

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

This paper sets out what needs to be done for Warwick to achieve a score of either 3 or 4 (the two highest) for the resources element of the CPA. As all managers, and especially senior managers are responsible for managing resources this action plan needs to be understood, agreed, owned and monitored by the Management Team. The paper looks at the six areas set out in the District Audit Guidance and is set out under the following headings, using the most recent (May 03) analysis.

- 1 Financial standing**
- 2 Systems of internal financial control**
- 3 Standards of financial conduct, and the prevention and detection of fraud and corruption**
- 4 Financial statements**
- 5 Legality of financial transactions**
- 6 Aspects of performance management**

Auditors are asked not to 'score' the performance management section, but to use the criteria to inform their view of these aspects of performance management and to inform their discussions with the authority and the CAT (Corporate Assessment Team). These will be considered by the CAT in their assessment of the effectiveness corporate governance and the corporate capacity of the authority to achieve improvement. Consequently this section has been completed.

The marking is based on a 1 –4 score. On this basis a general guide for scoring would be:-

- 1 = inadequate
- 2 = adequate overall, but some weaknesses that need to be addressed
- 3 = adequate
- 4 = good

It is expected that a score of 3 would be given where an auditor, based on work undertaken to meet the requirements of the Code of Audit Practice, is satisfied that the authority has adequate arrangement in place to meet its responsibilities

The analysis attached gives the criteria for a mark of 3, together *and shown in italics with what is additional for a mark of 4.*

In certain circumstances it is highly unlikely that scores of 3 or 4 would be appropriate, such as.

- A section 114 has been issued by the section 151 officer within the last 12 months.
- The last audit opinion was qualified or included an explanatory paragraph.
- Report in the public interest (S8) of the Audit Commission Act 1998 (the Act) issued
- Successful application to the courts for a declaration of an item of account as unlawful (S17 of the Act)
- Potential use of surcharge powers (S18 of the Act)
- Issue of advisory notice (S19A of the Act)

# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>FINANCIAL STANDING</b>				
<b>1.1 Setting a balanced budget</b>	Revenue and capital budget assumptions are based on projections about pay, inflation and the corporate priorities facing the authority and all cost savings are identified, assessed for achievability and planned in advance. Known developments are anticipated, <i>and fully costed</i> .  <b>4</b>	<b>(NB reference to budget report are the 9 Feb unless otherwise stated)</b> * Projections – Para 7.5 of budget report * Corporate priorities link – Appendix 3 of budget report * Cost savings – Para 8.15 of budget report & Para, Para 6 of 24 Feb report * Developments are Costed in the service plans (which all went to the January Scrutinies and cover 3 years)	No further action	
	The revenue and capital budgets are integrated <i>and presented as such to Members</i> .  <b>4</b>	* For 2004/05 these were presented together and a checking was done of revenue consequences (from capital evaluation forms) by capital accountant. Enabling confidence that revenue consequences were picked up. * New capital growth items have revenue implications highlighted in Appendix 3	No further action	

# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
	<p>There is evidence of a risk assessment of material items of income and expenditure <i>which are fully costed. The risks are reported to members as part of the budget setting process.</i></p> <p><b>4</b></p>	<p>* Risks were reported in Para 11.2 of budget report</p> <p>* Costing of risks was included in Appendix 11 of 24 February budget report</p>	No further action	

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>1.2 Setting a capital programme</b>	The capital programme is based on the needs across all services set out in the asset management plan <i>and reflects the Council's corporate priorities.</i> <b>3+</b>	* The current AMP pre-dates the new Corporate Strategy. However it identifies the link to the Corporate Strategy and the stock condition survey. * Appendix 3 of budget report also shows how capital links to Corporate Priorities	Asset Management Plan will be updated in the light of the new Corporate Strategy	July 2004 (in line with annual review)  John Whittle
	How the capital programme will be financed is agreed and is affordable. <b>4</b>	* See para 12.3 of budget report. * Also see para 13 and Appendix 8	No further action	
	Revenue consequences of the capital programme are evaluated <i>and reflected in revenue budgets.</i> <b>4</b>	* The service planning process required that revenue and capital were considered together * Second point of 1.1 above also refers	No further action	
	<i>The authority is planning to maximise the availability of capital resources by seeking funding from external agencies and/or partners.</i> <b>4</b>	A way of working in Warwick. For example <ul style="list-style-type: none"> <li>• Lottery funding for Jephson Gardens</li> <li>• S106 used extensively eg. for sports pavilion and play area</li> <li>• CARP money for Edmonscote track</li> <li>• Local and other charities for skateboards</li> <li>• WOLP for IT resources</li> <li>• SRB for regeneration areas</li> <li>• Heritage money to match fund property grants</li> </ul>	No further action	

