

AGENDA MANAGEMENT SHEET

Name of Committee Resources, Performance and Development Overview And Scrutiny Committee
Date of Committee 9th January 2007

Report Title Corporate Governance Audit

Summary An update on the Directorate and Corporate response to the Corporate Governance Audit.

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Would the recommended decision be contrary to the Budget and Policy Framework? No.

Background papers None

CONSULTATION ALREADY UNDERTAKEN:- Details to be specified

Other Committees

Local Member(s)

Other Elected Members Cllr David Booth- a number of comments made including some clarification on the targets that require remedial action, ensuring staff training is delivered corporately and is refreshed and note that the Council's policies should aim to exceed legislative standards.
Cllr Atkinson and Cllr Hicks

Cabinet Member Cllr Peter Fowler

Chief Executive

Legal Sarah Duxbury

Finance

Strategic Directors David Carter

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

To Cabinet

To an O & S Committee

To an Area Committee

Further Consultation

Executive Summary

This report notes the progress made on the actions arising from the Corporate Governance Audit undertaken in 2005.

The main points from the report state:

- A Corporate Governance Audit was carried out in 2005 and the results were reported to Cabinet on 23 February 2006;
- A further Corporate Governance Audit will be carried out in 2007;
- Members approved a Corporate Action Plan to address some of the areas for improvement identified by the 2005 Corporate Governance Audit;
- While a number of issues were required to be taken forward corporately, Directorates were required to produce and implement their own action plans addressing specific areas for improvement;
- Cabinet required that the progress of Directorates be reported to Overview and Scrutiny Committee during the year, with a view to a full report being presented to Cabinet in February 2007;
- At the present time it is estimated that 80% of the corporate targets will be on course at the end of December 2006;
- Action is being taken to bring the 5 corporate targets currently falling behind, back on course;
- Each Directorate has identified officers responsible for leading on implementing the improvements; some Directorates are further advanced in implementation than others, at this stage in the year.

Agenda No

Resources, Performance and Development Overview and Scrutiny Committee - 9th January 2007.

Corporate Governance Audit

Report of the Strategic Director of Performance and Development

Recommendation

- 1) That the Committee notes the progress being made both corporately and by Directorates in response to the 2005 Corporate Governance audit, and makes any comment it wishes.

1. Introduction

- 1.1 A Corporate Governance Audit was carried out in 2005 and the results were reported to Cabinet on 23rd February 2006. Members approved the Corporate Action Plan and agreed that each Directorate should prepare its own Action Plan to outline the steps to be taken to improve performance in key areas. Cabinet required that the progress of Directorates be reported to Overview and Scrutiny Committee during the year, with a view to a full report being presented to Cabinet in February 2007.

2. Corporate Action Plan

- 2.1 Progress on implementing the Corporate Action Plan is shown at Appendix 1. At the present time it is estimated that 80% of the corporate targets will be on course at the end of December. Good progress has been made on implementing 16 out of the 21 targets set out in the Corporation Action Plan against the timetable set, with 5 targets (indicated in bold type) currently at risk of falling behind deadline. Action is being taken to bring these targets back on track and to maintain momentum.
- 2.2 Members had previously requested that consideration be given the extending the Council's Whistle-blowing Code to contractors. In consultation with Corporate Human Resources and the County Procurement Unit, this has now been done and reference is made to this on the Procurement pages of the Council's website.

3. Directorate Action Plans

- 3.1 Attached at Appendix 2 is an outline of each Directorate's current progress on implementing the key areas of improvement highlighted by the Corporate Governance Audit in respect of their own Directorates.
- 3.2 Each Directorate has identified responsible officers for the purposes of implementing their Directorate Action Plan and the majority have also identified specific actions that the Directorate needs to take to ensure an improved performance in next year's Corporate Governance Audit. Some Directorates are further advanced in preparing and implementing a Directorate Action Plan, as required by Cabinet.

4. Recommendation

- 4.1 The Committee is asked
- (i) To note the progress being made both corporately and by Directorates in response to the 2005 Corporate Governance audit, and make any comment it wishes.

DAVID CARTER
Strategic Director of
Performance and
Development

Shire Hall
Warwick
18 December 2006

Appendix 1: Corporate Action Plan

(Key: Green= Target already met;
Blue= Target on course to be met;
Red= Target not on course, remedial action necessary)

| Subject Area | Specific Tasks | Timescales | Status |
|------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------|----------------------------------------------------------------------------|--------|
| Clarifying and publicising our standards of corporate governance | Complete managers briefing sessions | Corporate governance training sessions for managers are running | Green |
| Clarifying and publicising our standards of corporate governance | Publicise corporate governance code to other members of staff | 31 December 2006 | Blue |
| Clarifying and publicising our standards of corporate governance | Develop proposals to engage partners | 31 March 2007 (part of LAA process) | Blue |
| Clarifying and publicising our standards of corporate governance | Ensure all partnerships the Council is engaged in have appropriate governance arrangements | 31 March 2007 (part of LAA process and development of partnership toolkit) | Blue |
| Clarifying and publicising our standards of corporate governance | Review officers code of conduct and consider guidance on declarations of interest by officers at meetings of member bodies when new legislation is issued on this subject | Dependant on government legislation | Blue |
| Clarifying and publicising our standards of corporate governance | Review members code of conduct when new legislation is issued on this subject | Dependant on government legislation | Blue |
| Improving arrangements for staff register of interests | As part of Phase 2 of the HRMS Project provide a computerised register of interests. To include periodic reminders to maintain declarations up to date. | 31 March 2007 | Blue |
| Improving arrangements for staff register of interests | As part of Phase 2 of HRMS Project develop a computerised register of gifts and hospitality | 31 March 2007 | Blue |

