

**Internal Audit Service  
SERVICE PLAN 2003/2004**

**HALF YEARLY REPORT (SEPTEMBER 2003)**

**SERVICE DESCRIPTION**

Internal Audit is an independent appraisal function established by the management of an organisation for the review of the internal control system as a service to the organisation. This is a statutory requirement in local government.

The Council's elected members look to the Chief Finance Officer for assurance that the integrity of the Council's financial and other systems is not compromised. The service undertakes a systematic programme of audits to give that assurance.

**THE HALF YEAR IN CONTEXT**

- ❑ The Authority is entering a period of substantial change and this involves the replacement of seven major computer systems within the financial sphere with others to follow. Our plans had been designed to undertake an extensive programme documenting and evaluating these systems including the interface links and resultant changes in working practices. Successive delays from our suppliers have seen our current year work plan amended several times.
- ❑ The new systems will not be implemented in the current year but some work will be needed in the last quarter. A small local audits programme has been re-introduced
- ❑ The managed audit programme was brought forward for the 2002/03 financial year and whilst we were unable to undertake all the work in the year of audit there was significant progress.
- ❑ The fraud and corruption work was completed earlier than planned.
- ❑ The core processes, namely Main Accounting and Budgetary Control, were completed earlier in the current year and to the satisfaction of the District Auditor.
- ❑ Comprehensive Performance Assessment has significantly influenced our work this year.

**ACHIEVEMENTS**

ACTION	OUTCOMES
<b>Corporate Key Tasks</b>	
Put In Place Arrangement for Good Corporate Governance	Financial Regulations and Procedure rules have been updated. Financial elements of Contract Procedure rules have been updated. Newly introduced codes of practice are being examined
Develop a more outward looking focus for the organisation by forging links with local, regional and national networks	The Derbyshire Audit group has established a number of initiatives in which joint working arrangements exist to develop standards and programmes for use across the County. Data Protection is one example.
Improve Communication	Team Briefings complement the weekly operational meeting
Support and promote team working	Audit naturally operates on team principles. This is supplemented by ensuring the organisations progress through CPA and other issues is linked into briefings.

Establish training and development plans for employees	Internal Audit team members have a training and development plan.
Develop and Implement Codes of Conduct for employees and members	The newly introduced codes are being examined
Improve Performance	Local Indicators are in place
Establish arrangements for reporting and monitoring progress on all external audit and inspection work	Joint working arrangements established with the District Audit. Recommendations are included in Internal Audit programmes and the follow-up procedure
<b>Departmental Key Tasks</b>	
Internal Audit Procedures	An Audit Manual is being produced based on the CIPFA model
Corporate Performance Assessment	As with best value Internal Audit has looked how to add value to the process. The use of audit work and expertise has assisted in identifying areas for improvement.

#### TASKS AT RISK OF NON DELIVERY DURING THE YEAR

ACTION	EXPLANATION
Audit Plan	<p>The Audit Planning process, over the next few years, will be affected by a significant amount of change within the Authority and in particular in the financial system arena.</p> <p>To undertake the necessary documentation and evaluation of these systems and any resultant changes in working practices, it was therefore necessary to significantly restrict the local audits programme over the next two years.</p> <p>Our annual plan was developed on the basis that these systems would have commenced implementation early in the current year. Delays in their implementation mean our work cannot commence until the last quarter.</p> <p>The plan is being revised and some local audits will be now be undertaken.</p>

#### 2003/2004 PERFORMANCE INDICATORS

LOCAL INDICATOR	2002/03 (actual)	2003/04 (target)	2003/04 (actual)
Net total cost of Internal Audit per audit day	£190	£205 pd	N/A
External Audit Opinion of the Internal Audit function	Satisfactory	Satisfactory	Satisfactory
Percentage of the Annual Audit Plan			

completed in the year	90% (revised plan)	90%	N/A
Percentage of agreed audit recommendations implemented	100%	100%	N/A

## EMERGING ISSUES

The Local Government Act 2003 has far reaching implications across many aspects of a Local Authority's responsibilities. The implication on the fundamental accounting and financial systems will require consideration.

The CIPFA Code of Practice for Internal Audit 2003 will have an effect on the service.



## **IT DIVISION SERVICE PLAN 2003/2004**

### **HALF YEARLY REPORT (SEPTEMBER 2003)**

#### **SERVICE DESCRIPTION**

**Co-ordinating the use of IT and achievement of E-Government Targets** – this preparing the Council IT Strategy and IEG statement together with co-ordinating key projects that will help the Council deliver against national e-government targets.

**Support and Maintenance of IT Systems across the Council** – this includes maintaining existing computer systems as well as advising upon and implementing replacement systems.

