



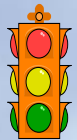
INFRASTRUCTURE AND GOVERNMENT / PUBLIC SECTOR AUDIT

Internal Audit Report 2005/06

West Wiltshire District Council
CPA Improvement Plan
22 November 2006

**Overall Report
Rating:**

Good



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1. Executive summary

Conclusion

As internal auditors of West Wiltshire District Council (the Council) we are required to give an annual overview of the system of internal control. In arriving at this overview, we give a conclusion on the individual systems reviewed during the year. Our conclusion is either that the system is good, satisfactory, weak or unacceptable. These are the conclusions used by the Government Internal Audit Standards. However, in giving our conclusion, it should be acknowledged that our work is designed to enable us to form an opinion on the quality of the systems examined based upon the work undertaken during our current review. It should not be relied upon to disclose all weaknesses that may exist and therefore the conclusion is not a guarantee that all aspects of the systems reviewed are adequate and effective.

From the work performed on the Council's arrangements to implement the CPA Improvement Plan, there is an adequate and effective system of risk management, control and governance to address the risk that objectives are not fully achieved. As a result, we have graded this area as good.

We have made four recommendations, which will address the identified weaknesses. The implementation of our recommendations should enhance the control environment in relation to the system reviewed and provide an increased level of assurance to the Council and management from the date of implementation.

Context

As part of internal audit's review of the general control environment within the Council a review of the implementation of the Comprehensive Performance Assessment (CPA) Improvement Plan was undertaken. This was completed as part of the internal audit plan for 2005/06. The objective of the audit was to review the Council's response to the CPA in developing and delivering the plan for improvement. The Council was subject to a CPA by the Audit Commission in 2004. The Council was graded by this assessment as 'fair'. The assessment identified particular weaknesses in several areas:

- Ambition;
- Prioritisation;
- Performance management; and
- Achievement in quality of service.

The Council has used the results of this assessment to develop and implement mechanisms for improvement.

Acknowledgement

We would like to take this opportunity to thank all members of staff whom we contacted over the course of this review for their time and assistance.

1. Executive summary - continued

This section of the report highlights the main findings of our review. Further detail, together with our recommendations, is included in the 'detailed findings and recommendations' section of the report which can be found on page 6.

Areas of good practice	Areas for further development
<p>Our review identified the following areas of good practice in respect of the CPA Improvement Plan:</p> <ul style="list-style-type: none">✓ Establishment of a corporate plan.✓ Establishment of a community strategy and Local Strategic Partnership (LSP) to deliver the strategy.✓ Development of a robust performance management system.✓ Introduction of targets that are relevant and achievable.✓ The use of alternative methods of service delivery and funding such as the affordable housing PFI scheme.	<p>Our work has also identified the following areas where controls could be further strengthened:</p> <ul style="list-style-type: none">▪ The role and objectives of the LSP need to be clearly defined. (Medium)▪ The performance of the LSP needs to be reviewed periodically. (Medium)▪ Performance of the Council in respect of specified areas of service should be periodically reported to the users of the Council.. (Medium)▪ The development of a performance management training programme. (Low)

1. Executive summary - continued

We have assessed each finding in our report and assigned to it a priority, as follows:

High □	Medium □	Low □
Issues arising referring to important matters that are fundamental and material to the system of internal control. We believe that the matters observed might cause a system objective not to be met or leave a risk unmitigated and need to be addressed as a matter of urgency.	Issues arising that have an important effect on the controls but do not require immediate action. A system objective may still be met in full or in part or a risk adequately mitigated but the weakness represents a deficiency in the system.	Issues arising that would, if corrected, improve the internal control in general but are not vital to the overall system of internal control.

The table below details the number of recommendations made, the priority assigned and those accepted by management.

Recommendations	High Priority	Medium Priority	Low Priority	Total
Made	-	3	1	4
Accepted	-	3	1	4

2. Detailed findings and recommendations

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
1	<p>Ambition</p> <ul style="list-style-type: none"> ■ Long-term vision not developed, clearly stated or communicated. ■ Community strategy not in place. ■ Community leadership role at the strategic level underdeveloped. ■ Value and importance of the LSP in helping the council to shape its vision for the district not well understood. ■ Cross-cutting issues such as equalities, sustainability and community safety not sufficiently 'mainstreamed'. 	<p>The Council have prepared a five year Corporate Plan 2005 – 2010 which has identified six spotlight areas:</p> <ul style="list-style-type: none"> - Improving development control - Recycling more waste - Meeting housing need - Better access to recreation - Improving market towns - Putting customers first <p>Each spotlight area clearly identifies specific objectives which are time bound and for which specific performance targets have been established. All spotlight areas are sponsored by a Portfolio Holder and a Corporate Director.</p> <p>The plan was prepared based on national and regional priorities and member priorities. A significant consultation exercise was also undertaken which involved the Community and Business and Voluntary sectors.</p>		

