classified as "serving some people well" with "uncertain" prospects for improvement. The CSCI recommendations are now monitored by the Performance Improvement Board and good progress is being made, with regular reports made to senior management, elected members and stakeholders.
- 2.7 The Older People's Inspection also carried out by the CSCI in early 2007 will have a positive impact on the overall Adult Social Care CPA rating of the Authority. Recommendations from this latest report are also being fed into the Performance Information Board monitoring framework.
- 2.8 Following the Audit Commission Supporting People Inspection in March 2006, which re-confirmed its opinion of the service as "poor" with "uncertain prospects for improvement", its recommendations have been addressed in an action plan which is linked in to the Performance Information Board, and regular reports are presented to the Council's Overview & Scrutiny Committee.

- 2.9 Good progress is being made, including the implementation of new governance arrangements and a joint Partnership Board/Commissioning Body, which will be reviewed in 2007/2008. Bi-monthly meetings are being held with the Supporting People Lead Inspector and structural changes within the Directorate have been made integrating Supporting People into the new Strategic Commissioning & Performance Division.
- 2.10 The significant progress made in the Adult Social Care Service environment in 2006/2007 underpins the continuously challenging agenda faced by the Authority, where improvements are constantly being sought.
- 2.11 The Evaluation Panel also highlighted the Service's interface with the Health Authority as an area for further strengthening and review. With the improved arrangements now in place as a result of the Local Area Agreement, and the joint appointment of a Director for Public Health, the environment is well placed to develop a stronger working relationship in 2007/2008.

(3) Performance Management

- 2.12 The Council reviewed its performance management approach in 2005/2006 and has developed a more ambitious approach based on linked report cards (a Corporate Report Card containing key WCC indicators and six Directorate Report Cards). These will be implemented from April 2007 and the Evaluation Team highlighted the need for the unified implementation of report cards across and throughout Directorates to be monitored closely. The Panel felt that it would be appropriate to keep this significant area of development under review.
- 2.13 A performance management approach has also been developed and agreed as part of the Warwickshire Local Area Agreement (LAA) with this Authority co-ordinating the performance information through its own Performance Plus system from 2007/2008 onwards. The impact of this development in embedding the partnership approach recently adopted through the LAA also suggests itself as an area for further review.

(4) HR (i) Management and Organisational Development

- 2.14 The 2005/2006 Statement of Internal Control recognised clear improvements in the control framework of HR Management but also highlighted the need to strengthen the consistency and controls around HR practice, which was being addressed through the restructuring of HR and the HR Work Programme.
- 2.15 This has resulted in the development of a Corporate HR Service Centre, which will co-locate transactional HR staff across the Authority

and undertake transactional HR and payroll processes with effect from September 2007.

- 2.16 The impact of this significant and positive change in the delivery of HR Services and the opportunities it provides for the review, rationalisation and streamlining of HR and payroll processes represent an area which will require continuing management attention during 2007/8.

HR (ii) Equal Pay Implementation

- 2.17 Stage 1 of the Equal Pay Review was undertaken during 2006/2007 and its results will be implemented in the Autumn of 2007. The impact and consequences of implementation merit inclusion in the statement.

(5) Non-Academic Guidance for Schools and oversight arrangements in relation to LEA & school responsibilities

- 2.18 Non-academic guidance for schools has been an area highlighted in both the 2004/2005 and 2005/2006 Statements of Internal Control as an area for further review and strengthening.
- 2.19 During 2005/2006, specialist courses in financial management have been run in line with the DfES new financial management standard; training has also been provided in procurement and governor training courses have continued. Audits have been carried out in the areas of building contracts and school governance, aimed at strengthening the relationship between the Council and school governing bodies.
- 2.20 However the relationship between the authority and schools remains a complex one driven by the political and legislative environment. With the wider governance issues arising from an agenda including community schools, children's centres and joint asset management, this continues to be an area which needs to be closely monitored.

(6) Risk Management and Business Continuity

- 2.21 Business Continuity was highlighted in the 2005/2006 Statement of Internal Control as an area in which the Authority needed strengthening with the development of a corporate business continuity plan and Directorate business continuity plans across the Authority. In particular, emergency planning was highlighted as an area for review in relation to the Council's response to the risk of a flu pandemic.
- 2.22 Major emphasis has been placed on this overall aspect of the Authority's business during 2006/2007, with the appointment of a Corporate Risk Manager, who is making major strides in ensuring that all Directorates address risk as an integral part of their business planning and develop their own business continuity plans. Whilst significant improvements have been made, it remains an area of business that justifies inclusion in this report.

