



Audit and Risk Management Committee

Date:	Wednesday, 24 March 2010
Time:	6.15 pm
Venue:	Committee Room 1 - Wallasey Town Hall

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AGENDA

1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

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

2. MINUTES (Pages 1 - 8)

To receive the minutes of the meeting held on 18 January 2010.

3. INTERNAL AUDIT UPDATE (Pages 9 - 18)

4. INTERNAL AUDIT PLAN 2010/2011 (Pages 19 - 38)

5. ANNUAL GOVERNANCE STATEMENT (Pages 39 - 54)

6. CORPORATE RISK AND INSURANCE MANAGEMENT (Pages 55 - 60)

7. DEVELOPMENT OF THE CORPORATE RISK REGISTER (Pages 61 - 66)

8. STRATEGIC ASSET REVIEW - RISK REGISTERS (Pages 67 - 74)

9. CIPFA AUDIT COMMITTEE UPDATE (Pages 75 - 78)

10. THE ROLE OF CHIEF FINANCIAL OFFICER (Pages 79 - 84)

11. **AUDIT COMMISSION REPORT - CERTIFICATION OF CLAIMS AND RETURNS (Pages 85 - 106)**
12. **CERTIFICATION OF GRANT CLAIMS AND RETURNS (Pages 107 - 112)**
13. **AUDIT COMMISSION: REVIEW OF INTERNAL AUDIT AND THE AUDIT FEE (Pages 113 - 124)**
14. **DATA QUALITY ACTION PLAN AND PROGRESS REPORT (Pages 125 - 138)**
15. **PETITION SCHEME (Pages 139 - 150)**
16. **ADULT SOCIAL SERVICES: CHARGING POLICY - PROGRESS REPORT ON REIMBURSEMENT IN RELATION TO PUBLIC INTEREST DISCLOSURE ACT (PIDA) 1998 (Pages 151 - 156)**
17. **MEMBERS TRAINING (Pages 157 - 158)**
18. **REPORTS SUBMITTED AFTER DEADLINES - UPDATE (Pages 159 - 166)**
19. **ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR**

AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 18 January 2010

Present: Councillor P Southwood (Chair)

Councillors P Reisdorf J Crabtree
RL Abbey C Povall
L Fraser

61 MEMBERS' CODE OF CONDUCT - 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.

62 MINUTES

Resolved – That the minutes of the meeting held on 25 November 2009 be approved.

63 AUDIT COMMISSION - ANNUAL AUDIT LETTER

The District Auditor presented the Audit Commission Annual Audit Letter, which summarised the findings from the 2008/2009 audit in respect of Wirral Council and the Merseyside Pension Fund. It included messages arising from the audit of financial statements and the results of the work undertaken to assess arrangements to secure value for money in the use of resources. He had issued an unqualified opinion on the Council's financial statements and on the Pension Fund accounts on 30 September 2009. He had also issued an unqualified value for money conclusion, which stated that the Council had adequate arrangements to secure economy, efficiency and effectiveness in its use of resources in 2008/2009. The Use of Resources judgement was based on the same Key Lines of Enquiry (KLOE) as the value for money conclusion and he had also completed a number of reviews to inform the conclusion that the Council was performing adequately against the standards specified by the Audit Commission – level 2 performance.

He commented also upon the Comprehensive Area Assessment and referred to other risk based work on two PIDA disclosures in respect of Adult Social Services and the process for the award of the Highways and Engineering Services Procurement Exercise (HESPE) contract.

In response to comments from Members in relation to the audit fees, the District Auditor indicated that although the fee proposed for Wirral in 2009/2010 was 13% above the scale fee, it represented a net reduction of 4.1% from the 19% above scale fee in 2008/2009 and auditors continued to work with Council officers to further reduce the fees.

Resolved –

(1) That the report be noted.

- (2) That a report be presented to the next meeting of the Committee upon action required to be taken by the authority to further reduce the audit fee.**

64 AUDIT COMMISSION - INTERNAL AUDIT REVIEW 2008/2009

The District Auditor presented a review of the work of Internal Audit 2008/2009, which was undertaken to assess the quality of its work and the strength of the control environment. The overall objective was to ensure that Internal Audit was meeting its own professional and statutory requirements as set out in CIPFA's Code of Practice for Internal Audit (the Code). The review assessed how well the Internal Audit Section met each of the 11 organisational and operational standards set out in the Code and the overall conclusion was that during 2008/2009, Internal Audit generally met the requirements in 9 of the 11 standards. The standards were not fully met in relation to 'Staffing, Training and Development' and 'Audit Strategy' and he set out a series of recommendations to ensure compliance. In the meantime, the Council needed to be able to demonstrate that equivalent safeguards or measures were in place.

Resolved – That the report be noted.

65 AUDIT COMMISSION REVIEW OF INTERNAL AUDIT 2008/2009 AUDIT

The Director of Finance referred to the review of Internal Audit undertaken by the Audit Commission (see minute 64 ante) and set out a number of observations in relation to the Auditor's conclusions. He indicated that there were several areas where agreement had not yet been reached and commented that there needed to be better mutual understanding in relation to Audit Strategy and Planning and Staffing. He commented that the current audit planning process identified and categorised all identified risks and, as was reported to each meeting of the Committee, "it is the deliberate policy of the Internal Audit Section to ensure that all high and intermediate risk audits are completed during the year". This facilitated an appropriate opinion on the control environment and staffing resources were currently adequate to achieve this. However, there were issues around recruitment of appropriately qualified and experienced staff and additionally, Internal Audit sought to add value beyond the assurance framework. This was a further call on resources and the Director indicated that the risks were managed accordingly.

Members expressed concern in relation to the management of risks having regard to the recommendations of the Audit Commission with regard to organisational structure and staffing levels of the Internal Audit Section. Members referred also to comments in the report of Chief Internal Auditor (see minute 66 post) in relation to staffing resource problems that had been experienced during the year. In response, the Director confirmed that all work on high and intermediate risks in the Corporate Risk Register had been undertaken, however, increased resources would enable additional work to be undertaken. He confirmed that all of the Audit Commission's recommendations were included in an Action Plan and meetings would continue with the Audit Commission to ensure that actions to implement the recommendations were agreed.

Resolved –

- (1) That the report be noted.**

- (2) That a report be presented to the next meeting of the Committee upon progress in the implementation of the Audit Commission's recommendations.**

66 INTERNAL AUDIT UPDATE

The Chief Internal Auditor 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 provided a summary of the audit work completed between 1 November 2009 and 31 December 2009 and indicated that during the monitoring period 52 audit reports were produced with 56 high and 42 medium priority recommendations identified in the reports issued. He confirmed that management had agreed to implement all of the recommendations made within a satisfactory timescale.

Resolved – That the report be noted.

67 AUDIT COMMISSION - COMMISSIONING AND PROCUREMENT REVIEW

The District Auditor reported that the Local Government and Public Involvement in Health Act 2007 introduced a clear focus on local public sector partners working together to provide better outcomes for local communities and a key means of delivering those better outcomes would be through the use of commissioning and procurement. He provided a definition of the terms and set out the scope and objectives of the review. The Council had invested resources to continue to develop its corporate arrangements for procurement and was actively involved in both regional and sub-regional collaborative ventures. He commented that although procurement had resulted in financial savings it was too early to fully assess the impact on sustainable outcomes for local people and there was a need to drive procurement forward more to maximise the benefits across the organisation.

He highlighted the key messages contained within the report and presented an agreed Action Plan to ensure compliance with the Audit Commission recommendations.

Resolved – That the report be noted.

68 AUDIT COMMISSION - GRANT CLAIMS AND RETURNS

The District Auditor presented the Audit Commission report upon the certification of Grant Claims and Returns in respect of grants and subsidies received by the Council in the 2007/2008 financial year, which amounted to £258m. The certification ranged from highly complex multi-million pound schemes to more straight forward reimbursements of pre-approved expenditure and he indicated that the work was designed to provide assurance to the grant paying body that a claim was fairly stated and in accordance with the specified terms and conditions. The Audit Commission took a risk based approach to certification and he reported that during the year, a total of 29 claims or returns were certified at a cost of £175k to the Council. He set out the main conclusions of the programme and provided recommendations that were contained within an agreed Action Plan.

Resolved – That the report be noted.

69 **GRANT CLAIMS AND RETURNS: AUDIT COMMISSION REPORT**

The Director of Finance provided Members with details of the issues raised in the Audit Commission report on Grant Claims and Returns related to the 2007/2008 financial year (see minute 68 ante) and how those issues had been addressed. He highlighted the concerns and recommendations contained within the report and he confirmed that the Authority had taken action to address the issues raised. Further actions would be undertaken to respond to matters raised on the audit of claims for 2008/2009, which was now near to completion.

The Director commented that only four claims were qualified in 2007/2008, where the auditor wished to raise an issue with the paying body, not necessarily implying that there was an error with any claim. The Director provided a response in relation to each of those claims and he reported also that although a larger proportion of claims were submitted late in 2007/2008 than in 2006/2007, the Commission had acknowledged that the 2007/2008 grants programme was particularly challenging, having included issues related to the European funded projects that would not recur in future years.

Resolved – That the report be noted.

70 **AUDIT COMMISSION - DATA QUALITY SPOT CHECKS**

The District Auditor presented the Audit Commission report on Data Quality Spot Checks that had been undertaken in 2008/2009. He commented that auditors assessed the arrangements for data quality and use of information at key line of enquiry (KLOE) 2.2 in the Use of Resources (UoR) assessment, which focused predominantly on arrangements for using fit-for-purpose information and securing data quality. Auditors undertook spot checks of selected data, based on their knowledge of local risks, as evidence to support the KLOE judgement, not to comment specifically on the published value of an indicator as had been the case in previous years.

He commented that for 2008/2009, auditors were required to carry out mandatory testing on housing benefit cases to consider the correct payment of benefit to claimants and the correct claim of subsidy. The following indicators were also chosen for review –

- NI 145 The percentage of adults with learning disabilities known to the Council with Adult Social Services Responsibility (CASSRs) in the settled accommodation at the time of their review or latest review.
- NI 117 16 to 18 olds who are not in education, employment or training (NEET).
- Local 2080 The number of undisputed invoices for commercial good and services paid by the authority within 30 days of the receipt or within the agreed payment terms.
- Local 6275 The level of sickness absence in local authorities.

He commented that although some concerns were raised, the assessment was that overall, the Council produced relevant and reliable data and information to support decision making and manage performance.

Resolved – That the report be noted.

71 DATA QUALITY SPOT CHECKS 2008/2009: AUDIT COMMISSION REPORT

The Director of Finance reported upon the issues raised in the Audit Commission report on Data Quality Spot Checks undertaken in 2008/2009 (see minute 70 ante). He set out the findings of the report and commented that the Authority had continued to improve and address all of the issues raised. Although an extended check by the Benefits Compliance Team had indicated a much lower level of error than that quoted by the Audit Commission report, the Director had acknowledged past issues and Wirral was one of the few authorities regionally to have implemented a highly rigorous checking system led by a Quality Assurance Team, supported by the Benefits Training Team.

Resolved – That the report be noted.

72 DATA QUALITY ACTION PLAN AND PROGRESS REPORT

Further to minute 49 (25 November 2009), the Deputy Chief Executive/Director of Corporate Services presented the Data Quality Action Plan, which had been developed to address the Audit Commission's recommendations. Since the last meeting, all of the actions within the plan had been completed. The Chair referred to the previous decision of the Committee, which requested that the plan be amended to indicate both planned and revised (actual) completion dates.

Resolved –

- (1) That progress against the Data Quality Action Plan be noted.**
- (2) That the action plan be amended to indicate both planned and actual completion dates and presented to the next meeting of the Committee.**

73 AUDIT COMMISSION - USE OF RESOURCES PLAN

The District Auditor presented the Use of Resources (UoR) Plan, which set out the approach to be taken by the Audit Commission in the 2009/2010 UoR assessment, who the key contacts would be and the reporting arrangements. He set out the ten Key Lines of Enquiry (KLOE) within the three themes of Managing Finances, Governing the Business and Managing Resources and he highlighted the objectives of the assessment to ensure that the Council had arrangements in place to secure economy, efficiency and effectiveness in its use of resources and being able to deliver value for money and better and sustainable outcomes for local people.

Resolved – That the Use of Resources Plan be noted.

74 AUDIT COMMISSION - AUDIT OPINION PLAN

The District Auditor presented the Audit Opinion Plan 2009/2010, which set out the audit work proposed to be carried out in relation to the audit of the financial statements 2009/2010. The Audit Commission was required to specify the detailed risks to be considered as part of the opinion planning work. However, as the initial

audit plan was produced at the start of the financial year for fee purposes, it was not possible at that time to specify those risks. He was now in a position to do this as the opinion work was about to commence.

The Audit Commission was required to identify the risk of financial misstatements in the accounts; plan audit procedures to address those risks; and ensure that the audit complied with all relevant auditing standards. He identified the specific risks appropriate to the current opinion audit and set out the testing strategy and key milestones and deadlines. The fee proposed for 2009/2010 was 13% above the scale fee and was within the normal level of variation specified by the Commission. He confirmed that auditors would continue to work with Council officers to identify actions to reduce the fee level.

Resolved – That the report be noted.

75 **AUDIT OPINION PLAN**

The Director of Finance commented upon the work that the Audit Commission proposed to perform in relation to the audit of the Council financial statements for 2009/2010, contained within the Audit Opinion Plan (see minute 74 ante). Although the Opinion Plan was primarily of relevance to officers involved in the audit process, the Director provided details of four topics for Members of the Committee to consider, where they had a key role to play in the process, viz: -

- Annual Governance Statement March 2010
- Statement of Accounts June 2010
- Annual Governance Report September 2010
- District Auditors Report (Audit Opinion) September 2010

Resolved –

(1) That the report be noted.

(2) That the officers be requested to give presentations at future meetings of the Committee to accompany the reports identified.

76 **AUDIT COMMISSION - AUDIT OPINION PLAN - MERSEYSIDE PENSION FUND**

Further to minute 80 (Pensions Committee – 13 January 2010), the District Auditor presented the Audit Opinion Plan for the Merseyside Pension Fund (MPF) 2009/2010, which set out the work proposed to be undertaken in relation to the audit of the MPF financial statements for the current financial year. He set out the risks that were appropriate to the current opinion audit and submitted details of the testing strategy and key milestones and deadlines. The fee proposed for the audit was the scale fee of £70,900.

Resolved – That the report be noted.

77 **MERSEYSIDE PENSION FUND - AUDIT OPINION PLAN 2009/2010**

Further to minute 80 (Pensions Committee – 13 January 2010), the Director of Finance reported upon the Audit Commission Opinion Plan for the Merseyside Pension Fund (MPF) for the financial year 2009/2010 (see minute 76 ante). The plan had been produced to give Members an early indication of the scope, range,

purpose, process, timescales and planned outputs for the audit and opinion on the closure of the MPF accounts for the current financial year.

He reported that the MPF was obliged to advise the Auditor of any additional risks arising, or expected to arise during the year of audit. He commented that after six months of the current financial year, MPF migrated to a new accounting and budgeting system using the Oracle financial package as its basis. All accounting records therefore required transferring to this system on 1 October 2009, involving extensive reconciliations. In recognition of this, a provisional estimate was made of the additional audit time required for confirming that all balances had been transferred accurately. In addition, some preliminary work may be required on the Triennial Valuation as at 31 March 2010.

Resolved – That the report be noted.

78 **CORPORATE RISK AND INSURANCE MANAGEMENT**

The Director of Finance reported upon progress made against the existing objectives for Corporate Risk and Insurance Management and he outlined the anticipated developments in the coming months. In response to a Risk Management issue identified for the next monitoring period, to continue to give assistance in relation to the implementation of the Strategic Asset Review (SAR), the Chair requested that the risk registers that were in place for the SAR be presented as a case study to the next meeting of the Committee. In response to a further request from a Member for clarification in relation to tenders for the Legal Defence Services contract, the Director of Law, HR and Asset Management proposed to provide a briefing note for Members.

Resolved –

- (1) That the report be noted.**
- (2) That the risk registers in place for the Strategic Asset Review be presented as a case study for consideration at the next meeting of the Committee.**
- (3) That the Director of Law, HR and Asset Management be requested to provide direct to all Members of the Committee, a briefing note in relation to the Legal Defence Services contract.**

79 **MANAGING FRAUD**

The Chief Internal Auditor reported that Internal Audit had conducted a thorough review of the systems in operation across the Council to manage the risk of fraud. This had involved undertaking a detailed exercise to examine the counter fraud policies that the Council had in place and an evaluation against current best practice contained in the 'Managing the Risk of Fraud – Actions to Counter Fraud and Corruption' publication produced by CIPFA for use by local authorities.

He presented a comprehensive internal audit report and action plan that had been prepared for Chief Officers, which identified the findings of the review including the actions required to improve the systems in operation. All of the actions and a timetable for implementation had been agreed with the relevant Chief Officers and the Director proposed to present a further update on progress later in the year.

Resolved –

- (1) That the report be noted.**
 - (2) That a further progress report be presented to a future meeting of the Committee.**
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WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

24 MARCH 2010

REPORT OF THE CHIEF INTERNAL AUDITOR

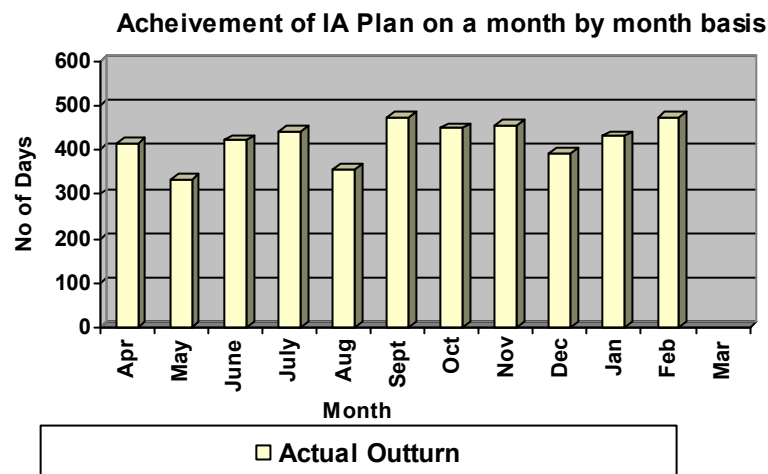
INTERNAL AUDIT WORK: JANUARY TO FEBRUARY 2010

1. EXECUTIVE SUMMARY

- 1.1. In order to assist in effective corporate governance and fulfil statutory requirements, the Internal Audit Section of the Finance Department reviews management and service delivery arrangements within the Council as well as financial control systems. Work areas are 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.
- 1.2. This report identifies and evaluates the performance of the Internal Audit Section at 2. and includes details of the actual work undertaken over the period and the number of 'High' risk recommendations identified in reports at 3. There are no items of significance identified during the audit process that require action by the Members for this period. A note is however included at 4. identifying progress by the section to develop the new Anti Fraud Team referred to in a report on 'Managing Fraud' that was presented to this Committee in January 2010.
- 1.3. The Internal Audit Plan comprises a substantial number of audits designed to review the risks to Council systems, these audits are weighted according to the significance of the risk posed and ranked as either high, intermediate, medium or low priority. It is essential that all of the high and intermediate risk audits are completed this year to enable an assurance opinion on the effectiveness of the Council's control environment to be provided by the Chief internal Auditor. The Section is currently on course to deliver all of these audits.
- 1.4. Following a request from Members of this Committee the data identified at 2.2.1 has been presented in a revised format in this report and now includes an analysis of the staffing resource available to the service during the year to date in days rather than percentage values. Additional narrative has also been included to explain this change.
- 1.5. The Internal Audit Plan for 2010/11 is being presented to the Committee at this meeting and due to the revised format of this document, to ensure continued compliance with best practice, it might be prudent for the Members to consider revising the format and content of the regular Internal Audit Update reports for 2010/11. Consequently, the views of the Members will be canvassed regarding this.

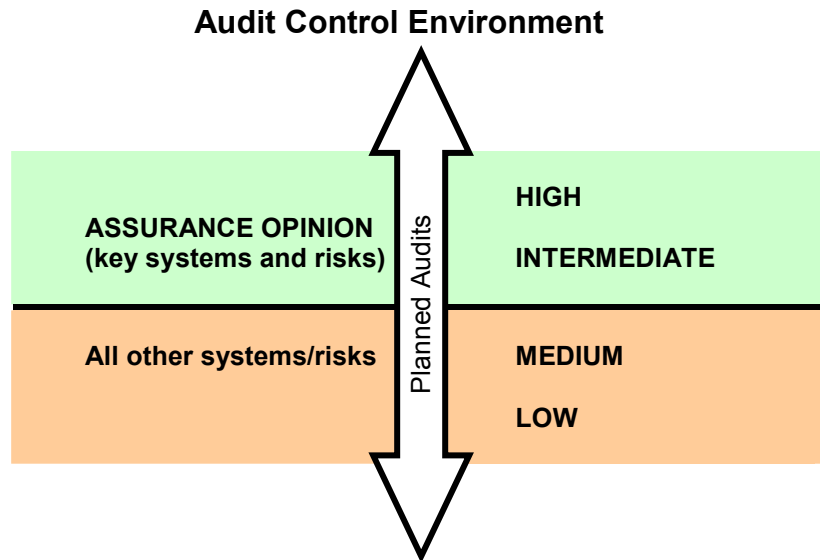
2. INTERNAL AUDIT – PERFORMANCE

- 2.1. This report summarises the audit work completed between 1 January 2010 and 28 February 2010. The specific nature of the work that has been undertaken or is currently ongoing is identified in Appendix I. 46 audit reports were produced during this period. 44 high and 28 medium priority recommendations were identified in the reports issued. Management has agreed to implement all of the recommendations made within a satisfactory timescale. Those reports identifying high priority recommendations are analysed in more detail in section 3 of this report.
- 2.2. The Section constantly evaluates the effectiveness of its performance including a number of performance indicators in key areas as identified for the period 1st April 2009 to 28th February 2010:
- 2.2.1. To ensure that 90% of the Internal Audit plan is completed by the 31 March 2010.



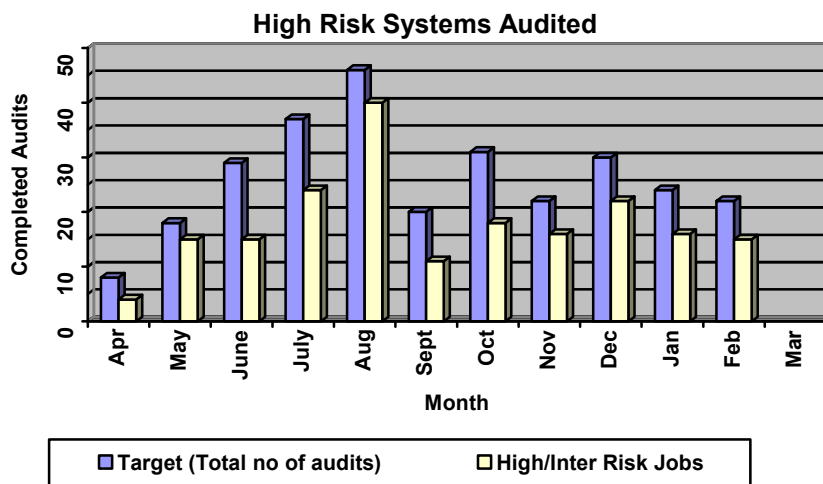
- a. This is an input based measure i.e. the estimated number of days required each month to deliver the whole of the audit plan. 6786 days are actually required to deliver the audit plan for this year, 565.5 per month. As can be seen from the graph, to date no more than 84% (475 days) of the resource days have been available to the section at any time, and on occasions this figure has dropped well below this. The average for the year to date is 74% (418 days). A target of 90% (509 days) was identified by the Section at the beginning of the year as being reasonable and acceptable to the Director of Finance and the Audit Commission. The shortfall in available days identified is primarily as a result of staffing resource problems experienced during the year. However, whilst this is an important measure, it is of more relevance for the Council to ensure that the major risks to the Authority are reviewed.
- b. The Internal Audit Plan comprises a substantial number of audits designed to review the risks to Council systems, these audits are weighted according to the significance of the risk posed and ranked as either high, intermediate, medium or low priority. It is

essential that all of the high and intermediate risk audits are completed in the year to enable an assurance opinion on the effectiveness of the Council’s control environment to be provided by the Chief internal Auditor. This is best illustrated in the diagram below that identifies the relationship between the assurance opinion provided and the risk rankings for individual audits:



2.2.2. High and Intermediate Risk systems audited as a percentage of total audits completed.

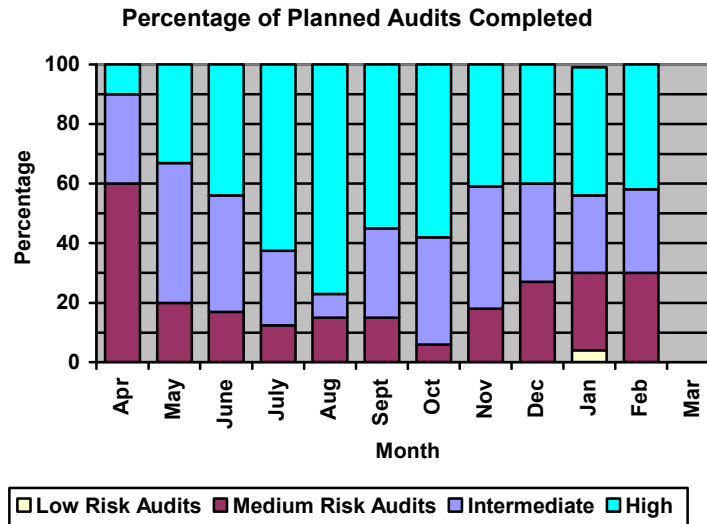
- a. To ensure that all of the key risks identified in the Internal Audit Plan are reviewed, we monitor the number of high and intermediate risk audits undertaken as a percentage of all audits and have prioritised the delivery of these audits and focused on these during the year. This is analysed in more detail in the chart below.



- b. The chart clearly identifies that the number of high and intermediate risk audits undertaken is a significant proportion of the total number of audits completed at this stage of the year. The policy of the Internal Audit Section is to complete as many of

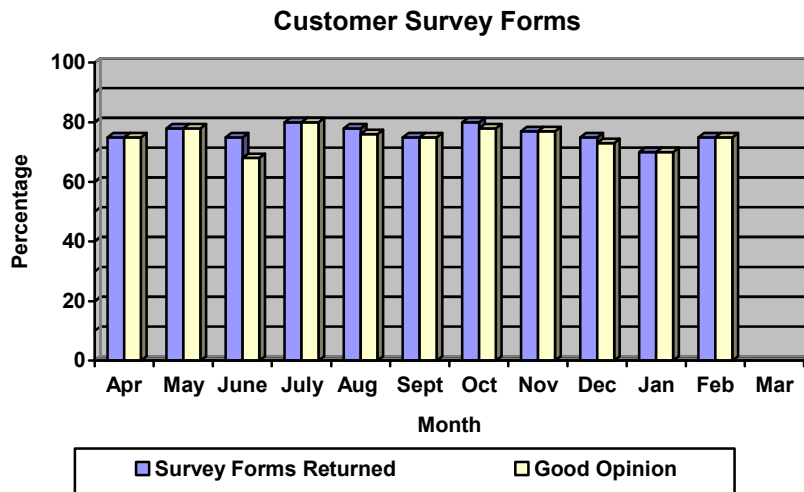
these audits as early as possible, however for operational reasons a significant number of these audits cannot actually be completed until later in the year. Of the 210 high and intermediate risk audits, plus follow ups, identified in the audit plan, 192 have now been completed; representing 91% of the proportionate total and the Section has audits scheduled for the remainder of the year to ensure that it achieves the target of completing all of these audits by the year end.

2.2.3. Planned audits completed.



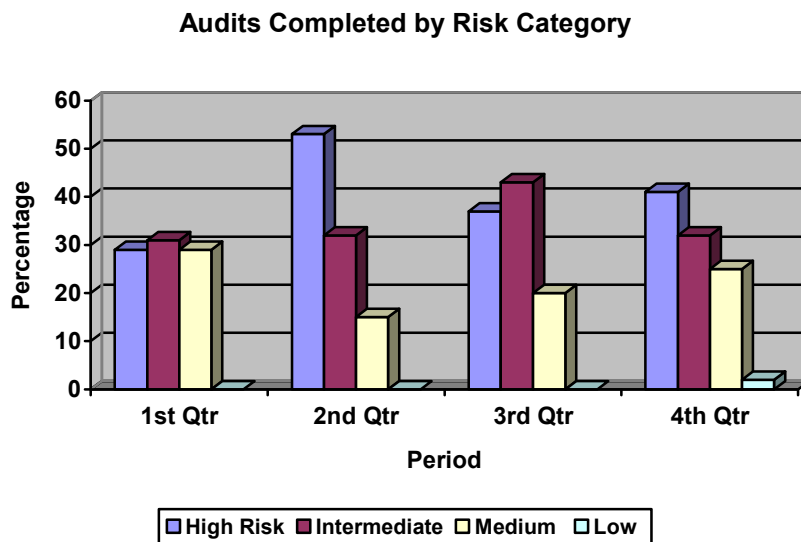
- a. I measure the estimated number of planned audit reports which will be completed each month, subject to variances arising from the changing dynamics of the Audit Plan, including requests from Chief Officers and Members for additional work. With a full complement of staff for the year it is expected that over 320 audit reports plus follow ups, some of which relate to the 2008/09 Audit Plan, will be issued. To date 239 reports plus follow ups have actually been produced. This figure does not though include a significant number of audits including follow ups that are currently ongoing and scheduled for completion later this period.
- b. The performance is however slightly below target for this time of the year and is primarily related to a number of staffing issues that the Section has experienced during the year. Various measures have been introduced to increase output during this time as well as numerous attempts to recruit suitably experienced staff, with some success. This should ensure that the Section is able to achieve a significant proportion of the Audit Plan by the year end including the completion of all high and intermediate risk audits to allow for the provision of the audit assurance opinion.

