

Leicester
City Council

WARDS AFFECTED
All Wards

**RESOURCES & EQUAL OPPORTUNITIES SCRUTINY
STANDARDS COMMITTEE
CABINET**

**15th September 2005
21ST September 2005
26th September 2005**

CORPORATE GOVERNANCE: ANNUAL REPORT FOR 2004/5

REPORT OF THE DIRECTOR OF RESOURCES, ACCESS AND DIVERSITY

1. PURPOSE OF REPORT

The purpose of this report is to enable compliance with the requirements of the Council's Corporate Governance Code by carrying out an annual review of Corporate Governance arrangements for the year 2004/5 and to enable the Chief Executive to sign a Corporate Assurance Statement.

2. SUMMARY

An annual review of Corporate Governance arrangements has been carried out in consultation with lead officers responsible for all Key Policies and Procedures which form the Council's Corporate Governance Framework. The outcome is summarised in **Appendix 1**.

3. RECOMMENDATIONS

3.1 Resources and Equal Opportunities Scrutiny Committee and Standards Committee are asked to review the position as summarised in this annual report and to forward any comments to Cabinet for consideration.

3.2 Cabinet is recommended to:

3.2.1 Review the position as summarised in this annual report together with any comments received from Resources and Equal Opportunities Scrutiny Committee and Standards Committee; and

3.2.2 Authorise the Service Director – Legal Services to finalise a form of Corporate Assurance Statement to be signed by the Council's Leader and Chief Executive, to be published on the Council's web site.

4. HEADLINE FINANCIAL AND LEGAL IMPLICATIONS

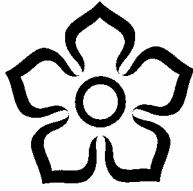
Covered in the report.

5. REPORT AUTHOR

6. Peter Nicholls, Service Director - Legal Services, x6302

DECISION STATUS

Key Decision	No
Reason	N/A
Appeared in Forward Plan	N/A
Executive or Council Decision	Executive (Cabinet):



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CORPORATE GOVERNANCE: ANNUAL REPORT FOR 2004/5

SUPPORTING INFORMATION

1. REPORT

Corporate Governance Code

- 1.1 In May, 2002, the Council approved and adopted a local Code of Corporate Governance which was seen to be consistent with the principles and reflected the requirements of the "CIPFA / SOLACE Framework, Corporate Governance in Local Government: A Keystone for Community Governance". A copy of the Code is available on the Council's web site.
- 1.2 CIPFA / SOLACE has defined Corporate Governance as "the system by which local authorities direct and control their functions and relate to their communities". The system needs to be able to demonstrate clearly:
- Openness and inclusivity
 - Integrity
 - Accountability

Annual Review

- 1.3 There has been a need to establish arrangements to review and publish statements on the extent to which the Authority is complying with good practice, and on the operation and effectiveness of its Corporate Governance arrangements.
- 1.4 There is a need for annual consideration of the extent to which the Authority complies with the elements of Corporate Governance set out in the Code. A statement must be published setting out the extent of compliance and proposed actions to address non-compliance. Systems, processes and documentation will need to evidence compliance, and there is a need to identify those responsible for monitoring and reviewing systems, processes and documentation identified.

1.5 Lead officers have been appointed for all key policies and procedures, as set out below. They are responsible for satisfying themselves that the policies and procedures work properly in practice and must provide the necessary reports and assurance statements to the Town Clerk to enable the annual report to be co-ordinated.

1.6 The outcome of the Annual Review for 2004/5 is shown as **Appendix 1**.

Page No.	KEY POLICIES AND PROCEDURES	LEAD OFFICER
8	Consultation strategy	Assistant Chief Executive
10	Performance management framework	Assistant Chief Executive
11	Project management	Corporate Director, RAD
14	Members' Code of Conduct and Political Conventions and Members support framework	Corporate Director, RAD
15	The Council Constitution	Service Director - Legal Services
16	Information Governance	Service Director - Legal Services
20	Communication strategy	Assistant Chief Executive
21	Partnership policies	Assistant Chief Executive
22	Effective Human Resource Policies	Service Director - Human Resources and Equalities
23	Whistle blowing	Service Director - Human Resources and Equalities
24	Code of Conduct (officers)	Service Director - Human Resources and Equalities
25	EMAS	Corporate Director of Regeneration and
29	Procurement strategy	Chief Finance Officer
33	Contract Procedure Rules	Service Director - Legal Services
34	Anti-fraud and corruption	Chief Finance Officer
36	Risk management strategy	Chief Finance Officer
38	Effective administration of financial affairs (Finance Procedure Rules and associated guidance)	Chief Finance Officer
41	Health and safety policy	Service Director - Human Resources and Equalities

1.7 The Chief Executive is the officer responsible for signing off an "Annual Assurance Statement", together with the Leader of the Council.

1.8 Oversight of the Council's corporate governance arrangements is a function of Cabinet within its terms of reference relating to Finance and Resources. Corporate Governance also falls within the remit of Resources & Equal Opportunities Scrutiny Committee and the Authority's Standards Committee which are receiving this report for comment.

Internal Audit

1.9 The 2004/5 Internal Audit Operational Plan included provision for a review of Corporate Governance arrangements. A report has been issued which reported findings of an audit reality-check on the Annual Assurance Statement, the supporting position statements and the underlying processes.

- 1.10 The report concluded that the process behind the Authority's Annual Assurance Statement is operating effectively and that a good system was in place that reflects a wider appreciation of the importance of Corporate Governance across the City Council. Some areas for improvement were identified but these have been dealt with when carrying out this review.

External Audit

- 1.11 There is a need to address the District Auditor's findings contained in his Annual Audit and Inspection letter for 2003/4. The report indicates 2 areas of concern regarding Corporate Governance:

- i) Procurement – revenue contracts:
The DA gives a “satisfactory” report, but shows there to be 2 areas which need to be strengthened:
- establishing contracts for frequently used suppliers where individual transactions are small but the annual cumulative cost is significant; and
 - ensuring a better understanding and use of the Council's select list of contractors to demonstrate value for money and reduce the risk of fraud and corruption.

These areas are being addressed as shown in the attached **Appendix 1** (page 29): a procurement strategy is in the process of being finalised; a contractor is being appointed to provide a fully managed and maintained select list of approved contractors which will provide intranet / internet access to a select list by all employees. Further, the use of framework contracts is being encouraged and developed.

- ii) Under legality of transactions the overall picture is very positive but the DA does indicate concerns regarding early retirements and that he is commencing a review of the Council's overall arrangements in respect of early retirements as part of his audit programme.

