

2005/06 Statement of Internal Control – Action Plan Follow Up Report

Control Issue (as included in the 2005/06 SIC)	Original Planned Action / Due Date (as included in the 2005/06 SIC)	Actual Progress To Date	Comment
Risk Management			
<p>Risk management is an essential part of the overall governance framework by which the Council identifies and manages risks to the achievement of its aims and objectives. In previous years the external auditor has raised concerns about the extent to which risk management is embedded throughout the organisation. The Council has made good progress in developing its risk management policies and procedures. These arrangements, particularly those in respect of operational risks, however still need to be fully embedded. There is also a continuing need to raise awareness and communicate risk management arrangements to staff.</p>	<p>A programme of training and guidance for Members and relevant staff will be delivered during 2006/07. The Officer Governance Group will review the roll-out of this programme during the year. Service Managers will continue to be supported and encouraged to implement effective risk management arrangements including operational risk registers.</p> <p>March 2007</p>	<p>Work to address the control issue has been incorporated into the CPA Action Plan.</p> <p>Key training event held for all Members in June 2006. Training to relevant officers provided in January 2007. Further training for Members is planned for the post election induction process. Further officer training to be planned for 2007/08.</p> <p>Risk Management Member Champion has also received specific training support.</p> <p>Directorate champions appointed and given access to the Council's corporate risk register (Magique), and trained in the use of the system. The Magique risk register is currently being populated.</p>	<p>This control issue is considered to have been adequately addressed.</p>
Competition and Procurement			
<p>The Council's competition arrangements and procurement rules and procedures contribute to the efficient and effective use of resources and the delivery of best value. The 2004/05 SIC identified</p>	<p>Awareness of the new Financial Regulations and agreed procurement procedures will be raised during the year through a programme of targeted training. A draft corporate Procurement Strategy is being</p>	<p>The new Financial Regulations, encompassing comprehensive procurement rules consistent with CIPFA best practice standard, were adopted by Full Council in May 2006. A training programme to raise awareness has been undertaken across Directorates since then.</p>	<p>Some progress has been made to address this control issue. However, the deadline for completing the Corporate Procurement Strategy and Competition Policy has had to</p>

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<p>weaknesses in the Council's existing competition and procurement arrangements. A framework corporate procurement strategy was approved by Members in 2003. The Council's procurement arrangements however need to be further developed so as to provide a comprehensive policy and procedural framework, which takes account of competition and adequately demonstrates best value. During the period the procurement of goods and services across the organisation has also not always complied with EU procurement legislation and the Council's procurement rules and procedures.</p>	<p>prepared and will be issued for consultation in summer 2006. Strategic Procurement Plans and practitioner guidance will be developed. A competition policy and strategy is also currently being drafted.</p> <p>December 2006</p>	<p>The Corporate Procurement Strategy has however been delayed due to resource constraints and a long term sickness absence problem in the Corporate Procurement Team since early Summer 2006. The Corporate Procurement Strategy will now be adopted in June 2007 following the election. The Strategy will include a Competition Policy and a strategic plan for developing the use of procurement by CYC. It will also cover the function of procurement as a whole at the Council over the next three years. In addition, complementary work has been ongoing in respect of:</p> <p>a/ developing a Strategic Procurement Programme - this is a programme of strategic procurements that will take place across the Council over the next five years resulting in either a step change in service quality and cost and/or the basic nature of provision - this will be brought in from April 2007 onwards and managed by AD Resources (ARM) as part of the overall Efficiency Programme championed by the Director of Resources.</p> <p>b/ developing the thin-client methodology</p> <p>c/ a procurement practitioner guidance manual will be ready to accompany the CPS & SPP initiatives and support on-going Directorate training work</p> <p>The Corporate Procurement Team has been restructured to address long standing capacity</p>	<p>be revised. It is therefore likely that this issue may need to be disclosed in the 2006/07 SIC, and followed up during 2007/08.</p>

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		and performance problems. The new team will be fully in place from 1/4/2007 and will provide support to SPP programme management & manage the new Corporate Contracts Portfolio in addition to existing duties and functions. The team will work with IAS to complete a comprehensive programme of audit & compliance testing across the authority to ensure understanding and compliance with EU requirements (also to be fully set out in a new guidance manual for all staff).	
Overall Governance Framework			
<p>The 2004/05 SIC identified weaknesses in the Council's governance framework. Similar weaknesses had also been identified by the external auditor. Since then the Council has significantly improved its governance monitoring and review arrangements through the creation of an Audit and Governance Committee and an Officer Governance Group. Work is now planned to further strengthen the overall control framework. In particular, there is a need to develop a local code of corporate governance and provide training to Members and relevant staff on the Council's governance framework and the new Protocol for</p>	<p>The Officer Governance Group will coordinate the ongoing review of the Council's governance arrangements and the implementation of the detailed governance action plan.</p> <p>March 2007</p>	<p>The actions set out in the 2006/07 OGG work programme are substantially complete and a new work programme, approved by OGG and CMT, will be reported to A&G on 3/4/07. The work being undertaken in this financial year to address known weaknesses, includes;</p> <p>1/ the development of more robust arrangements to record/declare staff interests.</p> <p>2/ the review and update of the Council's Whistleblowing Policy.</p>	<p>Good progress has continued to be made to address this control issue. It is unlikely that this issue will therefore need to be disclosed in the 2006/07 SIC.</p>

