

BRISTOL CITY COUNCIL
OVERVIEW AND SCRUTINY MANAGEMENT BOARD
22nd OCTOBER 2013

GRANT THORNTON : REVIEW OF GOVERNANCE FOR BRISTOL CITY COUNCIL

1. The attached review (Appendix B) by external auditor, Grant Thornton, was reported to the Audit Committee at its meeting on 24 September .
2. The Board are asked to consider the review and the Auditor's recommendations and action plan, and in particular, the implications for scrutiny .

Appendices

Appendix A – Officer cover report to the Audit Committee

Appendix B – the Grant Thornton report

Appendix C – draft minutes of the Audit Committee in relation to this item.

**BRISTOL CITY
COUNCIL AUDIT
COMMITTEE**

24 September 2013

Report of: Strategic Director (Corporate Services)

Title: Grant Thornton's VfM reports

Ward: Citywide

**Officer presenting report: Graham Friday Deputy Section 151
Officer**

Contact telephone number: 0117 92 22419

RECOMMENDATION

The Audit Committee note, and comment as appropriate, on Grant Thornton's value for money reports for 2012/13.

Summary

We expect to present an unqualified Value for Money Conclusion in regard to the Council's arrangements to ensure economy, efficiency and effectiveness in its use of resources.

We undertook detailed work to support our VFM conclusion. We have prepared separate reports in respect of this work and these are attached to this summary.

The three local reports were:

1. Governance Review
2. Financial Resilience
3. VfM Conclusion Follow-up of recommendations.

Policy

None affected by this report. The Audit Commission has statutory responsibility for inspection and assessment at the Council. Grant Thornton are the Council's appointed external auditors. In carrying out their audit and inspection duties they have to comply with the relevant statutory requirements. In particular these are the Audit Commission Act 1998 and the Code of Audit Practice with regard to audit, and the Local Government Act 1999 with regard to best value and inspection.

Consultation

Internal: Grant Thornton consulted with Senior Officers and Directors before finalising reports.

External: not applicable.

1 Introduction

1.1 Grant Thornton is required to form an opinion on the Council's annual financial statements and to provide a value for money conclusion. These reports provide the Council detailed information and recommendations for those areas which were reviewed by Grant Thornton to support the 2012/13 VfM conclusion.

1.2 Grant Thornton, responsible for the City Council's audit, will be attending the Committee, and will be pleased to answer Members' questions.

Other Options Considered

Not applicable.

Risk Assessment

Not as a result of this report.

Equalities Impact Assessment

There are no issues arising from this report.

Legal and Resource Implications

None arising from this report.

Appendices:

Appendix 1: Governance Review

Appendix 2: Arrangements for Securing Financial Resilience

Appendix 3: VfM Conclusion Follow-up of recommendations

LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985

Background Papers: None



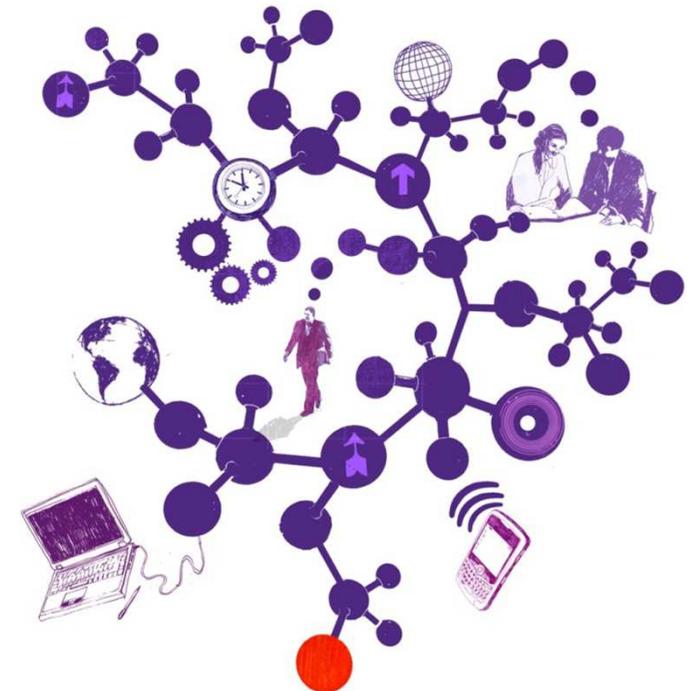
Review of Governance for Bristol City Council

September 2013 Final

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The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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4. Way Forward

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Introduction

As part of our 2012/13 audit planning and it was agreed that we would undertake an assessment of the governance arrangements across the Council, since the arrival of the Council's first elected Mayor.

