

AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 1 December 2008

Present: Councillor P Southwood (Chair)

Councillors RL Abbey C Povall
S Mountney S Quinn
J Crabtree

In attendance: Councillor J Green

38 DECLARATIONS OF INTEREST

Members were asked to consider whether they had personal or prejudicial interests in connection with any item(s) on this agenda and, if so, to declare them and state what they were.

No such declarations were made.

39 MINUTES

The Director of Law, HR and Asset Management presented the minutes of the meetings held on 30 September and 4 November 2008.

The Chair referred to the report of the Director of Finance (Adult Social Services – Follow up of PIDA Disclosure) to the meeting on 4 November (minute 37B refers), which had been undertaken, in part, due to comments which had been made by a member of the public at the meeting on 30 September (minute 20 refers). Those comments were that residents of one or more supported living units had been encouraged to make fraudulent applications for welfare benefits. The Chair commented that she had been contacted by the member of the public concerned, who had wished it to be made clear that she had not made an allegation of fraud against Council officers.

The Director indicated that as the allegations made had not specified whether or not Council officers were involved, he had been bound to initiate an internal audit investigation. He reported that following an internal audit interview of the member of the public it had become clear that officers of the Council were not involved in the alleged act. The internal audit investigation was ongoing and he proposed to present a report to the next meeting of the Committee.

The Director reported also that since the last meeting, two senior officers in the Adult Social Services Department had been suspended and an independent investigator had been appointed to examine all of the issues related to the Adult Social Services PIDA disclosure. Councillor Mountney commented that he had drawn the attention of the Director of Law, HR and Asset Management to a number of issues and had been assured that they would be investigated in detail by the Independent Investigator. He commented also that there were issues within the text of the minutes of 4 November

that needed to be investigated and he had been assured also that the minutes, reports and all relevant paperwork had been referred to the independent investigator.

Resolved –

(1) That the minutes of the meetings held on 30 September and 4 November 2008 be approved.

(2) That the clarification provided by the Chair in relation to comments made by a member of the public be noted.

(3) That the Director of Finance be requested to present the internal audit report in relation to the charging policy to the next meeting of the Committee.

(4) That the Director of Law, HR and Asset Management be requested to present an update to the next meeting of the Committee.

40 ANNUAL GOVERNANCE REPORT - ACTION PLAN UPDATE

Further to minute 22 (30 September 2008), the Director of Finance presented a progress report in relation to achieving compliance with the recommendations contained within the Annual Governance Report Action Plan.

Resolved – That the progress on delivering the Action Plan be noted.

41 PROGRESS REPORT ON THE DATA QUALITY REVIEW 2006/2007 RECOMMENDATIONS

The Deputy Chief Executive/Director of Corporate Services presented a progress report against the action plan following the Audit Commission's recommendations from their Data Quality Review in 2007. He reported that a considerable amount had changed regarding the performance framework of the Council, including changes to the Data Quality Standard, the introduction of the national indicator set, a new Corporate Plan and improvement priorities and the negotiation of a new Local Area Agreement. Consequently, a lot of preparatory work had been carried out behind the scenes to prepare for the changes and this was reflected in the updated plan.

In response to a comment from the Chair that there was not presently a significant role for members to play in relation to the Data Quality Review, the Head of Policy pointed out that this report was in response to issues raised by the Audit Commission and that none had been identified regarding the role of members. He also agreed to give further consideration to this in the future development of the action plan.

Resolved – That the report be noted.

42 AUDIT COMMISSION REPORT ON DEMOCRATIC ARRANGEMENTS

Further to minute 26 (30 September 2008), the Director of Law, HR and Asset Management reported further upon progress against the action plan that had been developed in response to issues identified by the Audit Commission in relation to Democratic Arrangements.

The Director commented that, due to pressure of work, it had not been possible to assess and review the amount of senior officer time spent on serving the current democratic arrangements and whether that currently provided value for money. A member commented that it was not acceptable that the recommendation had not been completed within the last cycle and requested a further update to the next meeting of the Committee.

In response to a comment in relation to the involvement of members in the review of the scrutiny function and structure, the Chair indicated that she supported the consideration of the proposals by all members of the Council.

Resolved –

(1) That the report be noted.

(2) That a further progress report be presented to the next meeting of the Committee.

