

Audit and Governance Committee

MINUTES OF THE AUDIT AND GOVERNANCE COMMITTEE MEETING HELD ON 11 OCTOBER 2021 AT COUNCIL CHAMBER - COUNTY HALL, BYTHESEA ROAD, TROWBRIDGE, BA14 8JN.

Present:

Cllr Mark Connolly (Chairman), Cllr Chuck Berry, Cllr Adrian Foster, Cllr Gavin Grant, Cllr Edward Kirk, Cllr Antonio Piazza and Cllr Martin Smith

Also Present:

Cllr Pauline Church and Cllr Ian Blair-Pilling

1 **Apologies**

Apologies were received from:

- Cllr George Jeans
- Cllr Pip Ridout
- Cllr Mike Sankey
- Cllr Stuart Wheeler

2 **Minutes of the Previous Meeting**

The minutes of the last meeting on 28 April 2021 were presented for consideration and it was,

Resolved:

To approve and sign the minutes as a true and correct record.

3 **Declarations of Interests**

There were no declarations of interest.

4 **Chairman's Announcements**

The Chairman announced that due to technical issues in the Council Chamber the projectors were not working, therefore the slides for the meeting had been circulated to Members prior to the meeting and were available in hard copy at the meeting.

5 **Public Participation**

No public questions or statements were received.

6 **SWAP Presentation**

At the Chairman's invitation, Rupert Bamberger, Director SWAP ran through the presentation (as appended to these minutes), which gave a brief overview of SWAP's internal audit function and what the Committee could expect from them.

Andy Brown, Corporate Director Resources, Deputy Chief Executive and s151 Officer, stated that internal audit was a management control function, where management must respond to flags raised. He highlighted that where audits offer limited assurance, or no assurance, the Committee needed to gain an understanding from management about the actions they would be taking to respond.

The Chairman thanked Mr Bamberger for his presentation.

7 **Internal Audit reports**

At the Chairman's invitation Rupert Bamberger, Director, SWAP, presented the reports.

Internal Audit Annual Opinion 2020/21 - It was explained that this annual report on the adequacy and effectiveness of the organisation's governance, risk management and internal control environment was coming to the Committee later than usual due to the scheduling issues with the Committee this year where problems such as flooding at County Hall and COVID had caused meeting to be cancelled and re-arranged. Key messages were summarised on the first page of the report. The overall opinion was reasonable.

It was stated that 3 significant risks had been identified over the year, however SWAP were confident that actions were being taken to mitigate the risks. Assurance review opinions were set out in the report. It was highlighted that 2020/21 had not been a normal year with internal audit staff helping with the pandemic response.

Q2 Internal Audit Plan, Proposed Q3 Internal Audit Plan 2021/22 and Revised Internal Audit Charter – Mr Bamberger explained that the Q2 IA plan would have come to the Committee in July, so was included for reference. SWAP had proceeded with that plan and had set out the plans for Q3. The Internal Audit Charter came to the Committee annually. It had been revised slightly and the report was attached for consideration.

The sufficiency of internal audit resources was highlighted, and it was explained that SWAP was seeing higher than usual turnover, so they were working hard to fill vacancies and reduce risk.

A debate followed where Members questioned whether SWAP staff and officers working from home the majority of the time due to the pandemic had affected audit work and monitoring. Both SWAP and Wiltshire Council officers felt that the move to remote working had been seamless and had in fact brought benefits, as people could meet more easily remotely. This model would be continued even when staff returned to the workplace. It was acknowledged that coverage may have been an issue during the height of the pandemic when staff were redeployed to work on the pandemic response.

In response to questions regarding risk coverage and in particular the chart on page 70 of the agenda pack, the internal audit view was that coverage was building. More items had adequate coverage as the quarters progressed. Whilst there were some items which had no internal audit coverage to date, there were some assurance sources on these items. Andy Brown, Corporate Director Resources, deputy Chief Exec and s151, explained that whilst there were several items in Q3 with no internal audit coverage to date, there were management lines of defence that could be trusted. It was stated that the reality was that with the demand on resources there were gaps in coverage in Q3. It was stated that there was a discussion to be had regarding what audit was going to take place on the Salisbury Recovery and probably the wider economy. It may be that they needed to focus on different things.

In response to a Members question on whether a perspective on the next quarter could be included in the risk coverage chart it was stated that would be covered by the update report.

Mr Bamberger explained that the update report was a regular report which came to every Committee detailing the activity since the item was last reported at Committee. Page 85 of the agenda pack had the most up to date assessment. There had been a positive direction of travel with management actions and a detailed summary was included.

In response to a question on the Council Oversight of Maintained Schools – Limited Interim Assurance opinion detailed on page 89 of the agenda pack, the officer explained that School Governance was coming to the next meeting of the committee. Wiltshire Council needed to make sure that maintained schools delivered their responsibilities with regard to health and safety. This was why internal audit was important. A concern was raised which led to management actions which needed to be followed through and issues needed to be addressed. It was also important to clarify the lines of responsibility.

The Chairman highlighted page 92 of the agenda and that there were no outstanding priority 1 actions which was positive. However, due to the work undertaken on priority 1 actions, priority 2 and 3 actions may have built up, especially over the pandemic. Other Members applauded the efforts to undertake priority 1 actions but questioned the age of some of the outstanding priority 2 actions and requested clarity on why some actions were taking a long time to implement.

The officer explained that a review of audit had taken place and there had been a change in management, who were taking things in a different direction. Officers were aware of an outstanding action on Programme Management from 2019 which was on their radar but had not been put into effect yet. The senior management restructure that was underway would help to address this. The officer stated that it was important that the Committee see the true status of the actions and gave assurance that management still planned to address any actions.

Members of the Committee sought assurance from SWAP that the delays on management actions would not cause further issues. Mr Bamberger stated that the update report needed to be read in conjunction with the appendices showing the revised target dates and management updates. These showed that the actions were still being addressed and provided explanations. Appendix C gave assurance to the Committee on these matters. It was also stated that there needed to be a clear process for removing actions.

Members queried how Wiltshire Council dealt with all the varied risks it was facing, such as changes to government policy and the shortage of lower paid workers affecting service delivery. Some Members felt that the organisation was facing a variety of different crises and therefore was at its highest corporate risk for some time. The officer explained that internal audit was internally focused, and whilst it was affected by external factors internal audit concentrated on what it could control. Corporate risk was reviewed and updated accordingly. There were lines of defence to face issues, such as key financial controls and management controls, and SWAP were the second line of defence.

Members highlighted a limited assurance opinion detailed on page 87, Third Party Spend Purchase to Pay. Officers suggested that a report come to the next committee detailing actions and they were confident that the issues could be resolved in a reasonable period of time. In response to further questions from Members officers stated that there may have been an element of the correct procedures not being followed due to the pandemic, however there seemed to be a lack of organisational awareness as to the correct procedures that should be followed. Cllr Pauline Church, Cabinet Member for finance stated that this was a top priority for her; to ensure that the Council got value for money and that the correct processes were followed.

Members stated that they were fortunate to have senior officers such as Andy Brown and Lizzie Watkin with Wiltshire Council on a permanent basis, rather than a succession of interim officers and felt that appropriate assurances had been given and appropriate actions were being taken.