3 The Statement on Internal Control

3.1 The Evaluation Team in recommending those items to be included in the Statement on Internal Control, were mindful of the factors suggested as helpful by Cipfa in determining what constitutes a “significant internal control issue”. These factors are:

- The issue has seriously prejudiced or prevented achievement of a principal objective
- The issue has resulted in a need to seek additional funding to allow it to be resolved, or has resulted in significant diversion of resources from another aspect of the business
- The issue has led to a material impact on the accounts
- The Audit Committee, or equivalent, has advised that it should be considered significant for this purpose
- The Head of Internal Audit has reported on it as significant, for this purpose, in the annual opinion on the internal control environment
- The issue, or its impact, has attracted significant public interest or has seriously damaged the reputation of the organisation
- The issue has resulted in formal action being taken by the Chief Financial Officer or the Monitoring Officer

3.2 Cipfa guidance was also an important consideration. This states that the Statement on Internal Control should be a “balanced reflection of the actual control position” and that authorities “need to balance the utility to the reader of the statement against the need for discretion in such disclosure to avoid further adverse impacts or exploitation of the weakness”.

3.3 The recommendation of the Evaluation Panel is that the six issues highlighted in this report should be included in the Statement on Internal Control 2006/2007 as areas for on-going improvement or future review. However, the Panel’s view is that none of these constitutes an area of “significant internal control” in accordance with the Cipfa guidance.

3.4 Action Plans to address all of the issues highlighted have already been incorporated into the Corporate & Directorate Business Plans and the Council’s revised New Ways of Working Programme.

Recommendation

It is recommended that the Audit and Standards Committee consider the results of the review of internal control and the draft Statement on Internal Control and identify any matters that they wish to bring to the attention of the signatories of the Statement.

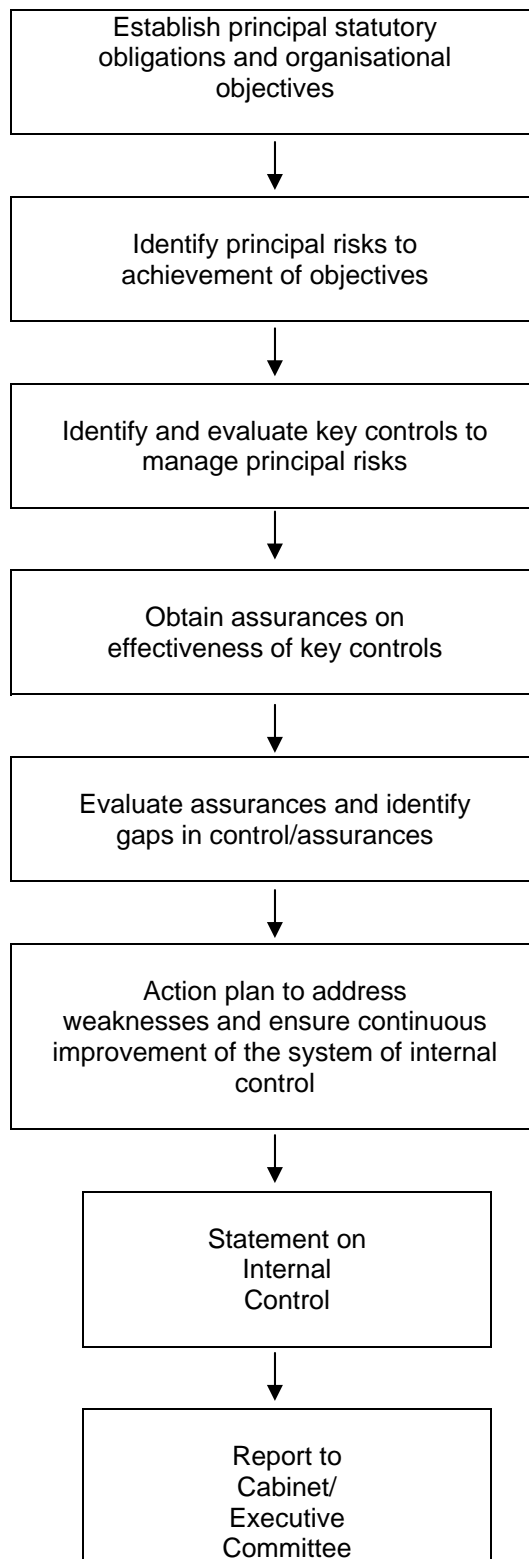
DAVID CARTER
Strategic Director
Performance and Development

