

| Requirement | Current Position | Further Action |
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| The accounts submitted for audit presented fairly, but contained several non-trivial errors (Level 2 Financial Reporting) | Arrangements are already in place to ensure that the errors made last year are not repeated. All accountants have attended training sessions on new requirements, relevant guidance has been purchased and a different approach to leading and co-ordinating the final accounts process has been established. | None |
| The accounts were subject to robust member scrutiny prior to approval (Level 3 Financial Reporting) | The accounts are reported separately to Committee. This provides an opportunity for Members to raise issues and ask questions, etc. before approval. | There is now an expectation that councils attempt to enhance the understanding of Members who approve the accounts. This will be covered in an overview report that accompanies the financial statements for 2006/07. This will explain changes in accounting standards since last year and the effect on the Council's accounts and how officers have complied with these changes. |
| All additional requests from the auditor were responded to promptly in accordance with any agreed deadlines (Level 3 Financial Reporting) | This is done in accordance with a protocol agreed locally with the External Auditor. | None |
| The Council publishes summary financial information that meets the needs of a range of stakeholders. (Level 3 Financial Reporting) | Consultation takes place with local residents on the Council's summary financial information each year and Committee considers this document prior to its approval. | None |
| The Council can demonstrate that it is considering the views of a range of stakeholders in making its decision whether to publish an annual report (Level 3 Financial Reporting) | The Council is required legally to produce a Best Value Performance Plan every year. However, this is not strictly an annual report that is typically produced by private sector organisations, or indeed by other sections of the public sector. | This year's consultation on the financial statements will take place with local residents on 12 th June 2007. Their views on an annual report, including format and content, etc. will be sought. |
| The Council undertakes cash flow monitoring which is used to inform short and long-term investment decisions (Level 2 Financial Management) | A cash flow model is maintained and updated on a daily basis in accordance with treasury management procedures. This is used to decide on borrowing and lending decisions. | None |

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| The key messages from the Council's medium-term financial strategy is communicated to staff and stakeholders as appropriate (Level 3 Financial Management) | This forms part of training sessions and briefings, including those provided to residents at area meetings and local businesses through the annual business rates consultation. In addition, items are placed in the core brief and the latest MTFP is available on the Council's website. | None |
| The financial performance of significant partnerships is regularly reviewed, linked to outputs and the results shared with partners and acted upon (Level 2 Financial Management) | Formal reports are submitted on a regular basis to the boards of the Local Strategic Partnership and the Safer South Derbyshire Partnership. | None |
| There is a regular training programme providing training on financial issues for members and relevant non-finance staff (Level 3 Financial Management) | Training and awareness is provided in several ways: <ul style="list-style-type: none"> • Through the induction process for new employees • Induction training for new members • A yearly seminar/workshop for members • Ad-hoc teach-ins for individual services • Ad-hoc awareness sessions for departments on request • The provision of documents and guidance notes on the Council's Intranet | None |
| The Council produces accurate and meaningful profiled financial monitoring reports for all budget within ten days of the month-end (Level 3 Financial Management) | Monitoring reports are currently produced within this time limit, but not all budgets are profiled. | Fully profiled information is being produced from 2007/08. |
| A member has been allocated portfolio responsibility for asset management (Level 3 Financial Management) | This is the Chair of the Finance and Management Committee under its terms of reference. | None |
| The Council has developed a set of local performance measures in relation to assets that evaluate asset use in relation to corporate objectives (Level 3 Financial Management) | The Council has a set of local Performance Indicators (PI's). | Developing the PI's is a key aim within the 2007/08 Asset Management Plan. |

USE OF RESOURCES ACTION PLAN 2007

Item 9 Annexe 'A'