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>1.3 Financial monitoring and reporting</b>	Revenue and capital budgets are assigned to individual managers <i>and form part of their performance assessment.</i> <b>3+</b>	<ul style="list-style-type: none"> <li>* The Head of Finance is arranging for the 2004/05 revenue budgets to be signed off to managers</li> <li>* The capital monitoring states which managers are responsible</li> <li>* It has been agreed that budget management needs to be brought into the remit of the revamped appraisal system</li> </ul>	<ul style="list-style-type: none"> <li>* Signing off of 2004/05 revenue budgets</li> <li>* Appraisal targets to include reference to budget management responsibilities</li> </ul>	<p>Head of Finance April 2004</p> <p>Personnel to lead CMT and SAMS April – June 2004 as new performance targets agreed</p>
	Revenue and capital budgets are monitored at least monthly by individual managers. <i>with formal summaries prepared with input from relevant finance staff.</i> <b>2+</b>	<ul style="list-style-type: none"> <li>* Have agreed to start this for 2004/05 (see financial management paper and Finance Service Area Plan)</li> <li>* Meeting with all managers to go through detail of how policy will operate in practice is organised for 23 March 03</li> </ul>	* Monthly monitoring to start for 2004/05.	Head of Finance April 2004 onwards
	Members receive financial information which is relevant, understandable and consistent with underlying financial records. The frequency of reports to members is determined by the risk assessment of the budget. <i>Members have the option of assessing financial monitoring information on-line.</i> <b>3</b>	<ul style="list-style-type: none"> <li>* Regular budget monitoring reports have been carried out in 2003/04.</li> <li>* 2004/05 agrees quarterly monitoring based on risk see 24 February report Para 1.13, and Para 9.2</li> </ul>	At this stage no plans for on-line monitoring so accept only '3' here.	

# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
	Expenditure and income are monitored and reported separately. <b>3</b>	* Reports deal with both income and expenditure items	* Make clearer the summary income and expenditure variances in 2004/05	Head of Finance during 2004/05
	<i>Where needed</i> , action plans to deal with variances from budget are prepared and progress is monitored at service and departmental level <i>and, in summary form, by members.</i> <b>4</b>	* Action plan agreed in December * Monitored as part of budget report (Para 6)	.	

# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>1.4 Meeting financial targets</b>	In at least two of the last three years the authority performed to <i>or under</i> all of its original gross budgets (within a 1% tolerance – level 3 only) , with no evidence of reductions in range of services <i>and/or evidence of improvements in the range of services</i> . Planned contribution to reserves achieved. <i>There is no history of underspending which could imply too generous budgets being set.</i> <b>3</b>	2000/01 - £414,000 underspend 2001/02 - £45,000 overspend – within tolerance 2002/03 - £458,000 overspend		
	There are targets set for income collection and arrears, which are monitored and managers take action when needed, <i>reported to managers and members and action taken when needed.</i> <b>3</b>	* Council tax collection target set (PI) * Rent collection targets (PI) * Special initiative on rent arrears has been undertaken and reported to members ( March Scrutiny)	Build more robustly into monitoring system for 2004/05.	Head of Finance

# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
	<p>The reasons for, and consequences of, over/under spending are taken into account when setting subsequent budgets</p> <p><b>4</b></p>	<p>* Para 6 of budget report sets this out very clearly</p>		



**WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA**

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<p><b>1.5 Financial Reserves:</b></p> <p>General/Fund ), earmarked reserves (excluding Pensions Reserve*1) and un-provided liabilities.</p> <p><i>*1 Pension Reserves a revenue reserve that represents the financing of employee pensions and is not available for other purposes (CIPFA definition)</i></p>	<p><b>EITHER:</b> There is a financial risk management process operating which the authority uses:</p> <ul style="list-style-type: none"> <li>to justify a low level of reserves;</li> <li>to determine its minimum level of reserves and</li> <li>to adhere to this level.</li> </ul> <p><b>OR:</b> The aggregate of the following items</p> <ul style="list-style-type: none"> <li>General Fund balance;</li> <li>Other earmarked GF revenue reserves; and</li> <li>Liabilities not recognised in the financial statements.</li> </ul> <p>Is expected to be in surplus at 31 March 2002, and the GF balance is expected to be at least equal to 5%, but not more than 100%, of forecast 2002/03 net operating expenditure plus the authority's Bellwin Threshold. There are plans agreed by members on how to use these reserves, <i>which link to the council's:</i></p> <ul style="list-style-type: none"> <li><i>medium term financial strategy; and</i></li> <li><i>funding of the capital programme.</i></li> </ul> <p><b>4</b></p>	<p>* Adequate reserves are justified as per the costing of risks included in Appendix 11 of 24 February budget report linking this to level of general reserve</p> <p>* Estimated to be 13.5% as in Appendix 10 to budget report</p> <p>* Plans for the reserves agreed by members at 19 January Executive</p> <p>* Budget includes provision for financial strategy needs for reserves – see Appendix 9 , 4.1 (v) and (vi), which are reflected in budget proposals.</p>		

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>2. SYSTEMS OF INTERNAL FINANCIAL CONTROL</b>				
<b>2.1 Monitoring of financial systems</b>	<p>Those who manage the system monitor the operation of financial systems through:</p> <ul style="list-style-type: none"> <li>• key controls;</li> <li>• <i>performance measures;</i></li> <li>• <i>validating information against data from other sources/systems</i></li> </ul> <p>and take corrective action where necessary.</p> <p><b>3</b></p>	<p>* Key controls as set out in the Statement on the System of Internal Financial Control are used. This demonstrates that corrective action has been taken.</p>	<p>Develop the use of performance measures and data validation to enhance controls</p>	<p>Head of Finance and Audit Manager</p> <p>During 2004/05</p>
	<p>Internal audit reviews all high risk financial systems each year and medium risk financial systems on a cyclical basis.</p> <p><b>4</b></p>	<p>* This is included in the audit plan, which our external auditors rely on.</p>		

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>2.2</b> <b>An adequate internal audit function is maintained</b>	The authority has an internal audit section. There is an internal audit plan which is based on an annual evidenced assessment of the financial and operational risks facing the authority. <b>4</b>	* Audit plan prepared and reported every year . * A robust risk assessment process is in place produced in conjunction with external auditors following a review of internal audit by external auditors in 2001. All processes are fully documented and risk reappraised annually. External auditors have a copy of this. Audit programmes now linked to corporate risk register.		
	Internal audit complies with relevant professional standards: CIPFA Code or IIA Standards. <b>4</b>	* Report to March '04 Scrutiny highlighted the new requirements and what needs to be done to update the Internal Audit Manual in the light of the most recent CIPFA guidance. Manual is now updated.		
	Internal audit does have the resources to deliver its work programme <b>4</b>	* Programme is achieved and a budget exists for the purchase of external resources		
	Internal audit reports formally to members <b>4</b>	* Quarterly Scrutiny Committee Reports and Annual Report		
	At least 90% of the 2001/02 or 2002/03 internal audit plan is expected to be completed. The divergence from the plan is due to legitimate operational factors such as special investigations, and the plan is reappraised <b>4</b>	* The 2003/04 plan will achieve 90% which external auditors have advised is the basis for this CPA. * (Divergence in 01/02 and 02/03 due to legitimate factors – fraud investigations)..		

### WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
	An annual assessment of the need to review all key financial systems* is carried out. <b>4</b>	All key financial systems are audited every year. Risk is re-evaluated at the conclusion of each audit, and annually, regardless.		
	There is a process to ensure that accepted recommendations by internal audit are implemented, <i>which is reviewed by senior management/members</i> <b>4</b>	Started during 2003/04 – first report will go to members in May 2004.		
	There are no limitations on internal audit's access to records or scope of activities. <b>4</b>	This is enshrined in Para 8.2 of The Code of Financial Practice which is in Part 4 of the Council's Constitution		
	The external auditor is able to use the work of internal audit. <b>4</b>	This is done and referred to in the annual audit letter.		
	<i>Internal audit has access to non-finance specialists to provide advice and support to service managers.</i> <b>4</b>	The Audit Manual has an Appendix on how to access non-finance specialists and the organisations which can be contacted.		
	<i>There is mechanism for obtaining client feedback.</i> <b>4</b>	A satisfaction questionnaire is sent out with each completed audit		
	<i>Departments request internal audit services.</i> <b>4</b>	There are many requests. In the current year 25 audit days have been spent on this and are recorded in the audit activity records.		

# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
	<i>Internal audit has a role in and provides advice about risk management.</i> <b>4</b>	The Audit Manager is Secretary to the Risk Management Group and is actively involved in establishing corporate risk register and running awareness workshops.		

# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>2.3 Risk identification and management</b>	<p>There are arrangements for risk identification, assessment and management in place for all key financial and operational risks which include:</p> <ul style="list-style-type: none"> <li>• Formal identification of risks.</li> <li>• Mapping of risks to internal controls <i>and to budgets and resource allocations.</i></li> <li>• Changing behaviour and resources allocation in response to clarifying risks.</li> <li>• <i>Monitoring the effectiveness of the internal controls through key indicators.</i></li> <li>• <i>Comparison with other authorities and/or organisations.</i></li> </ul> <p><b>3</b></p>	<ul style="list-style-type: none"> <li>* Risk Management Group meets every other month</li> <li>* Risk registers are in place which map to controls</li> <li>* Risks are identified and managed for the top 21 performance indicators and reported to members in the quarterly reports</li> <li>* Risks identified in cemeteries led to new resource allocation</li> <li>* Last risk management steering group ask for review of engineering reports where no action has been taken after potential risk identified</li> </ul>	Development of risk management in line with level 4 requirements	Strategic Director and Audit Manager during 2004/05
	<ul style="list-style-type: none"> <li>• Involvement of members in determining key risks and response.</li> </ul> <p><b>4</b></p>	<ul style="list-style-type: none"> <li>* Financial risks included in budget report</li> <li>* Quarterly reporting to members on risks to top 21 targets</li> </ul>		

# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
	<ul style="list-style-type: none"> <li>Risk register in place which is reviewed and updated</li> </ul> <p>4</p>	<ul style="list-style-type: none"> <li>* Risk Management Group reviews some risk registers each meeting as part of a continuing programme</li> <li>* Service Planning process requires review of risk registers</li> </ul>		

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>3. STANDARDS OF FINANCIAL CONDUCT, AND THE PREVENTION AND DETECTION OF FRAUD AND CORRUPTION</b>				
<b>3.1 Ethical Framework</b>	The Authority has established a standards committee; and adopted a code of conduct for members incorporating the mandatory requirements of the model code.  <b>4</b>	* Set up when new committee arrangements agrees and meets regularly * Mandatory requirements of code adopted in code of conduct for members when new committee arrangements agreed		
	Members have signed a formal declaration accepting the terms of the code <b>4</b>	This is done and kept by the Head of Member and Committee Services		
	Arrangements are in place for members to monitor and test the operation of the new framework <b>4</b>	Every Agenda on Standards Committee has an item 'members register of interest and other interests'.		
	<i>Information about the implications of new arrangements has been/is disseminated to the public, partners, members and staff</i> <b>4</b>	* Agendas are on the website * There was extensive publicity when the scheme was introduced because it also applied to parish councils		



# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>3.2 Governance Arrangements (based on those now set out in the CIPFA/SOLACE framework and guidance notes)</b>	<p>The following documents and policies are in place and the need to review them has been considered within the last 24/12 months:</p> <ul style="list-style-type: none"> <li>• Arrangements for discharging the functions of an Audit Committee*</li> <li>• Standing Orders</li> <li>• Standing Financial Instructions</li> <li>• Scheme of delegation</li> <li>• Arrangements for whistle-blowing</li> <li>• Anti-fraud and corruption policy (including procedures for investigating frauds)</li> <li>• Employee code of conduct</li> </ul>	<p>* This was done when the Audit functions were added to the Resources Scrutiny Committee by Council in Jan '03. It will be reviewed annually after every Council Annual Meeting</p> <p>* The constitution has 'rules of procedure'. Standards Committee is frequently revising the Constitution</p> <p>* This was last done about 2 years ago. However new arrangements for financial management were agreed in November '03.</p> <p>* This is constantly being updated. The last change went to the Council on 25 February '04.</p> <p>* Was reviewed Oct '03 at request of ACE (Personnel)</p> <p>* Was revised over 2 years ago but will be included in Annual report on Audit to Scrutiny</p>	<p>Formally incorporate new financial management arrangements into standing financial instructions</p> <p>Include review in Annual report to Scrutiny</p>	<p>Head of Finance Autumn 2004</p> <p>Audit Manager June Audit &amp; Resources</p>