2. Detailed findings and recommendations

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
1	Ambition (Continued)	<p>A key source which has contributed to the development of the Corporate Plan is the Community Strategy which has itself been developed through the establishment of the Local Strategic Partnership (LSP).</p> <p>The Community Strategy clearly identifies the vision for West Wiltshire and the six objectives to achieve that vision.</p> <p>The LSP provides the opportunity for issues such as equalities, sustainability and community safety to be raised and addressed and each are viewed as “governing principles” within the Community Strategy.</p> <p>However, the review has identified that the role of the LSP is continuing to be developed. This is supported by “Capacity Building” funding which is viewed as key to its effective development.</p>	<p>The Council should develop a formal governance framework that defines roles and responsibilities, targets, and reporting arrangements.</p> <p>□ Medium</p>	<p>Agreed</p> <p>The Council is working through the Wiltshire Improvement Partnership (WIP) to revise the governance arrangements for LSPs and other key partnerships across Wiltshire. This includes structures, future roles, risk management, contractual arrangements, and performance management.</p> <p>This work is being done in the context of the emerging Wiltshire Local Area Agreement.</p>

2. Detailed findings and recommendations

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
1	Ambition (Continued)			<p>In advance of this a delivery plan for the West Wiltshire LSP has been produced and is being monitored.</p> <p>Paul Mountford and WIP April 2007</p>

2. Detailed findings and recommendations

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
1	Ambition (Continued)		<p>It is further recommended that a periodic review of the performance of the LSP is completed to assess its adequacy in supporting the Council in achieving its objectives.</p> <p>□ Medium</p>	<p>An LSP is a separate accountable body and the Council is one of the organisations sitting on the LSP. It is made up of 16 partners representing public, voluntary community, and business sectors. As such it does not just support the Council in achieving its objectives.</p> <p>In fact the reverse is true. The Councils corporate plan has been recently updated and it takes</p>

2. Detailed findings and recommendations

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
1	Ambition (Continued)			<p>account of the LSP community strategy 'a place to be proud of' to ensure the Council positively contributes to its achievement. It is expected other partners agencies will do the same when they review their own strategies and plans.</p> <p>The response outlined in the previous recommendation above includes a review to strengthen performance management arrangements in LSPs</p>

2. Detailed findings and recommendations

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
1	Ambition (Continued)			<p>This includes developing common monitoring arrangements and reporting guidelines.</p> <p>Paul Mountford and WIP During 2007</p>

2. Detailed findings and recommendations - continued

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
2	<p>Prioritisation</p> <ul style="list-style-type: none"> ■ Some corporate priorities not backed up by SMART (Specific, Measurable, Achievable, Reliable, and Timely) targets ■ Some national and local priorities not reflected in corporate priority areas ■ Priorities take insufficient account of stakeholder views and concerns: 	<p>The Corporate Plan includes both national and local priorities for which performance targets have been established. Examples of this included recycling targets (a national target), and the number of planning customers satisfied with the service (alocal target).</p> <p>The targets that have been established have been calculated as part of the performance management system which the Council has developed over several years. Through this process continual review ensures that all targets are achievable, and realistic.</p> <p>In addition to the setting of targets through the performance management system, the Council has also regularly reviewed the quantity and quality of information produced through performance indicators. This has resulted in a significant reduction (200 – 70) in the number of indicators now being produced.</p>	No further action required.	

2. Detailed findings and recommendations - continued

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
2	Prioritisation (Continued)	<p>The views and concerns of the stakeholders were taken into consideration during the development of the Corporate Plan, and can now be "voiced" through the LSP.</p> <p>The Council previously provided several sources through which people who live in the area could raise issues such as People's Voice and Area Partnership Community Plans. These have now been added to and include vehicles such as Focus Groups, consultation with the business community, and interviews with Council service managers.</p>		

2. Detailed findings and recommendations - continued

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
3	<p>Performance Management</p> <ul style="list-style-type: none"> ■ Performance management culture not embedded throughout the organisation ■ Service plans generally not sufficiently robust ■ Staff appraisal scheme lacks clear links to corporate priorities ■ Risk management underdeveloped ■ Limited availability of service standards to service users ■ Complaints monitoring not informing performance management 	<p>The Council have invested a significant amount of time and resource in the development of their performance management system. All service plans have targets included within them that are reviewed on a monthly basis and reported to the Corporate Management Team and Scrutiny Committee.</p> <p>It is the responsibility of a Service Manager to ensure targets are achieved. To assist them in this objective, the Managers are actively involved in the annual budget setting process which contributes to the setting of annual service plans. The application of this approach is helping to embed the performance management culture throughout the Council. However, it is recognised by the Senior Officers of the Council that this is an area that requires further development, so as to ensure all officers understand the objectives of performance management and the roles they themselves have in supporting the performance culture.</p>	<p>The Council should consider the development of a performance management training programme for all officers of the Council. The training could include such areas as:</p> <ul style="list-style-type: none"> ■ establishment of targets; ■ monitoring and reporting systems and ■ examples of the Council's performance management where performance improvement has been achieved. <p>□ Low</p>	<p>Agreed</p> <p>The Council's corporate training and development plan 2006-07 includes performance management training. This will be done for all service managers and team leaders. It is not practical to provide this training for all staff. Induction training for all new staff includes a module introducing performance management.</p> <p>The training will focus on particular issues relevant to WWDC including the importance of performance management,</p>

