

Governance Action Plan - Appendix 1

Headline Issue	Governance Action Plan	Progress To Date	Owner
This action plan addresses each and every one of the eleven recommendations in the PwC report on Sixfields.			
Priority 1 – Risk Management			
a. Review of all policy and procedures including risk	<ul style="list-style-type: none"> • Review and refresh current risk policy and framework <ul style="list-style-type: none"> ○ Ensuring effectiveness ○ Apply learning from the Internal Audit Report • Review and refresh all related policies and important policies • Risk management training of key officer and member groups • Review schedule for policies and procedures to be devised for 6 monthly/annual and bi annual reviews • Refresh and cascade risk strategy and framework 	<ul style="list-style-type: none"> • Policy and procedures index completed • Policies and procedures index published on the intranet • Review of risk policy and framework underway with the assistance of specialist external support 	Borough Secretary Chief Finance Officer
b. Embedding of risk within the organisation through training	<ul style="list-style-type: none"> • Review and log all projects currently live and in the pipeline • Carry out in-depth risk, review of high value/high impact projects 	<ul style="list-style-type: none"> • PwC by 25th November 2016 will have assessed the 'As Is' risk management position; undertaken a gap analysis and devising a risk management action plan 	Borough Secretary Chief Finance Officer
c. Proper reporting of risk through the current governance process	<ul style="list-style-type: none"> • Specialist risk management training to become mandatory for all Officers involved in projects. This to apply to current projects and future projects • Specialist training, workshops arranged and delivered with external and internal resources and in consultation with the Council's internal auditors 	<ul style="list-style-type: none"> • Northampton Alive project summary with pipelines projects are reviewed monthly for the Northampton Alive programme board • Re-provision of environmental services risk register reviewed by 25th November 2016 	
d. Review of current project risk processes	<ul style="list-style-type: none"> • Risk reporting to be reviewed ensuring that there is an effective cascade of risk through governance arrangements • Refreshed monitoring and tracking process <ul style="list-style-type: none"> ○ i.e. project/service risks may also become a corporate risk • Clarity on risk exception reporting process 	<ul style="list-style-type: none"> • Improvement project summary and pipeline projects are reported monthly • IT project summary with pipeline projects are reviewed bi-monthly by the IT Governance Board • Audit of Northampton Alive project risk registers underway as the first stage of high value/high impact projects • Specialist risk training in the process of being commissioned • Review of risk policy and framework 	

		<ul style="list-style-type: none"> ○ Corporate, service and project risks reviewed monthly ● Establish and embed risk management surgeries 		
Priority 2 – Due Diligence (including Loans to Third Parties)				
a.	Review of current loans	<ul style="list-style-type: none"> ● Review existing loan agreements against lessons learnt identified by PwC 	<ul style="list-style-type: none"> ● A summary of existing loans and key documentation has been compiled and is in one centralised place ● All non-committed loans held pending due diligence checks ● All non-committed loans to comply with checklist ● Mandatory requirement for legal and financial close down reports implemented 	Chief Finance Officer Borough Secretary
b.	Review of due diligence process and implementation of enhanced due diligence	<ul style="list-style-type: none"> ● Establish an extensive due diligence compliance checklist for 3rd party loans ● Establish a due diligence and compliance Manual ● Review Treasury Management Strategy to ensure it is fit for purpose with regards to 3rd party loans ● Ensure that all future 3rd party loans are reviewed by an external advisor and that review considered in all decisions before loan is granted 	<ul style="list-style-type: none"> ● 3rd party loans checklist has been developed and reviewed by the Council's banker Barclays ● Treasury Management Strategy was updated to reflect 3rd party loans in Feb 2014 and has been refreshed annually. 	Chief Finance Officer Borough Secretary
Priority 3 – Project and Programme Support				
a.	Transfer of programme and project capacity from LGSS to NBC	<ul style="list-style-type: none"> ● Transfer to be completed on 1st January 2017 	<ul style="list-style-type: none"> ● Consultation underway ● Expedite transfer back through TUPE/secondment ● Reallocation of priorities to due diligence and compliance 	Borough Secretary
b.	Review of Corporate Governance for Programme and Project Governance	<ul style="list-style-type: none"> ● Develop and implement enhanced Corporate Project and Programme Management framework and arrangements. To include a Corporate Governance & Support Officer Programme Board; Northampton Alive Officer Programme Board and an 	<ul style="list-style-type: none"> ● An enhanced Corporate and Programme management structure has been developed with expert external input ● Structure implemented with immediate effect ● JD and Person Specification for the role of 	Borough Secretary