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
	<ul style="list-style-type: none"> <li>Complaints procedures</li> <li>Employee code of conduct</li> </ul> <p><b>4</b></p>	<p>* This is currently being reviewed and is on the Standards workplan. Colin Tubbs is lead officer.</p> <p>*Updated at December Standards.</p>		
	<p>The documents are made available to <i>the public (if requested) partners, staff and members.</i></p> <p><b>4</b></p>	<p>* On the website</p>	.	
	<p>Arrangements are in place for members to monitor and test the operation of the CIPFA/SOLACE framework</p> <p><b>4</b></p>	<p>Will be an annual item on the Audit &amp; Resources Scrutiny Committee work plan</p>	<p>Include in 04/05 workplan</p>	<p>CFO Mar 03</p>
	<p><i>Staff and members receive training and guidance on what these documents and arrangements mean for their behaviour</i></p> <p><b>4</b></p>	<p>* Whistle- blowing promoted on intranet, wage slips and in Warwick update</p> <p>* Financial regs raised in briefings with Senior staff in Nov '03</p> <p>* Member training following election covered member issues</p> <p>* Revisions to employee code of conduct sent to all Management teams</p>		

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
	<p><b>Functions</b> of an Audit Committee*</p> <ul style="list-style-type: none"> <li>• <i>Reviewing the adequacy of policies and practices to ensure compliance with statutory and other guidance;</i></li> <li>• <i>Reviewing the adequacy of internal controls;</i></li> <li>• <i>Monitoring the performance of internal audit; and</i></li> <li>• <i>Agreeing to the external audit plan.</i></li> </ul>			

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>3.3 Treasury Management (based on the Code of Practice on Treasury Management in the Public Services - CIPFA April 2002)</b>	<p>The Authority has all of the following in place. <i>The operation of treasury management arrangements have been evaluated and agreed recommendations arising implemented.</i></p> <ul style="list-style-type: none"> <li>• The adoption of the four clauses on treasury management (part 5 of the Code) as part of standing orders, financial regulations or other formal policy documents.</li> <li>• The adoption of a treasury management policy statement (part 6 of the Code)</li> <li>• The adoption of treasury management practices in the following areas based on part 7 of the Code:               <ol style="list-style-type: none"> <li>1) Risk management</li> <li>2) Best value and performance measurement</li> <li>3) Decision making and analysis</li> <li>4) Approved instruments, methods and techniques</li> <li>5) Organisation issues</li> <li>6) Reporting and management information</li> <li>7) Budget, accounting and audit arrangements</li> <li>8) Cash flow management</li> <li>9) Money laundering</li> <li>10) Staff training and qualification</li> <li>11) Use of external service providers</li> <li>12) Corporate governance</li> </ol> </li> </ul>	<p>* We employ Treasury Management advisors and follow their advice. Most recently on going debt free at 31 March 2003.</p> <p>* The four clauses and the policy statement were adopted at the executive on 11 March 02 as part of the Treasury Management Statement</p> <p>* Treasury Management Practices were reported to Executive as part of 2004/05 Strategy on 4 March 04.</p>		

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>3.4 Prevention and detection of fraud and corruption</b>	Dedicated staff are in place for anti-fraud and corruption work whose work programmes are limited to specific risk areas/ <i>determined by a formal risk assessment.</i> <b>4</b>	*Dedicated for HB. – will be risk based from 04/05 when Council commits to Visits module of verification framework * Allowance in Audit Plan so staff resources is pre-dedicated		
	All allegations of fraud and corruption are pursued, and decisions recorded at key stages until the investigation is complete. <b>4</b>	Recent cases:- S. Gill Bob Chaston Rent case All vigorously pursued to court and disciplinary	.	
	Processes are in place to promote awareness of anti fraud and corruption issues in the governance framework <i>which are reinforced by training and publicity.</i> <b>4</b>	* Whistle-blowing policy was re-launched very widely – pay slips, staff mag and intranet anti-fraud e-mails sent to all managers * Core brief used to reinforce message. * In 2003/04 fraud awareness training carried out by Benefit Fraud Supervisor for all managers * All frauds reported to members	.	
	<i>Processes are in place for the systematic investigation of data from a range of sources including NFI matches.</i> <b>4</b>	* All in place * Subscribe to NFI and HBMS		

