



Audit and Risk Management Committee

Date:	Wednesday, 17 September 2014
Time:	6.00 pm
Venue:	Committee Room 1 - Wallasey Town Hall

Contact Officer: Mark Delap
Tel: 0151 691 8500
e-mail: markdelap@wirral.gov.uk
Website: <http://www.wirral.gov.uk>

AGENDA

1. MEMBERS' CODE OF CONDUCT – DECLARATIONS OF INTEREST

Members are asked to consider whether they have any disclosable pecuniary interests and/or any other relevant interest in connection with any item(s) on this agenda and, if so, to declare them and state the nature of the interest.

2. MINUTES (Pages 1 - 2)

To approve the accuracy of the minutes of the Special Meeting held on 22 July 2014

3. INTERNAL AUDIT UPDATE (Pages 3 - 16)

4. PUBLIC SECTOR INTERNAL AUDIT STANDARDS (Pages 17 - 20)

**5. AUDIT FINDINGS REPORT –
MERSEYSIDE PENSION FUND (Pages 21 - 46)**

**6. STATEMENT OF ACCOUNTS 2013/2014 –
MERSEYSIDE PENSION FUND (Pages 47 - 54)**

The report of the Director of Resources (to be presented to the Pensions Committee on 15 September 2014) upon the audited Statement of Accounts of the Merseyside Pension Fund for 2013/2014 is attached for consideration, together with the MPF Letter of Representation from Grant Thornton. The Pensions Committee will be requested to approve the Statement of Accounts and its recommendation will be reported to the Audit and Risk Management Committee.

7. **ANNUAL GOVERNANCE STATEMENT 2013/2014 (Pages 55 - 72)**
8. **AUDIT FINDINGS REPORT – WIRRAL COUNCIL**
Grant Thornton report to follow
9. **REPORT ON VALUE FOR MONEY**
Grant Thornton report to follow
10. **STATEMENT OF ACCOUNTS 2013/2014 – WIRRAL COUNCIL (Pages 73 - 82)**
11. **MANAGEMENT OF INSURANCE AND CORPORATE RISK (Pages 83 - 88)**
12. **CORPORATE RISK REGISTER (Pages 89 - 110)**
13. **UPDATE OF HR POLICIES (Pages 111 - 184)**
14. **REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA) (Pages 185 - 188)**
15. **ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 1)**
16. **EXEMPT INFORMATION – EXCLUSION OF MEMBERS OF THE PUBLIC**

The public may be excluded from the meeting during consideration of the following items of business on the grounds that they involve the likely disclosure of exempt information.

RECOMMENDATION – That in accordance with section 100A (4) of the Local Government Act 1972, the public be excluded from the meeting during consideration of the following items of business, on the grounds that they involve the likely disclosure of exempt information as defined by the relevant paragraphs of Part 1 of Schedule 12A (as amended) to that Act. The public interest test has been applied and favours exclusion.

17. **ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 2)**

AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 22 July 2014

<u>Present:</u>	Councillor	J Crabtree (Chair)	
	Councillors	RL Abbey J Hale S Kelly	P Doughty D Elderton J Walsh
<u>Deputies:</u>	Councillors	P Brightmore (In place of M Patrick) L Fraser (In place of A Sykes)	
<u>Cabinet Members:</u>	Councillors	P Davies, AER Jones C Meaden	
<u>In attendance:</u>	Councillor	P Gilchrist	

15 MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members were asked to consider whether they had any disclosable pecuniary interests and/or any other relevant interest 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.

16 MINUTES

Resolved – That the minutes of the meeting held on 23 June 2014, be approved.

17 BUSINESS INVESTMENT GRANT (BIG) AND INTENSIVE START UP SCHEME (ISUS) INVESTIGATIONS

The Chair referred to concerns that had been expressed to him in relation to the volume of the agenda documents and that their late receipt by some Members of the Committee had not allowed them enough time for the content to be studied in sufficient depth for an accurate judgement to be made. He had regard to the need for the matter to be dealt with, without further unnecessary delay and also to the potential for Members and officers to be on leave on the date of a reconvened meeting. However, so as to allow the Committee to be fully informed when reaching a decision on the matter, he believed it was appropriate for the meeting to stand adjourned for a week.

The Conservative Group spokesperson confirmed that he had not received the document pack until Friday evening and prior commitments had not allowed him adequate time to study its content. He indicated that he was not available to attend for over two weeks and, given that he had asked repeatedly since January 2014 for the report to be presented, requested that the Committee reconvene on a date that he was able to attend. Given the complexity of the matter, he was concerned that an adjournment of a week would not allow sufficient time for a nominated deputy with no prior knowledge of the issues to be adequately briefed.

The Chief Executive commented that it was his belief that the documentation circulated to Members vindicated Council officers and, to be fair to those whose integrity had been questioned, he urged the Committee to consider the matter as soon as was possible.

On a motion by Councillor Crabtree, seconded by Councillor Abbey, it was –

Resolved (5:4) – That the meeting stand adjourned until 5.00pm on Tuesday 29 July 2014.

[NB Following the meeting, the Chair and Group Spokespersons reflected upon the need to ensure, as far as possible, that all Members of the Committee should be able to participate in the consideration and debate in relation to the report of the Chief Executive concerning the Business Investment Grant (BIG) and Intensive Start Up Scheme (ISUS) Investigations. It was therefore agreed, subject to the availability of Members and officers, that a further Special Meeting of the Committee would be called for **6.00pm on Tuesday 7 October 2014**. In view of this, the adjourned meeting on 29 July 2014 will not proceed, given the requirement to be quorate]

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

17 SEPTEMBER 2014

SUBJECT:	INTERNAL AUDIT UPDATE
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF INTERNAL AUDITOR
KEY DECISION ?	NO

1.0 EXECUTIVE SUMMARY

1.1. This report identifies and evaluates the performance of the Internal Audit Section and includes details of any issues arising from the actual work undertaken during the period 1 June to 31 July 2014. There are two items of note concerning audit work undertaken that is brought to the attention of the Members for this period and this is identified at Section 2.2.

2.0 BACKGROUND AND AUDIT OUTPUT

2.1. Internal Audit recently introduced a more effective reporting mechanism for Members of the Audit and Risk Management Committee that summarises audit work completed and identifies issues raised on a more timely bi-monthly basis. This report supports the revised arrangements by focussing on the following:

- Any items of note arising from audit work conducted,
- Any issues arising that require actions to be taken by Members,
- Performance information relating to the Internal Audit Service,
- Developments being undertaken to improve the effectiveness of the Internal Audit Service.

The information contained within this report is for the period 1 June to 31 July 2014.

2.2. Items of Note

2.2.a Performance Management

A follow up audit was undertaken during the period to evaluate progress made to implement a significant number of actions identified in an audit conducted during 2013/14 of the corporate Performance Management system. The original audit generated 'minimum' assurance opinions for the actual system and compliance and a 'major' opinion for the corporate impact. 9 recommendations were identified in a report for management of which 8 were High priorities. The High priority recommendations related to:

- Performance management policies and procedures being completed, disseminated to relevant staff and adhered to in practice.
- The performance management framework ensuring that benchmarking data and best practice are utilised effectively, all departments/sections and appropriate officers being engaged in the process and having received necessary training, and a system being in place for swiftly

addressing and implementing recommendations from internal and external sources.

- The most effective structure and format of performance reports being decided upon and applied at all levels to ensure consistency in reporting.
- Deciding how best to highlight and report upon performance outcomes and achievements being delivered.
- Designating appropriate staff to calculate, review and be accountable for each performance indicator, with roles and responsibilities being clearly understood.
- Restricting the volume of corporate and departmental performance indicators to include only those deemed most relevant for monitoring performance and outcomes against objectives.
- Ensuring that there are clear links between the aims, objectives and associated targets and indicators contained within the Corporate, Departmental and Team/Individual Plans.
- Ensuring that the targets set and evidence used to substantiate the targets are scrutinised and approved as being appropriate prior to the start of the reporting period. This should be documented in the performance management information system, along with any justification and approval by a senior manager if a target is amended during the course of the reporting year.

It is pleasing to note that the findings of the audit indicated that all of the agreed recommendations to improve systems in the areas identified have been actioned. Further audit work is scheduled for this important area of operations later in the year to evaluate the impact of the implemented actions. An update on this will be included in future reports to this Committee.

2.2.b. Risk Management

A follow up audit was undertaken during the period to evaluate progress made to implement a significant number of actions identified in an audit conducted during 2013/14 of the corporate Risk Management system. The original audit generated 'minimum' assurance opinions for the actual system and compliance and a 'major' opinion for the corporate impact. 8 recommendations were identified in a report for management of which 6 were High priorities. The High priority recommendations related to:

- A fit for purpose risk management framework which is corporately driven, adequately resourced and consistently applied across the Council, must be developed, documented, promoted and put into operation, having utilised all available benchmarking data and current best practice.
- The Risk Management Strategy and Policy should be reviewed and approved, endorsed by the Chief Executive's Strategy Group and

disseminated effectively. It must be fully aligned to the outcomes expected of a robust risk management framework and be evaluated on an annual basis for continued fitness for purpose.

- An effective system must be implemented to ensure that all risks to the organisation are monitored on an ongoing basis to ensure that appropriate actions are being taken to manage or alleviate risks and to ensure that any emerging risks are considered.
- Systems being developed to evaluate and manage risks should be robust and link directly to corporate objectives and directorate aims and performance data should be utilised to track the movement of key risks and actions being taken to address them.
- All risks associated with other influential organisations /partners must continue to be monitored and evaluated.

The findings from the audit indicate that significant progress had been made to address the actions identified and we feel more confident that risks are now being identified and managed more effectively by the organisation. It is noted that further important development work is currently being undertaken to improve systems in the following areas:

- The prompt implementation of the Corporate Risk Management Policy to encourage, develop and embed risk management into the culture of the organisation.
- Following the introduction of the new Risk Management Policy training is to be provided and will be offered in various formats e.g. face to face, 'e' learning etc.
- Development of the corporate Partnership Register to assist the Risk and Insurance Officer in providing challenge and subsequent assurance that risks associated with partners have been considered in the evaluation of risks associated with the delivery of objectives.

Further audit work is scheduled for later in the year to evaluate the adequacy and effectiveness of the controls in operation over the Risk Management Framework system following the implementation of the newly adopted Risk Management Policy. This work will seek to provide further assurance of the effective operation of risk management within Directorates. The findings from this work will continue to be included in future update reports to this Committee.

2.3 Outstanding Audit Recommendations

2.3.a Attached at Appendix 1 is a table identifying information relating to those audits where recommended actions included in audit reports have not currently been implemented. The period covered is for the 2014/15 year, however outstanding recommendations made in the fourth quarter of 2013/14 have been included in the listing for completeness.

2.3.b Where items are addressed by officers those entries will be removed from the report on a rolling basis. At the request of Members the date of the original

audit as well as the date of the follow up audit has now been included in the table where relevant.

2.3.c All of the reports identifying outstanding actions are RAG rated as ‘amber’ indicating that progress is being made to address identified issues.

2.4 Internal Audit Performance Indicators

2.4.a The Service constantly evaluates and measures the effectiveness of its performance in terms of both quality and productivity by means of a number of performance indicators in key areas as identified below. These include delivery of the annual Internal Audit Plan and ensuring that all of the audits identified in the plan are completed on schedule. This is particularly important at the present time as the requirement for Internal Audit involvement in a number of important corporate initiatives has increased dramatically.

IA Performance Indicator	Target	Actual
Percentage delivery of Internal Audit Plan 2014/15.	30	28
Percentage of High priority recommendations agreed with clients.	100	100
Percentage of returned client survey forms indicating satisfaction with the Internal Audit service. (Numbers returned indicated in brackets)	85 (22)	100 (18)
Percentage of internal audit reports issued within 10 days of the completion of fieldwork.	100	92

2.4.b There are currently no issues arising.

2.5 Internal Audit Developments

2.5.a Continuous improvement is important to the overall efficiency and effectiveness of the Internal Audit Service and as such the Internal Audit Improvement Plan has been revisited and updated to incorporate the findings from the self assessment exercise undertaken to evaluate the service against the new Public Sector Internal Audit Standards. A separate report on this is included elsewhere on the agenda for this Committee.

Some of the actions taken to date include

- The implementation of a revised audit report format incorporating opinions on systems, compliance and organisational impact,
- The introduction of Letter of Engagement for all audits,
- The introduction of a Training and Development Program for audit staff,
- Developed reporting arrangements for Chief Officers and Members,
- The implementation of a three year Strategic Internal Audit Plan directly linked to the key corporate priorities,
- Improved engagement with Chief Officers, managers and Members,

- The introduction of enhanced escalation procedures for audit issues identified,
- Improved reporting arrangements for ARMC members including bi-monthly RAG rated update reports,
- Significantly restructuring and refocusing the service in line with other best practice providers,
- The adoption of a new Code of Ethics for Internal Audit.

Work is also currently ongoing with audit colleagues from across the North West of England to develop and implement an external quality assurance system that meets the requirements of the Standards identified above.

I will continue to regularly update you on actions taken to improve the service via this update report delivered to each Committee meeting.

3.0 RELEVANT RISKS

- 3.1 Appropriate actions are not taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives.
- 3.2 Potential failure of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 No other options considered.

5.0 CONSULTATION

- 5.1 Members of this Committee are consulted throughout the process of delivering the Internal Audit Plan and the content of this regular routine report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are none arising from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 7.1 There are none arising from this report.

8.0 LEGAL IMPLICATIONS

- 8.1 There are none arising from this report.

9.0 EQUALITIES IMPLICATIONS

- 9.1 There is no relevance to equality.

