

ACTION PLAN FOR TRAVEL & SUBSISTENCE ARRANGEMENTS				APPENDIX 1
Audit finding	Internal control mechanism	Suggested action	Responsible officer(s)	Date
Claims paid and pending for entertaining suppliers, Council employees and Council contractors.	Code of Conduct for Employees	Review the Code of Conduct for Employees to ensure the Council's expectations on the required standard of conduct on giving hospitality are clear.	Head of HR	Sept 2007
Claims paid and pending for alcoholic beverages for meetings with suppliers, employees and contractors during office hours.	Code of Conduct for Employees	Review the Code of Conduct for Employees to ensure the Council's expectations on the required standard of behaviour in relation to consumption of alcohol during office hours and whilst representing the Council after office hours is clear.	Head of HR	Sept 2007
Claims paid for mileage following business meetings at which significant amounts of alcohol were purchased.	Code of Conduct for Employees	Review the Code of Conduct for Employees to ensure the Council's expectations on the standard of behaviour regarding working under the influence of alcohol is clear.	Head of HR	Sept 2007
Claims paid and pending for overnight accommodation costs within the Council's area without prior authorisation or clear business need.	Travel & Subsistence Policy Terms and Conditions of Employment	Revise guidance on travelling claims to require separate confirmation by attaching a signed memorandum that the line manager certifies overnight stays within the Council's area. Payroll to reject all claims for overnight stays in the Council's areas that are not accompanied by separate written authorisation by Head of Service and Director.	Head of HR	Sept 2007

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Failure to supply VAT receipts for over half of the claims made.	Terms and Conditions of Employment	Payroll to reject all claims that do not have the correct supporting documentation.	Payroll Manager	Immediate
Failure to submit claims in a timely manner.	Travel & Subsistence Policy	Revise guidance on travelling claims to require monthly submission of travel and expenses claims within a month of the period they relate to. Payroll to reject claims that are received after the deadline indicated in the Councils' Travel & Subsistence Policy.	Head of HR	Sept 2007
Claims authorised for payment although incomplete and in contravention of the Council's policies.	Travel & Subsistence Policy Travel & Subsistence Claim Form	Payroll to reject claims that are incomplete and in contravention of the Council's policies unless all exceptions are individually certified by the relevant Head of Service and Director in writing. Travel & Subsistence Claim Form to be reviewed to ensure the disclaimer the claimant and authorising officer make on signing the form is clear that failure to comply with the Council's policies on travel & subsistence could lead to disciplinary action.	Head of HR Head of Benefit & Exchequer Services	Sept 2007

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Failure to declare hospitality received in line with the Council's policies.	Code of Conduct for Employees	Reminders from the Head of Legal & Democratic Services to all Key Managers to be issued biannually. Head of Legal & Democratic Services to confirm 100% return rate to include nil returns.	Head of Legal & Democratic Services	Sept 2007
		Biannual assurance statements to be extended to all Key Managers and to include confirmation that systems are in place to promote compliance with the Council's policies on the declaration of gifts and hospitality offered whether accepted or not.	Audit Services Manager	Sept 2007
Discrepancies between claims for overnight stays and subsequent declarations of hospitality.	Travel & Subsistence Policy Code of Conduct for Employees	Audit Services Manager to ensure test checks are carried out as part of planned audit work on travel & subsistence.	Audit Services Manager	Sept 2007
Questionable value to the Council of a three-day conference attended by an agency & contracted member of staff in Paris that was run by a Council supplier. Costs reimbursed included travel, accommodation and entertaining expenses.	Travel & Subsistence Policy	Travel & Subsistence policy to be revised to so that all overseas trips are authorised at Director level.	Head of HR.	Sept 2007
Claims for travel and subsistence expenses made by Council contractors not itemised in detail in their invoices.	Contract arrangements.	Contractors should support charges for travel and subsistence included in their invoices with a completed travel and subsistence claim form where the contract allows for reimbursement of costs as incurred.	Key Managers.	Sept 2007