2.2.4. Percentage of Customer Satisfaction Forms returned indicating a 'good' opinion of the service.



- a. Customer survey forms are completed by the clients following the completion of an audit and pose a number of questions relating to the audit, its findings and the conduct of the auditor. The chart identifies the percentage of those forms returned that indicate a positive opinion of the service. This clearly indicates that the Internal Audit Section is viewed very positively by its clients and is regarded as adding value to the systems that it audits. Where feedback from clients identifies issues appropriate measures have been taken by management to address these and prevent any re-occurrence.

2.2.5. The percentage of audits completed by risk category.



- a. This chart clearly demonstrates that whilst it is the deliberate policy of the Internal Audit Section to ensure that all high and intermediate risk audits are completed during the year, as it is essential to the well being of the Council to address risks in these

areas, it is not always possible to complete all of this work during the early part of the year. Due to a number of factors including systems that can only be audited at the year end and the differing needs of the clients it has not been possible to focus exclusively on these audits and consequently a significant number of medium risk audits have also been completed over the period. It is anticipated that all of the high and intermediate audits and a significant proportion of the medium risk will be completed by the year-end. Any audits that are unable to be undertaken during the year will be carried forward to the Audit Plan for 2010/11 and the risk to the effectiveness of Council systems in these areas re-assessed as part of this process.

2.2.6. Follow up Audits

- a. To comply with current best practice and Audit Commission recommendations, follow-up audits are undertaken for all completed audits up to six months after the completion date, to confirm the implementation of agreed recommendations. The majority of the required follow up audits complete this period relate to work undertaken in the previous year. No significant delays have occurred in this area despite the resource problems experienced to date. No outstanding issues were identified that require the attention of the Audit and Risk Management Committee at this time.

3. INTERNAL AUDIT PLAN - PROGRESS OF WORK

- 3.1 The following table identifies audits undertaken over the period which include recommendations of a high priority nature. All the audits were of systems categorised as 'High or Intermediate Risk' except those identified with an asterix.

Audit	Total Recs Agreed	Recs Not Agreed
Foster Care Payments	2	-
Administration	1	-
* Electoral Registration	3	-
Parks and Open Spaces	2	-
Payroll - DASS	3	-

Variation to Works Contracts	1	-
Schools – Statement on Internal Control	4	-
Prenton High School – Financial Management Standard in Schools (FMSIS) Review	2	-
Wirral Grammar School for Girls – FMSIS Review	5	-
Money Laundering	5	-
Highways Maintenance Review	4	-
* Schools – Repairs and Maintenance – Review	1	-
DASS - Swift Access Controls	6	-
* Williamson Art Gallery - Review	2	-
Wirral Grammar School for Girls – Systems review	3	-

3.2 All of the action plans in respect of the audits identified have been returned fully completed and identify appropriate timescales for the implementation of agreed recommendations.

4. ITEMS OF NOTE

Managing Fraud

4.1. Work is progressing rapidly in this area following the decision to create a dedicated Anti Fraud Team in the Section. The terms of reference for the team have now been established and a plan prepared identifying specific audits to be conducted during 2010/11 that comply with the CIPFA best practice framework. The Anti Fraud and Corruption Policy for the Council is currently in the process of being redrafted to reflect the changes made and a report on this is scheduled to be presented to Cabinet in April 2010. Revised working arrangements and a number of on-line anti fraud packages have been evaluated prior to purchase and implementation across the Council during 2010/11. Members will continue to be updated on this important initiative at future meetings.

5. FINANCIAL AND STAFFING IMPLICATIONS

5.1. There are none arising from this report.

6. LOCAL MEMBER SUPPORT IMPLICATIONS

6.1. There are no local member support implications.

7. LOCAL AGENDA 21 STATEMENT

7.1. There are no local agenda 21 implications.

8. PLANNING IMPLICATIONS

8.1. There are no planning implications.

9. EQUAL OPPORTUNITIES IMPLICATIONS

9.1. There are no equal opportunities implications.

10. COMMUNITY SAFETY IMPLICATIONS

10.1. There are no community safety implications.

11. HUMAN RIGHTS IMPLICATIONS

11.1. There are no human rights implications.

12. BACKGROUND PAPERS

12.1. Internal Audit Annual Plan 2009/10.

12.2. Audit Reports.

13. RECOMMENDATION

13.1. That the report be noted.

13.2. That the Members consider the format and content of the regular Internal Audit Update report.

DAVID A GARRY
CHIEF INTERNAL AUDITOR

FNCE/50/10

APPENDIX I

INTERNAL AUDIT PLAN 2009/10

WORK CONDUCTED/ONGOING – 1 JANUARY to 28 FEBRUARY 2010

1. SYSTEMS

- (a) Finance
 - Main Accounting System
 - BACS
 - Utilities – One Billing
 - Administration
 - Pensions - Benefits & Payroll
 - Pensions - Investments
 - Moreton One Stop Shop
 - Housing Benefits Assessments
 - Pensions Investments
 - Payroll Control
 - Debtors

- (b) Law, HR and Asset Management
 - Corporate Governance
 - Electoral Registration
 - Tender Control and Opening

- (c) Children & Young People
 - Schools - Reviews
 - Financial Management Standard in Schools assessments
 - Statement on Internal Controls - Schools
 - Children's Centres
 - Foster Care Payments
 - Contact Point
 - Social Care Tenders

- (d) Technical Services
 - Final Accounts
 - Works Contracts
 - HESPE Team
 - Car Parking
 - Highways Maintenance

- (e) Regeneration
 - Housing Grants
 - Allotments
 - Wirral Homes
 - Williamson Art Gallery

- (f) Adult Social Services
 - Home Care
 - Payroll
 - Swift Access Controls

- (g) Corporate Services
 - Local Area Agreement
 - Performance Management
 - Community Grants
- (h) Corporate Systems
 - Corporate Governance
 - Annual Governance Statement
 - Risk Management
 - Money Laundering
 - National Fraud Initiative
 - Audit Commission Reports
 - Strategic Change Program

2. **SCHOOLS**

- (a) 9 FMSIS Schools (incl Follow Ups)
- (b) 8 Schools audited

3. **ICT**

- (a) Change Program
- (b) Data Protection
- (c) BACS
- (d) Paperless Billing
- (e) Swift Access Controls

4. **PERFORMANCE AND BEST VALUE**

- (a) Local Area Agreements Reward Targets
- (b) Performance Indicator's

5. **ANTI-FRAUD**

- (a) National Fraud Initiative
- (b) Anti Fraud Team set up.
- (c) One Billing - Utilities
- (d) Creditor Payments Exercise
- (e) OJEU Review

6. **INVESTIGATIONS**

- (a) PIDA – Adult Social Services
- (b) Brookfield Children's Unit

7. **OTHER**

- (a) Wirral Methodist/Family Housing Association's
- (b) 9 Final Accounts (totalling £2 million examined)

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

24 MARCH 2010

REPORT OF THE CHIEF INTERNAL AUDITOR

INTERNAL AUDIT PLAN 2010/11

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the plan of work to be undertaken by Wirral Council's Internal Audit Section for the coming year.
- 1.2. Regulation 4(2) of the Accounts and Audit (Amendment) (England) Regulations 2006 requires the Council to conduct a review at least once in a year of the effectiveness of its systems of internal control and to prepare a statement of internal control in accordance with proper practices. CIPFA and SOLACE have jointly determined that the preparation and publication of an Annual Governance Statement, published with the financial statements, is necessary to meet this statutory requirement. The scope of this governance statement however, is very wide, incorporating consideration of not just internal control but also risk management and other aspects of governance.
- 1.3. The same regulations require the findings of this review to be considered by a committee of the Council – the Audit Committee – or else by the Council as a whole.
- 1.4. The responsibility for implementing, maintaining and reviewing the system of internal control clearly rests with the Council, but the process by which the effectiveness of its system of internal control is reviewed, and the governance statement is made, includes obtaining assurances on the effectiveness of key controls. In practice, these assurances will be substantially drawn from the work of Internal Audit.
- 1.5. The Internal Audit Plan is therefore focussed on providing these assurances to the Chief Executive and Leader of the Council who are jointly required to sign the Annual Governance Statement.
- 1.6. Following the triennial review of internal audit and recent discussions with the Audit Commission the format and presentation of the Internal Audit Plan have been revised this year to make it more informative and to reflect changes in current best practice, including a more detailed explanation of the assurance process and the delivery of the plan.
- 1.7. The plan amounts to a total planned resource of 4650 audit days, of which 3230 days will support the provision of the annual assurance opinion on the effectiveness of the Council's control systems.

2. **BACKGROUND**

- 2.1. The Audit and Risk Management Committee is required by its terms of reference to advise on the adequacy of the Council's strategic risk management, control and governance processes.
- 2.2. The Committee is also required to review and approve the Council's statements of account, including the governance statement made annually by the Chief Executive and Leader of the Council. The Committee's terms of reference also oblige it to consider and challenge the annual Internal Audit Plan and the Statement of Internal Control, now subsumed within the Annual Governance Statement.
- 2.3. Appendix A sets out the Internal Audit Plan in more detail and explains the audit resources available to deliver the service and provide management with sufficient assurance for the Annual Governance statement.
- 2.4. In developing this plan the Internal Audit Section has:
 - Considered the Council's corporate and individual departments' risk registers;
 - Regularly met with the Chief Executive, Chief Officers and departmental management teams to discuss their risks and related controls.
 - Made its own assessment of the risks facing the Council.

The information derived from these consultations has been incorporated into the Internal Audit Plan.

- 2.5. The Internal Audit Plan identifies all of those audits required to provide the Council with adequate assurance regarding the effectiveness of its systems in operation to manage and mitigate all of the identified risks to the achievement of the Council's objectives.
- 2.6. The basis, on which the Internal Audit Plan has been prepared, specifically the risk based approach and our approach to the audit of corporate systems, has been discussed and agreed with the Audit Commission and some changes made to how this information is presented in the plan.

3. **FINANCIAL AND STAFFING IMPLICATIONS**

- 3.1. There are none arising from this report.

4. **LOCAL MEMBER SUPPORT IMPLICATIONS**

- 4.1. There are no local member support implications.

5. LOCAL AGENDA 21 STATEMENT

5.1. There are no local agenda 21 implications.

6. PLANNING IMPLICATIONS

6.1. There are no planning implications.

7. EQUAL OPPORTUNITIES IMPLICATIONS

7.1. There are no equal opportunities implications.

8. COMMUNITY SAFETY IMPLICATIONS

8.1. There are no community safety implications.

9. HUMAN RIGHTS IMPLICATIONS

9.1. There are no human rights implications.

10.. BACKGROUND PAPERS

10.1. Audit & Risk Management Committee – Terms of Reference (Feb 2006).

10.2. Accounts and Audit (Amendment) (England) Regulations 2006.

10.3. Accounts and Audit Regulations 2003.

11. RECOMMENDATION

11.1. That the Internal Audit Plan for 2010/11 be considered and approved.

DAVID A GARRY
CHIEF INTERNAL AUDITOR

FNCE/51/10

INTERNAL AUDIT PLAN 2010/11

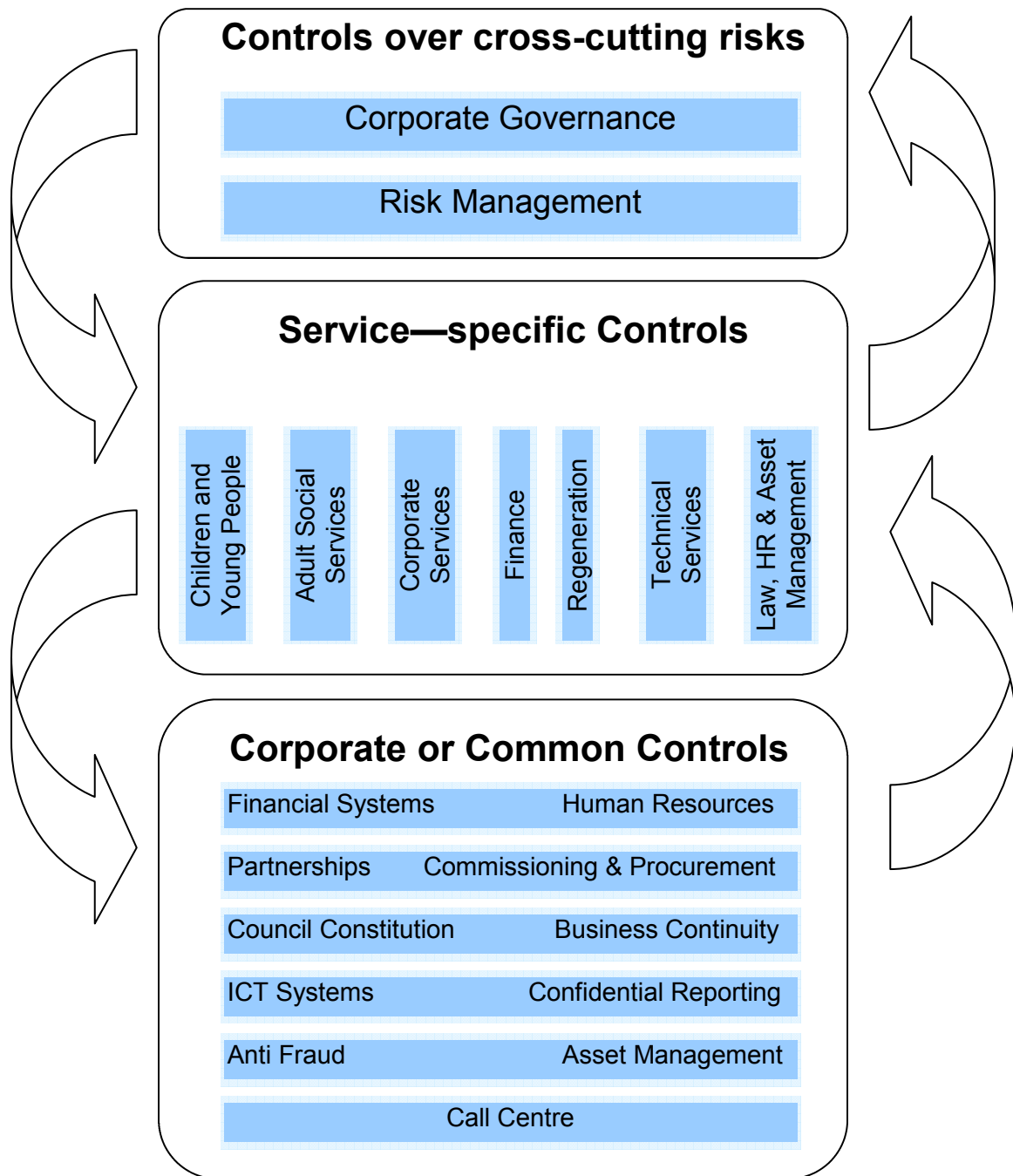
1. EXECUTIVE SUMMARY

- 1.1 This Annual Internal Audit Plan for Wirral Council is intended to provide the assurance that the Chief Executive and Leader of the Council need that the risks to the Council's objectives are being adequately and effectively controlled.
- 1.2 The principles on which it has been developed and the corporate issues in particular have been discussed with Chief Executive, the Director of Finance, Chief Officers and their management teams, and the Audit Commission.
- 1.3 The plan amounts to a total resource input to Wirral Council of **4650 audit days** of which **3230** days are required to deliver those audits essential to provide the annual assurance opinion and support the delivery of the Annual Governance statement. It is possible that additional audit resources may be available, to allow for sickness and unanticipated staff turnover on the basis of previous experience, and to ensure that the plan is delivered in its entirety.
- 1.4 The Council provides a wide range of services and its senior management teams will be aware both of the risks to achieving their service objectives and the risks inherent in their work. Each of these risks is managed by a set of controls designed to reduce the risk to an acceptable level and intended to operate effectively and consistently in practice. Likewise there are a number of corporate objectives and activities that transcend individual departments, that bring their own risks and which are similarly subject to control.
- 1.5 The Audit and Risk Management Committee, and ultimately the Council, needs assurance that these controls have been adequately designed and are operating effectively in practice. In due course the Chief Executive and the Leader of the Council will jointly sign an Annual Governance Statement which will refer to the effectiveness of both the system of internal audit and internal control.
- 1.6 The assurance needed to make this statement is available from a variety of sources including external regulators, but also from the council's internal audit service. To avoid duplication with other assurance providers and ensure that resources are maximised it is important that this framework of assurance is understood. Where assurance is required but not otherwise available, the audit service may provide it, and this forms our annual internal audit plan.
- 1.7 The plan recognises and aims to provide assurance over the following controls:
 - Cross-cutting controls: these controls manage the risks arising from the Council's over-arching business objectives that cut across all service areas and departments.
 - Service-specific controls: these controls are designed to manage the risks arising in individual service areas or departments.

- Corporate, or common, controls: these are the controls that under-pin the Council's work whatever service is being provided and in whatever service area or department.

1.8 These form the building blocks of our audit plan, and can be illustrated as shown below.

The Council's Control Framework



2. BACKGROUND

- 2.1 The current legislative framework, as interpreted by the relevant professional bodies, sets out a requirement for the Internal Audit service to ensure that assurance is provided over the operation of the Council's key controls, and to gain an understanding of the various sources of assurance available to the Council.

The requirement for assurance over the operation of key controls

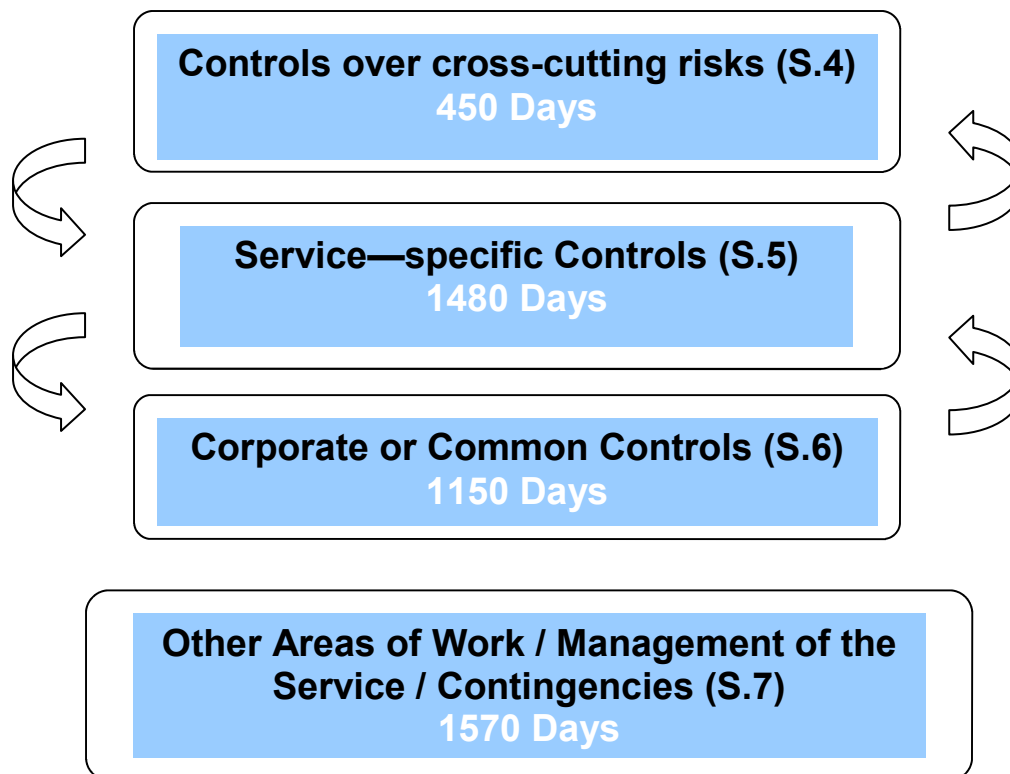
- 2.2 The plan is intended to provide assurance to the Chief Executive and the Leader of the Council who are jointly required to sign an Annual Governance Statement which is published with the Financial Statements. The Audit and Risk Management Committee is required by its terms of reference to advise the Council on its strategic processes for risk management, internal control and governance.
- 2.3 Regulation 4 of the Accounts and Audit Regulations 2006 requires the council to conduct a review at least once a year of the effectiveness of its system of internal control and to prepare a statement of internal control in accordance with proper practices. CIPFA and SOLACE have jointly determined that the preparation and publication of an Annual Governance Statement, published with the Financial Statements, is necessary to meet this statutory requirement (although the scope of the governance statement is wide, incorporating consideration of internal control and risk management as well as other aspects of governance).
- 2.4 The responsibility for implementing, maintaining and reviewing the system of internal control clearly rests with the Council, but the process by which the effectiveness of its system of internal control is reviewed includes obtaining assurances on the effectiveness of key controls. In practice, these assurances will be substantially drawn from the work of Internal Audit.

The framework of assurance

- 2.5 Regulation 6 of the Accounts and Audit Regulations 2006 also refers to the concept of the system of internal audit. This has recently been defined by CIPFA's Audit Panel as the whole framework of available assurance that mirrors the framework of internal control, and is explicitly wider than the assurance available solely from the Internal Audit service.
- 2.6 The framework of assurance will derive from a variety of sources, but it is expected that the audit service will be in a position to take a holistic view of the assurance available as a whole.

3. DEPLOYMENT OF INTERNAL AUDIT RESOURCES

- 3.1 The Audit Plan is stated in terms of days input, and this has been estimated as accurately as possible. However neither the resources available nor the exact time that will be taken for any single piece of audit work is capable of exact estimation at this stage. The plan therefore represents only a best estimate of the audit resources and the ways in which they will be deployed.
- 3.2 In addition to this, some audits and risks may well require re-prioritisation during the year to reflect the changing nature of the many different types of evolving services provided by the Council. The plan is required to be flexible and 'dynamic' by its very nature, to ensure that it can react and accommodate the identification of any unforeseen risks and the subsequent requirement for additional audits to be conducted in these areas during the year.
- 3.3 The planned overall deployment of audit resources on the Council's Internal Audit service is as follows:



- 3.4 A more detailed breakdown of the plan by control system is shown overleaf and each of the separate elements of the audit plan for the Authority is explained in more detail on the pages below.

CONTROLS ASSURANCE	Estimated Audit Days		
Controls Over Cross Cutting Risks			
Corporate Governance	300	450	
Risk Management	50		
Other Work (See Section 4)	100		
Service Specific Controls			
Adult Social Services	160	1480	
Children and Young Peoples	350		
Technical Services	190		
Corporate Services	150		
Regeneration	190		
Law, HR and Asset Management	200		
Finance	90		
Pensions	150		
Corporate or Common Controls			
Financial Systems	440		1150
ICT Systems	260		
Commissioning and Procurement	70		
Human Resource	50		
Partnerships	30		
Constitution	30		
Asset Management	30		
Contracting	20		
Confidential Reporting	20		
Customer Services	20		
Anti-Fraud	180		
Management and Contingencies		150	
Total - Controls Assurance Opinion		3230	
Other Areas of Work		1420	
Total Audit Plan		4650	

4. CONTROLS OVER CROSS-CUTTING RISKS

- 4.1 There are a small number of important areas that cut across all the work of the Council and that should always form part of the audit plan; governance and risk management in particular. Audits are scheduled to be completed in those areas that include;
- The annual review of the Council's key governance processes in accordance with the CIPFA/ SOLACE document "Delivering Good Governance in Local Government" (2007), encompassing obtaining assurances from Chief Officers and senior managers, review of key elements of the governance structure, and the review of external reports. The results of the review are used to inform the production of the Annual Governance Statement for publication in the Council's Statement of Accounts.
 - A review of the implementation of recommendations identified in Audit Commission reports, especially the Annual Audit and Inspection letter, Wirral's Area Assessment and the Wirral Organisational Assessment reports.
 - A review of the Council's risk management arrangements is to be completed during the year in accordance with the CIPFA publication "It's a Risky Business" to evaluate the degree to which these systems are embedded into the culture of the organisation.
- 4.2 There are other areas that may also be regarded as critical and require periodic review, for example the Council's role as the accountable body for substantial government funding to other organisations in the area, and partnership working which is a recurring theme.
- 4.3 We therefore plan to spend **450** days in total reviewing controls over cross-cutting risks.

5. SERVICE-SPECIFIC CONTROLS

- 5.1 We have assessed the risks facing systems in operation within each department and service delivery area, and devised a risk-based audit plan based on this. An approximate judgment has been made within the audit team of the relative weightings of each risk identified (based on a combination of the significance, nature and impact of each risk, and its likelihood), and this has served as an approximate benchmark against which the audit input to each area has been assessed. Our assessment has also been informed by risk registers, plans and similar documents developed by each department and by participation in the development of risk management processes including on-going liaison with the Corporate Risk Manager.
- 5.2 Audit resources have been set aside for each department and service area to address the need to liaise with the senior management teams, to report our work to them, and to follow up and re-assess our findings as the actions previously agreed with management are implemented.

5.3 Key elements of the audit plans for each department are set out below.

Adult Social Services

- 5.4 The department continues to operate in a challenging environment where it is under pressure to examine the services it provides and those it commissions to deliver positive outcomes for service users in an efficient and effective manner within constrained resources. Our work will again focus on a number of initiatives underway in the department to respond to these key pressures.
- 5.5 The department is still working towards the implementation of the national In-Control agenda, which is changing the organisation of social care into directed support, with the further roll out of individual service user budgets to achieve take-up targets set by the Department of Health. This radical change to more directed support will continue to place an emphasis on partnership working between families, individuals, services, local authorities, central government and many other organisations. We plan to continue to support the processes surrounding this area and to provide specific guidance, advice and assurance regarding the effectiveness of controls over the ongoing work of the department.
- 5.6 We plan to provide assurance again on the key financial systems relating to residential services and non-residential services and will be undertaking a number of reviews that include income collection and management and business processes in operation for hospital discharges into permanent residential care.
- 5.7 We will also continue to monitor the actions taken by the department in response to the PIDA report produced by the Audit Commission including a review of the charging policies in operation across all supported living establishments.
- 5.8 Service user finances continue to be a key risk area to the department, illustrated by the continuing level of reactive/ investigatory work in this area. Our work will again include the review and testing of the control arrangements put in place to minimise the risks of loss to vulnerable service users and the Council.
- 5.9 Our planned work for 2010/11 amounts to **160 days**.

Children and Young People

- 5.10 Our work in the department will focus on controls to ensure the adequacy and transparency of decision making process and financial management arrangements relating to extended services provision in schools and children's centres, including their use of funding. We also intend to consider budget management arrangements within children's services. We will assess the information, guidance and support provided to managers and the senior management team, to ensure budgets are managed effectively.
- 5.11 The department is working towards implementing ContactPoint, the online contact directory available to authorised staff from the Council and partner agencies to enable the delivery of coordinated support for children and young people, and the common assessment framework (CAF) as part of the Every Child Matters agenda. The CAF will promote more effective, earlier

identification of additional needs, particularly in universal services. It will standardise the assessment of a child's additional needs across children's services and help to improve integrated working by promoting coordinated service provision across partner organisations

- 5.12 We will continue our programme of visits to Schools, Residential Homes and Children's Centres to assess the internal control and governance frameworks in place and to test the operation of controls implemented or supported corporately in key areas such as safeguarding and health and safety.
- 5.13 A review of the process in operation within the department for undertaking the annual Special Educational Needs (SEN) assessment, focussing on the efficiency and effectiveness of the system in operation, the accuracy and timeliness of the data collected, the quality of the documentation maintained and the appropriateness of actions taken following the assessment is scheduled for completion this year.
- 5.14 Our planned work for 2010/11 for the department amounts to **100** days and we plan to spend a further **250** days on routine visits to schools, amounting to **350** days in total.

Technical Services

- 5.15 Waste and Refuse management continues to present significant risks to the council and, as such we plan to appraise the operation of the contract arrangements with our provider Biffa Ltd to ensure that agreed contractual commitments are being delivered. We also intend to evaluate the effectiveness of the control arrangements in place over the operation including collection and disposal of waste and refuse, recycling and management and payment arrangements, in addition of course to providing ad hoc advice over relevant control issues.
- 5.16 We plan to review the department's actions taken in response to the requirements of the Traffic Management Act, and to examine development control with a particular focus on section 106 and section 278 agreements. In addition, we intend to undertake application reviews of the systems in operation relating to winter maintenance and abnormal load management in light of recent seasonal experiences.
- 5.17 Work is planned relating to the departments arrangements for claiming Local Transport Plan grant funding and the approval of schemes identified to receive this funding. The work will involve an examination of outcomes across all of the identified schemes such as signage, traffic calming and cycle routes, for relevance and appropriateness and include an evaluation of the monitoring and reporting systems currently in place.
- 5.18 In addition, a wide-ranging review of the partnership arrangements entered into by the department will be undertaken to assess whether risk is minimised through appropriate governance and monitoring processes.
- 5.19 The management and delivery of major works contracts present a significant risk to the Council and consequently we plan to undertake as significant amount of work in this area during the year. The focus of this work will be on the scrutinisation of final amounts paid to contractors for a sample of projects

evaluating the evidence trail for any significant variances from the original contracted total and for compliance with the Council's Constitution.