10.0 CARBON REDUCTION IMPLICATIONS

- 10.1 There are none arising from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 11.1 There are none arising from this report.

12.0 RECOMMENDATIONS

- 12.1 That the report be noted.

13.0 REASON FOR RECOMMENDATION

- 13.1 To provide the Members with assurance that the Council is taking appropriate measures to comply with statutory requirements to provide an adequate and effective internal audit service.
- 13.2 To ensure that risks to the Council are managed effectively.
- 13.3 To ensure that the Council complies with best practice guidance identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.

REPORT AUTHOR: Mark P Niblock
Chief Internal Auditor
telephone: 0151 666 3432
email: markniblock@wirral.gov.uk

APPENDICES

Appendix 1: Audit Recommendations Status Report

REFERENCE MATERIAL

Internal Audit Plan 2014/15

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	Routine report presented to all meetings of this Committee.

**INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS
PERIOD: 01 JANUARY 2014 TO 31 JULY 2014**

<u>Summary</u>	Total	R	A
1. Completed Audits	13	0	13
2. Follow Up Audits Completed	5	0	5

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS

PERIOD: 01 JANUARY 2014 TO 31 JULY 2014

1. Completed Audits - RED or AMBER flag

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Actual High Priority Recommendations	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
Data Loss Prevention 11/02/2014	Authority-wide	Minimum	n/a	Major	A DLP policy for the management of information assets, which have been appropriately classified, should be produced, agreed by the Information Governance Board, and made available to all staff. The DLP policy should inform a business case and project plan for the delivery of technical solution(s) by IT Services. Information Asset Owners should be responsible for ensuring appropriate working practices (which satisfy the physical management of information assets requirements of the DLP policy) are developed, documented and issued to staff, and that the procedures are complied with.	3 (3)	August 2014 Strategic Director Transformation and Resources	Aug 14	Draft report issued to s151 Officer and Monitoring Officer, and the issues will be actioned by the Information Governance Board	A
Civica DIP - access controls 18/02/2014	Transformation & Resources [Business Processes]	Substantial	Substantial	Minor	2 medium and 7 low priority recommendations.	9 (0)	April 2014 Strategic Director Transformation and Resources	Sep 14	All recommendations agreed.	A
Investments 11/02/2014 Page 10	T&R [MPF]	Maximum	Limited	Moderate	One high priority recommendation was made which resulted in the limited compliance opinion: The arrangements for the external provision of fund manager analysis services, currently contracted to Inalytics Ltd., should be reviewed to ensure compliance with the corporate contract procedure rules.	2 (1)	December 2014 Strategic Director Transformation and Resources	Dec 14	Reply from Senior Investment Manager at MPF:- The reason for the December 2014 completion date for recommendation 2 is MPF is currently using Inalytics for the tender of the European Manager Mandates; this process is expected to be completed in June 2014. The proposal is that at this stage June 2014 the tender process can commence. MPF is also evaluating whether to include this work within the contract for responsible investment, the responsible investment tender is also up for retender this year	A
Governance Assurance Statement 2013/14 24/042014	All Directorates	N/A	N/A	N/A	The audit identified some procedural and reporting areas for development.	0 (0)	August 2014 All Directorates	Underway	Follow up in progress in Transformation & Resources and Families & Wellbeing	A
Performance Indicators 07/05/2014	Authority-wide	Substantial	Substantial	Minor	1 Medium and 1 Low Priority recommendations	2 (0)	June 2014 Head of Policy, Performance and Public Health / Strategic Director Transformation and Resources / Strategic Director Families and Wellbeing	Sep 14	Recommendations agreed	A

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Actual High Priority Recommendations	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
ERDF Merseyside Business Support Programme 30/05/2014	Regeneration & Environment [Invest Wirral]	Maximum	Maximum	Minor	1 Low priority recommendation.	1 (0)	September 2014 Strategic Director Regeneration & Environment	Sep 14	Recommendation agreed	A
Capital Investment Programme 09/06/2014	T&R [Financial Services]	Substantial	Substantial	Moderate	3 Medium priority Recommendations	3 (0)	September 2014 Strategic Director Transformation and Resources	Oct 14	All recommendations agreed.	A
Gifts, Hospitality and Conflicts of Interest 27/06/2014	Authority wide	N/A	N/A	N/A	The audit identified some procedural and reporting areas for development.	0 (0)	August 2014 All Directorates	Nov 14	Draft report issued to Graham Burgess on 27/6/14	A
The Learning Lighthouse 30/06/2014	Families & Wellbeing (F&W) [CYPD]	Limited	Minimum	Minor	<p>1) Consider compiling a list of the schools who accessed the Project Room (using the signing in record) prior to the discovery of the missing Mac Book Air and contact the relevant Head teachers to request that they ask those teachers who have accessed the Project Room at TLL, if they are in possession of or may know of the whereabouts of the Mac Book Air.</p> <p>(ii) Report the missing Mac Book Air to the Police if the attempt to locate it is not successful.</p> <p>(iii) Conduct an immediate review of the access and security arrangements for the Project Room to establish the following: a) If access levels are appropriate and controlled effectively, considering the amount of portable equipment stored in the room; b) If portable items can be moved to a more secure environment permanently or when the Project Room is in use.</p> <p>2) (i) One individual should be responsible for updating the inventory which should be password protected. If other members of staff require access to view the inventory a read only password should be set up to prevent any unauthorised or unintentional changes being made to the inventory.</p> <p>(ii) A record should be made, detailing who completed the recent inventory check prior to this audit, the date of the check, and if any discrepancies were identified what action has been taken to investigate the discrepancies.</p> <p>(iii) A verification of the inventory should be undertaken periodically by an independent employee to ensure that the physical items agree to the items listed on the inventory. The inventory should be signed and dated to confirm the check and any discrepancies should be reported immediately to the Manager(s).</p> <p>(iv) All desirable equipment belonging to TLL should be security marked, where practicable.</p> <p>3) In light of the findings identified above, Internal Audit suggests that CYPD undertake a review of the Council's two other City Learning Centres to ensure the weaknesses that were identified at TLL are not present at the two other learning centres and procedures are applied consistently at the three sites.</p>	9 (3)	August 2014 Strategic Director of Families & Wellbeing	Nov 14	All recommendations agreed.	A

Audit / Date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Actual High Priority Recommendations	Total Recs (H)	Timescale / Strategic Director	Follow Up Scheduled	Outcome	RAG Status
EMAPS Full Audit 05/06/2014	F&W [CYPD]	Substantial	Substantial	Minor	The audit resulted in 6 Medium and 1 Low Priority recommendations	7 (0)	November 2014 Headteacher	Nov 14	All recommendations agreed.	A
CYPD: Petty Cash System 31/07/2014	F&W [CYPD]	Substantial	Substantial	Minor	The audit resulted in 3 Medium Priority recommendations.	3 (0)	November 2014 Strategic Director of Families & Wellbeing	Nov 14	All recommendations agreed.	A
MPF - Pensions Payroll 12/08/2014	T&R [Merseyside Pension Fund]	Maximum	Maximum	Minor	The audit resulted in one audit recommendation (low priority) & observation for follow-up.	1 (0)	October 2014 Strategic Director Transformation and Resources	N/A	All recommendations agreed.	A
Creditors - NFI 31/07/2014	T&R [Resources]	N/A	N/A	N/A	The Payments Manager should undertake the following: (i) For the 3 duplicate payments identified, notify the relevant departments of the duplicate payments so that they can recover the monies owed to the council. (ii) For future NFI exercises ensure that matches are investigated thoroughly prior to completing the outcome on the NFI site. (iii) Request that those officers who have the responsibility of preparing internal invoices for payment through the Accounts Payable system and generate their own invoice numbers, be advised to ensure that invoice numbers are unique for each individual payment. For example on Business Rate refunds consideration should be given to include the Business Rate account number within the invoice number reference. (iv) Establish the reasons why duplicate payments identified have been processed through the Accounts Payable system and take appropriate action to prevent a reoccurrence.	6 (1)	December 2014 Strategic Director Transformation and Resources	Jan 15	All recommendations agreed.	A

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS

PERIOD: 01 JANUARY 2014 TO 31 JULY 2014

2. Follow Up Audits Completed - RED or AMBER flag

Audit / Follow-Up Date / Original Report date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Original Recommendations (H)	Original Total Recs (H)	Timescale / Strategic Director	Further Follow Up Scheduled	Outcome	RAG Status
Shared Lives Scheme 31/01/2014 Sep 2013	Families & Wellbeing (F&W) [DASS]	Minimum	Minimum	Moderate	<p>Original review resulted in 9 high recommendations and 2 medium recommendations. High priority recommendations where:</p> <p>1) i) The Contract should be reviewed in consultation with the Service Provider to ensure that the Contract is suitable for the Shared Lives Scheme. Any legislative change or guidance issued by statutory bodies that have a material impact on the provision or cost of the service should be taken into account. ii) Performance measures should be developed that will ensure all contracts are reviewed annually. iii) A representative from DASS should conduct random inspections of the Service Provider records and the delivery of services to ensure all terms of the contract are being fulfilled. iv) There should be regular monitoring meetings with the Service provider, to discuss any issues.</p> <p>2) i) The system for authorising care provision for Service Users should be reviewed and the following should be considered: • The form of care initiation/order that will be used for future care provision of this type; • If the care initiation/order will be accompanied by a letter to the Service Provider and Home Owner (Carer), and if this is to accompany the care initiation/order form, will the letter still require the Service provider and Home Owners (Carers) signature; • The type of documentation that will be required for any temporary changes to care provision, emergency care and additional expenditure items. ii) The care initiation document should be signed by all parties prior to commencement of the care provision and a copy should be retained by DASS and the Service Provider for the required retention period. iii) The contract should be amended to reflect changes made following the review.</p> <p>3) i) The banding structure should be reviewed in consultation with the Service provider to ensure that it is suitable for the service that is currently being provided. The Contract should be amended following the review. ii) A full review should be undertaken of the current cost of care provision provided to all Service Users placed with PSS, to ensure they are receiving the required level of care, and the Council are paying the correct amount towards the cost of care. iii) The banding structure should be reviewed annually taking into account increase/decreases in inflation. iv) The agreed banding structure should be used to calculate the Council's contribution towards the cost of care for all Service Users.</p>	11 (9)	May 2014 Strategic Director Families and Wellbeing	Underway	Follow up audit is in progress	A

Audit / Follow-Up Date / Original Report date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Original Recommendations (H)	Original Total Recs (H)	Timescale / Strategic Director	Further Follow Up Scheduled	Outcome	RAG Status
Page 14		Minimum	Minimum	Moderate	<p>4) The care provision for the Service User should be reviewed by DASS and the following should be taken into consideration:</p> <ul style="list-style-type: none"> • Whether or not the Council should be paying a management fee to PSS for the Service User; • If the Council should recover the payments that have been made to PSS of £61.40 per week. 					A
	<p>5) The care provision for the Service User should be reviewed by DASS and the following should be taken into consideration:</p> <ul style="list-style-type: none"> • Whether or not the Council should be paying additional expenses for the Service User; • If the Council should recover the £1528.79 surplus which has accumulated from the previous year for additional expenses. 									
	<p>6) i) The Management Fee should be reviewed in consultation with the Service Provider. The following should be considered when undertaking the review:</p> <ul style="list-style-type: none"> • Management Fee per Carer or Service User; • Amount of fee charged compared to other local authorities; • If variations to the Management Fee are accepted, what evidence is required from PSS to justify the variance. <p>ii) The Contract should be amended following the review.</p> <p>iii) Regular checks should be undertaken by DASS to ensure that the agreed management fees are applied in all cases.</p>									
	<p>7) i) The Service Provider (not the Home Owner (Carer)) should be required to submit a 4 weekly movement return, showing Service User movements, temporary absences such as for respite care, hospitalisation etc. If there are no movements 'NIL RETURN' should be written across the movement return. Payments should only be made to the Service Provider upon receipt of the four weekly movement returns.</p> <p>ii) The movement return should include the following details as a minimum requirement: Service User name and SWIFT reference; Payment period and date; Date of care commencement and departure; Temporary absences; Any additional expenses; Increase/decreases in Housing Benefit payments.</p> <p>iii) A process should be developed for checking movement returns, to ensure reasonableness, e.g. the schedule is for the correct period and the admissions and/or departures agree to what is detailed on the SWIFT system.</p>									
	<p>iv) A guidance note should be compiled detailing the above procedure and a checklist should be used to evidence the verification.</p>									
	<p>v) The Contract should be amended to take into account implementation of the above recommendations.</p>									
	<p>8) i) The current limits of indemnity, as detailed in the Contract should be reviewed to ensure they are still adequate for this type of service provision. If the limits are suitable, the Service Provider should be informed of the requirement to increase treatment liability insurance to £10 million. If changes are to be made to the limits the Service Provider should be informed immediately and the Contract should be amended accordingly.</p> <p>ii) Regular reviews should be undertaken to ensure that all insurances as detailed in the Contract (for example, motor insurance, buildings and contents) and indemnity limits are adequate and that the Service Provider maintains adequate up-to-date insurance.</p>									
	<p>9) Consideration should be given to review all Contracts that the Council has with other adult placement providers, to ensure conditions and obligations are met and procedures are consistently applied.</p>									

