

**Decision maker:** Cabinet Member for Resources

**Subject:** Audit & Performance Improvement Service Business Plan

**Date of decision:** 24<sup>th</sup> March 2011

**Report by:** Head of Audit & Performance Improvement Service

**Wards affected:** All

**Key decision (over £250k):** No

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### **1. Purpose of Report**

The purpose of this report is to summarise the Audit & Performance Improvement Service Business Plan 2011-2014, and seek approval from the Cabinet Member for Resources of the main objectives contained within the plan.

### **2. Recommendations**

The Cabinet Member for Resources is recommended to approve the objectives contained within the Audit & Performance Improvement Service Business Plan, as stated in section 3.5 below.

### **3. Background & Summary of Business Plan**

#### **3.1 Service Overview**

The Audit & Performance Improvement (API) Service was created in 2008 as part of a wider review of corporate functions. The service brings together a variety of activities, many of which have historically been areas of significant challenge for the council:

- (i) Strategy and performance management (including Sustainability)
- (ii) Procurement
- (iii) Internal Audit
- (iv) Project and programme management
- (v) Risk management and insurance
- (vi) Efficiencies & Transformation

The Efficiencies & Transformation activity, which originally formed only a small part of the service's role, has grown considerably in importance and scope over the past year, and will continue to do so during 2011/12.

### 3.2 Statement of Purpose

The Audit & Performance Improvement Service is both watchdog and engine room, driving improvement across the council, whilst at the same time providing assurance that it is doing things right.

The service:

- (i) provides strategic support to the council's members and senior management
- (ii) protects the public purse by managing risks, securing value for money and promoting the highest standards of probity and ethical governance
- (iii) provides specialist support in areas such as performance management, procurement and project management
- (iv) promotes best practice across service departments and ensures compliance with relevant legislation
- (v) leads on key strategic agendas such as sustainability, localism and partnership working
- (vi) supports and, where appropriate leads, the council's transformation agenda in order for it to continue to provide quality services during the challenging financial climate

### 3.3 Vision for the Service

The API service vision is to provide an operating environment in which the council:

- is able to transform its organisation in order to drive efficiencies and improve services to residents
- has an honest and robust approach to performance management that enables it to celebrate success and address under-performance
- is able to develop and pursue coherent and ambitious strategies that support a long-term vision for the city
- works closely with partners to improve the quality of life for those in the city
- consistently delivers value for money to residents through efficient service management and sector-leading procurement
- has assurance that the public purse is protected and that the highest standards of probity are being maintained
- has an embedded culture of risk management that allows it to manage risks effectively at a strategic and operational level
- manages its projects effectively and to budget

### 3.4 Significant Factors Affecting the Service

The year ahead is expected to present some significant challenges for the service. In particular:

- (i) Since May 2010, the coalition government has launched a raft of agendas and policies that impact on local government. The API service has a key role in keeping pace with this rapidly changing political environment and ensuring that the council is well positioned to meet the changes as they occur.

- (ii) The dismantling of the previous performance and inspection regime, and imminent abolition of the Audit Commission has broadly been welcomed by the council, and has provided the opportunity to develop a new performance framework that properly serves the organisation's needs. This will also need to satisfy the Government's requirements for effective self-regulation and peer-led assessments.
- (iii) The ongoing reductions in Government funding present considerable challenges for the council as a whole, and for all services within in. For the API service, this places an increased emphasis on the Efficiencies and Transformation agenda, and also makes it even more important to achieve good value for money through effective procurement.

### 3.5 Objectives

The API service objectives for 2011/12 have been reviewed in light of these challenges, and are as follows:

Objective 1: Contribute towards, and where appropriate lead, the council's transformation programme, supporting all work-streams under the programme and working with other services to ensure that the council is able to continue to provide high quality services within a tighter financial remit

Objective 2: Keep pace with (and, where possible, ahead of) the Coalition Government's policy agenda, ensuring that officers and members understand the implications of new policies and that the council is well positioned to respond to new policies

Objective 3: Provide and continuously improve an effective framework for corporate performance management, improvement and assurance. In particular, following the dismantling of the Government's audit and inspection regimes, ensure that the council has frameworks in place to enable the delivery of desired outcomes for local people

Objective 4: Improve outcomes for local people by working more effectively and efficiently in partnership with other organisations

Objective 5: Improve governance of the Council by increasing the level of compliance with policies and procedures, across the whole organisation

Objective 6: Drive the sustainability agenda, with a particular focus on climate change and carbon management, and “big ticket” deliverables where there are significant financial and reputational impacts

Objective 7: Ensure the delivery of corporate projects, including the co-ordinated input of project management, procurement, risk management and strategic direction.

Objective 8: Ensure that the service can continue to deliver its objectives within a tightening financial remit by continuously driving efficiencies, identifying new income streams and developing shared-service opportunities

**4. Reasons for Recommendations**

To enable the Audit & Performance Improvement Service to implement the 2011-2014 Business Plan.

**5. Equalities Impact Assessment**

The Business Plan itself has not been subject to an EIA, but EIAs will be carried out on any actions or new policies arising from the objectives in the plan

**6. Head of Legal’s Comments**

Should there be any actions arising from the plan which requires a legal input, the author is expected to raise the issue directly with the legal section.

**7. Head of Finance’s Comments**

Generally, service objectives are to be achieved within the cash limit set out in the approved 2011/12 budget. However, project management undertaken by the service on the Efficiencies Programme has been funded from the MTRS Reserve. Moving forward, the Transformation Programme is a corporate initiative which will require initial investment to co ordinate, progress & implement the savings identified in the individual work-streams. Specific funding for this work will be sought once the final Transformation Programme business cases have been prepared.

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Signed by

**Background list of documents: Section 100D of the Local Government Act 1972**

The following documents disclose facts or matters, which have been relied upon to a material extent by the author in preparing this report:

<b>Title of Document</b>	<b>Location</b>
Audit & Performance Improvement Service Business Plan 2011-2014	Strategy Unit

The recommendation(s) set out above were approved/ approved as amended/ deferred/rejected by ..... on .....

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Signed by