5.20 We have allocated **190** days to carry out our planned work for 2010/11.

Corporate Services

5.21 Discussions with the departmental management team indicate that assurance over the service's key systems would be valuable, particularly the Performance and Data Quality systems as significant changes in this area of delivery have taken place over the last twelve months. Work to review and test the effectiveness of controls over these systems have been incorporated into the audit programme.

5.22 Systems in operation over the Common Engagement Strategy and the Local Area Agreement's are two areas that are identified in the corporate risk register and therefore we have targeted for review during the year. The review will focus on the efficiency and effectiveness of the controls in operation over these important Council systems to ensure that the systems operate as intended and in compliance with legislation, policy, procedure and best practice.

5.23 At this stage **150** days have been allocated within the audit plan for this service.

Regeneration

5.24 This area continues to change and develop as the Council enters into arrangements with new partners and develops new ventures to support the Council's role in the economic development of the Borough.

5.25 Parks and Countryside Services is an area that is identified for major change during 2010/11 and we are committed to providing advice and guidance to the various groups evaluating this service. Our aim is to ensure that key objectives of service improvement, investment in the infrastructure and value for money are the focus of the delivery options considered, Council rules are complied with and effective consultation and benchmarking has been undertaken throughout the process.

5.26 Library Services is another area that is earmarked for future development and we plan to visit a number of these establishments during the year to ensure that the Council policy objectives for libraries as information centres are being achieved. Additional work will be undertaken to evaluate the effectiveness of the systems in operation over finances, stocks, ordering and disposal practices and performance systems for efficiency and effectiveness.

5.27 We plan to review the risk assessment methodology used by Trading Standards in undertaking enforcement activity under the Regulatory and Enforcement and Sanctions Act 2008 during the year.

5.28 Our planned work for 2010/11 amounts to **190** days

Law, HR and Asset Management

5.29 Key risks identified in this area of service delivery tend to be associated with systems that are identified as being of a corporate or common nature and cut across all departments, as such work identified in the audit plan for 2010/11 to

evaluate the efficiency and effectiveness of arrangements in place have been identified at Section 6 of this report and include such things as Partnerships, Confidential Reporting and Absence Management.

5.30 Our planned coverage for 2010/11 amounts to **200** days.

Finance Department

5.31 Our work in this department during the year will continue to focus predominantly on audits of the key financial systems evaluating the efficiency and effectiveness of the control environment for these systems and providing relevant assurance for management and Members. In addition to this, a number of audits are scheduled to evaluate the controls in operation across other services provided by the department that also present a risk to the organisation, for example Leasing. More detail can be found regarding scheduled work in this area at Section 6 of this report.

5.32 Our planned coverage for 2010/11 amounts to **90** days.

Pensions

5.33 Our work in 2010/11 will continue to focus on three distinct areas:

- Governance of the Pension Fund;
- Management of the fund's assets; and
- Pension's Administration and Payroll – processes and systems.

5.34 The planned work will provide a consistent, risk based approach to determining the audit plan for the Pension Fund, which takes maximum advantage of existing management assurance processes and reports, and is in line with recent guidance issued by the Society of County Treasurers and CIPFA.

5.35 We will continue to use statutory reporting from the investment managers, custodian and property manager in the first instance to gain assurance over external investment management activities. Where such documents are not available or do not comply with the appropriate standards, reliance will be placed on local management assurance processes. Additional specific internal audit work may be required, depending on the level of identified risk.

5.36 In the same way that we are required to consider controls over the corporate financial systems, any assessment of the risks to the Pension Fund will require that we provide assurance over the key controls over the administration of the pension fund. This year's work will further develop the approach adopted in previous years to fully document the system and to interrogate the system using computer assisted audit techniques to gain assurance over the operation of controls over the Pension Fund's financial data.

5.37 Our planned coverage for 2010/11 amounts to **150** days.

6. CORPORATE OR COMMON CONTROLS

6.1 The Council's work is underpinned by controls that manage the risks of its day to day operations that are operated in common across the whole organisation. The audit plan has for many years addressed such controls, and particularly the council's financial control systems, but we have in recent years gradually extended our work to other areas of control. We have discussed what other corporate or common controls exist to manage the Council's key risks with the Director of Finance and Chief Officers during the course of our planning process.

6.2 The audit plan therefore includes provision for **1150** days on corporate or common controls, broken down as follows:

Financial control systems

6.3 Financial control is a key element of the Council's overall control environment and as such we recognise that the core financial systems under-pinning the operations of the Council must be considered in our risk based audit plan. We have identified the core financial systems and agreed them both with the Director of Finance and the Audit Commission. They include, for example, the Payroll systems, Cash and Treasury Management, Benefits and Revenues and Pensions.

6.4 We plan to continue to audit each system from the corporate centre to individual services and back to ensure that we address each system as a whole. This approach should allow the Audit Commission to place more reliance on our work both as part of their assessment of the Council's overall risk and control environment, and to obtain audit evidence over the systems by which the Council's financial reports are generated.

6.5 We plan to undertake an authority wide review of Income Generation and Collection systems in operation following issues identified during 2009/10 in these areas.

6.6 The plan includes **440** days to cover the Council's key financial systems, including work on centrally operated controls and those operated within departments, and work using computer assisted audit techniques to test the data processed through these systems.

ICT systems and controls

6.7 The plan includes **260** days on the key corporate ICT and information systems and, together with our work on the financial systems, these areas will provide the core assurance required by the Director of Finance as the Section 151 Officer.

6.8 There have been significant developments in information security recently with the publication of Local Government Data Handling Guidelines and the security requirements relating to the secure government network. Key elements of the Council's overall security framework include Access to Council systems and Data Management, both areas where we plan to undertake audits to evaluate the efficiency and effectiveness of current arrangements and provide advice and guidance as appropriate.

Commissioning and Procurement

- 6.9 To provide services which meet the needs of the people of Wirral, and develop improved outcomes cost effectively, it is essential that the Council has effective procurement arrangements and this is an area where a particular need for assurance is required. We intend to review the effectiveness of the current arrangements operated within the central function and in departments, specifically identifying areas of good practice which can be shared across other service areas. We will also provide advice and guidance on the control environment to any change teams established to develop and improve the service utilising the latest technology.
- 6.10 We have allocated **70** days for this work.

Human Resources Systems and Controls

- 6.11 The Council's commitment to further reduce working days lost due to sickness absence continues to be closely monitored at the highest levels. With this in mind, we intend to provide assurance over the adequacy and effectiveness of the corporate absence management system. This will involve reviewing the consistency with which policy has been implemented throughout departments, and we will also consider the development of the electronic management system, paying particular attention to the accuracy and timeliness of management information reports which ultimately feed into key performance information for the Council.
- 6.12 The corporate risk register highlights recruitment, retention and succession planning as a key risk. We therefore intend to review the systems in place for ensuring that effective staff structures exist, and an appropriate skills and learning culture exists for staff to receive training and work experience to facilitate consistently high performance across the organisation.
- 6.13 Our plan includes **50** days to address this work.

Partnerships

- 6.14 In recent years the Council has undertaken a significant amount of work to improve the way that it operates in partnership with other organisations and has recently approved a Partnership Toolkit for this purpose. Internal Audit will be undertaking a detailed review of this document during the year to evaluate the effectiveness of the publication and its communication to the workforce and other related parties. We plan to examine the arrangements in place for a number of key partnerships for effectiveness and compliance
- 6.15 We have allocated **30** days in the audit plan for 2010/11 to review these arrangements.

Constitution

- 6.16 A detailed review of the Wirral Council Constitution is scheduled for 2010/11 to ensure that the document is clear, comprehensive, fit for purpose and free from any contradiction.
- 6.17 Our plan includes **30** to undertake this work.

Asset Management

- 6.18 A review of the arrangements for Asset Management is to be completed during the year that will encompass an evaluation of the roles and responsibility of the Asset Management function, the procedures for acquisition, disposal and revaluation of assets, compliance with relevant legislation and regulations and an assessment of the planned rationalisation of Council assets program.
- 6.19 **30** days are included in the audit plan to complete this work during 2010/11.

Contracting

- 6.20 We plan to continue to provide input to the strategic partnering arrangements currently operated by the Council. We also plan to review the effectiveness of the Contractor partnering arrangements that have been in operation for some time and were introduced to gain a number of benefits including, amongst other things, better cost/ time predictability and improvements in user satisfaction.
- 6.21 We also plan to include reviews on the quality assurance process and tendering arrangements in operation across the Council. We will continue to provide assurance on the final accounts with contractors on a sample basis.
- 6.22 Our planned work for 2010/11 amounts to **20** days.

Confidential Reporting

- 6.23 During the 2009/10 the Council introduced a revised Confidential Reporting (Whistleblowing) policy and procedure in order to provide the workforce and other related parties with clear guidance for raising issues of this nature. We plan to undertake a full review of the effectiveness of this document, its fitness for purpose and its availability to the whole of the workforce. We will also attempt to determine, through sample testing individual employees across the Council, whether the document is clearly understood and being fully complied with, by officers and related parties. The inclusion of this work follows well documented issues experienced by the Council in this area of operations during the previous year.
- 6.24 We have allocated **20** days to complete this review during 2010/11.

Customer Services Call Centre

- 6.25 The Call Centre is key to the way in which a growing number of the Council's services are initiated and clients are supported. It is therefore increasingly integral to a number of diverse operational systems, for example benefits and revenues, emergency social care, and street lighting. We therefore plan to review the controls operated by the Call Centre that support its role in other services, for example the means by which it communicates with a sample of other service areas and departments.
- 6.26 Planned work for 2010/11 on the Call Centre amounts to **20** days in total.

Controls to Manage the Risk of Fraud

- 6.27 A detailed self assessment exercise was undertaken by the Council in 2009 to evaluate the effectiveness of its systems in place for managing the risk of

fraud against the CIPFA 'Managing the Risk of Fraud – Actions to Counter Fraud in local government' and the Audit Commission's 'Protecting the Public Purse' publications.

- 6.28 A number of actions were subsequently undertaken by the Council to address issues identified that included the setting up of an Anti Fraud team in the Internal Audit Section. The remit for this new team includes determining policy and procedure for the Council, creating a 'zero tolerance' culture within the organisation through awareness training and a publicity campaign and the completion of detailed pro-active work to identify potential fraud and corruption against the Council in key risk areas.
- 6.29 Work will continue during 2010/11 to develop the role and remit of this team and undertake agreed work and audits identified.
- 6.30 We have allocated **180** days for this work.

7. OTHER AREAS INCLUDED WITHIN THE AUDIT PLAN

This section identifies work that the internal audit service has included in the plan that is important to the effectiveness of the Council and the achievement of its objectives but does not necessarily support the annual assurance opinion provided. The work is considered essential to the well being of the organisation and complies with CIPFA best practice guidance and consequently audits have been scheduled to provide assurance to management regarding the effectiveness of systems in these areas amounting to **1420** audit days for 2010/11. Also included in this section is further allocation of **150** days for contingencies and management support provided by internal audit, as detailed at 7.10 and 7.11.

Service Delivery Areas

- 7.1 We plan to undertake a substantial number of audits within all individual service delivery areas to evaluate the systems in operation for efficiency, effectiveness and their contribution towards the achievement of departmental and corporate objectives. The planned resource for this work during 2010/11 amounts to **320** days.

Strategic Change Programme

- 7.2 The Council's ongoing commitment to introduce efficiencies and service improvements is evidenced through the introduction of the Strategic Change Program, established to achieve clearly defined targets across six key work streams that include strategic assets, customer access, common administrative processes, ICT, Adult Social Services and Schools for the future. The programme is regarded as a key corporate driver for delivering the improvements and cost reductions which the Council will need to make in order to maximise the delivery of efficiencies.
- 7.3 In January 2010, Cabinet identified an expansion of this initiative to incorporate additional elements required to increase the identified efficiencies; we aim to provide specific guidance, advice and assurance to the Strategic Change Program Board during 2010/11, regarding the effectiveness of the

controls in operation and the progress being made to deliver this major corporate initiative across all of the associated work streams.

- 7.4 Our planned work in this area amounts to **100** days during 2010/11.

ICT systems

- 7.5 We plan to consider the progress of IT Services in providing efficient and effective support to users, and implementing controls over service users, in response to the increasing demands to support the delivery of services throughout the Council and include such audits as Remote and Flexible Working, On-line Procurement Account Management, the Corporate Email system and ICT Asset Disposal.
- 7.6 We will continue to support the many new ICT projects scheduled across the Council, providing advice, guidance and support over a range of these projects that include Desktop Virtualisation, the HR Self Service facility and the Strategic Change Program.
- 7.7 Our planned work in this area amounts to **330** days during 2010/11

Schools

- 7.8 Wirral Internal Audit services is contracted to provide an annual assurance service to Schools regarding their compliance with the requirements of the DCSF's Financial Management Standard in Schools. The resource planned to deliver this work for 2010/11 currently amounts to **500** days in total.

Managing Fraud

- 7.9 Following the detailed self assessment exercise identified at 6.27 and the formulation of an Anti Fraud Team in Internal Audit, all identified financial fraud against the Council will be investigated by this team along with the completion of other proactive anti fraud work identified, including testing the data provided by the Audit Commission's National Fraud Initiative. This is effectively a large-scale programme of computer assisted audit techniques undertaken nationally, which generates a variety of indications of potential irregularities that are investigated and appropriate actions taken. The resource planned to deliver this work for 2010/11 currently amounts to a further **170** days in total.
- 7.10 An allocation of **50** days has been made for contingencies to be utilised during the year to provide additional support to those areas of the organisation identified as presenting significant risks and having, due to circumstance, not been previously considered during the planning process.
- 7.11 Another **100** days have been set aside to cover other management and tasks in support of the Internal Audit service to the Council:
- Liaison with departmental management teams and the Chief Executive,
 - Liaison with the Audit Commission;
 - Attendance, support, and reporting to the Audit and Risk Management Committee as required;
 - Supporting Service Managers.

8. RESOURCES WITHIN THE INTERNAL AUDIT SERVICE

- 8.1 The Audit Service establishment is now 25 staff most of whom are employed on full-time contracts. Two vacant posts exist at the 31 March 2010 at Senior Auditor and Assistant Auditor levels and consequently the staff resource available for 2010/11 has been calculated as detailed below:

Approximate Audit Resource	Days
Working Days Available	6511
Non Chargeable Days (Training, professional development, study leave, team management, general administrative tasks)	(1416)
Sickness Provision	(130)
Vacancy Provision	(315)
Total Chargeable Days Available	4650
Controls Assurance Allocation	3230

- 8.2 A significant allocation of resource has been targeted on workforce training and development during the year, to ensure that the service is able to maintain and develop a professionally qualified and experienced workforce in house. This is particularly important given our experiences in recent years concerning the recruitment and retention of suitably qualified and experienced staff. In addition to this, we have recently set up a new Anti Fraud team within the service and we will be professionally training two members of staff from this team as qualified, accredited fraud investigators, to ensure effective delivery of this area of the plan during the year.
- 8.3 It is our intention to fill the two vacant posts at the earliest opportunity; however a vacancy provision has been identified and included in the planning process for this document.

External clients

- 8.4 Wirral Internal Audit also provides internal audit services to a number of external clients within the borough, Family Housing Association and Wirral Methodist Housing Association. These services are provided following a tendering exercise and are subject to a fee based contract that is reviewed on an annual basis. The resources planned to support this work during 2010/11 currently amounts to a further **25** days in total and is excluded from the total chargeable audit days identified above.

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WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

24 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

ANNUAL GOVERNANCE STATEMENT

1. EXECUTIVE SUMMARY

- 1.1. The preparation and publication of an Annual Governance Statement is necessary to meet the statutory requirement set out in the Accounts and Audit Regulations 2006.
- 1.2. This report explains the requirement for the Authority to produce the Annual Governance Statement declaring the degree to which it meets the Governance Framework.
- 1.3. The Annual Governance Statement for 2009/10 is attached at Appendix 1.

2. BACKGROUND

- 2.1. Regulation 4 of the Accounts and Audit Regulations 2003 required councils to review the “effectiveness of their system of internal control” and to publish a Statement on Internal Control (SIC) with the Financial Statements of a Local Authority each year. It also required the findings of the review to be considered by a Committee of the Council.
- 2.2. On 18 August 2006, the Department for Communities and Local Government (DCLG) issued circular 03/2006. Section 7 states that proper practice in relation to internal control relates to guidance contained in two documents:
 - Statement on Internal Control in Local Government; meeting the requirements of the Accounts and Audit Regulations 2003, published by CIPFA 2004.
 - Corporate Governance in Local Government; A Keystone for Community Governance (Framework and Guidance Note), produced by CIPFA in 2001.
- 2.3. The Corporate Governance in Local Government publication was updated in 2007 and replaced with the CIPFA /SOLACE Delivering Good Governance in Local Government Framework. This required the production and publication of an Annual Governance Statement by the Council to replace and subsume the Statement on Internal Control from 2008. A report was prepared for this Committee on the Framework and the requirements for this organisation on 27 September 2007.

3. GOVERNANCE

- 3.1. Governance is about how the Authority ensures that it is doing the right things, in the right way, for the right people, in a timely inclusive, open, honest and accountable manner.
- 3.2. It comprises the systems, processes and controls, and cultures and values, by which the Authority is directed and controlled and through which it accounts to, engages with, and, where appropriate leads the community (Source: CIPFA/SOLACE Delivering Good Governance in Local Government).
- 3.3 Effective governance arrangements are required to be in place to ensure that:
- Authority policies are implemented in practice
 - Authority values and ethical standards are met
 - Laws and regulations are complied with;
 - Required processes are adhered to;
 - Financial statements and other published information are accurate and reliable;
 - Human, financial and other resources are managed efficiently and effectively; and
 - High-quality services are delivered efficiently and effectively.

4. THE ANNUAL GOVERNANCE STATEMENT

- 4.1. The CIPFA/SOLACE Delivering Good Governance in Local Government Framework requires an Annual Governance Statement and CIPFA has also confirmed that the Annual Governance Statement should subsume the requirement to produce the SIC.
- 4.2. The CIPFA Financial Advisory Network (FAN) issued a 'Rough Guide' in support of the revised Regulations in January 2007 and this includes detailed guidance regarding the process to be followed to undertake the annual governance work and prepare the actual statement.
- 4.3. The CIPFA/SOLACE Delivering Good Governance Framework provides a structure to assist local authorities with their approach to governance and identifies six core principles of good governance focussing on the systems and processes for the direction and control of the organisation and its activities through which it accounts to, engages with, and leads the community. The Framework emphasises that good governance and therefore the process and statement should be corporately owned.
- 4.4. The six core principles referred to in the Framework that must be considered when defining good practice are:
1. Focussing on the purpose of the Authority and on the outcomes for the community and creating and implementing a vision for the local area.
 2. Members and officers working together to achieve a common purpose with clearly defined functions and roles.

3. Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk
 5. Developing the capacity and capability of Members and officers to be effective.
 6. Engaging with local people and other stakeholders to ensure robust accountability.
- 4.5. Taking account of the above, local authorities are expected to undertake the following:
- Review their existing governance arrangements against the Framework
 - Maintain an up to date local Code of Governance, including arrangements for ensuring its ongoing application and effectiveness
 - Prepare an Annual Governance Statement to report publicly on the extent to which they comply with the principles.
- 4.6. Within the Council there is an existing, well established process for the review of the control system, collation of information and compilation and monitoring of the Annual Governance Statement that is managed by the Internal Audit function and reported through the Corporate Improvement Group
- 4.7. Whilst Internal Audit is responsible for undertaking the assurance work and producing the Annual Governance Statement it is important to recognise that this is not a document owned by the audit function but an Authority statement on the effectiveness of its governance processes. Therefore commitment is required by all services and senior officers involved with the process.
- 4.8. As part of this process the following arrangements have been developed to enable the production of the Annual Governance Statement:
- a. Assurance from Directors/Heads of Service:

Departmental Plans that include:

 - Risk Registers;
 - Self assessments of governance standards;
 - Self assessments of partnership governance standards;
 - Performance monitoring and analysis.
 - b. Assurance at a Corporate Level
 - Assurance obtained from the corporate risk process, including progress in implementing improvement actions associated with individual risks;
 - Corporate Governance review;
 - Code of Corporate Governance review;
 - Assurance from the Internal Audit Annual Report and Opinion;

- Assurance from various sources including the Audit Commission and other external inspection agencies.

4.9. An Annual Governance Statement for 2009/10 has been prepared that includes detailed comment regarding the effectiveness of the governance arrangements in operation. This is attached at Appendix 1. Subject to any comments from this Committee, the statement will be submitted to Cabinet for consideration.

5. FINANCIAL IMPLICATIONS

5.1. There are no financial implications arising directly from this report.

6. STAFFING IMPLICATIONS

6.1. There are no staffing implications in this report.

7. EQUAL OPPORTUNITY IMPLICATIONS

7.1. There are none arising directly from this report.

8. HUMAN RIGHTS IMPLICATIONS

8.1. There are none arising directly from this report.

9. COMMUNITY SAFETY IMPLICATIONS

9.1. There are no specific implications arising from this report.

10. LOCAL MEMBER SUPPORT IMPLICATIONS

10.1. There are no specific implications for any Member or Ward.

11. LOCAL AGENDA 21 IMPLICATIONS

11.1. There are no specific implications arising from this report.

12. PLANNING IMPLICATIONS

12.1. There are no specific implications arising from this report.

13. BACKGROUND PAPERS

13.1. Annual Internal Audit Report 2008/09

13.2. CIPFA Statement on Internal Control in Local Government, meeting the requirements of the Accounts and Audit Regulations 2003.

- 13.3. CIPFA/SOLACE Guidance Notes and Framework “Corporate Governance – A keystone for Community Governance” 2001.
- 13.4. CIPFA/SOLACE Delivering Good Governance in Local Government 2007.
- 13.5. Accounts and Audit Regulations (England) 2006.
- 13.6. CIPFA Code of Practice for Internal Audit in Local Government 2006.

14. **RECOMMENDATION**

- 14.1. That subject to any comments from this Committee, the Annual Governance Statement for 2009/10 be submitted to Cabinet for consideration.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/53/10

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WIRRAL COUNCIL

DRAFT ANNUAL GOVERNANCE STATEMENT 2009/2010

1. Scope of Responsibility

- 1.1 Wirral Council is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded and properly accounted for and used economically, efficiently and effectively. Wirral Council also has a duty under the Local Government Act 1999 to make arrangements to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness.
- 1.2 In discharging this overall responsibility, Wirral Council is responsible for putting in place proper arrangements for the governance of its affairs, facilitating the effective exercise of its functions, which includes arrangements for the management of risk.
- 1.3 Wirral Council has approved and adopted a Code of Corporate Governance, which is consistent with the principles of the CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government'. A copy of the code is on our website at www.wirral.gov.uk. This statement explains how Wirral Council has complied with the code and also meets the requirements of Regulation 4 of the Accounts and Audit Regulations 2006 in relation to the publication of a statement on internal control.

2. The Purpose of the Governance Framework

- 2.1 The governance framework comprises the systems and processes, culture and values for the direction and control of the Authority and its activities through which it accounts to, engages with and leads the community. It enables the Authority to monitor the achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost effective services.
- 2.2 The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It cannot eliminate all risk of not fully achieving policies, aims and objectives and therefore provides a reasonable rather than absolute assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of Wirral Council policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.
- 2.3 The governance framework has been in place for a number of years at Wirral Council and, in particular, for the year ended 31 March 2010 and up to the date of approval of the Statement of Accounts.

3. The Governance Framework

3.1 The CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' lays down principles of governance best practice. Key elements of the systems and processes which comprise the Council's governance arrangements are described in the following paragraphs. Our assessment is based upon the CIPFA/SOLACE guidance.

3.2 Developing and Communicating our Purpose and Vision

- The Council's purpose and vision is developed through corporate and business planning, and is integral to wider community planning for Wirral through the Local Strategic Partnership.
- The Council has reviewed and refreshed its Corporate Plan for 2010-13. There are five key corporate objectives; these drive the departmental plans which include clear outcomes and targets for the Council's priorities in accordance with the revised Corporate Plan framework.
- The Council reports achievement of its objectives in its Annual Report.

3.3 Ensuring that users receive a high quality of service

- The Council has an objective performance management framework. The system is driven by the Corporate Plan, which focuses attention on corporate priorities. This is cascaded through departmental service plans, individual employee key issue exchanges and action plans. It is clearly laid out in the annual service and financial planning and performance management cycle.
- All national indicators, local indicators, projects and activities contained within departmental plans are reported to the relevant scrutiny committee. The performance management areas of the intranet and internet are currently being enhanced and are expected to go live in April 2010.

The annual review of Wirral's LSP / LAA by Government Office for the North West (in January 2010) found that Wirral's LSP arrangements were felt to be operating more effectively.

- The Council has improved the quality of data used to support the performance management framework. Our data quality policy has been refreshed and data quality training has now been provided across the council.
- The Council's Customer Access Strategy provides the framework for the development of all Wirral Council's access channels. The overall aim is to make information and high quality services more accessible to our customers in the most efficient and effective way.

3.4 Measuring performance and value for money

- The Council has in place a three-year Financial Strategy, updated annually to support the medium term aims of the Corporate Plan. This ensures the economical, efficient and effective use of resources, and secures continuous improvement in the way in which its functions are exercised.
- A rigorous system of monthly financial monitoring ensures that any significant budget variances are identified in a timely way, and corrective action is initiated.
- The Council undertakes Equality Impact Assessments on strategies, policies, services, projects and procedures in order to measure progress towards promoting diversity and equality of opportunity. This process ensures that the Council optimises the impact of services for stakeholders.
- The Local Strategic Partnership has undertaken a sustainability appraisal of its Local Area Agreement looking at environmental, social and economic impacts and recommendations for mitigating these. This work is now being taken forward by Wirral's Climate Change Group.

3.5 Roles and Responsibilities

- Wirral Council facilitates policy and decision making via a Cabinet Structure with Cabinet Member portfolios.
- The roles of the Executive members are clearly defined in the Constitution, including responsibility for leadership and activities of the Authority.
- The roles and responsibilities of all members of the Authority, along with remuneration details, are clearly defined in the Constitution.
- The roles and responsibilities of all senior officers, along with remuneration details, are documented in contracts of employment and job specifications.

3.6 Member/Officer Relations

- A full scheme of delegation is included in the Constitution.
- The Constitution includes the delegation of functions to individual cabinet members.
- The responsibility of the Chief Executive for all aspects of operational management is clearly stated in the Constitution.
- Protocol on Member and Officer relations is clearly stated within the Codes and Protocols of the Constitution.
-

3.7 Partnership Arrangements

- A Partnership Framework and Toolkit has been developed and approved.
- Draft departmental service plans for 2010/11 have been produced, identifying partnership working, and using a corporate template to ensure consistency of approach.
- The Council's single equality scheme, a key activity within the Corporate Plan, was developed in full consultation with Wirral's communities, and details the actions that will be taken across the whole Council to eliminate any discriminatory practices and to promote equality and recognise diversity within employment and service delivery, including in partnership working.

- The Council has adopted a local Code of Corporate Governance detailing how the Authority complies with the principles of good governance.

3.8 Standards of Conduct

- The Standards Committee has a number of roles and functions, which include promoting and maintaining high standards of conduct by Councillors and employees.
- There is a corporate conflict of interest form for completion by Members and Officers.
- Financial Regulations and Contract Procedure Rules are contained within the Council Constitution.

3.9 Demonstrating the Values of Good Governance

- The roles and responsibilities of the various stakeholders are clearly stated within the Constitution.
- The Chair of the Standards Committee is an independent member of the public. The number of independent members is now four which exceeds the statutory requirement for 25 % of the Committee to be independent.
- The Council has a call-in procedure, which allows members to 'call-in' decisions made by committees of the Council for further consideration by the relevant review committee.

3.10 Transparency of the Decision Making Process

- There are 6 Overview and Scrutiny Committees, the chairs are shared amongst the 3 political groups and the statutory functions of each are set out in the Constitution.
- The public has access to all meeting minutes with the exception of exempt items.
- Codes of Conduct for Members and employees are in place.
- An Audit and Risk Management Committee provides independent assurance on risk management and control and the effectiveness of the arrangements the Council has for these matters.

3.11 Quality of Reporting

- The Council has produced a 'guidance to report authors' document detailing the requirements for the production of all Committee/Cabinet reports.

3.12 Risk Management

- The Council has robust systems for identifying and evaluating all significant risks, developed and maintained with the participation of those involved in planning and delivering services. The Council adopted an updated Risk Management Strategy in 2009. This explains the methodology for the management of risk throughout the Authority.

- A Corporate Risk Register is in place and appropriate staff have been trained in the assessment, management and monitoring of risks. The Authority has a Risk Management Officer and the approach to embedding risk management is in accordance with best practice.
- A Confidential Reporting (Whistleblowing) Policy is in place.

