

Ref	Internal Audit Recommendation (from 2008/09 report)	Action Taken (assessed during Follow Up Review)	Recommendation 2010/11	Management Comments
Core Principle: Communication and Training of those charged with decision making itself and those charged with monitoring compliance.				
1.1	Completion of the sub-delegation review should be prioritised and communicated to all stakeholders. This is necessary to ensure officers are aware of the extent of their decision making responsibilities and that decisions are appropriately challenged and approved. This will also result in a comprehensive and current central list of all decision makers across the organisation that can be used to target training resources.	<p>The Senior Corporate Governance Officer informed Internal Audit that all sub delegation schemes are in place for each function that requires one and these are available on the Intranet. A tracker spreadsheet is in place to indicate the status of all schemes.</p> <p>Internal Audit selected a sample of two schemes. For both, there was evidence that the status of the sub-delegation scheme had been accurately recorded and follow up action had been taken by Governance Services where appropriate.</p>	No action required.	
1.2	A programme of formal training and refresher sessions for all officers involved in the decision making process should be developed and progress against delivery monitored and reported to the Corporate Governance Board. This will ensure that individual responsibilities are understood and the requirements of the Constitution are complied with. Feedback from these sessions will be useful in ensuring the Constitution is clearly written and readily understood by all appropriate stakeholders.	<p>Training has been delivered by the Principal Corporate Governance Officer during November and December 2010. Initially it was envisaged that the Chief Officer Resources and Strategy (CORS) would be trained in order to cascade this information within their Directorate, however, it was found that this was not always practical. The training was aimed at Chief Officers and Officers who have delegated authority to make key / major decisions as specified in the sub delegation scheme.</p> <p>Feedback from the training sessions had been requested by Governance Services. Internal Audit was advised that the feedback has been and used to inform and improve future training sessions delivered by Governance Services.</p> <p>A review of the documentation to support these actions highlighted that whilst a record of training attendance is retained by Governance Services, which details those individuals that have been trained, no assessment has</p>	A gap analysis should be undertaken in respect of officers that have sub delegated authority to take decisions and whether or not those officers have been trained.	Agreed.

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		<p>been made of those individuals that still require training.</p> <p>Governance Services has developed a brief guide to decision making which was made available to all staff via the intranet.</p>		
<p>Core Principle: Monitoring and compliance within each directorate as part of their governance arrangements and centrally as an independent assurance function.</p>				
2.1	<p>Directorate understanding of and compliance with the Constitution would be enhanced by identifying and appropriately training a designated officer to co-ordinate the process. This officer would ensure that, for example, messages are disseminated promptly to relevant officers, training is delivered where necessary and the requirements of the Constitution are being applied. This officer would be able to drive improvements with the decision making process within his/her directorate and give the Director the necessary assurances.</p>	<p>Initially the Chief Officers Resources and Strategy had been identified as the designated officers to co-ordinate the nomination process within each directorate. The Head of Governance Services advised that this has not been successful. For this to be effective, an officer should be nominated by the directorate.</p>	<p>Guidance/support and training should be provided to the nominated officers in the directorates.</p> <p>Feedback should be provided to directors on the extent to which relevant officers have received appropriate training.</p>	<p>Agreed.</p>
2.2	<p>The Head of Governance Services should also be satisfied that Directorate arrangements are appropriate and draw an independent opinion as to the compliance with the Constitution in practice across the organisation. These evidence based assurances should underpin the Annual Governance Statement.</p>	<p>Following the 2008/09 audit, Governance Services has implemented monitoring and performance management processes, the results of which have been reported to the Corporate Governance and Audit Committee (CGAC) and Corporate Leadership Team (CLT). Activities include:</p> <ul style="list-style-type: none"> <li>• Reviewing the reasons for classifying decisions as exempt from the call-in process;</li> <li>• Reviewing the Forward Plans to ensure that all relevant decisions are appropriately recorded;</li> </ul>	<p>Consideration should be given to obtaining assurances in respect of directorates on the adequacy of arrangements in place and compliance with constitutional requirements.</p>	<p>Agreed.</p> <p>Given the limited resources available to the Council, it is considered that the various corporate controls, amongst which assurances are provided by the Head of Governance Services, are</p>

