

Buckinghamshire County Council

## **Annual Governance Statement – Action Plan 2016/17**



**Regulatory and Audit Committee**

**November 2017**

## **1. Scope of responsibility**

- 1.1 Buckinghamshire County Council (BCC) is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. BCC also has a duty, under the Local Government Act 1999, to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, BCC is responsible for putting in place proper arrangements for the governance of its affairs and facilitating the effective exercise of its functions.
- 1.3 Good corporate governance means that:
  - The purpose and vision of the Council is clear to everyone;
  - The Council has clear values, focusing on customers and the way we work;
  - There is robust engagement and consultation with local people and stakeholders;
  - Councillors and officers have clear functions, roles and responsibilities and training;
  - Standards of conduct and behaviour are high, and meet the values of the Council;
  - Decisions are taken in an informed, transparent and accountable way, focusing on outcomes for the community;
  - Decisions are the subject of review and scrutiny;
  - Risks are considered and managed to a reasonable level; and that
  - There are strong and effective system of internal control.
- 1.4 The Council has approved and adopted a Constitution, and an internal Operating Framework and Procedure Report, which sets out the corporate governance framework for the Council consistent with the principles of the CIPFA/SOLACE Framework “Delivering Good Governance in Local Government”. The Buckinghamshire County Council Constitution is on the BCC website, [www.buckscc.gov.uk](http://www.buckscc.gov.uk).

This Annual Governance Statement, presented to the Regulatory and Audit Committee in July 2017, described how the Council has complied with the code and also meets the requirements of the Accounts and Audit Regulations (England) 2015, Regulation 6(1) (b).

## **2. Mid-Year Update**

- 2.1 Significant governance issues were highlighted in the 2016/17 Annual Governance Statement, and an action plan developed to address these weaknesses. It should be noted that governance issues facing the organisation are not necessarily always a result of weaknesses within the internal control framework. The following are the key matters identified in the 2016/17 AGS:

### **Contract Management Framework**

- 2.2 Compliance with the use of the Contract Management Application (CMA) software, and routine management reporting established to provide assurance over the performance and effectiveness of contract management arrangements for all major contracts.
- 2.3 The Corporate Management Team (CMT) agreed resources for the development of the CMA, and the contract management framework, which has been an on-going process during 2016/17. Progress reports have been routinely provided to the Regulatory and Audit Committee, the latest in February 2017. The Commissioning and Supplier Management Group have developed an improvement programme to address a number of weaknesses embedded across the organisation relating to commissioning and contract management.

### **Business Continuity Plans**

- 2.4 In their year-end statement of assurance, the Professional Lead for Business Continuity has concluded only limited assurance over completeness of business continuity plans; and highlighted a further weakness in the system of assurance over business continuity where there are dependencies in the supply chain (also identified as a weakness by the internal audit of business continuity in 2015/16). Business Continuity is retained as a key action in this 2016/17 Annual Governance Statement.

### **Embedding the Operating Framework and system of assurance**

- 2.5 The Regulatory and Audit Committee approved the Assurance and Risk Management Strategy, which was been implemented in 2015/16. Delivery of the strategy remains on-going but good progress has been made; with assurance mapping of key services in all Business Units completed. This will remain an action for 2016/17, to ensure the assurance framework is embedded and an integrated part of the governance reporting process
- 2.6 The Operating Framework does not reflect current structures and a number of the processes are out of date. A full review of its effectiveness and an update of the document will be concluded over the summer.

### **Partnership Arrangements**

- 2.7 The Council needs to develop a Partnership Framework to provide a mechanism for the organisation to have confidence in the robustness of the arrangements that support its partnerships. Local governance arrangements are in place across each of the Business Units, but there is a need for a consistent and rigorous approach.

## Appendix 1 – 2017/18 AGS ACTION PLAN

Governance Issue	Action to be taken	Responsible Officer	Deadline	Progress as at October 2017
Business Continuity Plans	Business Continuity Plans to be maintained with reasonable assurance over completeness and application, including through the supply chain.	Resilience Manager	March 2018	<p><b>On target</b></p> <p>A report on Business Continuity Management (BCM) was presented to the Regulatory and Audit Committee in September detailing progress against this action. The Resilience Manager confirmed that there was improving engagement from across the organisation and that positive steps were moving the Council in the right direction.</p> <p>Assurance of the BCM process has been enhanced by the Assurance &amp; Risk Strategy, which requires quarterly reporting to the Business Assurance Team by the Professional Lead (Resilience Manager)</p>
Embedding the Operating Framework and system of assurance	<p>Review the effectiveness of Operating Framework and update to reflect current structures.</p> <p>Routine reporting to the CMT and the Regulatory and Audit Committee on the three lines of assurance</p>	Director of Finance and Assets / Chief Auditor	<p>Sept 2017</p> <p>March 2018</p>	<p><b>Completed</b></p> <p>A review of the Operating Framework was undertaken by the Business Assurance Team, and following discussion with the Assistant Chief Executive, and as a result of this review it has been agreed that a Local Code of Corporate Governance will be drafted to replace the current Operating Framework. The Local Code of Corporate Governance will be in line with the principles set out in CIPFA/SOLACE Delivering Good Governance paper, and will also include the key requirements of the Operating Framework. The first draft of this document is in progress and is due to be presented to Regulatory and Audit Committee in January 2018.</p>

Governance Issue	Action to be taken	Responsible Officer	Deadline	Progress as at October 2017
Data Quality for the management of cyclical maintenance and inspection of plant and equipment.	Actions identified by the Professional Lead to be implemented and tested to ensure confidence in their application and effectiveness following embedding of new contract arrangements.	Head of Strategic Assets	March 2018	<p><b>On target</b></p> <p>The Head of Strategic Assets has confirmed a significant improvement in the data quality under the new contract arrangements and will continue to monitor the effectiveness of this.</p>
Contract Management	Develop and implement improvement programme to deliver the lessons learnt from recent contract failures and alternative delivery vehicle governance issues.	Commercial Director	March 2018	<p><b>On target</b></p> <p>The Director of Commercial Services attended the Regulatory and Audit Committee in September to provide an update on progress against this action. A prioritised improvement plan has been developed to address the areas of weakness and introduce the necessary changes to policy, processes and skills. The improvement plan includes relevant points from the review of Alternative Delivery Vehicles and other desirable enhancements to the policy identified by the Commissioning and Supplier Management Group (CSMG). The improvement plan will be managed by the Director of Commercial Services and overseen CSMG.</p>

Governance Issue	Action to be taken	Responsible Officer	Deadline	Progress as at October 2017
Partnership Working	Develop and implement a Partnership Framework to ensure that the Council has clear processes and procedures in place to respond to the complexity of partnerships, enabling services to be delivered more efficiently, effectively and with propriety.	Assistant Chief Executive	October 2017 (development) March 2018 (implementation)	<p><b><i>On target</i></b></p> <p>The Strategic Plan recognises that partnership working is critical to achieving improved outcomes for Buckinghamshire. Good progress is being made in the development of a partnership framework. All business units have been asked to identify key partnerships which are captured centrally on a partnership register. The register is administered by the Assistant Chief Exec's service to ensure corporate oversight, promote good governance in relation to partnership working, and identify opportunities for further collaboration. This will be reviewed bi-annually. Expectations of the Council's engagement in partnership working will be included as part of the new Code of Governance. To support the staff in understanding the partnership landscape and encourage further collaboration, a mapping visual aid is being developed to show key areas of focus, cross cutting themes, and contact details.</p>