Audit / Follow-Up Date / Original Report date	Directorate [Service]	Control Environment	Compliance	Organisational Impact	Original Recommendations (H)	Original Total Recs (H)	Timescale / Strategic Director	Further Follow Up Scheduled	Outcome	RAG Status
Youth Offending Team 21/01/2014 Aug 2013	F&W [CYPD]	Substantial	Limited	Substantial	Original review resulted in 1 high, 1 medium and 1 low priority recommendations The following actions should be taken to address issues raised by the internal audit: i) To resolve the confusion over what the agreed petty cash imprest level should be and to seek assurances that all monies can be accounted for through appropriate review of documentation and transactions. ii) To review and set an appropriate petty cash imprest amount for the Youth Offending Team. This should then be declared to Accountancy to ensure that the Balance Sheet entry in the accounts is correct. iii) To note that the current safe limit is £1000, as per the Council's insurance limitations and that Risk and Insurance should be contacted if the agreed imprest level will result in cash over £1000 being held in the safe. iv) To ensure that bank statements are received and reconciled on a monthly basis by an officer not involved in the imprest system. v) To ensure that a full reconciliation back to the petty cash imprest level is carried out on a least a weekly basis.	3 (1)	March 2014 Strategic Director Families and Wellbeing	Sep 14	2 recommendations have been implemented (1 medium, 1 low) The outstanding high priority recommendation has been partially implemented, part (i) of the recommendation remains outstanding. The department is to action this, and advise Internal Audit of progress.	A
ICT Hardware Asset Register 04/02/2014 Mar 2013	Transformation & Resources (T&R) [Resources]	Limited	n/a	n/a	Original audit resulted in 6 high and 1 medium priority recommendations. 1) VQSM should be used at the primary source for the Authority's Hardware Asset Register (HAR). 2) The Authority's HAR should be updated to include all hardware assets, and maintained in line with agreed procedures. 3) The project to develop "Here's My Asset", subject to demonstrating proof of concept, will assist the accuracy of the HAR, and its successful deployment should be prioritised by IT management. 4) All hardware assets connecting to the network should be visible to the Altiris Software. 5) Procedural guidance should require the immediate update of the HAR when an asset is to be added or deleted, where a segregation of duties should be achieved. 6) The accuracy of the HAR should be verified on a regular basis, and the results reported to IT Management.	7 (6)	April 2014 Strategic Director Transformation and Resources	Sep 14	All recommendations are not being implemented pending the outcome of the Windows7 project. This may render the specific recommendations obsolete, although the control weakness principles identified will need to have been considered.	A
Debt Management (Independent Review of Sundry Debt) 17/03/2014 Oct 2013	F&W [DASS] and T&R [Business Processes]	n/a	n/a	n/a	Independent Review of Sundry Debt resulted in thirty four actions.	34 (34)	2014/15 Strategic Director Transformation and Resources	2014/15	Twenty five recommendations have been implemented . Three recommendations are no longer appropriate. Six recommendations are partially implemented, and have been discussed with the Director of Resources.	A
Payment Card Industry - Data Security Standard 04/07/2014 Dec 2012	Authority-Wide	Minimum	n/a	n/a	Original review highlighted that the Council is currently not compliant with the standard, but appropriate measures, decisions and actions have or will be taken to ensure compliance in due course. 1 High priority recommendation is outstanding: 1) Determine and implement the most appropriate installation in the Customer Services Centre, ie running Paye.net in a virtualised environment, running two machines on each desk with a KVM (keyboard, video and mouse) switch, running machines in separate secure environment via RDP (remote desktop protocol).	3 (1)	March 2015 Strategic Director Transformation and Resources	Mar 15	The risks of non-compliance with the PCI DSS have been assessed as minor and, due to current higher priority resource demands, will be addressed as part of the longer term programme to upgrade the Wide Area Network infrastructure	A

KEY:

Control Environment		
MAXIMUM	There is a sound system of control designed to achieve the system objectives and these are being consistently applied. No High recommendations made or low priority recommendations have been made that cumulatively do not warrant 'substantial status'.	
SUBSTANTIAL	There is a basically sound system of control, but there are weaknesses in design and/or operation of controls which put some of the control objectives at risk. A medium priority recommendation has been made, or a large number of low priority recommendations made that cumulatively could meet the criteria for a medium priority recommendation.	
LIMITED	There are some weaknesses in the design and/or operation of the system of control which could have a significant impact on the achievement of the control objectives. Improvements could be made to a number of areas within the control environment so that the relevant risks are managed more effectively, a high priority recommendation has been made, or several medium priority recommendations that cumulatively meet the criteria for a high priority action.	
MINIMUM	There are weaknesses in the design and/or operation of the system of control which have had a significant impact on the achievement of the control objectives, and may put at risk the achievement of the organisation's objectives. More than one high priority recommendation identified.	
Compliance		
MAXIMUM	The control environment is operating as intended. No recommendations have been made or low priority recommendations have been made that cumulatively do not warrant 'substantial status'.	
SUBSTANTIAL	The control environment is substantially operating as intended. A medium priority recommendation has been made, or a large number of low priority recommendations made that cumulatively could meet the criteria for a medium priority recommendation.	
LIMITED	The control environment has not operated as intended and errors have been detected. Improvements could be made to a number of areas so that the relevant risks are managed more effectively, a high priority recommendation has been made, or several medium priority recommendations that cumulatively meet the criteria for a high priority action.	
MINIMUM	The control environment has fundamentally broken down and is open to serious error or abuse. Significant errors have been detected. More than one high priority recommendation has been identified.	
Organisational Impact		
MAJOR	The weaknesses identified during the review have left the Council open to significant risk. If the risk materialises it would have a major impact upon the organisation as a whole.	
MODERATE	The weaknesses identified during the review have left the Council open to moderate risk. If the risk materialises it would have a moderate impact upon the organisation as a whole.	
MINOR	The weaknesses identified during the review have left the Council open to a low level of risk. If the risk materialises it would have a minor impact on the organisation as a whole.	
RAG status		
G	Audits	Actions agreed and implemented.
	Follow Ups	Actions implemented.
A	Audits	Actions agreed and officers committed to implement within agreed timescale.
	Follow Ups	Actions in process of being implemented within agreed timescale with some implemented.
R	Audits	Actions agreed
	Follow Ups	Little or no progress made to implement actions within agreed timescale.
Recommendation Priority Rating		
HIGH	A matter that is fundamental to the control environment for the specific area under review. The matter may cause a system objective not to be met. This needs to be addressed as a matter of urgency (suggested timescale: within one month).	
MEDIUM	A matter that is significant to the control environment for the specific area under review. The matter may threaten the achievement of a system objective.	
LOW	A matter that requires attention and would improve the control environment for the specific area under review. The matter may impact on the achievement of a system objective.	

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

17 SEPTEMBER 2014

SUBJECT:	PUBLIC SECTOR INTERNAL AUDIT STANDARDS
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF INTERNAL AUDITOR
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 This report is to inform members of the requirements of the Public Sector Internal Audit Standards and to outline the progress being made in ensuring compliance.

2.0 BACKGROUND

2.1 From 1st April 2013, new Public Sector Internal Audit Standards (hereafter referred to as “the Standards”) came into effect. These were jointly developed by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA).

2.2 The Standards have replaced the CIPFA Code of Practice for Internal Audit in Local Government (2006) as the mandatory guidance, and provide a coherent and consistent internal audit standards framework for the whole of the public sector.

2.3 The Standards introduce 142 requirements which are additional to those detailed in the CIPFA Code of Practice. The most significant development is the introduction of the requirement for external quality assessments to be conducted at least once every five years by a qualified, independent assessor from outside the organisation.

2.4 Local authorities are required to be able to demonstrate full implementation and compliance with the Standards. The aim is that the Council will be able to demonstrate this by the time of the first external assessment, which must take place before 31 March 2018. However, the aim of the external assessment is to aid ongoing improvement. Over time and as processes develop and change, it is natural that areas of non-compliance may arise. The key principle is that there are no significant areas of non-compliance which would impinge on the effectiveness of the internal audit function, and that any areas for improvement are acknowledged and appropriate actions are being planned and undertaken.

3.0 IMPLEMENTATION AND COMPLIANCE

3.1 In response to the publication of the standards, Internal Audit has undertaken an assessment exercise so as to evaluate compliance with the Standards and to ascertain the actions required for full compliance. This exercise was referred to in the “Internal Audit Update” report

presented to this Committee on 23 June 2014, where it was agreed that a progress report be presented to this meeting.

3.2 The outcome of this assessment was that the Internal Audit service was found to **generally conform** with the requirements of the Standards, but that a number of actions have been identified so as to ensure full compliance. This is entirely to be expected, given the significant number of additional requirements.

3.3 The table below summarises the self-assessment outcomes:

Standard	Outcome of Self-Assessment			TOTAL
	Generally Conforms	Partially Conforms	Does Not Conform	
<i>No of compliance areas identified (X)</i>				
Definition of Internal Auditing (3)	3	0	0	3
Code of Ethics (13)	13	0	0	13
1000 Purpose, Authority and Responsibility (23)	21	1	1	23
1100 Independence and Objectivity (35)	31	1	3	35
1200 Proficiency & Due Professional Care (21)	20	1	0	21
1300 Quality Assurance and Improvement Programme (30)	12	17	1	30
2000 Managing the Internal Audit Activity (47)	40	4	3	47
2100 Nature of Work (31)	31	0	0	31
2200 Engagement Planning (58)	57	1	0	58
2300 Performing the Engagement (22)	20	2	0	22
2400 Communicating Results (55)	49	1	5	55
2500 Monitoring (4)	4	0	0	4
2600 Communicating Risk Acceptance (2)	2	0	0	2
TOTAL	303	28	13	344
	88%	8%	4%	

3.4 The following key actions have been identified so as to ensure full compliance:

- Refresh of the Internal Audit Manual to reflect the additional requirements of the Standards, and acquaint all Internal Audit staff with the refreshed document.
- Build on the agreement with other North West English Councils to provide the external assessment (referred to in 2.3 above) so as to develop a robust approach that will meet the needs of the

Standards. The reciprocal arrangement has already received the endorsement of relevant professionals, when the matter was discussed at a professional seminar.

- Include explanation of the Standards and compliance with these in the Annual Chief Internal Auditor's report, and other relevant reports to this Committee and senior management.
- Review and document the expectations of the wider stakeholders of Internal Audit, and take these into account in planning and in providing the Annual Internal Audit Opinion.
- Review and document the assurances provided by other assurance providers, develop protocols for the sharing of assurances, and take these into account in planning and in providing the Annual Internal Audit Opinion.
- Keep this Committee and senior management updated on compliance with the Standards.

3.5 Positive progress has already been made in addressing the issues identified, including the adoption of a Code of Ethics, which encapsulates the specific ethical considerations for Internal Auditors.

4.0 NEXT STEPS

4.1 Implementation of the actions identified to ensure compliance will continue, and regular progress reports will be made to this Committee.

5.0 RELEVANT RISKS

5.1 Significant non-compliance with the Standards may impinge on the real and perceived effectiveness of the Internal Audit function.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are none arising from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

7.1 There are none arising from this report.

8.0 LEGAL IMPLICATIONS

8.1 There are none arising from this report.

9.0 EQUALITIES IMPLICATIONS

9.1 There is no relevance to equality.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising from this report.

12.0 RECOMMENDATION

12.1 That the Committee notes the Report and supports the Internal Audit section in becoming fully compliant with the Public Sector Internal Audit Standards.

13.0 REASON FOR RECOMMENDATION

13.1 This Committee has an important role in helping the Internal Audit section achieve compliance with the Standards.

REPORT AUTHOR: Laura A. Williams
Senior Audit Manager

REFERENCE MATERIAL

Public Sector Internal Audit Standards

Quality Assurance and Improvement Programme – procedure and evaluation (Chartered Institute of Internal Auditors, 2013)

Local Government Application Note for the United Kingdom Public Sector Internal Audit Standards (Chartered Institute of Public Finance and Accountancy, 2013)

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	23 June 2014

The Audit Findings Report for Merseyside Pension Fund

Year ended 31 March 2014

2 September 2014

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Mike Thomas

Director

T 0161 214 6368

E Mike.Thomas@uk.gt.com

Fiona Blatcher

Associate Director

T 0161 234 6393

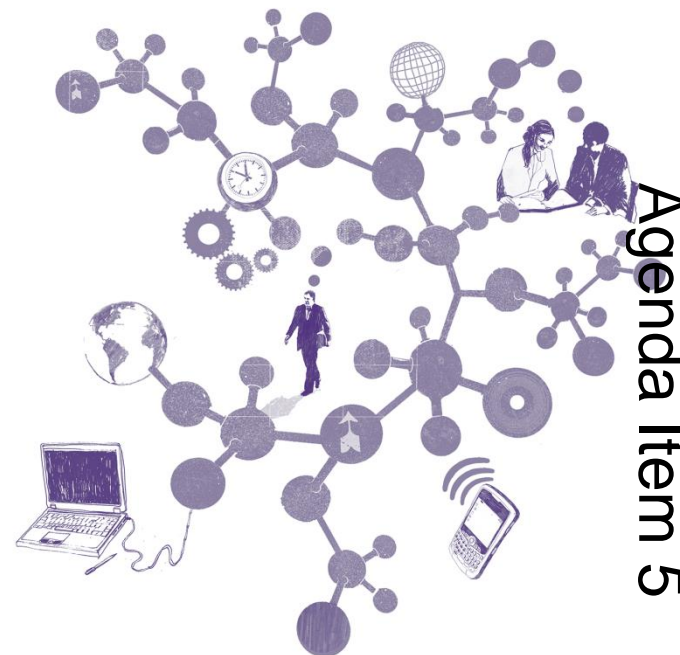
E fiona.c.blatcher@uk.gt.com

Chris Blakemore

Executive

T 0161 214 6397

E chris.blakemore@uk.gt.com



Agenda Item 5

The contents of this report relate only to those matters which came to our attention during the conduct of our normal audit procedures which are designed primarily for the purpose of expressing our opinion on the financial statements. Our audit is not designed to test all internal controls or identify all areas of control weakness. However, where, as part of our testing, we identify any control weaknesses, we will report these to you. In consequence, our work cannot be relied upon to disclose defalcations or other irregularities, or to include all possible improvements in internal control that a more extensive special examination might identify.