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		<ul style="list-style-type: none"> <li>Performing checks to ensure that the decision maker has the necessary constitutional authority.</li> </ul> <p>The monitoring activities undertaken by Governance Services allow the Head of Governance Services to draw an independent opinion as to the compliance with the Constitution in practice across the organisation.</p> <p>Currently, Governance Services do not receive assurances from directorates on the adequacy of arrangements in place and compliance with constitutional requirements.</p>		proportionate to the apparent risks.
2.3	<p>Processes should be implemented to ensure that:</p> <ul style="list-style-type: none"> <li>All details included within constitutional decision reports are factually correct and contain sufficient information prior to submitting the report to the decision maker;</li> <li>Confidential information is correctly classified;</li> <li>All related decisions are included as background papers within supporting reports;</li> <li>Legal advice has been sought to support all relevant decisions and evidence retained;</li> </ul>	<p>The training and report writing guidance provided by Governance Services emphasis that reports should contain accurate and sufficient information.</p> <p>Following the 2008/09 audit, Governance Services has introduced quality checks to provide assurance on the completeness of the decision reports that are received from Directorates. For a sample of two decision reports, Internal Audit confirmed that the Assistant Corporate Governance Officer had reviewed the completeness of the Delegated Decision Notice (DDN) and supporting reports by ensuring that:</p> <ul style="list-style-type: none"> <li>the report has a title,</li> <li>a decision type is indicated,</li> <li>all fields within the report are completed,</li> <li>any supporting documentation is attached, and;</li> <li>recommendations are made within the report.</li> </ul> <p>The Assistant Corporate Governance Officer advised that that the DDN would be returned to the report originator if there were issues with any of the above and/or:</p>	No action required.	

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	<ul style="list-style-type: none"> <li>All Council Policy and Governance implications have been included within the reports on which decisions are based.</li> <li>Where awareness gaps are identified, relevant training will be provided by the relevant Chief Officer (Resources and Strategy) and systems updated to ensure continued compliance with the Constitution.</li> </ul>	<ul style="list-style-type: none"> <li>➤ there is no indication on the report that legal advice had been sought as appropriate;</li> <li>➤ financial, governance and other implications are not included;</li> <li>➤ information is incorrectly classified as exempt or confidential. Internal Audit confirmed for a sample of 2 reports where information had been classified as exempt or confidential that appropriate checks had been undertaken by Governance Services to ensure compliance with the Access to Information Procedure Rules.</li> </ul> <p>Internal Audit was advised by the Assistant Corporate Governance Officer that the reports are returned by email to the sender with a covering note when errors are identified.</p> <p>The Assistant Corporate Governance Officer maintains a spreadsheet detailing all decisions that have been published. This spreadsheet was created in October 2010 and at the time of the audit showed 238 entries of which 48 have been queried. This lists the type of decisions queried and shows which Directorate they belong to. This information is not currently used to identify training gaps, however Internal Audit was advised that this detail would be used to inform future training issues within Directorates.</p>		
2.4	<p>Reports supporting the decision should detail the challenge processes that have been undertaken and include all necessary information upon which is to be based.</p>	<p>The Head of Governance Services is currently reviewing the guidance for decision making report writing. The revised guidance was presented to the Corporate Governance Board for comments.</p> <p>The draft guidance reviewed by Internal Audit explicitly</p>	<p>Consideration should be given to including within the report writing guidance or report template the requirement to detail the challenge processes that have been undertaken in</p>	<p>Consideration has been given and it is felt that statutory and other requirements detailed in the guidance are</p>

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		states that it is of crucial importance that decision makers are given all the relevant information so that they may make an informed judgement and reasoned decision. However, it does not include the requirement to detail the challenge processes that have been undertaken.	respect of the decision.	sufficient to help mitigate any potential risk of judicial review.
2.5	<p>To support the Annual Governance Statement, in addition to directorate assurances, the Head of Governance Services should centrally monitor the extent of compliance with the Constitution. For example, activities could include:</p> <ul style="list-style-type: none"> <li>• Undertaking periodic data-matching exercises to provide assurance that all relevant decisions have been approved through the appropriate process i.e capital programme schemes could be matched to the database of registered decisions.</li> <li>• Collating data on the Key and Major decisions registered per directorate / service area to provide assurance that the number of decisions registered appears reasonable.</li> <li>• Centrally reviewing agenda items for Executive Board to ensure that all relevant proposed decisions are appropriately recorded in the Forward Plan</li> </ul>	<p>The Governance Services review identified some issues which were reported to CGAC, in particular a key issue was that a review be undertaken in respect of existing controls and where opportunities might exist for those controls to be better aligned. A key exercise undertaken by Governance Services was a review of all financial commitments over £100,000 in 2008/09 to provide assurance that decisions have been appropriately notified. However, this work has not been completed for 2009/10. The absence of such exercises or a lack of control in this area increases the risk that financial commitments in excess of £100k will be made without going through the appropriate process and this will not be detected.</p> <p>Data is collated on key and major decisions. The Head of Governance Services advised that this data will be provided to Directors each quarter so that an assessment can be made on the reasonableness of the number of decisions notified.</p> <p>Internal Audit evidenced that the Assistant Corporate Governance Officer emails Directorate contact staff to ensure that any decisions that have been taken or delayed or which can now be removed are reflected accurately within the Forward Plan. Regular reminders are sent via email during the month to staff that have not responded. Copies are retained by the Governance Team.</p>	<p>The Head of Governance Services should liaise with the Chief Officer (Financial Management) to assess the practicalities of establishing a process, for all financial commitments equating to a Key or Major decision, to gain assurance that those commitments have been subject to the appropriate decision making process.</p>	<p>Agreed. In addition, the Head of Governance will look to introduce a quarterly review of commitments and evidenced decisions.</p> <p>It may be proportionate to introduce a simple additional control into financial management processes. Such a control might require, as part of providing the authority to spend, evidence to be provided of relevant delegated officer or committee decision which supports the expenditure to be made.</p> <p>Governance Services could then</p>

