

DELOITTE GOVERNANCE REVIEW – ACTION PLAN

RECOMMENDATION	PRIORITY	ACTIONS TO ADDRESS	OWNER	TIMESCALE
The Council should codify the role of the Technical Officers Group and Information Governance Group to ensure their work is adequately focused through the production of a Terms of Reference. This will also document the Groups' reporting lines to ensure clear accountability for decisions made.	H	<ul style="list-style-type: none"> • Council scheme of delegation and performance structure to be updated to determine if groups will continue to operate • Terms of Reference to be reviewed as appropriate, following completion of the revised scheme of delegation <ul style="list-style-type: none"> - Technical Officers Group - Information Governance Group 	N Sayer S Thomas N Sayer	June 14 June 14 June 14
The Director of Strategic Resources, members of Corporate Executive Management Team and other Senior Officers should proactively engage each other to facilitate the early identification of issues requiring financial input.	H	<ul style="list-style-type: none"> • New Governance and meeting arrangements will be implemented with greater involvement and collaboration across the Leadership Team 	M Robinson	June 14
The arrangements for the role of the section 151 officer do not comply with the SOLACE/CIPFA Statement. The Council should formalise and articulate the equivalent arrangements that have been put in place to achieve the same impact of the CIPFA Statement. For example, the Director of Transformation briefing of the Director of Strategic Resources should become a formal documented briefing. These arrangements should also ensure the section 151 officer's access to members, and members access to the section 151 officer, is maintained.	H	<ul style="list-style-type: none"> • Council business items will be dealt with by the Leadership Team of which the Chief Finance Officer is an active member. • The Chief Finance Officer will record and document the content of feedback in relation to revised Corporate Executive Management Team arrangements as necessary. • A quarterly meeting will be held to consider the approach between the Chief Executive, Executive Director Commercial and Corporate Services. 	M Robinson P Slocombe M Robinson	June 14 June 14 June 14
The Council should consolidate the roles of the Audit & Governance and Corporate Affairs Committees as a single combined committee can better fulfil their governance requirements.	M	Review of remit to determine new working arrangement in place	K Whitmore	June 14
The Council should seek to appoint a second, independent member of the Audit & Governance Committee by open advertisement	M	The position to be advertised and an independent, external member to be appointed	K Whitmore	July 14

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<p>The Council should draft and adopt an Estates Strategy, which is fully aligned to the Council’s overall Strategic Plan, setting out the rationale for asset disposals and a clear set of criteria for an offer to be accepted. The Strategy should also document mechanisms for accepting offers which do not meet these criteria where there is an alternative argument for accepting the offer.</p>	M	<p>Operational plan to meet strategic direction agreed by Corporate Executive Management Team in relation to the management of its Estates to be developed in partnership with Deloitte’s</p>	P Stephens	June 14
<p>The reporting lines of Directorate Finance staff should be clarified, in an effort to embed them within services to improve relations and ensure timely dialogue occurs between Directorates and Strategic Resources.</p>	M	<p>A review of the Finance function will be undertaken with the production of a “service specification” that outlines</p> <ul style="list-style-type: none"> • Key service deliverables to ensure Corporate Compliance with legislative requirements • Key service deliverables to support budget holders and Managers • Key dependencies 	P Slocombe	July 2014
<p>In our ISA260 report we recommended the Council adopt the principles of the Adult Social Care demand-based budget in to monitoring the Looked After Children budget. We repeat that recommendation here.</p>	M	<p>A demand based model for Children’s Services has been introduced. It will be reviewed on a quarterly basis as refined as appropriate</p>	R Broad	June 2014
<p>Strategic Resources should aim for its budget monitoring system to enable a “flash report” to be produced for CEMT members within 2 weeks of the quarter end. This should provide a basis for a fuller report, which should be made available in a more timely fashion than in previous years, at an appropriate frequency for members and members of CEMT.</p>	M	<ul style="list-style-type: none"> • This will be addressed in part through the production of the service specification for the Finance Service • The replacement of SAP finance will enable a full suite of such reports to be provided as outlined 	<p>P Slocombe</p> <p>P Slocombe</p>	<p>July 2014</p> <p>Apr 2015</p>
<p>The Council should undertake an analysis of the value of debt not collected after 12 months which is recovered before 24 months have passed since the invoice date. The Council’s provisioning and debt –write-off policy should then be re-considered in light of the results.</p>	M	<p>Bad debt provision reviewed as part of the 2013/2014 final accounts</p> <p>Review of Policy based on 2013/2104 final accounts</p> <p>Update report to be produced following completion of Final Accounts</p>	<p>M Padfield</p> <p>J Shiel</p> <p>J Shiel</p>	<p>June 2014</p> <p>Aug 2014</p> <p>Aug 2014</p>

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From 1 st April 2014, responsibility for writing-off debt deemed uneconomic to pursue will pass to Directorates. We recommend Strategic Resources operate a high-level control over the total amount of debt being written-off. This may be in the form of a monthly review of the total value of debt written-off by each Directorate.	M	<p>Responsibility transferred in 2013</p> <p>Scheme of delegation will be reviewed and policy will be updated.</p> <p>Definition/limits of “uneconomical to collect” will be updated on an annual basis.</p>	<p>J Shiel</p> <p>M Padfield</p>	<p>Aug 2014</p> <p>Ongoing</p>
CEMT should set a formal timetable for the production of reports which includes a set period of time for statutory officers to perform the appropriate analysis in support of a financial or legal commentary on the report. Where advice has been requested, the relevant Statutory Officer should formally sign-off the report to ensure the report reflects the advice given. However, per recommendation 4, Statutory Officers should already have an awareness of the issue at hand, allowing analysis to be conducted concurrent with the drafting of the report.	M	<ul style="list-style-type: none"> • A new forward work programme will be introduced 	M Robinson	June 2014
		<ul style="list-style-type: none"> • New officer governance and meeting structure will facilitate the appropriate involvement 	M Robinson	June 2014
The Council should ensure Middlesbrough Managers have sufficient knowledge and expertise to use the SAP ledger system efficiently and to operate an effective budget monitoring process.	M	<ul style="list-style-type: none"> • A Full training needs analysis and training programme will be developed as part of the implementation programme for the new accounting system • A review of all HR, Finance and Procurement processes will be undertaken to ensure they comply with and support the MM 	<p>P Slocombe</p> <p>C Cowley</p>	<p>July 2014</p> <p>July 2014</p>
The Director of Strategic Resources should have regular interactions with the Head of Internal Audit.	M	Meeting will take place on a 6-8 week basis	P Slocombe	June 2014
A regular private meeting of the Audit & Governance Committee be scheduled to permit members to discuss matters with Internal Audit in confidence, without Council Officers being present. The same meeting should also provide an opportunity for the Committee to meet with the External Auditor in the same manner.	M	To be built into the new governance arrangements	P Slocombe	June 2014

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