At the conclusion of the debate the Chairman proposed a motion, seconded by Cllr Grant and it was,

Resolved:

That the committee note:

- **The Internal Audit Annual Opinion Report 2020/21 and the Internal Audit Opinion given**
- **The Proposed Q3 Internal Audit Plan and Revised Internal Audit Charter**
- **The IA report 2021/22 – September 2021 and Outstanding Priority 1 & 2 Actions**

8 **Update on the Statement of Accounts 2019/20**

Andy Brown, Corporate Director Resources, deputy Chief Exec and s151 presented the update report on the progress of the statement of accounts 2019/20.

The officer relayed apologies from Ian Howse of Deloitte who was unable to attend the Committee and explained that Deloitte had not been able to source anyone to attend.

The officer explained that they had hoped to bring the statement of accounts 2019/20 before the Committee today but there had been ongoing issues meaning that they were unable to do so.

It was stated that local government audit across the board was facing problems due to the very technical nature of the accounting and resourcing issues faced by external auditors. The officer explained that Wiltshire Council was not alone and that many authorities accounts were delayed. It was highlighted that the technical issues encountered did not affect the cash position of the council or the bottom line. These issues were historical, technical and related to the recording of assets.

Wiltshire Council would need to discuss timelines and the resourcing required with the external auditors in order to get the statement of accounts 2019/20 to Committee for approval. To get the accounts approved and to remove the 'except for' qualification was a priority.

Lizzie Watkin, Assistant Director Finance & Deputy s151 further explained that the issues faced were related to the technical financial accounting presentation of assets. There was no impact on the resources required to deliver services. Work was underway to ensure that the assets were shown at a true value and the scale of this work was significant.

Comments from Members included that the situation was frustrating, but there were issues across the public sector. The historical issues described did not affect the Councils ability to provide services, but it was hoped the issues could be resolved soon. There were concerns raised that Deloitte were not present and that the issues encountered would result in an escalation of fees.

In response to questions from Members regarding the situation officers explained that there was a new asset management system which gave more transparency and had led to the identification of further issues, resulting in more reconciliation being required. The work had previously been limited to the

'except for' qualification but had now broadened, so there were aspects where it was necessary to restate previous balances which was technical and difficult to do. Conversations were underway with Deloitte on the best way to achieve this. It was stated that the 'except for' qualification would remain for 2019/20 but they were working to get the qualification lifted for the statement of accounts 2020/21.

Regarding the recording of leases officers explained that there was new legislation for 2021/22 regarding leases and work was already being undertaken to ensure leases were reported correctly. Some adjustments would be applied to the 2019/20 accounts to ensure all leases are disclosed fully.

Officers confirmed that there was a national framework for local authority audit, but it was limited and had limited resources.

In response to the concerns raised regarding a possible escalation of fees due to the issues encountered, officers stated that we would undoubtedly need to pay more. Discussions were underway with the external auditors regarding this. There was also debate underway regarding historical errors with the accounts and previous audits, although it was difficult to go back to previous auditors regarding accounts that had been signed off.

Officers highlighted internal resource issues that were trying to be resolved and confirmed that a new Chief Accountant had been recruited and it was hoped the Council could also recruit a Financial Accountant to support technical and capital accounting.

In response to further questions the officers confirmed that there would be no impact to the Council on what the organisation could borrow, our reserves and that no fines would be received. The impact was purely reputational, and officers were not happy about the situation, or the state of local government audit across the board.

Cllr Pauline Church, Cabinet Member for Finance commented that she was deeply disappointed that the statement of accounts 2019/20 could not be signed off yet. These issues had been occurring for quite some time and whilst our resourcing issues were being resolved, we were now facing problems with Deloitte's resourcing. Cllr Church stated that she would keep pushing this forward until resolved.

At the conclusion of the debate, it was,

Resolved:

To note the update on the Statement of Accounts 2019/20 and the ongoing delay to the completion of the audit process and formal approval by the Committee.

At the invitation of the Chairman, Stuart Honeyball, Evolve ERP Programme Lead, gave a presentation on the Evolve programme.

Details were given on the Evolve programme which included the replacement of the Enterprise Resource Planning (ERP) solution and adoption of, and compliance with, standardised business processes across the whole organisation. The officer ran through the slides as appended to these minutes. It was confirmed that the Terms of Reference shown in the slides had now been agreed.

In response to questions the officer explained that there were 2 go live dates and testing phases as the organisation had to decide whether to go live at the end of the calendar year (the option preferred by finance) or to go live at the end of the tax year (the option preferred by payroll).

Regarding questions on the durability of the program and staff training the officer explained that resilience was part of the reason for implementing the programme. Whilst staff resources were a concern, costs to cover this had been factored in so that roles could be back filled if required. There was a dedicated change group, which had consulted with 45 services across the Council. Lessons had been learned from the previous implementation of a new ERP in 2009 and those had shaped the programme implementation this time. The team were working to make sure that staff were engaged.

Andy Brown, Corporate Director Resources, deputy Chief Exec and s151, explained that the system addressed control issues and would bring changes and benefits across the organisation to how Wiltshire Council operates. There was a potential risk that it would be seen as an HR/finance system, but it was much more than that. Andy Brown was one of the Senior Responsible Officers on the project. He stated that it was key to identify efficiencies and cash in on those, which may mean a reduction in workforce, but it was important to adapt processes across the organisation.

10 **Annual Governance Statement 2020/21**

The Chairman invited Perry Holmes, Director, Legal and Governance to introduce the Annual Governance Statement 2020/21.

The officer explained that in a normal year the Annual Governance Statement (AGS) was approved as part of the statement of accounts but due to the delays with the statement of accounts it would be considered separately this year and would be incorporated into the statement of accounts 2020/21 when they came to the Committee.

The AGS looked at whether there was a framework in place within Wiltshire Council to enable us to make good decisions that benefitted Wiltshire and its residents. The AGS gave assurance that there was good governance in place at Wiltshire Council and included evidence of that. However, there were always

things that could be done better, so there was also a focus on areas for improvement.

The AGS was driven by the local code of governance and on Chartered Institute of Public Finance and Accountancy (CIPFA) advice. It had been co-authored by Perry Holmes, Director, Legal and Governance, Andy Brown, Corporate Director Resources, deputy Chief Exec and s151 and Jo Pitt, Director - HR & Organisational Development.

Members thanked the officer for a good document and report.

Members suggested that for full transparency, when reporting on progress made regarding improvement actions, last year's version of the AGS should be included alongside this year's version so that actions could be tracked. The officer confirmed that this would be possible and that uncompleted improvement actions from the previous AGS would be rolled forward into actions for this year.

Members also suggested that the acronym VCS, mentioned under improvements for principles A and B, could be expanded to Voluntary and Community Sector.

At the conclusion of the debate the Chairman proposed a motion to approve the Annual Governance Statement 2020/21, which was seconded by Cllr Chuck Berry. It was,

Resolved:

To approve the Annual Governance Statement 2020/21.

11 **Governance of Stone Circle Companies**

The Chairman invited Perry Holmes, Director, Legal and Governance to present the Stone Circle Reports.

