

# **BURY METROPOLITAN BOROUGH COUNCIL**

## **CPA USE OF RESOURCES ACTION PLAN 2006**



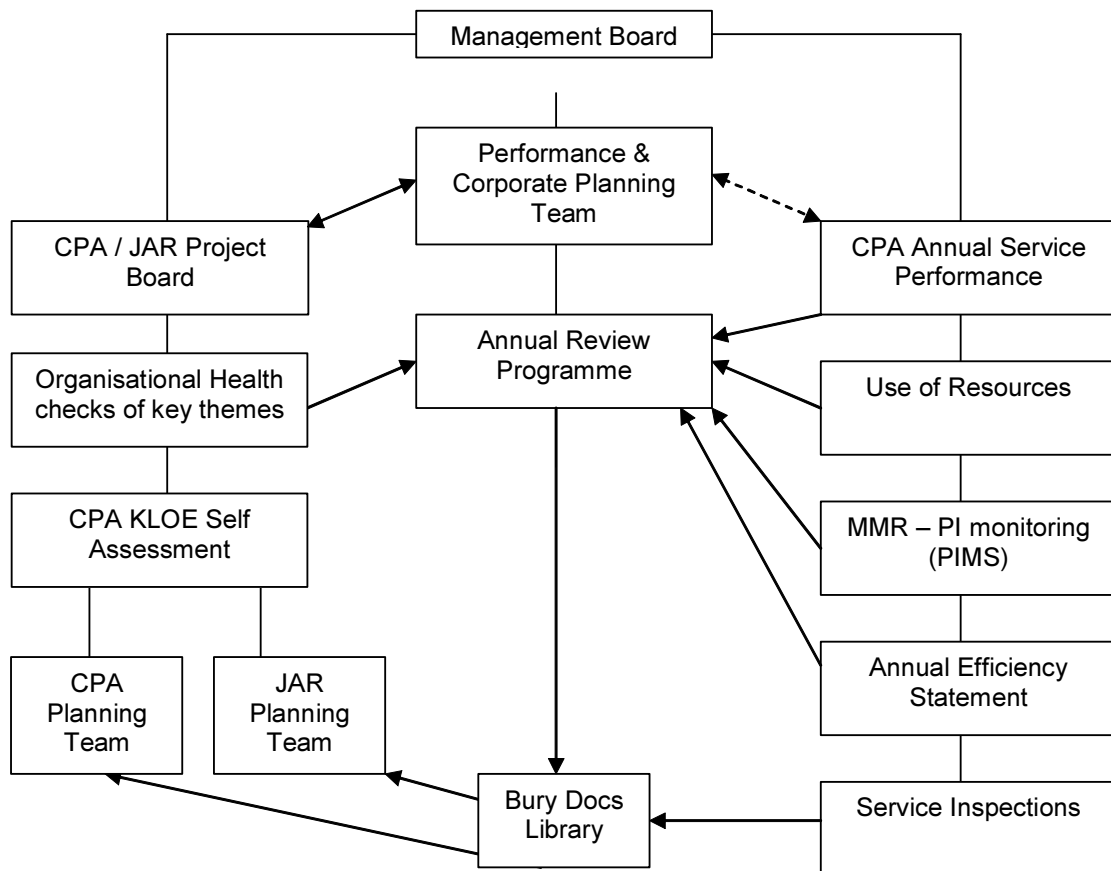
**DIRECTOR OF FINANCE & E-GOVERNMENT  
December 2005**

This Action Plan has been drawn up to address the issues identified by the auditor judgement on the 2005 Use of Resources assessment.

The Plan will be overseen and monitored by a Use of Resources team that has been established under the CPA/JAR planning framework that was endorsed by Management Board on 19<sup>th</sup> December 2005.

The framework was established so that the authority can build on its recent successes whilst at the same time creating the capacity for further development. It provides a twin track approach that sees service improvements being maintained whilst taking a robust approach to addressing any 'corporate' gaps. With the next CPA Corporate Assessment/Joint Area Review (CPA/JAR) scheduled for 2007/08, the authority is committed to tackling these issues now.