DAVID CLARKE
Strategic Director
Resources

Shire Hall
Warwick

16 May 2006

Appendix 1: Review of Internal Control and SIC Assurance Gathering Process



Appendix 2: Key control frameworks

Corporate control frameworks

	Statement	Lead
1	New Ways of Working	Monica Fogarty
2	Business strategy and planning	Monica Fogarty
3	Budget strategy and planning	Oliver Winters
4	HR	Bob Perks
5	Procurement	Paul White
6	Financial management	Oliver Winters
7	Asset management	Steve Smith
8	Corporate Governance	Sarah Duxbury
9	Risk management	Simone Wray
10	Performance management	Monica Fogarty
11	Project management	Monica Fogarty
12	ICT	Tonino Ciuffini
13	Democratic process	Jan Purcell
14	Partnerships & Governance	Nick Gower-Johnson & Sarah Duxbury

Service specific frameworks

	Statement	Lead
1	Education / schools	Geoff King
2	External Funding	John Scouller
3	Sustainability	Martin Stott
4	Children in need	Chris Hallett
5	Adult Social Care	Ron Williamson
6	Engineering	Graeme Fitton
7	Community Protection	William Brown

Appendix 3: Mapping of strategic risks to control frameworks

Strategic Risk (as agreed by Cabinet)	Assurance statement
The role of WCC is to provide Community Leadership to the County of Warwickshire through a democratically elected process. The risk would be that the Council fails to offer the community and political leadership required	New ways of working Governance
There are economic and social divisions within the county. For example, there are pockets of severe deprivation in the North and it is the Council's policy to achieve the fastest improvement for the most deprived. The risk would be that the differences between different areas and groups in the County are not managed effectively.	Business strategy and planning Budget strategy and planning
The delivery of Warwickshire County Council's agenda is dependent on the availability of a wide range of appropriate staff, both now and in the future. The risk would be that the Council does not have the right skills in places at the right time.	HR
WCC has constraints on the funding available to deliver services. Key issues include: Capping and affordability The need to achieve efficiency savings, and savings through procurement The impact of single status The risk would be that the Council has insufficient resources to achieve what it wants to achieve.	Budget strategy and planning Asset management Procurement Financial Management and control
Warwickshire County Council is subject to continuous change and improvement agendas set by national government priorities, and is required to deliver. The risk would be that the Council fails to respond effectively to change driven by central government.	Business strategy and planning Performance management Project management
WCC is a large, complex and diverse organisation with a variety of disparate services, skills and departments. The risk would be that the Council does not realise the benefits of collective working across services.	HR New ways of working
ICT sits at the heart of the delivery of priorities and services from WCC. The risk would be that the Council implements inappropriate or inadequate systems.	ICT
In order to deliver on key priorities the Council is required to create partnerships and work constructively with many partners. The risk would be that the	Governance and Partnerships Business Strategy and

Strategic Risk (as agreed by Cabinet)	Assurance statement
Council does not work effectively in partnerships to deliver key outcomes.	Planning Performance management Risk Management
Flu pandemic information is that we must assure for 33% of staff to be absent during the first 15 week phase. The risk is to maintaining adequate levels of key personnel.	Community protection Risk management

Appendix 4: A Statement on Internal Control²

Warwickshire County Council Statement on internal control

(draft statement with suggested amendments following the Audit and Standards Committee)

Scope of Responsibility

Warwickshire County Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that money is safeguarded and properly accounted for, and used economically, efficiently and effectively. Warwickshire County Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.

In discharging this overall responsibility, Warwickshire County Council is also responsible for ensuring that there is a sound system of internal control which facilitates the effective exercise of Warwickshire County Council's functions and which includes arrangements for the management of risk.

The Purpose of the System of Internal Control

The system of internal control is designed to manage risk to a reasonable level rather than to eliminate all risk of failure to achieve policies, aims and objectives; it can therefore only provide reasonable and not absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Warwickshire County Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The system of internal control outlined below has been in place at Warwickshire County Council for the year ended 31 March 2007 and up to the date of approval of the annual report and accounts.

The Internal Control Environment

The Authority's internal control environment comprises the following elements:

- ***Establishing and monitoring the achievements of the Authority's objectives***

The Council's objectives are developed and reviewed as part of the business planning process which includes consultation with stakeholders and the public. The objectives are set out clearly in the Corporate Business Plan. Medium term priority outcomes are identified for each objective and headline indicators. They are explicitly reflected in departmental business plans and other specific strategies and plans.

² Note that in colour copies the paragraphs in black follow the exact words prescribed by regulations. Paragraphs in blue are those the Authority inserts.

Progress against these objectives is regularly monitored by the Authority via the performance monitoring process. There are formal performance reports to Cabinet and Overview and Scrutiny Committees every 6 months which include comparisons with national performance indicators.

