

Response to Annual Audit Inspection Letter 2004/05

APPENDIX 1

Page/ paragraph from Letter	Audit comment	Responsible Officer	Action taken	Action proposed
5/1	Improve performance management	Tracy Turner	EMT receive monthly updates on key performance indicator problems and proposed actions to improve performance.	Performance Management Framework being developed and documented, including data quality
8/9	Officers and Members lack clarity about number of corporate priorities	Tracy Turner	Corporate priorities clearly identified in new Corporate Plan.	
8/11	Lack of clear links between projects, service goals. Corporate plans and priorities	Tracy Turner	Improvements made as part of revised Corporate Plan.	Golden thread to be made clearer in new service planning templates for 2007/08. Also will be made clear in Covalent.
8/12	Performance management focuses on monitoring rather than management of performance	Tracy Turner	The monthly reports to EMT focus on action rather than passive monitoring and this message has been spread through the management structure.	Covalent to be rolled out across the authority encouraging managers to take greater responsibility and ownership for performance management. Performance reports to focus more on actions to be taken to improve. Service indicators and management information will be monitored within services.

9/13	Scrutiny not effective with limited challenge of options and little debate	Tracy Turner	Scrutiny of performance has improved with the setting up of the Performance Select Committee. The wider scrutiny function within the Scrutiny Committee has been developed through the use of smaller review groups. Member workshop with Audit Commission held on 2 November 2006.	Covalent to be made available to all Members so that performance can be monitored in real time, enabling meetings to focus more on challenging performance and actions taken.
9/13	Use of performance management systems is inconsistent	Tracy Turner	Consistency of performance indicator monitoring has improved during 2006/07.	Covalent to be rolled out across the authority encouraging managers to take greater responsibility and ownership for performance management. A risk management module has been added, and all indicators will link with priorities and actions within the corporate plan. Training, support and mentoring will be offered to managers on performance issues and a performance champions group set up.
11/24	Not all actions from 2005 planning inspection fully implemented	John Mitchell	All actions now implemented except development of S106 guidance notes for applicants	Guidance notes currently being prepared.

12/27	Benchmarking not used effectively	Tracy Turner	Use has previously been made of membership of the Daventry Benchmarking Group and the Essex Performance Group. Service comparison has been encouraged through use of facilities such as IDeA and IAG.	Better use of Daventry Benchmarking Group and benchmarking facilities will be available through Covalent. First set of high cost performance indicators to be considered by EMT December 2006. Benchmarking will be taken forward by the Performance Champions Group.
5/1	Reluctance by some managers to own performance management	Tracy Turner/Phil O'Dell	Managers have previously been challenged at EMT on Performance Improvement Plans and poorly performing services.	Through use of Covalent for monitoring PIs, projects, risks and service plan actions , managers will be encouraged to take greater ownership and responsibility for managing their own performance. People Performance and Accountability corporate plan project will develop this further.

9/13	Performance management not established as a key role for councillors	Tracy Turner	Performance Select Committee was established to give key role to councillors in terms of performance.	Performance management framework being developed and communicated across the authority. This will incorporate role for members through the Performance Select Committee, and on Value for Money reviews at Scrutiny Committee. People, Performance and Accountability corporate plan project will develop some issues further.
9/13	Performance culture not yet embedded or applied consistently	Tracy Turner/Phil O'Dell		Performance management framework being developed and communicated across the authority. This will tie in with roll-out of Covalent. People, Performance and Accountability corporate plan project will incorporate performance issues.
9/13	Not all managers take responsibility for performance	Tracy Turner/Phil O'Dell		Performance management framework being developed and communicated across the authority. This will tie in with roll-out of Covalent. People, Performance and Accountability corporate plan project will incorporate performance issues.

12/27	Need for councillors and senior managers to take greater responsibility and accountability	Tracy Turner/Phil O'Dell		Performance management framework being developed and communicated across the authority. This will tie in with roll-out of Covalent. People Performance and Accountability project just about to start.
8/9	Little use of local targets/PI's to demonstrate what's being delivered	Tracy Turner	Local performance indicators reviewed and corporate plan indicators developed. Local performance indicators to be monitored by services and incorporated into Covalent.	Corporate performance indicators being developed to demonstrate contribution to and achievement of corporate priorities. Management information will be owned by managers.
8/12	Limited use of local PI's to measure outcomes linked to priorities	Tracy Turner	Local performance indicators reviewed and corporate plan indicators developed. Local performance indicators to be monitored by services and incorporated into Covalent.	Corporate performance indicators being developed to demonstrate contribution to and achievement of corporate priorities, including an increased customer focus. Monitoring of LAA targets and outcomes to be included in system.