To co-ordinate the improvement agenda, it is proposed to formalise reporting and delivery structures. It is not that these activities are absent: the purpose of formalising the structure is to provide greater control over the direction and prioritisation of tasks, ensure that changes are being delivered on time and to prepare a "glide path" for the council into inspections. The basis of the structure is set out below:



December 2005

The Use of Resources Team comprises:

- Head of Strategic Finance (DoFEG in first instance)
- Andrew Baldwin, Head of Financial Management
- Harry Downie, Head of Performance & Corporate Planning
- Sarah Janusz, Head of Corporate Procurement & Project Planning
- Departmental Heads of Finance

The Team's terms of reference are:

- *To meet at least monthly to oversee the implementation of the Use of Resources Action Plan, including finance, performance and procurement issues, with a view to achieving a CPA score of no less than 3 out of 4 for 2006*
- *To comment on and oversee the implementation of external/internal audit reports affecting specific elements of the Action Plan*
- *To monitor performance against any sub-plans (e.g. closure of accounts timetable) that affect the outcomes specified in the Action Plan*
- *To prepare and agree monitoring reports for submission to the CPA/JAR Project Board*

The Action Plan focuses on the activities that are required to deliver a CPA score of at least 3 out of 4, by autumn 2006, and is based on the existing KLOEs. Should the KLOEs be amended then the Plan will be up-dated accordingly.

This Plan also forms part of a wider Financial and Performance Management Development Plan that has been drawn up to address issues such as reduced timescales for the closure of accounts, recent developments in corporate governance etc. Key actions from the CPA Action Plan and the Finance and Performance Management Development Plan will be incorporated into the 2006/07 Finance and E-Government Service Plan.

## USE OF RESOURCES ACTION PLAN – POSITION STATEMENT 31<sup>st</sup> JANUARY 2006

Issue	Proposed Action	Who	By When	Progress
<b>Financial Reporting</b>				
Reconciliation problems	<ul style="list-style-type: none"> <li>• 'Regular as Clockwork' development brief agreed with Head of Financial Management (reconciliation review in 'must do' section)</li> <li>• Internal Audit investigation instigated</li> <li>• Reconciliation Review Group re-established, reporting direct to DoFEG</li> <li>• Financial management 'away day' to be held to agree priorities</li> </ul>	<p>DoFEG/HoFM</p> <p>DoFEG/HoARM</p> <p>DoFEG/HoFM</p> <p>DoFEG/HoFM</p>	<p>06 Oct 05</p> <p>14 Nov 05</p> <p>06 Oct 05</p> <p>15 Dec 05</p>	<p>☺ Complete</p> <p>☺ Initial investigation complete. Disciplinary investigation underway</p> <p>☺ Complete</p> <p>☺ Complete</p>
Material errors in accounts	<ul style="list-style-type: none"> <li>• Agree Closure of Accounts process and timetable reflecting WoGA deadline</li> <li>• Agree Prepared by Client list with KPMG</li> <li>• Establish Accounts Closure Working Group reporting direct to DoFEG to undertake quality assurance/progress monitoring (to include 6TH)</li> <li>• Guidance notes including PbC list to be issued to every member of accountancy staff and also placed on intranet, job descriptions to be reviewed, closure training session to be held (with KPMG assistance)</li> </ul>	<p>HoFM/HoFs</p> <p>DoFEG/HoFM</p> <p>DoFEG/HoFM</p> <p>HoFM</p>	<p>31 Jan 06</p> <p>31 Jan 06</p> <p>14 Dec 05</p> <p>31 Jan 06</p>	<p>☺ Will be complete by deadline</p> <p>☺ Will be complete by deadline</p> <p>☺ Complete</p> <p>☺ Will be complete by deadline</p>
External accountability	<ul style="list-style-type: none"> <li>• Continue consultations on</li> </ul>	HoFM	31 Mar 06	☺ On target