| Subject Area | Specific Tasks | Timescales | Status |
|--------------------------------------------------------------|------------------------------------------------------------------------------------------------------------------------------|---------------------------------------------------------------------------------------------------------------------------------------------------------------|------------|
| Improving awareness of Anti-Fraud and Anti-Corruption Policy | Further publicise main points of the policy to staff in particular advice on what to do in the event of suspected fraud. | 31 March 2007 | Blue |
| Improving awareness of the Confidential Reporting Code | Further publicise the existence and the main elements of the Confidential Reporting Code to all members of staff | Target was 31 July 2006: a revised deadline of 31 March 2007 has now been set and action needs to be taken | Red |
| Improving awareness of the Confidential Reporting Code | Consider whether the Code should be extended to cover partners | Code has been extended to apply to contractors | Green |
| Improving our decision making processes | Develop the forward plan into a full agenda management system | 31 March 2006 | Green |
| Improving our decision making processes | Further publicise the existence of forward plans and their role in the decision-making processes of the Council | 30 September 2007 | Blue |
| Improving our decision making processes | Further clarify and publicise the definition and process for taking key decisions | Action is required: staff training will be linked to the reissued forward plan database with a deadline of 30 September 2007 (to link with item above) | Red |
| Improving our decision making processes | Provide at least four briefing sessions a year on requirements of Contract Standing Orders (delivered corporately) | Commence Spring 2006: on target | Green |
| Improving our decision making processes | Develop and provide at least four briefing sessions on the requirements of Financial Standing Orders (delivered corporately) | Commence Spring 2006: action is required to move this forward | Red |
| Strengthening our processes for risk management | Provide briefing sessions as appropriate to further embed risk management | 31 March 2006: action is required to move this forward | Red |

| Subject Area | Specific Tasks | Timescales | Status |
|-----------------------------------------------------|------------------------------------------------------------------------------------|-----------------------------------------------------------------------------------------------|------------|
| Strengthening our processes for business continuity | Produce corporate business continuity plan (BCP) covering core issues | 30 September 2006: action is underway to produce the corporate BCP for review March 07 | Red |
| Engaging with the public | Improve level of Service user/representative input into the work of O&S Committees | 31 March 2007 | Blue |
| Engaging with the public | Further publicise meetings at which the public can participate | Ongoing; for review March 2007 | Blue |
| Engaging with the public | Review our processes and procedures governing access to information | Ongoing and dependent on government legislation; for review March 2007 | Blue |

Appendix 2

Performance and Development Directorate

Progress to date

The Performance and Development Directorate adopted a Directorate Action Plan at DMT in May this year. The Action Plan addresses the following headings:

- Fraud and Corruption
- Code of Conduct
- Whistleblowing
- Constitution
- Risk Management
- Business Continuity
- Financial and Contract Standing Orders
- Corporate Governance Training

Examples of specific actions proposed or taken

Staff awareness on a number of issues outlined above will continue to be raised, through staff briefings and circulation of staff guides. The Directorate risk management group has been reinstated and has met several times. Its remit has been extended to include business continuity planning. The whistle-blowing code has been extended to apply to contractors.

Responsible officers

DMT members and Heads of Service have been identified as responsible officers within the Directorate Action Plan. There is a nominated officer tasked with ensuring that the Action Plan targets are hit and there is quarterly reporting to DMT on progress against the targets in the Action Plan.

Timetable

The majority of actions are to be completed by 31 December 2006, or earlier. A review of training on corporate governance and the constitution is to be completed by March 2007.

Resources Directorate

Progress to date

The Resources Directorate has reviewed its performance in the 2005 Corporate Governance Audit and has approved at DMT a Directorate Action Plan based on the low-scoring items identified for the Directorate in that audit. The Directorate Action Plan consists of a number of discreet actions which when completed should adequately address the two key themes of staff training and communication/awareness.

A number of these actions can best be carried out within the Directorate. However, there are a number where it is felt more appropriate to be addressed as part of a corporate wide approach. In relation to the provision of training on cost centre management, the Resources Directorate is responsible for providing this training to relevant staff across the whole Council.

In addition, the Directorate is leading on two specific actions from the Corporate Action Plan:

- (a) "As part of Phase 2 of the HRMS Project, provide a computerised register of interests. To include periodic reminders to maintain declarations up to date".
- (b) As part of Phase 2 of HRMS Project, develop a computerised register of gifts and hospitalities.