- 1.12 The District Auditor has commented very positively about the Authority's Corporate Governance Framework and stated that the Annual Report can usefully complement the District Auditor's programme of work for the Authority.
- 1.13 The Audit Commission has stated in a recent consultation paper that “Corporate Governance is the framework of accountability to users, stakeholders and the wider community, within which organisations take decisions, and lead and control their functions, to achieve their objectives. The quality of Corporate Governance arrangements is a key determinant of the quality of services provided by organisations”.
- 1.14 The annual review and Assurance Statements produced will be scrutinised as part of the Comprehensive Performance Assessment process.

Outcome of the review for 2004/5

- 1.15 This has been the third annual review, the first being for 2002/3. The outcome is summarised in **Appendix 1**. For each key policy / procedure the lead officer has been required to provide a position statement as at March, 2005:
- * potential key risks
 - * areas assured
 - * adequacy of processes
- 1.16 This is compared to the position reported to Cabinet on the 27th September, 2004.
- 1.17 The lead officer has also been required to show action which has been taken and which needs to be taken as at March, 2005.
- 1.18 Standards set out in the Authority's Corporate Governance Framework include both absolute items i.e. those subject to legislative or other regulatory control and relative items that the Council adopts for good management.
- 1.19 Examples of relative standards include the Authority's consultation strategy and its performance management framework.
- 1.20 The review has shown that it is more difficult for the Authority to be assured that these standards are being adhered to within all service departments, not just within the corporate core. There are four main levels of action which can be taken to address this:
- i) Ensure that adequate systems are in place;
 - ii) Require Corporate Directors to provide lead officers with annual assurance statements that key policies and procedures are being complied with within service departmental areas;
 - iii) Carry out audits to ensure compliance;
 - iv) Encourage a learning / improvement culture, for example, using the results of audits to inform future work and development.
- 1.21 Assurance statements: these have been provided by lead officers for each key policy / procedure to confirm to what extent systems are in place.
- 1.22 Some significant gaps have been identified:
- * Communications Strategy: assurance could not be given as at March but since then a strategy has been introduced.
 - * Similarly a performance management strategy has been developed and introduced since March.
 - * A corporate information management policy / strategy is in the process of being developed.

- 1.23 There are examples where lead officers require assurance statements from each Corporate Service Director before providing and signing off an Assurance Statement at corporate level for inclusion in this Annual Report e.g the Corporate Director of RAD in respect of Project Management and the Chief Finance Officer in respect of Financial Procedures, Fraud and Corruption, Procurement Policy and Risk Management Strategy. A similar system has been introduced in respect of Information Governance as from 2005.
- 1.24 Audits: these are being carried out in respect of a number of key policies and procedures, for example, in respect of the Chief Finance Officer's responsibilities shown above. Also the Information Management and Contracts Manager has introduced an annual compliancy audit system within departments.
- 1.25 A system whereby Service Departments must provide assurance in respect of all key policies and procedures and / or be subject to a programme of audits can provide sufficient evidence to enable more realistic assurance of compliance throughout the Authority. Each lead officer is being encouraged to introduce a system to suit the key policy / procedure in question. This is going to be more challenging in some areas, for example in respect of consultation strategy.

Summary

- 1.26 It can be seen from the position statement shown attached as **Appendix 1** that there are no identified risks to the Authority for failing to comply with its absolute standards.
- 1.27 Complete assurance has only been given in respect of two of the key policies / procedures i.e. Code of Conduct for Officers (page 24) and Anti-Fraud and Corruption Policy (page 34). In respect of all other policies / strategies limited assurance has been given because in each case the lead officer has identified development needs supported by an action plan. Delivery of these action plans will be monitored and progress reported as part of the Annual Review and report for 2005/6.

Complaints to the Ombudsman

- 1.28 A Monitoring Officer issue which is not specifically identified in the Corporate Governance Framework is the position in respect of Local Government Ombudsman complaints.
- 1.29 A summary of Local Government Ombudsman complaints received from 1st April 2004 to 31st March 2005 is attached as **Appendix 2** including a comparison with the previous two years 2002/3 & 2003/4.
- 1.30 The number of complaints where maladministration has been found has doubled from 2 in 2003/4 to 4 in 2004/5. However, three of these four complaints relate to the same planning issue.

1.31 Appendix 3 is a comparison table of family authorities for the years 2002/3, 2003/4 and 2004/5.

2. FINANCIAL, LEGAL AND OTHER IMPLICATIONS

- i. Financial Implications**
Covered in the report.
- ii. Legal Implications**
Covered in the report
- iii. Other Implications**

OTHER IMPLICATIONS	YES/NO	Paragraph references within supporting information
Equal Opportunities	Yes	E.g. consultation strategy policy, page 8
Policy	Yes	E.g. partnership policies, page 21
Sustainable and Environmental	Yes	EMAS policy, page 25
Crime and Disorder	Yes	E.g. partnership policies, page 21
Human Rights Act	Yes	E.g. information governance, page 16
Elderly/People on Low Income	Yes	E.g. partnership policies, page 21

3. BACKGROUND PAPERS – LOCAL GOVERNMENT ACT 1972

Relevant legislation, national policies, the Council's Corporate Rules, Policies and Standards referred to in this report.

4. CONSULTATIONS

Trevor Croote for the District Auditor, Corporate Directors' Board, Tom Stephenson, Charles Poole, Keith Murdoch, Mark Noble, Laurie Goldberg, Ian McBride, Johanne Robbins, Ed Smith, Liz Reid Jones, Carol Brass, Geoff Organ, Sangita Ganesh, Mark Bentley.

5. REPORT AUTHOR

Peter Nicholls, Service Director – Legal Services, x6302

APPENDIX 1

PROCESS: CONSULTATION STRATEGY				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Assistant Chief Executive	<ol style="list-style-type: none"> 1. The established strategy is not appropriate to the Council's needs. 2. The strategy and resultant policy guidance is not fully implemented by the Council's management and so not used to drive up performance. 3. The generation of poor quality information from consultation leads to poor decision making. 4. The strategy is not given the appropriate level of leadership by the members and senior managers. 	Assurance can be given in all areas but acknowledging that quality management is the responsibility of those carrying out the consultation.	<p>The Public Research and Consultation Group publishes a regular bulletin on consultation listing current consultation activities and sharing best practice amongst officers.</p> <p>Training on different elements of consultation has been provided to officers.</p> <p>ACE will write to all Corporate Directors seeking assurances that staff are using the toolkit in all consultation exercises. Consideration is being given to extending this to include sample monitoring if practical and beneficial.</p>	The consultation toolkit has been revised and re-launched giving guidance on all aspects of consultation and participation. It is available on the intranet site.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Evaluation of consultation exercises to be undertaken to ensure that poor quality information is not being generated.	Currently there is no way of establishing whether consultation exercises are effective and so this will give useful information	Keith Murdoch, Assistant Chief Executive	August 2005		August 2005		Information will be put on consultation toolkit site on the intranet.	Consultation toolkit intranet site.
2	Training for	First programme of	Keith Murdoch	Nov.		Training			Consultation toolkit.