The introduction of an elected Mayor creates a fundamental change in the Council's decision-making arrangements and the governance of the organisation. The Mayor replaces the previous Council Leader and is responsible for selecting the members of the Cabinet. The Mayor also performs a broader role representing the interests of Bristol's citizens, along with his member colleagues.

The Council's constitution has been amended to reflect the changes and new structures required to support the Mayor. This includes the Cabinet of six members, which now acts in an advisory role as the Mayor has chosen not to delegate any decisions and a Deputy Mayor.

In addition the Council is still required to have separate committees in a number of areas, including planning, licencing, overview and scrutiny and audit. Neighbourhood Partnerships also remain and are a development area, as new powers get delegated to them, in line with government policy (for example, the dissemination of authority for planning decisions, with two further partnerships recently having their remit extended for this purpose).

Due to the significance of the change for the governance framework of the Council, it was agreed that we should consider the implications as part of our external audit in 2013. The findings will be used to support our 2012/13 VfM conclusion.

Timing of this review

The detailed field work was completed during April to June 2013 and our findings concluded in July and August 2013.

Our audit remit and approach

The following schematic summarises the objectives of the review and the main questions that focused our work- they test many of the fundamental features of a comprehensive governance framework. However, as this was a high level review, we were not able to undertake detailed work on all areas. We propose undertaking more detailed work, in specific areas, as part of our audit in 2013/14 (this is set out within the final section of this report- the Way Forward).

To answer the questions, we reviewed relevant documentation and spoke to a number of officers from within the Mayor's Office, the senior leadership team and others who have played a significant role in adapting the Council's governance structure to meet the requirements of a mayoral model. Given this, the findings of our work primarily reflect an officer view of the governance framework.

REVIEW OBJECTIVES

- to understand and document the changes in governance arrangements since the introduction of the Mayor; and
- to test the robustness of the governance framework in the light of the new model, giving due consideration to matters of leadership, systems and processes, culture and external focus

KEY QUESTIONS: Leadership

- Are decision-making processes transparent? Are lines of accountability clear?
- Are decisions published?
- Is there a strategic plan that sets out the strategic priorities? Is the strategic purpose of the Council clear? Are outcomes tightly defined?
- Have the revised roles of the strategic leadership team been documented and their responsibilities agreed?
- Are decisions being taken by the right people, at the right time, based on robust data?
- Are scrutiny arrangements robust?
- Are mechanisms in place to evaluate the effectiveness of the Council's leadership?
- Are arrangements in place to develop the capacity and capability of leaders and senior officers?
- Has the scheme of delegation been updated to clarify the mayoral functions and the changing status of other key officers/ members?

KEY QUESTIONS: Systems and Processes

- How is performance being monitored and managed at a corporate level? And how is the Mayor involved in this?
- How will the organisation ensure that it operates within the law and its own constitution?
- How are strategic risks being identified and managed?

Audit Findings

Summary

Our review found that, whilst senior officers had undertaken extensive preparatory work prior to the elections of November 2012, this did not ensure complete readiness for the arrival of the Mayor. Given this, the last few months have seen senior officers working to shape an appropriate governance structure that is sufficiently robust, engages all elected Members and permits efficient and effective decision-making to drive the Council forward towards meeting its strategic aims. There is evidence that the recent appointment of a new City Director has quickened the pace of change and a route map is being formulated to clarify what needs to be done to resolve the weaknesses evident during our review.

The detailed findings of our review are drawn together on the following pages. From this, the key matters we consider need to be addressed, include:

- **clarifying the roles and responsibilities of bodies within the decision-making structure, and the process of decision-making-** to ensure a common understanding of responsibilities, how the arrangements work and compliance with the Council's constitution and statutory requirements. This includes the role of Members and the main statutory bodies of the Council, such as Full Council. Our review found that there is ambiguity in many areas and a lack of confidence in the effectiveness of the overall decision-making structures;
- **publishing the strategic priorities of the Council-** in order for resources across the Council to be appropriately aligned and to provide the right context and point of reference for decision-making. At the time of our review, the strategic direction was still being developed (through the marrying of the Mayor's priorities for Bristol, the 20:20 vision for Bristol and the Corporate Target Operating Model); and
- **strengthening performance and risk management.** At a strategic level, performance reports are not focused on priorities and do not allow the Mayor or senior officers to test progress towards priorities and to know where remedial action is needed. Full performance reports are presented to Cabinet on a quarterly basis, but these are lengthy documents containing detailed operational information, most of which is not needed at a senior level. Our work suggested that, at a strategic decision making level, risk management is limited.