**Maintaining the Council Computer Network and Telecoms Links** – this includes managing key office systems including council e-mail as well as essential telecommunication links to the council. The team also runs the IT help desk to resolve user IT problems on a daily basis.

#### **THE HALF YEAR IN CONTEXT**

The E-Government challenge is putting heavy pressure on the work of the IT Division.

On a positive note the Council is much clearer about the type of projects it needs to implement to meet these challenging targets. The aim is that by the end of 2005 residents will be able to access all Council Services electronically i.e. by telephone or e-mail.

The focus over the last six months has been to get these projects started. In many cases the council is working with the Derbyshire Partnership of Councils, which both helps share skills and expertise as well as generate additional resources for council projects. A good start has been made initiating these projects and the next two years will turn the focus on delivering them.

At the same time the council also needs to bring a number of its key computer systems up to date. This includes the council-wide finance systems as well as more services specific systems covering revenues & benefits, planning and housing. It is a long time since the council faced the need to replace so many major systems and this is placing considerable pressure on council IT resources.

Another key project is the replacement of the Council's telecoms system. This again is a major task but also gives the council the opportunity to bring telecoms into line with the developments in other areas of IT.

Considerable time and effort has also been spent creating a council wide gazetteer of council properties. This is part of a national project to promote more efficient use of property information e.g. for land searches. The council's progress in this area is being recognised nationally as it has been short-listed for an important national award for this work.

## ACHIEVEMENTS

ACTION	OUTCOMES
<ul style="list-style-type: none"> <li>NLPG - Move towards common national property database. Access channel.</li> </ul>	Good progress being made with NLPG/GIS. The Council has been selected to apply for a national award to recognise the progress that it has made in this area. At present it is anticipated that all data will be cleansed by March
<ul style="list-style-type: none"> <li>Reduce storage of paper-based information. Speed up enquiries. Move closer to one point of information access. Enable close partnership &amp; joint working.</li> </ul>	Software has now been purchased to roll out document image processing across the council. The Council will now need to look at ways to source staff resources to roll this initiative out across the council.
<ul style="list-style-type: none"> <li>Better access for principal officers, Council staff, members. Flexibility and better quality environments.</li> <li>24/7 access to existing and new systems. Enable the infrastructure to be able to take-on the increased traffic efficiently. Maximise access times, security and minimise risk – towards BS7799.</li> </ul>	Citrix server software has been introduced which now enables home working and easy safe secure access to council systems. A trial is soon to be established for a member of staff. A trial has already been established for members.
<ul style="list-style-type: none"> <li>Replacement of existing telecoms provision and improvement infrastructure for future technology implications.</li> </ul>	Specification produced for new telecommunication system. Invitations to tender to be despatched by the end of September with new system implemented by March 2004. The specification takes into account any call centre requirements.
<ul style="list-style-type: none"> <li>Provision of e-enabled application packs and guidance for vacancies</li> </ul>	Implemented. Council web-site now includes details of Council vacancies. Considerable proportion of applications now received via the web-site.
<ul style="list-style-type: none"> <li>Replacement of Divisional IT Systems</li> </ul>	Upgraded systems for Planning & Building Control and Land Charges has been ordered
<ul style="list-style-type: none"> <li>Derbyshire Partnership</li> </ul>	Closer links with Derbyshire Partnership maintained. Council involved in a range of key county-wide project including, Customer Relationship Management, E-forms, intranet and e-procurement.

## TASKS AT RISK OF NON DELIVERY DURING THE YEAR

ACTION	EXPLANATION
Replacement Financial Management System – this was delayed to help progress the Revenues & Benefits project.	Work is now progressing well to achieve the revised implementation target date of 1 April 2004. The council has also taken the opportunity to implement this system in partnership with Derbyshire Dales as a means of reducing cost and spreading council risk.
Replacement Revenues & Benefits System	Considerable problems have been experienced in working with the supplier of this new system. In many ways these problems have been alleviated by working in a consortium and sharing experiences with other partners. Action has been taken to improve the performance of the consortium's IT supplier and also refocus the work of the consortium.

## 2003/2004 PERFORMANCE INDICATORS

INDICATOR	2002/03 (actual)	2003/04 (target)	2003/04 (actual)
Best Value Pis – BVP 157	21%	57%	Latest Estimate To be reported along with IEG statement

## EMERGING ISSUES

Over the last six months South Derbyshire has worked very closely with other Councils in Derbyshire to plan e-government projects. This has been to our advantage as it provides access to wider expertise and helps us to spread the risk of project failures, which is very real when using new technology.