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
	officers.	training run 2004 was successful so a further programme is planned for the autumn.	Assistant Chief Executive . Liz Reid-Jones, Head of Policy & Performance.	2005		programme			Consultation bulletin, PPT, CXO

Signature of Lead OfficerDate.....

PROCESS: PERFORMANCE MANAGEMENT FRAMEWORK				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Assistant Chief Executive	<ol style="list-style-type: none"> 1. The established framework is not appropriate to the Council's needs. 2. The policy is not given the appropriate level of leadership by the political and managerial executive. 3. The policy and resultant guidance is not fully implemented by the Council's management and so used to drive up performance. 4. The generation of poor quality information within the framework leads to poor decision making. 5. The framework does not interface correctly with other frameworks e.g. the Leicester Partnership. 	Assurance can be given in all areas subject except risk number 5 which is under review due to changed performance requirements placed on the Council and partners.	<p>Implementation – improvement addressed within the Comprehensive Performance Assessment improvement plan. Significant investment currently in service planning training. The framework was comprehensively reviewed and approved in July 04.</p> <p>This is subject to internal audit verification and is part of their annual work programme.</p>	Processes have been subject to audit and found to be sound.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	The framework does not interface correctly with that of partners.	Initial discussions held. This will be addressed in the development of the LAA.	Keith Murdoch, Assistant Chief Executive. Austin Roberts, Head of Performance and Best Value	1 st April 2006	No	1 st August 2005 – 31 st March 2006		None	None

Signature of Lead OfficerDate.....

PROCESS: PROJECT MANAGEMENT				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Corporate Director, RAD	<ol style="list-style-type: none"> 1. Project Management Standards and procedures for major projects insufficiently defined, communicated and applied. 2. Risks and wider corporate resource implications of major projects inadequately identified and addressed. 3. Insufficient management skills, resources and professional support available to major projects. 4. Completed projects inadequately reviewed so that lessons learnt and potential improvements are not applied. 	All areas are assured, subject to full implementation of new mandatory PRINCE2 standards and procedures.	A complete review of project management requirements and procedures has been undertaken in consultation with SRG. The new framework which applies the recommendations of the District Auditor review is in the process of being implemented. This includes the commissioning of a new training programme, and the auditing of existing major projects for compliance with the new requirements. The Service Director (Property) has been designated Head of Profession for project management with responsibility for overall standards and for arrangements for project assurance.	

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Required improvements in the corporate standards	Action taken as described above.	Tom Stephenson, Corporate Director, RAD		Yes			Standards are being placed on the intranet.	Intranet.
2	Whether a more substantial in-house project assurance and support function is required.	SRG was asked to consider this, including through Internal Audit.	Tom Stephenson, Corporate Director, RAD		Yes			Service Director (Property) given responsibility as Head of Project Management. Resources to support the role are being developed.	SRG

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
3	How to improve the current standard of project management and compliance with corporate standards.	This is part of the improved framework.	Tom Stephenson, Corporate Director, RAD		Yes			The new standards and procedures include arrangements for compliance audit and project review.	Intranet
4	How the Council's input to joint working with external agencies should be project managed.	This is part of the improved framework.	Tom Stephenson, Corporate Director, RAD		Yes			Included in the new standards.	Intranet
5	Establish resources to support the role of Head of Project Management.		Lynn Cave, Service Director (Property)	March 2006		Proposal to SRG in April, with implementation over 6-9 months.			
6	Establish a project management training programme.		Lynn Cave, Service Director (Property)	Sept. 2005		A brief has been agreed and a funding exercise for a trainer is about to start.			
7	Confirm that major projects comply with the new standards		Lynn Cave, Service Director (Property)	July 2005		Assessment of the highest risk projects is planned for April. Project Directors of other major projects are			

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
						to be asked to complete Assurance Statements by July 2005.			

Signature of Lead OfficerDate.....

PROCESS: MEMBERS' CODE OF CONDUCT AND POLITICAL CONVENTIONS AND MEMBERS SUPPORT FRAMEWORK				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Corporate Director, RAD	<ol style="list-style-type: none"> 1. Members not sufficiently trained to enable them to conduct the business of the Council in accordance with the law and the Council's Constitution. 2. Members' conduct not in accordance with the provisions of the Members Code of Conduct. 3. Members unable to carry out their duties, including constituency work, in an effective manner, leading to personal stress and a less effective democratic interface with constituents. 4. Members violate provisions of Members Allowances Scheme. 	Assurance can be given in all areas subject to the following improvement required.	<ol style="list-style-type: none"> 1. Members Training and Development Forum established. 2. Annual programme of member training and development published. 3. Standards Committee ongoing monitoring of member complaints. 4. Member training provided on chairing and Regulatory Committee skills. 	Council's Constitution and Political Conventions reviewed and updated. Training and briefing on licensing regime has taken place.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Member development programme to be formulated and delivered.	Programme published. Training now being delivered according to timetable.	Charles Poole, Service Director – Democratic Services	April 2005	Yes	The training and development programme will be reviewed by Members Development forum – Oct. 06		Training documentation and attendance records for each course.	
2	Additional support for front line members.	Proposals currently in preparation.	Charles Poole, Service Director – Democratic Services.	June 2005		Proposed organisational arrangements to develop Area Committee working.		Revised organisational structure.	

Signature of Lead OfficerDate.....

PROCESS: THE COUNCIL'S CONSTITUTION				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Service Director – Legal Services	<ol style="list-style-type: none"> 1. Failure to ensure the Constitution complies with legal requirements. 2. Failure to ensure that the Constitution reflects the current administration's needs. 3. Failure to ensure the Constitution is communicated and available for Members and officers. 4. Failure by officers/ Members to comply with the Constitution's requirements leading to illegality or maladministration. 	Assurance can be given in all areas subject to the following improvement required.	<p>The Constitution has been reviewed and updated a number of times to meet corporate requirements; the current edition is available on the internet and in hard copy format to a restricted number of users.</p> <p>Training has been provided to Members and officers.</p> <p>The Constitution is kept under review by the Procedures Working Party, formerly the Organisation Working Party.</p>	The Constitution has been reviewed and changes have been authorised by full Council. A revision has been published on the internet/intranet and is soon to be published in hard copy format. Further training for officers and members is being programmed for the year. This will be informed by the Members' Development Forum.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Constitution needs to be updated and published on the internet/intranet	Any changes approved by Council are now published via the internet in 5 working days, the latest version being 1 st February, 2005	Peter Nicholls, Service Director – Legal Services	April 2005	Yes	A further update is being considered by Council on 31.3.05		New hard copy on A5 is also being published after Council in March	Date of Council minutes and date of internet/ hard copy version.
2	Training for elected members	Training has been provided for individual members and revised training is being introduced into the member induction programme	Peter Nicholls, Service Director – Legal Services	April 2005	Individual member training now available	Improved induction programme			Service Directors' records of 1:1 training and corporate induction programme.