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| The Council sets and monitors targets for all material categories of income collection and recovery of arrears, based on age profile of debt (Level 2 Financial Standing) | This is largely undertaken through the Council's performance and financial management frameworks. | The credit control policy is being reviewed to ensure that the Council's arrangements meet these criteria. |
| All appropriate staff are given relevant training and guidance to enable them to take responsibility for managing risk within their own working environment (Level 3 Internal Control) | Overall training sessions on risk management are provided to staff as necessary. Guidance is available to staff on the Council's website (provided by the Council's insurers). Guidance is regularly provided via quarterly monitoring reports and the updating of risk registers as part of the service planning process. | None |
| The Council has a business continuity plan in place that is reviewed on a regular basis (Level 2 Internal Control) | Yes and this is being reviewed and enhanced on a regular basis. | None |
| The Council has identified its significant partnerships and has appropriate governance arrangements in place for each of them (Level 2 Internal Control) | These are properly constituted and governed by a board that includes representatives from all partners. (The Council's significant partnerships are considered to be the Local Strategic Partnership and the Safer South Derbyshire Partnership). | None, although the external auditor is expecting the Council to undertake an exercise to clarify what its significant partnerships are to meet this criteria. This will be undertaken in accordance with relevant guidance by June 2007. |
| The Council has arrangements in place to ensure that it has a sound system of internal financial control, for example, carrying out regular bank reconciliations and reconciliations of major feeder systems (Level 2 Internal Control) | This is done in accordance with normal day-to-day financial procedures. | None |
| The Council can demonstrate that it is effectively delivering the core functions of an audit committee, as identified in the CIPFA guidance; that it provides challenge to the Executive when required and provides for effective leadership on governance, financial reporting and audit issues (Level 3 Internal Control) | The Council has a fully constituted Audit Sub-Committee that operates under its own terms of reference. It meets on a quarterly basis and makes any necessary recommendations to the Finance and Management Committee. Its effectiveness is reviewed under a code of practice once a year. | None |

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| The procedure notes/manuals for key financial systems are reviewed and updated as appropriate (Level 3 Internal Control) | This is done in accordance with normal day-to-day financial procedures. | None |
| The Standing Orders, standing financial instructions and Scheme of Delegation are reviewed and updated as appropriate (Level 3 Internal Control) | This is done in accordance with constitutional arrangements. | None |
| The Council is proactive in raising standards of ethical conduct among members and staff, including the provision of ethics training (Level 3 Internal Control) | This is done in accordance with constitutional arrangements. | None |
| The Council can demonstrate that counter fraud and corruption work is adequately resourced (Level 3 Internal Control) | There is a separate fraud unit within the revenues service. The internal audit unit has full scope to investigate instances of potential fraud and corruption in its terms of reference. | None |
| The Council ensures that the whistle-blowing policy is brought to the attention of those contracting with the Council (Level 3 Internal Control) | The Procurement Manager undertakes this. | None |
| The Council currently achieves good value for money (Level 3 VFM) | <p>South Derbyshire has been assessed as a low spending Council with a prudent approach to finances that has enabled it to make significant efficiency savings.</p> <p>There have been some improvements in performance, particularly in priority areas, with more targets being met. However, these are modest, and, comparatively, performance is not improving as quickly as other councils.</p> | <p>There is a need to prove that the Council achieves VFM. An exercise is being undertaken to compare the Council's costs and performance against a set of comparator groups used by the Audit Commission. A report will be issued for the Commission with appropriate conclusions.</p> <p>In recognition of the modest performance improvements, very challenging targets have been set in priority areas for the next three years (as recognised by the Commission).</p> |

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| <p>The Council manages and improves value for money (Level 3 VFM)</p> | <p>The Audit Commission advise that there is clear progress in developing a culture of value for money in the Council. Councillors have taken a lead in developing the new corporate plan, and there are plans in place to review the Council's expenditure against priorities in the plan.</p> <p>The Council does not gather information on equity in a systematic way and so it does not know whether its services are meeting the needs of all the community.</p> <p>Significant improvements have been made in procurement with increased value for money and plans are in place to review all contracts and in-house delivered services.</p> | <p>As part of the Council's Improvement Plan for 2007/08, the methodology for undertaking value for money reviews will be reviewed.</p> <p>The Council's Corporate Plan for 2007/08 includes actions to agree monitoring categories and to formulate a review and reporting framework.</p> <p>The procurement strategy is currently being reviewed to reflect this and outcomes will be reported to Committee in July 2007.</p> |
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