The officer explained that in 2019 Wiltshire Council had set up the Stone Circle Companies in order to deliver housing which people could rent. The aim was that these would fall somewhere between Council properties and private rentals.

Wiltshire Council would lend money to the companies which would acquire properties and rent them, which was less risky but had a lower yield, and use Council owned land to build properties to rent or sell. That came with more risk but also more reward.

In February 2021 Cabinet had asked for a review of how the companies were set up and the reports were considered at Cabinet in September. The reports looked at best practise elsewhere and made some recommendations which were detailed in full at pages 133 and 134 of the agenda. In summary these were:

1. Improving the Business Plan
2. Quarterly reporting to Wiltshire Council
3. Creating a shareholder group as a sub-committee of Cabinet
4. Introducing a 3 year term for the Chair
5. Reviewing appointments to the Board
6. Developing and implementing an appropriate staffing structure
7. Annual presentation of governance arrangements to the Audit and Governance Committee.

The role of the Audit and Governance Committee was to seek assurance that there was an appropriate framework of governance in place for the companies. There should be a report regarding the governance of the companies presented to the Committee annually. It was hoped that representatives of the companies may be able to attend to when the reports came so they could present details such as returns and risks.

In response to a question regarding whether the Committee could make recommendations to the companies that would be implemented, the officer explained that whilst the companies were a separate commercial entity, we did have to account for public funds being spent on it, so we did have an element of control. The Committee could make recommendations via the Cabinet sub-committee back to the board, but it would be up to the board whether to implement them.

Some Members raised concerns regarding the risk involved with the Council moving into private sector areas which they had little knowledge of and referenced problems faced by Croydon Council when they bought a hotel.

The officer explained that the governance review of the companies, detailed by the flowchart at page 153 of the agenda, implemented processes to provide transparency on the risks. Stone Circle were revising their business plans in response to the recommendations by Cabinet and everything would be kept under review and stress tested. The officer stated that he was happy with the level of risk at present and the organisation as a whole was cognisant of the risk. If at any point things changed and he was no longer happy with the level of risk, a follow up report would come to Committee.

In response to a question from Members the officer highlighted the different roles of the Audit and Governance Committee and the Financial Planning Task Group (FPTG). Whilst Wiltshire Council were not overseeing the running of the companies, interactions with the companies would come to the FPTG who would look at the business plan and challenge numbers, returns and debts et cetera. The Audit and Governance Committee was to seek assurance that the governance framework was fit for purpose. If the Committee were unhappy with the governance framework in place, they could make recommendations for changes and it would be reviewed annually.

Commercial transparency between Wiltshire Council and the Stone Circle companies was highlighted by Members as an area they were slightly uneasy with. Officers highlighted the shareholder group, through which everything

would flow and referenced the Chinese or ethical walls principle which was an information barrier protocol within an organisation designed to prevent the exchange of information or communication that could lead to conflicts of interest.

The Chairman proposed a motion, seconded by Cllr Chuck Berry and it was,

Resolved:

- **To note the Governance of Stone Circle Companies report**
- **That the Committee would receive an annual presentation on the governance arrangements of Stone Circle Companies.**

12 **Forward Work Programme**

The Chairman highlighted the FWP at pages 213 – 215 of the agenda. It was noted that the FWP was a dynamic document that Members could request items be added to, and the timings of some items coming to the Committee may be subject to change.

In response to a question regarding the timings of accounts after the 2019/20 accounts coming to Committee and whether those accounts would also be affected by current issues, Lizzie Watkin, Assistant Director Finance & Deputy s151 stated that the scale of works being undertaken on the 2019/20 accounts meant that the opening position of later accounts should be more stable. Whilst it was unusual, you could have two sets of accounts being audited at the same time. Officers were working with Deloitte on a timetable for all three sets of accounts. There was currently no draft statement of account 2020/21 due to the scale of 2019/200 issues so there would be a knock-on effect on timings. It was hoped that at the November meeting officers could update on how the two sets of accounts would work.

The Chairman requested that the Third Party Spend Purchase to Pay limited assurance item be added to the FWP as well as progress reports on the Annual Governance Statement actions (using the new process).

Resolved:

To note the FWP and add the above items.

13 **Date of Next Meeting**

The next meeting of the Committee would be held on 24 November 2021.

14 **Urgent Items**

An urgent item was considered by the Committee. The item was to appoint a Member of the Audit and Governance Committee to the Constitution Focus Group.

Resolved:

To appoint Cllr Pip Ridout as the Audit and Governance Committee representative on the Constitution Focus Group.

There were no other urgent items, so the Chairman thanked everyone for attending and closed the meeting.

(Duration of meeting: 3.00 - 5.35 pm)

The Officer who has produced these minutes is Tara Shannon of Democratic Services, direct line 01225 718352, e-mail tara.shannon@wiltshire.gov.uk

Press enquiries to Communications, direct line ((01225) 713114 or email communications@wiltshire.gov.uk

This page is intentionally left blank

SWAP Internal Audit Services

A brief overview of SWAP, and what the Committee can expect from us

Page 13

Audit and Governance Committee – 28.09.21

Minute Item 6

Brief Background to SWAP

- Set up in 2005 when two councils came together to share internal audit services
- Grew to a much larger size. In 2013 we incorporated as a not-for-profit company, limited by guarantee
- Wiltshire Council joined SWAP as a Partner in 2011
- Owners Board & Executive Board to manage SWAP
- Now 25 public-sector Partners, across eight counties

SWAP - who we are



Benefits of being part of SWAP

- Access to a wider range of resources, including specialist teams
- Information and risk sharing, along with benchmarking
- Close links to the Institute of Internal Auditors (IIA)
- Partnership ethos
- And a local SWAP team, with local knowledge

SWAP – benefits of using us



Why have internal audit?

- Statutory requirement – must have *‘an effective internal audit to evaluate the effectiveness of [the Authority’s] risk management, control and governance processes’*
- Provides independent assurance to management & Members that the Council is functioning well and that risks are well controlled
- Risk Management improvement suggestions, as well as efficiency ideas

Internal Audit – why have it?



What is Internal Audit?

Definition of Internal Audit

- Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations.
- It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.
- It provides assurance to the board and senior management who are within the organisations governance structure and evaluates and improves the effectiveness of governance, risk management and control processes.

Internal Audit – what is it?



And what it's not...

- External Audit
- Telling management what to do or how to do it
- Expecting actions to be implemented immediately, or expecting all actions to be accepted

Internal Audit – what it's not



So what do we do & how?

- Provide an overall annual opinion on the Authority's internal controls, governance and risk management
- Report to Senior Management and Members with independence & objectivity
- Carry out a broad range of reviews across the Authority each year, with an individual assessment of each area
- Provide independent review and challenge, and provide suggestions for risk management improvement

Internal Audit - what we do & how



Purpose of committee

The Audit and Governance Committee will be responsible for:

Internal audit activity

- to approve the terms of reference and strategy for internal audit, and the annual internal audit plan
- to monitor and review the effectiveness of internal audit to ensure compliance with statutory requirements
- to consider the head of internal audit's annual report and opinion, and a summary on internal audit activity and the level of assurance it provides on the council's corporate governance arrangements
- to consider specific internal audit reports as requested, and monitor the implementation of agreed management actions.