3.13 Use of legal powers to benefit citizens and communities

- The Scheme of Delegation of Functions to Officers, included within the Council Constitution, identifies the legal powers of officers.
- The Director of Law, HR & Asset Management is authorised to institute, defend or participate in any legal proceedings in any case where such action is necessary to give effect to decisions of the Council or in any case where he/she considers that such action is necessary to protect the Council's interests.

3.14 Development of members and officers

- All members receive an induction and attend a specifically organised event to introduce them to the Council and its departments.
- All employees to the Council are invited to a corporate induction, departmental induction and an individual induction.
- There is a Members' Development Strategy which is utilised as an assessment to identify generic and specific training needs.

3.15 Developing the capacity of people with governance responsibilities

- The Audit and Risk Management Committee undertakes an annual self assessment exercise, utilising CIPFA's checklist, in order to assess their role and effectiveness. In addition to this a report on the work and performance of the Audit and Risk Management Committee will be submitted to Cabinet at the end of each municipal year.
- Members of the Audit and Risk Management Committee undertake specific training in relation to the competencies required of such a role.
- A member training steering group is in place. Generic and specific training is provided to Members to ensure they are equipped to discharge their duties effectively.
- The Key Issues Exchange (KIE) process which is provided to all Council employees, helps to highlight the requirement to develop skills and improve performance.

3.16 Encouraging involvement in the membership of the authority

- There is an older person's parliament and young person's parliament which seek to obtain views from these sections of the community.
- The Council engages with communities through eleven Area Forums; providing an opportunity to shape services in their neighbourhood.

3.17 Stakeholder Engagement and Scrutiny

- A Comprehensive Engagement Strategy (CES), approved by the Local Strategic Partnership (LSP), is in place to help provide a framework approach within which Wirral's LSP works to create a new environment for partnership development and working.
- A programme of transfer of a number of Council-owned Community Centres to community ownership is underway. A total of 20 such assets have been identified, of which a number of transfers of ownership to community groups has already taken place.

3.18 Public dialogue and accountability

- The Council has established an Equality Watch membership scheme which sets out a clear commitment to ensuring that no person accessing Council services experiences discrimination of any kind.
- The authority's commitment to openness can be demonstrated in, for example:
 - Constitution of the Council, publicising the Council's approach to decision-making and standards of conduct.
 - Approach to the Freedom of Information Act
 - Customer Care Guidelines / Customer Services Strategy.
 - Availability of committee minutes to the public except in those areas where it is inappropriate to do so.
- Area Forums, covering the whole of the borough, which give local people a voice.
- A Sustainable Community Strategy and framework for reviewing partnership delivery of Wirral's long term vision has been implemented.

3.19 Responsibility to staff

- The Council regularly consults with Unions on behalf of its employees with regard to significant issues.
- The Chief Executive meets with staff on a regular basis via his 'roadshows'.
- The Council has achieved Level 3 of the Equality Standard, 'Achieving' status and under the Equality Framework.

4. Review of Effectiveness

4.1 Introduction

Wirral Council has responsibility for conducting, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of the executive managers within the Authority who have responsibility for the development and maintenance of the governance environment, the Internal Audit Annual Report, and by comments made by the external auditors and other review agencies and inspectorates. Key controls in the governance review process are identified in the following paragraphs.

4.2 Corporate Review

The Council's Corporate Improvement Group (CIG) has managed the development of the Annual Governance Statement, in consultation with the Council's Chief Internal Auditor. CIG is chaired by the Deputy Chief Executive, and is comprised of members of each department's management team. A system which includes Directors' Assurance Statements has been introduced to review governance systems and procedures; areas of non-compliance are considered for inclusion in the Annual Governance Statement.

4.3 Statutory Officer Responsibilities

4.3.1 The Council Constitution, which is annually reviewed by the Monitoring Officer, sets out the responsibilities of both Members and senior managers. Roles and responsibilities have been identified and allocated for the following three statutory posts:

Head of Paid Service:	Chief Executive
Chief Financial Officer:	Director of Finance
Monitoring Officer:	Director of Law, HR and Asset Management

4.3.2 The Council has designated the Director of Law, HR and Asset Management as the Monitoring Officer. The Monitoring Officer has a duty to monitor and review the operation of the Constitution to ensure its aims and principles operate effectively and an annual report is submitted to Cabinet.

4.3.3 The Council has designated the Director of Finance as Chief Finance Officer in accordance with Section 151 of the Local Government Act 1972. The financial management of the Authority is conducted in accordance with the Financial Procedure Rules set out in the Constitution.

4.3.4 The Council continues to assess how its overall corporate governance responsibilities are discharged. In particular the Council has adopted the CIPFA/Solace Delivering Good Governance Framework, has developed a local Code of Corporate Governance and so is working towards the National Good Governance Standard.

4.4 Audit and Risk Management Committee

The Council has an Audit and Risk Management Committee, which oversees various financial matters, the Terms of Reference for which comply with latest CIPFA guidelines.

4.5 Standards Committee

The Council has a Standards Committee, which deals with matters relating to the conduct of Councillors, employees, complaints and probity issues, the Terms of Reference for which comply with latest guidelines from the Standards Board for England.

4.6 Internal Control

The review of the effectiveness of the system of internal control reflects best practice guidance identified by the CIPFA Finance Advisory Network and is informed by:

- Directorate assurance based on management information, performance information, officer assurance statements and Scrutiny Committee reports;
- the work undertaken by Wirral Internal Audit during the year;
- the work undertaken by the external auditor reported in their Annual Audit and Inspection Letter;
- Other work undertaken by independent inspection bodies.

4.7 Internal Audit

4.7.1 The arrangements for the provision of internal audit are contained within the Financial Regulations included within the Constitution. The Director of Finance is responsible for ensuring that there is an adequate and effective system of internal audit of the accounting and other systems of internal control as required by the Accounts and Audit Regulations 2006. The internal audit provision is managed by the Chief Internal Auditor and, as verified by the Audit Commission, operates in accordance with the CIPFA Code of Practice for Internal Audit in Local Government 2006.

4.7.2 From the work undertaken in 2009/10 the Chief Internal Auditor was able to provide 'reasonable assurance' on the key areas of risk management, corporate governance and financial control.

4.8 External Audit

Wirral Internal Audit is subject to regular inspection by the external auditors. In its most recent review the Audit Commission's overall conclusion was that Internal Audit generally met the requirements of the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom 2006. The Audit Commission through its Inspectorate functions also reviews compliance with policies, procedures, laws and regulations within their remit.

5. Significant Governance Issues

5.1 Summary

Internal Audit has concluded that, based on the work undertaken, overall throughout the Council there are sound systems of internal control in place. However, improvements in the internal control environment can always be made and reports have been produced and discussed with Chief Officers and Members during the year that recommend appropriate actions to be taken within an agreed timescale to address weaknesses and improve systems of control in key areas.

The following improvement opportunities have been identified as part of the review of governance.

5.2 Opportunities for Improvement

5.2.1 Governance

Wirral Council's Code of Corporate Governance is to be reviewed and updated to ensure it includes all relevant areas from the CIPFA/SOLACE guidance. In addition to this, a means of promoting and communicating the code is to be introduced.

The Constitution of the Council is also to be reviewed so as to ensure it reflects accurately the current governance arrangements.

5.2.2 Single Status

The Council has partially completed the Single Status Review and it is anticipated to be completed during the forthcoming financial year.

5.2.3 Change Programme

The Council's ongoing commitment to introduce efficiencies and service improvements is evidenced through the introduction of the Strategic Change Programme, established to achieve clearly defined targets across six key work streams that include strategic assets, customer access, common administrative processes, ICT, Adult Social Services and Schools for the future. The programme is regarded as a key corporate driver for delivering improvements and cost reductions. In January 2010, Cabinet identified a further expansion of this initiative to in order to maximise the delivery of efficiencies.

5.2.4 Partnership Working

The Council continues to be actively involved in developing the way it works with partners and organises itself to deliver services. A Partnership Framework and Toolkit has been compiled and approved, whilst the Partnership Register is subject to review.

5.2.5 Equality and Diversity

Having recently achieved Level 3 of the previous Equality Standard and migrated to the 'Achieving' status of the new Equality Framework, work is now progressing in order to apply to be assessed for 'Excellent' status.

6. Conclusion

We propose over the coming year to take any necessary steps to ensure that all of the above matters are addressed as appropriate to enhance our governance arrangements further. Many improvement actions represent work already in progress. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness and will monitor their implementation and operation as part of our next annual review.

Signed: _____ Date: _____
Chief Executive

Signed: _____ Date: _____
Leader of the Council

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

24 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

CORPORATE RISK AND INSURANCE MANAGEMENT

1. EXECUTIVE SUMMARY

- 1.1. This report provides information to Members on recent progress made against the existing objectives for this service and the anticipated developments in the coming months.

2. INSURANCE MANAGEMENT PROGRESS

- 2.1. Liability statistics for the quarter ending 31 December 2009 were produced in mid January and showed a slight uplift in the trend on public liability case numbers. This has accelerated dramatically in January and February with over 120 new claims, almost a doubling of expected new cases. Whilst this is largely due to snow and ice related incidents the underlying trend does now appear to be slightly rising as a result of increased active claims farmers within the Borough, an increased propensity for claims to rise in a recession, and some initial issues with the highway maintenance contract. Whilst the number of claims may be rising, our ability to defend these claims remains positive and the pre and post litigation repudiation rate remains excellent.
- 2.2. Cabinet on 14 January 2010 agreed the award of the Computer and Liability insurance and Liability claims handling contracts for an initial period of three years commencing from 1 April 2010. The contracts were awarded to Risk Management Partners (Computer Insurance) and Zurich Municipal (Liability insurance and Liability claims handling) at an annual saving of £170,000.
- 2.3. The awarding of a Legal Defence Services contract was the subject of a report to Cabinet on 18 March 2010. The quality element of the award criteria is evaluated by reference to written answers to questions contained in the tender document and performance in formal interviews. As the new contract will be issued on a collaborative basis the panel included a representative from Knowsley Council. The decision of Cabinet will be reported in the next update.
- 2.4. Claims handlers from Zurich Municipal are meeting with the Risk & Insurance Team and representatives from the Department of Technical Services on 10 March 2010 to discuss the new contracts and identify possible further improvements to the processes for managing highway liability claims.

- 2.5. The Jackson Report (from Lord Justice Jackson) into the costs of civil litigation was published in January with the general finding that legal costs are wholly disproportionate and have become a burden on society. The report runs to 450 pages and contains many radical proposals that would have a direct effect on the way civil litigation is managed and funded. The possible implications are still being considered and the recommendations will require primary legislation to become effective. As the numerous recommendations must be taken together to balance the interests of the claimant and defendant communities, any piecemeal implementation may upset this balance and the Council will lobby via the relevant bodies to ensure that local authority interests are represented.
- 2.6. Zurich Municipal has confirmed its renewal terms for the Motor Insurance and Engineering Inspection and Insurance contracts for the year commencing 1 April 2010. There will be no change in premium rates and the cost of the Engineering Inspection service will rise in line with the Index of Average Earnings as provided for in the contract, and costs will remain within budget.
- 2.7. The report to this Committee on 18 January 2010 referred to the case of Kelly –v- Wirral, (section 2.7). As the remaining payment has not been received my officers are now proceeding to enforce the judgement and recover the debt.
- 2.8. A complicated case arising out of the demolition of a property on safety grounds by Technical Services involving five separate parties and legal costs of over £1 million and dating back to 2007 was successfully settled just before the commencement of the scheduled trial. The terms of settlement, whilst confidential, is favourable in that the Council will recover its costs.
- 2.9. The long running S –v- Wirral case involving limitation issues in historic social services matters has been finalised. The Council has been successful in the argument that it would be inequitable to allow the case to proceed as the Council would be prejudiced by the long delay in bringing the claim. This case will be widely reported and is expected to be influential in future similar matters. Once again however the claimant’s case was publicly funded and as such the Authority has no right of recovery of our substantial legal costs.

3. CORPORATE RISK MANAGEMENT – PROGRESS

- 3.1. Risks in the revised risk register for the Local Strategic Partnership (LSP) were evaluated by the LSP Management Group on 2 February 2010.
- 3.2. The individual risk registers for each Local Area Agreement (LAA) priority area have been reviewed and significant risks incorporated into the LAA Quarter 3 Performance and Risk Report.
- 3.3. An update on progress made in improvements to the management of corporate risks was included in the 2009/10 Quarter 3 Performance and Financial review.

- 3.4. Assistance with the implementation of the Strategic Change Programme continues including support for the Department of Law, Human Resources and Asset Management with risk management arrangements for the new HR and Payroll system project.
- 3.5. The Risk & Insurance Officer undertook a data quality exercise in relation to the draft risk registers prepared by each department as part of the service planning process. Feedback was provided through the Performance Management Group to improve the final versions of these documents.
- 3.6. The Risk & Insurance Officer has studied reports to Cabinet since November 2009 to evaluate how information on risks and opportunities was expressed. Feedback has been given to departments through the Corporate Improvement Group to assist with the preparation of future reports as Chief Officers have agreed that future reports to Cabinet should contain a risk assessment. The implementation of this change is being progressed by the Director of Law, Human Resources and Asset Management.
- 3.7. The Chief Executive has recently indicated his support for an in-depth review of the existing corporate approach to managing risk. This would lead to the production of a new Risk Strategy and supporting actions. Governance for the project is currently being determined and a detailed report on the project will be presented to a future meeting of this Committee.

4. INSURANCE MANAGEMENT – ISSUES FOR NEXT PERIOD

- 4.1. Liability claim statistics for the final quarter of 2009/10 will be produced and further analysed in view of the trend reported previously.
- 4.2. HJC Actuarial Consulting has been appointed to undertake the biennial funding study in relation to Council exposure to liability claims. This will be based on claims data as at 31 March 2010 and, as the requirements of the actuary are complex, it is a considerable task to collate all the necessary information.
- 4.3. The Legal Defence Services contract from 1 April 2010 will be confirmed and the handover to any new suppliers managed and service expectations agreed.
- 4.4. Historic abuse and old employers liability claims are expected to continue to provide a significant ongoing workload.
- 4.5. Information will be collated to enable insurers to produce renewal terms for the Property, Money, Fidelity Guarantee and Personal Accident insurance policies ahead of their expiry on 30 June 2010.
- 4.6. This period will encompass closedown and reconciliation of the claims and general accounts.

5. RISK MANAGEMENT – ISSUES FOR NEXT PERIOD

- 5.1. The revised register of risks to the objectives of the Local Strategic Partnership (LSP) is to be presented to the LSP Executive Board on 31 March 2010 together with proposals for future monitoring and reporting.
- 5.2. The individual risk registers for each Local Area Agreement (LAA) priority area will be reviewed and significant risks incorporated into the LAA quarterly Performance and Risk Report.
- 5.3. Progress on the management of Corporate Risks will be reviewed by the Corporate Improvement Group and by Chief Officers and included in the 2009/10 Fourth Quarter Performance and Financial Review.
- 5.4. Assistance will continue to be given in relation to the implementation of projects within the Strategic Change Programme working with the appropriate departments within the Council.
- 5.5. The Risk & Insurance Officer will begin monitoring compliance with the new requirement for risk assessments in Cabinet reports when agreed and will provide feedback to departments through the Corporate Improvement Group.
- 5.6. Governance arrangements for the project to review and amend the corporate Risk Management Strategy and processes will be developed including preparations for an on-line survey of managers and interviews with Chief Officers and Members.

6. FINANCIAL IMPLICATIONS

- 6.1. There are none arising directly from this report.

7. STAFFING IMPLICATIONS

- 7.1. There are none arising directly from this report.

8. EQUAL OPPORTUNITIES IMPLICATIONS

- 8.1. There are none arising directly from this report.

9. ENVIRONMENTAL IMPACT STATEMENT

- 9.1. There are none arising directly from this report.

10. LOCAL MEMBER SUPPORT IMPLICATIONS

- 10.1. There are none arising directly from this report.

11. BACKGROUND PAPERS

- 11.1. Data from the Figtree claims database

11.2 Liability claim statistics.

12. **PLANNING IMPLICATIONS**

12.1. There are none arising directly from this report.

13. **RECOMMENDATION**

13.1. That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/54/10

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WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

24 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

DEVELOPMENT OF THE CORPORATE RISK REGISTER

1. EXECUTIVE SUMMARY

- 1.1. This report sets out the process for identifying those issues contained in the Corporate Risk Register and outlines mechanisms through which Members could be more involved.

2. BACKGROUND

- 2.1. The Corporate Risk Register contains those issues that have the greatest potential to prevent or frustrate the achievement of the Council Strategic Objectives and Priorities for Improvement as set out in the Corporate Plan. In turn these risks are reflected in Departmental Service Plans and the allocation of resources. In that way they are closely aligned with the Corporate Planning process and so success in managing these risks is a key factor in overall performance.

- 2.2. The Risk Management Strategy defines the following roles in relation to the register.

- Chief Officers identify and evaluate the Corporate Risks
- Cabinet scrutinise the risks put forward by Chief Officers
- The Corporate Improvement Group assists Chief Officers with the ongoing maintenance of the Corporate Risk Register.

- 2.3. The current document was approved by Cabinet on 3 September 2009. It contains risks of two broad types. The first are issues which individually can be of limited importance but which pose a threat to many or all departments and which in aggregate present a significant corporate threat. The second smaller group contains risks which are more specific but which would nevertheless have a significant corporate impact if they were to materialise.

3. DEVELOPMENT OF THE CURRENT REGISTER

- 3.1. The foundation of the current register was a series of interviews conducted by the Risk & Insurance Officer with Chief Officers in the summer of 2007 in which they gave their views as to:

- a. Departmental key risks and whether any of these were of potential corporate significance

- b. Any situations or events which did not feature in the Departmental risk register but which were of potential concern
 - c. The key challenges facing the Council as a whole in the next 3-5 years
- 3.2. Output from these sessions was organised into cross-cutting and specific risk issues. This was considered by the Chief Officers Management Team (COMT) and consensus reached as to which should feature on a revised register. The list was also checked against the corporate objectives to verify that no major risks were missing from the list.
- 3.3. The register subsequently developed both as a result of the formal annual reviews carried out by Chief Officers and from issues identified by individual departments escalated upwards through the Corporate Improvement Group
- 3.4. Prior to the most recent annual review by Chief Officers an exercise was undertaken to rationalise the 31 issues which were on the register at that time.
- 3.5. This resulted from research undertaken by the Risk & Insurance Officer into the corporate risk registers of leading local authorities. This indicated a trend towards a smaller number of risks enabling management attention to be focussed on those which were truly critical. There is in addition a general consensus within the risk management discipline that large organisations cannot effectively focus on more than approximately 20 corporate or strategic risks.
- 3.6. The rationalisation exercise was undertaken in May 2009 by the Risk & Insurance Officer and senior officers from the departments of Finance and Corporate Services. Each existing risk was considered in turn in relation to the following:
 - a. Is the threat which it poses already covered by another risk?
 - b. Does the risk remain a significant threat (or has it been realised or become less critical)?
 - c. Could the risk description be improved to make it more meaningful and more easily understood?
 - d. Does the current description truly describe a threat to a Corporate Objective or Priority?
- 3.7. The exercise showed that a number of the existing risks were in reality aspects of one or more of the other risks and that others could be more clearly defined. The result was a shorter list comprising 16 risks which was considered and approved by the Corporate Improvement Group and by COMT.
- 4. **ANNUAL REVIEW**
- 4.1. The annual review by Chief Officers takes place between July and September each year.
- 4.2. Each risk on the existing register is considered as to whether it remains a significant threat. The factors taken into account in the evaluation include:

- whether it is short term in nature and the threat which it posed has passed
- whether the risk has materialised in which case it is an issue rather than a risk
- whether it has become significantly less critical because of changes in the external environment or because of action taken to control it

4.3. As part of the exercise Chief Officers also consider and may amend the risk descriptions, the scores and the controls.

4.4. The other element of the exercise involves the identification of any significant threats not reflected in the existing document. This is an open session in which Chief Officers consider recent and future changes in the external environment or within the organisation itself and what challenges these may pose for the achievement of corporate objectives.

5. **FORMAT OF THE REGISTER**

5.1. At the time of the 2009 annual review the format of the document was also changed in order to make it easier to read and more meaningful. The Risk & Insurance Officer studied the approaches taken by those local authorities whose risk management arrangements are highly regarded. Whilst that analysis identified that there was a wide variety of approaches the revised format drew upon the best elements.

5.2 The improvements included:

- Incorporating the Corporate Plan Objectives into the document and clearly highlighting which of those objectives each risk impacts upon
- Shading the scoring columns to emphasise whether the score placed the risk into the high or medium category as defined in the Corporate Risk Management Strategy.
- Reducing the volume of information on the controls for each risk so that it reflects solely those actions which are considered key to mitigating the risk.
- Ensuring that information on additional control actions relates directly to activity planned by the Council in the short term (as contained in departmental or divisional plans) which should further mitigate the risk
- Grouping the issues so as to place together risks which have a degree of relevance to each other

6. **MEMBER INVOLVEMENT IN RISK IDENTIFICATION**

6.1. Members already have the opportunity to consider and comment on the Corporate Risk Register. At present it is unusual for local authorities to involve Members directly in the identification process. However greater input would be desirable as it could lead to a more comprehensive analysis of the uncertainties facing the Authority.

6.2. There are different means by which this could be achieved:

- (i) A structured risk identification session focussed on the corporate objectives could be held with Cabinet as part of the refresh of the Corporate Plan. Output from that session could then be combined with the output from the annual review by Chief Officers and the results presented to both forums for consideration.
- (ii) The annual review of the register could be undertaken jointly by Chief Officers and Cabinet as part of the refresh of the Corporate Plan.

6.3. If Members were to be more fully involved in the process they might benefit from some additional training in this area. If option (i) were selected the training could be combined with the identification exercise itself. If option (ii) were selected the training would need to take place in advance of the joint review with Chief Officers.

6.4. If Members training is to be undertaken for Cabinet Members then it would probably be beneficial for Members of this Committee also to partake in the training.

7. FINANCIAL IMPLICATIONS

7.1. There are none arising directly from this report.

8. STAFFING IMPLICATIONS

8.1. There are none arising directly from this report.

9. EQUAL OPPORTUNITIES IMPLICATIONS

9.1. There are none arising directly from this report.

10. ENVIRONMENTAL IMPACT STATEMENT

10.1. There are none arising directly from this report.

11. LOCAL MEMBER SUPPORT IMPLICATIONS

11.1. There are none arising directly from this report.

12. BACKGROUND PAPERS

12.1. Corporate Risk Register – September 2009

13. PLANNING IMPLICATIONS

13.1. There are none arising directly from this report.

14. **RECOMMENDATIONS**

- 14.1. That Members consider the merits of greater involvement in developing the Corporate Risk Register
- 14.2. That Members consider their preference as to the form that greater involvement might take.

IAN COLEMAN
DIRECTOR OF FINANCE

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WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE – 24 MARCH 2010

REPORT OF THE DIRECTOR OF LAW, HR & ASSET MANAGEMENT

STRATEGIC ASSET REVIEW – RISK REGISTERS

1. EXECUTIVE SUMMARY

- 1.1 This report responds to Members' request for presentation of the risk registers in place for the Strategic Asset Review. It explains how risk is managed for the activities within the programme and presents the risk register for Office Rationalisation for Members' consideration.

2. BACKGROUND

- 2.1 At its meeting on 18 January 2010 the Committee asked that the risk registers in place for the Strategic Asset Review be presented as a case study for consideration at the next meeting of the Committee.
- 2.2 The Strategic Asset Review (SAR) is one of the sub-programmes within the Council's Strategic Change Programme. On 23 April 2009 Cabinet received a report on progress with the Strategic Change Programme, and this explained the governance arrangements being adopted.
- 2.3 Project management of the SAR (as with the other elements of the Strategic Change Programme) follows the Council's agreed approach to project management. A programme Board has been established for the SAR and its members are Bill Norman (Chair and Programme Manager), Alan Stennard and David Smith. The programme mentor is Steve Maddox.
- 2.4 Within the programme individual projects were identified as follows:
- Service rationalisation
 - Asset improvement
 - Community asset transfer
 - Office & administrative buildings review (now 'Office Rationalisation')
 - Disposal of surplus assets
 - Regeneration of Seacombe Village
- 2.5 Each of these projects in turn had a nominated project manager.
- 2.6 As work on the SAR has progressed, so an appropriate degree of organisation, control and documentation has been applied to each of the projects.

- 2.7 Service Rationalisation (dealing with the previously proposed library closures) and Asset Improvement came together into a project called Reprovision – Neighbourhood Centres. This and the Office Rationalisation Project formed complex undertakings requiring a higher degree of project management structure and formality than the other projects. For both of these projects a Project Initiation Document was developed with an initial risk register in each that is subject to further development.
- 2.8 The Community Asset Transfer and Disposals projects are being managed on the basis of case management at a service level, without the need for Project Initiation Documents and a formal project management structure.
- 2.9 The Regeneration of Seacombe Village project is being dealt with on a 'task and finish' basis. A report will be presented to the SAR Board at the conclusion of the work and this will then be followed by a report to Cabinet. Again, there is no Project Initiation Document or formal project management structure.
- 2.10 Progress on all projects is monitored at regular intervals by the SAR Board and any emerging issues are escalated to the Council's Strategic Change Programme Board.
- 2.11 This approach has been agreed at the SAR Board and endorsed by the Project Assurance function within the corporate Strategic Change Programme.
- 2.12 The Neighbourhood Centre project has been stopped. This followed the Cabinet decision to revoke the previously approved programme of library closures and cease the development of Neighbourhood Centres. This leaves three projects being overseen by the SAR Board – office rationalisation, community asset transfer and disposals. Of these, only office rationalisation has a formal risk register in place.

3. OFFICE RATIONALISATION RISK REGISTER

- 3.1 The risk register for office rationalisation is attached.
- 3.2 This was developed at an early stage in the office rationalisation project, when the project initiation document was written. It takes the form of an initial risk assessment at project commencement, dealing with high level risks. The Risk register is a 'living document' and will evolve as the project is further developed.

- 3.3 Implementation of the Office Rationalisation project has been through five work streams. These are:
1. Establishing an accurate baseline position for the costs and use of the selected administrative buildings.
 2. Developing a plan for future building use, focussing on physical requirements.
 3. Developing the authority's approach to agile working and provide a complete framework for implementation of workplace change.
 4. Examining facilities management arrangements, identify options for delivering savings and recommend a way forward.
 5. Implementing the agreed rationalisation plan.
- 3.4 There is an identified lead officer for each of the work streams and risks arising in their activities have been managed within the project, with any emerging issues escalated to the SAR Board.
- 3.5 The current project plan will shortly be reviewed. The project risk register will be reviewed and expanded at the same time. Some activities within the existing work streams have been completed whilst others will be further developed or additional activities added.
- 3.6 A key driver of this review will be the delivery of the business case for future accommodation provision that is being developed within work stream 2. This is being produced by EC Harris, a firm of specialist external consultants. Project risk will be a consideration within the business case. To date, EC Harris have facilitated an officer workshop that gave some preliminary consideration to general risks. They have commented that at this relatively early stage in the project cycle there was inevitably a degree of imprecision around key risks. However, the most significant risks to the project were identified as follows:
- While some departments are keen to embrace new work styles, there are key risks around mobilising the entire organisation for the extent of change that will be required;
 - Achieving consensus around the proposed solution;
 - Delivering a solution that represents value for money;
 - Achieving agreement with other local service providers that could achieve better overall value; and,
 - Developing a robust and appropriate communications strategy.
- 3.7 They recommended that the project is subjected to a full risk analysis at the appropriate time. The business case will identify risks relevant to the short listed solutions presented and factor these into the analysis.

4. CONCLUSION

- 4.1 Management of risk within the SAR programme is taking place on an appropriate and proportionate basis within each of the remaining areas of activity. The Office Rationalisation project is a key area within the Strategic Change Programme where the levels of risk dictate that its management is more formally documented. It is suggested that the Committee may wish to receive a further report on risk within the Office Rationalisation project following approval of a business case for future office provision and the indicated associated review of the initial risk register.

5. FINANCIAL IMPLICATIONS

- 5.1 None arising directly from the report. However, the Strategic Asset Review programme is a key contributor to the delivery of savings within the Strategic Change Programme.

6. STAFFING IMPLICATIONS

- 6.1 None arising directly from the report.

7. EQUAL OPPORTUNITIES IMPLICATIONS

- 7.1 None arising directly from the report.

8. COMMUNITY SAFETY IMPLICATIONS

- 8.1 None arising directly from the report.

9. LOCAL AGENDA 21 IMPLICATIONS

- 9.1 None arising directly from the report.

10. PLANNING IMPLICATIONS

- 10.1 None arising directly from the report.

11. ANTI-POVERTY IMPLICATIONS

- 11.1 None arising directly from the report.

12. HUMAN RIGHTS IMPLICATIONS

- 12.1 None arising directly from the report.

13. SOCIAL INCLUSION IMPLICATIONS

- 13.1 None arising directly from the report.

14. LOCAL MEMBER SUPPORT IMPLICATIONS

14.1 The report may be of interest to all members.

15. BACKGROUND PAPERS

15.1 None.

16. ASSET MANAGEMENT IMPLICATIONS

16.1 Successful delivery of the SAR will make a substantial contribution to the modernisation and rationalisation of the Council's asset base.

