

CROOKALL REVIEW

To provide members with assurance that work on the issues identified in the action plans arising from the Special Report by the Director of Resources and the subsequent Independent Review of Herefordshire Council's ICT Financial and Contractual Governance Arrangements (Crookall Review), is being progressed Cabinet agreed at its meeting on 27th March 2008 that progress be monitored within the overall performance and risk reporting framework provided by the Integrated Performance Report (IPR).

The updated action plans are attached below. Those actions previously reported as completed have been removed to avoid unnecessary repetition. Of the 34 remaining actions none have been assessed as 'red light', and a further 14 have now been completed.

CROOKALL REVIEW

Crookall Review Action Plan

	Action	Lead	Progress
2.	Member Development Policy Group be asked to give consideration to the suggested actions in respect of member training, support and development, and bring forward an action plan to Cabinet.	Chief Executive/ACE (L&D)	<p>The Leadership Centre for Local Government is providing facilitation for this work, linked with the overall organisational development programme. An initial diagnostic has been undertaken, and a programme in response to the issues identified is now being developed. There will be elements of joint activity with the PCT Non Executive Directors to support a shared understanding of the priorities and opportunities for improved outcomes across both organisations.</p> <p>A survey of all members regarding satisfaction with member support was undertaken during April and elicited a response rate of just below 28%. The responses from the survey, which were largely positive, together with improvement actions, were considered by the Member Development Policy Group at its meeting in June. Dedicated PA support for Cabinet Members is being established.</p>
3.	<p>Consideration be given to the suggested actions in respect of:</p> <ul style="list-style-type: none"> • The structure for management and effective deployment of the key corporate resources. • The development and team building of the senior management teams of the council. 	Chief Executive/ACE(HR)	<p>The unified senior management structure is in place with the following outstanding:</p> <ul style="list-style-type: none"> • Deputy Chief Executive recruitment process underway; interviews scheduled for early October • No appointment was made at recently held interviews for the Director of Clinical Leadership and Quality Assurance: options regarding search, secondments and other approaches are currently being investigated <p>Team development is being lead by the Office for Public Management (OPM) and work will need to be aligned with the leadership and team development processes defined as part of the implementation of the World Class Commissioning agenda. In turn this work is being linked to the Member Development initiative with a proposal to provide a joint session between OPM and the Leadership Centre.</p>

CROOKALL REVIEW

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4	Consideration be given to how best to re-establish trust and confidence between members and officers, and between officers and officers, based on an approach which encourages appropriate challenge, resolves issues with a way forward that is supported by all, and creates the discipline to follow through and abide by decisions taken.	Chief Executive	To be progressed through organisational development and member development work mentioned above, ensuring both dovetail throughout the respective processes.
5	Consideration be given to the suggested actions in respect of: (a) The need for additional specialist audit ICT resource (b) Proposals for strengthening the strategic procurement function (c) Proposals for appropriate financing models for corporate services and bring forward an action plan to CMB.	DoR(HC)	<p>(a) Restructuring proposals for Audit Services have been agreed; the first stage of implementation is complete with staff at risk interviewed and confirmed in posts in line with the council's change management policy. The remaining vacancies were externally advertised in July 2008; interviews are scheduled for early September.</p> <p>(b) The West Midlands Centre of Excellence has started to review the council and PCT's procurement arrangements. Results of this review are expected in September 2008. The council's procurement strategy has been reviewed and considered by SMC and was approved by Cabinet in July.</p> <p>(c) In early June 2008, the Chief Executive initiated a Shared Services Strategic Review. Integrated Shared Support Services is confirmed as one of the key strategic service improvement programmes with a board consisting of the Interim Deputy Chief Executive, Director of Resources (Council), Director of Resources (PCT) and Interim Head of HR. The board is being supported by the Corporate Programmes Manager and is due to finalise a Project Initiation Document for discussion and agreement by early September. The shared service review will encompass consideration of appropriate funding models for each corporate support service.</p>