Each of these issues has the potential to undermine governance arrangements and heighten the risk of decisions being taken that do not support the aspirations of the Council or ensure compliance with statutory duties. Although we have summarised our most significant findings within these three points, we do not underestimate the importance or extent of the work required to strengthen the decision-making framework. The forthcoming Boundary Review (2014) provides an additional impetus, as the shape of the Council and the constitution in place will inform and influence any boundary changes recommended. Prior to this exercise, it is essential that the Council resolves the issues noted within this report and amends its constitution and financial regulations accordingly, so that it is fit for purpose and in the right form for taking the City forward.

The key recommendations coming from our work have been summarised within an action plan and included at the end of this report. We will return to assess progress as part of our audit work in the coming audit year, 2013/14.

Detailed Findings

Issue	Findings	Conclusion and Recommendations
<p>Decision making structures and processes</p>	<p>Structures</p> <p>At the time of our review, the key groups within the decision-making structure of the Council had recently been restructured and were at an early stage of forming. Changes had been made to the Strategic Leadership Team (SLT), Executive Board and Cabinet. The role, function and relationships between these three groups was still developing. Feedback suggested that Officers and Members had yet to commence operating as these structures intended, as a result their purpose and remit is yet to be widely understood.</p> <p>A key factor contributing to the delay in creating effective strategic leadership has been the instability of the senior management team. Since the arrival of the Mayor, two Strategic Directors have resigned and the Council currently has only two permanent tier one officers, including the recently appointed City Director. This has meant that senior leadership support has been inconsistent, limited and not always been readily available to the new Mayor, particularly where an insight into organisational history would have been of benefit.</p> <p>The Council is aware of the risks and opportunities that this has created and plans are in place to address the issue. An interim Strategic Leadership Team has been in place and recruitment plans are in operation to ensure that a permanent team can assume leadership responsibility from the beginning of January 2014. Officers will be recruited to reflect a revised organisational structure which was being debated and agreed at the time of our review.</p> <p>In respect of political structures, it is also recognised that, since the election of the Mayor, there has been a lack of understanding of roles, responsibilities and the relationships between the constituent parts of the system. This matter is understood and plans are also in place to resolve this risk. We discuss this further below, under roles and responsibilities.</p>	<p>At the time of our review individuals, both officers and elected Members were not operating consistently within the agreed structures as intended, undermining the effectiveness of the decision making processes in place.</p> <p>Whilst this is a critical issue and fundamental to effective governance within the Council, the newly appointed City Director has a clear understanding of the weaknesses and a plan to address them, as a priority.</p> <p>We will monitor progress as part of our on-going work.</p>