17. RECOMMENDATION

17.1 That the report be noted.

Bill Norman

Director of Law, HR and Asset Management

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**SAR Programme
Initial Risk Assessment**

Project :			Office Rationalisation			Responsible Officer			Ian Brand							
No.	Date	Last Review	Risk Owner	High/ Medium/Low	Description of Risk	Gross Scores			Net Scores			Existing Controls	Additional Controls	Responsibility	Target Date	Status
						Likelihood	Impact	Total	Likelihood	Impact	Total					
1	13/8/09		IB	L	Project Start delayed awaiting planning and resources	2	3	6				None	<ul style="list-style-type: none"> Develop plan, allocate staff and initiate project 	IB	30/8/09	Open
2	13/8/09		IB	H	Staff and industrial unrest affecting services and project	5	5	25				None	<ul style="list-style-type: none"> Engage TU and HR Develop suitable HR policies Design and use communications that mitigate problems 	IB	30/9/09	Open
3	13/8/09		IB	H	Inadequate skills and resources to deliver project	2	5	10				None	<ul style="list-style-type: none"> Employ Project Management techniques and skills. Develop clear plans. Use proven experience and knowledge 	IB	31/7/09	Open
4	13/8/09		IB	M	ICT not delivered on time	3	3	9				None	<ul style="list-style-type: none"> Develop plan, Engage ICT 	IB	31/07/09	Open
5	13/8/09		IB	H	Un-coordinated actions by DASS and CYPD	4	5	20				None	Engagement of DASS and CYPD	IB	31/07/09	Open
6	13/8/09		IB	H	Budgetary impact not as expected	3	5	15				Budget Monitoring	Revise and report on financial plans in light of changing circumstances	IB	31/07/09	Open

**SAR Programme
Initial Risk Register**

Project :			Office Rationalisation				Responsible Officer					Ian Brand				
						Gross Scores			Net Scores							
7	13/8/09		IB	H	Staff and managers resisting open plan offices and intense occupancy	3	3	9				None	Develop a clear corporate standard supported by COMT and Cabinet	IB	31/7/09	

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

24 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

CIPFA AUDIT COMMITTEE UPDATE

1. EXECUTIVE SUMMARY

- 1.1. This report provides information on the recent developments outlined in the CIPFA Better Governance Forum Audit Committee Update Issue 1 dated January 2010.

2. BACKGROUND

- 2.1. The CIPFA Better Governance Forum has commenced publication of an Audit Committee Update which is aimed at helping Audit Committees to be effective. Issue 1 in January 2010 has been distributed to all Members of this Committee.
- 2.2. Within the update is a section on recent developments. This report provides Members with a note of progress on each of these developments.

3. TREASURY MANAGEMENT

- 3.1. The CIPFA Treasury Management Code of Practice 2009 recommends that a nominated committee should be responsible for effective scrutiny of treasury management strategy and policies.
- 3.2. The Treasury Management Strategy and Investment Strategy 2010-2013 was presented to the budget meeting of the Cabinet on 22 February 2010 and to Council on 1 March 2010. A quarterly monitoring report will be presented to the Cabinet and also an annual report in June. The Council Excellence Overview and Scrutiny Committee is responsible for scrutiny of treasury management and therefore the Treasury Management Strategy and Investment Strategy was presented to that Committee on 17 March 2010.
- 3.3. The Pension Fund Treasury Management Policy and Strategy was presented to the Pensions Committee on 13 January 2010.

4. HEAD OF INTERNAL AUDIT

- 4.1. In June 2009 CIPFA issued a Statement on the Role of the Chief Financial Officer in Public Services which was reported to this Committee on 23 September 2009. In December 2009 CIPFA issued a consultation paper on the Role of the Chief Financial Officer in Local Government which is reported elsewhere on this agenda.
- 4.2. CIPFA is currently developing a statement on the Role of the Head of Internal Audit. A draft statement is due to be issued in May 2010 for consultation. This will be presented to this Committee.

5. PROTECTING THE PUBLIC PURSE

- 5.1. This report from the Audit Commission highlights the risks of fraud to local government and identifies good practice in fighting fraud. It includes a checklist for those responsible for governance. This was reported to this Committee on 25 November 2009.

6. FINANCIAL IMPLICATIONS

- 6.1. There are none arising directly from this report.

7. STAFFING IMPLICATIONS

- 7.1. There are none arising directly from this report.

8. EQUAL OPPORTUNITY IMPLICATIONS

- 8.1. There are none arising directly from this report.

9. COMMUNITY SAFETY IMPLICATIONS

- 9.1. There are none arising directly from this report.

10. HUMAN RIGHTS IMPLICATIONS

- 10.1. There are none arising directly from this report.

11. LOCAL AGENDA 21 IMPLICATIONS

- 11.1. There are none arising directly from this report.

12. PLANNING IMPLICATIONS

- 12.1. There are none arising directly from this report.

13. **MEMBER SUPPORT IMPLICATIONS**

13.1. There are none arising directly from this report.

14. **BACKGROUND PAPERS**

14.1. CIPFA Better Governance Forum Audit Committee Update – January 2010.

14.2. Code of Practice for Treasury Management in Public Services – CIPFA 2009.

14.3. Treasury Management Strategy and Investment Strategy – February 2010.

14.4. Merseyside Pension Fund Treasury Management Strategy – January 2010.

14.5. The Role of the Chief Financial Officer in Public Services – CIPFA – June 2009.

14.6. The Role of the Chief Financial Officer in Local Government Consultation Draft. CIPFA – December 2009.

14.7. Protecting the Public Purse – Local Government Fighting Fraud – Audit Commission – September 2009.

14. **RECOMMENDATION**

14.1. That Members note the progress made on the recent developments highlighted in the Audit Committee Update.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/22/10

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WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

24 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

THE ROLE OF THE CHIEF FINANCIAL OFFICER

1. EXECUTIVE SUMMARY

- 1.1. In June 2009 CIPFA issued a statement on the Role of the Chief Financial Officer in Public Services which was reported to this Committee on 23 September 2009. CIPFA has now issued a consultation draft on the Role of the Chief Financial Officer in Local Government.

2. BACKGROUND

- 2.1. A Public Limited Company (PLC) would not be allowed to operate without a professionally qualified Finance Director on its main board. The same situation does not apply throughout the Public Sector, although it is essential for a professionally qualified Finance Director to sit on a NHS board.
- 2.2. In Local Government this situation has traditionally prevailed but in recent years an increasing number of local authorities have implemented management structures which break from this tradition. This has been the cause of increasing concern to the Government and the Audit Commission. The Government has now clarified its position.
- 2.3. In recognition of the centrality of financial issues to organisational success it is Government policy that all Government Departments should have a professional Finance Director reporting to the permanent secretary with a seat on the departmental board, at a level equivalent to other Board members. In Managing Public Money, HM Treasury recommends 'It is good practice for all other public sector organisations to do the same, and to operate the same standard'. This means the Finance Director should be professionally qualified, report directly to the paid head of the organisation, and be a member of the senior team that exercises management leadership, with a status equivalent to other members.
- 2.4. In June 2009 CIPFA issued a statement on the Role of the Chief Financial Officer (CFO) in Public Services and then commenced work to update the 2003 statement on the Role of the Finance Director in Local Government.
- 2.5. A consultation draft has been issued in December 2009, which is based on five principles. For each of these principles there are proposed governance requirements which are relevant to the role of this Committee.

3. THE PRINCIPLES

3.1. Principle 1

The CFO in a public service organisation is a key member of the Leadership Team, helping it to develop and implement strategy and to resource and deliver the organisation's strategic objectives sustainably and in the public interest.

Governance Requirements

- Set out a clear statement of the respective roles and responsibilities of the Leadership Team and its members individually.
- Ensure that the CFO reports directly to the Chief Executive and is a member of the Leadership Team with a status at least equivalent to other members.
- If different organisational arrangements are adopted, explain the reasons publicly, together with how these deliver the same impact.
- Determine a scheme of delegation and reserve powers, including a formal schedule of those matters specifically reserved for collective decisions by the Board, and ensure that it is monitored and updated.
- Ensure that organisation's governance arrangements allow the CFO:
 - to bring influence to bear on all material business decisions; and
 - direct access to the Chief Executive, other Leadership Team members, the Audit Committee and external audit.
- Review the scope of the CFO's other management responsibilities to ensure financial matters are not compromised.
- Assess the financial skills required by members of the Leadership Team and commit to develop those skills to enable their roles to be carried out effectively.

3.2. Principle 2

The CFO in a public service organisation must be actively involved in, and able to bring influence to bear on, all material business decisions to ensure immediate and longer term implications, opportunities and risks are fully considered, and alignment with the organisation's overall financial strategy.

Governance Requirements

- Establish a medium term business and financial planning process to deliver the organisation's strategic objectives, including:
 - a medium term financial strategy to ensure sustainable finances;
 - a robust annual budget process that ensures financial balance; and
 - a monitoring process that enables this to be delivered.

- Ensure that these are subject to regular review to confirm the continuing relevance of assumptions used.
- Ensure that professional advice on matters that have financial implications is available and recorded well in advance of decision making and used appropriately.
- Ensuring that budget calculations are robust and reserves adequate, in line with CIPFA's guidance.
- Ensure that those making decisions are provided with information that is fit for the purpose – relevant, timely and giving clear explanations of financial issues and their implications.
- Ensure that timely, accurate and impartial financial advice and information is provided to assist in decision making and to ensure that the authority meets its policy and service objectives and provides effective stewardship of public money and value for money in its use.
- Ensure that the authority maintains a prudential financial framework; keeps its commitments in balance with available resources; monitors income and expenditure levels to ensure that this balance is maintained and takes corrective action when necessary.
- Ensure that advice is provided on the levels of reserves and balances in line with good practice guidance.
- Ensure compliance with CIPFA's Code on a Prudential Framework for Local Authority Capital Finance and CIPFA's Treasury Management Code.
- Ensure that appropriate management accounting systems, functions and controls are in place so that finances are kept under review on a regular basis. These systems, functions and controls should apply consistently to all activities including partnerships arrangements, outsourcing or where the authority is acting in an enabling role.
- Ensure the provision of clear, well presented, timely, complete and accurate information and reports to budget managers and senior officers on the budgetary and financial performance of the authority.

3.3. Principle 3

The CFO in a public service organisation must lead the promotion and delivery by the whole organisation of good financial management so that public money is safeguarded at all times and used appropriately, economically, efficiently, and effectively.

Governance Requirements

- Make the CFO responsible for ensuring that appropriate advice is given on all financial matters, for keeping financial records and accounts, and for maintaining an effective system of financial control.

- Ensure that systems and processes for financial administration, financial control and protection of the organisation's resources and assets are designed in conformity with appropriate ethical standards and monitor their continuing effectiveness in practice.
- Ensure that the authority puts in place effective internal financial controls covering codified guidance, budgetary systems, supervision, management review and monitoring, physical safeguards, segregation of duties, accounting procedures, information systems and authorisation and approval processes. Ensuring that these controls are an integral part of the authority's underlying framework of corporate governance and that they are reflected in its local code.
- Address the organisation's arrangements for financial and internal control and for managing risk in Annual Governance Reports.
- Publish annual accounts on a timely basis to communicate the organisation's activities and achievements, its financial position and performance.
- Maintain and resource an effective internal audit function.
- Develop and maintain an effective Audit Committee.
- Ensure that the organisation makes best use of resources and that taxpayers and/or service users receive value for money.
- Embed financial competencies in person specifications and appraisals.
- Assess the financial skills required by managers and commit to develop those skills to enable their roles to be carried out effectively.
- Ensure that Councillors' roles and responsibilities for monitoring financial performance/budget management are clear, that they have adequate access to financial skills, and are provided with appropriate financial training on an ongoing basis to help them discharge their responsibilities.

3.4. **Principle 4**

The CFO in a public service organisation must lead and direct a finance function that is resourced to be fit for purpose.

Governance Requirements

- Provide the finance function with the resources, expertise and systems necessary to perform its role effectively.
- Ensure there is a line of professional accountability to the CFO for finance staff throughout the organisation.

3.5. **Principle 5**

The CFO in a public service organisation must be professionally qualified and suitably experienced.

Governance Requirements

- Appoint a professionally qualified CFO whose core responsibilities include those set out under the other principles in this Statement and ensure that these are properly understood throughout the organisation.
- Ensure that the CFO has the skills, knowledge, experience and resources to perform effectively in both the financial and non-financial areas of their role.

4. **PROPOSED IMPLEMENTATION AND COMPLIANCE**

4.1. Implementation will be effective in time for inclusion with the Annual Governance Statement for 2011. The Annual Governance Statement is signed by the Leader of the Council and the Chief Executive prior to audit by the Audit Commission. Any local authority which does not comply with the five principles will have to provide an explanation in the Annual Governance Statement.

4.2. The Council complies with all of the principles.

5. **FINANCIAL AND STAFFING IMPLICATIONS**

5.1. As Wirral already complies with all the principles there are no additional financial or staffing implications.

6. **EQUAL OPPORTUNITIES IMPLICATIONS**

6.1. There are none arising from this report.

7. **LOCAL AGENDA 21 IMPLICATIONS**

7.1. There are none arising from this report.

8. **PLANNING IMPLICATIONS**

8.1. There are none arising from this report.

9. **COMMUNITY SAFETY IMPLICATIONS**

9.1. There are none arising from this report.

10. **HUMAN RIGHTS IMPLICATIONS**

10.1. There are none arising from this report.

11. **LOCAL MEMBER SUPPORT IMPLICATIONS**

11.1. There are none arising from this report.

12. **BACKGROUND PAPERS**

12.1. Managing Public Money - HM Treasury 2007

12.2. Role of the Chief Financial Officer in Public Service Organisations - CIPFA June 2009.

12.3. Role of the Chief Financial Officer in Local Government Consultation Draft - CIPFA December 2009.

13. **RECOMMENDATION**

13.1. That compliance with the five principles be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/21/10

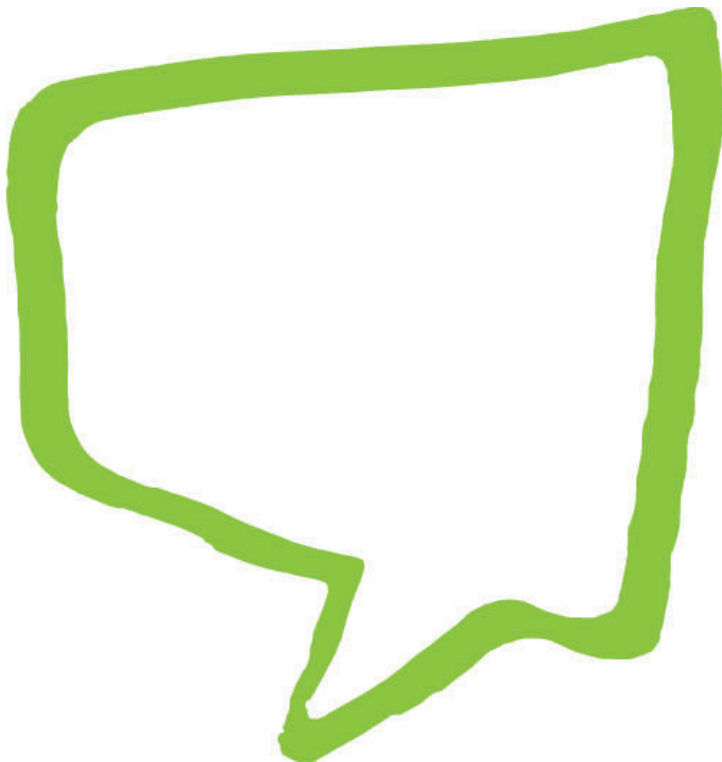
Certification of Claims and Returns

Annual Report

Wirral Council

Audit 2008/09

March 2010



Contents

Key messages	3
Background	5
Findings	7
Appendix 1 – Summary of 2008/09 certified claims	17
Appendix 2 – Action Plan	18

Status of our reports

The Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission explains the respective responsibilities of auditors and of the audited body. Reports prepared by appointed auditors are addressed to non-executive directors/members or officers. They are prepared for the sole use of the audited body. Auditors accept no responsibility to:

- any director/member or officer in their individual capacity; or
- any third party.

Key messages

- 1 Funding from government grant-paying departments is an important income stream for the Council. The Council needs to manage claiming this income carefully. It needs to demonstrate to the auditors that it has met the conditions which attach to these grants.
- 2 This report summarises the findings from the certification of 2008/09 claims. It includes the messages arising from my assessment of your arrangements for preparing claims and returns and information on claims that we amended or qualified.

Certification of claims

- 3 Wirral Council receives over £239 million of funding from various grant-paying departments. The grant-paying departments attach conditions to these grants. The Council must show that it has met these conditions. If the Council cannot evidence this, the funding can be at risk. It is therefore important that the Council manages certification work properly and can demonstrate to us, as auditors, that the relevant conditions have been met.
- 4 The concept of materiality does not apply to our certification of grants/returns. We are required to report all uncorrected errors and matters arising to the grant paying body regardless of their financial implications to the claim/return. Matters arising can include further background to issues identified during certification and allows the grant paying body to exercise judgement over, for example, eligibility of expenditure or the significance of the issue.
- 5 The format and structure of this report has changed from previous years to reflect a new national template issued centrally by the Audit Commission. More detail is now provided in the body of the report for individual claims/returns and we are now required to formally report what further action we consider necessary. This has resulted in the increase in the number of recommendations raised in this report compared to the report issued in respect of the 2007/08 grants programme.

Significant findings

- 6 In 2008/09, my audit team certified 8 claims with a total value of over £239 million. In line with the Audit Commission's national approach, we carried out a limited review of two claims and a full review of 6 claims. (Paragraph 12 below explains the difference between a limited and full review). We amended 4 of the 6 claims subject to full review. The financial impact of these changes resulted in Wirral Council potentially claiming an additional £571,217 of grant. The majority of this (£566,175) relates to the Council's largest claim which is for Housing and Council Tax Benefit.

- 7 For five out of the total eight claims, we issued a qualification letter to the grant-paying body highlighting instances where the claims audited did not fully comply with the requirements of the certification instructions. We have also set out areas in which we feel the Council could improve its current arrangements in order to maximise the grant claimed and to minimise associated risks. Appendix 1 sets out a full summary of our findings.
- 8 During 2008/09 there has been a significant reduction in the number of claims and returns requiring certification, eight grants compared to 29 in 2007/08 when a significant number of final European Regional Development Fund claims were completed and audited. The total value of grant claims has reduced by £19 million to £239 million compared to £258 million in 2007/08 as the high risk, high value and complex claims remain. Whilst there has been a significant improvement in the timeliness of claims submitted to audit, we have qualified a greater number of claims than the previous year.

Certification fees

- 9 Our planned fee for 2008/09 was £137k, based on the certification of an estimate of ten claims and assuming an effective control environment, good working papers and robust and effective quality assurance. The total fee charged for the certification of eight grant claims and returns for 2008/09 will be around £130k. Scope to reduce fees therefore remains through improvements to the control environment, working papers and quality assurance. The report below highlights areas where improvements can be made.
- 10 Our anticipated fee for 2009/10 was notified to you in March 2009 as £168,035 based on the information available at that time. However, we have now been notified by officers that there will be less claims and our estimate of fees for 2009/10 has now been revised to around £125k for eight claims. Our estimate assumes on-going improvements to the control environment, working papers and quality assurance procedures.

Actions

- 11 Appendix 2 summarises my recommendations. The relevant officers of the Council have already agreed these recommendations and issues have been reported on each individual claim on certification.

Background

- 12 The Council claims over £239 million for specific activities from grant paying departments. As this is significant to the Council's income it is important that this process is properly managed. In particular this means:
 - an adequate control environment over each claim and return; and
 - ensuring that the Council can evidence that it has met the conditions attached to each claim.
- 13 I am required by section 28 of the Audit Commission Act 1998 to certify some claims and returns for grants or subsidies paid by the government departments and public bodies to Wirral Council. I charge a fee to cover the full cost of certifying claims. The fee depends on the amount of work required to certify each claim or return.
- 14 The concept of materiality does not apply to our certification of grants/returns. We are required to report all uncorrected errors and matters arising to the grant paying body regardless of their financial implications to the claim / return. Matters arising can include further background to issues identified during certification and allows the grant paying body to exercise judgement over, for example, eligibility of expenditure or the significance of the issue.
- 15 The Council is responsible for compiling grant claims and returns in accordance with the specific requirements and timescales set by the grant paying departments.
- 16 The key features of the current certification arrangements are as follows.
 - For claims and returns below £100,000 the Commission does not make certification arrangements.
 - For claims and returns between £100,000 and £500,000, auditors undertake limited tests to agree form entries to underlying records, but do not undertake any testing of eligibility of expenditure.
 - For claims and returns over £500,000 auditors assess the control environment for the preparation of the claim or return to decide whether or not they can place reliance on it. Where reliance is placed on the control environment, auditors undertake limited tests to agree from entries to underlying records but do not undertake any testing of the eligibility of expenditure or data. Where reliance cannot be placed on the control environment, auditors undertake all of the tests in the certification instruction and use their assessment of the control environment to inform decisions on the level of testing required. This means that the audit fees for certification work are reduced if the control environment is strong.

- For claims spanning over more than one year, the financial limits above relate to the amount claimed over the entire life of the claim and testing is applied accordingly. The approach impacts on the amount of grants work we carry out, placing more emphasis on the high value claims.
- 17 At Wirral, we issue detailed feedback to the Director of Finance on the outcome of the certification for each claim or return when we send the certified claim to the department. This is in addition to any qualification letter and communicates whether or not reliance was placed on the control environment, whether the claim was amended or qualified, the value of any changes and further actions the Council needs to take to improve. These actions are incorporated into this report as recommendations. Copies of the communication with the Director of Finance, the certified claim and, if applicable the qualification letter, are also sent to the Grants Claim Coordinator.
- 18 The format and structure of this report has changed from previous years to reflect a new national template issued centrally by the Audit Commission. More detail is now provided in the body of the report for individual claims/returns and we are now required to formally report what further action we consider necessary. This has resulted in the increase in the number of recommendations raised in this report compared to the report issued in respect of the 2007/08 grants programme.

Findings

Control environment

- 19** The starting point for our certification work for every grant claim or return whose value is in excess of £500,000 is our assessment of the control environment in place for the preparation and compilation of each claim or return. We consider the risk attached to the claim due to its value and inherent complexity and the how Council mitigates this risk through the control environment. A strong control environment provides the responsible finance officer with assurance that the grant claim or return they sign is accurate and complies with the relevant terms and conditions. Where we are able to place reliance on the control environment for a specific grant claim or return, we reduce the level of testing that we are required to perform.
- 20** The control environment is assessed across five themes.
- Arrangements to ensure claims and returns are completed accurately and in accordance with the scheme terms and conditions.
 - Control arrangements, including internal financial control and internal audit.
 - Quality of authority's supporting working papers.
 - Expertise and relevant knowledge of the preparers, including the adequacy of supervision and review.
 - Cumulative knowledge of the problems associated with compilation of the claim or return.
- 21** In 2008/09 we assessed that the control environment could not be relied upon for six of the eight claims and returns that exceeded £500,000 submitted for certification (75 per cent). The main reasons why we could not place reliance on the control environment were:
- previous record of amendment and/or qualification of the claim/return;
 - insufficient demonstration of controls over payments administered by external third parties;
 - failure to demonstrate how the grant claim/return was compiled and the quality monitoring processes in place; and
 - actual profile of expenditure being inconsistent with expectation.
- 22** We do not assess the control environment in respect of the Housing Benefit and Council Tax subsidy claim on which we are required to carry out extended testing irrespective of the control environment.

Specific claims

- 23** In 2008/09, my audit team certified 8 claims with a total value of over £239 million. In line with the Audit Commission's national approach, we carried out a limited review of two claims and a full review of 6 claims. (Paragraph 12 above explains the difference between a limited and full review). We amended 4 of the 6 claims subject to full review. The financial impact of these changes resulted in Wirral Council claiming an additional £571,217 of grant.
- 24** For five out of the total eight claims, we issued a qualification letter to the grant-paying body highlighting instances where the claims audited did not fully comply with the requirements of the certification instructions. We have also set out areas in which we feel the Council could improve its current arrangements in order to maximise the grant claimed and to minimise associated risks. Appendix 1 sets out a full summary of our findings.
- 25** The results of the 2008/09 programme are summarised in Table 1.

Table 1 Key facts and figures

	2007/08	2008/09
Total number of claims and returns	29	8
Total value of grant claims or returns	£257,614,712	£238,918,959
Number of individual claims above £500,000	22	8
Number of claims where reliance was not placed on control environment	7 (32%)	6 (75%)
Number of claims qualified	4 (14%)	5 (63%)
Number of claims amended	19 (66%)	4 (50%)
Number of claims amended which impacted on amount of grant claimed or value of return	8 (28%)	3 (38%)
Number of claims submitted late to auditor	16 (55%)	3 (38%) ¹
Number of claims certified late by auditor	20 (69%)	4 (50%)
Certification fee	£174,664	£130,000 (approx)
Increase/(decrease) to value of grant claimed arising from certification work	£490,842	£571,217

One of the three claims received late to audit, two were in respect of NWDA single programme claims due to lack of clarity from the NWDA over which forms should have been used.

Findings

Housing benefit and Council Tax benefit subsidy

- 26 The value of the Housing Benefit and Council Tax Benefits subsidy claim in 2008/09 was £131.5 million (£120.1 million in 2007/08). The claim was amended and a qualification letter was necessary.
- 27 Amendments to the claim resulted in an increase of subsidy entitlement of £566,175. Audit amendments totalled £256,740 with the balance attributable to changes identified by the Council following the submission of the claim to DWP and for audit.
- 28 A qualification letter was necessary in respect of the following matters.
- Variances between Headline cells and Reconciliation Cells.
 - The return is sourced from reports provided by the software supplier and shows total values for categories of benefit (eg Rent Allowance) in headline cells. The Council is also required to analyse the elements which make up the total for each category of benefit, again using reports provided by the software supplier. These are totalled in an 'In Year Reconciliation Cell'. The value in the In Year Reconciliation cell should be equal to the value in the headline cell but we found differences between headline cells and reconciliation cells.
 - The Council should require the system supplier to fix this problem.
 - Reconciliation of Amount Paid to Amount Awarded within the HB System.
 - This issue is similar in nature to that identified above in that the Council is required to reconcile benefit paid to benefit awarded using a spreadsheet tool issued by the software supplier. After completing this exercise the Council found a difference of £1,645.
 - The Council consulted the supplier who responded that the variance was likely to be linked to issues on self-netting and local scheme claims. As the variance was only £1,645, the Council did not investigate further.
 - The Council should require the software supplier to fix this problem.
 - Quality Assurance Testing
 - This issue has already been reported to the Council in the Data Quality spotchecks report 2008/09.
 - Unadjusted errors identified during testing of individual cells.
 - Our testing of individual cells identified the following.
 - Backdated Benefits - cases where we found the Council had awarded backdated benefit outside the criteria provided for in the regulations.
 - Modified Schemes - we identified a number of cases where the calculated benefit and the amount included in the claim did not agree. The Council subsequently established that this was caused by a software error and we are advised that the software supplier has corrected the problem for 2009/10.

Recommendations	
R1	Investigate and address for future years the reasons for amendments to the claim having to be made by the Council after submission of the claim to DWP and for audit.
R2	Liaise with the software supplier to investigate and resolve the difference between: <ul style="list-style-type: none"> • the headline cell and the reconciliation cell; and • the amount awarded and the amount paid to claimants.

Sure Start, Early Years and Childcare Grant

- 29** The value of this claim in 2008/09 was £10.2 million (£11.1 million in 2007/08). The claim was not amended but a qualification letter was necessary. Reliance was not placed on the control environment and the claim was also submitted late to the Department for Children, Schools and Families (DCSF) and audit.
- 30** Reliance was not placed on the control environment due to the following reasons.
- Quality of working papers, specifically improving the link between the amounts in the claim and supporting documentation.
 - Cumulative auditor knowledge and experience of the claim.
 - Review and quality assurance process during claim preparation.
 - Late submission of the claim.
- 31** The claim was submitted one month late to audit for certification. This was because the general ledger had not been fully closed for the financial year and post year end adjustments were necessary in order to calculate the relevant amounts for the claim.
- 32** The qualification letter was necessary in respect of the following matters:
- Computer software expenditure included in the Main Capital Block
 - The grant claim terms and conditions require that only expenditure on tangible assets may be classified as capital expenditure. Our testing identified £62,000 of expenditure on intangible assets classified as capital expenditure.
 - Information held within the asset register
 - The grant awarding body, in this case the DCSF specifies what records it requires Councils to maintain in respect of grant funded assets. Our testing identified that the Council's asset register did not record all of the necessary information.

