

AUDIT COMMITTEE 7th December 2016

ANNUAL GOVERNANCE STATEMENT ACTIONS PLAN 2016/17

ACTION PLAN UPDATE ARISING FROM 2015/16 AGR

1. Purpose of the Report

- 1.1 This brief report supports the updated action plan relating to the issues identified following the Annual Governance Review (AGR) for 2015/16. The action plan is attached as an Appendix to this report, and was originally considered with the Annual Governance Statement (AGS) by the Audit Committee at their meeting dated 20th July 2016.

2. Recommendation

- 2.1 **It is recommended that the Audit Committee considers the progress being made against each item listed in the AGS Action Plan, and seeks any explanations regarding any aspects of the progress detailed from the named action owner.**

3. Action Plan Update

- 3.1 An action plan is used to track the progress of the actions necessary to deal with the issues raised through the AGS process. The action plan for 2016/17 was developed in May and June 2016 when the AGS was first drafted. It was subsequently reviewed by the Audit Committee as a draft document in July 2016, and again in September 2016, when the AGS was accepted by the Audit Committee, and subsequently passed to Full Council for approval.
- 3.2 Generally, progress has been positive against all actions identified. This will be further reviewed in May and June 2016 as part of the 2016/17 AGR process.

4. List of Appendices

- 4.1 Appendix One: AGS Action Plan as at December 2016.

5. Background Papers

- 5.1 Previous Audit Committee reports covering the development of the AGR process for 2014/15 and the approval of the 2014/15 AGS.

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BARNSELY METROPOLITAN BOROUGH COUNCIL
ANNUAL GOVERNANCE STATEMENT ACTION PLAN 2016/17

Ref	Annual Governance Statement Action	Responsible Executive Director	Timescales	Current Position – Action Taken / Planned
1	To further develop and embed a practical framework to assist on the effective governance and control of the Council's partnerships, contracts and general relationships with external organisations. This has increased significance in the context of the Future Council programme. <i>(Carried forward from 2015/16)</i>	Executive Director, Legal and Governance	31/12/2016	<p><u>July 2016:</u> A presentation to BLT was delivered by the Executive Director, Legal and Governance on 31/05/2016, seeking endorsement of the developing Partnership Governance Framework, which entails:</p> <ul style="list-style-type: none"> ▪ Developing a Register of significant partnerships; ▪ Logging Partnership risks in the appropriate Risk Register; and, ▪ Ensuring suitable assurances (including the consideration of exit strategies) are included when logging Partnership risks in the appropriate Risk Register. <p>The Executive Director, Legal and Governance and the Risk and Governance Manager met in July 2016 to develop arrangements to roll this framework out to all Directorates in 2016 via the Operational Risk Register review process.</p> <p>An update will be provided to BLT during 2016.</p>
2	Improving the quality of performance reviews undertaken across the Council in 2016/17. Particular areas of non-compliance or concern will be considered as part of Internal Audit's Themed Assurance Audit on the Performance and Development Framework, the recommendations of which will be used to identify areas of development and support for managers and to inform changes required to the process for the future. <i>(Carried forward from 2015/16)</i>	Executive Director, Human Resources, Performance and Communications	31/03/2017	<p><u>July 2016:</u> Terms of reference for Internal Audit's Themed Assurance Audit on the Performance and Development Framework have now been agreed between the Organisation Development Manager and Internal Audit Manager</p> <p><u>December 2016:</u> The P&DR audit has taken place and Internal Audit will be providing a written report of findings in November 2016.</p>