Detailed Findings

Issue	Findings	Conclusion and Recommendations
Decision making structures and processes – continued	<p>Clarifying and ensuring compliance with both political and officer structures and relationships by the Council is timely given the recent announcement of the Boundary Commission that it will review Bristol constituencies in 2014/15. The shape and organisation of the Council will be a factor in any proposed changes so it is essential that the Council agrees a form that best reflects its current and projected mode of operation going forward.</p> <p>Processes</p> <p>In respect of decision making processes, our review found that there has been uncertainty amongst officers as to what is and what is not a key decision and, therefore, what processes need to be followed.</p> <p>Whilst the Council's processes for Executive decision making have not changed with the introduction of the Mayoral system there has been a lack of clarity regarding the role of the Mayor and Councillors and where background information needs to be supplied, and at what juncture. Feedback suggested that information to support decision making provided to the Mayor has not been as full and timely as it should have been and specific instances were cited of when the Mayor could have been better informed prior to making a decision.</p>	<p>Recommendation 1</p> <p><i>Incorporate a formal evaluation mechanism into the new arrangements in order to ensure compliance and to test whether or not the changes implemented achieve the planned impact. Specially, new arrangements must ensure:</i></p> <ul style="list-style-type: none"> • <i>compliance and understanding with the agreed governance structures and processes;</i> • <i>the relationships between officer and member strategic groups is clear;</i> • <i>the role of the Mayor, senior Members and senior officers is clear;</i> • <i>the statutory responsibilities of key individuals are consistently understood; and</i> • <i>information to support decision making could be improved in terms of comprehension and timing.</i>
Strategic direction	<p>Our review found that work to clarify the strategic objectives and priorities of the Council had commenced but was yet to be finalised. Officers were working to marry the vision of the Mayor to the Council's longer term strategy and the corporate target operation model. No delivery plans were available to us and specific outcomes had yet to be defined.</p> <p>There are no formal reports or position statements showing how the priorities of the Mayor are being addressed and how delivery is to be supported, strategically and operationally.</p>	<p>The strategic priorities of the Council have yet to be formally published and as a result are unclear, permitting ambiguity as to how and where resources should best be focused.</p> <p>Recommendation 2</p> <p><i>The Council must clarify, as a matter of urgency, its strategic priorities.</i></p>

Detailed Findings

Issue	Finding	Conclusion and Recommendations
<p>Roles and responsibilities</p>	<p>As well as raising questions regarding clarity as to the roles and responsibilities of key groups within the governance framework, our review found that there is uncertainty and misunderstanding regarding the parts to be played by officers and politicians at an individual level.</p> <p>A particular issue was raised around the role of Councillors since the election of the Mayor. Our work suggested that Councillors are unsure as to how they can now contribute to the development and work of the Council and influence decision making.</p> <p>The role of the Mayor, as leader, and how this position can work most effectively within the context of 70 elected councillors needs to be fully explored and appreciated. The Mayor has been directly elected by the electorate, to lead the Council, whereas the greater body of Members have been elected to represent the views of the population and their constituents. Currently, Members are not sure how and when they can do this and how they influence the decision making process.</p> <p>We understand that this matter is being discussed and that plans are being drawn up to address it and to clarify the function of Members within a robust governance framework. For example, it is anticipated that the agenda of Full Council will, in the future, provide the main forum for robust, informed and healthy debate, prior to decisions being taken. As a result this should follow work undertaken in advance by scrutiny so that expert questioning can lead a healthy challenge.</p>	<p>The role of Members is unclear within the current structure. Not all Members understand how and when they can play a part in decision-making.</p> <p><i>Clarify the roles and responsibilities of Members and the Mayor within the new decision-making process. (as per recommendation 1)</i></p>

Detailed Findings

Issue	Finding	Conclusion and Recommendation
Scrutiny	<p>At the time of our review, new arrangements for Scrutiny were being implemented. However, early signs suggested that they were not having the impact desired, and that the work of Scrutiny was still not sufficiently focused on the priorities of the Council.</p> <p>As noted above, revisions to the roles of different groups and bodies within the corporate structure will, inevitably, impact on the functioning of scrutiny. For example, by clarifying and promoting the role of Full Council this will change the role of Scrutiny. The Council intends to review the role of Scrutiny as part of the preparations for the Boundary Commission..</p>	<p>The Scrutiny arrangements are not currently sufficiently focussed to provide robust challenge of the Council's priorities.</p>
Evaluating effectiveness	<p>Our work found that no mechanisms are in place to monitor and formally review the effectiveness of the governance arrangements.</p>	<p>Getting the most appropriate governance structure is challenging and it is rare for an organisation to get it 'right first time'. Therefore, it is essential that a process of review is implemented to ensure that, through progressive iterations, the best solution is arrived at, in a systematic and planned way, in the shortest time possible.</p> <p><i>See recommendation 1- evaluation mechanisms must be integral to any development plans in order for the Council to assess, on an on-going basis, the fitness for purpose of the governance regime in place.</i></p>