10/21	4 key environmental PI's are worst quartile, including waste collected per head of population	Diane Burridge	Based on 2005/06 data (comparing still with 2004/05 Quartile data) 2 indicators would move into top quartile - BV109b (from bottom quartile) and BV82a&b (from neither). 1 would move out of bottom quartile into neither - BV109c.	
11/22	50% of housing PI's in worst quartile	Rod Chamberlain	This interpretation/conclusion was not agreed	Any comments of this nature will be examined more closely on receipt of next Audit Letter
11/22	Housing benefits has 2 PI's below median performance	Rod Chamberlain	This interpretation/conclusion was not agreed	Any comments of this nature will be examined more closely on receipt of next Audit Letter
11/22	75% of benefit PI's have not improved quartile positions since 2002/03	Mike Brean	This interpretation/conclusion was not agreed	Any comments of this nature will be examined more closely on receipt of next Audit Letter
11/23	Cultural survey from 2003 showed poor satisfaction rates, with sport, leisure and arts in worst quartile	Diane Burridge	Best Value User Satisfaction Survey being undertaken by BMG Research.	Results due end of year.
5/1	Improve service plan links	Tracy Turner	Service planning templates improved year on year.	New service plan templates for 2007/08.
14/33	Service plans generally weak on user focus	Tracy Turner		Greater use of customer consultation will feed into service plans

8/11	Service plans not consistent in format or the way they address VFM and risk	Tracy Turner	New service plan templates were introduced as part of the Corporate Plan process.	New service plan templates will be introduced for 2007/08. VFM will also be addressed with a specific review mechanism under the scrutiny function.
9/13	No clear procurement strategy leading to VFM	Tracy Turner	Draft procurement strategy to be discussed at Procurement Working Group on 14 November 2006.	Agreed strategy will be rolled out across all procurement activity.
5/1	Value for money needs more work	Tracy Turner/Phil O'Dell	Several examples of improved value for money will be submitted to the Audit Commission for their review of Use of Resources in January 2007.	VfM to be addressed as specific reviews under the scrutiny function. VFM framework to be more fully developed under People, Performance and Accountability project in Corporate Plan.
8/12	Covalent yet to produce reports on cost and vfm	Tracy Turner		Report function being developed.
9/13	VFM not well understood	Tracy Turner/Phil O'Dell		To be addressed via training as part of People, Performance and Accountability project. Guidance notes to be issued as part of a new framework.
9/13	No clear understanding of links between costs and priorities	Tracy Turner/Phil O'Dell		To be addressed via training as part of People, Performance and Accountability project. Guidance notes to be issued as part of a new framework.

20/57	Develop corporate focus and capacity to manage, review and demonstrate VFM in a consistent and systematic way	Tracy Turner		To be addressed via training as part of People, Performance and Accountability project. Guidance notes to be issued as part of a new framework.
5/1	Risk management needs more work	Michael Perry	The Risk Management Steering Group were informed on 10 October 2006 that 64 out of 75 Risk Registers were now complete. In total 5 of the 7 actions identified by the Risk Management Steering Group are now complete.	The other two actions are in progress. The first is to complete the remaining 11 Risk Registers by 31 December 2006. The second action, which is the provision of risk management training to officers and members, will be initiated at the meeting of the Risk Management Steering Group on 16 January 2007. Covalent to be used to monitor risk registers from 2007/08.
18/47	Risk Register not updated regularly	Michael Perry	64 of 75 Risk Registers complete.	Remainder due by 31/12/06
18/47	Risk management not embedded in Council's formal procedures	Michael Perry	All reports to committees now contain a risk impact assessment.	Risk registers and actions to be monitored on Covalent from 2007/08.
5/1	Capacity is fragile	Alasdair Bovaird		Chief Executive taking a major report on the future direction of the Council and covering capacity issues to Council on 12 December 2006.

5/1	User focus issues to be addressed	Tracy Turner		User focus issues have continued to be addressed. Some have been delayed because of capacity issues within the communications function due to sickness and recruitment issues.
11/25	Much ICM work yet to be implemented	Mike Brean	All ICM work on target.	Soft launch of Customer Service Centre scheduled for 27 November 2006.
11/25	No evidence of identifying reasons for comparatively poor public satisfaction rates or taking action to remedy	Tracy Turner	Considerable additional resources invested in communications function - district magazine efficiently issued on a quarterly basis, and resources devoted to addressing Stansted planning issues launched.	
11/26	Staff engagement and consultation is variable	Tracy Turner	Annual staff satisfaction survey in place.	Leadership cohort working on internal communications to feed into new communications and consultation strategy.
14/32	2004 User Focus self assessment honest but limited in scope and depth	Tracy Turner	Actions underway to address user focus initiatives under Corporate Plan	
14/32	Lack of clarity about how to improve user focus, and possible capacity problems	Tracy Turner	Actions underway to address user focus initiatives under Corporate Plan	Capacity to be addressed in Chief Executive report to Council on 12 December 2006.

