

## **Appendix 4: Implementation of Roche review Findings: Progress Update**

Finding	Actions involved	Timeframe/ Progress
<b>Improve Letters of Expectation</b>	<ul style="list-style-type: none"> <li>• Review current letters of expectation</li> <li>• Assess against strategic direction and priorities</li> <li>• Liaise with relevant business units over any ownership or service level concerns (e.g. Audit, Finance, Infrastructure, Policy)</li> <li>• Emphasise any relevant issues raised through Annual Report and CCOPS</li> <li>• Request feedback from CCO's on how useful they found the letter of expectation</li> </ul>	<ul style="list-style-type: none"> <li>• Reviewed and implemented improved LoEs for the 2007/08 year</li> <li>• Emphasis on risk management, auditing, board performance, strategic alignment</li> <li>• Ongoing process of improvement.</li> </ul>
<b>Revise Statements of Intent</b>	<ul style="list-style-type: none"> <li>• Ensure alignment between letters of expectation and SOIs</li> <li>• Review all Sols to determine how clearly they guide the CCO to fulfil the Council's objectives – with particular emphasis on any new strategic directions and priorities</li> <li>• Liaise with relevant business units over any ownership or service level concerns/ opportunities</li> <li>• Agree draft changes with Council and CCO</li> <li>• Effect changes within Sols</li> </ul>	<ul style="list-style-type: none"> <li>• Linked to Letters of Expectation</li> <li>• Conveyed CCOPS comments on draft 2007/08 SOIs considered at CCOPS 13 April meeting</li> <li>• improvement from a number of CCOs; one or two very good; still a way to go with a couple.</li> </ul>
<b>Revise Foundation Documents</b>	<ul style="list-style-type: none"> <li>• Review all foundation documents to determine how clearly they articulate Council's objectives</li> <li>• Draft any changes required</li> <li>• Agree draft changes with Council and CCO</li> <li>• Effect changes within foundation documents</li> </ul>	<ul style="list-style-type: none"> <li>• Foundation documents for all CCOs are currently being reviewed</li> <li>• We expected to complete reviews by the end of 2007, and implement changes in consultation with CCOs by early 2008</li> </ul>

Finding	Actions involved	Timeframe/ Progress
<b>Board Due Diligence / Induction</b>	<ul style="list-style-type: none"> <li>• Develop a new induction process explicitly including a due diligence period for prospective Board members</li> <li>• Circulate draft induction process to CCOs</li> <li>• Incorporate feedback into new induction process</li> <li>• Present relevant parts of new indication process to Boards (for example, CCO Unit charter)</li> </ul>	<ul style="list-style-type: none"> <li>• Induction Manual for new Board members being developed</li> <li>• These will be ready in time for new inductees in December 2007 appointment round</li> <li>• Induction process more broadly currently under development</li> </ul>
<b>Board Performance Review</b>	<ul style="list-style-type: none"> <li>• Develop Board review criteria and proposed review timeframes</li> <li>• Circulate to Board Chairs for feedback</li> <li>• Amend, if necessary, review criteria</li> <li>• Circulate final review and timeframes to Board Chairs</li> <li>• Undertake Board Reviews</li> <li>• Provide Council with review feedback</li> </ul>	<ul style="list-style-type: none"> <li>• 2007/08 Letters of Expectation have asked that CCOs outlined process for Board Performance and development</li> <li>• Most have outlined processes in final SOIs</li> <li>• Board Chairs to discuss outcome of review processes with Mayor</li> </ul>
<b>Board Selection</b>	<ul style="list-style-type: none"> <li>• Determine Board selection criteria, especially core competency identification</li> <li>• Circulate Board selection criteria to CCOs for comment</li> <li>• Amend, if necessary, proposed Board selection criteria</li> <li>• Publish Board selection criteria</li> </ul>	<ul style="list-style-type: none"> <li>• Building on current process and criteria</li> <li>• Iterative improvements</li> </ul>

Finding	Actions involved	Timeframe/ Progress
<b>Audit Standards and Processes</b>	<ul style="list-style-type: none"> <li>• Draft a set of standards and processes for internal and external audits</li> <li>• Provide the draft audit standards and processes to Boards and request that these are reviewed, modified if necessary and adopted</li> <li>• Consider including a requirement for audit standards and processes within funding documents</li> <li>• Include requirement for audit standards and process within funding documents if necessary</li> </ul>	<ul style="list-style-type: none"> <li>• Working with Council's Risk Assurance Directorate on implementing this review finding</li> <li>• Have commenced process with audit and risk management sections in Letters of Expectation and SOIs</li> <li>• Some CCOs have expressed an interest in engaging Council's Risk Assurance Directorate</li> <li>• Tiffin Report – subject of this paper</li> </ul>
<b>Review relationships between ARMS, CCOPS, SPC and WDSC</b>	<ul style="list-style-type: none"> <li>• the extent to which the Boards of CCOs should be accountable to the ARMS Subcommittee</li> <li>• how the relationship between the external auditors of CCOs and the Council's auditor should operate</li> <li>• how internal assurance arrangements in the CCOs should operate.</li> </ul>	<ul style="list-style-type: none"> <li>• Engaged Roy Tiffin to undertake independent review</li> <li>• Recommendations are the subject of this paper</li> </ul>
<b>Improve Reporting Information</b>	<ul style="list-style-type: none"> <li>• Review current reporting information for each CCO</li> <li>• Obtain any information around best practise (e.g. Museums review by Office of Auditor General)</li> <li>• Improve quality and consistency of quarterly reporting</li> </ul>	<ul style="list-style-type: none"> <li>• Discussed with CCOPS members</li> <li>• Focus on strategic issues</li> <li>• Have provided comment on quality of quarterly reporting back to CCOs</li> <li>• Likely to be incremental</li> </ul>
<b>Improve Reporting Process</b>	<ul style="list-style-type: none"> <li>• Investigate new reporting process, specifically include a preliminary discussion with CCO Unit and Pre meeting briefings for detailed discussion</li> </ul>	<ul style="list-style-type: none"> <li>• Likely to be incremental</li> <li>• Have initiated these with Chair of CCOPS</li> </ul>