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>4. FINANCIAL STATEMENTS</b>				
<b>4.1 Timeliness</b>	(In at least two of / <i>For the</i> ) the last three years the accounts were prepared and approved by members by 30 September. <b>4</b>	Done		
	Draft accounts prepared when planned. <b>4</b>	Done		
<b>4.2 Quality</b>	Accounts presented for audit contained only [immaterial errors* (individually, or in aggregate)/ <i>trifling errors</i> (SAS 610 revised)].  Extant accounting guidance and professional guidance followed. <b>4</b>	OK on this		
<b>4.3 Supporting records</b>	All working papers requested by the auditor were provided at the start of the financial statements audit and were overall 'fit for purpose'. As a result the audit of the financial statement (did not require any additional resources above those planned/ <i>helped the auditor to reduce the resources needed for the final accounts audit</i> ). <b>3</b>	OK on this	Ask external auditor for advice on what can be done to reduce their resources	Head of Finance For 03/04 closing

# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>5. LEGALITY OF SIGNIFICANT FINANCIAL TRANSACTIONS</b>				
<b>5.1 Roles and responsibilities</b>	The roles and responsibilities of the monitoring officer and section 151 officer are set out in internal documents which are <i>actively</i> made available to staff and members. 4	* In Article 12 of the Constitution * Constitution is on the intranet		
	These roles are understood by staff and <i>Members</i> . 4	* Understanding by officers when financial management and budget briefings given * Member briefings given after 2003 election.		
	The officers have the status in the <i>senior management structure</i> , to ensure that the legality of significant financial transactions is addressed <i>as part of a structured decision making process</i> . 4	* S151 on CMT * New protocol to record finance input in reports agreed in 2004 * Clear sign off by Strategic Director, CMT, Portfolio holder, Executive		
	Members and other staff (consult/ <i>seek their advice</i> ) when developing novel or potentially unlawful courses of action. 4	This is now a way of working in Warwick and helped by consolidation on the Riverside House site		
<b>5.2 Consideration of the legality of significant financial transactions</b>	The monitoring/ s151 officers seek to involve themselves in issues. They are in a position to become aware of and challenge potential unlawful decisions  <i>Or The monitoring/ s 151 officers are in a position to become aware of and challenge potential unlawful decisions. They are</i>	This now happens * CMT all have to agree for a report to proceed * Temporary Monitoring Officer heads up Member and Committee services so whilst not on CMT has clear position in the		

# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
	<i>proactive and act before concerns are brought to their attention by others.</i> <b>4</b>	process		
	The legality of financial transactions is considered as part of the decision making process in (an informal /a formal) and structured way. <b>3</b>	This is informal through the CMT process	CMT to be asked if they wish to formalise this	CFO April 2004
	Legal advice is followed <b>4</b>	This happens.		
<b>5.3 New legislation</b>	The impact of new legislation is considered in (an informal/ a formal and structured way). <b>3</b>	This is done in an informal way through the Service Planning process	CMT to consider what is and should be done.	CFO April 2004
	Relevant guidance is issued to Chief Officers <i>and arrangements to monitor implementation of changes necessitated by new legislation are in place</i> <b>4</b>	This is done. For example <ul style="list-style-type: none"> <li>• Equalities</li> <li>• Freedom of information</li> </ul> Lead officers who train and monitor		



# WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>6. ASPECTS OF PERFORMANCE MANAGEMENT (see introduction)</b>				
<b>6.1 Setting, aims and objectives</b>	<p>The authority has a published plan or statement reflecting national and local priorities which is based on;</p> <ul style="list-style-type: none"> <li>• a needs assessment of the community;</li> <li>• evaluation of alternatives;</li> <li>• consultation with staff, community and partners; and</li> <li>• makes use of performance information.</li> </ul> <p>The statement/plan setting out strategic aims is distributed to the community and partners, and is reviewed annually.</p> <p><i>The authority has received a formal report from an outside agency/inspectorate complimenting its overall approach to setting aims</i></p> <p><b>3 hopefully peer assessment raises to 4</b></p>	<p>* Corporate strategy took these all on board as set out in report to Executive when Corporate Strategy agreed.</p> <p>* Partners sent copy</p> <p>* Annual Portfolio holders statements will be the annual review process</p> <p>Peer assessment in Mar 04</p>		