		<p>Efficiency/MTFS Officer Programme Board</p> <ul style="list-style-type: none"> • Increase officer capacity in programme/project governance • Mandatory gateway training for Officers involved in Programmes and Projects • All relevant projects will go through a “gateway” process: <ul style="list-style-type: none"> ○ Categorise and apply rigorous but proportionate methodologies and documentation ○ Requirement for a Project Initiation Document (PID), minuted project /programme meetings and a full risk assessment ○ Programmes/projects will be required to be maintained on central paper records, with clear documented minutes of meetings and professional advice received • Each project/programme will require the completion of a declaration of interests form by each participant (member or officer or advisor) • Mandatory training programme on the Council’s constitution, including contract procedure rules and financial procedure rules for all managers in the authority 	<p>Governance and Risk Manager in the process of being prepared</p> <ul style="list-style-type: none"> ○ Input to be provided by PwC • Increased project support capacity agreed and currently being provided by a temporary staff member • Increased focus of Internal Audit activity on Programme and Project management, currently in the Regeneration area and this to continue for a minimum 3 years • Temporary Recruitment of project staff completed and operational • Transfer back of LGSS project staff currently underway 	
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Priority 4 – ISA260 Recommendation Action Plan

a.	Delivery of ISA260 Action Plan	<ul style="list-style-type: none"> • Implementation Action Plan agreed by Audit Committee on 14th November 2016 	<ul style="list-style-type: none"> • Progress was reported to Audit Committee at its meeting on 14th November 2016 • Further iterations prepared since 14th November 2016 and further action completed • Audit Committee agreed to receive update reports at future meetings 	Chief Finance Officer
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Priority 5 – Internal Audit Recommendations

a.	Review internal audit recommendations	<ul style="list-style-type: none"> Review all internal audit recommendations since June 2013 Assess delivery of all internal audit recommendations since June 2013 where not already delivered. 	<ul style="list-style-type: none"> All PwC audit reports since June 2013 were notified to Audit Committee at its meeting on 14th November 2016 All internal audit recommendations (PwC and LGSS) have been collated and are in the process of being reviewed 	Chief Finance Officer
b.	Improve reporting of internal audit recommendations	<ul style="list-style-type: none"> Improve internal audit reporting to Audit Committee Report progress on delivery of internal audit recommendations to Audit Committee Implement PwC audit recommendation tracking software, TrAction Regular reporting / monitoring to and by management board/audit committee 	<ul style="list-style-type: none"> At Audit Committee on 14th November 2016 reports were presented by both internal audit providers, PwC and LGSS demonstrating enhanced reporting Regular meetings between PwC, LGSS and Finance have been taking place to review audit plans to ensure they complement each other. TrAction internal audit recommendation tracking system has been implemented for all PwC recommendations and rolled out to appropriate staff at NBC LGSS internal audit recommendation have been tracked using their own software since June 2013 	Chief Finance Officer
Priority 6 – Effective Decisions – Cabinet Clearance Process				
a.	Call over process	<ul style="list-style-type: none"> Revise and cascade changes to the call over process Evaluation period and process for the new arrangements Deliver training on standards requirements Deliver training on Equality Impact Assessments 	<ul style="list-style-type: none"> Call over process reviewed Two stage Call Over Process implemented with Management Board oversight of standards and content of reports Deadlines published on the intranet to assist Officers 	Chief Executive
b.	Outline of process			
c.	Report writing guide	<ul style="list-style-type: none"> Provide better Cabinet clearance report guidance Requirement for “frontloading” of full information at the Cabinet clearance stage 	<ul style="list-style-type: none"> Initial Cabinet report writing guide developed and issued More comprehensive guide addressing compliance issues to be developed and issued Focus on compliance 	