Both of these developments have been included in the Phase 2 project plan.

Examples of specific actions proposed or taken

Within the Directorate a lot of the progress to date has been in identifying the actions to address the areas that scored low in the survey. A lot of the actions involve communicating policies and practices to staff. As the new Directorate has a very dispersed work force, we are reviewing our approach to staff communication. This will enable us to communicate effectively to all members of staff. All Directorate staff are to receive training or a briefing on corporate governance generally and on specific issues such as standards of conduct, Financial Standing Orders and complaints handling.

Responsible officers

Responsible officers have been assigned to each specific task in the Directorate Action Plan, with DMT retaining overall responsibility for the Plan.

Timetable

All actions not yet completed are targeted for either December 2006 or March 2007.

Community Protection Directorate

Progress to date/ Examples of specific actions proposed or taken

Following the Corporate Governance Audit in 2005, the Directorate has made the following progress in addressing issues that were raised in the audit.

Awareness Raising / Training

1. Finance

Financial Standing Orders and Cost Centre Manager Training were discussed with Cost Centre Managers at the Budget Managers Forum on 23rd November 2005. On-going awareness raising / training in relation to specific issues following internal audit etc. will take place via the Budget Manager's Forums and individual cost centre manager visits, both of these take place on approximately a quarterly basis.

2. Procurement

The Directorate has run some strategic Procurement training for managers responsible for letting large contracts and run more general training for cost centre managers. This included a review and update of the scheme of delegations.

Responsibility – Helen Murphy

3. Register of Staff Interests

The Directorate has carried out an audit of staff interests and updated the Directorate register. Responsibility – Alison Symmers.

Business Continuity

Specific plans currently being developed are for Industrial Action and Flu Pandemic as identified as part of the WCC risk management process/exercise facilitated by Zurich. Responsibility – Stephen Haynes.

Risk Management

Policy Board agreed proposals in July 2006 to put in place a process for implementing a risk management process that complements the WCC arrangements. This will be implemented as part of the Fire and Rescue Authority CPA improvement Plan as part of the 2007/08 service planning process. Directorate Risk management arrangement will be via the policy development and implementation group. Responsibility – Balbir Singh.

Adult, Health and Community Services Directorate

Progress to date

The Directorate is taking forward corporate governance as part of a general review of its ways of working. A Directorate corporate governance action plan is yet to be developed, as is a business continuity plan.

Examples of specific actions proposed or taken

The Directorate already maintains a project management register and risk management register, and is currently reviewing the contents and effectiveness of these. Further work needs to be undertaken to raise general staff awareness of corporate governance and identify staff that require specific training such as Contract and Financial Standing Orders.

Responsible officers

Following the departure of Peter Atkinson, Ron Williamson has assumed responsibility for moving forward the Directorate's corporate governance actions. The specific actions that the Directorate plans to take to respond to the corporate governance survey will be approved by DMT.

Timetable

The Directorate expects progress to be made on its corporate governance actions within the next 6 months.

Children, Young People and Families Directorate

Progress to date

The Directorate has reviewed the responses of the former Education and Social Services departmental staff to the corporate governance survey. DMT noted that all five areas identified as areas for improvement within the Directorate were also identified corporately:

- Anti-fraud and corruption strategy
- Whistleblowing
- Risk management
- Financial Standing Orders
- Decision-making processes

DMT has approved a Directorate Action Plan which picks up low-scoring items from the corporate governance survey and identifies actions for improvement and the officers responsible for these.

Examples of specific actions proposed or taken

A number of existing corporate governance guidance documents are to be re-circulated to all Directorate staff. The departmental risk arrangements are to be publicised to managers and the Financial Standing Orders and Procurement procedures are to be publicised to cost centre managers.

Responsible officers

Service Heads and other members of the Directorate have been identified as having responsibility for specific actions, while DMT has overall responsibility for the Directorate Action Plan.

Timetable

DMT is considering whether it might be more effective to launch much of the above information at one time, or adopt a step by step approach.

Environment and Economy Directorate

Progress to date

The Environment and Economy Directorate has reviewed its scores in the Corporate Governance survey and identified areas where the Directorate scored 10% points or more below the average across the Council, or where less than 30% of respondents were in agreement. DMT has agreed that the following areas require further action:

- Access to and awareness of the existing corporate governance information
- Understanding the corporate governance information

Examples of specific actions proposed or taken

Action will be taken to ensure that all items covered by the Audit survey are readily available through the Directorate's Intranet and then through the corporate intranet when that is available.

Internal communications tools such as the Director's Bulletin and the FIT pages will be used to add explanation to aid understanding where scores show this to be required.

Responsible officers

Responsibility for this work is based with the Communications and Information Team in EED and will be tackled over the next 6 months. Work to migrate information from the FIT pages to the corporate intranet will take place over the same period which will avoid duplication of effort.

Timetable

Restructuring of the Directorate after the untimely death of David Addyman has delayed work in this area until now but the Directorate is confident of working through the necessary measures before February 2007.