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<p>Member/Officer Relations. A number of specific internal controls have also been identified which need to be improved, including the maintenance of registers of staff interests and gifts and hospitality, and awareness of the Council's whistleblowing arrangements.</p>			
<p>Sickness</p>			
<p>The levels of sickness across the Council remain higher than for comparable local authorities. Sickness monitoring and reporting arrangements also need to be improved.</p>	<p>A review of the sickness management arrangements is being undertaken by Internal Audit. An action plan will be developed to address any weaknesses in procedures and reporting arrangements.</p> <p>A revised Attendance Management policy was agreed by Personnel Committee in October 2005.</p> <p>Comprehensive workplan for an attendance management strategy was agreed by CMT and Personnel Committee in February 2006.</p> <p>Pilot arrangements in Adult Social Services continued providing improved data and levels of attendance.</p>	<p>Internal Audit completed its review of the Council's sickness management arrangements. Corporate HR are undertaking a comprehensive review of the Council's sickness absence recording, reporting and management arrangements which is scheduled to be completed by the end of March 2007. This work will address all of the recommendations made in the Internal Audit report.</p> <p>A comprehensive action plan for an attendance management strategy was agreed by Personnel Committee in March 2006. This action plan has led to the agreement of a new corporate Attendance at Work Policy, by CMT on the 13th September 2006. This provides a framework within which the systems required to support optimum levels of attendance at work of all employees can be developed.</p>	<p>Although good progress has been made to address the underlying control weaknesses, there is still insufficient evidence that the improved arrangements have been fully embedded. It is therefore possible that this issue will need to be disclosed in the 2006/07 SIC.</p>

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	<p>Further work on improving management information concerning the causes of absence were developed and continue.</p> <p>September 2006</p>	<p>It has been agreed that the pilot arrangements in Adult Social Services should continue pending internal replication of the systems used.</p> <p>Work on improving management information surrounding sickness absence is continuing and recommendations arising from the work in this area are due to be considered by CMT 4/4/07.</p> <p>Following the Internal Audit review, work has also been undertaken within individual Directorates to improve the accuracy and completeness of sickness data and the provision of management information.</p>	
<p>Recruitment and Selection Procedures</p>			
<p>The Council's recruitment and selection policy is not always followed. Guidance to managers is also insufficient to ensure that they comply with all relevant legislation and best practice.</p>	<p>Revised recruitment and selection policy, and associated guidelines were approved by the Personnel Committee in October 2005.</p> <p>Workshops with HR staff are currently taking place.</p> <p>The guidelines will be issued to all relevant staff in summer 2006.</p> <p>Briefings for Directorate Management Teams planned for late summer 2006.</p>	<p>The revised recruitment and selection policy, procedures and associated guidelines were finalised in June 2006, and published on the Council intranet on 4 July 2006. Implementation of the revised processes was supported by workshops for HR staff, briefings for Departmental Management Teams and publicity in the form of an HR Advisory Bulletin and articles in News and Jobs. The Council's recruitment and selection training course has also been amended to align with the revised policy.</p>	<p>Although good progress has been made to address the underlying control weaknesses, there is still insufficient evidence that the improved arrangements have been fully embedded. It is therefore possible that this issue will need to be disclosed in the 2006/07 SIC.</p>

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	<p>Attendance by HR staff at shortlisting and interview as necessary.</p> <p>December 2006</p>	<p>A follow up audit undertaken by Internal Audit in March and April 2006 found that all of the recommendations made in the March 2005 audit report had been implemented in full. However, concerns remained regarding the extent of awareness of, and compliance with the revised policy and procedures. Further work is therefore ongoing to ensure that managers understand their responsibilities and comply with the policy.</p>	
Business Continuity			
<p>Business continuity plans and procedures are required to enable the Council to respond effectively to any major events which may impact on the city and/or the ability of the Council to maintain its services. The 2004/05 SIC identified weaknesses in the Council's existing business continuity arrangements. Since then the Council has approved a Business Continuity Policy and Strategy. However, there is still a need to prepare specific Business Continuity Plans at corporate, Directorate and service levels.</p>	<p>An implementation plan has been developed to monitor delivery of the Business Continuity Policy and Strategy, together with preparation of the Council wide plan. Achievement of the implementation plan is being regularly monitored by the Business Continuity Officer Liaison Group.</p> <p>November 2006</p>	<p>Comprehensive and detailed procedures for extending Business Continuity arrangements across the Council have been developed. Each directorate has identified a 'Business Continuity Champion' who is responsible for ensuring compliance within their directorate. These officers meet regularly in a Business Continuity Working Group, where specific issues are addressed to be fed back into directorate plans. Table top exercise's are also available to those managers who wish to test their plans.</p> <p>The quality of Business Continuity plans across the Council is however inconsistent. There is a clear difference between those departments who have engaged with the Business Continuity department and those who have not. The importance of embedded Business Continuity within the Council was reinforced in a full exercise</p>	<p>There is insufficient evidence that the improved arrangements have been fully embedded. It is therefore possible that this issue will need to be disclosed in the 2006/07 SIC.</p>