Our Reporting to Committee



What will the Audit & Governance Committee see?

- Regularly updated Internal Audit Plan (*usually quarterly*)
- Progress update reports with ongoing audit opinion (*quarterly*)
- Year end Internal Audit Annual Opinion (*usually June/ July*)
- SWAP news round ups on areas of interest/
emerging risk areas
- Access to free SWAP Member Training

Our Reporting to Committee



In our progress updates to Audit & Governance Committee, we will provide further detail with regards to any ‘High’ risks that we have identified in our work

Page 22

Risk	Reporting Implications
High	Issues that we consider need to be brought to the attention of both senior management and the Audit Committee.
Medium	Issues which should be addressed by management in their areas of responsibility.
Low	Issues of a minor nature or best practice where some improvement can be made.

Highlighting Significant Risks

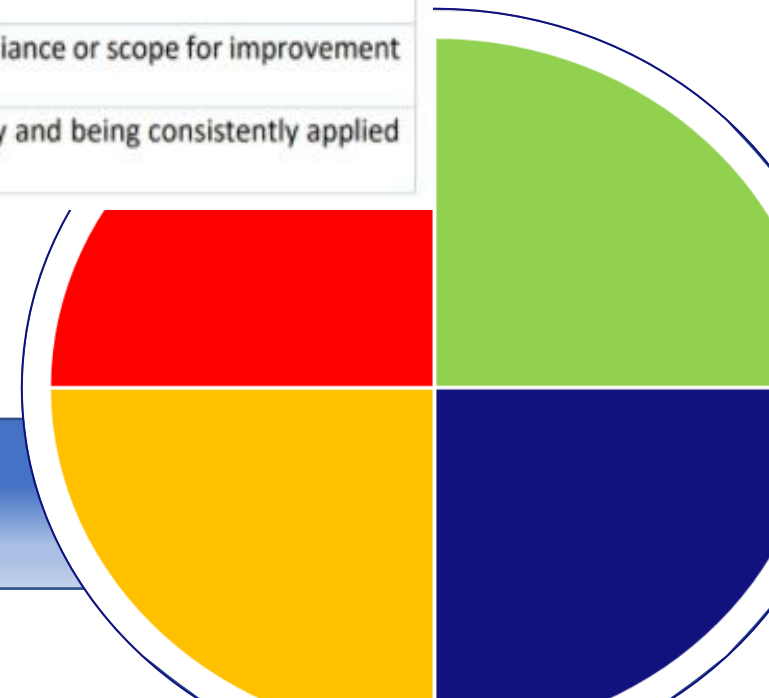


Our audit assurance levels provide management and Audit & Governance Committee an indication of how well we perceive risks to be managed in the area we have reviewed

Audit Assurance Definitions	
No	Immediate action is required to address fundamental gaps, weaknesses or non-compliance identified. The system of governance, risk management and control is inadequate to effectively manage risks to the achievement of objectives in the area audited.
Limited	Significant gaps, weaknesses or non-compliance were identified. Improvement is required to the system of governance, risk management and control to effectively manage risks to the achievement of objectives in the area audited.
Reasonable	There is a generally sound system of governance, risk management and control in place. Some issues, non-compliance or scope for improvement were identified which may put at risk the achievement of objectives in the area audited.
Substantial	A sound system of governance, risk management and control exists, with internal controls operating effectively and being consistently applied to support the achievement of objectives in the area audited.

Page 23

Our Assurance Opinions



What do we think best practice internal audit looks like?

- Agile audit planning and continuous risk assessment
- Clear assessment of risk coverage, and ideally assurance sources mapped
- Shorter, more focussed audit reporting
- Introduction of Continuous Auditing
- Increasing focus on data and the analysis of this data throughout out audit work

The future of internal audit



Thank you – any questions?

- Charlotte Wilson, Assistant Director
(charlotte.wilson@swapaudit.co.uk)
- Rupert Bamberger, Director
(rupert.bamberger@swapaudit.co.uk)
- Website - www.swapaudit.co.uk

Questions?



This page is intentionally left blank

Evolve Programme Update
Audit & Governance Committee
Date: 28th Sept 2021

SROs Andy Brown, Jo Pitt
Programme Lead: Stuart Honeyball

Programme Overview

- Evolve is a corporate programme of work through which the council will specify, procure and implement a new Enterprise Resource Planning (ERP) solution and associated standardised business processes to replace our existing SAP ERP which has been in place since 2009.
- An ERP solution is a single software platform used to undertake a number of common business processes in a consistent way, generally sharing a single database and user interface across all of its functions to eliminate data duplication, ensure data integrity and underpin the principle of having a “single version of truth” for organisation-wide business activities undertaken by many or all staff, such as workforce management, budget management and financial processes, payroll provision and procurement activities.

- The vision for Evolve is a simple one, and reflects how the programme will contribute to the council’s transformation and business change outcomes:

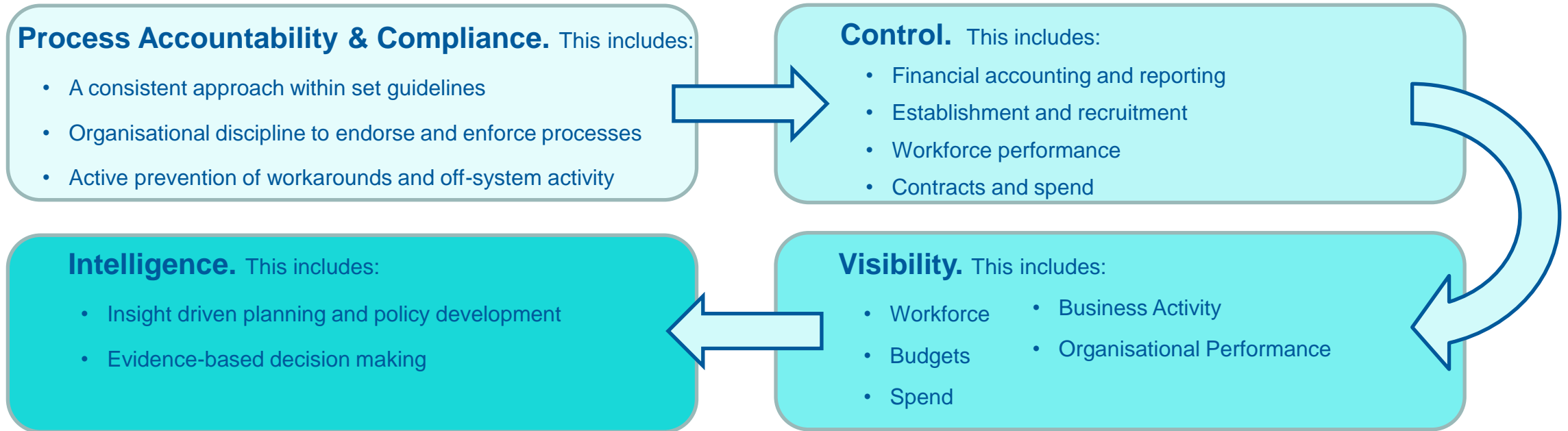
“Shaping our future through insight”

- This vision is underpinned by a three-part mission statement, focusing on the key areas of the council’s identity aspirations that an ERP can enable:
 - We will enable organisational insight to support evidence-based decision making and policy development.
 - This will be achieved by transforming our business processes, systems, and our use of digital technology.
 - We will support the organisation to develop a flexible, high performance culture, enabling our workforce to deliver the best outcomes for our residents.