We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Appendices

- A Proposed audit opinion on the financial statements
- B Proposed audit opinion on the annual report
- C Proposed Letter of Representation

Section 1: Executive summary

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Executive summary

Purpose of this report

This report highlights the key issues arising from the audit of Merseyside Pension Fund's ('the Fund') financial statements for the year ended 31 March 2014. It is also used to report our audit findings to management and those charged with governance in accordance with the requirements of International Standard on Auditing (UK & Ireland) 260.

Under the Audit Commission's Code of Audit Practice we are required to report whether, in our opinion, the Fund's financial statements present a true and fair view of the financial position, the financial transactions of the Fund during the year and whether they have been properly prepared in accordance with the Code of Practice on Local Authority Accounting.

Introduction

In the conduct of our audit we have not had to alter or change our planned audit approach, which we communicated to you in our Audit Plan in March 2014.

Our audit is substantially complete although we are finalising our procedures in the following areas:

- obtaining and reviewing the management letter of representation;
- updating our post balance sheet events review, to the date of signing the audit opinion;
- obtaining a small number of independent investment confirmations;
- completion of testing on hard-to-value investments; and
- our final review procedures, including agreement of amended accounts.

We received draft financial statements and accompanying working papers at the start of our audit, in accordance with the agreed timetable.

Key issues arising from our audit

Financial statements opinion

We anticipate providing an unqualified opinion on the Fund's financial statements.

We have not identified any adjustments affecting the Fund's reported financial position which recorded net assets carried forward of £6.1bn.

We have agreed a number of adjustments to improve the presentation of the financial statements.

The key messages arising from our audit of the Fund's financial statements are:

- the draft financial statements were provided at the start of our audit work and high quality working papers were made available;
- some presentational improvements were needed, but no fundamental or material adjustments were required;
- officers were available throughout our audit fieldwork to provide additional supporting information in a timely manner and resolved our queries promptly.

Further details are set out in section 2 of this report.

Acknowledgement

We would like to take this opportunity to record our appreciation for the assistance provided by the finance team and other staff during our audit.

Grant Thornton UK LLP
September 2014

Section 2: Audit findings

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Audit findings

In this section we present our findings in respect of matters and risks identified at the planning stage of the audit and additional matters that arose during the course of our work. We set out on the following pages the work we have performed and findings arising from our work in respect of the audit risks we identified in our audit plan, presented to the Audit and Risk Management Committee on 18 March 2014 and the Pension Committee on 24 March 2014. We also set out the adjustments to the financial statements from our audit work and our findings in respect of internal controls.

Changes to Audit Plan

We have not made any changes to our Audit Plan as previously communicated to you.

Audit opinion

We anticipate that we will provide the Fund with an unmodified opinion. Our audit opinion is set out in Appendix A. We have also included our anticipated opinion on the Annual Report at Appendix B.

Audit findings against significant risks

"Significant risks often relate to significant non-routine transactions and judgemental matters. Non-routine transactions are transactions that are unusual, either due to size or nature, and that therefore occur infrequently. Judgemental matters may include the development of accounting estimates for which there is significant measurement uncertainty" (ISA 315).

In this section we detail our response to the significant risks of material misstatement which we identified in the Audit Plan. As we noted in our plan, there are two presumed significant risks which are applicable to all audits under auditing standards.

	Risks identified in our audit plan	Work completed	Assurance gained and issues arising
1. Page 28	<p>Improper revenue recognition</p> <p>Under ISA 240 there is a presumed risk that revenue may be misstated due to improper recognition</p>	<p>We have rebutted this presumption and therefore do not consider this to be a significant risk for Merseyside Pension Fund (as per Audit Plan of March 2014).</p> <p>Our work has included:</p> <ul style="list-style-type: none"> • review and testing of revenue recognition policies • testing of material revenue streams • review of unusual significant transactions 	<p>Our audit work has not identified any issues in respect of revenue recognition.</p>
2.	<p>Management override of controls</p> <p>Under ISA 240 there is a presumed risk of management over-ride of controls</p>	<ul style="list-style-type: none"> • review of accounting estimates, judgements and decisions made by management • testing of journals entries • review of unusual significant transactions 	<p>Our audit work has not identified any evidence of management override of controls. In particular the findings of our review of journal controls and testing of journal entries have not identified any issues.</p> <p>We set out later in this section of the report our work and findings on key accounting estimates and judgments.</p>

Audit findings against other risks




In this section we detail our response to the other risks of material misstatement which we identified in the Audit Plan. Recommendations, together with management responses are attached at Appendix A.

Transaction cycle	Description of risk	Work completed	Assurance gained & issues arising
Investments	<ul style="list-style-type: none"> Investments not valid Alternative investments not valid Investment activity not valid Fair value measurements not correct 	<p>We have undertaken the following work in relation to this risk:</p> <ul style="list-style-type: none"> obtained independent, direct confirmation of balances from Investment Managers, external valuation experts, and the custodian carried out 3-way reconciliation between records of the fund managers, the custodian, and the Fund Sample testing of valuations, in particular hard-to-value investments. 	<p>Our audit work has not identified any investments held by the Fund that are not valid, or where the fair value measurement is not correct.</p> <p>Our audit work supports the valuations of investments where estimation techniques and judgement have been applied.</p>
Benefit Payments	<ul style="list-style-type: none"> Benefits improperly computed/ liability understated 	<ul style="list-style-type: none"> Sample testing of pension payments, lump sums, and refunds Analytical procedures rationalising pensions paid with changes in pensioner numbers & annual pension increases applicable to 13/14 	<p>Our audit work did not identify any evidence that benefit payments have been improperly computed, or the claims liability understated.</p>
Contributions	<ul style="list-style-type: none"> Recorded contributions not correct 	<ul style="list-style-type: none"> Review design of controls regarding receipt of contributions at the Fund, and walkthrough to ensure these controls are operating effectively. Sample testing of individual members contributions received by the Fund. Sample testing of lump sums. Analytical procedures rationalising contributions received to changes in member data and payroll data. 	<p>Our audit work has not identified any evidence that contributions have been recorded incorrectly.</p>
Member data	<ul style="list-style-type: none"> Member data not correct Regulatory/scheme rules requirements not met 	<ul style="list-style-type: none"> Substantive testing of changes to underlying member data Reconciliation of movements in membership statistics to transactions in the accounting records 	<p>Our audit work has not identified any evidence that member data is not correct, or that regulatory / scheme rules have not been met.</p>

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Accounting policies, estimates & judgements

In this section we report on our consideration of accounting policies, in particular revenue recognition policies, and key estimates and judgements made and included with the Fund's financial statements.

Accounting area	Summary of policy	Comments	Assessment
<p>Revenue recognition</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 30</p>	<ul style="list-style-type: none"> • Contribution Income: normal contributions for both employee and employers is accounted for on an accruals basis • Transfers to and from the scheme: Transfers are recognised when they are received / paid. • Investment Income: The Fund adopts several different recognition approaches dependent on the types of investment as disclosed within the statements. 	<ul style="list-style-type: none"> • The revenue recognition policies of the Fund are appropriate and in line with the relevant accounting framework • The application of the revenue recognition policies at the Fund is not considered complex, and our testing has not identified any inappropriate revenue recognition 	
<p>Judgements and estimates</p>	<ul style="list-style-type: none"> • Key estimates and judgements include : <ul style="list-style-type: none"> – investment valuation for unquoted, hard to value investments – pension fund actuarial valuations and settlements 	<ul style="list-style-type: none"> • The valuation of the Fund's hard-to-value investments have been substantively tested to gain assurance that it is not materially misstated. • We have confirmed that the work of the actuary is in line with professional standards and regulation, and that they are a reliable source of estimation relating to the pension fund liabilities. 	
<p>Other accounting policies</p>	<ul style="list-style-type: none"> • We have reviewed the Fund's policies against the requirements of the CIPFA Code and accounting standards. 	<ul style="list-style-type: none"> • Our review of accounting policies has not highlighted any significant issues which we wish to bring to your attention, however, some minor presentational improvements have been agreed. 	

Assessment

● Marginal accounting policy which could potentially attract attention from regulators

● Accounting policy appropriate but scope for improved disclosure

● Accounting policy appropriate and disclosures sufficient

Misclassifications & disclosure changes

The table below provides details of misclassification and disclosure changes identified during the audit which have been made in the final set of financial statements.

Adjustment type	Value £'000	Account balance	Impact on the financial statements
1 Disclosure	Various	Leases (Operating Leases)	The rental arrangements relating to the investment properties of the Fund have been assessed as operating leases. Appropriate additional disclosures have been made.
2 Disclosure	Various	General disclosure notes	<p>A number of other changes have been agreed to the financial instrument disclosure notes to ensure that they meet the Code and accounting standards requirements, and to other disclosures to improve clarity.</p> <p>This has included more clearly distinguishing between elements within the accounts subject to estimation uncertainty and critical judgements made in compiling the accounts.</p>
3 Disclosure	various	Annual report	Some missing data was identified in the draft annual report in one tables relating to UK equities.

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Internal controls

The purpose of an audit is to express an opinion on the financial statements.

Our audit included consideration of internal controls relevant to the preparation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of internal control. The matters we are required to report here are limited to those deficiencies that we have identified during the course of our audit that we have concluded are of sufficient importance to merit being reported to you in accordance with auditing standards. We have not identified any issues of significance to bring to your attention.

As part of our planned programme of work, our information system specialist team undertook a high level review of the general IT control environment at the Administering Authority. This was undertaken as part of the review of the internal controls system. We are pleased to report that no significant issues arose from our work. We identified a small number of areas where the Council's existing general IT arrangements can be further developed. None of these are specific to the pension fund and have been shared with the Director of Resources for information.

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Assessment

- Significant deficiency – risk of significant misstatement
- Deficiency – risk of inconsequential misstatement

Other communication requirements

We set out below details of other matters which we, as auditors, are required by auditing standards to communicate to those charged with governance.

	Issue	Commentary
1.	Matters in relation to fraud	<ul style="list-style-type: none"> We have previously discussed the risk of fraud with the Audit and Risk Management Committee and were not informed of any significant matters in relation to fraud. We have not been made aware of any incidents in the period and no other issues have been identified during the course of our audit procedures.
2.	Matters in relation to laws and regulations	<ul style="list-style-type: none"> We are not aware of any significant incidences of non-compliance with relevant laws and regulations.
3.	Written representations	<ul style="list-style-type: none"> A standard letter of representation has been requested from the Fund.
4.	Disclosures	<ul style="list-style-type: none"> Our review found no material omissions in the financial statements, although some presentation improvements have been made.
5.	Matters in relation to related parties	<ul style="list-style-type: none"> We are not aware of any related party transactions which have not been disclosed.
6.	Going concern	<ul style="list-style-type: none"> Our work has not identified any reason to challenge the Fund's decision to prepare the financial statements on a going concern basis.

Section 3: Fees, non audit services and independence

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Fees, non audit services and independence

We confirm below our final fees charged for the audit. We also completed additional work to provide assurance to auditors of admitted bodies over IAS19 disclosures.

Fees

	Per Audit plan £	Actual fees £
Fund audit	36,882	36,882
Total audit fees	36,882	36,882

Fees for other services

Service	Fees £
IAS 19 certification fees	2,180

Independence and ethics

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Auditing Practices Board's Ethical Standards and therefore we confirm that we are independent and are able to express an objective opinion on the financial statements.

We confirm that we have implemented policies and procedures to meet the requirements of the Auditing Practices Board's Ethical Standards.

Section 4: Future developments

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Developments relevant to your Pension Fund and the audit

Political		Environmental		Social		Technological	
Developments relevant to the next financial year							
<p>1. Financial reporting</p> <p>CIPFA has published best practice guidance relating to the identification and disclosure of administrative and investment management expenditure. This applies from 2014/15 and will enable consistent reporting across the LGPS facilitating more meaningful comparisons in this area. The definition is separated into three distinct categories of costs.</p>		<p>2. Legislation</p> <p>Under the Local Government Pension Scheme (LGPS 2014), pensions will be calculated on Career Average Revalued Earnings (CARE) rather than a final salary basis from 1 April 2014. Administering authorities will need to ensure their updated administration systems are calculating new pensions accruals correctly from 1 April 2014; dealing effectively with more complex data requirements and that new contribution rates are being correctly applied by employers.</p>		<p>3. Actuarial valuation</p> <p>Following the 31 March 2013 actuarial valuation all employers will need to consider the level of additional employer deficit contributions required and how to fund them.</p>		<p>4. Other issues</p> <p>The number of LGPS employers continues to grow as local authorities outsource services. Affected funds need to consider the impact this has on its exposure to risks and reflect on the impact this has for their investment strategies.</p>	
Developments relevant to future periods							
<p>1. Financial reporting</p> <p>Changes to the Pension SORP may affect the investment disclosures in the Net Asset Statement and Fair Value determination (changing the classification from level 1, 2 & 3 to A, B & C). A revised SORP will be issued in 2014 and may find its way into the LG code in 2015/16.</p>		<p>2. Legislation</p> <p>From April 1 2015 The Pensions Regulator will have formal powers and responsibilities for oversight of the LGPS. This will include monitoring implementation of new governance arrangements, which require the creation of a scheme manager and pension board for each LGPS.</p> <p>The Administering Authority will need to determine how it will meet the requirement to have a pension board and the consequent changes it will need to make to its general governance arrangements.</p>		<p>3. Structural reform</p> <p>DCLG is consulting on the potential use of Collective Investment Vehicles and passive management of funds.</p> <p>The outcome of this consultation may lead to a change in administration of some schemes and significant changes in investment strategies.</p>		<p>4. Other issues</p> <p>The Pensions Regulator, Financial Conduct Authority and HMRC continue to commit resources to combat pension liberation schemes. More guidance and potential changes to HMRC registration of new schemes is likely.</p>	

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Section 5: Communication of audit matters

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Communication of audit matters to those charged with governance

International Standards on Auditing (ISA) 260, as well as other ISAs, prescribe matters which we are required to communicate with those charged with governance, and which we set out in the table opposite.