Recommendation	
R3	Ensure that the information contained in the asset register satisfies the requirements of the DCSF in respect of the Sure Start, Early Years and Childcare grant

Findings

Recommendation

R4 Review the year end process followed for the production of the Sure Start, Early Years and Childcare grant claim to allow submission to the DCSF and audit by the specified deadline

Teachers pension return

- 33** The value of the Teachers' Pension return in 2008/09 was £22.5 million, (£21.8 million in 2007/08). The claim was not amended but a qualification letter was necessary. Reliance was not placed on the control environment.
- 34** Reliance could not be placed on the control environment for the following reasons:
- The Council were unable to demonstrate how it assures itself that figures passed to it by external payroll providers are accurate and reliable.
- 35** The qualification letter was necessary in respect of the following matters:
- Assurance in respect of third party payroll providers
 - The payroll function for five schools included in the return is not provided by the Council. The total contributory salary in respect of these five schools is £13 million. Our testing identified that the Council had not obtained satisfactory external or internal assurance with respect to the deductions made by these five schools.
 - Opted out teacher
 - Testing identified that for one full time teacher who had been shown as opted out of the scheme, the teacher had never completed an opt out form. At the time of our certification of this return, the teacher was entered into the scheme and the Council was in the process of establishing whether or not this teacher's membership should be backdated.
 - Calculation of strike pay deduction
 - Strike action was taken by teachers in 2008/09 and the appropriate deduction had to be made to their salary. In one case tested, due to non typical changes in the teacher's circumstance, the deduction made was slightly less than it should have been. There was no indication that this was a systemic error.

Recommendation

R5 Review and improve the arrangements in place to ensure completeness and accuracy of the information provided by external payroll providers for inclusion into the Teachers' Pension Return.

Recommendations	
R6	Confirm that for all teachers who are currently treated as having opted out of the Teachers' Pensions scheme there is sufficient documentation to demonstrate that the teacher has formally opted out.
R7	Confirm and conclude on the decision whether or not backdating of membership is necessary in the case identified during testing of the Teachers' Pension return.

NWDA Single Programme grant

- 36** Two North West Development Agency (NWDA) single programme annual grant claims were certified in 2008/09. The total value of these claims over the lifetime of the projects will be £13 million. In both cases the claim had to be amended and in one case a qualification letter was necessary. Reliance was not placed on the control environment for either claim. Some of the issues raised in respect of the Land Reclamation Programme claim considered in the next section of this report are also relevant to this claim.
- 37** Reliance could not be placed on the control environment for the following reasons.
- Review and quality assurance process during claim preparation.
 - Relevant issues identified in another associated claim.
- 38** Amendments were necessary to correct relatively minor compilation errors. For example, necessary schedules of expenditure had not been completed and the stated amount of approved funding was incorrect. We would have expected these errors to be identified through the quality review process prior to submission of the claims to audit. We have commented on the quality assessment process further on in this report.
- 39** A qualification letter was necessary in respect of the Wirral International Business Park claim, value £2.1 million over the lifetime of the project, in respect of the following matters.
- Documentation to support the award of a contract included within the claim.
 - The principle objective of this scheme is to construct and connect a primary sub-station to provide electricity to the Wirral International Business Park site. We reviewed the award of the construction and connection contract during our testing of this claim. We identified deficiencies in the documentation and audit trail to support the decision making process followed in the award of this contract. There was also no guidance in the Council's Contract Standing Orders in respect of the number of tenders that are expected to be received prior to the award of a contract and the process to follow in instances where only a single tender is received.
 - The qualification of the associated Land Reclamation Programme claim

Findings

- The total value of the primary sub-station is approximately £2.5 million of which £2.1 million is funded through this NWDA claim and the remaining element is funded through the Land Reclamation Programme (LRP) claim (see next section below) and by the European Regional Development Fund (ERDF). As we qualified the LRP claim it was necessary to include reference to this in the qualification letter issued in respect of the NWDA Single Programme claim.

Recommendation

R8 Amend Contract Standing Orders to include specific reference to the number of tenders that the Council expects to receive prior to the award of a contract and the process to follow in instances where only a single tender is received

Land Reclamation Programme grant

- 40** The value of the Land Reclamation Programme (LRP) grant claim was £1.8 million and we had not certified this project previously. The claim was amended and a qualification letter was necessary. Reliance was not placed on the control environment. Some of the issues raised in respect of a NWDA Single Programme claim considered in the previous section of this report are also relevant to this claim.
- 41** Amendments to the claim resulted in a decrease of grant entitlement of £26k. Amendments were also necessary to correct various compilation errors; for example the stated rate of investment was incorrect and not all required information had been recorded in the claim.
- 42** Reliance was not placed on the control environment for the following reasons.
- A formal funding agreement was not provided.
 - Review and quality assurance process during claim preparation.
 - The expenditure profile included in the claim did not agree with the latest communication from English Partnerships.
- 43** A qualification letter was necessary in respect of the following matters.
- Grant funding agreement
 - The Council were unable to provide us with a copy of a detailed funding agreement in respect of this claim and consequently we were unable to confirm that the nature and profile of expenditure included in the claim was originally approved for funding.

- Compliance with Standing Orders
 - Testing identified an overspend of £136k (21 per cent) incurred on a contract awarded for demolition and remedial services included in the claim. The Council's Standing Orders require that a written report is submitted to Cabinet or other relevant regulatory committee to explain the reasons for the contract price exceeding the tender total by the lower of 10 per cent or £50k. No report went to members at the time the overspend was incurred and the report was still outstanding when we certified the claim.
- Primary sub-station expenditure
 - The Council had used approximately £210k of LRP grant to contribute towards the total cost (approximately £2.5 million) of the construction and connection of a primary sub-station. On the basis of the available guidance issued by English Partnerships in respect of the LRP, and in lieu of a formal agreement between the Council and English Partnerships to apply LRP grant towards the cost of the sub-station, we consider that the contribution towards the cost of the sub-station is ineligible for LRP funding.

The issue identified in respect of the award of the sub-station contract outlined in paragraph 35 of this report was also included in the qualification letter for this claim.

Recommendation

R9 Ensure that a written report is submitted to Cabinet or other relevant regulatory committee to explain the contract overspend identified during our testing of the LRP grant claim.

Disabled Facilities grant

- 44** The value of the Disabled Facilities grant in 2008/09 was £1.220 million (£976k in 2007/08). No amendments to this claim or qualification letter were necessary. Reliance was placed on the control environment.

National non-domestic rates return

- 45** The value of the National non-domestic rates (NNDR) return in 2008/09 was £58.647 million (£55.200 million in 2007/08). No amendments to this claim or qualification letter were necessary. Reliance was placed on the control environment.

Quality assurance and grant claim coordination

- 46 The Council has developed good grant claim coordination arrangements which are supported by a Grants Manual. The role and responsibilities of the Grant Claims Coordinator outlined in the Manual represent good practice and, if followed, will ensure an efficient planning process and the timely delivery of certified claims/returns to grant paying bodies. The Grants Claims Coordinator's responsibilities, as set out in the Grants Manual, are to:
- identify new grant schemes for which the Authority may be eligible;
 - train and promote best practice to grant compilers;
 - identify and monitor claims due for submission, and liaise with the Audit Commission regarding claim submissions;
 - 'chase up' late claims with compilers and Departmental Management;
 - review the cashflow advantages of early claims and adjust submission dates accordingly;
 - liaise with Internal Audit regarding audit coverage to ensure systems of control are adequate and effective;
 - circulate Audit Commission Certification Instructions to grant compilers;
 - conduct pre-audit checks to ensure files contain supporting working papers and are suitable for submission to the Audit Commission; and
 - reduce the cost of grant claim audit charges to the Authority and to protect the financial interests of the Authority.
- 47 The majority of claims were submitted to audit on time and this is a significant improvement compared to last year. As noted previously, the Sure Start, Early Years and Childcare grant was submitted a month late and a recommendation has been raised in respect of this. The two NWDA single programme grant claims were also submitted late to audit although this was due to lack of clarity from the NWDA over which forms should have been used.
- 48 Four of the eight claims (50 per cent) required amendment. In respect of three claims, the two NWDA Single Programme claims and the Land Reclamation Programme claims, the required amendments were necessary to correct relatively minor compilation errors that we would have expected to have been identified through the quality assurance process prior to submission of the claims to audit. The quality assurance process needs to involve key officers at each stage of the claim from original compiler through to final signatory. Respective responsibilities need to be set out clearly in the Grants Manual.

- 49 The working papers submitted to support the claims were generally good and provided in a timely manner. However, there is scope to improve the quality of working papers. The audit trail between the claim/return and supporting financial records could be improved with clearer signposting on how data from the general ledger support the entries in the claim/return. In addition, the Council needs to ensure that sufficient documentation exists to support key decisions and judgements made in respect of grant expenditure.

Recommendations

- R10** Review and improve the quality assurance process to reduce the number of compilation errors present in claims submitted to audit. The quality assurance process needs to involve key officers at each stage of the stage from original compiler through to final signatory. Responsibilities for quality assurance should be set out in the Grants Manual.
- R11** For all grant claims and returns, ensure there is an adequate audit trail that clearly supports key decisions and judgements made in respect of grant expenditure and demonstrates how data from the general ledger supports the financial entries in the claim / return

Appendix 1 – Summary of 2008/09 certified claims

Claims and returns above £500,000

Claim	Value £	Adequate control environment	Amended	Qualification letter
Housing and council tax benefit	131,506,000	N/A	Yes	Yes
Sure start, early years and childcare	10,168,586	No	No	Yes
Disabled facilities	1,219,923	Yes	No	No
National non-domestic rate return	58,646,816	Yes	No	No
Teachers pension return	22,544,514	No	No	Yes
NWDA Single programme - Merseyside Waterfront Regional Park	10,914,852	No	Yes	No
NWDA Single programme - Wirral International Business Park	2,128,335	No	Yes	Yes
Land reclamation programme - MOD land	1,789,933	No	Yes	Yes

Claims between £100,000 and £500,000

- 1 No claims between £100,000 and £500,000 were submitted for certification during 2008/09.

Appendix 2 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
Annual Claims and Returns Report 2008/09 - Recommendations						
Housing Benefit						
10	R1 Investigate and address for future years the reasons for amendments to the claim having to be made by the Council after submission of the claim to DWP and for audit.	2	Nicky Dixon Finance	Yes	Whilst there is insufficient time from the date the reports are produced and the deadline for submitting the claim to analyse in any depth the cells to ensure subsidy is maximised this is realistically achieved once the claim has been sent. However we will continue to look at whether this is capable of being done in this time slot.	Ongoing
10	R2 Liaise with the software supplier to investigate and resolve the difference between: <ul style="list-style-type: none"> the headline cell and the reconciliation cell the amount awarded and the amount paid to claimants. 	1	Nicky Dixon Finance	Yes	Whilst the supplier strives to ensure relevant transactions are included in the calculation of both the headline cell and the in year reconciliation cells discrepancies between these, the amount awarded and the amount paid are not always easily identifiable. The level of further investigation and resources employed depend on the significance of the value and we continue to work to minimise these along with the other 100+ local authority users of this system.	Ongoing

Appendix 2 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	Sure Start, Early Years and Childcare					
10	R3 Ensure that the information contained in the asset register satisfies the requirements of the DCSF in respect of the Sure Start, Early Years and Childcare grant.	1	Jenny Harris Children's	Yes	New systems have been devised to now incorporate an inventory list and an asset register for items over £2,500 which follows the DCSF guidance.	March 2010
11	R4 Review the year end process followed for the production of the Sure Start, Early Years and Childcare grant claim to allow submission to the DCSF and audit by the specified deadline.	2	Jenny Harris Children's	Yes	Procedures amended to enable a copy of the annual financial statement to be available by the deadline set.	March 2010
	Teachers' Pension Return					
11	R5 Review and improve the arrangements in place to ensure completeness and accuracy of the information provided by external payroll providers for inclusion into the Teachers' Pension Return.	3	Pete Hughes Finance	Yes	Action plan to TP 4 March 2010 outlined the additional reports and checks in respect of these schools. Internal Audit will assist with the collection of this data.	March 2010
12	R6 Confirm that for all teachers who are currently treated as having opted out of the Teachers' Pensions scheme there is sufficient documentation to demonstrate that the teacher has formally opted out.	2	Pete Hughes Finance	Yes	HR/Payroll controls are in place and a review has been undertaken which identify this as a 'one-off' occurrence.	March 2010
12	R7 Confirm and conclude on the decision whether or not backdating of membership is necessary in the case identified during testing of the Teachers' Pension return.	2	Pete Hughes Finance	Yes	Teacher is now in the scheme and has agreed to pay retrospective arrears. TP have been notified.	March 2010

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
	NWDA Single Programme and Land Reclamation Programme					
13	R8 Amend Contract Standing Orders to include specific reference to the number of tenders that the Council expects to receive prior to the award of a contract and the process to follow in instances where only a single tender is received.	3	Ray Williams Finance	Yes	A review of the Council's Standing Orders procedures is underway.	May 2010
14	R9 Ensure that a written report is submitted to Cabinet or other relevant regulatory committee to explain the contract overspend identified during our testing of the LRP grant claim.	3	Ray Squire Regeneration	Yes	A report had been prepared but was awaiting completion of the scheme before a report was presented to Cabinet.	May 2010
	Quality assurance and grant claim coordination					
16	R10 Review and improve the quality assurance process to reduce the number of compilation errors present in claims submitted to audit. The quality assurance process needs to involve key officers at each stage of the stage from original compiler through to final signatory. Responsibilities for quality assurance should be set out in the Grants Manual.	2	Project Officer Claim Compiler Grants Co-ordinator	Yes	Additional training/support for Project Officers and Claim Compilers is regularly provided and will further raise the profile of these issues as well as making the amendments to the Grants Manual.	Ongoing

Appendix 2 – Action Plan

Page no.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsibility	Agreed	Comments	Date
16	R11 For all grant claims and returns, ensure there is an adequate audit trail that clearly supports key decisions and judgements made in respect of grant expenditure and demonstrates how data from the general ledger supports the financial entries in the claim/return	2	Project Officer Claim Compiler	Yes	Additional training/support for Project Officers and Claim Compilers is regularly provided and will further raise the profile of these issues.	Ongoing

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WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

24 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

CERTIFICATION OF GRANT CLAIMS AND RETURNS - AUDIT COMMISSION REPORT

1. EXECUTIVE SUMMARY

- 1.1 This report provides Members with details of issues raised in the Audit Commission report on the certification of claims and returns relating to the 2008/09 financial year and how these issues have been addressed.

2. BACKGROUND

- 2.1 In 2008/09 the Authority received eight grants which required claim forms to be submitted and audited. A significant reduction from 2007/08 with the completion of final European Regional Development Fund claims, but the complex claims remain. A separate annual audit certificate has to be produced by the Audit Commission for each claim, and returned to the relevant grant paying body. The Audit Commission undertakes this grant audit role alongside its other duties as external auditor to the Authority.
- 2.2 The audit process requires grant claim compilers to provide detailed working papers analysing and justifying any claimed expenditure. These must satisfy the auditors that any expenditure is eligible in accordance with grant conditions. The Audit Commission produces a 'Certification Instruction' for each claim, which lists a number of tests the Commission must undertake before certifying each claim.
- 2.3 The Audit Commission undertakes limited testing on claims between £100,000 and £500,000 and for claims over £500,000 the amount of work is based upon a risk assessment related to the control environment that is undertaken by the Commission.
- 2.4 The Audit Commission produces an annual report on grant claim performance with the charges to the Authority for grant claim work being on an hourly basis. These are in addition to charges made for non-grant work for the Authority.

3. AUDIT COMMISSION REPORT FINDINGS

3.1 The Audit Commission report on the 2008/09 grants (audited during 2009/10), reflects a different approach by the Commission. Now more detailed than previous reports this has resulted in an increase in the number of recommendations as they are now prepared on a claim by claim basis to help direct action points towards the responsible officers. (Appendix 1 of the Audit Commission Report contains the action plan.) Below is a summary table of the issues:-

Ref	Claim Title	Value £	Amends £	Qualified	Time
BEN 01	Housing & Council Tax Benefits Scheme	131,506,000	566,175	Yes	Yes
EYC 02	Sure Start & Child Care	10,168,586	0	Yes	No
HOU 21	Disabled Facilities Grant	1,219,923	0	No	Yes
LA 01	National Non Domestic Rates	58,646,816	0	No	Yes
PEN 05	Teachers Pensions	22,544,514	0	Yes	Yes
RG 34	NWDA - Mersey Waterfront Reg Park	10,914,852	0	No	No
RG 34	NWDA - Wirral Inter'l Business Park	2,128,335	31,275	Yes	No
RG 15	NWDA – Land Reclamation Grant	1,789,933	(26,233)	Yes	Yes
	Total	238,918,959	571,217	Yes 5 No 3	Yes 5 No 3

3.2 The report refers to the continuing improvements in grant claim preparation and co-ordination:-

- i) A significant improvement in submitting claims on time as three were recorded as late and two of those were through a lack of clarification by the grant paying body.
- ii) Claims were generally accompanied by a comprehensive file of working papers and requests for information were responded to well and in a timely manner.
- iii) There is good grant claim co-ordination arrangements supported by a Grant Manual and the roles and responsibilities of the Co-ordinator outlined in the manual represent good practice.

3.3 A number of concerns were highlighted by the Audit Commission report and whilst these are detailed in the action plan those of greater significance are:-

- i) The arrangements to ensure the completeness and accuracy of the information provided by external payroll providers for inclusion in the Teachers Pension Return (Recommendation R5).

- ii) The need to amend Contract Standing Orders to include specific reference to the number of tenders that the Council expects to receive prior to the award of a contract and the process to follow in instances where only a single tender is received (Recommendation R8).
- iii) The need for a written report to Cabinet to explain the contract overspend identified during the audit of the Land Reclamation Programme claim (Recommendation R9).

4. RESPONSE TO THE REPORT

- 4.1 The Audit Commission report is based upon grant claim audits relating to the 2008/09 financial year and actions are in place to address the issues raised as well as those in the report on 2007/08 grant claim (reported to this Committee on 18 January 2010).
- i) Ensure that the control environment for all claims and returns is robust and that this is adequately demonstrated when the claim or return is submitted for certification.
 - ii) Ensure all expenditure included in the claims and returns is eligible under the terms and conditions specified by the grants paying body.
 - iii) Ensure consistently strong internal quality assurance processes and co-ordination arrangements.
 - iv) Ensure working papers provided are consistently of good quality and provide a clear audit trail between the amounts in the claim or return and supporting financial documentation.
- 4.2 In addition to the steps taken in the action plan, the Authority is continuing to take a pro-active approach to encourage good grant claim practice:
- i) The grant co-ordination procedure manual will be updated to include new procedures for 2009/10 and will be circulated to all claim compilers and their responsible officers.
 - ii) Further training and support is planned to emphasise the importance of quality review at each stage of the grant process.
 - iii) Regular communication will be maintained between the grant co-ordinator and the Audit Commission.
- 4.3 The actions taken should reduce the need for amendments in the future. However the Housing Benefit claim is large and complex and is always likely to be subject to some form of amendment and those relating to North West Development Agency grant support are frequently subject to change.

4.4 In terms of qualification letters, which are produced where the auditor wishes to raise an issue with the paying body but do not necessarily imply that there is an error with any claim, five were issued in 2008/09. The issues raised had no impact on grant entitlement as in each case the grant paying body was satisfied with the action taken by the Council and paid out all money claimed.:-

4.4.1 Housing and Council Tax Benefits

The nature and scale of the regulations arising from the Department for Work and Pensions and its value make this claim extremely complex. The qualification essentially covered validation errors which the system software was unable to reconcile. In trying to reconcile the amount paid to amount awarded, a difference of £1,645 remained.

4.4.2 Sure Start Early Years

The claim was qualified due to wrongly classifying £62,000 of expenditure as intangible assets. It was also found that the Council asset register did not include all necessary grant funded assets relating to the schemes.

4.4.3 Teachers Pensions

The qualification was made on the basis of three issues: the Council had not made satisfactory assurance in relation to deductions made for five schools; a teacher had been shown as opted out of the scheme without completing the appropriate form; and an incorrect deduction was made from a teachers salary following strike action.

4.4.4 Wirral International Business Park

The qualification was issued due to a lack of Audit trail for the decision to award the contract for the project.

4.4.5 Land Reclamation Programme (LRP)

The qualification was made on the basis of three issues in that the Council was unable to provide a detailed copy of the funding agreement; the contract overspent on the original quotation and the LRP grant contribution was deemed by the Audit Commission to be ineligible. The grant paying body has paid to the Council all money claimed.

5. FINANCIAL AND STAFFING IMPLICATIONS

5.1 There are no direct financial consequences arising from this report. The total fee charged for the certification of the 2008/09 claims will be about £130,000. There may be a reduction in audit fees if a control environment can be established which is fully in line with Audit Commission guidance.

6. EQUAL OPPORTUNITIES IMPLICATIONS

6.1 There are none arising directly from this report.

7. HUMAN RIGHTS IMPLICATIONS

7.1 There are none arising directly from this report.

8. COMMUNITY SAFETY IMPLICATIONS

8.1 There are no specific implications arising from this report.

9. LOCAL MEMBERS SUPPORT IMPLICATIONS

9.1 There are no specific implications for any Member or Ward.

10. LOCAL AGENDA 21 IMPLICATIONS

10.1 There are none arising directly from this report.

11. PLANNING IMPLICATIONS

11.1 There are none arising from this report.

12. BACKGROUND PAPERS

12.1 Certification of Claims and Returns – Audit Commission – March 2010.

13. RECOMMENDATION

13.1 That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/55/10

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WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

24 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

AUDIT COMMISSION: REVIEW OF INTERNAL AUDIT AND THE AUDIT FEE

1. EXECUTIVE SUMMARY

- 1.1. The Audit Commission's triennial review of Internal Audit was reported to this Committee on 18 January 2010.
- 1.2. Significant progress has been made on implementing the twelve recommendations. The Audit Commission has agreed to work with Internal Audit, the Council's Finance Team, and other directorates to reduce the external audit fee.

2. BACKGROUND

2.1. Review of Internal Audit

2.1.1 At the meeting of this Committee on 18 January 2010, the three-yearly review of Internal Audit conducted by the Audit Commission, was presented, together with an Action Plan to address the recommendations made. (Item 65) Committee resolved that a report upon the progress in the implementation of the recommendations be presented to this Committee.

2.2. Meetings have subsequently been held with the Audit Commission to discuss the report findings and to ensure that actions to implement the recommendations were agreed. The current position with respect to implementation is described in the attached table at Appendix 1.

2.3. The Audit Fee

2.3.1 Additionally, the committee considered the Audit Commission's Annual Audit Letter, and resolved that a report be presented to this Committee upon action required to be taken by the authority to reduce the audit fee further.

2.3.2 Discussions were also held with the Audit Commission with regard to determining how they could rely on the work of Internal Audit, with a view to the possibility of reducing the Audit Commission fees. The Audit Commission's national audit approach aligned with the implementation of International Standards on Auditing (ISA's) have meant external auditors have in recent years sought to place less reliance on the work of internal audit than was historically the case. There are pressures for this to change and whilst there remains a requirement that external audit cannot direct the work of internal audit, there are opportunities for both functions to work more closely together

for the overall benefit of the Authority. The Audit Commission has agreed to work together with Internal Audit, the Council's Finance team and other directorates to reduce the external audit fee. We have agreed to explore the following in respect of the fees for 2009/10 and 2010/11.

- Agree a mutually beneficial approach to flow-charting and documenting the Council's significant financial systems.
- Agree the approach to, timing and, amount of controls testing required to maximise the assurance that the Audit Commission can place on the work undertaken by Internal Audit in respect of the Council's fundamental financial systems;
- Share with Internal audit, the tests on grants that the Commission conducts and work together to identify and eradicate any duplication or highlight areas for further collaboration;
- Complete a written protocol which clarifies the relationship between the Audit Commission and Internal Audit and indicates potential areas of work where the Commission can rely on the work carried out by Internal Audit.
- Look at ways of improving the Quality assurance arrangements relating to the financial statements focussing on compliance to changes with the Statement of Recommended Practice (SORP) and other technical accounting matters;
- Improve the quality of working papers presented for external audit (this relates to all areas of work such as evidence and working papers provided to support use of resources and performance reviews as well as for the opinion);
- To agree work on the financial statements that can be undertaken early so as to minimise the impact at peak times;
- To share and agree a project plan that enables delivery of the key outputs by the deadline of 30 September 2010.
- Agree a protocol on agreement of draft Audit Commission reports with the Council.

2.4. The Commission has met with Internal Audit at regular quarterly intervals to discuss material issues and it is envisaged these will continue and the details of how fees will be potentially reduced will be finalised in these discussions and in agreement with the Audit and Risk Management Committee.

3. FINANCIAL AND STAFFING IMPLICATIONS

3.1. There is the potential to reduce the fee.

4. LOCAL MEMBER SUPPORT IMPLICATIONS

4.1. There are no local member support implications.

5. LOCAL AGENDA 21 STATEMENT

5.1. There are no local agenda 21 implications

6. PLANNING IMPLICATIONS

6.1. There are no planning implications.

7. EQUAL OPPORTUNITIES IMPLICATIONS

7.1. There are no equal opportunities implications.

8. COMMUNITY SAFETY IMPLICATIONS

8.1. There are no community safety implications.

9. HUMAN RIGHTS IMPLICATIONS

9.1. There are no human rights implications.

10. RECOMMENDATION

10.1. That the report be noted.

IAN COLEMAN
DIRECTOR OF FINANCE.

FNCE/52/10

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Appendix 1.