Detailed Findings

Issue	Finding	Conclusion
Developing capacity and capability	<p>The Council is in the process of recruiting permanent posts to the SLT from January 2014. A number of interim posts have been made to support existing capabilities and capacity. The state of flux over the past year has had an impact on the support available to the Mayor and it is recognised that the Mayor has not always received the support that he has needed.</p> <p>A widespread understanding of the need for, and value to be gained, from good governance arrangements is also a key finding emerging from our work. Further work is needed to ensure that there is a common appreciation as to why this is important and how it will support the Council in achieving its strategic ambitions.</p> <p>We have not been made aware of any training needs analysis or training provision in this area.</p>	<p>Stability and capability will be strengthened by the appointment of a new SLT.</p> <p>However, attention also needs to be given to building a wider appreciation of the importance of a robust governance regime, in order to deepen leadership capability. This should be addressed through the implementation of recommendation 1.</p>

Detailed Findings

Issue	Finding	Conclusion
<p>Managing performance</p>	<p>Performance management arrangements within the Council have been subject to recommendations in previous audit reports and the findings of this review reflect these matters:</p> <ul style="list-style-type: none"> • data underpinning performance management is not timely and not of sufficient granularity. Detailed reports go to Cabinet quarterly, but Cabinet receives no formal reports in between. The reports are lengthy and it is not easy to see how the Council is performing in key strategic areas; • performance indicators are not measuring the right things, at a strategic level. They do not allow progress towards the achievement of strategic objectives to be readily observed so that risk areas that need to be addressed can be identified; and • Officers have no systematic, formal means of informing the Mayor on how well the Council is working to support the delivery of his vision for Bristol. <p>We understand that plans are in place to review the collection of all performance indicators and to develop a small number of strategic indicators that will allow high level monitoring of progress towards strategic objectives and a larger basket of more detailed indicators that will support managers operationally in delivering efficient and effective services.</p>	<p>The current performance management arrangements, at a strategic level, do not allow senior officers and Members to easily see how well resources are being invested in priority areas to deliver the outcomes required.</p> <p><i>Recommendation 3</i> <i>Agree a core set of strategic indicators that reflect the strategic priorities of the Council, showing leaders whether the organisation is on track to meet its objectives. These should be reported a systematic and timely way.</i></p>

Detailed Findings

Issue	Finding	Conclusion and Recommendation
<p>Operating within the law</p>	<p>At the beginning of our review (April 2013) the Council published an updated Constitution. The Council is confident that it is operating within the statutory guidelines and plans are being developed for a further update. It is hoped that this will ensure that the Council has a constitution that is better fit for purpose, underpinning a more inclusive governance framework that makes better use of the skills and expertise available, particularly within the member body.</p> <p>The publication of the Forward Plan, when our work commenced, was also an issue, with limited information available on what decisions were to be taken and when. Although we understand that this matter has been partially addressed, it still contains a significant number of gaps (many items are 'pending'). The Council's draft Annual Governance Statement also raises this issue and the timeliness of items going into the plan.</p> <p>The final risk, in respect of legality and the assurance provided by the governance framework concerns predetermination. Concerns were raised regarding rhetoric and the use of social media to encourage public engagement. This needs to be carefully managed to ensure that future decisions are not undermined by an unintended perception that a final position has been reached when this is not the case. Due process in decision-making must be well understood and properly followed to reduce the risk of challenge undermining decisions when they are taken.</p>	<p>There is confidence that the Council is now operating within statutory guidelines. An updated constitution is to be produced later this year that reflects forthcoming changes to the decision making arrangements.</p> <p><i>Recommendation 4</i> <i>Ensure that the Forward Plan is up to date and complete, to the extent that this is possible.</i></p>

Detailed Findings

Issue	Findings	Conclusion and Recommendation
Managing risks	<p>In challenging risk management as part of governance review, we found that limited time is given to assessing and monitoring risks, at a corporate level. Feedback suggested that the Council is not proactive in identifying and managing high level risks and that a thorough assessment of risks is not always undertaken and reported before decisions are taken.</p>	<p>Strategic risk management is currently limited and not embedded within the decision-making process.</p> <p><i>Recommendation 5</i> <i>Ensure that risks are properly assessed as part of the decision-making process, at a strategic level.</i></p>
External Focus	<p>Following the arrival of the elected Mayor the Council has experienced an increase in the level of public engagement. Our review found that the new structure of the Council promotes openness and actively seeks to engage stakeholders. Whilst the use of social media is now a popular tool, there has also been an increase in other sources of communication, such as face to face contact and radio question times. There is recognition that a broader range of mechanisms are required to ensure that all stakeholders have equal access, as much as possible.</p> <p>However, we found that the increase in public engagement has meant that capacity within the Mayor's office is limited and the high level of written correspondence (by post and e-mail) continues to create a challenge. It is essential that processes are in place to better manage these sources of communication as feedback from service users and stakeholders is essential to know whether or not services are being delivered as intended and to allow any concerns to be raised.</p>	<p>There are a number of routes by which members of the public and stakeholders can engage with leaders and the decision-making process. Capacity needs to be created within the Mayor's office so that such communications can be managed efficiently and effectively.</p> <p><i>Recommendation 6</i> <i>Review the arrangements for managing communication to the Mayor so that timely and appropriate responses can be given.</i></p>