CROOKALL REVIEW

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6	The relevant professional officers (Monitoring Officer, Section 151 Officer, Interim Head of Human Resources) be asked to lead reviews of the Council's procedures and protocols, and the corporate rules, standards and processes to ensure they are fit for purpose, proportionate and workable. Review programmes to be reported to CMB.	Chief Executive	<ul style="list-style-type: none"> • A policy approval procedure has been approved to support consistency in policy and procedure development, communication and embedding. • With the support of a project manager, lead officers are progressing review programmes, prioritised in relation to risk, which are being implemented over a 12 month period. A number of new policies have been developed with trades union colleagues across the Council and PCT. Documents now coming forward in draft to JMT include: <ul style="list-style-type: none"> • Close personal relationships (see also point 11) • Protocols for the establishment of integrated teams • Managing change policies • A more comprehensive approach for the management of CRB checks and associated safeguarding approvals/checks <p>The revised Travel and Subsistence policy was consulted on during July and will be brought to JMT for approval in September.</p> <p>The new policy re processes for the engagement and payment of external contractors i.e. interims is being finalised prior to consultation in September.</p>
7	Consideration be given to the suggested actions in respect of refreshing and embedding an effective performance management culture, and an action plan brought forward to CMB.	ACE(HR)	<p>Work with OPM (Office for Public Management) is now underway following a diagnostic phase with JMT, senior managers and the change management and communications working group which reports to the HPS Steering Group</p> <p>A framework for organisational development (OD) activity has now been drafted incorporating aspects of leadership and manager development with an emphasis on:</p> <ul style="list-style-type: none"> • Identifying a baseline from which progress is measured

CROOKALL REVIEW

	Action	Lead	Progress
			<ul style="list-style-type: none"> • Getting PCT and Council staff involved in delivery, learning new skills and building up expertise <p>At same time work is underway on the development of an HR strategy encompassing OD and performance targets and measures which will be aligned to new work on the development of a corporate Workforce Plan. These and other aspects must be embedded in the organisation so as to influence and change the culture of the partnership.</p>
10	<p>Consideration be given to the suggested action in respect of establishing value for money in relation to the community network, and an action plan taken to CMB. (NB Action to progress a value for money study, to be undertaken by SOCITM, has now been agreed with the Director of Resources)</p>	Interim Head of ITCS	<p>Completed. The value for money and benchmarking study undertaken by SOCITM, found overall that:</p> <ul style="list-style-type: none"> • The contract is comparable to others • There is no evidence that it is overpriced • It has delivered what it set out to • The unit costs in 2006/07 are lower cost than some others and close to the median. <p>The Audit Commission had no comment to make in respect of the review undertaken by SOCITM. The current contract expires in 2010 and, taking account of the recommendations made by SOCITM, JMT have agreed a process, supported by internal audit, for reviewing the scope and requirements to form the basis of the future community network tendering process and development of an exit strategy for the existing contract should that prove necessary. A report will be brought to cabinet at the appropriate stage in the tendering process.</p>
11	<p>Clear guidelines be established and embedded in respect of close personal line management relationships.</p>	ACE (HR)	See 6 above
12	<p>Consideration be given to the suggested actions in relation to officer training and development needs, and</p>	ACE (HR)	Requirements are being considered within the organisational development process. Training and

CROOKALL REVIEW

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	an action plan be brought to CMB.		awareness specifically in relation to policies is now built into the new policy approval process.
13	A programme of awareness-raising and training across the council be implemented to ensure the Whistleblowing Policy is clearly understood, accessible and implemented consistently throughout the organisation.	ACE (L&D)	<p>Completed</p> <ul style="list-style-type: none"> • Further print run of leaflets undertaken. • Officer seminar/briefing has taken place • Future reviews/promotion will be carried out in line with the new policy approval process.

CROOKALL REVIEW

Special Report Action Plan

	Issue to address	Agreed corporate response	Responsible officer(s)	Revised date	Progress
1	Regular review on the progress implementing this corporate response.	CMB to monitor on a monthly basis and report to Cabinet. Report to each Audit & Corporate Governance Committee meeting.	CMB DoR	Ongoing.	Completed. Future progress reporting aligned with response to Crookall review within ICPR.
2	Ensure the corporate response to the travel and expenses audit review is implemented effectively and to timescale.	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	September 08	See Travel & Subsistence review action plan below. Remaining actions relating to approval of a revised policy scheduled for consideration by JMT in September.
3	Establish the cost of existing ICT and Customer Services operations and future investment needs to be urgently concluded to inform the Performance Improvement Cycle.	Director of C&CS to lead with support from Financial Services.	DC&CS HoFS		Completed. A close working relationship between Information, Technology & Customer Services and Financial Services has been established and embedded. The outturn for 2007/08 was in line with that reported to Cabinet in the bi-monthly IPFR. There was an overspend of £1.1m relating to the Council's contribution to the Community Network Upgrade project.
4	Establish permanent managerial arrangements for ICT and Customer Services.	CMB to discuss and agree proposals from DC&CS.	DC&CS CMB	Subject to substantive DCE appointment	Interim managerial arrangements have been in place since April 2007. Permanent managerial arrangements will be established as part of the revised senior management structure.