From this a key project has emerged which is central to the council achieving its e-government targets. This project is the Customer Contact Centre centre. This will be a major project for South Derbyshire and involve us reshaping the way we deliver services to our customers. It provides a real opportunity to use technology to refocus our service delivery on the need of our customers so that they get the response they want, **however** they contact us, **whenever** they contact us, **whoever** they contact and from **wherever** they contact us.

The next six months and beyond promise to be very busy ones for the IT Team under the direction of a new IT manager. Moving to new systems will place conflicting demands on their resources that will need to be resolved sensitively. It will also require staff to develop new skills to keep pace with the changing technology.





# **POLICY AND BEST VALUE DIVISION SERVICE PLAN 2003/2004**

## **HALF YEARLY REPORT (SEPTEMBER 2003)**

### **SERVICE DESCRIPTION**

The Policy and Best Value Division is responsible for:

- Managing the delivery of the Council's Best Value programme, including the production of the annual Best Value Performance Plan
- Developing and co-ordinating the Council's performance management framework - the Corporate Plan; Service Plans; Best Value and other Performance Indicators; and helping with preparations for Comprehensive Performance Assessment (CPA)
- Developing and co-ordinating corporate and service policies and strategies and monitoring their implementation
- Supporting and co-ordinating arrangements for consultation - including management of the South Derbyshire Citizens' Panel
- Developing a Community Strategy for South Derbyshire through the Local Strategic Partnership
- Helping to develop the scrutiny function and providing policy related support to the Council's Overview and Scrutiny Committees

### **THE HALF YEAR IN CONTEXT**

Over the past 6 months, work has focussed on:

- the publication of the 2003 Best Value Performance Plan and the collation of the outturn data for the 2002/2003 Best Value Performance Indicators
- the establishment of the South Derbyshire Local Strategic Partnership (LSP) and the provision of support to the 'shadow' Partnership Board
- preparations for the Council's first Comprehensive Performance Assessment (CPA)
- the administration of 2003 Best Value User Satisfaction Surveys (in partnership with other Derbyshire Councils)
- the provision of assistance to the Council's Overview and Scrutiny Committees

Good progress has also been made on Equal Opportunities and Diversity issues following the appointment a consultant who has brought additional resources to the Division.

### **ACHIEVEMENTS**

<b>ACTION</b>	<b>OUTCOME</b>
<b>Best Value Performance Plan and Reviews</b>	<p>The 2003 Best Value Performance Plan (BVPP) was produced in the context of new statutory guidance (Circular 03/03). This required changes to the form and contents of the document. The District Auditor is currently auditing the BVPP and feedback will be provided in the annual Audit Letter.</p> <p>The Best Value Review programme has also been reviewed as part of the preparations for CPA. This resulted in the decision to put the programme 'on hold' and to direct resources to the completion of the remaining year 2/3 Reviews.</p>

ACTION	OUTCOME
<b>Performance Management (generally)</b>	<p>Key areas of work have included:</p> <ul style="list-style-type: none"> <li>• quarterly monitoring the 2003/04 Corporate Plan</li> <li>• preparing for the next Corporate Plan (which will now cover a 3 year period)</li> <li>• developing new 'templates' for Service Plans and monitoring reports</li> <li>• collating 'outturn' data for the 2002/03 Best Value Performance Indicators (in preparation for audit)</li> <li>• helping managers set new three year targets for the 2003/04 Best Value Performance Indicators and ensuring that performance is being monitored</li> </ul>
<b>Comprehensive Performance Assessment (CPA)</b>	<p>The Division has contributed in the following ways to the Council's preparations:</p> <ul style="list-style-type: none"> <li>• providing administrative and policy related support to the Thematic Review Teams</li> <li>• contributing to the development of the Corporate Self Assessment</li> <li>• co-ordinating consultation with internal and external stakeholders</li> <li>• making arrangements for the Peer Challenge</li> <li>• providing progress reports to Council, the Working Panel and the Joint Negotiating Group</li> <li>• co-ordinating / facilitating assessments of the organisation against the CIPFA/SOLACE corporate governance framework and the EFQM Excellence Model</li> </ul>
<b>South Derbyshire Local Strategic Partnership (LSP) and Community Strategy</b>	<p>The establishment of an effective and inclusive LSP for South Derbyshire is an important objective of the Council.</p> <p>The Division has contributed to the achievement of this objective by:</p> <ul style="list-style-type: none"> <li>• organising the 'Forum Event' which was held in June to 'launch' the Partnership. This was attended by some 70 representatives of groups and organisations in the public, private and voluntary sectors</li> <li>• supporting the work of the shadow Partnership Board</li> <li>• co-ordinating consultation on the proposed Constitution for the LSP</li> <li>• developing a 'project brief' for the Community Strategy</li> <li>• arranging for the first Annual General Meeting of the Partnership (which will be held on 24 October)</li> </ul> <p>Assistance has also been provided to the Chief Executive on issues relating to the Strategic Sub Regional Partnership and the Derbyshire Partnership Forum.</p>
<b>Council Plans and Strategies</b>	<p>The Division has assisted the Corporate Scrutiny Committee to review arrangements for producing and monitoring Council plans and strategies.</p>