Recommendation	Priority 1 = Low 2 = Med 3 = High	Director of Finance Comments	Date of Final Implementation	Progress of Implementation
<p>R1 Strengthen the independence of internal audit</p> <ul style="list-style-type: none"> • Review the structure of the Internal Audit department and in particular management and reporting lines and ensure it is shown on the Council's organisation chart. • Consider the results of the IA survey in relation to independence. 	2	<p>The structure of Internal Audit (IA) is continuously reviewed. See also R4 below. We shall show IA on the Council's organisation chart at the next review of the Constitution.</p>	30/6/2010	<p>The Department intends to recruit graduates to train as CIPFA accountants and several of these will be deployed in Internal Audit to increase the staff resource. Other suitable staff will be seconded to Internal Audit when possible. This recruitment process is in hand and will involve adverts being placed to coincide with the academic year, and the release of professional examination results in June 2010.</p>
<p>R2 Strengthen arrangements for ensuring ethical standards are met</p> <ul style="list-style-type: none"> • Consider the results of the survey in respect of improving trust and confidence. • Improve internal audit knowledge of: • the organisation's aims, objectives, risks and governance arrangements. • the purpose, risks and issues of the service area. 	2	<p>We consider the ethics of Internal Audit staff are excellent and their knowledge the service areas and the Council's aims as whole are good. It always possible to improve knowledge. The Deputy Director met all staff individually as part of a series of departmental roadshows during Summer /Autumn 2009 to explain organisational aims and objectives. This is also an integral part of corporate and</p>	30/6/2010	<p>All Internal Auditors are reminded of their ethical responsibilities on a regular periodic basis, however following the Audit Commission comments all staff have again been reminded via the team briefing process.</p> <p>In compliance with standard procedures Internal Audit</p>

Recommendation	Priority 1 = Low 2 = Med 3 = High	Director of Finance Comments	Date of Final Implementation	Progress of Implementation
		<p>departmental induction processes. All audit staff are involved in the development of the Annual Internal Audit Section Plan which supports the Corporate and Departmental Plans. Consequently, all Audit staff are aware of Corporate aims and objectives. Audit staff will be encouraged to continue to build effective working relationships with services, whilst retaining independence. All audit managers attend service department management meetings, initially as part of the planning process, We shall develop this, with a view to acquiring more detailed knowledge of the service, as part of the implementation of the 2010/11 Plan.</p>		<p>Managers have liaised in detail with Departmental Management Teams and all internal audit staff to complete the draft Internal Audit Plan for 2010/11. This has involved consideration of the Authority's aims, objectives and risks.</p>
<p>R3 Carry out an annual review of the effectiveness of the Audit and Risk Management Committee to demonstrate how it has strengthened the Council's control environment.</p>	2	<p>Already undertaken. As considered by the Audit and Risk Management Committee (A&RMC) on 29 June 2009, the Chair – on behalf of the Committee – had undertaken an evaluation of the role and effectiveness of the A&RMC as part of the annual Review of the System of Internal Audit. This process was enhanced by the A&RMC which endorsed a report on the actions resulting from the evaluation on 25 November 2009.</p>	30/6/2010	<p>The report to Cabinet on the work of the ARMC at the end of the Municipal year will include an assessment of how the Council's control environment has been improved by its work.</p>

Recommendation	Priority 1 = Low 2 = Med 3 = High	Director of Finance Comments	Date of Final Implementation	Progress of Implementation
		A&RMC further resolved that a formal report on its work and performance be undertaken for submission to Cabinet at the end of the municipal year.		
R4 Review the organisational structure and staffing of Internal Audit to ensure that it is at an appropriate level to give a safe opinion to management and members on the control environment.	3	Financial resources will always limit the ability to achieve ideal structures in all sections. The Audit Plan is dynamic and is subject to amendments as further risks, which may affect the 'safety' of the assurance opinion, are identified. The Plan, taking into account the whole of the identified risk environment – is reported to and monitored by A&RMC. As is clearly stated in each Internal Audit Work Report, "it is the deliberate policy of the Internal Audit Section to ensure all high and intermediate risk audits are completed during the year". Current staffing levels enable this, however it is subject to continuous review and reporting, and the associated risks are managed accordingly. Adequate staffing is also needed to conduct other work that is valuable to the Council.	30/3/2010	The draft Internal Audit Plan for 2010/11 has been prepared and as with previous years the staffing is considered adequate to enable a safe opinion on the control environment to be given to management and Members. Vacancies in the section are currently being advertised.
R5 Review the factors that may be hindering the	2	Job Evaluation being conducted by HR.	30/6/2010	All staff who have previously left have indicated their

Recommendation	Priority 1 = Low 2 = Med 3 = High	Director of Finance Comments	Date of Final Implementation	Progress of Implementation
recruitment and retention of appropriate staff.				<p>reasons were for career development and increased salary.</p> <p>The Job Evaluation exercise to be conducted by HR is due to commence shortly.</p>
<p>R6 The CIA should strengthen the approach to determining the strategy and risk based planning to focus on including work in the plan to ensure he can demonstrate how he meets his responsibility to provide a safe opinion to the organisation on the control environment. The planning process should take account of:</p> <ul style="list-style-type: none"> • the adequacy and outcomes of the organisation's risk management. • performance management and other assurance processes. • Internal Audit's independent risk assessment. • stakeholders' views - they should be consulted on the draft plan - but should not determine it. • the resources required to deliver the strategy and plan. <p>The Plan should differentiate between assurance and other work.</p>	3	<p>We agree the principles of the planning process outlined in the recommendation. However, the current planning process does take account of the issues listed and we shall consider how it can be improved during the current planning process. Consideration will be given to revising the presentation of the Audit Plan to highlight the work to enable an opinion on the control environment to be given.</p> <p>The Plan is already prioritised. See also R4.</p>	31/3/2010	<p>As in previous years, and in compliance with standard agreed procedure, the draft Internal Plan for 2010/11 has been prepared after consultation with the ARM Committee, the Audit Commission and a review of Plans and reports produced by other authorities which they considered as following "best practice". Several of the elements of those Plans have been adopted. We have made clear that the draft Audit Plan for 2010/11 consists of those risks which we consider need to be assessed to enable us to give a full and safe opinion on the whole control environment of the Council. If resources do not permit the whole of the</p>

Recommendation	Priority 1 = Low 2 = Med 3 = High	Director of Finance Comments	Date of Final Implementation	Progress of Implementation
				Plan to be completed, it will only be possible to deliver a "qualified" opinion.
R7 Ensure key issues are consistently brought to the attention of the relevant manager during assignments to enable them to take corrective action and to avoid any surprises at the end of the audit.	1	There are no cases of failure to draw such matters to manager's attention but will develop working papers to record occasions when such action is taken.	31/3/2010	All Internal Audit staff have been reminded of the need to identify such situations and respond in accordance with the recommendation although we are unaware of any evidence to suggest that this well embedded procedure is not being complied with at all times by audit staff.
R8 Spread good practice with regard to testing schedules, such as those used in the "payroll procedures" file.	1	Testing schedules are part of the standard working papers in Internal Audit. They will be reviewed to ensure best practice is consistently followed.	31/3/2010	All staff have been reminded of the "good practice" in relation to testing schedules, although again we are unaware of any evidence to suggest that this well embedded procedure is not being complied with at all times by audit staff.
R9 Consider what training is required to improve auditor consideration of evidence, audit skills and judgement.	2	We consider audit skills level in all aspects to be high but always seek to improve.	31/3/2010	Any need for training concerning evidence, audit skills and judgement will specifically be considered in forthcoming Key Issue Exchanges as is the case every year. We are unaware of

Recommendation	Priority 1 = Low 2 = Med 3 = High	Director of Finance Comments	Date of Final Implementation	Progress of Implementation
				any evidence to suggest that this corporate system is not operating efficiently and effectively within the section.
R10 Review the format of and information contained in the Annual Report to clearly show the actual work completed against the planned work, differentiate between assurance and other work and how quality targets have been met.	2	All Annual Reports have been well received by all stakeholders. They will be consulted on possible improvements as part of the review.	30/6/2010	The Annual Reports of other comparable organisations will be reviewed and Wirral's enhanced in accordance with any possible improvements identified, subject of course to the views of the ARM Committee, and the recommendations of the Audit Commission .
R11 Ensure all reports are quality assured before being finalised and reported to members.	2	All Committee reports from Internal Audit are quality assured by the CIA, Deputy Director and Director of Finance. Depending upon the content, other officers and Directors conduct quality assurance as well. Consideration will be given to any possible improvements.	31/3/2010	All Committee reports will be vigorously quality assured and their contents agreed by all appropriate officers. We are however unaware of any evidence to suggest that this well embedded procedure is not being complied with at all times by relevant individuals.
R12 Ensure adequate supervision and review of all work.	2	All work is supervised and reviewed as appropriate but all managers will be reminded concerning documentation of reviews.	31/3/2010	All managers in Internal Audit have been reminded of the need to record and document supervision, in accordance with

Recommendation	Priority 1 = Low 2 = Med 3 = High	Director of Finance Comments	Date of Final Implementation	Progress of Implementation
				the sections policy and procedure, particularly that conducted as audits are in progress. We are unaware of any evidence to suggest that this well embedded procedure is not being complied with at all times by audit staff.

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WIRRAL COUNCIL
AUDIT AND RISK MANAGEMENT COMMITTEE

REPORT OF THE DEPUTY CHIEF EXECUTIVE/DIRECTOR OF CORPORATE
SERVICES

24th MARCH 2010

DATA QUALITY ACTION PLAN AND PROGRESS REPORT

1. Executive summary

- 1.1 The purpose of this report is to provide Audit and Risk Management Committee with Wirral's Data Quality Action Plan and completion dates for those actions which have now been completed.

2. Background

- 2.1 In 2008 the Audit Commission carried out an assessment of the Authority's data quality arrangements for 2007/2008. These findings were reported to Audit and Risk Management Committee on January 26th 2009. It was agreed by Cabinet on April 9th 2009 that a comprehensive Data Quality Action plan would be developed and reported to Corporate Improvement Group and Audit and Risk Management Committee on a quarterly basis.
- 2.2 Progress has been regularly reported, and at its meeting on 25th November, the Committee requested an update be brought back to the next meeting detailing any further actions which had been completed, and revised completion dates for any still outstanding. Since that date, all actions within the action plan have been completed.
- 2.3 When the action plan was presented to the Audit & Risk Management Committee on 18th January, it was reported that all actions had now been completed. The Committee requested information detailing the dates that each of the actions had actually been completed. This information is now included in the Data Quality Action Plan.

3. Data Quality Action Plan

- 3.1 The Data Quality Action Plan has been developed to address the Audit Commission's recommendations. This action plan also includes recommendations made by the council's own internal audit function during 2007/08 and any outstanding recommendations made by the Audit Commission in 2006/07 where appropriate.

4. Action plan progress at the Third Quarter

- 4.1 The following table shows the Audit Commission recommendations and progress against the actions in place to address them as at 5th January 2010. The table also shows completion dates for all actions detailed.

Pg.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsible Officer / Group	Agreed	Comments	Date	Actions	Status / Completion Date
7	<p>R1 Strengthen arrangements for providing leadership and governance on data quality by:</p> <ul style="list-style-type: none"> - clarifying the respective roles and responsibilities of Corporate Improvement Group (CIG) and Performance Management Group (PMG) specifically for championing data quality; • developing an action plan which addresses common themes from service based reviews of data quality and includes measurable targets for improvement, and keeping progress against the plans and targets under regular review within the forum of PMG; • producing regular reports for CIG on progress against the action plan and targets, and ensuring that key messages are being communicated back to departmental management teams through both the CIG and PMG; • producing an annual report on progress against the action plan and targets for the Audit and Risk Management Committee. <p>Implementing this recommendation will help the Council to further develop its</p>	3	Head of Policy Corporate Performance Manager	Yes	To be developed by Performance Management Group and Corporate Improvement Group	By 31 March 2009	<p>Refresh Performance Management Group (PMG) & Corporate Improvement Group (CIG) Terms of Reference & include in refreshed Data Quality Policy</p> <p>Develop Data Quality Action Plan to address Audit Commission's findings / recommendations & report progress through PMG, CIG and Audit & Risk Management Committee</p> <p>Complete Performance Indicator reviews for all National Indicators able to be reviewed at this stage</p> <p>Develop data collection database for Performance</p>	<p>Completed May 2009</p> <p>Completed – reported to A&RM Committee: 26th Jan 29th June 23rd Sept 25th Nov 18th Jan</p> <p>Completed for those which could be done at 2008/09 year end in June 2009. Remaining PIs will be reviewed by June 2010</p> <p>Completed Sept 2009</p>

Pg.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsible Officer / Group	Agreed	Comments	Date	Actions	Status / Completion Date
	corporate approach to ensuring the quality of its data. We do not anticipate that implementing this recommendation will incur significant cost.						Indicator reviews Analyse common themes from reviews, escalating to Internal Audit as appropriate. Reflect revised Performance Indicator review procedure in Data Quality Policy.	Completed Nov 2009 Completed – Data Quality Policy refreshed July 2009.
8 Page 127	<p>R2 Refine the corporate data quality policy by:</p> <ul style="list-style-type: none"> • documenting the respective roles and responsibilities of Corporate Improvement Group and Performance Management Group for championing data quality (see also recommendation 1); • clarifying the respective roles and responsibilities of internal audit and of Performance Management Group in reviewing data quality at service level; and • defining the requirements for validating third party data and arrangements for data sharing to support partnership working. <p>Implementing this recommendation will help the Council realise the full potential of the data quality policy in supporting and facilitating improvements. We do not anticipate that implementing this recommendation will incur significant cost.</p>	3	Head of Policy / Corporate Performance Manager	Yes in part	The third bullet will require a significant amount of effort to establish all requirements for data sharing between partners. This may well bring a significant cost implication and individual partners have their own regulatory frameworks regarding data sharing and audit. It is not practical to assume that the authority's data quality policy will define all requirements for	By 31 March 2009	<p>Refresh Performance Management Group & Corporate Improvement Group Terms of Reference & include in refreshed Data Quality Policy</p> <p>Include information regarding role of Internal Audit and others in Data Quality Policy</p> <p>Agree partnership Data Quality requirements and develop Partnership Data Quality Agreement.</p>	<p>Completed May 2009</p> <p>Completed July 2009</p> <p>Completed – reported to LSP Executive July 2009. Issues raised regarding alignment with others' Data Quality</p>

Pg.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsible Officer / Group	Agreed	Comments	Date	Actions	Status / Completion Date
					partners. We would look for the Commission to agree with the combined inspectorates how it wishes to tackle auditing data quality and provide further guidance on this to the local authority.			Arrangements which required further discussion. Revised agreement issued Jan 2010.
8 Page 128	R3 Within each service area, evaluate how information systems are being used to calculate performance indicators and take appropriate action to address any opportunities for improvement identified by this review. Implementing this recommendation will help the Council ensure that performance indicators are being calculated in the most efficient and effective way. We do not anticipate that implementing this recommendation will incur significant cost.	2	Head of Policy for overall process. Relevant heads of service for all indicators.	Yes	Any system changes must be cost effective and it is not clear that they will not incur significant cost.	By 31 March 2009	Adapt Performance Indicator Review process to include consideration of systems.	Completed May 2009
9	R4 Put arrangements in place to ensure that performance against data quality standards and targets is consistently covered in appraisals for staff with specific responsibilities for data quality, and that action is taken to address any development needs identified by these appraisals.			No as worded	The Key Issues Exchange framework is currently under review and this will provide an opportunity to incorporate a council policy to address this recommendation.		Agree with Corporate Improvement Group for Data Quality to be covered in Key Issues Exchange process for relevant staff to identify any development needs. Reflect this in Data Quality Policy.	Completed March 2009 Completed - DQ Policy refresh

Pg.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsible Officer / Group	Agreed	Comments	Date	Actions	Status / Completion Date
					Ultimate responsibility will be for the chief officer of the relevant department to ensure this is implemented. Auditing this to ensure it happens would be prohibitively expensive and would not generate sufficient benefit to justify the cost.			embarked in March and completed July 2009. Issued for consultation with PMG and Audit Commission. Final version incorporating implemented actions from Data Quality Action Plan reported to CIG 3 rd Feb and will be made available on Council's Intranet.
9	R5 Put arrangements in place to ensure that common issues and opportunities for improvement arising from data quality reviews undertaken by internal audit and Performance Management Group are communicated to all relevant staff. Implementing these recommendations will help the Council ensure that all relevant staff are sufficiently skilled and appropriately supported to deliver the	2	Corporate Performance Manager	Yes	Performance management group will lead on circulating information within their departments.	By 31 March 2009	Develop a data quality workshop to provide guidance/support to relevant staff. Communicate feedback from Performance Indicator reviews to Performance Management Group and Corporate Improvement Group.	Completed February 2009 and June 2009. Completed Jan 2009.

Pg.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsible Officer / Group	Agreed	Comments	Date	Actions	Status / Completion Date
					to allow those committees to play a real part in delivering the Council's agreed agenda. However, Cabinet realises that this is an issue that will need substantial consultation and debate with all those concerned and therefore agrees to review the position with the object of taking new proposals, with detailed terms of reference, to the appropriate Council to take effect from the next Council AGM.			
17	R7 The Council should review its compliance testing arrangements to ensure that data collected and reported for Housing Benefits Performance Indicator is robust.	2	Head of Revenues, Benefits and Customer Service / Housing benefit section	Yes	Performance indicators have been replaced by just 2 National Indicators for 2008/09 and specific tests are in place to identify errors in recording of data which may	By 31 March 2009	Ensure controls are in place to identify errors in recording of data which may impact on those indicators.	Completed November 2008.

Pg.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsible Officer / Group	Agreed	Comments	Date	Actions	Status / Completion Date
					impact on those indicators.			
17	R8 The Council have improved in their reporting of Housing Investment Programme Housing Strategy Statistical Appendix - Private sector homes vacant; however they are continuing to experience considerable difficulties in compiling the indicator which could be easily remedied by setting up queries (Structured Query Language, SQLs) to interrogate the Council Tax system (Academy). More effective use could also be made of officer time in validating the data on empty properties, again through improved working with staff within the Council Tax section.	2	Head of Housing/ Head of Benefits, Revenues and Customer Services	Yes	Communication has been established between the relevant sections to address this recommendation. Work is also underway to reference other best practice authorities to address this recommendation	July 2009	<p>Establish effective communication processes between teams involved.</p> <p>Effective communication processes between teams involved has been established culminating in an Interdepartmental meeting held between Revenues & Benefits and Housing in response to the Audit Commission Recommendations with a view to exploring the necessary corporate actions. The meeting was attended by the relevant PI responsible officers, Council Tax Manager, the Head of Housing and Head of Revenues, Benefits and Customer Services. The current April 2008 SQL was amended thus removing the error in the data set.</p> <p>As a result of the meeting Council Tax have provided the Empty Property Team with remote access to their</p>	<p>Completed</p> <p>Completed January 2009.</p> <p>Completed – SQL amended Aug 2008</p> <p>Completed April/May 2009</p>

Pg.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsible Officer / Group	Agreed	Comments	Date	Actions	Status / Completion Date
							<p>Document Management System and Business Rates System coupled with training in navigating these systems; which assisted with PI Data Quality checks and reduced the amount of officer time used in delivering this PI. Thus allowing remote interrogation of CT Enforcement Officer Vacant Property checks which provided a Data Quality check for Audit purposes. Access to the DMS also allowed the EPT to provide screen prints of "Prime Notification Records" thus assisting with checking data quality for Audit purposes.</p>	
							<p>With the assistance of colleagues in Council Tax contact made with Chorley Council who have provided the queries (SQL's) recommended as best practice by the auditor; unfortunately we did not receive them in time for the April 2009 calculation, however Council Tax have given an undertaking to set up this SQL. Once set up</p>	<p>Completed – contact made Nov 2008, SQL's received March 2009</p>

Pg.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsible Officer / Group	Agreed	Comments	Date	Actions	Status / Completion Date
							we can ascertain if it is suitable for calculating the PI on Wirral. If suitable it may reduce the need for manual manipulation of data to a minimum which was another auditor recommendation.	
17 Page 134	R9 Our spot check testing found Housing Investment Programme Housing Strategy Statistical Appendix repeat homelessness indicator was fairly stated. However, we found that the corporate Data Quality policy has not yet been fully implemented. Guidance/procedures for calculating the indicator are not yet documented in all service areas. There is further scope to make more effective use of IT in the calculation of indicators. Data has required some manual manipulation which has demanded officer time and increased the risk of error. In addition there is scope to extend corporate training/briefing on common Data Quality issues.	3	Corporate Performance Manager / Head of Housing	Yes	Data collection will now be fully aided the recent installation of a homelessness IT system. Wirral's data quality policy was circulated by the Chief Executive to all relevant staff. Further training will be provided regarding data quality and Wirral's data quality policy to ensure full implementation. Guidance and procedure notes for calculation will be documented in all areas and will be checked through spot checks coordinated by the corporate	By March 2009	The new IT system to manage homelessness data went live on 1 April 2008 and this enables the electronic calculation of all PIs. Since the procedures for the calculation have been automated within the IT system this has obviated the need for written instructions. Specific staff members have been delegated and trained to run the appropriate reports.	Completed April 2008

Pg.	Recommendation	Priority 1 = Low 2 = Med 3 = High	Responsible Officer / Group	Agreed	Comments	Date	Actions	Status Completion Date
					performance team.			
17	R10 The Council should carry out a review of its management arrangements in order to ensure that they are correctly collecting and reporting data in line with the new requirements of the National Indicator Set.	2	Head of Policy	Yes	This is already underway, however many of the arrangements are either set by central government or have not yet been clarified by government departments.	By 31 March 09	Complete Performance Indicator reviews for all National Indicators able to be reviewed at this stage	Completed for those which could be done at 2008/09 year end in June 2009. Remaining PIs will be reviewed by June 2010
17	R11 We would urge Corporate services to revisit the recommendations made in the internal audit report to ensure that they are equipped to report on the new national indicators.	2	Head of Policy	Yes	We have already reviewed the National Indicator Set and refer to R7 above.	By 31 March 09	Include any relevant actions in the Data Quality Action Plan	Completed March 2009

6. Financial implications

6.1 There are no immediate financial implications for Wirral resulting from this report.

7. Staffing implications

7.1 There are no staffing implications for Wirral resulting from this report.

8. Equal Opportunities implications

8.1 There are no equal opportunities implications for Wirral resulting from this report.

9. Community Safety implications

9.1 There are no community safety implications for Wirral resulting from this report.

10. Local Agenda 21

10.1 There are no environmental implications for Wirral resulting from this report.

11. Planning implications

11.1 There are no planning, land use etc. implications for Wirral resulting from this report.

12. Anti-poverty implications

12.1 There are no implications for people from deprived communities in Wirral resulting from this report.

13. Social inclusion implications

13.1 There are no implications that will potentially exclude individuals or groups from accessing services resulting from this report.

14. Local Member Support implications

14.1 There are no local member support implications arising from this report.

15. Background Papers

15.1 The following background papers were used in the preparation of this report:-

- Data Quality Report – Audit 2007/2008 - Audit Commission January 2009
- Data Quality Report – Audit and Risk Management Committee 26th January 2009
- Data Quality Report – Cabinet 9th April 2009

- Data Quality Action Plan and Progress Report 29th June 2009.
- Data Quality Action Plan and Progress Report 23rd September 2009.
- Data Quality Action Plan and Progress Report 25th November 2009.
- Data Quality Action Plan and Progress Report 18th January 2010.

16. Recommendations

- 16.1 Audit and Risk Management Committee note the completion dates for actions within the Data Quality Action Plan.

J. WILKIE

Deputy Chief Executive/Director of Corporate Services

This report was prepared by Siân Williams, who can be contacted on 0151 691 8637.

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WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

24 MARCH 2010

CABINET

15 APRIL 2010

REPORT OF THE DIRECTOR OF LAW, HR AND ASSET MANAGEMENT

PETITION SCHEME

1. Executive Summary

- 1.1 This report sets out the new statutory duty on local authorities to have a scheme for handling petitions and presents a draft for consideration by the Cabinet, the Chair of the Scrutiny Programme Board, the Chairs of the Overview and Scrutiny Committees and the Audit and Risk Management Committee, with a view to it being recommended to the Council on 19 April 2010 for immediate implementation.
- 1.2 The purpose of this report is to ensure that the Council's governance arrangements comply with the changing law.

2. Background

- 2.1 The Local Democracy Economic Development and Construction Act 2009 ('the 2009 Act') was given Royal Assent in November 2009. Section 14 of the 2009 Act imposes a new statutory duty on local authorities to adopt a scheme for handling petitions, including electronic petitions. This scheme must be approved by full Council and published on the Council's website (and by any other methods appropriate for bringing it to the attention of those who live, work or study in the Borough). A draft statutory instrument and draft statutory guidance have been issued for consultation.
- 2.2 The draft statutory guidance states that:
 - Petitions are a valuable opportunity for local authorities to demonstrate strong leadership on issues of concern to their community;
 - As community leaders and place shapers local authorities have a key interest in issues which, although wider than their functions, affect the local area; and
 - In view of this, and their role in the local area agreement process, the 2009 Act requires councils to respond to petitions which relate to an improvement in the economic, social or environmental well-being of the authority's area to which any of its partner authorities could contribute.

This means that local authorities must deal with petitions which relate to the functions of partner authorities as well as petitions which relate to their own functions, including petitions on matters which are sub-regional and cross-authority.

- 2.3 The draft guidance recognises that, in practice, this may mean: acting as an advocate for the local community; working with partners to resolve an issue;

lobbying a partner organisation on behalf of the community; or, instigating an Overview and Scrutiny review of the issue.

2.4 Where a petition calls for something which goes against Council policy, the draft guidance acknowledges that a local authority may choose to say 'no' to the request. However, when doing so, a local authority must give its reasons.

2.5 The 2009 Act requires petition schemes to meet some minimum standards. Beyond these requirements, local authorities have discretion about how they approach the duty – leaving scope for local determination.

2.6 The requirements are:

- anyone who lives, works or studies in the local authority area, including under 18's, can sign or organise a petition and trigger a response;
- a facility for making electronic petitions is provided by the local authority;
- petitions must be acknowledged within a time period specified by the local authority
- among the many possible steps that the principal local authority may choose to take in response to a petition, the following steps must be included in the scheme:
 - taking the action requested in the petition;
 - considering the petition at a meeting of the authority;
 - holding an inquiry;
 - holding a public meeting;
 - commissioning research;
 - a written response to the petition organiser setting out the authority's views on the request in the petition;
 - referring the petition to an overview and scrutiny committee

2.7 Petition organisers who are dissatisfied with the Council's response can ask for a review.

2.8 Where petitions have a significant degree of support they will trigger a Council debate. It will be for the Council to determine the number of signatures required to trigger a Council debate but the draft statutory instrument states that the number should not exceed five per cent of the Borough's population according to the Office for National Statistics. This is described as 'an absolute maximum' in the draft guidance which goes on to state (paragraph 53) that the government expects that 'in most cases a much lower figure will be considered locally appropriate'.

2.9 The estimated population of Wirral in 2006 was 311,200 and 15,560 equates to approximately five per cent. The draft model petition scheme ('the Model Scheme') attached to the consultation draft guidance allows one percent of residents (equivalent to approximately 3,100 in Wirral) to trigger a Council debate. A figure of 3000 signatures is suggested as the trigger number in the recommended Wirral Petition Scheme which is attached at Appendix 1.

2.10 Local authorities will also have to provide in their petition scheme that petitions with the requisite support (again set by Council) will trigger a requirement that senior officers give evidence to Overview and Scrutiny Committees. This will normally be in public unless confidential information would be disclosed, in which case the

meeting will take place in private. The Model Scheme allows half of one percent of residents (equivalent to approximately 1,550 in Wirral) to trigger the requirement for senior officers to give evidence to Overview and Scrutiny. A figure of 1500 signatures is suggested as the trigger number in the recommended Wirral Petition Scheme which is attached at Appendix 1.

- 2.11 The consultation draft guidance makes clear that the Government expects the petition thresholds which local authorities decide to set to be 'locally achievable'. The expectation is that, where practical, councils will set low thresholds, such as those used in the Model Scheme. The Model Scheme adopts the approach already used by some local authorities of setting no threshold for triggering a response to a petition. This means the 'model' local authority responds to all the petitions it receives, providing that the petition follows the guidelines set out in the scheme i.e. the petition is not discriminatory or about an excluded matter such as a planning decision.
- 2.12 Local authorities should also consider whether variable thresholds might be appropriate to their local circumstances. The Government expects local authorities' petition schemes to ensure that petitions on very local issues, such as anti-social behaviour in a particular street, will receive a response from the Council. Setting no threshold or thresholds which vary depending on the issue or geographic location affected might be one method of achieving this.
- 2.13 Thresholds can be reviewed after a period of activity and amended if necessary, provided the correct process set out in the 2009 Act is followed.
- 2.14 If necessary, the Secretary of State has the power to direct a local authority to amend its petition scheme.

3 Application of a Petition Scheme

- 3.1 The petition scheme will apply to a petition made to the Council which:
- Asks for action to be taken or ceased
 - Is signed by the requisite number
 - Is not under another enactment
 - If electronic, uses the Council's facility.

4 The Subject Matter of Petitions

- 4.1 A petition must relate to a relevant matter i.e. a Council function or an improvement in the economic, social or environmental wellbeing of the area to which a partner authority can contribute.
- 4.2 The draft statutory instrument makes it clear that planning and licensing decisions are to be excluded, as are matters where there is another appeal (e.g. Council tax banding). However, these matters are not excluded if the petition relates to an alleged systematic failure in service provision.
- 4.3 In deciding whether to allow the petition scheme to be used, the Council can take into account data protection issues and such matters as equalities law, libel and whether the petition is vexatious, abusive or inappropriate. If the Council refuses to allow the petition facility to be used it must give reasons.

- 4.4 The draft guidance says that in deciding whether a petition is vexatious or abusive, a Council should base its decision on the same test that would be used for Freedom of Information (FOI) requests: namely, "Is the request likely to cause distress, disruption or irritation without any proper or justified cause?". The test must be applied to the topic and not the petition organiser. The guidance also states that a petition may be inappropriate where legal proceedings are possible or the petition relates to an individual member of the community.

5 E-Petitions

- 5.1 It will be a new statutory duty for the Council to provide an e-petition facility. This duty will not be satisfied simply by a declaration that the Council will accept petitions by email. A local authority's e-petition facility must allow citizens to create a petition which can be published online and made available to others for their electronic signature to be added to the petition. The Council must create a facility for such e-petitions and incorporate it into its on-line information. The Council may decline to host an e-petition, but must give reasons for doing so (to give the petition organiser the opportunity to amend their petition).
- 5.2 The Council will need an e-Petition facility linked to its website as soon as practical after Council approves its Petition Scheme. The electronic committee reporting system currently used, Modern.gov, already has an e-Petition facility and officers in Democratic Services will work with colleagues in IT and Communications to ensure this facility is fully exploited at minimal cost.

6 Signatures

- 6.1 A signature will count only if the name and address are given and if the petition is electronic with such means of authentication as the Council requires. The model scheme suggests that this might be name, postcode and individual email address.

7 Acknowledgements

- 7.1 Petitions must be acknowledged within a specified time with an indication of what the Council has done or intends to do in respect of it. Notification must be sent to the organiser and must be posted on the Council's website.

8 Review

- 8.1 An organiser who is dissatisfied with the Council's response to a petition has the right of review. He/she may request an Overview and Scrutiny Committee to review the adequacy of the steps taken and or proposed. The outcome of the review must be published on the Council's website.
- 8.2 If the Overview and Scrutiny Committee is of the view that the Council's response is inadequate, having regard to the possible responses and matters of proportionality, they may use their existing powers to conduct their own review of the issue under the Local Government Act 2000.
- 8.3 If the Overview and Scrutiny Committee is of the opinion that the Council has seriously neglected its responsibility to listen to the local community in its response

to the petition, it may refer the matter to full Council to review. The outcome of that review will be communicated to the petition organiser and appear on the Council's website.

9 Calling Officers to Account

- 9.1 A petition may be submitted requiring an officer to be called to give account. The Council sets the threshold for the number of signatures required for such a petition. The grounds in the petition must relate to the officer's duties and not be personal.
- 9.2 Officers who can be called to account in this way are those set out in the scheme. These officers must include, as a minimum, the Chief Executive and all the Chief Officers. Petition schemes should apply to 'senior officers responsible for delivering council functions and public services and not junior members of staff'. The final decision as to which officer will attend will rest, as now, with the Overview and Scrutiny Committee.
- 9.3 If such a petition is received, the scheme must provide for :
- Attendance by the officer at an Overview and Scrutiny Committee to ask questions and
 - The petitioner to receive any report/recommendations made by an Overview and Scrutiny Committee.
- 9.4 The Overview and Scrutiny Committee meeting will be held in public and the organiser of the petition is to be invited unless confidential information would be revealed. Notification of the meeting and any report or recommendations arising from it is to be communicated to the organiser and placed on the Council's website.

10 Petitions requiring debate

- 10.1 The Act requires that the scheme allow for petitions requiring a debate at Council provided it has sufficient signatures (set by the Council, as explained above). The possible responses must include or comprise referral to a meeting of the full Council. This does not apply to a petition to hold an officer to account. As before, the petition organiser must be told of the arrangements and notice of the debate must be placed on the Council's website. The draft guidance states that the Council debate could lead to a decision to take the action sought by the full Council. However, this will only be possible where the action sought falls within the powers of the full Council to make the decision. The guidance goes on to state that the organiser might be given the opportunity to address Council and maybe answer questions.

