

**BRISTOL CITY COUNCIL**

**Audit Committee**

**24<sup>th</sup> April 2015**

**Report of:** Chief Internal Auditor

**Report Title:** Change Programme Governance Review

**Ward:** Citywide

**Officer presenting report:** Melanie Henchy-McCarthy, Chief Internal Auditor (J/S).

**Contact Telephone Number: 0117 92 22063**

**RECOMMENDATION**

The Committee is recommended to note and comment on this Internal Audit Report on the governance framework in place within the Change Programme.

**SUMMARY**

This report presents the findings and conclusions from the first phase of Internal Audit's review of the governance environment within the Change Programme. The review was conducted as part of our Annual Governance Statement significant issues progress monitoring and at the request of the Audit Committee.

**The significant issues in the report are:**

- Overall there is a good system of governance and internal control to assist achievement of the identified objectives and manage the risks/consequences arising from the Programme. (Paragraph 3)
- Only minor good practise matters were identified with regard to the Change Programmes Terms of Reference and Financial Reporting. (Paragraph 2.2)
- Phase two of the review will cover financial benefits realisation as this is a complex area and deserving of its own review.

**Policy**

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. (Public Sector Internal Audit Standards 2013).

The review of the Change Programme was carried out utilising a Reasonable Assurance model which was drawn up by Bristol Internal Audit in collaboration with the other West of England authorities. The model was designed to give management and Members 'Reasonable Assurance' on the control, risk and governance environment under review.

### **Consultation:**

**Internal:** Strategic Leadership Team (SLT), Strategic Director Business Change / Audit Committee / other relevant Officers (Chief Internal Auditor / Service Director: Finance / Service Director: Business Change and ICT / Service Manager: Programme Management Office.

**External:** None

## **1) Background and Context**

1.1 Bristol City Council set up the Change Programme as a means by which it could achieve the required austerity over the three year period of 2014/15 to 2016/17. The Change Programme business case was approved by Cabinet at its meeting on 1<sup>st</sup> July 2014. The Programme aggregates a number of previously approved change business cases alongside a number of current and proposed business cases, across the Council, under the control of one Change Programme Board. The Board provides the overarching governance, scrutiny and challenge for the change process in order to ensure that the Council's objectives are achieved. The Change Programme Board consists of the Senior Leadership Team and the Service Director Project Leads; it is chaired by the Strategic Director: Business Change.

1.2 The aim of the Change Programme is to:

- Make savings early and safely
- Create and embed standard ways of working for all services to use
- Redesign the Council to meet future needs

1.3 Internal Audit focused on a number of key areas the outcomes from which are summarised below, but in essence it confirmed that a process is currently in place to ensure that:

- A Business case is produced and approved for each project/workstream

- Governance arrangements surrounding reporting and monitoring are robust.
- Management arrangements for each project/workstream are clear and approved
- Capacity and skills to deliver the desired outcomes have been assessed
- Project/workstream accountability/responsibility is clearly defined
- Projects/workstreams are aligned to Mayor/corporate objectives
- A clear approach to cultural change is in place
- The consideration of risk is appropriate

1.4 The review did not cover the area of financial benefits realisation; therefore we are unable to comment at this time, on whether the projected savings will be achieved. A review of this area has been scheduled for the early part of the 2015/16 financial year.

## **2) Findings of the Review**

### **2.1 Areas where the level of assurance was found to be good:**

- No project can be started without a Business case which is approved and monitored by the Change Programme Board.
- Project progress is discussed at the regular bi-weekly meetings of the Board with monthly Highlight reports produced to aid workstream monitoring. Overall progress is tracked using a comprehensive milestone map.
- The Change Programme Board is where the decision making is done, both at a high level and in understanding and agreeing each workstream element. Additionally each project/workstream is assigned an accountable Service Director and Project / Workstream Manager.
- Regular internal reports prepared by the Programme Management Office are used by the Performance Improvement Team to identify proxy measures of success against the Mayors priorities.
- A new Performance Management system has been procured to improve performance at an individual level and this will be supported by management training and development. Thereby providing a clear approach to culture and change and identifying gaps in skills and capacity.
- A risk log is in place for each workstream to manage risks. These are also used to inform the monthly Highlight reports which clearly identify any concerns that relate to the workstream status.

## **2.2 Areas where the levels of assurance was found to be reasonable:**

- The Change Programme Board Terms of Reference has not been updated since 2013, was not approved by Cabinet and is not on the Council website.
- Comprehensive monthly financial summary reports are provided to the Change Programme Board; however, whilst all of the appropriate information is included, the reports would not necessarily be easily understood by a non-financial person.

## **3) Conclusion**

- 3.1 It is clear that a considerable amount of work has been done to ensure that the Change Programme is well managed and that the workstreams contained therein achieve their full potential and projected outcomes. Management and Members can take assurance that the Control, Risk and Governance framework within the areas covered by our review of the Change Programme is good.

## **Other Options Considered**

Not applicable.

## **Risk Assessment**

There are no risks arising directly from this report, however the risk to the Programme is that the Council fails to maximise the opportunities afforded by the having a single Change Programme to deliver and achieve the Mayoral and corporate objectives and maintain its resilience in the future.

## **Equalities Impact Assessment**

None necessary for this report

## **Legal and Resource Implications**

**Legal** - none sought

**Resources** - none arising from this report

**Appendices** - None

## **LOCAL GOVERNMENT ACCESS TO INFORMATION**