Scrutiny arrangements are well established. Each Overview and Scrutiny Committee agrees an annual programme of reviews which has performance improvement at the core of its purpose. The programme of reviews is developed in conjunction with the preparation of the Corporate Business Plan to ensure policy and performance management are integrated. Dedicated resource to carry out reviews has been created.

- ***The facilitation of policy and decision making***

The Constitution sets out how the Council operates, how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to local people. Responsibilities for decision-making, the role of individual members, the role of full Council, the Executive, Committees and the process for determining the Authority's Key Decisions are defined in the Constitution. Delegations are detailed so that the functions of full Council, Cabinet, Cabinet Members, Committees and Officers are specified. The Forward Plan of Key Decisions is published on the Council's web-site.

The Authority has agreed a Corporate Governance Code of Practice and a programme of governance training for officers. A Corporate Governance Audit takes place biennially and an action plan is agreed by members to address any areas for improvement. The last governance review took place in 2005/2006.

- ***Ensuring compliance with established policies, procedures, laws and regulations including how risk management is embedded in the activity of the Authority***

Key roles in relation to ensuring compliance with policies, procedures, laws and regulations roles are performed by the Authority's Monitoring Officer and the Section 151 Officer.

The Monitoring Officer has put in place arrangements to ensure that all reports to member bodies are checked by qualified lawyers within the Authority to ensure compliance with legislation and corporate policies and procedures. All member bodies are supported by a legal advisor to ensure there is appropriate advice at meetings of the Authority. In addition the Monitoring Officer receives weekly briefings from the senior lawyers of the Authority highlighting if there are any

- cases or potential cases where questions arise as to the Council's power to take action;
- cases or potential case of breaches of law or internal regulations (especially standing orders, contract standing orders or financial regulations);
- departmental proposals to act contrary to corporate policy or legal advice;
- new legislation, statutory instruments or government proposals affecting areas of work carried out by the Authority.

The Monitoring Officer with the Section 151 Officer also commissions the biennial Corporate Governance Audit and annual Contract Standing Orders compliance audits.

The Strategic Director of Resources, as the nominated Section 151 Officer, has delegated responsibility for ensuring there are arrangements in place for the proper administration of financial affairs and that there is an adequate Internal Audit function. A programme of risk based audits is carried out by Internal Audit reviewing the Authority's control environment. A summary of audit work is reported to the Audit and Standards Committee which has responsibility for oversight of probity and audit issues and meets regularly. In addition, External Audit and external inspection agencies such as Ofsted contribute to the review of the Authority's compliance with its policies, procedures, laws and regulations.

A risk management framework has been developed. Strategic risks are reviewed annually and incorporated in the Corporate Business Plan. All departments have risk registers. The Council's insurances are reviewed annually.

- ***Ensuring the economical, effective and efficient use of resources, and securing continuous improvement***

The Authority has a budget and policy framework which sets out how budget and policy decisions are made. The budget process establishes the resources required to deliver the Authority's services and objectives. It involves a review of the overall use of resources and sets out a medium term financial strategy. Within the medium term financial strategy services are required to deliver improvements in cost effectiveness and on an annual basis members set cash backed efficiency targets for individual services. Relevant prudential indicators are approved by Council as part of the budget resolution.

A structured approach to procurement and contract letting is set out in Financial Standing Orders and Contract Standing Orders. A Procurement Code of Practice provides further guidance to managers to ensure best value is considered in all purchasing activity.

Best value and scrutiny reviews are conducted and the Authority's Performance Plan is produced in compliance with annual Best Value requirements.

The EFQM model is used as a tool to drive continuous improvement across all services.

- ***The financial management of the Authority and the reporting of financial management***

The Strategic Director of Resources, as the nominated Section 151 Officer, is responsible for ensuring that an effective system of internal financial control is developed, maintained and operated over the Authority's resources.

The system of internal financial control is based upon a structure of delegation and accountability set out in the Constitution, Financial Standing Orders and Contract Standing Orders. Budgets and budgetary responsibility are assigned to individual managers. In particular the system includes:

- a budget process integrally linked with the overall planning process within an agreed medium term financial plan;
- targets to measure financial and other performance;
- regular financial reports which show forecast spending against budgets;
- clearly defined cost centre management arrangements; and
- clearly defined capital spending guidelines.

Elected members receive financial information which is relevant, understandable and consistent with underlying financial records. During 2006/2007 formal quarterly forecasts of revenue spending were presented to members and the capital programme was reviewed and reported three times. Financial reserves are kept under review and subject to a formal risk assessment as part of the budget process. An anti-fraud and anti-corruption policy and whistle blowing code are in place. A Treasury Management policy has been adopted and approved by Council. The Authority prepares its accounts in accordance with best professional guidance and complies with the statutory timetable for publication.