The Audit Plan outlined our audit strategy and plan to deliver the audit, while this Audit Findings report presents the key issues and other matters arising from the audit, together with an explanation as to how these have been resolved.

Respective responsibilities

The Audit Findings Report has been prepared in the context of the Statement of Responsibilities of Auditors and Audited Bodies issued by the Audit Commission (www.audit-commission.gov.uk).

We have been appointed as the Fund's independent external auditors by the Audit Commission, the body responsible for appointing external auditors to local public bodies in England. As external auditors, we have a broad remit covering finance and governance matters.

Our annual work programme is set in accordance with the Code of Audit Practice ('the Code') issued by the Audit Commission and includes nationally prescribed and locally determined work. Our work considers the Fund's key risks when reaching our conclusions under the Code.

It is the responsibility of the Fund to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Fund is fulfilling these responsibilities.

	Audit Plan	Audit Findings
Our communication plan		
Respective responsibilities of auditor and management/those charged with governance	✓	
Overview of the planned scope and timing of the audit. Form, timing and expected general content of communications	✓	
Views about the qualitative aspects of the entity's accounting and financial reporting practices, significant matters and issues arising during the audit and written representations that have been sought		✓
Confirmation of independence and objectivity	✓	✓
A statement that we have complied with relevant ethical requirements regarding independence, relationships and other matters which might be thought to bear on independence. Details of non-audit work performed by Grant Thornton UK LLP and network firms, together with fees charged Details of safeguards applied to threats to independence	✓	✓
Material weaknesses in internal control identified during the audit		✓
Identification or suspicion of fraud involving management and/or others which results in material misstatement of the financial statements		✓
Compliance with laws and regulations		✓
Expected auditor's report		✓
Uncorrected misstatements		✓
Significant matters arising in connection with related parties		✓
Significant matters in relation to going concern		✓

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Appendices

Appendix A: Proposed audit opinion on the financial statements

We anticipate that we will provide the Fund with an unmodified audit report

INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF WIRRAL COUNCIL ON THE PENSION FUND FINANCIAL STATEMENTS

Opinion on the pension fund financial statements

We have audited the pension fund financial statements of Wirral Council for the year ended 31 March 2014 under the Audit Commission Act 1998. The pension fund financial statements comprise the Fund Account, the Net Assets Statement and the related notes. The financial reporting framework that has been applied in their preparation is applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

This report is made solely to the members of Wirral Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority or the Authority's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Director of Resources and the auditor

As explained more fully in the Statement of the Chief Financial Officer's Responsibilities, the Director of Resources is responsible for the preparation of the Authority's Statement of Accounts, which includes the pension fund financial statements, in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom, and for being satisfied that they give a true and fair view. Our responsibility is to audit and express an opinion on the financial statements in accordance with applicable law and International Standards on Auditing (UK and Ireland). Those standards require us to comply with the Auditing Practices Board's Ethical Standards for Auditors.

Scope of the audit of the pension fund financial statements

An audit involves obtaining evidence about the amounts and disclosures in the financial statements sufficient to give reasonable assurance that the financial statements are free from material misstatement, whether caused by fraud or error. This includes an assessment of: whether the accounting policies are appropriate to the fund's circumstances and have been consistently applied and adequately disclosed; the reasonableness of significant accounting estimates made by the Director of Resources; and the overall presentation of the financial statements. In addition, we read all the financial and non-financial information in the foreword and financial report to identify material inconsistencies with the audited financial statements and to identify any

information that is apparently materially incorrect based on, or materially inconsistent with, the knowledge acquired by us in the course of performing the audit. If we become aware of any apparent material misstatements or inconsistencies we consider the implications for our report.

Opinion on the pension fund financial statements

In our opinion the pension fund's financial statements:

- give a true and fair view of the financial transactions of the pension fund during the year ended 31 March 2014 and the amount and disposition of the fund's assets and liabilities as at 31 March 2014, other than liabilities to pay pensions and other benefits after the end of the scheme year; and
- have been properly prepared in accordance with the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 and applicable law.

Opinion on other matters

In our opinion, the information given in the foreword and financial report for the financial year for which the financial statements are prepared is consistent with the financial statements.

DRAFT

Mike Thomas
Director
for and on behalf of Grant Thornton UK LLP, Appointed Auditor

Grant Thornton
Royal Liver Building
Liverpool
L3 1PS

[Date for FINAL Version]

Appendix B: Proposed audit opinion on the annual report

We anticipate that we will provide the Fund with an unmodified audit report

INDEPENDENT AUDITOR'S STATEMENT TO THE MEMBERS OF WIRRAL COUNCIL ON THE PENSION FUND FINANCIAL STATEMENTS

We have examined the pension fund financial statements for the year ended 31 March 2014, which comprise the Fund Account, the Net Assets Statement and the related notes.

This report is made solely to the members of Wirral Council in accordance with Part II of the Audit Commission Act 1998 and for no other purpose, as set out in paragraph 48 of the Statement of Responsibilities of Auditors and Audited Bodies published by the Audit Commission in March 2010. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Authority and the Authority's Members as a body, for our audit work, for this report, or for the opinions we have formed.

Respective responsibilities of the Director of Resources and the auditor

As explained more fully in the Statement of the Chief Financial Officer's ' Responsibilities, the Director of Resources is responsible for the preparation of the pension fund's financial statements in accordance with applicable United Kingdom law.

Our responsibility is to report to you our opinion on the consistency of the pension fund financial statements within the pension fund annual report with the pension fund financial statements in the statement of accounts of Wirral Borough Council, and its compliance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

We also read the other information contained in the pension fund annual report and consider the implications for our report if we become aware of any apparent misstatements or material inconsistencies with the pension fund financial statements. The other information consists of only the Chairs Introduction, Management Report, Membership Statistics, Investment report, Financial Performance and The Consulting Actuary 's Statement.

We conducted our work in accordance with Bulletin 2008/3 issued by the Auditing Practices Board. Our report on the administering authority's full annual statement of accounts describes the basis of our opinion on those financial statements.

Opinion

In our opinion, the pension fund financial statements are consistent with the full annual statement of accounts of Wirral Council for the year ended 31 March 2014 and comply with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.

DRAFT

Grant Thornton UK LLP

Royal Liver Building
Liverpool
L3 1PS

[Date]

Appendix C: Letter of Representation

Grant Thornton UK LLP
Royal Liver Building
LIVERPOOL
L3 1PS

Merseyside Pension Fund - Financial Statements for the year ended 31 March 2014

This representation letter is provided in connection with your audit of the financial statements of Merseyside Pension Fund for the year ended 31 March 2014 for the purpose of expressing an opinion as to whether the financial statements show a true and fair view of the financial transactions of the Fund during the year ended 31 March 2014, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund year, in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the Code).

Financial Statements

1. We have fulfilled our responsibilities for the preparation of the financial statements in accordance with the Code; in particular the financial statements show a true and fair view in accordance therewith, and for keeping records in respect of contributions received in respect of active members.
2. We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
3. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
4. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Code.
5. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of the Code.
6. All events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.
7. The financial statements are free of material misstatements, including omissions.
8. We believe that the Fund's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Fund's needs. We believe that no further disclosures relating to the Fund's ability to continue as a going concern need to be made in the financial statements.

9. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
10. We acknowledge our responsibilities for making the accounting estimates included in the financial statements. Where it was necessary to choose between estimation techniques that comply with the Code, we selected the estimation technique considered to be the most appropriate to the Fund's particular circumstances for the purpose of giving a true and fair view. Those estimates reflect our judgment based on our knowledge and experience about past and current events and are also based on our assumptions about conditions we expect to exist and courses of action we expect to take.

Information Provided

11. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of your audit; and
 - unrestricted access to persons from whom you determine it necessary to obtain audit evidence.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. All transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We are not aware of any or suspected fraud affecting the Fund involving: management; employees who have significant roles in internal control; or others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Fund's financial statements communicated by employees, former employees, analysts, regulators or others.
16. We are not aware of any instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
17. We have disclosed to you the identity of the Fund's related parties and all the related party relationships and transactions of which we are aware.

Appendix C: Letter of Representation

Approval

The approval of this letter of representation was minuted by the Council's Audit and Risk Committee at its meeting on 17 September 2014.

Signed on behalf of the Audit Committee

Name.....

Position.....

Date.....

Name.....

Position.....

Date.....

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WIRRAL COUNCIL

PENSIONS COMMITTEE

15 SEPTEMBER 2014

SUBJECT:	STATEMENT OF ACCOUNTS 2013/14
WARD/S AFFECTED:	ALL
REPORT OF:	VIVIENNE QUAYLE DIRECTOR OF RESOURCES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The purpose of this report is to present Members with the audited statement of accounts of Merseyside Pension Fund for 2013/14 and to respond to the Audit Findings Report from Grant Thornton.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The purpose of the Statement of Audited Accounts is to present the overall financial position of the Pension Fund as at 31 March 2014 in accordance with prescribed guidance.
- 2.2 A presentation on the accounts was made at a briefing session open to Council on 10 September 2014.
- 2.3 Grant Thornton is close to completion of its audit of the accounts and the Audit Findings Report is on this agenda. They may provide a verbal update at the meeting on the report and officers will respond if necessary.
- 2.4 Officers have agreed to all of the suggested disclosure adjustments to the accounts.
- 2.5 I have prepared a Letter of Representation on behalf of the Committee which gives assurances to the Auditor on various aspects relating to the Pension Fund.
- 2.6 The Audit Opinion will be issued following final completion of the audit, consideration of the Audit Findings Report and approval of the amended Statement of Accounts at both the Pensions Committee and the Audit and Risk Management Committee. Once approved, Grant Thornton has indicated that they will again issue an unqualified opinion, and state that the accounts present fairly the financial position of Merseyside Pension Fund as at 31 March 2014. Subject to this, the accounts as now shown will form the basis of the Annual Report for the year ended 31 March 2014.

3.0 RELEVANT RISKS

3.1 Not relevant for this report.

4.0 OTHER OPTIONS CONSIDERED

4.1 Not relevant for this report.

5.0 CONSULTATION

5.1 Not relevant for this report

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 There are no previously approved actions outstanding.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 There are no implications arising directly from this report.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 There are none arising directly from this report.

9.0 LEGAL IMPLICATIONS

9.1 There are no implications arising directly from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(b) No because there is no relevance to equality.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are no carbon usage implications, nor any other relevant environmental issues arising from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are no planning or community safety implications arising from this report.

13.0 RECOMMENDATION/S

13.1 That Pensions Committee approves the audited Statement of Accounts for 2013/14, considers the amendments to the draft accounts and the draft Audit Findings Report and the Letter of Representation.

13.2 That Pensions Committee refers the recommendations to the Audit and Risk Management Committee.

14.0 REASON/S FOR RECOMMENDATION/S

- 14.1 Under the Audit Commission Act 1998 and the Audit Commission Code of Audit Practice for Local Government, the Auditor reports its findings on the audit of the Pension Fund Financial Statements to those charged with governance.
- 14.2 As the Pension Fund receives a separate Audit Findings Report, this report will first be considered by Pensions Committee, and then by Audit and Risk Management Committee.

REPORT AUTHOR: Donna Smith
Group Accountant
telephone (0151) 2421312
email donnasmith@wirral.gov.uk

APPENDICES

1. The statement of accounts forms part of the draft annual report which is a separate item on the agenda at this Committee meeting.

BACKGROUND PAPERS/REFERENCE MATERIAL

The Statement of Accounts plus relevant working papers and the Audit Findings Report from Grant Thornton were used in the production of this report.

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
PENSIONS COMMITTEE	16 SEPTEMBER 2013
AUDIT AND RISK MANAGEMENT COMMITTEE	18 SEPTEMBER 2013
PENSIONS COMMITTEE	18 SEPTEMBER 2012
AUDIT AND RISK MANAGEMENT COMMITTEE	19 SEPTEMBER 2012
PENSIONS COMMITTEE	19 SEPTEMBER 2011
AUDIT AND RISK MANAGEMENT COMMITTEE	28 SEPTEMBER 2011

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Grant Thornton UK LLP
Royal Liver Building
LIVERPOOL
L3 1PS

2nd September 2014

Dear Sirs

Merseyside Pension Fund - Financial Statements for the ended 31 March 2014

This representation letter is provided in connection with your audit of the financial statements of Merseyside Pension Fund for the year ended 31 March 2014 for the purpose of expressing an opinion as to whether the financial statements show a true and fair view of the financial transactions of the Fund during the year ended 31 March 2014, and of the amount and disposition at that date of its assets and liabilities, other than liabilities to pay pensions and benefits after the end of the Fund year, in accordance with applicable law and the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom 2013/14 (the Code).

Financial Statements

1. We have fulfilled our responsibilities for the preparation of the financial statements in accordance with the Code; in particular the financial statements show a true and fair view in accordance therewith, and for keeping records in respect of contributions received in respect of active members.
2. We acknowledge our responsibility for the design and implementation of internal control to prevent and detect error and fraud.
3. Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
4. Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of the Code.
5. Actual or possible litigation and claims have been accounted for and disclosed in accordance with the requirements of the Code.
6. All events subsequent to the date of the financial statements and for which the Code requires adjustment or disclosure have been adjusted or disclosed.