Way Forward

This review considered the breadth of governance arrangements at a high level and concludes that changes are needed in three main areas;

- the decision making structure and process;
- the strategic vision, which provides the context for decision-making; and
- the performance and risk management arrangements in place to allow the Mayor, senior officers and Members to see whether or not the Council is achieving what it set out to achieve.

We acknowledge the work already set in train to address these points and the recommendations emanating from the action plan takes this into account. We have emphasised the need to evaluate the impact of planned changes and to monitor whether or not they have the impact intended, both in the short and longer term.

Due to on-going changes within the Council, and the findings of this review we will undertake further work on this area to inform our 2013/14 VfM conclusion. Specifically, as our work this year provided an overview of governance, from an officer perspective, more detailed work is needed to challenge:

- the views of Members as to what is working or not working within the decision-making structure- is the officer view reflected in our findings this year accurate or do Members have a different understanding?
- the effectiveness of revised decision-making processes- is the right information getting to the right place, at the right time, to ensure that the best policies are agreed? We propose following through a number of key decisions to test the basis on which they were made.
- the contribution of scrutiny to the governance framework- does the scrutiny structure support provide an appropriate level of testing prior to decisions being taken, and is it focused on helping to drive through the strategic priorities of the organisation?
- risk management arrangements, at both a strategic and operational level- are they strengthening governance by ensuring a thorough and detailed appreciation of what may prevent the successful delivery of strategic goals and, thus, feeding plans to mitigate against barriers and obstacles to change.
- performance management arrangements- are new arrangements designed to show officers and members whether or not the Council is on track to meet its objectives working in practice? Previous audits have raised many concerns regarding the fitness for purpose of systems in this area and yet it is an essential component of good governance.

As these points reflect the recommendations within the action plan, our work will primarily be a detailed follow up of the agreed action plan.

Appendices

Action plan

Priority

High - Significant effect on control system

Medium - Effect on control system

Low - Best practice

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
1	<p>Incorporate a formal evaluation mechanism into the new arrangements in order to ensure compliance and to test whether or not the changes implemented achieve the planned impact. Specially, new arrangements must ensure:</p> <ul style="list-style-type: none"> • Compliance and understanding with the agreed governance structures and processes; • the relationships between officer and member strategic groups is clear; • the role of the Mayor, senior members and senior officers is clear; • the statutory responsibilities of key individuals are consistently understood; and • information to support decision making could be improved in terms of comprehension and timing. 	High	<p>The evaluation process will include:</p> <p>(i) Review of Portfolio Holder briefings to determine whether the proposed executive decisions are appropriately tracked through the proper decision making process as key decisions or officer decisions requiring publication.</p> <p>(ii) Analysis of records held by Corporate Procurement to ascertain whether contracts between 100k and 500k are being appropriately published as officer decisions.</p> <p>(iii) The extent of urgent decision making to determine the timeliness of reports to support decision making.</p>	<p>Service Director, Legal</p> <p>December 2013 and on going</p>
2	<p>The Council must clarify, as a matter of urgency, its strategic priorities.</p>	High	<p>Using the Mayor's vision, pre-existing partnership priorities, and intelligence from customer insight about what Bristol citizens feel is most important, seven core strategic priorities were developed to feed in to and support the Council's process for the development of a three-year financial plan. In addition, in November 2013 the Mayor will launch his vision for Bristol, providing a strategic framework from which all corporate priorities and plans will cascade.</p>	<p>Head of Executive Office</p> <p>30 November 2013</p>