(3) That this Committee believes that consultation with all members of the Council should be undertaken with regard to any changes to the scrutiny committee structure.

43 **CORPORATE RISK AND INSURANCE MANAGEMENT**

The Director of Finance reported upon progress and upon anticipated developments in the coming months in relation to Corporate Risk and Insurance Management. In response to a comment from the Chair, the Director reported that the annual review of the Corporate Risk Register would be presented to the next meeting of the Committee, following its consideration by the Cabinet on 10 December 2008.

Resolved – That the report be noted and a further update be presented to the next meeting of the Committee.

44 **OFFICE SECURITY - PROGRESS REPORT**

Further to minute 68 (7 April 2008), the Deputy Chief Executive/Director of Corporate Services reported that the issues that had been outstanding in relation to office security had now been successfully addressed with all Facility Managers having confirmed to the Legislative Compliance Officer that each issue had been completed satisfactorily. He commented that the issues had been included within the Corporate Risk Register and Internal Audit had confirmed that any issues arising which arose during the year would be the subject of a report to this Committee.

In response to a comment from a member, the Chief Internal Auditor indicated that a report on Data Security was being worked on and he expected it to be completed before the next meeting of the Committee

Resolved – That the report be noted.

45 **CAA PILOT SCHEME - UPDATE**

Further to minute 28 (30 September 2008), the Deputy Chief Executive/Director of Corporate Services reported verbally upon the Council's participation in the second stage of the Comprehensive Area Assessment (CAA) pilot scheme. He commented that the CAA was an assessment of the whole borough, which would be undertaken by way of self assessment through the Local Strategic Partnership (LSP). He indicated that detailed guidance from the Audit Commission was expected by February 2009 and, in response to comments from the Chair, he proposed to present a further report to a future meeting of the Committee with regard to the actions that were needed to be taken.

The District Auditor referred to the emphasis on partnership working and, in response to a comment from a member, the Director reported that the Council's partners had indicated the usefulness of the proposed CAA evaluation process. In response to a further comment in relation to the audit of the data that would inform the results, the Council's Head of Policy indicated that he was comfortable that adequate quality control and quality assurance was in place, to ensure continuous improvement.

Resolved – That the report be noted and a further report be presented to a future meeting of the Committee.

46 **FINANCIAL AND PERFORMANCE MONITORING SUMMARY**

The Chief Executive presented one of a series of reports submitted throughout the year presenting an overview of the performance of the council in delivering the vision for Wirral as set out in the Corporate Plan. It provided an overview of the authority's performance in the second quarter of 2008/2009 and appendices had been presented to the Cabinet (minute 269 (27 November 2008) refers) which gave a more detailed break down against performance, capital and revenue budgets and risks. He set out the key issues within the report and highlighted the performance indicators and key projects for the priority for improvement areas 2008/2009.

The Chair commented that although the report was an improvement on the first quarter report, she expressed the view that the key messages within it were not adequately highlighted or immediately obvious. In response, the Council's Head of Policy confirmed that the third quarter report would take account of the views expressed by members and would be significantly improved in terms of clarity.

In response to further comments, the Director of Finance confirmed that there was every possibility that £2m of investments with an Icelandic bank would be recovered. He commented also that the current, and projected, world economic position was placing additional pressures upon all who relied on the financial sector with implications for the delivery of the Wirral Investment Strategy, major investment schemes and the NewHeartlands initiative. However, at the present time, the Government continued to support the Housing Market Renewal Initiative.

Resolved – That the report be noted.

INTERNAL AUDIT WORK: SEPTEMBER - NOVEMBER 2008

The Director of Finance reported that in order to assist in effective corporate governance and fulfil statutory requirements, the Internal Audit Section of the Finance Department reviewed management and service delivery arrangements within the Council as well as financial control systems. Work areas were selected for review on the basis of risks identified on the Corporate Risk Register and as assessed by Internal Audit in consultation with Chief Officers and Managers. He set out and evaluated the performance of the Internal Audit Section and included details of the actual work undertaken during the period September to November 2008.

He commented that all of the action plans in respect of the audits identified had been returned fully completed and identified appropriate timescales for the implementation of agreed recommendations. Follow up audits would be completed over the next six months.

Resolved – That the report be noted.