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		<p>The Assistant Governance Officer advised that there is liaison with the Governance Officer on a regular basis by reviewing agenda items for the Exec Board meeting to identify whether the item should have been notified on the Forward Plan. If an item is identified, then the relevant officer would be contacted to ensure the item is included in the Forward Plan so that the decision can be monitored.</p>		<p>monitor the extent to which these arrangements are followed as well as the relevance of the supporting decision to the expenditure being made.</p>
<p>Core Principle: Raising of concerns in relation to non-compliance with the Constitution and action including training being taken where appropriate.</p>				
3.1	<p>The Head of Governance Services should be empowered with appropriate escalation procedures in the case of serious or consistent non-compliance within the organisation. Obviously, the initial response would be to improve communication and deliver targeted training, but should these proactive measures fail, more formal action must be taken.</p>	<p>The Head of Governance Services advised that:</p> <ul style="list-style-type: none"> <li>• From May 2009 escalation processes have been introduced (on a monthly basis) to Directors:</li> <li>• Serious or consistent non-compliance will be referred to the Monitoring Officer.</li> <li>• Performance on decision making will be reported as part of the Directors appraisal scheme.</li> </ul>	<p>No action required.</p>	
<p>Core Principle: Critically reviewing the outcomes from the controls dictated by the Constitution against the objectives and anticipated benefits of those controls. Feeding efficiency and effectiveness improvements into the Constitution as part of the iterative review process.</p>				
4.1	<p>The outcomes from the controls dictated by the Constitution should be regularly reviewed against the objectives of those controls and anticipated benefits. Efficiency and effectiveness improvements should be</p>	<p>The Head of Governance Services has reported progress against the recommendations made in the Internal Audit report of 2008/09 to CGAC and collates decision making information for monitoring purposes.</p>	<p>No action required.</p>	

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	incorporated within the Constitution as part of the iterative review process.	Performance indicators in respect of decision making have been introduced which will provide an indication of the effectiveness of the controls in place moving forward.		
4.2	<p>The current reporting template should be reviewed and updated and contained as an appendix in the Constitution. Areas where clearer advice would be useful include:</p> <ul style="list-style-type: none"> <li>➤ Guidance for the author in terms of the amount and quality of information presented, for example, pop up boxes which provide examples or guidance when interpretation of the Constitution is necessary.</li> <li>➤ Encourage the author to include those challenge and assurance processes within the report. This would enable the decision maker to place reliance on previous challenge and debate, avoid duplication of effort and highlight any decisions that may require additional scrutiny if they have not been subject to earlier challenge and review.</li> <li>➤ A requirement that the report clearly details whether any expenditure resulting from the decision is discretionary or statutory. This would be particularly useful for the decision maker where the financial climate is difficult.</li> </ul> <p>Explicit reference to any future approval that may be required in order to progress the</p>	<p>The draft guidance was considered by the Corporate Governance Board on the 9<sup>th</sup> December 2010. The new guidance and template was considered by the CGAC in April 2011.</p> <p>The Head of Governance Services advised that all regular report writing authors will be invited to half hour briefing sessions in May to be briefed on the new report format and guidance.</p> <p>At the time of the audit, the Head of Governance Services advised that whilst there was no communication plan in place, this was being developed to ensure all relevant staff were aware of changes and key messages.</p>	No action required.	

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	<p>decision. For example, the delegated decision process may currently be used to obtain approval to award contracts only and may not in themselves have any financial approval implications for the Authority.</p>			