11 Reserved Powers

- 11.1 The Secretary of State has wide reserve powers to make orders about a range of matters e.g. the number specified as a threshold for petitions, the identity of officers to be called to account and as to the contents of the scheme.

12 The Draft Model Petition Scheme

- 12.1 As mentioned above, the Department for Communities and Local Government has issued the draft Model Scheme. This is based on an authority with a population of 150,000. The thresholds in that scheme for petitions requiring a debate by full Council (1500) and those for petitions which call for evidence from a senior officer (750) have in the proposed scheme appearing at Appendix 1 been upgraded to reflect Wirral's larger population.

13 Legal Implications

- 13.1 These are broadly set out in the body of the Report. The legal requirement to have a petition scheme is already embodied in statutory provisions. It will be given force by statutory instrument which is currently in draft form. If and when the statutory instrument is in force, the duty will arise in accordance with the date set out therein. Currently the proposal is that ideally councils should have their petition schemes in place by April 2010, though this may change if the draft statutory instrument is amended in any way. Currently, the Department of Communities and Local Government are consulting on the draft statutory guidance on the duty to respond to petitions. This report is based upon the draft statutory guidance as the timetable for implementing the scheme is short if the April this year is to be the operative month.
- 13.2 In finalising the petition scheme the Council will be under a statutory duty to have regard to the statutory guidance issued in relation to this duty and any amendments which would impact on the proposals set out in this report will be reported to full Council in due course. It is because the statutory framework has not yet fully been put in place that this report suggests that the Council delegate to the Director of Law, HR and Asset Management any minor amendments to the scheme which might arise as a result of a change to the final statutory instrument and/or guidance.

14 Financial implications

- 14.1 The Director of Finance will closely monitor the impact of the new petitions duty. The cost of introducing electronic petitions can be met from existing budgets. Any staffing implications will be considered as part of the overall budgetary process.

15 Staffing implications

- 15.1 See above

16 Equal Opportunities implications

- 16.1 The Petition Scheme will need to be accessible to all users. It would appear that the proposals for petition schemes seek to give access to local government to the broadest possible range of groups.

17 Community Safety implications

- 17.1 None

18 Local Agenda 21 implications

18.1 None

19 Planning implications

19.1 None

20 Anti-poverty implications

20.1 None

21 Human Rights implications

21.1 None

22 Social Inclusion implications

22.1 None

23 Local Member Support implications

23.1 Ward Members can be asked to present petitions at Council meetings.

24. Background Papers

24.1 The Local Democracy Economic Development and Construction Act 2009; Communities and Local Government – Listening to Communities: Consultation on Draft Statutory Guidance on the Duty to Respond to Petitions December 2009.

25 Recommendation:

25.1 That Cabinet consider any views expressed by the Audit and Risk Management Committee and the Chairs of the Scrutiny Programme Board and the Overview and Scrutiny Committees and, in the light of those views, recommends Council to:

- (i) Adopt the draft Petition Scheme appearing at Appendix 1 to this report, to be effective from 20 April 2010;
- (ii) Append the Petition Scheme to the Council's Constitution; and
- (iii) Delegate to the Director of Law, HR and Asset Management in consultation with the three Group Leaders the authority to make any minor amendments to the Petition Scheme reasonably required to comply with the legislative framework as it emerges.

Bill Norman
Director of Law, HR and Asset Management

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WIRRAL BOROUGH COUNCIL - DRAFT PETITION SCHEME

INTRODUCTION

The Council welcomes petitions and recognises that petitions are one way in which people can let us know their concerns. All petitions sent or presented to the Council will receive an acknowledgement from the Council within 14 days of receipt. This acknowledgement will set out what we plan to do with the petition.

Paper petitions can be sent to:

The Director of Law, HR and Asset Management, Town Hall, Brighton Street, Wallasey, Wirral, Merseyside. CH44 8ED

Or be created, signed and submitted on line by following this link

[insert link]

Petitions can also be presented to a meeting of the Council. These meetings are all scheduled at the beginning of the Municipal Year in May. Dates and times can be found at ***[insert link]***.

If you would like to present your petition to the Council, or would like your Councillor to present it on your behalf, please contact the Council's Democratic Services Manager, Shirley Hudspeth (Tel no. 0151 691 8559 email: shirleyhudspeth@wirral.gov.uk) at least five clear working days before the meeting and she will talk you through the process.

WHAT ARE THE GUIDELINES FOR SUBMITTING A PETITION?

Petitions submitted to the Council must include:

- A clear and concise statement covering the subject of the petition. It should state what action the petitioners would like the Council to take.
- The name, address and signature of any person supporting the petition. Petitions should be accompanied by contact details, including an address for the petition organiser. This is the person we will contact to explain how we will respond to the petition. The contact details of the petition organiser will not be placed on the Council's website. If the petition does not identify a petition organiser, we will contact signatories to the petition to agree who should act as the petition organiser.

Petitions which are considered to be vexatious, abusive or otherwise inappropriate will not be accepted. If a petition does not follow the guidelines set out above, the Council may decide not to do anything further with it. In that case we will write to you to explain the reasons.

WHAT WILL THE COUNCIL DO WHEN IT RECEIVES MY PETITION?

We will send an acknowledgement to the petition organiser within 10 working days of receiving the petition. It will let him/her know what we plan to do with the petition and when he/she can expect to hear from us again. It will also be published on our website. If the Council can do what your petition asks for, the acknowledgement may confirm that we have taken the action requested and the petition will be closed. If the petition has enough signatures to trigger a Council debate, or a senior officer giving evidence, then the acknowledgement will confirm this and tell you when and where the meeting will take place. If the petition needs more investigation, we will tell you the steps we plan to take.

If the petition applies to a planning or licensing application, is a statutory petition (for example requesting a referendum on having an elected mayor), or on a matter where there is already an existing right of appeal such as Council Tax banding and non domestic rates, other procedures apply. If you require information on any of these matters you should in the first instance contact *[insert link]* (Tel. no. and email).

We will not take any action on any petition which we consider to be vexatious, abusive or otherwise inappropriate and will explain the reasons for this in our acknowledgement of the petition.

To ensure that people know what we are doing in response to the petitions we receive, the details of all the petitions submitted to us will be published on our website except in cases where this would be inappropriate. Whenever possible we will also publish all correspondence relating to the petition (with personal details removed). When you sign an e-petition you can elect to receive this information by email. We will not send you anything which is not relevant to the e-petition you have signed unless you request it.

HOW WILL THE COUNCIL RESPOND TO PETITIONS?

Our response to a petition will depend on what a petition asks for and how many people have signed it but may include one or more of the following:-

- Taking the action requested in the petition
- Considering the petition at a Council meeting
- Holding an enquiry into the matter
- Undertaking research into the matter
- Holding a public meeting
- Holding a consultation
- Holding a meeting with petitioners
- Referring the petition for consideration by the relevant Council * Overview and Scrutiny Committee or the **Scrutiny Programme Board
- Writing to the petition organiser setting out our views about the request in question

* Overview and Scrutiny Committees are Committees of Councillors who are responsible for scrutinising the work of the Council – in other words they have the power to hold the Council's decision makers to account.

** The Scrutiny Programme Board is made up of Councillors including the Chairs of all the Overview and Scrutiny Committees. They have the power to hold Council decision makers to account where the issue is within the remit of more than one Overview and Scrutiny Committee.

In addition to these steps the Council will consider other specific actions it may be able to take on the issues highlighted in a petition. If your petition is about something over which the Council has no direct control (for example the local railway or hospital) we will aim to make representations on behalf of the community to the relevant body. The Council works with a large number of local partners [insert link to list of LAA Partners] and where possible will work with these partners to respond to your petition. If we are not able to do this for any reason (for example if what the petition calls for conflicts with Council policy), then we will set out the reasons for this for you. You can find more information on the services for which the Council is responsible here *[insert link]*.

If your petition is about something that another Council is responsible for, we will give consideration to what the best method is for responding to it. It might consist of simply forwarding the petition to the other Council, but could involve other steps. In any event we will always notify you of the action we have taken.

FULL COUNCIL DEBATES

If a petition contains more than **[3,000]** signatures it will be debated by the full Council unless it is a petition asking for a senior council officer to give evidence at a public meeting. This means that the issue raised in the petition will be discussed at a meeting which all Councillors can attend. The petition organiser will be given five minutes to present the petition at the meeting and the petition will then be discussed by Councillors for a maximum of 15 minutes. The Council will decide how to respond to the petition at this meeting. The Council may decide to take the action the petition requests, or not to take the action requested for reasons put forward in the debate, or to commission further investigation into the matter, for example by a relevant Committee. The petition organiser will receive written confirmation of this decision. This confirmation will also be published on the Council's website.

OFFICER EVIDENCE

Your petition may ask for a senior Council officer to give evidence at a public meeting about something for which the officer is responsible as part of their job. For example your petition may ask a senior Council officer to explain progress on an issue or to explain the advice given to elected Members to enable them to make a particular decision.

If your petition contains at least **[1,500]** signatures the relevant senior officer will give evidence at a public meeting of the relevant Overview and Scrutiny Committee. If the subject matter of the petition falls within the remit of more than one Overview and Scrutiny Committee, the senior officer will give evidence at a public meeting of the Council's Scrutiny Programme Board. A list of the senior staff that can be called to give evidence can be found here *[insert link]*. You should be aware that the Overview and Scrutiny Committee or the Scrutiny Programme Board may decide that it would be more appropriate for another officer on that list to give evidence instead of any officer named in the petition – for instance if the named officer has changed jobs. Committee Members will ask the questions at this meeting but you will be able to suggest questions to the Chair of the Overview and Scrutiny Committee/Scrutiny Programme Board by contacting Committee Services committeeservices@wirral.gov.uk up to five clear working days before the meeting.

E-PETITIONS

The Council welcomes e-petitions which are created and submitted through our website [\[insert link\]](#). E-petitions must follow the same guidelines as paper petitions [\[link to guidelines\]](#). The petition organiser will need to provide us with their name, postal address, post code and email address. You will also need to decide how long you would like your petition to be open for signatures. Most petitions run for six months but you can choose a shorter or longer timeframe, up to a maximum of 12 months.

When you create an e-petition, it may take 10 working days before it is published online. This is because we have to check that the content of your petition is suitable before it is made available for signature. However, we will make every effort to ensure that your petition is published as soon as possible. If we feel we cannot publish your petition for some reason, we will contact you within this time to explain why. You will be able to change and re-submit your petition if you wish. If you do not do this within 14 days, a summary of the petition and the reason why it has not been accepted will be published under the "Rejected Petitions" section of the website.

When an e-petition has closed for signature, it will automatically be submitted to the Democratic Services Manager. In the same way as a paper petition you will receive an acknowledgement within 10 working days. If you would like to present your e-petition to a meeting of the Council please contact the Democratic Services Manager (details above) within five days of the petition closing. A petition acknowledgement and response will be emailed to everyone who has signed the e-petition and elected to receive this information. The acknowledgement and response will also be published on this website.

HOW DO I SIGN AN E-PETITION?

You can see all the e-petitions currently available for signature here [\[insert link\]](#). When you sign an e-petition you will be asked to provide your name, address, post code and a valid email address. When you have submitted this information you will be sent an email to the email address you have provided. This email will include a link which you must click on in order to confirm the email address is valid. Once this step is complete your "signature" will be added to the petition. People visiting the e-petition will be able to see your name in the list of those who have signed it but your contact details will not be visible.

WHAT CAN I DO IF I FEEL MY PETITION HAS NOT BEEN DEALT WITH PROPERLY?

If you feel that we have not dealt with your petition properly, the petition organiser has the right to request that the Council's relevant Overview and Scrutiny Committee/Scrutiny Programme Board review the steps that the Council has taken in response to your petition. The Overview and Scrutiny Committee/Scrutiny Programme Board will consider your request within 30 days of receiving it. Should the Overview and Scrutiny Committee/Scrutiny Programme Board determine we have not dealt with your petition adequately it may use any of its powers to deal with the matter. These powers include instigating an investigation, making recommendation to the Council and Cabinet and/or arranging for the matter to be considered at a meeting of the full Council.

Once the appeal has been considered, the petition organiser will be informed of the results within five working days. The results of the review will also be published on our website.

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE: 24 MARCH 2010

REPORT OF THE DIRECTOR OF ADULT SOCIAL SERVICES

PROGRESS REPORT ON REIMBURSEMENT IN RELATION TO PUBLIC INTEREST DISCLOSURE ACT 1998 (PIDA)

Executive Summary

The purpose of this report is to update members of the Audit and Risk Management committee on progress in implementing reimbursement to certain residents and former residents of Bermuda Road, Curlew Way and Edgehill Road following the agreement of Cabinet to the recommendations of this Committee.

A further report will be presented once work has been completed.

This items falls within the Social Care and Inclusion portfolio.

1 Background

- 1.1 This paper provides a progress report on the work undertaken to proceed with reimbursing sixteen individuals who were identified as eligible for a payment following a decision by Cabinet on 14th January 2010. Twelve of these people who currently use services are still alive and four people are now deceased.
- 1.2 Good progress is being made in what is a complex and detailed process. A project manager/social work team manager has been appointed to oversee this work, reporting directly to a member of the DASS Strategic Leadership Team. Additional legal advice and support has also been secured.

2 Contact with the individuals

- 2.1 Letters were sent out to the individuals, following the call-In period after the Cabinet decision.
- 2.2 Regular liaison with the individuals' key workers and their supervising managers has been undertaken.
- 2.3 With regard to deceased individuals, letters have been sent to two next of kin where they have been identified.

3 Contact with relatives/next of kin and significant others

- 3.1 Detail of relatives, next of kin and/or significant others has been obtained and confirmed.
- 3.2 Each significant person/next of kin/family member was contacted in the week following the letter to Individuals. Home visits were offered to all families of the individuals.
- 3.3 Each individual and their next of kin will be given appropriate legal advice regarding the circumstances of their case. These arrangements are in place and are being currently actioned.

4 Offer of advocacy

- 4.1 Legal advice has been taken.
This recommends that the Council should ensure that each user of services is provided with an advocate – even where there may be an objection from the family. The Council cannot be seen to be pre-judging individual cases and whether there are any concerns or issues with the family. Having spoken with individual users of services and taken account of their wishes and feelings, in the light of their capacity to understand their position, and discussed the position with family members and care providers, the advocate will then report back to the Council.
- 4.2 Wirral Mind is the main provider for advocacy services for people with a learning disability; they have been specific and clear about their credentials for offering impartial advice. However, where family members object to MIND, the Department of Adult Social Services will take steps to accommodate an advocate of their choice.
- 4.3 The Department of Adult Social Services will continue to receive advice, where necessary, from sources including legal services and the DWP, to complete the reimbursement claims.

5 Advice from the Department of Work & Pensions

- 5.1 Correspondence with the Department of Work & Pensions confirms that there is little scope in law for the Council to mitigate this impact.

6 Financial Implications

The total cost of reimbursement is £243,460.

7 Staffing Implications

There are none.

8 Equal Opportunities Implications/Health Impact Assessment

This issue has concerned the fairness of the Council's charges to a group of people with learning disabilities.

9 Community Safety Implications

There are none.

10 Local Agenda 21 Implications

There are none.

11 Planning Implications

There are none.

12 Anti Poverty Implications

Part of the concern with previous practice was the impact on individuals with capital resources.

13 Social Inclusion Implications

The objective of supported living schemes is to enable disadvantaged individuals to have more independence and integration in the community.

14 Local Member Support Implications

The houses concerned are in Moreton Ward.

15 Health Implications

None as a result of this report.

16 Background Papers

Previous reports to Committee and Cabinet.
Correspondence with the Department of Work and Pensions.

17 Recommendations

That;

- (1) The report be noted.
- (2) That final details of reimbursements to individuals be reported to a further meeting of this committee

JOHN WEBB
Director of Adult Social Services

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John Webb
Director

Westminster House,
Hamilton Street,
Birkenhead,
Wirral,
Merseyside
CH41 5FN

The Office of the Solicitor
Department of Work & Pensions
The Adelphi, 5th Floor
1-11 John Adam Street
LONDON
WC2N 6HT

date 1 February 2010

CB/SF/DWP010210
015 666 3630 Please ask for Chris Batman
0151 666 4747
chrisbatman@wirral.gov.uk

Dear Sir/Madam

I am writing to seek your advice regarding a difficult local issue in Wirral which the Council is seeking to resolve. As a result of a public interest disclosure, and subsequent investigations, the Council has decided that a number of individuals who have learning difficulties and live in "supported living tenancies" were incorrectly charged for services provided to them by the Council for a number of years. The period concerned was from 2000 to 2006. The Council wishes to reimburse the individuals concerned. Some of these individuals already have savings and potentially reimbursement of the amounts the Council is considering would take these savings beyond key threshold levels.

We are aware of the capital and notional capital provisions in the Income Support, Pension Credit and Housing Benefit regulations. We are also aware of the decision of the then Social Security Commissioner in R(IS)5/08 which concerned refunds by an adult social services department of charges wrongly levied under Section 117, Mental Health Act. Both appear to rule out any disregard for this type of payment. However we wish to be assured that there are no other provisions in the Income Support, Pension Credit and Housing Benefit regulations that would allow for any flexibility or discretion in the application of these rules in circumstances like these described above. Are you aware of any provisions that would allow us to mitigate the apparently inflexible effects of these rules?

Is there any other advice that you could offer to assist the Council in rectifying what it recognises as failure on its part without "penalising" users of services through loss of benefits?

Yours faithfully

CHRISTOPHER BATMAN
Deputy Director
Department of Adult Social Services

Mr C Batman
Westminster House
Hamilton Street
Birkenhead
Wirral
Merseyside
CH41 5FN

Our address

DWP Communications
Room 1S25
Quarry House
Quarry Hill
Leeds
LS2 7UA

Our phone number
Website

0113 251 9018
www.dwp.gov.uk

Date 1st March 2010

Dear Mr Batman

Thank you for your letter of 1st February. Please accept my apologies for the delay in replying.

Unfortunately the capital provisions in the Income Support, Pension Credit and Housing Benefit Regulations do not allow for any discretion to ignore any reimbursements that will be made from the Council.

As you are aware, arrears of certain social security benefits and concessionary payments to compensate for official error can be disregarded for up to 52 weeks. A decision by the Social Security Commissioner in 2007 made it clear that amounts refunded by the local authority cannot be regarded as benefits in this context, as they are not paid or refunded on behalf of the Secretary of State.

You mention that you are aware of the capital provisions but I thought it may be helpful to set out the capital limits. For Pension Credit the capital threshold is £10,000. For those with capital above this amount, we assume a notional amount of income of £1.00 for each £500 or part of £500 over £10,000.

For Housing Benefit and Council Tax Benefit, the limits are the same as for Income Support and income-based Jobseeker's Allowance. The lower limit is £6,000 (or £10,000 for people of Pension Credit age). The upper limit is £16,000. Capital of between £6,000 and £16,000 will affect entitlement because for every £250 or part of £250 held over £6,000, the council will take into account £1 per week for each £500 or part £500 held over £6,000.

I realise this will be a disappointing response but I hope this information is helpful. Please let me know if you need anything further.

Yours sincerely

Linda Francis



WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

24 MARCH 2010

REPORT OF THE DIRECTOR OF FINANCE

MEMBERS TRAINING

1. EXECUTIVE SUMMARY

- 1.1. The CIPFA guidance Audit Committees - Practical Guidance for Local Authorities recommends that the Members of an Audit Committee should receive specific training in their role and responsibilities as Members of that Committee. This report recommends suitable training for 2010-11.

2. TRAINING

- 2.1. Since 2006 the training requirements have been comprehensively achieved at minimum cost by appointing one of the Members of the working party who wrote Audit Committees - Practical Guidance for Local Authorities to undertake the training. The course has been supplied over two sessions at a cost of £2,500.

- 2.2. The Practical Guidance for Local Authorities recommends that induction training should be provided for all Audit Committee Members and cover:

- the role of the Committee
- the terms of reference
- the time input required of Members
- an overview of Council activities
- the financial and risk environment.

Further regular and specific Audit Committee training should also be provided in:

- financial reporting
- governance
- understanding financial statement
- the regularity framework
- the role of internal and external audit
- the importance of risk management

- 2.3. The training provided to date has generally been viewed by the Members of the Committee as very useful. Therefore I recommend that the existing trainer, Anna Klonowski, is retained for Members training in 2010-11.

- 2.4. Members agreed at the meeting on 25 November 2009 that another training session should be arranged for early in 2010. It has not proved possible to arrange this training session. Therefore, I recommend that a training session should be arranged for early in the new municipal year before the first scheduled meeting of this Committee due on 28 June 2010. It would be particularly beneficial to Members to undergo training before 28 June 2010 because at that meeting Members will be requested to approve the Statement of Accounts for 2009-10.

3. FINANCIAL AND STAFFING IMPLICATIONS

- 3.1. The cost of two training sessions would be approximately £2,500.

4. EQUAL OPPORTUNITIES

- 4.1. There are none arising directly from this report.

5. HUMAN RIGHTS IMPLICATIONS

- 5.1. There are none arising directly from this report.

6. LOCAL AGENDA 21 IMPLICATIONS

- 6.1. There are none arising directly from this report.

7. COMMUNITY SAFETY IMPLICATIONS

- 7.1. There are none arising directly from this report.

8. PLANNING IMPLICATIONS

- 8.1. There are none arising directly from this report.

9. LOCAL MEMBER SUPPORT IMPLICATIONS

- 9.1. There are none arising directly from this report.

10. BACKGROUND PAPERS

- 10.1. Audit Committees - Practical Guidance for Local Authorities - CIPFA December 2005.

11. RECOMMENDATION

- 11.1. That Members agree a suitable date for the provision of a training course prior to 28 June 2010.

IAN COLEMAN
DIRECTOR OF FINANCE

FNCE/127/09

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE – 24 MARCH 2010

REPORT OF THE DIRECTOR OF LAW, HR AND ASSET MANAGEMENT

REPORTS SUBMITTED AFTER DEADLINES - UPDATE

1.0 EXECUTIVE SUMMARY

- 1.1 At its meeting on 26th January 2009, the Audit and Risk Management Committee considered a report produced by the Audit Commission on Data Quality. As a result of the discussion on this item, at its meeting on 31 March 2009, the Committee considered a report in relation to the number of late committee reports, which had been received by Committee Services for the cycle ended 9 February 2009. Members consequently requested the submission of further monitoring reports.
- 1.2 At its meeting held on 25 November 2009 the Committee was advised that, overall, there had been a marked decrease in the number of late reports compared to the last monitoring report. A further monitoring report was requested and this report sets out a more up to date position.
- 1.3 The aim should always be to produce well-compiled agendas, which help focus the direction of meetings and ensure all necessary discussion points are covered within the time period available. Late reports and supplementary agendas are not helpful here.
- 1.4 The order in which items appear on an agenda is important since it can influence the duration and efficiency of a meeting. Items should be ordered logically and items with a similar theme grouped together. This will reduce the risk of revisiting the same ground.

2.0 BACKGROUND

- 2.1 The Council is required to ensure that Council and Committee agendas and reports are on deposit and available for inspection by members of the public for at least five clear days before a meeting (excluding the date of the meeting and the date on which notice is given). This period cannot include weekends. Members of the public must be able to see what items of business are to be considered at meetings and be able to access written reports. This is the so-called 'five day rule'.
- 2.2 Unless these requirements have been complied with, the business in question cannot normally be transacted. There are two exceptions to the 'five day rule'. Firstly, where the Chair of the meeting agrees that an item of business may be considered as a matter of urgency. In this situation, both the Chair's agreement to accept the report and the 'special circumstances' for its lateness must be recorded in the minutes. Secondly, where a meeting is convened on less than five clear days notice. Failure to observe the 'five day rule' may result in the decision in question being open to challenge in the courts. It is therefore essential that proper consideration is given to the procedure for the publication of agendas and reports.

- 2.3** Although a review of the overview and scrutiny structure had reduced the number of meetings, it should be noted that the number of meetings scheduled by the Council causes a large number of reports to be generated across the democratic process as a whole.
- 2.4** Deadlines for all Committee reports are circulated to all Chief Officers and report authors at the beginning of the Municipal Year (and are available on the Council's Intranet site). If these deadlines are adhered to, agendas and reports will be published in accordance with the 'five day rule'. Failure to submit reports on time runs the risk that publication will be less than the statutory period laid down.
- 2.5** Appendix 1 to this report sets out the number of late reports, by Committee, received by Committee Services and indicates also the number of reports approved as items of 'any other urgent business'. Meetings up to 1 March 2010 have been used to provide this information. In some instances the reports may have been received after the agenda had been published and therefore a supplementary agenda may have been produced. Regular production of supplementary agendas is considered to be bad practice. They should only be used in an emergency.
- 2.6** For comparison purposes, Appendix 2 contains the information presented to Committee in November 2009. It is fair to say that there has been a further significant decrease in the number of late reports.

3.0 FINANCIAL IMPLICATIONS

- 3.1** There are no financial implications.

4.0 STAFFING IMPLICATIONS

- 4.1** There are no staffing implications.

5.0 EQUAL OPPORTUNITIES IMPLICATIONS

- 5.1** There are no equal opportunity implications.

6.0 COMMUNITY SAFETY IMPLICATIONS

- 6.1** There are no community safety implications.

7.0 LOCAL AGENDA 21 IMPLICATIONS

- 7.1** There are no Local Agenda 21 implications.

8.0 PLANNING IMPLICATIONS

- 8.1** There are no planning implications.

9.0 ANTI-POVERTY IMPLICATIONS

- 9.1** There are no anti-poverty implications.

10.0 HUMAN RIGHTS IMPLICATIONS

10.1 There are no human rights implications.

11.0 SOCIAL INCLUSION IMPLICATIONS

11.1 There are no social inclusion implications.

12.0 LOCAL MEMBER SUPPORT IMPLICATIONS

12.1 No specific wards are affected by the issues in this report.

13.0 BACKGROUND PAPERS

13.1 There are background papers.

14.0 RECOMMENDATION

14.1 That the report be noted.

BILL NORMAN

Director of Law, HR and Asset Management

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LATE REPORTS RECEIVED BY COMMITTEE

COMMITTEE	DATE	LATE REPORTS	ITEMS OF ANY OTHER URGENT BUSINESS
Cabinet	5 November 2009		
	26 November 2009		2
	9 December 2009	1/26	
	14 January 2010		
	4 February 2010		
	22 February 2010		
Audit and Risk Management	3 November 2009		
	25 November 2009	1/15	
	18 January 2010	2/17	
Employment and Appointments	24 November 2009		
	26 January 2010	2/4	
Licensing H&S & General Purposes Committee	9 November 2009		
	3 February 2010		1
Pensions Committee	17 November 2009		
	23 January 2010		
Planning Committee	12 November 2009		
	1 December 2009		
	10 December 2009		
	18 January 2010		
	28 January 2010		
	18 February 2010		
Standards Committee	7 December 2009		
	25 January 2010		
Children and Young People O&S	3 November 2009		
	16 November 2009		
	21 January 2010	1/9	
Council Excellence O&S	19 November 2009		
	1 February 2010	1/10	
Economy and Regeneration O&S	27 October 2009		
	23 November 2009		
	12 January 2010	1/2	
Health and Well Being O&S	10 November 2009		
	19 January 2010		
Sustainable Communities O&S	18 November 2009	2/7	
	20 January 2010		
Scrutiny Programme Board (O&S)	15 October 2009		
	4 November 2009		
	14 January 2010		

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LATE REPORTS RECEIVED BY COMMITTEE

COMMITTEE	DATE	LATE REPORTS	ITEMS OF ANY OTHER URGENT BUSINESS
Cabinet	12 May 2009	3/36 (8%)	
	28 May 2009	7/19 (36%)	
	25 June 2009	4/18 (22%)	1
	23 July 2009	0	
	3 September 2009	0	
	24 September 2009	1/24 (4%)	
	1 October 2009	0	
	15 October 2009	0	
Audit and Risk Management	29 June 2009	2/16 (12%)	1
	23 September 2009	3/12 (25%)	2
Employment and Appointments	15 June 2009	3/13 (23%)	1
	15 September 2009	4/4 (100%)	1
Licensing H&S & General Purposes Committee	19 May 2009	0	
	28 July 2009	0	
	14 September 2009	0	1
Pensions Committee	18 June 2009	0	
	22 September 2009	0	1
Planning Committee	21 May 2009	0	
	11 June 2009	1/9 (11%)	2
	2 July 2009	0	
	22 July 2009	0	
	13 August 2009	0	1
	25 August 2009	0	
	10 September 2009	0	
	1 October 2009	0	
	22 October 2009	0	
Standards Committee	30 June 2009	0	
	7 August 2009	0	
	29 September 2009	0	
Children and Young People O&S	2 June 2009	0	
	17 September 2009	0	
Council Excellence O&S	1 July 2009	0	
	16 September 2009	0	1
Economy and Regeneration O&S	15 June 2009	0	1
	15 September 2009	0	
Health and Well Being O&S	22 June 2009	0	
	8 September 2009	0	
Sustainable Communities O&S	1 June 2009	1/4 (25%)	
	21 September 2009	1/10 (10%)	
Scrutiny Programme Board (O&S)	27 May 2009	0	
	14 September 2009	0	

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