

Cheltenham Borough Council
Audit Committee – 24 September 2014
Review of Implementation of Council
Action Plan (KPMG)

Accountable member	Councillor Jordan, Leader of the Council
Accountable officer	Andrew North, Chief Executive
Ward(s) affected	None directly
Key Decision	No
Executive summary	
<p>On 22 March 2010, the Council approved Action Plans in response to recommendations made by the Council's Auditors, KPMG in a report in the Public Interest relating to the Council's decision making processes and to recommendations made by a Member Working Group set up to review employment and dispute resolution processes.</p> <p>The Council delegated responsibility to the Audit Committee to monitor implementation of the Action Plans. Monitoring reports were considered by the Committee between June 2010 and September 2011. On the 21 September 2011, the Audit Committee concluded that it was satisfied that all specified actions had been fully addressed.</p> <p>In response to a question at the Council meeting on the 21 July 2014, the Leader of the Council confirmed the Audit Committee decision in relation to the recommendations from the KPMG public interest report. The Leader also confirmed that given the passage of time he had asked officers to prepare a report to enable the Audit Committee to review the current situation.</p> <p>Appendix 2 to this report sets out the current position with regard to implementation of the Action Plans approved by the Council by updating a version of the template used by the Audit Committee in 2010 /11 to monitor implementation of the Action Plans. This will enable the committee to review the position as requested.</p>	
Recommendations	
That the Committee consider the information set out in Appendix 2 and determine whether any further action is required in respect of any of the recommendations set out in parts A and B of the Action Plan	

Financial implications	<p>There are no financial implications arising directly from this report.</p> <p>Contact officer: Mark Sheldon, mark.sheldon@cheltenham.gov.uk, 01242 264123</p>
Legal implications	<p>None directly arising from the report.</p> <p>Contact officer: Sara Freckleton, sara.freckleton@teWKesbury.gov.uk, 01684 272011</p>
HR implications (including learning and organisational development)	<p>There are no HR implications arising directly from this report.</p> <p>Contact officer: Amanda Attfield, amanda.attfield@cheltenham.gov.uk, 01242 264186</p>
Key risks	See attached Risk Template
Corporate and community plan Implications	None
Environmental and climate change implications	None

1. Background

- 1.1 On 22 March 2010, the Council considered a report in the Public Interest (PIR). The report had been issued by KPMG regarding the Council's decision making processes arising from a review of the Council's decision making processes for the High Court litigation against its former Managing Director. At the same meeting, the Council received a report from a Member Working Group which was set up to review the KPMG report, recruitment and appointment processes and the internal processes for dispute resolution.
- 1.2 The Council accepted the recommendations made by KPMG in the PIR and by the Working group and approved Action Plans in response to each. The recommendations forming the approved Action Plans are set out in Appendix 2, Part A being those required to address the KPMG report and Part B being those required to address the report of the Member Working Group.
- 1.3 Responsibility was delegated to the Audit Committee to monitor the implementation of the approved Action Plans. The Committee reviewed progress between June 2010 and September 2011 and, at its meeting on the 24 September 2011, resolved "That it was satisfied that all specified actions had been fully addressed".

2. Current Position and Review of Action Plans

- 2.1 On the 21 July 2014 the Leader of the Council was asked to confirm that all of the recommendations arising from the KPMG Public Interest Report were implemented and are still in place today. The Leaders response was "As you will recall the council considered the 26 recommendations at an Extraordinary Meeting of Council on 23 March 2010, and approved a list of 39 actions to be taken forward. Monitoring the implementation of the recommendations was given to the Audit Committee and they considered progress reports at their meetings in June 2010, September 2010, January 2011 and March 2011. At their meeting on 21 September 2011 they concluded that they were satisfied that all specified actions had been fully addressed. It is inevitable that four years later, processes put in place at the time will have been updated and amended, as governance and risk arrangements have been improved. I think it would be appropriate for the Audit Committee to review the current situation and I have asked officers to prepare a report for consideration by the committee".
- 2.2 The table at Appendix 2 sets out the recommended actions, the position as approved by the Audit Committee in September 2011 and then a further column indicating the current position. The Committee will note that action was taken as required in respect of all 39 action points. There was one action which was not, following detailed consideration and for the reasons set out, capable of implementation (Part B- R9). On this basis, the Audit Committee was able to confirm, in September 2011, that all specified actions had been fully addressed.
- 2.3 In accordance with the request of the Leader of the Council, the Committee is being asked to review the current position and consider whether, in the light of the updated position and current circumstances, there is any further action which needs to be taken in respect of any parts of the Action Plan.

3. Alternative options considered

- 3.1 None

4. Consultation and feedback

- 4.1 None

5. Performance management –monitoring and review

5.1 The Committee will determine whether any further monitoring/review is required.

Report author	Contact officer: Sara Freckleton, sara.freckleton@teWKesbury.gov.uk, 01684 272011
Appendices	<ol style="list-style-type: none">1. Risk Assessment2. Action Plan Progress Table
Background information	<ol style="list-style-type: none">1. Reports to and Minutes of Extraordinary Council Meeting held on the 22 March 20102. Reports to and Minutes of Audit Committee Meetings held on 23 June 2010, 29 September 2010, 9 January 2011, 23 March 2011 and 21 September 2011

Risk Assessment

Appendix 1

The risk				Original risk score (impact x likelihood)			Managing risk				
Risk ref.	Risk description	Risk Owner	Date raised	Impact 1-5	Likelihood 1-6	Score	Control	Action	Deadline	Responsible officer	Transferred to risk register
	If the Council fails to continue to monitor, review and update its Corporate Governance and Risk arrangements then there would be a risk that the Councils decision making processes would become flawed putting at risk its reputation, finances and assets	Chief Executive Andrew North	12/09/2014	4	2	8	Review	Ensure that the Councils corporate governance and risk management arrangements are maintained and reviewed by the Corporate Governance Group, monitored by the Senior Leadership Team and approved by the Audit Committee.	Annual re-assessment	Director of Corporate resources	

Explanatory notes

Impact – an assessment of the impact if the risk occurs on a scale of 1-5 (1 being least impact and 5 being major or critical)

Likelihood – how likely is it that the risk will occur on a scale of 1-6
 (1 being almost impossible, 2 is very low, 3 is low, 4 significant, 5 high and 6 a very high probability)

Control - Either: Reduce / Accept / Transfer to 3rd party / Close