2. Detailed findings and recommendations - continued

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
3	Performance Management (Continued)			<p>targets, data quality issues, CPA, competencies, and appraisal.</p> <p>Paul Mountford / Marie Lindsay / Chris Nicholas</p> <p>Feb 2007</p>

2. Detailed findings and recommendations - continued

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
3	Performance Management (Continued)	<p>The Council have also continued to develop the staff appraisal scheme through which members of staff can identify their service department objectives and establish how they links to the appropriate corporate priorities. The development of the scheme has been supported by a series of training programmes which all officers have been required to attend. This initiative has contributed to performance management in that all officers understand their individual responsibilities and the appraisal process provides an opportunity to identify poor areas of performance and address them.</p> <p>The development of the Council's risk management arrangements is another area to which the Council have recently committed significant resources. A risk management group comprising of Members and Officers has been established, a protocol for the continual review of the Council's risk environment introduced, and corporate and service department risk registers prepared.</p>		

2. Detailed findings and recommendations - continued

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
3	Performance Management (Continued)	<p>However, the Council's nominated risk manager has recently left the Council with responsibility for that role passing to the officer's replacement. It is understood that the new officer has not previously had experience of the Council's risk management arrangements and therefore will require a period of time to familiarise themselves with the role. We have made a recommendation in our report 01/06 "Risk Management", to encourage the Council to take steps to reduce the reliance on individual members of staff in promoting and co-ordinating the Council's risk management activities.</p> <p>The corporate plan and service plans include service delivery targets which officers are required to achieve. However, the communication of those targets to the users of the service is an area that has yet to be developed. The delivery of such information could assist the Council through the users understanding issues affecting the delivery of the service, and through highlighting areas of improvement.</p>	<p>The Council should consider the production of a periodic information document for issue to the Council's stakeholders highlighting key areas of performance, such as the performance targets identified in the corporate plan.</p> <p><input type="checkbox"/> Medium</p>	<p>Agreed</p> <p>This already occurs to some extent with the Council tax and performance summary booklet delivered to all households in March. Further information on performance and achievements is provided in the updated Corporate Plan.</p>

2. Detailed findings and recommendations - continued

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
3	<p>Performance Management (Continued)</p>	<p>The Council has recently introduced a new complaints procedure through which users of Council services can raise issues of concern. A designated officer is required to review all complaints, with the outcome of all reviews being reported via the monthly performance monitoring process.</p>		<p>This will be distributed to stakeholder partner agencies.</p> <p>Further communication is being reviewed as part of the LGA reputation project and new initiatives may be developed from this work.</p> <p>Donna Mountford / Louise Knox</p> <p>During 2007 - as part of the reputation project.</p>

Detailed findings and recommendations - continued

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
4	<p>Achievement in quality of service</p> <ul style="list-style-type: none"> ■ Worst 25% performance in priority service areas – planning and recycling ■ Low public satisfaction with standards of cleanliness and handling of complaints (2000/01) ■ 13 out of 46 Local targets in annual performance plan achieved in 2002/03 ■ Small number of affordable homes completed in last 4 years ■ BFI 'fair' assessment ■ AC inspection of waste – 'fair' score 	<p>The corporate and service plans provide a clear direction in terms of the objectives of the Council and the services it will deliver to achieve those objectives.</p> <p>The performance management system has introduced clear targets which are regularly reviewed and monitored to ensure delivery is being achieved, or if not action plans are implemented to address the issue.</p> <p>The Council will consider and enter into alternative arrangements for the delivery of its services. A good example of this is the PFI scheme for the building of affordable housing within the district.</p> <p>The progress made is reflected in the Audit Commission Direction of Travel Report which identified that in 2004/05 the Council did show improvement.</p>		

Detailed findings and recommendations - continued

	CPA Assessment Weaknesses	Council Position At June 2006	Recommendation	Management Response Officer Responsible/ Implementation Date
4	Achievement in quality of service (Continued)	However, the Council also recognises that it need to continue to develop systems and processes to improve the quality of service. It is therefore introducing initiatives such as Management Development training, revising its procurement policy, and setting performance targets such as 60% of performance indicators being in the top two quartiles.		