	<p>summarised accounts (LSP done, use of web-site, press release to be issued)</p> <ul style="list-style-type: none"> <li>Review with Management Board and senior members the possibility of publishing an Annual Report</li> </ul>	DoFEG	31 Mar 06	J Complete; summary to be included within Bury Plan
<b>Financial Management</b>				
MTFS not linked to internal strategies	<ul style="list-style-type: none"> <li>LTFS to be prepared making explicit links to the Corporate Plan, other internal strategies and demonstrating their impact on the financial position. High level examples to be used and reported to meetings of the Executive (Strategic Priorities)</li> <li>New post of Head of Strategic Finance to be established to drive forward efficiency agenda and work on linking finance and performance</li> <li>Existing priority-led budgeting process to be supported by documentation, use of Priority Investment Reserve and formal explanation in budget report</li> </ul>	DoFEG/DCE/HoPCP	30 Apr 06 8 Mar 06	J On target
		DoFEG	30 Nov 05	J Complete; to be advertised in February 06
		DoFEG	22 Feb 06	J On target; as part of Budget report
Budget monitoring arrangements do not make effective use of risk management techniques	<ul style="list-style-type: none"> <li>Budget monitoring processes to be reviewed (part of 'Regular of Clockwork' development) and agreed with Management Board/Members</li> <li>Format of budget monitoring report to be reviewed (including the use of non-financial information, progress on achieving savings and efficiency gains, using double traffic light approach to reflect budget and performance position, monitoring of</li> </ul>	DoFEG/HoFM	31 Mar 06	J On target
		DoFEG/HoFM	31 Jan 06	K May slip to mid Feb 06

	<p>key health indicators and includes performance of key partnerships). Rules for application of 'traffic light' scheme to be agreed by Management Board and Executive</p> <ul style="list-style-type: none"> <li>Budget monitoring to be linked with corporate and departmental risk assessments and with Performance Information Management System (PIMS)</li> <li>Scheme of delegation to be reviewed</li> <li>Financial Management Manual to be produced</li> <li>Use of profiled budgets to be considered linked to implementation of Agresso</li> </ul>	<p>DoFEG/HoFM</p> <p>DoFEG/HoFM HoFM</p> <p>DoFEG/HoFM</p>	<p>31 Mar 06</p> <p>31 Mar 06 31 Mar 06</p> <p>31 Mar 06</p>	<p>∩ On target</p> <p>∩ On target ∩ On target</p> <p>∩ On target</p>
<p>Arrangements for maintenance of Council owned property are weak</p>	<ul style="list-style-type: none"> <li>Reconstitute Capital Programme Strategy Group to become Asset Management Strategy Group</li> <li>Establish asset management as standing item on agenda for Quality Council portfolio meeting</li> <li>Re-write Capital Strategy and Asset Management Plan (AMP) including PIS and monitoring arrangements</li> <li>Confirm Whole Life Costing/Option Appraisal process with Management Board</li> <li>Complete maintenance needs survey</li> <li>Submit maintenance programme to Executive</li> </ul>	<p>DoFEG/BPSO</p> <p>DoFEG</p> <p>DoFEG/BPSO</p> <p>DoFEG/BPSO</p> <p>BPSO BPSO</p>	<p>26 Feb 06</p> <p>31 Jan 06</p> <p>31 Mar 06</p> <p>31 Mar 06</p> <p>30 Jun 06 31 Jul 06</p>	<p>∩ On target</p> <p>∩ Complete</p> <p>∩ On target</p> <p>∩ On target</p> <p>∩ On target ∩ On target</p>
<b>Financial Standing</b>				

