

## **PROGRESS REPORT NO.3 – DIRECTOR OF RESOURCES’ SPECIAL REPORT**

**Report By: DIRECTOR OF RESOURCES**

### **Wards Affected**

None.

### **Purpose**

To provide the Audit & Corporate Governance Committee with a third update on progress with implementing the action plan agreed by Cabinet in response to the Director of Resources’ special report and outline the way forward.

### **Financial Implications**

There are no financial implications arising as a direct result of this report. Enhancements to the corporate governance framework and greater compliance with it will ensure that the Council optimises its use of resources. **There may be future costs associated with embedding an improved corporate governance framework that have yet to be determined.**

### **RECOMMENDATION**

**THAT: the Audit & Corporate Governance Committee notes the progress made to date and the proposed way forward.**

### **Reasons**

To provide the Audit & Corporate Governance Committee with:

1. Assurances that work on the issues identified in the action plan has continued.
2. Information on proposals to integrate the action plan and Crookall recommendations.

### **Considerations**

1. This is a third update on progress with the recommendations and action plans agreed by Cabinet on 20th September 2007 in response to the Director of Resources’ special report. A considerable amount of work has been undertaken by officers to progress the issues contained in the action plan as

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Further information on the subject of this report is available from  
Mrs Sonia Rees, Director of Resources on tel: (01432) 383519

described in the attached appendices and various complementary reports the Audit & Corporate Governance Committee has received.

2. Since the Audit & Corporate Governance Committee last considered progress against the action plan on 16th November 2007, full Council has considered the Crookall report and adopted the recommendations contained in it. The Council's new Chief Executive has also arrived.
3. The Chief Executive has already tasked the Monitoring Officer, Interim Head of Human Resources and Director of Resources to develop proposals to link the common themes in the action plan and Crookall report so there is a coherent and consistent approach to reviewing related policies. It is important that the amendments and updating needed results in policies and procedures that are robust but, just as importantly, are accessible, workable and support the future development of the organisation.
4. This piece of work is a high priority for the officers directly involved in the initial stages of developing proposals for the Chief Executive to consider. Part of that work will be to establish timeframes, including sufficient time for proper discussion and agreement at officer and member level on the way forward. This aspect is critical as the organisational development plan that will result will define the way officers and members work together in the future to achieve corporate objectives.
5. The action plan that the Audit & Corporate Governance Committee has been monitoring will therefore be subsumed into an organisational development plan that will in due course be approved and implemented by Cabinet.
6. The Terms of Reference for the Audit & Corporate Governance Committee set out its role in terms of considering the Council's arrangements for corporate governance, whether they comply with best practice and whether they are complied with. This Committee will therefore have the opportunity to comment on matters of internal control, as indeed it has done to date, if further changes to the **financial elements of the** Constitution are proposed.
7. The remainder of this report explains progress to date on the current action plan.

#### **Travel & Subsistence Claims**

8. The action plan agreed by Cabinet for improving the systems of internal control across the Council in respect of officer travel and subsistence claims is attached (Appendix 1) for ease of reference. The action plan has been updated to include a commentary on the progress against each task.
9. Actual progress remains as reported to the Audit & Corporate Governance Committee on 16th November 2007. Three of the eleven agreed actions are complete and a fourth action is partially complete. These actions will be

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taken forward as described earlier in this report. The HR team has, however, already undertaken a considerable amount of preparatory work in response to the issues related to the updating and consistency checking of the Employee Code of Conduct and policies related to Travel and Subsistence. This was reported to the Corporate Management Board (CMB) on 20th November 2007 as work in progress.

### **Governance Framework**

10. The action plan agreed by Cabinet in response to the Director of Resources' special report is attached at Appendix 2 for ease of reference (Appendix 2). The action plan has been updated to include a commentary on the progress against each task. The actions will be taken forward as described earlier in this report.
11. The Director of Resources' main focus of attention since Cabinet agreed the action plan in response to her special report has been on reviewing the financial governance elements of the Constitution. The Audit & Corporate Governance Committee is invited to consider revised documents elsewhere on today's agenda **as the first stage in the formal review process.**

### **Risk Management**

The action plan is designed to enhance the Council's existing corporate governance framework in the light of the issues identified in the Director of Resources' special report.

### **Background Papers**

The Director of Resources' special report on the financial governance issues in ICT & Customer Services considered by Cabinet on 20th September 2007 and Audit & Corporate Governance Committee on 21st September 2007 refers.