Programme Overview

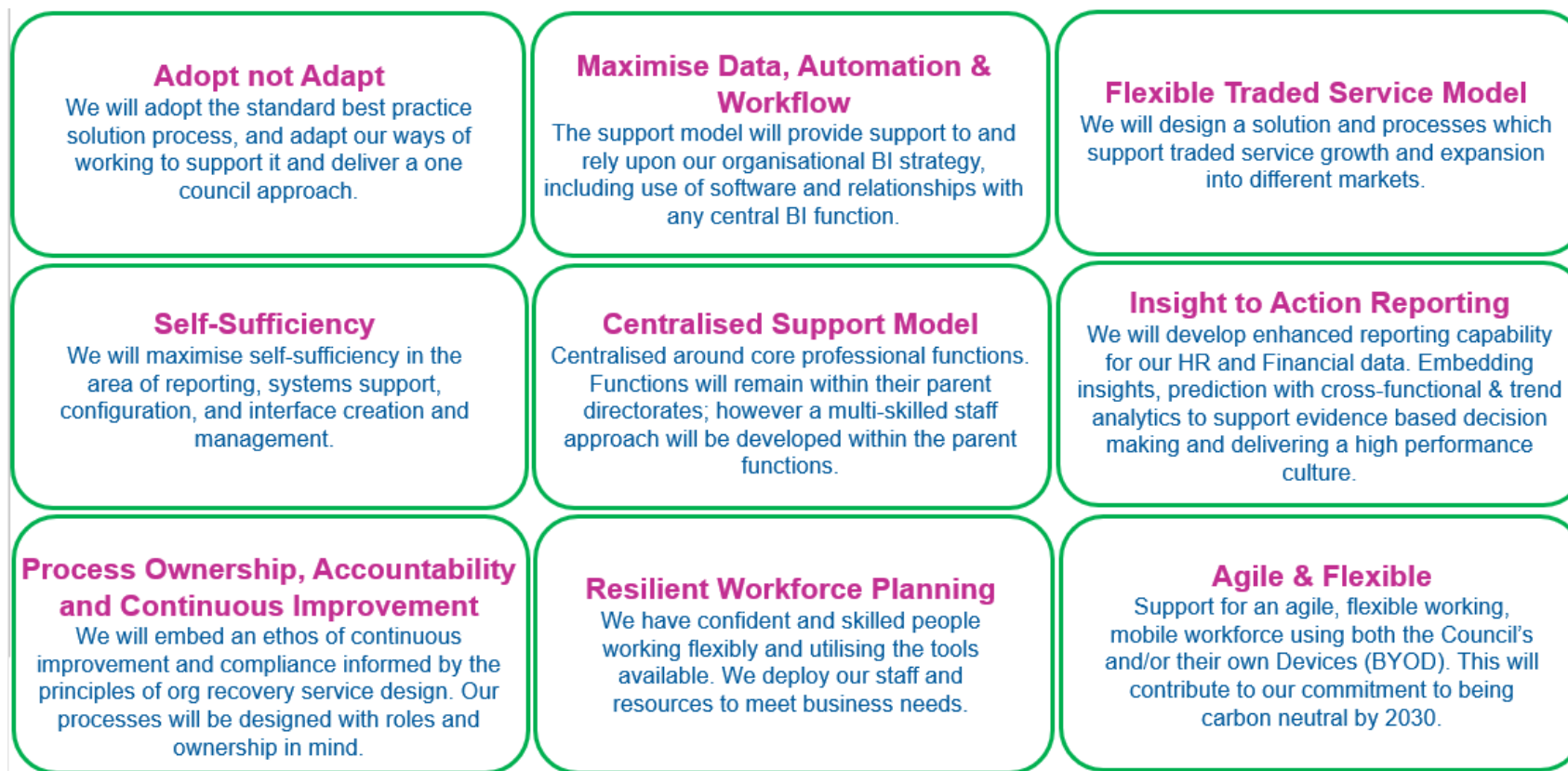
- Evolve has established a set of objectives which translate its programme mission into outcomes that maximise the opportunities within three related areas affecting all aspects of council business operations; our **Workforce**, our **Finances**, and our **Commercial** activity
- Within and across each of these three areas, the programme intends to address the four major objectives, **Process Accountability & Compliance, Control, Visibility, and Intelligence.**

Page 29



Programme Scope

- Nine key design principles have been developed and ratified through programme governance.
- These principles will form the foundation of the approach used during design, configuration, implementation and operation of the new solution and its proposed target operating model:

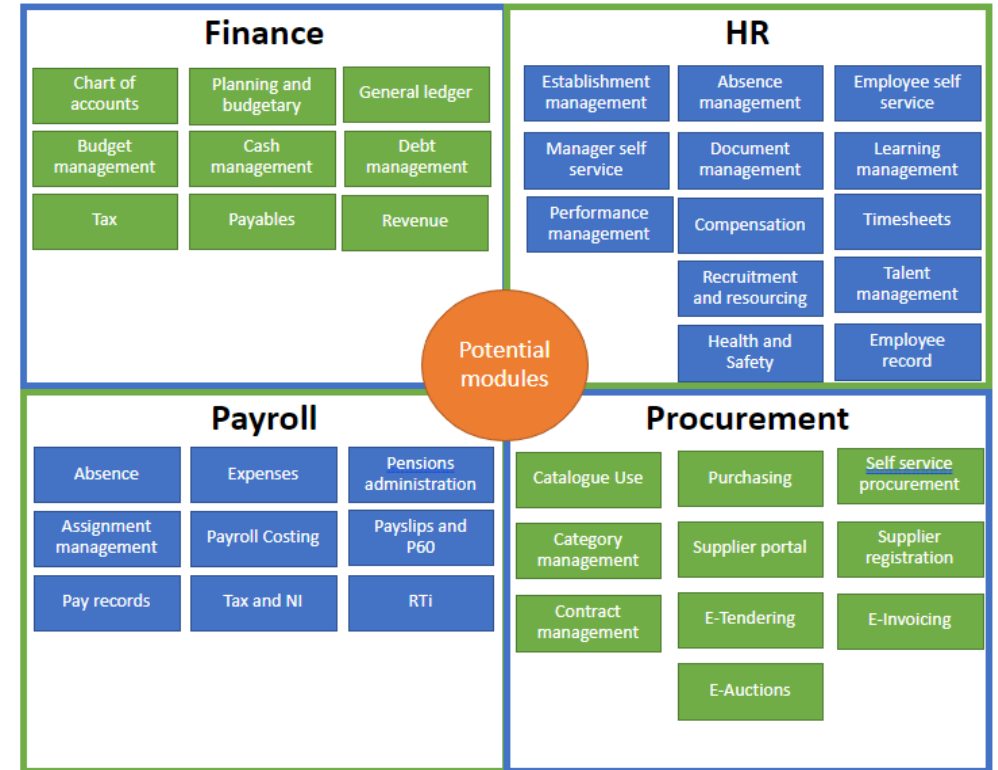


Programme Scope

- The high-level programme scope covers the following activity groups:
 - **Procurement and implementation of a Cloud-based ERP solution and decommissioning of existing applications.**
 - **Adoption of, and compliance with, standardised business processes across all council service areas, affecting all staff.**
 - **Provision of an associated business and process change and transformation workstream**
 - **Data quality and migration activities.**
- The activity groups above will be supported by solution functionality anticipated to cover the business areas shown to the right...
- ...and will standardise the following processes undertaken to varying degrees across every service area (subject to contract finalisation):