- ***The performance management of the Authority and the reporting of performance management.***

Warwickshire's approach to performance management is set out in its Performance Management Framework. The Authority has an explicit vision and set of values underpinning its agreed strategic objectives. The Authority's Corporate Business Plan reflects national and local priorities and contains targets to be met in achieving its objectives, along with associated corporate performance indicators.

The achievement of targets is regularly monitored through a range of methods including reporting of performance against targets on a six-monthly basis to Overview and Scrutiny Committees and the Cabinet.

Review of Effectiveness

Warwickshire County Council has responsibility for conducting, at least annually, a review of the effectiveness of the system of internal control. The review of the effectiveness of the system of internal control is informed by the work of the internal auditors and the executive managers within the Authority who have responsibility for the development and maintenance of the internal control environment, and also by comments made by the external auditors and other review agencies and inspectorates.

Throughout 2006/2007 the Authority has maintained and reviewed its system of internal control in a number of ways.

- The structure of the organisation was reviewed during 2005/2006 and a new structure was implemented in April 2006.
- Overview and Scrutiny Committees have carried out a programme of reviews and the Council has undertaken a review of scrutiny.
- Internal Audit has undertaken risk based reviews of internal control procedures across all departments and across a range of functions in the Authority. These reviews included opinions on the internal controls in place a summary of audit work was reported to the Audit & Standards Committee. These individual reviews fed into the overall Annual Review by the Audit and Risk Manager of the effectiveness of internal control.
- A further review of internal control was undertaken to support the preparation of this Statement on Internal Control.
- Through its New Ways of Working Programme.

Independent external review of the effectiveness of the systems of internal control has included:

- The “Direction of Travel” assessment by the Audit Commission
- The assessment of the Authority’s “Use of Resources” in which the Authority scored 3 out of 4.
- External audit of the accounts for 2005/2006 by the Audit Commission.
- The Commission for Social Care Inspection of Adult Social Services (2006/2007).
- Supporting people inspection by the Audit Commission (March 2006).
- The Commission for Social Care Inspection of Older People’s Services (early 2007).
- The Commission for Social Care/Ofsted annual performance assessment of Education and Children’s Social Care Services.

Confirmation by signatories to the Statement

We have been advised on the implications of the result of the review of the effectiveness of the system of internal control by the Authority and the Audit and Standards Committee, and plans to address weaknesses are in place to ensure continuous improvement of the system.

Internal Control Issues

As a result of our review of our systems of internal control we have identified six areas where we wish to continue to review controls and performance, although we do not judge any of these to be significant internal control issues.

- Adult Social Care

Improving the system of control around social care for adults, including the work of the Supporting People Programme, as a key area where the authority will be continuing to seek significant improvement. The programme of improvements and monitoring arrangements now in place will continue to be reviewed.

- Partnerships and their Governance

The Authority is increasingly engaged in partnership working through the Local Area Agreement and with the private sector. This represents a continuously evolving agenda and a major challenge for the future. A review of the effectiveness of the governance arrangements adopted by the LAA will take place in 2007/2008, alongside the review of performance of specific partnerships. Some of the Council’s own constitutional arrangements will also be re-visited with a view to aligning them with LAA aspirations.

- HR Management and organisational development

Strengthening the consistency and controls around HR practice through the development of a Corporate HR Service Centre and a co-located transactional HR unit, presents a challenge for 2007/2008 and provides an opportunity to review and rationalise payroll and HR processes.

The impact and consequences of the implementation of stage 1 of the Equal Pay Review in September 2007 needs to be carefully monitored.

- Non-academic guidance for schools

This continues to be a key area for the Authority in its role supporting schools. The Authority will continue its work of reviewing and updating the framework of guidance and controls for schools during 2007/2008 in a changing environment of greater community cohesion, and work closely with schools to strengthen their relationships with the Authority.

- Performance Management

Adoption by the Council of a more ambitious approach to performance management, based on a corporate report card and linked Directorate report cards, implemented in April 2007, represents an area where a review of progress will be appropriate, to provide assurance that the benefits of unified implementation have been realised.

Co-ordination by the Authority of performance information relating to the Warwickshire Local Area Agreement is also an area where further review would be appropriate.

- Risk Management and Business Continuity

Major emphasis has been placed on the need to strengthen the Authority's approach to risk management and business continuity. Whilst significant improvements have been demonstrated in 2006/2007, further evidence that the Authority has successfully integrated risk management and business continuity into its business planning processes across the organisation, will be required.

Chief Executive

Date

Leading member

Date