Signature of Lead OfficerDate.....

PROCESS: INFORMATION GOVERNANCE				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Service Director – Legal Services	<ol style="list-style-type: none"> 1. Failure to ensure the Authority complies with legal requirements with the associated penalties. 2. Failure to ensure legislative obligations are communicated and guidance is available for members and officers. 3. Failure by officers/ members to comply with legislative obligations leading to illegality of maladministration. 4. Information becomes corrupt and/or out of date and incorrect decisions are made. 5. Information is not available when and where it is needed. 6. Professional support is insufficient. 	<ol style="list-style-type: none"> 1. Assurance can be given in all areas covered by the central function. 2. Assurance cannot be given at a departmental or member level. 3. Improvement required is identified in this report. 4. There is a high level of ongoing legislative change in these areas which is expected to continue for at least the next 12 months, therefore considerable change will continue to be experienced. There will be resource implications. 	<ol style="list-style-type: none"> 1. Guidance has been reviewed and updated several times to reflect legislative change; the current edition is available on the intranet and is available to all users. 2. Training has been provided to members and officers. 3. Guidance is kept under review by the Information Management Group under the instruction of the Information Management project Board. 4. Annual departmental compliance is required by 1st March each year. 5. Annual compliancy audits are carried out for all areas by the ICT Information Management & Contracts Team (IMC). 	Assurance can be given in respect of the Data Protection Act 1998 (DPA), Freedom of Information Act 2000 (FOIA) functions etc handled by information and Contracts (IMC) , but assurance cannot be given in respect of departments.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Assurance must be given at departmental level	The corporate Information Management and Contracts Team will as from 2005 ask each department to give a signed assurance to this effect.	Ed Smith,	Nov. 2005		This will be an annual check to ensure compliance with the department.		This has been requested by Corporate Directors Board.	Written assurances to be provided by each department.

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
2	Lack of standard proforma	Proforma and associated guidance has been produced and are available via the intranet.	Ed Smith, Contracts & Security Manager	April 2005	Yes	Further updated may be needed for further changes to FOIA, Regulation of Investigatory Powers Act, and the EU Re-use of Public Sector Information Directive.		Information Governance Intranet site.	
3	Lack of Information Retention and Deletion Policy	Policy approved by SRG and Project Board. Report being taken to March's Council to update the Constitution.	Ed Smith, Contracts and Security Manager	April 2005	Will achieve deadline subject to Council approval.	Will require continuous review and update. Will be maintained outside the Constitution.		SRG minutes. Council report for March 2005	
4	Transfer areas of work performed centrally to departments.	Agreed by SRG July 2003	Ed Smith, Contracts and Security Manager	Nov 2004	Yes	Annual review to ensure new obligations are being actioned properly.		May be associated resource requirements.	SRG minutes 22 nd July 2003.
5	Inadequate financing: Departments.	Agreed by SRG – July 2003.	Departmental SRG reps.	Nov. 2004	Yes	Reps. advised of issues by departmental co-ordinators			SRG minutes 22 nd July 2003.
	Information & Contracts to bid last half of 2004	To be considered as part of the corporate Information Management Strategy by the Project Board and	Ed Smith, Contracts and Security Manager.	Dec. 2004	No.		Information management strategy review	Will be reviewed during 2005/6 as part of development of Information Management Strategy.	Project Board minutes

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
		RAD DMT.					dependant on 2005 capital programme – now agreed.		
6	Lack of information management policy	To be considered as part of the corporate Information Management Strategy by the Project Board	Ed Smith, Contracts and Security Manager	Dec. 2004	No	Draft strategy produced and to be agreed by Project Board and SRG. Policy and procedures will be produced once strategy defined.	Information Management Strategy review dependent on 2005 capital programme – now agreed.	Will be reviewed during 2005/6 as part of development of Information Management Strategy.	Project Board minutes.
7	Lack of information Management Strategy.	To be developed under the guidance of the Project Board and SRG.	Ed Smith, Contracts and Security manager.	Dec. 2004	No.	Draft strategy produced and to be agreed by Project Board and SRG – target June 2005.	Information Management Strategy review dependant on 2005 capital programme – now agreed.		
8	Annual audits	To be conducted annually against specific targets to	Ed Smith, Contracts and Security	Dec. 2004	Yes	Audit delivered and issues addressed.			

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
		measure compliance in areas of concern which may be identified from national issues or areas of apparent concern internally.	Manager						
9	Training	Annual sessions provided by Information Management & Contracts to address issues identified at 8, or emerging / new legislation and case law.	Ed Smith, Contracts and Security Manager	April 2005	Yes	Training delivered.			

Signature of Lead OfficerDate.....

PROCESS: COMMUNICATION STRATEGY				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Assistant Chief Executive	1. The strategy is not implemented consistently across the Council.	No.	Almost complete.	Compliance is assured by Corporate Directors. Monitoring and audit at 31.3.06.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Strategy and associated action plan need to be formally agreed by Corporate Directors' Board and Cabinet.	Strategy and first draft action plan already presented to SRG, who approved strategy but asked for revisions to action plan, especially in the area of resource requirements before progressing further. Returning to SRG on 29 th March and arrangements in hand to present strategy and action plan for final approval of Corporate Directors' Board and Cabinet during April / early May.	Mark Bentley, Head of Communications	May 2005		Corporate Directors' Board / Cabinet during April / May		Strategy will be published on the intranet and widely publicised once finally agreed.	Intranet.

Signature of Lead Officer Date.....

PROCESS: PARTNERSHIP POLICIES				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Assistant Chief Executive	1. Failure to work as an effective partner. 2. Failure to fulfil the Council's community leadership role. 3. Failure to sufficiently safeguard the Council's legal, financial and other interests as a member of any partnership.	Based on the information only limited assurance can be given.	There are considerable developments in the area of partnership working and the planned project has been adapted to include the new local area agreements. ACE will write to all Corporate Directors seeking assurances that staff are using the toolkit in all consultation exercises. Consideration is being given to extending this to include sample monitoring if practical and beneficial.	The Chief Executive is currently undertaking a project on partnership working. The results of this will be available in the autumn.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Contribute to the development of a local area agreement for Leicester (if successful)	Government guidance will be published end March and Leicester will apply for local area agreement status. If successful this will place a whole new emphasis on partnership working and the links between funding streams.	Keith Murdoch, Assistant Chief Executive	April 2005		April 2005		Local area agreement will be led by the Leicester Partnership.	