Action plan

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
3	Agree a core set of strategic indicators that reflect the strategic priorities of the Council, showing leaders whether the organisation is on track to meet its objectives. These should be reported a systematic and timely way.	High	Aligned to the seven priorities above, we have re-aggregated performance measures under each of these headings and reflected in our regular outcome reports.	Head of Executive Office On going
4	Ensure that the Forward Plan is up to date and complete, to the extent that this is possible.	High	Staff are periodically reminded of the requirement to maintain an up to date forward plan. The actions outlined in item 1 will monitor compliance.	Service Director, Legal On going
5	Ensure that risks are properly assessed as part of the decision-making process, at a strategic level.	High	<p>The Council has already recognised the need to strengthen the effectiveness of strategic risk management and ensure arrangements are embedded within the management of the organisation. A draft action plan has been formulated and is currently out for consultation with the Risk Management Group and then SLT.</p> <p>The improvement plan includes:</p> <ul style="list-style-type: none"> • Strengthening corporate planning processes to include risk assessment and identification/communication of the Council's risk appetite in determining delivery strategies for achieving corporate objectives • Ensuring performance reporting identifies risk decisions required in timely and clear performance reports • Strengthening key decisions to ensure alternative delivery options and the associated risks are properly considered • Enhancing the role of the Risk Officer in Internal Audit to provide a proactive and challenging Risk Manager role to support and drive the improvements required. 	<p>Head of Internal Audit</p> <p>Risk Management Group consultation schedule for 7 October 2013</p> <p>SLT consultation scheduled for 15 October 2013</p> <p>Cabinet Member consultation scheduled 24 October 2013</p> <p>Audit Committee consultation scheduled 9 November 2013</p> <p>Action plan includes a number of actions to be implemented during the remainder of 2013/14 and to June/July 2014</p>

Action plan

Rec No.	Recommendation	Priority	Management response	Implementation date & responsibility
6	Review the arrangements for managing communication to the Mayor so that a timely and appropriate response can be given.	Medium	Using resources from the Bristol Workplace Programme a complete process re-engineering in the Mayor's / Executive Office alongside a revamp of the physical office space is being implementing . By October 2013 we will have in place modernised and streamlined systems for casework, correspondence, diary management etc.	Head of Executive Office 31 October 2013



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**Extract from the draft minutes of the Audit Committee
24 September 2013**

37.9/13 GRANT THORNTON'S VALUE FOR MONEY (VfM) REPORTS

The committee considered a report of the Strategic Director, Corporate Services (agenda item no. 12) noting Grant Thornton's value for money reports.

John Golding presented the report and the Committee were invited to comment. The following was noted;

i. Independent Member, Ken Guy referred to previous criticisms of the Annual Governance Statement (AGS) and the expectation that an action plan would be created for the whole governance structure.

AR confirmed the approach to the AGS had differed to previous years. Adherence to the Constitution and the Internal Control Framework would be a priority area. Discipline and compliance were big issues; robust performance management and consequences of non compliance would be required. Work would continue with Internal Audit to ensure that recommendations for improvement were actioned. Senior Managers would be required to lead the culture change and discipline when necessary.

MT reiterated the need for transparency, ensuring organisational governance moving forward.

Cllr Gollop suggested the electorate had provided the Mayor with a mandate to make decisions but actual governance issues had remained the same as in previous years. The City Director had committed to adherence and internal managers should have the capabilities to respond to issues correctly.

Cllr Weston suggested that the new role of Councillors remained unclear. Areas remained undefined and a plan would be required.

The Committee requested an action plan be presented at their meeting on 17th January an update report provided at each subsequent meeting until arrangements were improved..

ii. Cllr Gollop expressed concerns with the current role of Full Council and public engagement issues noted at the last two meetings. Full Council meetings were a mechanism of governance and the Audit Committee were responsible for this area. No other mechanism for change appeared available.

The Committee agreed that the issue required addressing but the Audit Committee would not be the correct forum. Members should discuss concerns with political parties.

iii. AR confirmed that although organisational change would impact on sickness levels, the rates had started to reduce again. Long term sickness issues continued to be reviewed. Information would be provided as a % to enable comparisons with other organisations. The workforce would significantly change, especially for manual jobs.

iv. BCCs Medium Term Financial Plan (MTFP) was a working document that had not been published beyond a year in advance. The Resources Scrutiny Committee were provided with a detailed overview of the process.

RESOLVED -

(1) that Grant Thornton's value for money reports be noted;

(2) that a Governance Action plan be created for the January Audit Committee meeting and updated at each meeting after.