14/33	Consultation and user focus activity not co-ordinated	Tracy Turner		Communications and Consultation Strategy in development
14/33	No strategic approach to hard to reach groups or clear objectives to monitor progress against	Tracy Turner		Hard to reach groups to be identified in consultation strategy. Considerable corporate effort currently in progress to address equality and diversity issues.
14/33	Particular weakness in consideration of needs of Black and Minority Ethnic groups	Tracy Turner		Migrant workers more of an identifiable issue for the district, which is being addressed. Diversity network of organisations to be set up to deal with engagement with hard to reach groups.
5/2	Closedown needs improving	Phil O'Dell	Favourable comments received regarding 2005/06 closedown in report form Audit Commssion, September 2006. Internal review of 2005/06 process already undertaken to allow further improvements in 2006/07	Planning for improvements in 2006/07 already underway
5/4	Financial reconciliations weaknesses	Phil O'Dell	Problem areas clarified and some improvements made.	Staffing resources to be realigned to address remaining problems.
5/6	HRA balances may be getting low	Phil O'Dell		Close review of this planned as part of forthcoming HRA budget process.

9/14	Financial management system not being used consistently throughout Council	Phil O'Dell	System has been improved during the year by development of better reports for users. More regular budgetary control now in place, which forces users to use the facilities of the system.	Fundamental re-coding exercise planned for the next 6 months to help all users get the best out of the system
9/14	Regular budget monitoring not undertaken in all services	Phil O'Dell	Monthly monitoring at officer level now more consistently done. EMT now receive monthly exception reporting on budgets and proposed action to rectify problems.Regular reporting to committees now in place.	Proposed replacement of financial coding structure and other improvements to the financial management system will increase the quality of information available to budget managers
15/38	Draft Accounts were not compliant with Statement of Recommended Practice (SORP)	Phil O'Dell	2005/06 again not compliant due to 2 changes required. One of these was purely due to the County Council changing pension figures.	Building on greatly improved process by making more time for review of figures during the closedown to highlight possible errors.
17/43	General Fund Balances level needs annual review re logic	Phil O'Dell		To be undertaken as part of 2007/08 budget process.
18/46	Key financial controls are not regularly monitored	Phil O'Dell	Some improved controls now in place.	More work planned as staffing issues resolved.
18/46	Not all financial feeder systems are reconciled monthly	Phil O'Dell	Some improvement in 2006/07	Further work required in next few months.

18/46	Reconciliations not always reviewed and authorised by an independent senior officer	Phil O'Dell	Some improved managerial review already in place.	Greater emphasis planned as staffing problems resolved.
19/51	Anti-fraud resources need to extend beyond benefit fraud	Michael Perry	Not accepted that local authorities can play what is essentially a role for the police. Benefit fraud is a specific power and provides financial incentives for detection.	Further discussions with the Audit Commission planed regarding their intent on this issue.
20/55	Use of Resources overall score is 2 out of 4 – adequate performance only	Tracy Turner/Phil O'Dell	Next Audit Commission review of Use of Resources due in January 2007. Scoring expected to improve on several Key Lines of Enquiry in line with known and evidenced progress, but unclear as to whether this will increase the overall score.	Currently working on evidence base for forthcoming Audit Commission review.
20/57	Produce summary financial statements or an annual report and consult stakeholders on formats	Phil O'Dell	Summary financial statements prepared and just about to be published. Content cleared with Audit Commssion.	
20/57	Produce a risk assessed Medium Term Financial Strategy	Phil O'Dell	Principles and main content agreed by Operations Committee in June 2006. Significant work done on draft.	Medium Term Financial Strategy to be presented to Council in February 2007 for agreement as part of budget process.

20/57	Develop performance measurement of assets linked to corporate objectives	Phil O'Dell		Still to be addressed. Planned for early 2007.
21/59	Arrangements for managing and quality assuring grant claims for audit needs improving	Phil O'Dell	Some improvement during 2006/07, although resource limitations have again hindered.	Grant claim register with clear timescales and lead roles needs finalising.
9/17	Capacity fragile	Alasdair Bovaird		Corporate Plan project on People, Performance and Accountability in progress. Chief Executive taking a major report to Full Council on 12 December 2006.
9/17	Capacity limitations have prevented follow up work on user focus issues	Tracy Turner		Capacity in communications as well as long term sickness have held up some aspects of user focus. Resources have been put in place to address this.
11/26	An open learning culture is not in place and opportunities to understand issues not always undertaken	Tracy Turner		Improvements in internal communications will address outstanding issues.

9/17	Service delivery and improvement may be questionable if recruitment and retention difficulties not identified and addressed	Alasdair Bovaird/Phil O'Dell		Being addressed under People, Performance and Accountability project.
9/16	Reluctance among some managers to adopt new ways of working	Alasdair Bovaird/Phil O'Dell		People, Performance and Accountability project just about to start.
9/16	Some managers not taking responsibility for areas such as service budgets and staffing	Tracy Turner/Phil O'Dell	Some improvement regarding budget responsibilities in 2006/07 following more structured approach to budgetary control.	Major steps forward to come from People, Performance and Accountability project.
9/18	Effectiveness of training is variable	Phil O'Dell		Review planned
9/18	Councillor uptake of training is variable	Michael Perry		Review planned