Signature of Lead OfficerDate.....

PROCESS: EFFECTIVE HUMAN RESOURCES POLICIES				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Service Director – Human Resources & Equalities	1. Failure to enable an effective HR policy to suit current operational needs. 2. Non-compliance.	HR strategy and annual HR work programmes with agreed review arrangements.	No improvements identified.	Established arrangements continuing.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Training in fraud awareness	Training will be provided as requested by departments and as part of an ongoing programme of seminars.	Head of Audit and Governance	Ongoing		Yes			
2	Review of Council whistleblowing policy to align it with the Public Interest Disclosure Act	Revised draft document to be presented to RAD DMT	Service Director (HR & Equalities)	April 2005		June 2005		Complete	
3	Positive vetting of new appointees and existing employees.	To be developed based on critical review of person specifications and ensuring financial integrity is an attribute on key risk posts.	Service Director (HR & Equalities)	March 2006		Yes		Requires report to engage departmental staff 0-HR Strategy meeting 15 th Sept. 2005	

Signature of Lead OfficerDate.....

PROCESS: WHISTLE BLOWING				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Service Director – Human Resources and Equalities	1. Policy commenced and implemented.	New policy subject to formal agreement to reflect concerns raised by District Audit.	New policy established. Communication and implementation programme for 03/05.	Need for regular review.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	New policy	Final version	Ian McBride, Service Director (HR and Equalities)	June 2005	Yes				Policy available for inspection.
2	Communication and implementation plan	Timetable	Ian McBride, Service Director (HR and Equalities)	08/05		Yes Aug. 2005		In Contact only	Plan and timetable available for inspection.

Signature of Lead OfficerDate.....

PROCESS: CODE OF CONDUCT (OFFICERS)				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Service Director – Human Resources & Equalities	1. Failure to ensure that the Code of Conduct reflects legal requirements or current operational needs. 2. Failure to ensure Code of Conduct is communicated or complied with.	Current Code works well.	No further work necessary pending the publication of a new National Code.	Review of current policy following publication of a new National Code.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Review of current policy following publication of new National Code of Conduct.	Awaiting publication of new National Code of Conduct.	Ian McBride, Service Director (HR and Equalities)	March 2006		Yes			

Signature of Lead OfficerDate.....

PROCESS: EMAS				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Corporate Director of Regeneration and Culture	1. Failure to maintain EMAS registration by not being able to close out non-conformities raised by the external EMAS verifier.	<p>There were no non-conformities raised during the June 2003 verification process, but improvement notes were issued in the areas below:</p> <p>6.3.01 <i>Improvement is required to ensure that LCC can demonstrate conformance to its Environmental Policy Commitment to Prevention of Pollution.</i></p> <p>6.3.02 <i>Interface arrangements within LCC between landlord and tenant require improvement to ensure that roles, responsibilities and authorities are defined, documented and communicated in order to facilitate effective environmental management. As communications form an essential element in this process, improvement to existing procedures are required to ensure that effective communication exists between various functions of LCC.</i></p> <p>6.3.03 <i>Improvement is required in conforming to the LCC environmental policy commitment to legal compliance and periodic evaluation of compliance with all relevant environmental legislation.</i></p> <p>An interim visit was carried out by the external verifiers in November 2003. Satisfactory progress was recorded. There were no non-conformities raised during the April 2004 verification process and the Authority was recommended for re-registration.</p> <p>One new improvement note was raised relating to landlord – tenant interfaces. One of the previous improvement notes was discharged relating to compliance with environmental legislation.</p>	EMAS continues to be audited through a three year internal audit programme which is resourced from both internal audit in RAD and the Environment Team in R&C Dept. In addition it is externally audited by external verifiers currently Lloyds Register Quality Assurance (LRQA).	<p>Corporate Directors received a progress report on clearing improvement notes in October 2003. A further report was presented to Corporate Directors' Board on 30th April 2004.</p> <p>There were no non-conformities raised during April 2004 verification process and the Authority was recommended for re-registration.</p> <p>One new improvement note was raised relating to landlord and tenant interfaces.</p> <p>One of the previous improvement notes was discharged relating to compliance with environmental legislation.</p>

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Improvement Note 6.3.01 <i>Improvement is required to ensure that LCC can demonstrate conformance to its Environmental Policy Commitment to Prevention of Pollution.</i>	Work has been completed at Avenue School to replace oil-fired boilers with gas, decontaminate the cellar area and remove the oil tank.	Carol Brass / Anna Dodd	May 2005		Env. Team is inspect and check duty of care documentation for disposal of oil tank.		Will be checked before May 2005. This has been down graded to an observation.	Env. Team verification files.
2	Improvement Note 6.3.02 <i>Interface arrangements within LCC between landlord and tenant require improvement to ensure that roles, responsibilities and authorities are defined, documented and communicated in order to facilitate effective environmental management. As communications form an essential element in this process, improvement to</i>	Develop landlord and tenant agreement detailing responsibilities on landlord and occupiers	Carol Brass / Anna Dodd	May 2005		Written, to be reviewed at May verification visit.		Remains as an improvement not until processed at May verification visit.	

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
	<i>existing procedures are required to ensure that effective communication exists between various functions of LCC</i>								
3	<i>Schools Verification LCC should again consider its position on water hygiene, define its policy and procedures and determine if this is to be a mandate or option for schools to follow. In making its decision, LCC should seek advice (legal if necessary) of the consequences of not undertaking monitoring in accordance with the Approved Code of Practice or Bulletin.</i>	Investigate how to take forward issues with water hygiene management.	MJ	March 2006				Requires liaison with corporate health and safety.	
4	<i>Schools Mirror NC Former Improvement Note 3/04/01 refers and carried over. Despite Education and Lifelong Learning issuing</i>	Improvement to COSHH actions required.	Carol Brass / Anna Dodd	March 2006					

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
	<i>Health and Safety Bulletin No.49 in May 2004, and providing training to Premises Officers, the COSHH registers and Material Safety Data Sheets (MSDS) held by LCC schools for chemicals used on premises are not up to date or complete in all cases.</i>								

Signature of Lead OfficerDate.....