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>6.2 Setting and cascading objectives, standards and targets</b>	<p>The authority has arrangements in place for setting SMART top-level objectives, standards and targets and cascades these throughout the authority to service level and individuals.</p> <p>The achievement of targets by individuals is monitored and appraised at least annually.</p> <p><i>The authority has received a formal report from an outside agency/inspectorate complimenting its overall approach to setting aims.</i></p> <p><b>3 hopefully peer assessment raises to 4</b></p>	<p>* New service planning, team planning and performance appraisal arrangements are improving even further previous arrangements</p> <p>* Annual targets and review and 6 monthly interim monitoring</p> <p>* liP is demonstration of support of arrangements. Achieved and maintained on two occasions</p> <p>* Peer assessment in Mar 04</p>		

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>6.3 Action Plans</b>	<p>The authority has arrangements in place for setting action plans to meet its objectives across (key/<u>all</u>) services. The action plans set out:</p> <ul style="list-style-type: none"> <li>• what will be done;</li> <li>• who will do it;</li> <li>• by when;</li> <li>• how progress will be monitored; and</li> <li>• how the plan will be updated.</li> </ul> <p><i>The authority has received a formal report from an outside agency/inspectorate complimenting its overall approach to setting aims.</i></p> <p><b>3 hopefully peer assessment raises to 4</b></p>	<p>* Action plans are in the Services area plans and team operational plans</p> <p>* Progress is monitored through quarterly reviews – there is an annual timetable for this which culminates in a report to the Executive every quarter</p> <p>* Peer assessment in Mar 04</p>		
<b>6.4 Resource Allocation linked to targets and plans</b>	<p>The authority has put in place processes to link decisions on the allocation of resources with action plans and targets for its key/<u>across all</u> of its services.</p> <p><i>The authority has received a formal report from an outside agency/inspectorate complimenting its overall approach to setting aims.</i></p> <p><b>3 hopefully peer assessment raises to 4</b></p>	<p>* The CMT based their recommendations for resources for the budget allocations on the draft Service plans – which identified relationship between targets actions and costs</p> <p>* Peer assessment in Mar 04</p>		

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>6.5 Performance Review</b>	<p>The authority has arrangements in place for a systematic review of performance across the authority as a whole which involves:</p> <ul style="list-style-type: none"> <li>• reporting key performance measures to senior staff and members;</li> <li>• benchmarking against other authority performance;</li> <li>• consultation with a range of stakeholders to check that policies remain relevant;</li> <li>• feedback to the community on performance; and</li> <li>• making use of the review as input to revising policy, aims and objectives.</li> </ul> <p><i>The authority has received a formal report from an outside agency/inspectorate complimenting its overall approach to setting aims.</i></p> <p><b>3 hopefully peer assessment raises to 4</b></p>	<p>* There is a new organisational wide performance information IT system</p> <p>* PI's reported quarterly</p> <p>* Annual benchmarking reported</p> <p>* LSP process and development of new community plan identifies if policies need changing</p> <p>* Regular citizens panel gives feedback</p> <p>* Review of PI's and Citizens views were key building blocks feeding into corporate strategy</p> <p>* Peer assessment in Mar 04</p>		

## WARWICK D.C. – MARCH '04 ASSESSMENT OF 'RESOURCES ELEMENT' OF CPA

Indicator	3 and 4	Evidence & Assessment comments	Actions recommended	Responsibility & timescale
<b>6.6 Performance monitoring</b>	<p>The authority has arrangements in place to monitor its actual performance across the whole authority which includes:</p> <ul style="list-style-type: none"> <li>• monitoring actual performance using key performance measures;</li> <li>• reporting regularly the results to senior officers and members;</li> <li>• the reports showing clearly where performance is falling behind, with explanation and recommended action; and</li> <li>• the results of remedial action being followed up in the next reporting cycle.</li> </ul> <p><i>The authority has received a formal report from an outside agency/inspectorate complimenting its overall approach to setting aims.</i></p> <p><b>3 hopefully peer assessment raises to 4</b></p>	<p>* System described above does this</p> <p>* Quarterly reports to Executive</p> <p>* Reports do this</p> <p>* Reports do this</p> <p>* Peer assessment in Mar 04</p>		