Report to:	**Audit Committee**
Date of meeting:	**17 September 2021**
By:	**Chief Operating Officer**
Title:	**Establishment of sub group to have oversight of the Modernising Back Office Systems (MBOS) Programme**
Purpose:	**To agree the establishment of an Audit Committee sub group to have oversight of the MBOS Programme**

RECOMMENDATIONS

1) To agree the establishment of a sub group with the Terms of Reference detailed in paragraph 2.4.

1   Background

1.1   The Modernising Back Office Systems (MBOS) Programme was established by the County Council in 2019. Prompted by the expected expiry of support for the Council's existing Enterprise Resource Planning (ERP) software, SAP, the vision for MBOS is 'to implement a suite of back-office systems that best meet the current and future needs of the Council and which provides optimal return on investment'.

1.2   The scope of the MBOS programme is to:

- deliver a replacement for SAP systems for Finance, HR, Procurement and Insight & Reporting,
- deliver a technical environment to support the digital journey of ESCC,
- realise efficiency opportunities provided by the implementation of the new system,
- deliver an insight capability for use by all of ESCC,
- align workforce strategy with future technology functionality.

1.3   The systems within the scope of MBOS are critical to the well-being, efficiency and effective operation of the organisation, providing the means for maintaining the council's accounts, budget monitoring, payments, income collection, payroll, recruitment, staff contracts, and tendering. It is therefore a business-critical programme and successful deployment of the replacement systems is a priority for management.

1.4   In June, the Lead Member for Resources and Climate Change approved the award of contracts the implementation partner and the software provider. The award followed an extensive and robust procurement process involving a range of subject matter experts drawn from the relevant council departments. Contracts with both are, at the time of writing the report, being finalised and are expected to be executed by the end of September.

1.5   The MBOS Programme is within the Capital Programme, with a current budget allocation of £9.870m.

1.6   The MBOS Programme has estimated a 24 month implementation timeline which will be split into major phases of Design, Build, Test and Deploy. The timeline will be kept under constant review by the MBOS Programme Board and will be dependent on resource availability and attaining target quality levels prior to go-live.

1.7   Internal Audit have an agreed allocation of days, as part of the Audit Plan to support the MBOS programme as part of an agreed scheme of work.

2   Governance

2.1   There is an established governance structure for the programme. Corporate Management Team (CMT), in its role as the Executive Board, is specifically accountable for:

- the validity of the investment decision and its on-going validity for the life of the programme,
- the validity of Gate decisions,
- baseline change decisions that affect all and any of the programme objectives,
- facilitating wider Council communications and engagement.

2.2   CMT is supported by the MBOS Programme Board, chaired by the Chief Operating Officer, which is specifically accountable for:

- delivering the programme within timescales, budget and scope,
- managing programme risks,
- managing and supporting the resolution of programme issues,
- managing and supporting the resourcing of the programme,
- managing the client/supplier relationships.

2.3   Given the business-critical nature of the programme, it is proposed that the Audit Committee establish a sub-group to provide oversight of progress, seeking assurance that the programme is performing to time, quality and budget.

2.4   The proposed terms of reference for the sub-group are as follows:

2.4.1   Purpose

To provide oversight of the progress of the MBOS programme, seeking assurance that the programme is performing to time, quality and budget.

2.4.2   Scope

All activities within the scope of the MBOS programme, specifically:

- deliver a replacement for SAP systems for Finance, HR, Procurement and Insight & Reporting,
- deliver a technical environment to support the digital journey of ESCC,
- realise efficiency opportunities provided by the implementation of the new system,
- deliver an insight capability for use by all of ESCC,
- align workforce strategy with future technology functionality.

2.4.3   Meeting Frequency

It is anticipated that the sub-group will meet once every 3 months, providing a brief update to the next available meeting of the Audit Committee. This can be done under the work programme item which is on on the agenda of each meeting.

2.4.4   Membership

To be discussed with the Chairman and Vice-chairman. Four members suggested.

3.   Conclusion and reasons for recommendations

3.1   In conclusion, the MBOS programme is a business-critical programme and successful deployment of the replacement systems is a priority for management. The report therefore recommends the establishment of a sub group of the Audit Committee to have oversight of the MBOS Programme through its implementation phase.

PHIL HALL
Chief Operating Officer

Contact Officer: Phil Hall
Tel. No. 07857 655532
Email: phil.hall@eastsussex.gov.uk