PROCESS: PROCUREMENT STRATEGY				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Chief Finance Officer	Failure to protect the Council's financial and legal interests and failure to maximise purchasing power.	Limited assurance can be derived from the work outlined as to the effectiveness of the Procurement Strategy.	The Procurement Strategy has been rewritten. Training continues. Off-contract purchasing identified and purchasers asked for justification. Performance in some departments is improving by process management. There are some areas of good practice balanced by less effective practices although there has been demonstrable improvement since last year.	Routine reporting of "off-contract" purchasing takes place to an interdepartmental officer group, and a programme of training is taking place. In this way the profile of this issue is being maintained. It is believed that substantial improvements can be made by reducing the number of people who buy and introducing greater standardisation. Compliance monitoring will also be commenced.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Procurement training	A programme for this is in operation and courses are run regularly.	Head of Corporate Procurement, Support and Income	Ongoing. continuous programme	Over 460 staff have attended a range of training events	Further training modules are planned		Bi-monthly training days (2 per occasion) are held covering Principles of Procurement, mid to complex procurement and specification writing. Two new events are to be added to the training suite this autumn: Contract Management Module and a two year professional qualification course (Chartered Institute of Purchasing and Supply	Reports and documents are held by CPT

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
								– CIPS). Additionally, toolkit training is run on 8 occasions each year and bespoke induction training provided to all Finance staff plus individual training is offered and supplied to departments.	
2	Monitoring of “off-contract” purchasing	Regular review and reporting to CPG	Head of Corporate Procurement, Support and Income	Ongoing. Continuous programme		Yes for current year		A significant piece of work was undertaken during late summer of 2004 to analyse where officers had purchased from suppliers other than those with which we have a contractual relationship or where Contract Procedure Rules had been followed. This work continues during the current financial year. The first quarter's report will be presented to Finance Managers Group and Corporate Procurement Group in Sept.	Report and documents are held by CPT
3	Procurement Strategy	The final draft is to be presented to the Corporate Procurement Group	Head of Corporate Procurement Support and Income	6 th Sept.	Drafting complete	Presented to CPG on 6 th Sept.		This is the second version of the strategy which will replace the 2001 version.	Reports and documents are held by CPT.
4	Select List	Procurement of a new Select List from all	Head of Corporate	30 th Sept.	Specification	Contract award end of		We are currently out to tender for a contractor	Reports and documents are held

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
		outsourced supplier has been agreed as the corporate way forward.	Procurement Support and Income		complete. The tenders have been returned and are being evaluated	Sept 2005		to provide a fully managed and maintained Select List of approved contractors. Once the award has been made (Sept) and the contract is fully operational (April 06) we will have an intranet / internet available list for all employees to use. This list will include supplier(s) for all categories of expenditure over £1,000 pa where a current supply contract does not exist. A definition of current supply contract is ESPO and contracts which we have been notified of by the completion of Contract Notification Forms – this then is used to populate the contracts data base. A full set of instructions will be produced in the form of a user guide for all staff.	by CPT
5	Framework contracts	Reduce the number of vendors used for low value high volume purchases	Head of Corporate Procurement Support and Income	Ongoing	This is work in train and will continue for the foreseeable	Yes		Although this aspect of procurement is well understood the current financial system does not allow for easy analysis of spend without the manual	

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
					able future as our needs change			search through all the filing boxes in both NWC and Pilot House to find the relevant invoices to enable the "what we have purchased" question to be answered. Therefore we have taken a slightly different view of this, the mandatory use of ESOP has been reinforced, this will, if followed, reduce the number and value of purchases outside the remit of the consortium. Several procurement exercises have already been put in place to remedy other areas (remembering always that the DA's 2003/4 letter was based on 2002/3 financial data). This combined with the Select List project will reduce a lot of the low value high volume purchases which came to light during our analysis of the 2002/3 data.	

Signature of Lead OfficerDate.....

PROCESS: CONTRACT PROCEDURE RULES				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Service Director – Legal Services	1. Failure to ensure CPRs comply with the law and current organisational needs. 2. Insufficient awareness / access by officers / members. 3. Failure to comply leading to financial losses, breach of law. 4. Failure by departments to comply with departmental responsibilities under the rules. 5. Failure by departments to use legal services where required. 6. Failure by decision makers, whether Cabinet or officers, to take into account legal implications when considering whether to enter into a contract.	Compliance can be assured in respect of contracts handled by Legal Services, but assurance cannot be given in respect of contracts handled and managed within departments.	CPRs are reviewed regularly e.g. the current review. They can be accessed via the intranet and on hard copy. Review is in consultation with users e.g. the Corporate Procurement Group led by Geoff Organ. Training has been provided. Legal Services has a specialist team dealing with the contract work. There is a good relationship with the Corporate Procurement and Business Team which now monitors EC procurement. All contracts referred to Legal Services identify the necessary authority.	A full review of Contract Procedure Rules is underway led by the Corporate Procurement Group with input from Legal Services. Specific attention is currently being given to Contract Procedure Rules relating to the procurement of professional services. Legal input into decision making by Cabinet is being closely monitored.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Complete review of CPRs.	A review is close to completion. A final draft produced and is due to be reported to Full Council for approval.	Geoff Organ, Head of Corporate Procurement support and Income	Autumn 2005	Drafting contracts			This complex work is about 80% complete	Draft documentation and reports to the Corporate Procurement Group

Signature of Lead Officer Date.....

PROCESS: ANTI-FRAUD AND CORRUPTION				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Chief Finance Officer	Failure to identify and tackle fraud and corruption	Assurance can be derived from the work carried out as to the effectiveness of the anti-fraud and corruption strategy.	<p>Training in fraud awareness has been delivered as requested to Education and Lifelong Learning and SC&H and Housing Benefits & NH officers. In addition a finance seminar on fraud was delivered to Finance staff. This will be repeated during 2005/6.</p> <p>The review of the Public Interest Disclosure Act approach has been completed by SD (HR&E) and a report sent to RAD DMT in March 05. Re developments re; positive vetting. Following recent discussions between Head of Audit and Governance and SD (HR&E) a way forward has been agreed to review person specifications and how financial integrity can be assessed as an attribute on key risk posts. It is unlikely that this will have been fully resolved by the end of 2005/6. The Council is participating in national fraud initiative again and funding to support this has been obtained from DWP. Use of data matching sources such as NFI and HBMS continues to produce a steady source of potential fraud cases.</p>	<p>The Council has been focusing its attention on developing fraud awareness training and developing joint working initiatives with the Department of Works and Pensions.</p> <p>The External Auditor has also completed a review of the Council's approach to the Public Interest Disclosure Act and recommended a review be conducted. This will take place during 2004/5.</p> <p>Other developments relating to fraud include the introduction of positive vetting for the holders of key risk posts, and revising and updating user policies for the internet and e.mail systems. In that regard reasonable assurance can be given in relation to compliance with the anti-fraud and corruption policy and strategy although this is not a significant issue.</p>

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Training in fraud awareness	Training will be provided as requested by departments and as part of an ongoing programme of seminars.	Head of Audit and Governance	Ongoing		Yes			
2	Review of Council whistleblowing policy to align it with the Public Interest Disclosure Act.	Revised draft document to be presented to RAD DMT	Service Director (HR& Equalities)	April 2005		June 2005		Complete	
3	Positive vetting of new appointees and existing employees.	To be developed based on critical review of person specifications and ensuring financial integrity is an attribute on key risk posts.	Service Director (HR & Equalities)	March 2006		Yes		Requires report to engage departmental staff 0-HR strategy meeting 15 th September 2005.	