7. The financial statements are free of material misstatements, including omissions.
8. We believe that the Fund's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Fund's needs. We believe that no further disclosures relating to the Fund's ability to continue as a going concern need to be made in the financial statements.
9. We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.
10. We acknowledge our responsibilities for making the accounting estimates included in the financial statements. Where it was necessary to choose between estimation techniques that comply with the Code, we selected the estimation technique considered to be the most appropriate to the Fund's particular circumstances for the purpose of giving a true and fair view. Those estimates reflect our judgment based on our knowledge and experience about past and current events and are also based on our assumptions about conditions we expect to exist and courses of action we expect to take.

Information Provided

11. We have provided you with:
 - access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
 - additional information that you have requested from us for the purpose of your audit; and
 - unrestricted access to persons from whom you determine it necessary to obtain audit evidence.
12. We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
13. All transactions have been recorded in the accounting records and are reflected in the financial statements.
14. We are not aware of any or suspected fraud affecting the Fund involving: management; employees who have significant roles in internal control; or others where the fraud could have a material effect on the financial statements.
15. We have no knowledge of any allegations of fraud, or suspected fraud, affecting the Fund's financial statements communicated by employees, former employees, analysts, regulators or others.
16. We are not aware of any instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.
17. We have disclosed to you the identity of the Fund's related parties and all the related party relationships and transactions of which we are aware.

Approval

The approval of this letter of representation was minuted by the Council's Pensions Committee on 16 September and by Audit and Risk Committee at its meeting on 17 September 2014.

Signed on behalf of Wirral Borough Council, administering authority for Merseyside Pension Fund

Position _____
Vivienne Quayle, Director of Resources

Date _____

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WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

17 SEPTEMBER 2014

SUBJECT:	ANNUAL GOVERNANCE STATEMENT 2013/14
WARD/S AFFECTED:	ALL
REPORT OF:	CHIEF EXECUTIVE
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

- 1.1 The preparation and publication of an Annual Governance Statement (AGS) is necessary to meet the statutory requirement set out in the Accounts and Audit (England) Regulations 2011, Regulation 4(3).
- 1.2 This report presents Audit and Risk Management Committee with the final Annual Governance Statement and an action plan for approval by committee members.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 It is necessary for the Council: to have approved and adopted a Code of Corporate Governance that complies with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government; and to report publicly through the Annual Governance Statement the extent to which the governance processes outlined in the Code are operating effectively in practice.
- 2.2 The Framework identifies six core principles of good governance:
1. Focusing on the purpose of the Authority and on 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.

3.0 ANNUAL GOVERNANCE STATEMENT 2013/14

- 3.1 The production of the Council's Annual Governance Statement is based on relevant supporting evidence provided by Internal Audit, with the overall direction provided by the Chief Executive Strategy Group to ensure high level corporate engagement and ownership. The Council's Internal Audit team has been responsible for undertaking the relevant assurance work; however it is important to note that the Annual Governance Statement is not owned by the audit function and is a Council statement on the effectiveness of its governance processes.

4.0 RELEVANT RISKS

- 4.1 Potential failure of the Council to comply with the statutory requirement set out in the Accounts and Audit (England) Regulations 2011, Regulation 4(3).

5.0 OTHER OPTIONS CONSIDERED

- 5.1 Not applicable due to the statutory requirement.

6.0 CONSULTATION

- 6.1 Full consultation has taken place with members of the Council's Chief Executive Strategy Group regarding the production of the Annual Governance Statement.
- 6.2 A draft Annual Governance Statement was reported to Audit and Risk Management Committee in June 2014 to review its content and consider the significant governance issues that had been identified through discussions with Chief Executive's Strategy Group.
- 6.3 Wirral's External Auditors have also had the opportunity to consider the draft Annual Governance Statement and comment accordingly.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 There are none arising directly from this report.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 8.1 There are none arising directly from this report. Any implications identified in the production of the Annual Governance Statement will be reported to the Chief Executive's Strategy Group, Cabinet and the Audit and Risk Management Committee to identify the appropriate action that will be taken.

9.0 LEGAL IMPLICATIONS

- 9.1 The preparation and publication of an Annual Governance Statement (AGS) is necessary to meet the statutory requirement set out in the Accounts and Audit (England) Regulations 2011, Regulation 4(3).

10.0 EQUALITIES IMPLICATIONS

- 10.1 There are none arising directly from this report.

11.0 CARBON REDUCTION IMPLICATIONS

- 11.1 There are none arising directly from this report. Any implications identified in the production of the Annual Governance Statement will be reported to the Chief Executive's Strategy Group, Cabinet and the Audit and Risk Management Committee to identify the appropriate action that will be taken.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising directly from this report. Any implications identified in the production of the Annual Governance Statement will be reported to the Chief Executive's Strategy Group, Cabinet and the Audit and Risk Management Committee to identify the appropriate action that will be taken.

13.0 RECOMMENDATIONS

13.1 That the Annual Governance Statement and action plan for 2013/14 be agreed.

14.0 REASON FOR RECOMMENDATION

14.1 The preparation and publication of an Annual Governance Statement (AGS) is necessary to meet the statutory requirement set out in the Accounts and Audit (England) Regulations 2011, Regulation 4(3).

APPENDICES

1. Annual Governance Statement 2013/14 and Action Plan

REFERENCE MATERIAL

- CIPFA/SOLACE Delivering Good Governance in Local Government: Guidance Note and Framework (2012).
- CIPFA Annual Governance Statement: A Rough Guide for Practitioners 2007/08.
- Accounts and Audit Regulations (England) 2011.
- CIPFA Code of Practice for Internal Audit in Local Government 2006.
- CIPFA The Role of the Chief Financial Officer in Local Government 2010.
- CIPFA The Role of the Head of Internal Audit in Public Service Organisations 2010.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee- Annual Governance Statement 2013/14	18 th March 2014
Audit and Risk Management Committee- Annual Governance Statement 2013/14	23 rd June 2014

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ANNUAL GOVERNANCE STATEMENT 2013-14

1. Scope of Responsibility

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, 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.

In discharging this overall responsibility, including as accountable body for the Merseyside Pension Fund, 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 activities for the management of risk.

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 authority's code is available 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 Accounts and Audit (England) Regulations 2011, regulation 4 (3), which requires all relevant bodies to prepare an annual governance statement.

2. The Purpose of the Governance Framework

The governance framework comprises the systems and processes, culture and values by which the Authority is directed and controlled, together with the activities through which it accounts to, engages with and, where appropriate, 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.

The system of internal control is a significant part of that framework and is designed to manage risk to a reasonable level. It can not eliminate all risk of failure to meet the targets in our policies, aims and objectives and can therefore only provide reasonable and not 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's policies, aims and objectives, to evaluate the likelihood and potential impact of those risks being realised, and to manage them efficiently, effectively and economically.

The governance framework has been in place at Wirral Council for the year ended 31 March 2014 and up to the date of approval of the annual statement of accounts.

3. Progress made during 2013-14

The Council made significant progress during 2013-14 to address weaknesses in its governance arrangements. This progress is evidenced through the withdrawal of the Wirral Improvement Board in November 2013 based on the rapid progress the Council made to tackle some of its most significant challenges and implement the recommendations made by the Improvement Board.

The improvements were endorsed by the Improvement Board and are regarded as an example of best practice for sector led improvement. Eighteen months after the Wirral Improvement Board was established in partnership with the LGA, board members who provided advice and oversight of Wirral's improvement journey reported that sector-led improvement had "transformed" the Council to one that was 'stable, well-led and far more inclusive'.

The 2012-13 annual governance statement identified fifteen significant issues relating to the Council's governance arrangements. An action plan was developed to ensure implementation of key recommendations that is monitored on a regular basis by Internal Audit with a regular report provided to the Council's senior management team.

The monitoring of the action plan demonstrates that significant progress has been made during the year to address important governance issues. Eight governance issues have been completed or significant progress has been made during 2013-14; these include improvements to governance arrangements, information assets, procurement, debt, freedom of information requests, managing workforce costs and business planning.

Progress has been made on a further four issues which were identified as significant in the 2012-13 Annual Governance Statement, however further actions are required in relation to risk management, embedding policies for confidential reporting and grievances, responsibilities in relation to contract procedure rules and ensuring the Council maintains an up to date partnership register. Actions in relation to these issues will continue to be monitored however on the basis of the progress made they are no longer considered to be significant.

There are three governance issues which are considered to continue to be significant and have therefore been included in the 2013-14 statement to ensure that they are addressed. These are regularly reported to senior management and elected members. These issues relate to essential training for staff, asset management and absence management. An overview of the progress that has been made on these issues and future planned activity is provided at appendix 1.

4. The Governance Framework

The CIPFA/SOLACE Framework 'Delivering Good Governance in Local Government' identifies six key principles of governance best practice.

Wirral Council's governance environment is consistent with these six core principles. Key areas of assurance of the systems and processes which comprise the Council's governance arrangements are as follows:

Principle 1: Focussing on the purpose of the Authority and on outcomes for the community including citizens and service users and creating and implementing a vision for the local area.

The Council can demonstrate that it is focussing on outcomes for the community and on a longer-term vision for the area. The Council agreed a new three-year corporate plan setting out a clear vision and set of priorities to guide the allocation of the Council's resources.

“Wirral will be a place where the vulnerable are safe and protected, where employers want to invest and local businesses thrive, and where good health and an excellent quality of life is within the reach of everyone who lives here.

“We pledge to support this vision and serve our residents, by further improving our organisation and becoming the outstanding Council that the people of Wirral deserve.”

The Council’s vision is underpinned by the following priorities which were subject to extensive consultation with local residents:

- Protect the vulnerable in our borough
- Tackle health inequalities
- Drive growth in our economy

The Council has demonstrated strengthened financial management through its delivery of the challenging budget set for 2013/14 which included £48 million savings. £36 million savings have been agreed for 2014-15, with a balanced budget achieved. The early decisions made in December 2013 have placed the Council in the position of being able to implement and realise these savings during the 2014-15 financial year.

As part of the budget-setting process for the next two years, in January 2014 Wirral began on an ambitious programme of transformation designed to identify £45m of savings and completely remodel the authority in line with the organisation’s values. The Future Council programme is designed to review all services to ensure that they deliver the Corporate Plan vision and meet the needs and outcomes of Wirral’s community, whilst at the same time identifying the savings that the Council must make in future years. Challenge has been embedded at all stages of the Future Council programme through external expertise to ensure that the Council’s transformation plans are robust to identify the required savings the Council must deliver.

A business planning framework and performance management policy have been finalised and approved by Chief Executive’s Strategy Group. The Council’s directorate plans were reviewed and refreshed for 2013/14 to reflect the corporate plan priorities and the Council’s vision. The Chief Executive’s Strategy Group review performance of the Corporate Plan on a monthly basis with regular reports also provided to our Member led Policy and Performance committees.

A new performance appraisal process has been undertaken for senior managers and will be rolled out during 2014/15 to all staff with targets set for completion agreed by Chief Executive’s Strategy Group.

The Council is working closely with its partners to establish a long term vision for the borough through the Public Service Board. The Board meets regularly to discuss issues relevant to a wide range of public sector partners, including service redesign and improved integration.

The Council has a partnership register and toolkit in place and a comprehensive review of partnerships has been completed and reported to the Public Service Board in October 2013. This review will inform a revised partnership register to ensure that it remains up to date and fit for purpose.

In 2013, Wirral was selected as one of nine areas to participate in the Public Service Transformation Network to deliver a multi-agency approach to public service reform.

The Council is working closely with partners through the Health and Wellbeing Board to develop a Vision 2018 approach for health and social care integration.

On 1st April 2014 Wirral joined the five other Merseyside local authorities to form Liverpool City Region Combined Authority to promote the economic development of the region, draw down support from central government and European funding streams and work in a targeted and integrated fashion on transport-related initiatives. Wirral's Council Leader Phil Davies was chosen as the first Chair of the Combined Authority.

Principle 2: Members and officers working together to achieve a common purpose with clearly defined functions and roles.

Ensuring that members are fully engaged in working together to deliver the transformation of the Council has been a key focus for the organisation. During 2013-14 the Council has held a series of improvement and transformation sessions, including an all member event in November 2013, which provided representatives from all parties with an opportunity to discuss and debate the Council's Corporate Plan before it was approved by Council.

The Council's Constitution has been reviewed and a revised version agreed and adopted by the Council in April 2013, ensuring that it remains lawful and fit for purpose and introduces a new scheme of delegation and member/officer protocols that clarify the boundaries between Member and Officer roles and responsibilities. The Council's Constitution sets out a Code of Conduct for Members and Officers to ensure there is clear accountability and clarity.

Three Policy and Performance Committees are in place aligned to the three strategic directorates, and supported by a team of dedicated Scrutiny officers. The Committees have clear responsibilities to inform policy development and to enable pre-scrutiny of decisions within the remit of the strategic directorate. A Co-ordinating Committee is responsible for overseeing arrangements and allocating cross cutting activities.

Member surveys carried out in early 2014 gave all councillors the opportunity to comment on changes to the Constitution and committee structures, as well as cultural issues related to individuals' responsibilities to treat each other with respect and promote high standards of political conduct. The survey attracted a strong two-thirds, cross-party return and all proposed amendments to the Council's Constitution were supported by the majority of respondents.

The findings of the surveys were discussed by the Standards Working Group and reported to the Standards and Constitutional Oversight Committee in February 2014 with all party support for the recommended amendments to the Constitution.

Subsequent work will focus on developing an agreement between officers and members in order to positively impact on joint working.