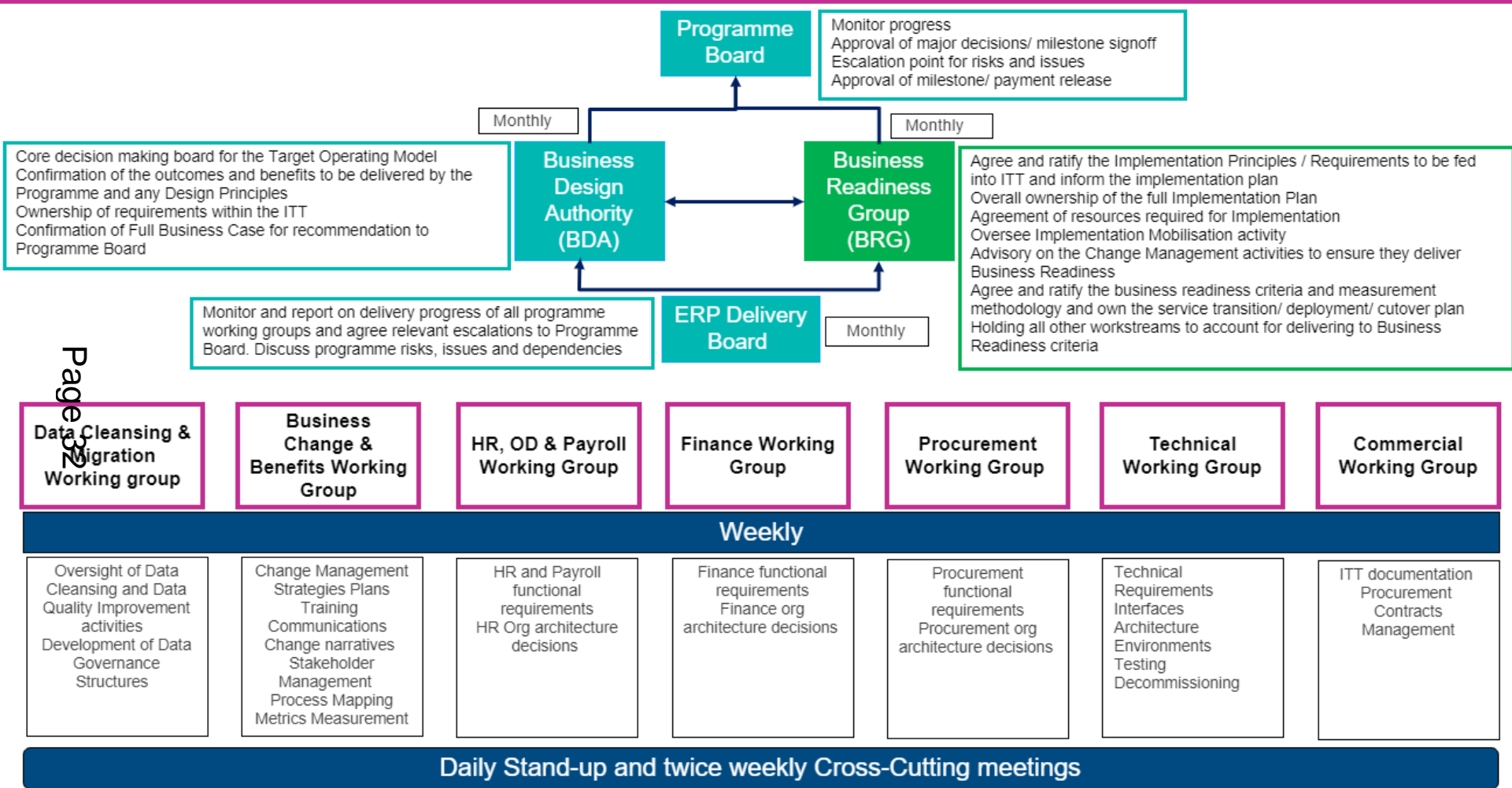
Page 31

- | | |
|---|--|
| ○ Employee Self-Service | ○ Procure-to-Pay (Including catalogues and punch outs) |
| ○ Manager Self-Service | ○ Supplier Management (including supplier portal) |
| ○ Organisational Hierarchy and Establishment Control | ○ Sourcing & Contract Management |
| ○ Hire-to-Retire | ○ Financial Budgeting |
| ○ Worker Management (for: casual and shift workers as well as agency & interim staff) | ○ Commitment Accounting |
| ○ Time management (Timecards) | ○ Statement of accounts |
| ○ Payroll | ○ Accounts Payable |
| ○ Employee Expenses | ○ Accounts receivable-Invoicing and collection (but not services currently covered by CivicaPay) |
| ○ Learning Management | ○ Debt Management |
| ○ Performance Management (Performance Appraisals and Objectives) | ○ Financial Reporting |
| ○ Organisational and Workforce Development | ○ External access for specific functions: citizens (learning and development) and traded services (self-services, payroll, HR, recruitment). |
| ○ Succession Planning | |



Programme Governance Structure

Evolve Programme - Governance Overview



Page 32

Programme Board Membership:

Andy Brown (Chair) Corporate Director Resources

Jo Pitt Director HR & OD

Ian Robinson Director Digital, Data & Technology

Perry Holmes Director Legal & Governance

Stuart Honeyball ERP Programme Lead

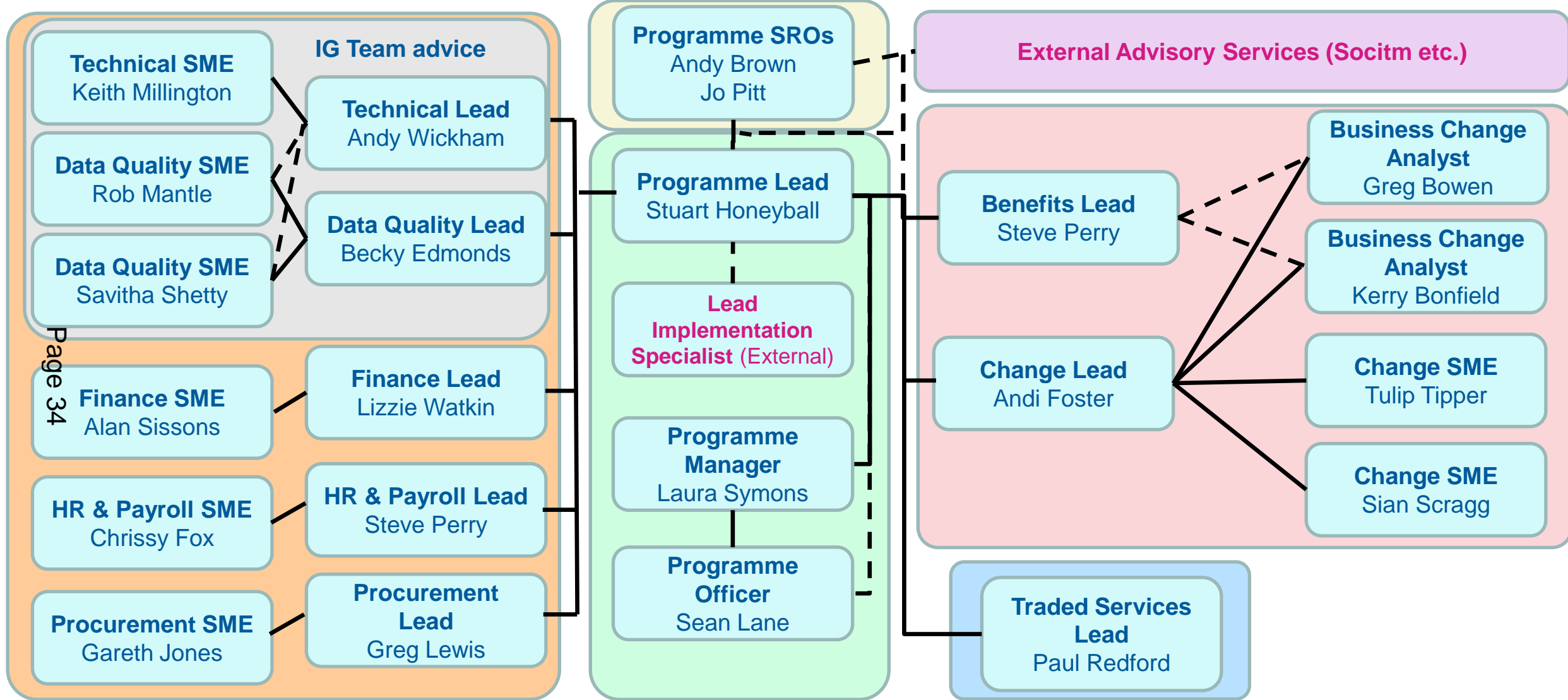
Business Design Authority:

Andy Brown (Chair)	Corporate Director Resources
Joanne Pitt	Director HR & OD
Stuart Honeyball	Evolve Programme Lead
Rebecca Edmonds	Data and Business Intelligence Lead
Andrew Foster	Acting People Change Mgr Agile & Digital
Jonathan Hopkins	Head of Strategic Procurement
Mike Ibbitson	Head of ICT
Tamsin Kielb	Head of Strategic HR&OD
Greg Lewis	Evolve Procurement Lead
Steve Perry	Evolve HR & Benefits Realisation Lead
Paul Redford	Head of Traded Services
Laura Symons	Programme Manager
Lizzie Watkin	Assistant Director Finance
Andrew Wickham	ICT Strategic Programmes Manager
Georgia Thwaites	Socitm Client Service Director (External)

Business Readiness Group:

Joanne Pitt (Chair)	Director HR & OD
Stuart Honeyball	Evolve Programme Lead
Claudia Beaumont	HR Strategic Business Partner
Caroline Bowen	Head of Service - Provider Service
Sally Canter	Head of Operations
Louise Cary	Head of Service - Community Development
Christopher Clark	Head of Local Highways
Emma Cooke	Service Manager - Early Years
Andrew Foster	Acting People Change Mgr Agile & Digital
Robert Holman	Head of Commissioning Specialist Services
Tamsin Kielb	Head of Strategic HR&OD
Michele Llewellyn	Service Mgr Children in Care & Placement
Martin Nicholls	Head of Service Executive Office
Steve Perry	Evolve HR & Benefits Realisation Lead
Nicole Smith	Head of Housing Operations & People Service
Laura Symons	Programme Manager
Jane Tagg	HR Strategic Business Partner
Peter Twiggs	Head of Ongoing Support
Lizzie Watkin	Assistant Director Finance
Andrew Wickham	ICT Strategic Programmes Manager
Georgia Thwaites	Socitm Client Service Director (External)

Programme Delivery Structure – Core Council Team



Page 34

- To ensure appropriate scrutiny oversight is given to the programme, a dedicated Overview & Scrutiny task group is being proposed with a defined monitoring role that will meet quarterly and report to Management Committee.
- Draft Terms of Reference for the Evolve Programme Task Group are proposed as:
 - i. To provide efficient, effective scrutiny engagement on the council's Evolve programme under the direction of OS Management Committee.
 - ii. To receive periodic updates on the Evolve programme and scrutinise delivery of its key three objectives for the council, covering:
 - Organisational insight
 - Developing a flexible high-performance culture
 - Transforming business processes and digital technology
 - iii. To meet quarterly as standard, unless there is a temporary need to meet more frequently or at a specific project milestone
 - iv. To report findings and recommendations as appropriate to OS Management Committee following each task group meeting.
- The programme team is also proposing to offer the task group a monthly update report, based on the highlight report created through existing governance arrangements.

Programme Governance - Approvals and oversight so far...

- In accordance with the agreed procurement strategy approved by cabinet in July 2019, formal preliminary market consultation and a procurement exercise were undertaken using Crown Commercial Services (CCS) framework RM3821 Data and Application Solutions Lot 1a.
- This framework route was selected to identify an appropriate proven supplier to provide the council with a new, Cloud-based ERP solution and associated best practice processes, and minimise commercial risks to the council.
- ITT documentation was reviewed and signed off by Commercial Board
- Multiple tenders received, evaluated and moderated by broad team of council evaluators and one external evaluator (Socitm Advisory Ltd.)
- A successful tenderer was identified, scoring best quality score and proposing lowest cost of all bids received, and a Procurement Evaluation Report (PER) created.
- Full Business Case developed, internally/externally reviewed, then approved by Programme Board on 10th September 2021.
- The Cabinet paper recommending award of contract and an amendment to programme budget was reviewed at Cabinet Liaison on 31st August, and scrutinised at Financial Planning Task Group on 10th September 2021.
- Cabinet approved both recommendations on 14th September 2021 and Suppliers formally notified 15th September 2021; 10-day mandatory standstill period commenced.
- Contract execution will take place as soon as possible after the standstill period ends and all terms are finalised – Legal team and Socitm Advisory Ltd. directly supporting.
- Service commencement date currently planned as 1st October 2021 but this is subject to contract finalisation and execution.
- Contract Management Operations Manual in development by Procurement to define ongoing approach and controls for supplier delivery.

Programme Key Risks (RAAIDD Log)

* RAAIDD = Risks, Actions, Assumptions, Issues, Decisions and Dependencies.