Signature of Lead OfficerDate.....

PROCESS: RISK MANAGEMENT STRATEGY				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Chief Finance Officer	Failure to develop and implement an effective strategy.	A limited degree of assurance can be derived from the work outlined as to the effectiveness of the Risk Management Strategy, although there remains further development work to be done before risk management can be said to be fully embedded in Council processes.	<p>All departments have completed a risk profiling workshop and the data used to populate the LACHS 2003 risk register. To verify the information compiled against the corporate plan two cross departmental risk profiling workshops were held. A report will go to Directors' Board in April to establish the top risks for the organisation. The risk management framework has been in place and guidance provided on its use. It now forms part of the performance framework plan and the service planning guidance and training.</p> <p>Risks are now being identified as part of committee report process and being scrutinised by members.</p> <p>Business /service continuity management framework has been revised and new deadlines agreed. A corporate B/SCP will be established once all departments have carried out a critical analysis of services. Audits on asbestos and highways have been completed and recommendations are being implemented.</p> <p>A communication strategy was developed and training and guidance has taken place for a number of key employees and members. The business and communication plan for 2005/6 will establish risk management as a key tool for decision making.</p>	<p>All departments will have completed risk profiling workshops by April 2004 and the LACHS 2003 risk register has been purchased and standardised to capture and manage the results. A corporate risk management process has been introduced and guidance provided.</p> <p>Business Continuity Planning will be completed by April 2004 for the majority of departments, with critical services identified to the Corporate Risk Manager to be included in the corporate Business Continuity Plan. Audits on security, fire, safety and cyber liability have been carried out with the support of our insurance brokers.</p> <p>The Risk Manager is able to provide limited assurance with regard to the management risk based on the work identified above.</p> <p>Further work required and planned for 2004-5 includes development and implementation of a communication strategy to embed the risk management process for all managers and employees and the provision of training for members to develop their awareness of risk management.</p> <p>The development and introduction of mechanisms for monitoring the effectiveness of risk management is included in the business plan for Risk Management Services in 2004-5.</p>

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Risk management strategy – review 2005-6.	To be reported to Resources & Equal Opportunities Scrutiny Committee and Cabinet.	Corporate Risk Manager	May 2005		Yes		The strategy report identifies progress made during 2004-5 and the programme of activities to be carried out during 2005-6 includes a work programme which will be reported to REOPS on 5 th May and to Cabinet thereafter.	

Signature of Lead OfficerDate.....

PROCESS: EFFECTIVE ADMINISTRATION OF FINANCIAL AFFAIRS				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Chief Finance Officer	2. Incorrect monies paid out. 3. Sums due not received. 4. Inadequate keeping of financial records.	Reasonable assurance on the effectiveness of the system of financial control can be derived from the Internal Audit work on the main financial systems in 2004-5. The absence of some assurance statements from Heads of Finance means that assurances cannot be given in relation to all areas managed directly within departments. Concerns also exist: <ol style="list-style-type: none"> 1. In relation to payments of employees outside the payroll process where assurances cannot be derived from ongoing compliance monitoring (although this is not to say that controls do not exist). 2. In relation to grant claims where there remains the risk of some loss of grant for Housing Benefit. 	In most cases, systems are operating soundly, but some weaknesses needing attention are a common finding in this (and any) organisation. A specific failure of process in the Education and Lifelong Learning Department is being investigated. Processes exist (including the role of Scrutiny Committees) to ensure that recommendations to resolve weaknesses are followed up.	Reasonable assurance on the effectiveness of the system of financial control can be derived from the Internal Audit work on the main financial systems in 2003-4. In most cases systems are operating soundly but some weaknesses needing attention are a common finding in this (and any) organisation. Processes exist (including the role of your committee) to ensure that recommendations to resolve weaknesses are followed up. The absence of some statements from Heads of Finance means that assurances cannot be given in relation to all areas managed directly within departments.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	Assurance statements from Heads of Finance in relation to financial systems operated within relevant areas of	The system of assurances has been in operation for a full financial year and is not as comprehensive as it needs to be to enable the Chief	Heads of Finance all departments.	March 2006		Yes		The Chief Finance Officer maintains a monitoring process to ensure adequate coverage of assurances. Despite this coverage remains	

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
	departmental control.	Finance Officer to provide the full range of assurances required.						below 100%.	
2	Compliance monitoring of payments of employees outside the payroll process.	A recent audit by PWC identified a potential penalty relating to incorrect treatment of some employees as self-employed.	Taxation Officer, Financial Services.	June 2005		Yes		Ongoing compliance monitoring of processes focusing specifically on the treatment of payments to staff treated as self-employed. Where monitoring indicates incorrect treatment this will be raised with Heads of Finance and suitable corrective action agreed.	
3	Improve standard of grant claim preparation to meet External Auditor's concerns.	The External Auditor remains concerned that the Authority is incurring unnecessary audit fees and wasting its own resources by not preparing a significant proportion of claims on time, correctly and properly evidenced at the first attempt. This leads to: * Extra work for officers. It inevitably takes longer to correct errors and re-construct evidence than it does to get it	Heads of Finance all departments	June 2005		Yes		The External Auditor will liaise with the Chief Finance Officer to arrange meetings with all Heads of Finance.	Audit Commission review of certification of grant claims and returns dated March 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
		<p>right first time; * Extra work for the auditor which means additional audit fees; * Uncertainty in the statement of accounts – poorly prepared claims often have to be amended as a result of failing certification tests; * Qualified certificates which can lead to further reductions in grant payable and the requirement to carry out additional work to satisfy the paying department that the claim is justified. Where claims are not produced on time this can also have an effect that we may not be able to provide the auditor best qualified to carry out the testing, or with the best knowledge of the Authority's systems and operating procedures.</p>							

Signature of Lead OfficerDate.....

PROCESS: HEALTH AND SAFETY POLICY				
Lead Officer	Potential key risks as at 3/2005	Areas assured as at 3/2005	Adequacy of process as at 3/2005	Position report to Cabinet on 27th September, 2004
Service Director – Human Resources & Equalities	Operational risks recently addressed include recruitment of operational advisers. Review with HSE scheduled for April 2005.	New Direction for Health and Safety agreed by Council's Strategic Resources Group (18 th January, 2005)	New style annual report scheduled for May 2005.	Action plan in place to identify specific areas of improvement. Corporate capacity addressed by recruitment of new Head of Health and Safety.