CROOKALL REVIEW

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 to discuss and agree proposals from DC&CS.	DC&CS CMB		Completed. Permanent managerial arrangements have been established as part of the revised senior management structure.
9	Improve the quality of working papers/files recording business activity.	Guidance on the standards of record keeping needs to be devised.	Information Manager Democratic Services Manager CIA	April 2009	Work is being undertaken by DCE and ACE (L&D) across the council & PCT re governance and reporting arrangement including quality of reports presented. Aligned to this, standards are being developed linked to the Data Quality Policy and information management requirements, for the maintenance of efficient and effective records.
10	Improve standards of internal control for fundamental systems.	Minimum acceptable standard is satisfactory – this is a non-negotiable.	CMB HoHR CIA		Completed. The Audit Services Assurance Report for 2007/08 shows that 16 out of 17 fundamental systems achieved the minimum standard. The system that did not was the payroll system within Children's Services; this team has since been realigned to join the non-education payroll team within the Resources Directorate which meets the required standard.
11	Improving financial governance in ICT and Customer Services.	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	October 2008	Actions have been completed to time. Internal Audit were scheduled to complete an 'Audit of Audits' during the first quarter of 2008/09; this has now been rescheduled to the second quarter.
12	Complete work in progress on internal recharging mechanisms to the agreed timetable.	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.		Completed. An internal recharging mechanism for ICT services has been agreed and revised SLA's distributed.

CROOKALL REVIEW

15	Promote compliance with corporate financial governance arrangements by reviewing management practices and accountabilities.	Make compliance with corporate financial arrangements a non-negotiable. CMB to carry out immediate checks on contracting arrangements and authorised signatory lists.	CMB HoHR		Completed. Authorisation limits have been reviewed across the Council (including schools) by Financial Services in line with the Financial and Contractual Procedure Regulations agreed by Council in March 2008.
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.	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	2009/10	Financial Management training (including procurement) has been revised to incorporate the new Financial and Contractual Procedure Regulations. The first three session programme was held in April 2008 with further programmes scheduled in July and September. A leadership framework is being developed as part of the organisational development work facilitated by OPM. During 2009/10 this will be further developed to include the identification of key skills for managers, and mandatory training requirements. Member training is also diarised through to 2009.
17	Ensure all capital and revenue budget proposals are identified through agreed service and financial planning processes.	Ensure in-year budget proposals are only brought forward in exceptional circumstances.	CMB		Completed. Budget 08/09 and MTFMS 2008/11 in place including capital budget.
18	Enhance Audit Services' capacity.	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	October 2008	Restructuring proposals for Audit Services have been agreed. The first stage of implementation is complete with staff at risk interviewed and confirmed in new posts in line with the council's Change Management Policy. The remaining vacancies were externally advertised in July 2008 with interviews scheduled for early September.

CROOKALL REVIEW

19	Enhance strategic procurement capacity to ensure compliance with the Council's contracting policies and procedures.	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	December 2008	The West Midlands Centre for Excellence has started to review the council and PCT procurement arrangements. Results of this review are expected in September 2008 and will be reported for decision, if necessary, through the respective governance arrangements. The Council's Procurement Strategy has been revised as reported to Cabinet in July.
20	Check that issues highlighted in ICT and Customer Services are not repeated elsewhere.	CMB needs to be prepared to respond quickly to Audit Services.	CMB		Completed. The Audit Services Assurance Report 2007/08 and Annual Governance Statement 2007/08 provide additional evidence of improved internal control arrangements and compliance.
21	Ensure budget is in place before committing expenditure.	CMB to reinforce 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		Completed. Extensive financial management training is taking place. Service managers are involving financial and procurement services much more closely in their activities than has previously been the experience. This suggests that the message that all managers are accountable for managing their service responsibilities within the approved budget is embedding.

CROOKALL REVIEW

Travel & Subsistence Action Plan

	Agreed action	Responsible officer(s)	Revised target date	Progress
1	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		Completed. Revised Code of Conduct was reported to Council at its meeting on 25 th July 08.
2	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		As above
3	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		As above

CROOKALL REVIEW

4	<p>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.</p> <p>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.</p>	Head of HR	Sept 2008	<p>The revised Travel and Subsistence Policy will be considered for approval by JMT in September; in the meantime staff have been reminded of the requirements for travel and subsistence claims, and payments staff are rejecting any non-compliant claims</p>
6	<p>Revise guidance on travelling claims to require monthly submission of travel and expenses claims within a month of the period they relate to.</p> <p>Payroll to reject claims that are received after the deadline indicated in the Councils' Travel & Subsistence Policy.</p>	Head of HR	Sept 2008	<p>The revised Travel and Subsistence Policy will be considered for approval by JMT in September; in the meantime staff have been reminded of the requirements for travel and subsistence claims, and payments staff are rejecting any non-compliant claims</p> <p>All staff have been advised accordingly.</p>

