

## **EAST AYRSHIRE COUNCIL**

### **CORPORATE GOVERNANCE COMMITTEE – 9 JUNE 2005**

#### **TRANSITIONAL AUDIT ACTION PLAN UPDATE**

##### **Report by Head of Corporate Development and Communication**

### **1. PURPOSE OF REPORT**

- 1.1** To advise the Corporate Governance Committee of progress in the implementation of the Best Value and Community Planning Transitional Audit Action Plan.

### **2. BACKGROUND**

- 2.1** Reports on the development of the Accounts Commission's Best Value and Community Planning Audit and the arrangements for the Year 1 Audit were considered previously at the 28 August 2003 meeting of the Emergency Powers Committee and at the 10 February 2004 meeting of the Corporate Governance Committee.
- 2.2** Committee was advised in the report of 10 February 2004 that this Council had not been selected for the full Best Value and Community Planning Audit for 2003/2004, but that the Council was to undergo a Transitional Audit.
- 2.3** The outcome of the Transitional Audit as detailed in the Council's External Auditor's Final Audit Report was reported to the 21 September 2004 meeting of the Corporate Governance Committee. Among other things, the Committee agreed to note the Auditor's recommendations and the actions proposed by officers to meet the terms of these recommendations in full. The Committee also agreed to receive updates on this matter and this report now advises Members of the progress that has been made in implementing the actions agreed previously with the External Auditor.

### **3. TRANSITIONAL AUDIT ACTION PLAN PROGRESS**

- 3.1** As Members will be aware, the purpose of the audit exercise was for the Council's External Auditor to determine whether the Council had appropriate transitional arrangements in place to demonstrate that the terms of the Local Government in Scotland Act 2003 in relation to Best Value and Community Planning were being addressed. It is worth highlighting that the conclusions from the Audit were positive, with the following position statement for the Council being provided by the External Auditor within the Executive Summary of the Audit Report:-

- The Council have taken on board the changes required of them under the Local Government in Scotland Act, 2003 and additional Best Value Guidance received from the Scottish Executive. They have undertaken a full review of their current Best Value arrangements and demonstrated how these arrangements are to be further developed to allow them to meet in full their statutory requirements.
- The Council has a clear framework for driving the Best Value process forward, led by the Council's Corporate Management Team with support from the

Corporate Strategy Group and considered and agreed by Elected Members through the Corporate Governance Committee, the Policy and Resources Committee and Service Committees.

- The Council are going to continue with their proven EFQM Performance Assessment Tool, enhancing this through the use of the EFQM Pathway tool. This will assist all service departments in creating an Action Plan to drive forward service performance in accordance with Best Value criteria.
- The Council has recently restructured its service departments as part of an overall review of the organisational structure. This has benefited the best value process by allowing the Council to focus on establishing revised service units and subsequently the reporting requirements and targets for those units going forward.

**3.2** The Audit Report also contained only four recommendations and these are noted in the following table. Current progress in implementing the actions is provided in the final column.

Recommendation	Responsible Officer	Implement by	Update
Once the pathway tool is fully implemented, the Council will need to undertake a post implementation review of this Best Value mechanism to ensure that it is continuing to meet the Council's needs and expectations	Head of Corporate Development and Communication.	April 2005	The Council's programme for the implementation of the EFQM Pathway Tool includes a requirement to undertake a review of the implementation of the Pathway Tool at the end of the first year of full implementation in April 2005. This review has been carried out and the conclusions are included in a separate report to this Committee. <b>Action Achieved</b>
To develop and approve the Terms of Reference for the Performance Monitoring Group as soon as possible, and to update the Scheme of Delegation. This Group should meet on a regular basis.	Head of Corporate Development and Communication.	October 2004	The Scheme of Delegation was amended at the meeting of the Council on 4 March 2004. The Terms of Reference for the Performance Review Group were agreed by the Corporate Governance Committee at its meeting on 16 November 2004. The detailed operating arrangements for the Group were discussed by the Corporate Management Team on 6 April 2005. The Group will meet on 16 June 2005. <b>Action Achieved</b>

<p>The Council should ensure that each Service Department's Annual Service Plan / Business Plan links the individual targets to the 6 key themes within the Community Plan.</p>	<p>Head of Corporate Development and Communication.</p>	<p>April 2005</p>	<p>The East Ayrshire Community Plan has already been agreed by the Council as its sovereign planning document. Service Plan priorities currently link to the six key themes of the Community Plan through the action planning process. This link has been further strengthened with the 2005 mid-term review of the action plans reported to the Policy and Resources Committee on 31/5/05.</p> <p><b>Action Achieved</b></p>
<p>The Council recognise the need to continuously improve and going forward the Council should seek to highlight any weaknesses or acknowledge gaps in service provision within their annual PPR Report.</p>	<p>Head of Corporate Development and Communication.</p>	<p>October 2004</p>	<p>The 3<sup>rd</sup> annual East Ayrshire Public Performance Report was published and delivered to every household in East Ayrshire during Nov/Dec 2004. In line with the audit recommendation, this report seeks to provide additional balance in highlighting weaknesses and acknowledging gaps in service provision. This will be further reinforced in the Council's proposed revised Public Performance Reporting Strategy in response to the Scottish Executive's recent Statutory Guidance on 'Measures to Support Public Performance Reporting'.</p> <p><b>Action Achieved</b></p>

**3.3** Good progress has been made in addressing the limited number of action plan points identified through the Transitional Audit and all of these are now considered to be achieved. Progress on these issues will be included in the Accounts Commission's Audit of Best Value and Community Planning which, as previously reported to Committee, will be conducted in the current year.

#### **4. LEGAL AND POLICY IMPLICATIONS**

**4.1** Compliance with the terms of the Local Government in Scotland Act 2003 is determined by the Accounts Commission through its Best Value and Community Planning Audit arrangements. In agreeing the Improvement Action Plan in respect of the Transitional Audit, it is important that the Council can demonstrate that it has made progress on the issues contained therein.

## **5. FINANCIAL IMPLICATIONS**

**5.1** None arising directly from this report.

## **6. RECOMMENDATIONS**

**6.1** The Corporate Governance Committee is asked to:-

- (i) note the good progress made in implementing the Transitional Audit Action Plan;
- (ii) note that notwithstanding this, officers will continue to seek to further improve the Council's arrangements in this regard, particularly as additional statutory guidance is issued; and
- (iii) otherwise note the terms of this report.

**Elizabeth Morton**

**Depute Chief Executive/Executive Director of Corporate Support**

**18 May 2005**

### **LIST OF BACKGROUND PAPERS**

1. External Audit Report on Best Value Arrangements for East Ayrshire Council, Transitional Arrangements Review, June 2004.

Anyone wishing further information should contact Elizabeth Morton, Depute Chief Executive/Executive Director of Corporate Support (Telephone 01563 576001) or John Clayton, Head of Corporate Development & Communication (Telephone 01563 576165)

**IMPLEMENTATION OFFICER: JOHN CLAYTON**