CORPORATE GOVERNANCE IMPROVEMENT PLAN					APPENDIX 2
	Issue to address	Comments	Suggested corporate response	Responsible officer(s)	Date
1.	Regular review on the progress implementing this corporate response.	The plan needs to be implemented effectively and to timetable.	CMB to monitor on a monthly basis and report to Cabinet. Report to each Audit & Corporate Governance Committee meeting.	CMB DoR	Ongoing
2.	Ensure the corporate response to the travel and expenses audit review is implemented effectively and to timescale.	Recommendations on the corporate response to the travel and subsistence audit review are relevant to this action plan, e.g. reviewing induction training.	CMB to consolidate the corporate responses to the travel and subsistence review and the corporate response to this report into one action plan.	DoR MO	Following discussion at CMB on 7.9.07
3.	Work to establish the cost of existing ICT and Customer Services operations and future investment needs to be urgently concluded to inform the Performance Improvement Cycle.	The audit and financial management reports have been highlighting the budget issues, quantifying them where possible to do so.	Director of C&CS to lead with support from Financial Services.	DC&CS HoFS	30.09.07
4.	Permanent managerial arrangements for ICT and Customer Services need to be established.	Much progress has been made by the Acting Head of Service.	CMB to discuss and agree proposals from DC&CS.	DC&CS CMB	October 2007

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5.	Review approach to and arrangements for the delivery of project management services. All post implementation reviews must include a technical and financial appraisal.	CMB has discussed this issue on a number of occasions. Need to conclude as part of the Performance Improvement Cycle.	CMB to discuss and agree proposals from DC&CS.	DC&CS CMB	October 2007
6.	Review of the financial and legal elements of the Council's constitution to ensure clarity and consistency.	The Council's Constitution is not as clear as it could be, nor as robust as it could be in support of the Section 151 Officer's and Monitoring Officers' statutory roles compared to exemplar authorities.	Working group to carry out a review and make recommendations in the first instance to CMB. Need to report to Audit and Corporate Governance Committee and other appropriate decision-making and scrutiny functions prior to being agreed at Council.	DoR HoLDS HoFS CIA HoBES HoHT	Council in November 2007
7.	Council's Constitution and Financial Regulations to be reviewed to ensure the requirement to secure financial and legal advice on all formal reports is explicit.	CMB needs to rigorously police the reports produced in their areas to ensure Financial Services has completed and signed off the financial implications and Legal Services has signed off the legal implications. This will ensure financial and legal advice is available to support all decisions.	CMB to insist on the highest standard in all aspects of report writing, including financial and legal implications. CMB to ensure there are no exceptions to the policy of all formal reports being cleared by the Head of Paid Services, the Monitoring Officer and the Section 151 Officer.	All report authors	Council in November 2007
8.	Audit Services and the Monitoring Officer need to be granted access to staff, records and feeder systems if required to fulfil their statutory obligations.	Key Managers responsible for feeder systems must ensure appropriate licence arrangements are in place in the event access is requested. Key Managers must assist with training if needed.	Incorporate into the review of the Constitution. Re-affirm current provision in the Council's Constitution on audit access.	DoR HoLDS HoFS CIA HoBES HoHT	Council in November 2007

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9.	Improve the quality of working papers/files recording business activity.	Important in terms of: <ul style="list-style-type: none"> • new data quality standards; • service continuity planning; and • ability to demonstrate a clear audit trail. 	Guidance on the standards of record keeping needs to be devised.	Information Manager CIA	December 2007
10.	Improve standards of internal control for fundamental systems.	Demonstrates a rigorous approach to improving financial and legal governance.	Minimum acceptable standard is satisfactory – this is a non-negotiable.	CMB HoHR CIA	Allow 3 months' notice for improvement
11.	Improving financial governance in ICT and Customer Services.	A top priority – needs to achieve the minimum standard of satisfactory for the fundamental systems and sign-off that action plans have been implemented for other reviews.	DC&CS to implement agreed action plans for the FMS system in ICT, travel and expenses and use of contractors audit reviews.	DC&CS DoR	January 2008
12.	Complete work in progress on internal recharging mechanisms to the agreed timetable.	This is important to ensure compliance with the Best Value Accounting Code of Practice (BVACOP) and to promote clarity and transparency in the recharging process.	Actions identified and agreed in a report to CMB on 16th August from the SMT SLA working group.	Anne Heath, Chair of SMT SLA Working Group, reporting to CMB.	March 2008
13.	All financial administration and financial management resources transfer to the Resources Directorate as soon as practical.	This principle has been previously agreed by CMB. Further progress will be demanded by the Herefordshire Connects programme. The main opportunities for minimising risk and maximising efficiencies lie within the Children and Young People's Directorate.	Identification and planning for transfer of resources to be considered by the ISS Board with exceptions reported to the Herefordshire Connects Programme Board for decision.	Mike Toney, Chair of ISS Board, reporting to Herefordshire Connects Partnership Board.	March 2008