d.	Cabinet clearance	<ul style="list-style-type: none"> Review process for formal clearance Review and refresh clearance process Basic guidelines on Cabinet process circulated Clearance subject to compliance with final Council business case Reports to contain adequate and evidenced information to support decision needed Requirement for regularly reporting back to cabinet on significant projects Relevant decisions to have mandatory and financial business models produced by the Council 	<ul style="list-style-type: none"> Cabinet report writing guide published and implemented to include issues raised in 6 d and e. Recommendations in the PwC report on Sixfields, implemented and enforced immediately by statutory officers 	<p>Borough Secretary</p> <p>Chief Finance Officer</p>
e.	Report compliance	<ul style="list-style-type: none"> Monitoring of Cabinet decisions, implementation and compliance, including delegated decisions. To include regular reporting to the Leader and Audit Committee. 	<ul style="list-style-type: none"> 	
Priority 7 - Governance				
a.	Corporate Governance review	<ul style="list-style-type: none"> Carry out fundamental review of all current NBC governance arrangements against the CIPFA/SOLACE 2016 standard <ul style="list-style-type: none"> Full gap analysis and action plan to address any identified weaknesses Update the local code with annual reporting against the Code to Audit Committee 	<ul style="list-style-type: none"> Initial advice given by external expert Review to be undertaken as a defined project Scope, timelines and identification of resources for the review in the process of being prepared 	<p>Borough Secretary</p> <p>Management Board</p>
b.	CIPFA/Solace External Validation	<ul style="list-style-type: none"> External validation support of progress against the standard 	Accreditation assurance options being actively considered	Chief Executive
Priority 8 – Financial Governance				
a.	Improve Purchase Order Process	<ul style="list-style-type: none"> Communicate importance of raising purchase orders with budget managers Enhance reporting of non-compliant purchase orders to Management Board, 	<ul style="list-style-type: none"> Finance team have communicated with all managers the benefits to financial governance and management of purchase order, including training on the process 	Chief Finance Officer

		<p>Directorate Management Teams and Service Management Teams by improving dashboard</p> <ul style="list-style-type: none"> • Write to suppliers to inform them they must request an order number for any NBC work • Review system controls and implement improvements 	<p>through monthly meeting with budget managers.</p> <ul style="list-style-type: none"> • Monthly reporting of non-compliant purchase order is now part of the financial dashboard reported at management teams throughout the Council. • A letter to suppliers has been drafted. 	
b.	Review and improve reserves drawdown process	<ul style="list-style-type: none"> • Review the reserves drawdown process • Improve compliance • Improve reporting 	<ul style="list-style-type: none"> • Reserves drawdown form has been updated to include enhanced signed off • All reserve drawdowns are reported to Management Board as part of monthly financial dashboard • Quarterly Finance reports to Cabinet include a list of reserves drawdowns 	Chief Finance Officer
c.	Review and improve supplementary estimate process	<ul style="list-style-type: none"> • Review the supplementary process • Improve compliance • Improve reporting 	<ul style="list-style-type: none"> • Supplementary estimate process has been reviewed • A new supplementary estimate form has been introduced 	Chief Finance Officer
d.	Review and improve virement process	<ul style="list-style-type: none"> • Review virement process • Improve compliance • Improve reporting 	<ul style="list-style-type: none"> • Virement process is currently under review • reviewed 	Chief Finance Officer
e.	Improve management of capital programme	<ul style="list-style-type: none"> • Establish a gateway process for progressing schemes through each stage of their capital programme lifecycle 	<ul style="list-style-type: none"> • Gateway approach in process of development as part of budget planning work for 2017/18 	Chief Finance Officer
f.	Raise financial awareness	<ul style="list-style-type: none"> • Mandatory training covering all aspects of financial management • Tailored training for specific staff depending upon requirements of role (budget management, business cases/plans, financial administration) • Establish approach to validate/evidence learning 	<ul style="list-style-type: none"> • Training material in process of being developed. 	Chief Finance Officer
Priority 9 - Miscellaneous				
a.	Whistleblowing	<ul style="list-style-type: none"> • Effective Whistleblowing arrangements 	<ul style="list-style-type: none"> • The current Whistleblowing Policy has been reviewed and uploaded on the intranet. 	Borough Secretary

			<ul style="list-style-type: none"> • Consideration being given to provide external whistleblowing reporting • Consideration being given to increase the profile of Whistleblowing 	
b.	Officer & Member hospitality	<ul style="list-style-type: none"> • Review policy and guidance • Publish guidance 	<ul style="list-style-type: none"> • Review of guidance currently underway • Compliance audit to be undertaken as part of the next internal Audit Plan • Regular Reporting to Standards Committee • Training on register currently being delivered to members • Training planned for Council Officers • Written guidance on registering interests being prepared for Officers and members 	Borough Secretary
c.	Cabinet process	<ul style="list-style-type: none"> • Review Cabinet clearance process • Identify risks from lack of compliance • Report writing Guide and compliance standards 	<ul style="list-style-type: none"> • Standards in place and adhered to • Financial clearing process in place • Timely reporting meeting legal requirement 	Chief Executive