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3	<p>The development of a Commercial Toolkit that covers all aspects of business and financial acumen is currently in the process of being developed and prepared.</p> <p>This Toolkit will be rolled out via a series of modules across the entire organisation and it is envisaged this will assist in fundamentally changing the culture of the Council to a more commercial and business like organisation, with the right commercial and financial capabilities to deliver the Council's 2020 Outcomes</p> <p>The first module is expected to have been prepared by December 2016.</p>	Executive Director, Finance, Assets and Information Services	31/03/2017	<p><u>July 2016:</u> Action agreed by Service Director Finance.</p> <p><u>December 2016:</u> The initial framework for the commercial toolkit has been established and the approach has been agreed with SMT. The toolkit will be developed and implemented across the organisation as a modular approach and will be released on a phased basis as the modules are developed. The first 3 modules will be rolled out in the new year comprising of Commercial Awareness, Charging v Trading and the CIPFA Financial Management model. Associated training will also be developed and rolled out alongside the modules in conjunction with Workforce Development.</p>
4	<p>Improve the implementation by Business Units of the Council's Business Continuity Planning (BCP) arrangements.</p> <p>There remain gaps in the necessary BCPs in services which now form one of the appendices of Business Unit Business Plans. The Corporate BCP will be revised in 2016 and any outstanding plans highlighted to the relevant Executive Director and Service Director. This remains an implementation issue rather than a lack of suitable and sufficient process. (Carried forward from 2015/16)</p>	Executive Director, Human Resources, Performance and Communications	31/03/2017	<p><u>July 2016:</u> Action agreed by Head of Corporate Health, Safety and Emergency Resilience.</p>
5	<p>Review the recording of officer delegated decisions to ensure this is in line with legislation. (Carried forward from 2015/16)</p>	Executive Director, Legal and Governance	CLOSED	<p><u>July 2016:</u> Draft guidance prepared by the Service Director (Council Governance) and passed to the Director, Legal and Governance for consideration.</p> <p>Following receipt of feedback, it is envisaged this guidance will</p>

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				<p>be considered by SMT, and finally, circulated to BLT in late July 2016.</p> <p><u>December 2016:</u> Updated guidance on recording of officer decisions was finalised in June 2016. A presentation given to BLT on 26th July 2016 on the rationale for the new guidance, with the offer of further sessions to discuss this in detail with DMTs / Service meetings. The guidance has now been published in the Modern.gov document library, accessible via the Intranet Homepage. Microsoft Word versions of the record pro forma will be made available through SharePoint in due course, subject to further developments of that system.</p>
6	Internal Audit Annual Report: A corporate issue relating to non-compliance with Contract Procedure Rules and the overall adequacy of Contract Management Arrangements	Executive Director, Finance, Assets and Information Services	31/03/2017	<p><u>July 2016:</u> Identified via Internal Audit's Annual Report – Significant Governance Issues.</p> <p>Agreed by SMT this action is to be included on the 2015/16 AGS Actions Plan.</p> <p>Action agreed by Head of Strategic Procurement.</p> <p><u>December 2016:</u></p> <ul style="list-style-type: none"> Non-compliance with CPR – Strategic Procurement Team now centrally recording and tracking waivers for the current financial year. There has been 69 waivers this year with an annual contract value of £2.84m which equates to circa £45k per waiver. The Strategic Procurement Team continues to challenge any waiver that does not appear to be robust in its rationale. In terms of our procurement plan the Strategic Procurement Team are looking at future contract expiry dates in the 16/17 programme with a view to proactively putting in place any tactical waivers which would be actioned as part of a longer term sourcing strategy. In addition the 'Document review' is about 60% done and once completed will generate a new set of processes, documents and guidance for people to utilise when

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				<p>procuring at the various levels of expenditure.</p> <ul style="list-style-type: none"> • Contract Management – it is recognised that BMBC’s approach to both contract and supplier management is immature and inadequate. To tackle this the Strategic Procurement Team are specifically progressing three things as follows: <ul style="list-style-type: none"> ○ Toolkit Review –conducting a review of the systems, processes, data and reporting that we use/need in order to do effective Strategic Procurement (which includes Contract Management), this will serve to help inform how the Council develops contract management over the next 3 to 6 months and beyond ○ Leadership programme – as part of the leadership programme there is an option for participants to get involved in a procurement project and having met with some of those individuals we have decided that contract and supplier management is an area where they could help develop our future approach. This kills two birds with one stone in that it supports the individuals in the programme whilst getting something done that is really relevant to the council and its performance and not just a tick box exercise ○ Category Plans – each Category manager is tasked with developing a category strategy for their areas of expenditure for 17/18. This should include sections on how specific contract and supplier management issues will be tackled going forward.