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		with Management team in December 2006 and the introduction of a British Standard.	
Action Plan Implementation			
<p>The Council has no formalised procedure to monitor and review the implementation of agreed action plans including those arising from internal and external audit reports, inspection reports and other financial and performance reports.</p>	<p>A formalised procedure for tracking the implementation of agreed action plans will be developed by the Officer Governance Group.</p> <p>March 2007</p>	<p>Formal follow up time tables and escalation protocols and procedures for all IAS, external audit & inspection reports are now in place. Establishment of mid-term and outturn monitors for both IAS and External Audit as service functions.</p> <p>In-year monitoring procedures for the SIC, have been introduced, although further improvements are necessary.</p> <p>Mechanisms have been introduced by CMT for monitoring the overall Organisational Effectiveness Programme, which incorporates CPA (including CPA UOR). The Council separately monitors and reports on the CPA UOR action plan and action plan updates. Arrangements to monitor the Annual Audit Letter (AAL) action plan through A&G, were also established in 2006.</p>	<p>Formal procedures developed and now in place. It is unlikely that this issue will therefore need to be disclosed in the 2006/07 SIC.</p>
Budgetary Control			
<p>A number of service areas overspent their budgets during 2005/06. In a</p>	<p>The specific causes of the budget overspends in these service areas</p>	<p>Additional monitoring in the early part of 2006/07 identified on-going pressures for which council</p>	<p>Progress has been made to address this control issue.</p>

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<p>limited number of these areas the total budget overspends were greater than had been forecast during the year and reported to Members.</p>	<p>are being investigated. Improved budget monitoring arrangements are also being introduced. These improvements include revised forecasting and reporting procedures.</p> <p>September 2006.</p>	<p>wide corrective actions were identified. Progress on these, and other measures were agreed as part of the 2006/07 budget process, and have been monitored as part of the Council's joint finance and performance monitoring reports. As an example, annexes to the monitor reports now include updates to all growth and savings items.</p>	<p>However, the 2006/07 outturn will evidence whether these changes have been successful.</p>
<p>Health and Safety</p>			
<p>The Council has a Health and Safety Team within the Human Resources Department which provides professional health and safety advice to all service areas. It is recognised that the Council needs to develop greater consistency in health and safety performance and a more robust corporate framework in order to drive improvement and ensure compliance with legislation and best practice. The Council has also recognised the need to satisfy itself that adequate resources are available to provide professional advice and meet statutory requirements.</p>	<p>A prioritised corporate workplan has been agreed by the Health and Safety Steering Group.</p> <p>Revised corporate policies on Risk Assessment, Lone Workers and Slips, Trips and Falls have been adopted.</p> <p>Revised policies on Violence and Aggression, Incident Reporting and Manual Handling are currently the subject of final stage consultation.</p> <p>A revised approach to Health and Safety Training has been agreed.</p> <p>Training needs relating to lone workers, violence and aggression and manual handling are being assessed by Directorates.</p>	<p>New policies on Risk Assessment, Lone Working and Violence and Aggression were developed and launched in 2006.</p> <p>A new policy on incidents reporting and accident investigation has undergone consultation and is due for launch in time for the new financial year.</p> <p>Corporate bite sized training courses have been run and booked for current, new and imminent policies. These include Selection and Management of Contractors, Conflict Management and Manual Handling and Display Screen Equipment.</p> <p>Recruitment is underway for the additional health and safety post.</p>	<p>Good progress has continued to be made to address this control issue. It is possible that this issue will not need to be disclosed in the 2006/07 SIC.</p>

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	September 2006		
Project Management, Programme Management and Benefit Realisation			
<p>Although progress has been made to develop in-house management skills and capacity during the year there is still a need to ensure consistency across the Council. As a result major projects do not always realise the anticipated benefits to the Council. The resources to support key projects also remain limited.</p>	<p>The Council has adopted the Prince II project management methodology and the OGC programme management approach and will apply these to all appropriate activity. Staff leading major projects and programmes will be given formal training in these methodologies. COG will perform a Quality Assurance role for major corporate projects and programmes to ensure the further development of skills and capacity in this area.</p> <p>March 2007</p>	<p>Limited evidence of progress.</p>	<p>It is likely that this issue will need to be disclosed in the 2006/07 SIC.</p>