The Leader of the Council has reviewed his Cabinet portfolios to highlight the role of Cabinet in promoting and delivering the Council's new corporate plan and its budget, and to ensure that Cabinet Members champion and deliver activities which will result in transformed service areas and create a Council fit for the future. The portfolios now include a revised Governance, Commissioning and Improvement portfolio which is held by the deputy leader and includes a strengthened focus on governance and compliance.

Portfolio briefings are working effectively to ensure that Cabinet Members and Strategic Directors meet on a regular basis to discuss items relevant to the portfolio area including performance of services, budget and risk management issues. Dedicated planning sessions take place with Cabinet and Chief Executive Strategy Group to develop the future direction of the Council.

Principle 3: Promoting the values of the Authority and demonstrating the values of good governance through behaviour.

During 2013/14, Wirral Council completed a process of sector-led improvement in partnership with representatives of the Local Government Association to address specific issues around corporate governance, including the need to agree a clear framework to deliver the Council's vision supported by strategic financial planning.

At its meeting of 29th November 2013, the Improvement Board considered a wide range of evidence including how the Council had addressed weaknesses in leadership, governance and decision-making and concluded that the Improvement Board was no longer required as the Council has the capability and capacity to manage its own improvement process. The Council invited the board back to a meeting in March 2014 to demonstrate the further progress that had been made to define the future shape of Council services, address significant financial challenges and strengthen decision making.

The Code of Corporate Governance together with evidence supporting compliance was considered by the Audit and Risk Management Committee and has been incorporated into the Council's Constitution and further work is now being undertaken to fully communicate the Code of Corporate Governance to Elected Members and the Council's workforce.

The Council's Constitution sets out a Code of Conduct for Members to ensure there is clear accountability and clarity.

The Council has refreshed its grievance and confidential reporting policies and the Council has launched a new intranet which gives prominence to these policies and others including information security.

Work has also been undertaken with staff across the organisation to develop the Council's new organisational values of integrity, efficiency, confidence and ambition. These will help inform and shape how staff across the Council delivers services to Wirral residents, businesses and other stakeholders.

Principle 4: Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.

Cabinet has formally adopted a Corporate Risk Management policy setting out clear roles, responsibilities and reporting lines within the Council. The strategy gives a detailed analysis of the role every officer and member of Wirral Council has to play in managing risk, and aims to turn the authority from risk averse to risk aware, incorporating risk management considerations into Service and Business Planning, Commissioning, Project Management, Partnerships, Alternative Service Delivery Vehicles & Procurement Processes.

The Council has developed new procedures for managing risk and ensuring effective scrutiny via its new constitutional working arrangements. Clear roles and responsibilities are set out in the Council's Corporate Risk Management policy and governance issues are routinely reported to Chief Executive's Strategy Group and regularly presented to the Audit and Risk Management Committee for their review of assurance requirements.

The Audit and Risk Management Committee also has responsibilities to oversee and agree appropriate robust arrangements for Financial Regulations and Contract Procedure Rules. In September 2013, the Committee has agreed a revised set of contract procedure rules and financial regulations to ensure transparent and robust arrangements are in place.

Plans are also in place to strengthen the independent nature of the Audit and Risk Management Committee through the appointment of a majority of external members. Role and person descriptions have been developed for the co-opted members, describing their key roles and responsibilities, duties they will be expected to undertake and a detailed list of criteria including relevant experience, required education or training attainments, knowledge, skills and abilities.

During 2013-14 the Council also established a Commissioning and Procurement Board which includes representation from the three strategic directors to provide the strategic direction for ensuring that the Council is commissioning and procuring services that are delivered in accordance with the authority's objectives and represent the best use of resources and provide value for money. The deputy leader holds the portfolio for Governance, Commissioning and Improvement and reports to Cabinet and Council on a regular basis regarding matters within the portfolios responsibilities.

The Council has made considerable progress during 2013-14 in the implementation of External Audit recommendations outlined in the 2012-13 financial resilience report. It is anticipated that this progress will be reflected through a more positive VFM conclusion in the 2013-14 financial resilience report.

The Council is the administering authority for the Merseyside Pension Fund which received an unqualified audit opinion in 2012-13 for its accounts on the basis that the financial statements and supporting working papers were prepared to a good standard. This demonstrates that effective arrangements are in place.

Principle 5: Developing the capacity and capability of members to be effective and ensuring that officers, including statutory officers, also have the capability to deliver effectively.

Chief Executive Strategy Group continues to provide the strategic direction for the delivery of the long-term vision of the Council, working closely with the Council's administration. Appointments to permanent statutory posts are complete providing a stabilised management team for the Council.

The Authority offers members, including the newly elected, a programme of training covering the Code of Corporate Governance, Whistle-blowing, Safeguarding, Organisational Excellence and Risk Management, as well as Personal Development opportunities and Leadership. These sessions are supported by North West Employers, the Centre for Public Scrutiny and the Local Government Association.

Work has also been undertaken with elected members to agree standards and behaviours and ensure engagement with changes to the Council's Constitution, oversight and scrutiny.

The Council has launched its Leadership Development Programme for senior managers from across the organisation which focuses on the Wirral vision, leadership in a changing context, and how to apply their learning in the leadership of the organisation.

Two cohorts of Change Agents have been trained to drive change across the organisation. The agents are helping to support change initiatives within their departments, attending and delivering key change messages at team meetings and supporting senior manager briefings.

The Council also has a 'Skills for Wirral' training and development programme for managers and employees with regular sessions held every month on subjects including demystifying stress, resilient leadership, coaching skills and Wellness and Recovery Action Planning.

An essential 'Wirral Management Development Programme' is in place to provide all managers with the learning, development and support they need. The Framework has nine essential modules which contain a mixture of workshops and e-learning modules. A calendar of upcoming training sessions is advertised prominently on the new intranet. Work is still required to ensure that essential training is carried out throughout the organisation.

Principle 6: Engaging with local people and other stakeholders to ensure robust local public accountability.

As set out in the Corporate Plan 2013-16, the Council is committed to engaging and empowering individuals and communities in both the design and delivery of local services. The Council's major budget consultation initiative 'What Really Matters' provided the opportunity to ask local residents, staff and stakeholders for their views on the Council's future priorities and proposals for where the Council could deliver savings. Over 6,000 responses were received on a range of budget options during a 12-week consultation process and in December 2013, the results of the consultation were reported to Cabinet for recommendations to be approved at Council. The consultation achieved amongst the highest levels of participation in the UK compared to similar exercises and informed the decisions recommended for approval by Council.

The Council is moving forward with its plans for Neighbourhood Working via four constituency areas which are designed to bring communities closer to the decision-making process and to enable services to be offered in a targeted way. All elected members are represented on the four constituency committees which held their inaugural meetings in Autumn 2013. Constituency Managers have been appointed to work in partnership with the Police, Fire and Rescue, Health and social care sectors. Each constituency committee has been funded with an initial 'start up' grant and the Council is currently reviewing which services will be devolved to the constituency areas.

5. Review of Effectiveness

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 Internal Audit and the Chief Internal Auditor's Annual Report; findings and reports issued by the external auditors and other review agencies and inspectorates; and feedback and comments provided by Chief Officers and managers within the Authority who have responsibility for the development and maintenance of the governance environment.

On the basis of the programme of work undertaken, the Chief Internal Auditor has concluded that there is a substantively sound system of internal control, designed to meet the Council's objectives, and that controls are generally being applied consistently.

Corporate Management Assurance

The Council's Chief Executive Strategy Group has managed the development of the Annual Governance Statement to ensure a high level of corporate engagement and ownership. A quarterly review of performance management, audit and risk takes place to review and consider emerging governance issues and ensure that appropriate action is in place.

A Corporate Governance Group is also established and led by a Strategic Director with strategic leads for Performance, Risk, Internal Audit, Improvement and Strategy to ensure it has an appropriate profile within the organisation and significant governance issues are responded to in a timely manner.

Arrangements are in place to ensure the Head of Paid Service and Monitoring Officer role and functions are discharged effectively and these functions are set out in the Council's Constitution. This ensures that there is compliance with relevant laws and regulations and internal policies and procedures.

The Council complies with the CIPFA Statement on the Role of the Chief Financial Officer in Local Government 2010 and the CIPFA Statement on the Role of the Head of Internal Audit in Public Service Organisations 2010.

Council

Council sets the authority's overall policies and budget each year and holds the Cabinet to account. Annual Policy Council meets in November to discuss, debate and further shape the future purpose of the organisation and its response to key national and local drivers. Policy Council plays a direct role in informing the annual review of the Corporate Plan and future savings for the Council.

Cabinet

Cabinet has a leading role in ensuring good governance arrangements are in place to drive forward transformation and improvements across the Council. The deputy leader holds the Governance, Commissioning and Improvement portfolio to ensure that there is a strong and robust leadership approach to governance and compliance across the organisation.

Audit and Risk Management Committee

The Council's Audit and Risk Management Committee provides independent assurance and scrutiny of the Council's financial and non-financial performance, including an assessment of the adequacy of the Council's risk management arrangements.

Standards and Constitutional Oversight Committee

The Standards and Constitutional Oversight Committee is responsible for keeping the Council's constitutional arrangements under review and making recommendations to the Council for ways in which the Constitution should be amended in order to better achieve its purposes. The Committee also oversees and agrees minor changes to the Council's constitutional arrangements as recommended by the Monitoring Officer.

Merseyside Pension Fund

Wirral Council is also the administering authority for the Merseyside Pension Fund which publishes its own statement of accounts on an annual basis and includes a "Governance Compliance Statement". The statement outlines compliance to industry specific governance principles.

6. Significant Governance Issues

The following governance issues have been identified as 'significant' during 2013/14 and will be addressed during 2014-15 through appropriate actions.

- ICT Business Continuity and Disaster Recovery Plans
- Corporate Procurement Arrangements
- Absence Management (**carried forward from 2012/13**)
- Asset Management (**carried forward from 2012/13**)
- Essential Management Training (**carried forward from 2012/13**)

Issues identified in this statement are already being addressed through robust and planned activity. Over the coming year we will continue to ensure that these actions continue to be delivered to further enhance our governance arrangements, and ensure that we are satisfied that they will address the improvements required.

The Council will monitor their implementation and operation as part of our next annual review.

Signed: _____ Date: _____

Chief Executive

Signed: _____ Date: _____

Leader of the Council

Appendix 1 – Significant Governance Issues 2013-14

Governance Issue identified	Progress and Planned Activity	Lead Officer
<p>Internal Audit identified during 2013-14 that the Council’s overarching business continuity arrangements are not robust and that business resilience may be susceptible due to not having in place:</p> <ul style="list-style-type: none"> i) up to date and effective ICT business continuity plans, and ii) ICT disaster recovery plans which reflect the business critical service requirements as documented in Corporate, Departmental and/or Service business continuity plans. 	<p>Significant work to improve the resilience of the IT service is underway and contained within the overall IT programme plan. Overall IT business continuity arrangements have improved over recent months. Existing IT business continuity/disaster recovery plans will be updated once a number of key improvements have been fully implemented. Examples of recent improvements include:</p> <ol style="list-style-type: none"> 1. Improved offsite backup facilities which will enable faster recovery in the event of major failure. 2. Regular (monthly) business continuity testing, consisting of limited transfer of systems from one data centre to the other. 3. Partial implementation of ‘virtualisation’ and ‘site recovery manager’ software which will improve the council’s ability to recover in the event of system failure. 4. Improved power and telecom resilience at 4 major sites. <p>In addition further work is underway/currently being planned to improve IT business continuity. These include:</p> <ol style="list-style-type: none"> a. Review of current data centre provision, with an options appraisal document due to be complete by the end of September and presented to senior management for consideration. b. A wide area network tender exercise is reaching its conclusion. The new network will be rolled out over the next 12 months. Limited resilience improvements will take place (subject to normal cost constraints). c. Rollout of new laptops across key parts of the council will allow anytime anywhere working, which again will enhance the business continuity in the event of major building specific incidents. d. Purchase of new storage device devices is underway which will further enhance IT resilience. 	<p>Head of IT Services / Director of Resources</p> <p>Assistant Chief Executive / Head of Universal Services & Infrastructure Services / Senior Manager – Health, Safety & Resilience</p>

Governance Issue identified	Progress and Planned Activity	Lead Officer
	<p>e. The business owners of the priority systems are due to commence Business Impact Assessments shortly, from which further improvement areas will be identified, and the IT plans updated accordingly.</p> <p>There is a continuous improvement programme currently underway, which is expected to last around 12 months subject to the outcome of key decisions regarding the data centre provision.</p>	
<p>Internal Audit identified during 2013-14 that the Council has significant weaknesses in relation to its corporate procurement arrangements including the process required to ensure all formal tender exercises are promptly progressed to completion with a formal contract drawn up and signed / sealed accordingly.</p>	<p>Arrangements, including training for key Legal staff members, are in place with regards to the use of the Council's CHEST system as the Council's Central Contracts Register. This will enable more robust arrangements to be established for the drafting, agreement and execution of contracts.</p> <p>The Council is taking the following actions to address this governance issue:</p> <ul style="list-style-type: none"> ▪ Review the contract procedure rules and ensure they are fully embedded across the organisation ▪ Fully implement a disciplined and corporate approach to procurement through category management, reducing manual invoicing and rationalising procurement activity ▪ Identify an effective approach to achieve maximum advantage from a centralised approach and move towards "no purchase order, no pay". 	<p>Strategic Director – Transformation & Resources</p>