- Key programme activities are recorded in RAAIDD log.
- Risks and Issues include mitigating actions and severity RAG rating for both pre- and post-mitigation.
- Log is reviewed/updated at least:
 - ahead of every working group meeting
 - during each Delivery Board meeting
 - high-impact risks and issues (Red RAG) reviewed with SROs and Directors at every Programme Board.
- Currently 35 Risks in management status (46 closed), and 13 live Issues (21 resolved).
- 59 key programme Decisions recorded as complete (40 identified pending confirmation/sign-off)

Ref No	Risk description	Mitigating Actions	Likelihood 1 - Very Unlikely 2 - Unlikely 3 - Likely 4 - Very Likely	Impact 1 - Low 2 - Moderate 3 - Substantial 4 - Critical	Severity Likelihood x Impact
EVLV-R-18	New Target Operating Model and ways of working - There is a risk that without the sufficient commitment to adopt rather than adapt new ways of working and a related TOM, benefits, efficiencies and savings identified in the business case and Cabinet papers will not be realised.	In order to influence to what degree we require a TOM the Business leads will identify the key deliverables, outcomes and associated risks so the target is understood at all levels and the benefits and savings will be realised. Board to review and accept, present to CLT for approval and Change to socialise.	4	4	16
EVLV-R-17	Data Cleanse - There is a risk that without sufficient data cleanse activities during organisational readiness and implementation phase there will be an extension and additional effort required impacting programme timeline and cost	Present to SRO and board Acceptance & Sign off of the Data Quality Framework Identification of lead for this workstream Commitment of funding to provide the required resources and tooling to remediate data estate.	4	3	12
EVLV-R-27	Risk of no buy-in or too much buy-in (the system derived processes becoming too restrictive)	Engage in Business Change Management to introduce ERP-derived best practices	4	3	12
EVLV-R-32	Risk that the solution isn't adopted, and benefits not realised	Engage in Management culture change to ensure management see their role as managers - not front-line staff, resulting in them seeing the benefits of fully adopting the use of the ERP solution. Engage in Business Change Management to introduce improved ways of working.	4	3	12

Programme Milestones

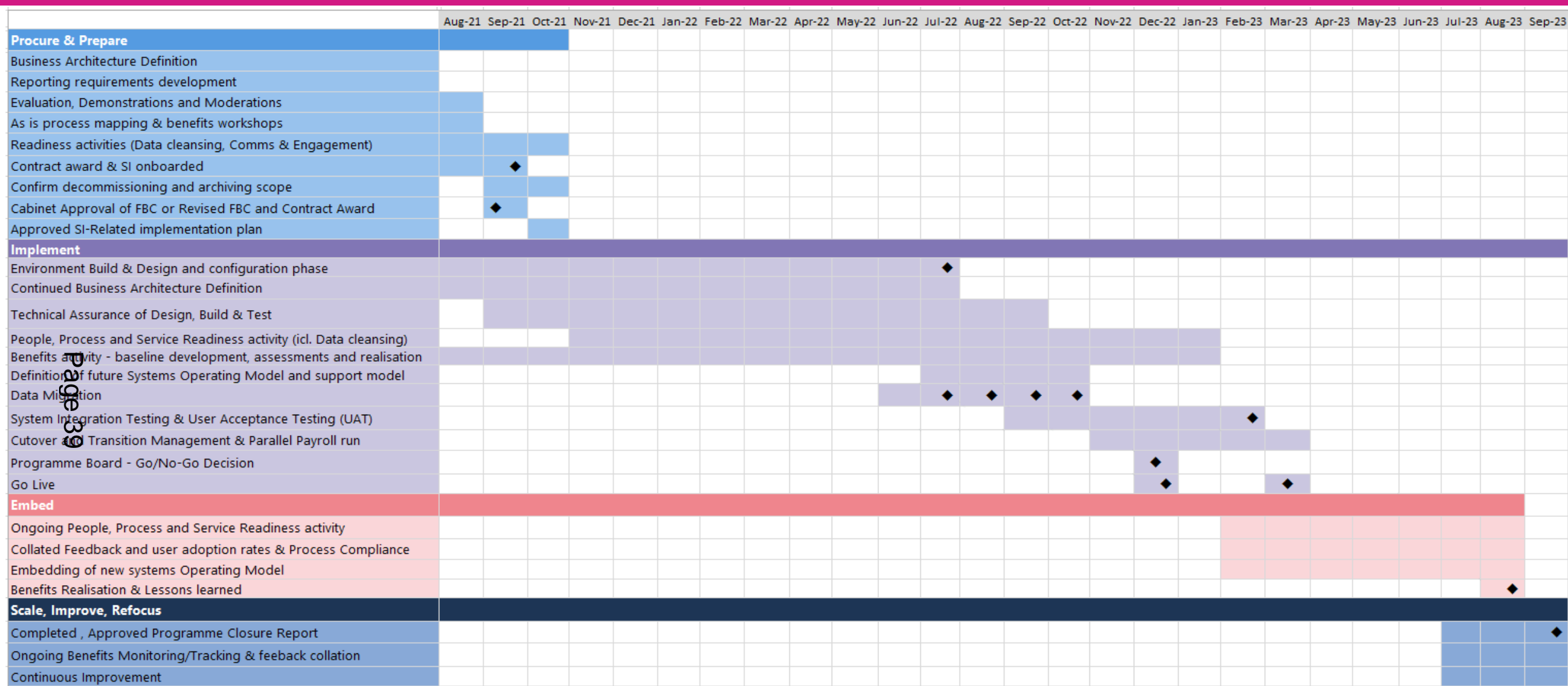
- The major programme milestones (post-contract award) are outlined in the table shown.
- These are subject to review and alignment with the successful tenderer's proposed implementation plan once agreed during contract finalisation.
- Key milestones are shown in a wider context in the Plan-on-page on the next slide.

Page 38 Programme is supported by a full 1500+ line MS Project plan covering anticipated implementation activities.

A finalised joint implementation will be agreed and signed off between the council and the supplier within 40 days of contract execution.

Stages	Milestone Dates
Cabinet approval of Full Business Case	September 2021
Award of Contract and SI onboarded	End September/early October 2021
Environment Build and Design Configuration Complete	July 2022
All Data Migration Complete	July 2022 – October 2022
UAT Testing	November 2022
Programme Board Go/No Go Decision	December 2022
Go Live	December 2022
UAT Testing	February 2022
Go Live	March 2023
Benefits Realisation and Lessons Learned	August 2023
Programme closure and handover to BAU	September/October 2023

Programme Plan-on-a-page



Programme benefits overview

- A broad range of programme benefits have been identified and reviewed across five areas of realisation – specific details and breakdown for each are covered in the Full Business Case:

Cashable

Deliver revenue savings and/or tangible cost reductions for the council

Strategic

Contribute to the overall aims of the programme and business transformation

Process Efficiency

Standardise ways of working and reduce waste, supporting value-add

Compliance

Reduce costs and risks, and drive high performance

Engagement, Wellbeing & Culture

Improved user experience and contributes to an agile, effective workforce

Page 40

- Evolve has a dedicated Benefits Lead role (with specific role description) responsible for the development, review, approval and monitoring of the benefits model.
- The programme also includes a Benefits Working Group that meets weekly to ensure alignment between functional activities, change activities and benefits planning.
- The target operating model will include a transition from the Benefits Lead role in to a Benefits Realisation responsibility post go-live as part of the ongoing solution governance structure.
- Given the transformational nature of the benefits requiring a high degree of compliance with new ways of working, the placement of this responsibility needs to be carefully considered and should be at an appropriately senior level with sufficient influence over all service areas.

Questions & Feedback

This page is intentionally left blank