Action which has been taken and which needs to be taken as at March, 2005

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
1	H&S performance and key challenges to the organisation are known and understood. Role of H&S champions is adequately supported.	Development of new style of corporate H&S report, including a six month update report and a range of H&S PIs that will be reported against at both corporate and departmental level.	Head of H&S	May 2005	yes			The Corporate H&S report for 2005/6 has been presented to SRG in their role as "H&S Champions". The six month update report will be prepared for SRG in Sept. / Oct.	Minutes of SRG A review of PI reporting at departmental level will be carried out by the Central H&S Unit (CHSU) during 2006/7.
2	Prevention of property related incidents (e.g. accidental asbestos exposure, legionella outbreaks etc)	Joint work with LCC's property function on asbestos and legionella to: <ul style="list-style-type: none"> • Develop new / revised systems. • Monitor actions to implement new / revised systems. 	Head of H&S	March 2006	Yes			A report on asbestos and water hygiene issues is currently being prepared for the Heads of Property Group.	Minutes of the Asbestos and Water Task and Finish Group. A cross organisational audit of asbestos management is to be carried out by the CHSU during 2005/6. An external audit of water hygiene management is being carried out by

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
									an external auditor during July 05.
3	Corporate guidance is up to date, clear and understandable. Duplication of work to develop departmental level policy / guidance (and potential for differing standards across the organisation is minimised)	Agreement of a new framework for the development of corporate guidance. Undertake an incremental revision of all existing corporate guidance.	Head of H&S	April 2005	Yes			New and revised corporate guidance is now being developed in accordance with the framework.	Issued H&S guidance documents. An audit of the framework's implementation is to be carried out by the CHSU during 2006/7.
4	Improve H&S monitoring across the organisation. Improved targeting of H&S effort / resources on "weak" areas.	Development of an intranet based self-audit tool for managers.	Head of H&S	Sept. 2005		Yes		The software is currently being finalised. A pilot will be carried out prior before rollout across the organisation commences.	Minutes of the Safety Advisers Group.
5	Improve H&S monitoring across the organisation. Improved targeting of H&S effort / resources on "weak" areas.	Introduce new arrangements for corporate H&S audits by the CHSU focusing on single issue, cross organisational audits.	Head of H&S	March 2006		Yes		An audit programme has been included within the Corporate H&S annual report (see above)	
6	Ensuring effective communication arrangements are in place. Duplication of effort is minimised.	Review of annual H&S review meeting process.	Head of H&S	June 2005	yes			Safety Advisers Group have agreed replace the existing annual meeting with a specific meeting (around April / March each year) focused around sharing and understanding the draft	Minutes of SAG.

No	Requirement	Management response	Responsible officer	Target date	Implementation			Comments	Evidence Documentary / location ref.
					Complete	Planned	Not actioned		
								corporate and departmental annual reports and plans. Progress will be monitored via sharing six month update reports.	
7	H&S risk issues identified on the RAD Risk Register are being properly addressed.	Support a 25 day audit of health and safety by Internal Audit.	Head of H&S	Dec. 2005		Yes			

Signature of Lead OfficerDate.....

LOCAL GOVERNMENT OMBUDSMAN COMPLAINTS

COMPLAINTS RECEIVED			
	02/03	03/04	04/05
Complaints received	117	143	160
Complaints closed	98*	138	147
Complaints closed – less premature	76**	100	102
Complaints open at year end 31 March 2002	19	5	13

*Subject to confirmation against figures to be supplied by the Local Government Ombudsman

**Premature complaints – the LGO gives us the opportunity to put the complaint through our 3 Stage complaint procedure. The LGO no longer include premature complaints in their published statistics for local authorities. Premature complaints have been included in these results for ease of comparison against previous years.

	02/03	03/04	04/05
Chief Executive	0	0	0
R&C	25(26%)	23(17%)	30(20%)
Education & Lifelong Learning	5(5%)	10(7%)	10(7%)
Housing	52(53%)	90(65%)	92(63%)
Resources Access & Diversity	5(5%)	4(3%)	6(4%)
Social Care & Health	11(11%)	11(8%)	9(6%)
<i>TOTAL</i>	98	138	147

LOCAL GOVERNMENT OMBUDSMAN COMPLAINTS

BREAKDOWN OF OUTCOMES

	02/03	03/04	04/05
No Maladministration	44(45%)	50(36%)	44(30%)
Local Settlement	11(11%)	27(19%)	34(23%)
Outside Jurisdiction	17(17%)	11(8%)	11(7%)
Ombudsman's Discretion*	4(4%)	10(7%)	9(6%)
Premature	22(23%)	38(28%)	45(31%)
Discontinued/Withdrawn	0	0	0
Maladministration found	0	2(2%)	4(3%)
Total	98	138	147

* complaints described as Ombudsman's Discretion are those which have been terminated for reasons other than that there was no evidence of Maladministration or that the complaint was locally settled. For example a complaint might be terminated because the complainant wishes to withdraw his/her complaint.

LOCAL GOVERNMENT OMBUDSMAN COMPLAINT OUTCOMES BY DEPARTMENT 2004/2005

	NM	LS	OJ	OD	MI	P	W	TOTAL
Chief Executive's Office	0	0	0	0	0	0	0	0
Education & Lifelong Learning	5	1	1	1	1	0	1	10
Regeneration & Culture	9	3	3	3	3	9	0	30
Housing	24	30	5	2	1	30	0	92
Social Care & Health	4	0	0	1	0	4	0	9
Resources Access & Diversity	2	0	2	1	0	1	0	6

NM No Maladministration

LS Local settlement

OJ Outside Jurisdiction

OD Ombudsman Discretion

MI Maladministration & Injustice

P Premature (opportunity to put the complainant through our 3 stage complaint procedure **NOT** recorded in the Ombudsman's year end figures.

APPENDIX 3

**Complaints – Findings of Maladministration
Comparison Table of Family Authorities**

Authority	02/03		03/04		04/05	
	Findings of Maladministration	Total No. of complaints	Findings of Maladministration	Total No. of complaints	Findings of Maladministration	Total No. of complaints
Leicester	0	76	2	100	4	102
Birmingham	2	368	1	322	0	321
Blackburn with Darwin	1	31	0	20	4*	30
Bolton	7	57	1	49	2	64
Bradford	3*	131	3	97	0	69
Bristol	1	65	0	77	2*	107
Coventry	0	46	0	35	0	49
Derby	0	44	1	48	4*	34
Dudley	2	45	0	45	0	66
Kingston-upon-Hull	0	81	0	61	0	51
Nottingham	1	105	0	97	1	33
Plymouth	4	118	0	85	2	82
Portsmouth	0	51	0	36	0	24
Southampton	1	34	0	46	0	28
Wolverhampton	1	37	0	36	0	34

* Indicates a figure which includes more than one complaint subject to the same report.

These figures do not include complaints which are 'premature'. That is complaints which the authority has not had an opportunity to deal with.