Budget setting and reserves should be routinely linked to the corporate risk register	<ul style="list-style-type: none"> <li>A reserves policy has been written as part of the Golden Rules approach and linked to risk assessments and will be established formally as part of the 2006/07 budget setting process</li> </ul>	DoFEG	22 Feb 06	J On target; as part of Budget report
Provide monitoring information to show the effectiveness of debt recovery actions, associated costs and the costs of not recovering debt	<ul style="list-style-type: none"> <li>Targets for income collection and arrears recovery to be set, debt recovery process to be reviewed and monitoring process established (part of current work on Corporate Debt Recovery Policy)</li> </ul>	HoR&B	31 Mar 06	K May slip to Apr 06
<b>Internal Control</b>				
Ensure risk management processes are operating effectively	<ul style="list-style-type: none"> <li>Review and up-date corporate risk assessments</li> <li>Link risk management to Service Assessment framework</li> <li>Bury Plan to contain section on risk and risk matrix</li> <li>Review and up-date departmental risk assessments</li> <li>Establish Member-level Risk Working Group to review and monitor corporate risks and action plans and agree timetable for monitoring reports</li> <li>Establish authority-wide risk management training programme</li> <li>Review format of Committee reports to reflect risk matrix</li> <li>Redirect resources to Risk Manager post</li> <li>Set timetable for production of Annual Risk Report to Executive,</li> </ul>	Man Board	19 Dec 06	J Complete
		DoFEG/HoPCP	30 Jan 06	J Complete
		DoFEG/HoPCP	31 Mar 06	J On target
		DoFEG/HoARM	31 Jan 06	K May slip to Mar 06
		DoFEG	25 Jan 06	J Complete
		DoFEG/DoP	31 Mar 06	J On target
		DoFEG/DoLDS	28 Feb 06	J On target
		DoFEG	01 Dec 05	J Complete; D Hipkiss to undertake this role
		DoFEG	31 Dec 05	J Complete; has been incorporated in revised Policy and Strategy

	<p>Scrutiny and Council</p> <ul style="list-style-type: none"> <li>Integrate risk assessments into new partnership framework</li> <li>Complete Business Continuity Plan</li> <li>Undertake formal risk assessment of material items of revenue and capital expenditure</li> </ul>	<p>DoFEG/HoARM</p> <p>DoFEG/HoARM DoFEG</p>	<p>31 Mar 06</p> <p>31 Jan 06 22 Feb 06</p>	<p>J On target</p> <p>L Will slip to Mar 06 J On target; as part of Budget report</p>
Maintain a sound system of internal control	<ul style="list-style-type: none"> <li>Develop a formal assurance framework to support the SIC</li> <li>Draw formal procedure notes for business critical systems</li> </ul>	<p>HoARM</p> <p>HoARM</p>	<p>31 Mar 06</p> <p>31 Mar 06</p>	<p>J On target</p> <p>J On target</p>
Promote and ensure probity and propriety in the conduct of business	<ul style="list-style-type: none"> <li>Develop formal counter-fraud action plan based on a risk assessment</li> <li>Review arrangements for disclosing gifts and hospitality</li> </ul>	<p>HoARM</p> <p>DoLDS</p>	<p>31 Mar 06</p> <p>31 Mar 06</p>	<p>J On target</p> <p>J On target</p>
<b>Value for Money</b>				
The Council manages and reviews VFM	<ul style="list-style-type: none"> <li>Ensure VFM is specifically referenced in Committee report format using Gershon definitions and guidance</li> <li>Examine feasibility of providing benchmark information from CIPFA Benchmarking Clubs</li> <li>Include VFM assessment in Project Initiation Documents (PiDS) and introduce Gateway reviews (as agreed in the 2006-2008 Procurement Strategy) for larger capital schemes</li> <li>Include reference to VFM in employee review process</li> <li>Higher profile to be created for AES Forward/Backward, with a finance and performance 'traffic light' monitoring system</li> <li>Undertake a comprehensive</li> </ul>	<p>DoFEG/DoLDS</p> <p>DoFEG/HoSF</p> <p>DoFEG/HoPCP</p> <p>DoFEG/DoP</p> <p>DoFEG</p> <p>DCE/HoPCP</p>	<p>28 Feb 06</p> <p>31 Mar 06</p> <p>28 Feb 06</p> <p>31 Mar 06</p> <p>22 Apr 06</p> <p>Commence Feb 06</p>	<p>J On target</p> <p>J On target</p> <p>J On target</p> <p>J On target</p> <p>J On target</p> <p>J On target</p>



	<p>assessment of all services within coming 12/18 months as required by the Procurement Strategy, to inform the development of a Best Value review programme for the Council (see Management Board report – 30 January 2006)</p> <ul style="list-style-type: none"> <li>• Links will be developed between Departmental Plans and Departmental Medium term Financial Strategies.</li> </ul>	HoSF/HoPCP	To be agreed	J On target
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Director of Finance and E-Government  
12 December 2005  
Up-Dated 24 January 2006