ACTION	OUTCOME
<p><b>Equal Opportunities and Diversity</b></p>	<p>A corporate (officer) Equal Opportunities and Diversity Action Group has been established and the Group has reviewed the Council's Equal Opportunities and Diversity Policy Statement. This will be reported to the October meeting of the Finance and Management Committee, along with details of the consultation, which has taken place.</p> <p>A draft Race Equality Scheme has also been produced and Managers are currently completing risk assessments of policies and functions, which will provide the basis of action plans. This work will be reported to Committee later in the year.</p>
<p><b>South Derbyshire Citizens Panel</b></p> <p><i>NB: The Panel comprises 1,000 local residents chosen to reflect the socio-economic composition of the district as a whole.</i></p>	<p>The Panel was successfully 'refreshed' in February 2003 and in June, was consulted about public transport and tourism. A 74% response rate was achieved.</p>
<p><b>Best Value User Satisfaction Surveys</b></p> <p><i>NB: The Council is required to carry out user satisfaction surveys as part of the reporting requirements for the 2003/2004 Best Value Performance Indicators. The form and content of the surveys are stipulated by Government to enable comparisons to be made between different authorities.</i></p>	<p>Councils in Derbyshire are collaborating on arrangements for producing and distributing the questionnaires and analysing the responses. The arrangements are working very well and the required number of responses for South Derbyshire has been achieved. These are now being analysed.</p> <p>The process has been made more efficient by the use of specialist IT equipment / software which was purchased following a successful service development bid in the 2003/04 budget round.</p>
<p><b>Support for Overview and Scrutiny Committees</b></p>	<p>The Division has helped with research, drafting reports, developing work programmes, organising contributions and arranging site visits.</p>
<p><b>Political Management Arrangements (generally)</b></p>	<p>Research has been undertaken on the work of the policy committees in support of the Action Plan, agreed by Council in August.</p>

## TASKS AT RISK OF NON DELIVERY DURING THE YEAR

ACTION	EXPLANATION
<p>Update/strengthen <b>Best Value guidance</b> on the 4 Cs (compare, consult, challenge and compete)</p>	<p>The Best Value Review programme has been temporarily suspended to allow the Council to prepare for CPA. Consequently, this work is not a priority at the present time. However, the position will be reviewed following the CPA inspection and report.</p>

ACTION	EXPLANATION
Procurement	The requirement to progress other corporate priorities, such as CPA, has meant that little progress has been made in implementing the Council's first Procurement Strategy, which was agreed in October 2002. Assistance is now being provided by the District Auditor to take this forward. A first task will be to establish a corporate Working Group and to identify a Member 'champion'.
Policy Development (generally)	Other priorities have meant that it has not been possible to establish mechanisms for ensuring that new policy initiatives from Government and partner organisations are brought to the attention of managers and Members in a systematic way.  This work is unlikely to be progressed within the next 6 months. Clearly, this is disappointing because it is an area where the Division can 'add value' to the work of the rest of the organisation.

## 2003/2004 PERFORMANCE INDICATORS

Best Value Performance Indicators		2002/03 (actual)	2003/04 (target)	2003/04 (estimate)
BVPI No.				
1a	Does the Council have a Community Strategy developed with a Local Strategic Partnership?	<i>New indicator</i>	YES	NO
1d	When will the strategy be in place? Are partnership arrangements in place to support the production of the strategy?	<i>New indicator</i>	March 04/YES	September 04/YES
2a	Equality Standard for Local Government level	<i>New indicator</i>	1	1
2b	The duty to promote race equality – checklist score	<i>New indicator</i>	No target set	Not available at the present time
16b	The percentage of economically active disabled people in the authority area	13.9%	13.9%	13.9%
17b	The percentage of economically active minority ethnic community population in the authority area	2.6%	2.6%	2.6%

Local Performance Indicators		2002/03 (actual)	2003/04 (target)	2003/04 (estimate)
Best Value Performance Plan - opinion by District Audit		Unqualified	Unqualified	Awaiting audit
Average annual response rate to the South Derbyshire Citizens' Panel		70%	75%	75%

## EMERGING ISSUES

The National Strategy for Local Government Procurement (which is currently in draft) is expected to set specific (time based) targets for Councils.

There remains a need to review the level of staffing within the Division to ensure that the growing workload is adequately and appropriately addressed.