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14.	Ensuring members receive complete advice from the Monitoring Officer and S.151 Officer on the legal implications and financial implications of all policy proposals.	Need to ensure the Leader and his Cabinet is fully supported by the three statutory officers identified, plus other officers as appropriate. This approach will also help improve the quality of reports, as advice to the executive is complete.	Liaison meetings with the Leader to include the Monitoring Officer and S.151 Officer to be diarised at no more than quarterly intervals.	Chief Executive DoR MO / HoLDS	Immediate effect
15.	Promote compliance with corporate financial governance arrangements by reviewing management practices and accountabilities.	Need to reinforce the importance of robust financial governance arrangements – responsibilities to stakeholders, personal protection for individual employees and organisational reputation.	Make compliance with corporate financial arrangements a non-negotiable. CMB to carry out immediate checks on contracting arrangements and authorised signatory lists.	CMB DoR	Immediate effect
16.	Enhance Key Manager's financial skills and knowledge of the Council's approved corporate governance framework, ensuring the message is constantly reinforced through effective training.	Better understanding of financial management and governance issues will improve compliance with corporate financial governance arrangements.	Make attendance on training courses a pre-requisite to getting a "licence to practise" as a manager. Attendance at refresher training courses will also be mandatory.	HoHR HoFS MO CIA	Immediate effect
17.	Ensure all capital and revenue budget proposals are identified through agreed service and financial planning processes.	Ensures resources allocated in line with longer-term priorities and encourages corporacy and effective forward planning. Also encourages service managers to prepare a robust business and financial case in support of their proposals that is evidence based.	Ensure in-year budget proposals are only brought forward in exceptional circumstances.	CMB	Immediate effect

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18.	Enhance Audit Services' capacity.	Early action to enhance the capacity of the Audit Services team will demonstrate commitment to strengthening corporate governance.	CMB to agree restructure proposals identified during the PIC process costing £45k. This can be met from the existing base budget for the Resources Directorate.	CMB DoR	Immediate effect
19.	Enhance strategic procurement capacity to ensure compliance with the Council's contracting policies and procedures.	Early action to enhance strategic procurement capacity will demonstrate commitment to strengthening corporate governance.	CMB to agree additional resources to centralise monitoring of contract procedures within Resources. This can be met from the existing base budget for the Resources Directorate.	CMB DoR	Immediate effect
20.	Check that issues highlighted in ICT and Customer Services are not repeated elsewhere.	Audit Services to re-focus planned activity to provide early assurance that this set of circumstances is not prevalent.	CMB needs to be prepared to respond quickly to Audit Services.	CMB	Immediate effect
21.	Ensure budget is in place before committing expenditure.	Financial Services will continue to reflect the financial implications of formal decisions in the Council's budgets – a further reason for ensuring that the financial implications section of all reports is complete and detailed. This does not absolve Key Managers from ensuring the budget is in place before entering into a financial commitment.	CMB to re-inforce the message that Key Managers need to work closely with Financial Services colleagues to ensure all appropriate permissions to spend are in place before letting a contract.	All	Immediate effect

CIA = Chief Internal Auditor
 DoR = Director of Resources
 HoLDS = Head of Legal and Democratic Services
 HoHR = Head of Human Resources
 HoPS = Head of Paid Services
 MO = Monitoring Officer

DC&CS = Director of Corporate & Customer Services
 HoFS = Head of Financial Services
 HoBES = Head of Benefit and Exchequer Services
 HoHT = Head of Highways & Transportation