Significant Governance Issues carried forward from 2012-13

Governance Issue identified	Progress and Planned Activity	Lead Officer
<p>The Annual Governance Statement 2012-13 identified that absence monitoring statistics revealed a calculated year end figure of 10.28 days against a target of 9.5 days. This remained a high position in comparison with other Councils and additional short term resources have been added within Human Resources to review all long-term cases and to work with managers to ensure there is an action plan in place and that cases are managed appropriately in accordance with policy.</p>	<p>The target for sickness absence for 2014-15 is 9.75 days per person. The latest figures show 2.14 days, compared to a target for this point in the year of 2.49. This leads to a year-end forecast figure of 8.39 days. It is important that focus is maintained so as to sustain this improvement.</p> <p>The introduction of a new performance report has improved the targeting of resources and management action and support, and Strategic Directors are leading this through management meetings.</p>	<p>Head of Human Resources and Organisational Development</p>
<p>The Annual Governance Statement 2012-13 identified that Asset Management was in a position of constant change of policy and priorities during the 2012/2013 year. It is important in order to obtain maximum benefit from its property assets that the Council focuses on a clear policy and strategy, fees and charges are regularly reviewed, updated and income monitored, and a clear separation of duties and evidence trail exists regarding valuations.</p>	<p>A new, draft Asset Management Plan has been produced, consulted on within the council and will be presented to Cabinet in June 2014. Following approval of this document, work will progress on a suite of sub-documents in relation to specific asset issues and policies.</p> <p>A new form of consultation with the community and partners in relation to asset matters is being trialled in Moreton. The intention is to secure greater involvement and improve communications with regard to asset issues. The trial will be evaluated and a decision taken on whether to extend to other areas.</p> <p>Work is proceeding in terms of disposal of surplus assets and a total of £2.5m was raised through disposals in 13/14, ahead of the target figure. Work is proceeding on the disposal of the first of three major sites, the Acre Lane Centre, with staff re-location underway.</p>	<p>Assistant Chief Executive / Head of Universal & Infrastructure Services</p>

Governance Issue identified	Progress and Planned Activity	Lead Officer
	<p>The office rationalisation project, which will continue over the next two years has begun with staff being re-located within Wallasey Town Hall, Cheshire Lines and Birkenhead Town Hall, starting a process of having more staff in fewer locations, to generate savings. Appropriate desking to support replacement IT and telephone equipment is being implemented on a phased basis.</p> <p>A specialist company has been appointed to deal with the disposal of the large sites identified in a report to Cabinet in November 2013 which will provide the Council with substantial Capital receipts which will form part of the Council's Capital Programme.</p>	
<p>The Annual Governance Statement 2012-13 identified that mandatory training across the Council has proved difficult to monitor and control. It is important that any training requirements deemed to be mandatory, such as Equalities and Diversity, should be communicated to and undertaken by all employees, including officers who do not have computer access.</p>	<p>Significant improvements have been made around accountability and ownership for the completion of mandatory training, including the consideration of regular monitoring reports by the Chief Executive's Strategy Group and reinforcement of key messages via Heads of Service.</p>	<p>Head of Human Resources & Organisational Development</p>

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

17 SEPTEMBER 2014

SUBJECT	STATEMENT OF ACCOUNTS 2013/14
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF RESOURCES
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR PHIL DAVIES
KEY DECISION	YES

1.0 EXECUTIVE SUMMARY

- 1.1. The Council Constitution allocates responsibility for the approval of the Statement of Accounts to the Audit & Risk Management Committee. The Statement for 2013/14 was published on 30 June 2014 and was then subject to audit. The Council's external auditor, Grant Thornton LLP will present their findings, within the Audit Findings Report (AFR) together with any additional update, to this meeting.
- 1.2. Members are requested to consider the findings of Grant Thornton, agree the Letter of Representation, agree any actions for 2014/15 and then approve the arrangements for the finalisation of the Statement of Accounts for 2013/14. This is in order for them to be published by the statutory deadline of 30 September 2014.
- 1.3 The Statement of Accounts includes the Merseyside Pension Fund (MPF) accounts as Wirral Council is the Administering Authority for MPF. As the MPF receives a separate Audit Findings Report this has to be considered by Pensions Committee and also this Committee as part of approving the Accounts.

2.0 BACKGROUND AND KEY ISSUES

INTRODUCTION

- 2.1 The purpose of the Statement of Accounts is to present the overall financial position of the Council at 31 March 2014 in accordance with prescribed guidance – the Code of Practice on Local Authority accounting in the United Kingdom (the Code). This is updated annually and specifies the accounting principles and practices required to prepare a Statement of Accounts which present a true and fair view of the financial position.
- 2.2 The Accounts and Audit Regulations 2003, as amended in 2011, state that the Statement of Accounts must be approved by an appropriate Committee no later than 30 September. The Director of Resources was required to certify the Accounts by 30 June 2014. At that date, the Accounts were issued to all Members of this Committee and made publicly available.
- 2.3 On 10 September 2014 a briefing session was held for Members of this Committee with the session open to all Members of the Council entitled 'Understanding the Council's published final accounts'. The session included:-

- An overview of the role of the Audit and Risk Management Committee, including legal requirements, roles, responsibilities and the closure of accounts process;
- The Statement of Accounts for 2013/14, which included a review of its contents, highlights of the key areas within the accounts and a general focus on the purpose of the Financial Statements;
- Changes in 2013/14 which covered the changes to the accounts;
- An overview of the Merseyside Pension Fund accounts for 2013/14 based on the more detailed presentation to Pensions Committee.

2.4 The Accounts published at 30 June are subject to audit. Under the Audit Commission Act 1998 and the Audit Commission Code of Audit Practice for Local Government Grant Thornton, as the Council's appointed external auditor, reports on the financial statements. As stipulated by the Regulations, these are to be reported prior to 30 September.

AMENDMENTS TO THE STATEMENT OF ACCOUNTS

2.5 The amendments to the financial statements requested by Grant Thornton are detailed in the Audit Findings Report. Members are asked to consider whether or not they agree to the amendments which have been agreed by officers. The Auditor has, at the time of writing the report, identified a number of additional disclosure requirements, which the Council has agreed to make.

2.6 The Committee will be updated of further audit work and findings at the meeting on 17 September 2014. Alterations to the Statement of Accounts as part of the audit process maybe made up until 30 September. To facilitate the finalisation of the Statement of Accounts by the required deadline Members of the Committee are asked to give approval to arrangements for the agreement by the Committee of any revisions to the Statement of Accounts. It is proposed that the revisions will be agreed by the Director of Resources in consultation with the Chair of the Committee. Members will be informed of these changes at the earliest opportunity.

AUDITOR'S REPORT AND OPINION

2.7 The Audit Opinion will be issued following Committee consideration of the Audit Findings Report, approval of any amendments to the Statement of Accounts and agreement of the Letter of Representation. Grant Thornton will issue their opinion before 30 September 2014 and state if the accounts are a true and fair view of the financial position of the Council at 31 March 2014.

2.8 The Auditor's report will be incorporated within the final version of the Statement of Accounts that will enable the accounts to be agreed and published by the statutory deadline of 30 September 2014. An unqualified opinion on the Accounts for 2013/14 is likely to be issued and publication of the Accounts will take place by the statutory deadline. There are anticipated to be no changes to the financial position that has been reported to Cabinet at its 7 July 2014 meeting.

2.9 The closure of accounts process is a key part of the Council's financial management processes and requires the input of substantial resources across the Council. This is necessary to deliver a smooth final accounts process and to allow Grant Thornton to carry out its audit within agreed timescales.

- 2.10 Grant Thornton received the statements and supporting working papers in accordance with the required deadline. However the issue of competing pressures within the Financial Services Division does remain as capacity is limited and the management of the pressures has proven to be a considerable challenge since the commencement of the current financial year.
- 2.11 The Council continues to improve and enhance its asset records and systems. There remains scope for further improvements, particularly with regard to Transport Related Infrastructure Assets for which work is being undertaken with the Technical Services Department and which will be required for the 2016/17 Statement of Accounts.

3 LETTER OF REPRESENTATION

- 3.1 The Letter of Representation has to be agreed by this Committee and a draft of the letter is included as an Appendix to this report. This may be subject to change following the outcome of the further work and any update to this meeting by Grant Thornton.

4 ANNUAL GOVERNANCE STATEMENT (AGS)

- 4.1 This Statement is the subject of a separate report to this Committee and, although not required to be included in the Statement of Accounts, it is included as it shows how the Council has ensured the effectiveness of its systems for ensuring that it operates legally and that public money is properly used and accounted for.

5 RELEVANT RISKS

- 5.1 Grant Thornton has identified a number of concerns in their report. If not addressed by the Council then there are potential risks that the Council will not be able to meet its statutory requirements in respect of the Statement of Accounts. There are also concerns relating to Value for Money and Financial Resilience of the Council.

6 OTHER OPTIONS CONSIDERED

- 6.1 The Statement of Accounts has to be produced in accordance with statutory guidance and the Statement is then subject to review by the appointed Auditor.

7.0 CONSULTATION

- 7.1 There has been no specific consultation in respect of this report.

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 6.1 There are none arising directly from this report.

7.0 RESOURCE IMPLICATIONS: FINANCIAL, IT, STAFFING AND ASSETS

- 7.1 The amendments to the Statement of Accounts 2013/14 have not changed the level of General Fund balance or reserves and provisions at 31 March 2014 which remain as reported to Cabinet on 7 July 2014.
- 7.2 There are no IT or asset implications arising from this report.

8.0 LEGAL IMPLICATIONS

8.1 It is a legal requirement to publish the Statement of Accounts by 30 September 2014.

9.0 EQUALITIES IMPLICATIONS

9.1 There are no equality implications arising directly from the production of the Statement of Accounts so an Equality Impact Assessment (EIA) is not required. If requested then arrangements can be made to provide the Accounts in both different languages and formats.

10.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 RECOMMENDATIONS

12.1 That Committee consider the Audit Findings Report presented by Grant Thornton noting the actions taken over the amendments to the Statement of Accounts as detailed in section 2 of this report.

12.2 That Committee agree to the Director of Resources being authorised to sign off the Councils' 2013/14 Statement of Accounts in consultation with the Chair of the Committee.

12.3 That the Director of Resources be authorised to sign off the Letter of Representation, in consultation, with the Chair of the Committee and Chief Executive.

12.4 That Committee agree any actions plan within the Audit Findings Report.

12.5 That subject to the above, Committee approve the Statement of Accounts for 2013/14 and the arrangements for further amendments.

13.0 REASON FOR RECOMMENDATIONS

13.1 Audit & Risk Management Committee has responsibility for approving the Statement of Accounts on behalf of the Council which is a requirement under the Accounts and Audit Regulations 2003, as amended in 2011.

REPORT AUTHOR: Tom Sault
Designation Head of Financial Services
Telephone 0151 666 3407
Email tomsault@wirral.gov.uk

APPENDICES

Letter of Representation.

BACKGROUND PAPERS

Audit Findings Report for Wirral Council issued by the Grant Thornton September 2014.

BRIEFING NOTES HISTORY

Briefing Note	Date
N/A	N/A

SUBJECT HISTORY

Council Meeting	Date
Audit & Risk Management Committee Grant Thornton Audit Findings Report – - Merseyside Pension Fund - Merseyside Pension Fund Accounts 2012/13 Grant Thornton Audit Findings Report – - Wirral Council - Statement of Accounts 2012/13	18 September 2013
Audit & Risk Management Committee Statement of Accounts 2012/13 - update	25 November 2013
Pensions Committee Grant Thornton Audit Findings Report – - Merseyside Pension Fund - Merseyside Pension Fund Accounts 2013/14	15 September 2014

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DRAFT



Appendix 1: Draft Letter of Representation

Transformation & Resources Directorate

Vivienne Quayle
Director of Resources

PO Box No 2,
Treasury Building,
Cleveland Street,
Birkenhead,
Wirral,
Merseyside,
CH41 6BU.

to Grant Thornton UK LLP,
4th Floor,
Royal Liver Building,
Liverpool,
L3 1PS.

Date 30 September 2014

your ref
my ref ACCOUNTS 2013-14
service Financial Services
tel 666 3056 Please ask for Vivienne Quayle
fax 666 3408
email viviennequayle@wirral.gov.uk

Dear Sir,

Wirral Council - Financial Statements for the ended 31 March 2014

This representation letter is provided in connection with the audit of the financial statements of Wirral Council for the year ended 31 March 2014 for the purpose of expressing an opinion as to whether the financial statements give a true and fair view in accordance with International Financial Reporting.

We confirm that to the best of our knowledge and belief having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Statements

We have fulfilled our responsibilities for the preparation of the financial statements in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain ("the Code") as adapted for International Financial Reporting Standards; in particular the financial statements give a true and fair view in accordance therewith.

We have complied with the requirements of all statutory directions and these matters have been appropriately reflected and disclosed in the financial statements.

We acknowledge our responsibility for the design, implementation and maintenance of internal control to prevent and detect fraud.

Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.

We are satisfied that the material judgements used by us in the preparation of the financial statements are soundly based, in accordance with the Code, and adequately disclosed in the financial statements. There are no further material judgements that need to be disclosed.

We confirm that we are satisfied that the actuarial assumptions underlying the valuation of pension scheme liabilities for IAS19 disclosures are consistent with our knowledge. We confirm that all settlements and curtailments have been identified and properly accounted for. We also confirm that all significant retirement benefits have been identified and properly accounted for (including any arrangements that are statutory, contractual or implicit in the employer's actions, that arise in the UK or overseas, that are funded or unfunded).

Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of International Financial Reporting Standards and the code.

All events subsequent to the date of the financial statements and for which International Financial Reporting Standards and the code requires adjustment or disclosure have been adjusted or disclosed.

We have not adjusted the misstatements brought to our attention in the Audit Findings Report, which are considered to be immaterial to the results of the Council and its financial position at the year-end. The financial statements are free of material misstatements, including omissions.

We have no plans or intentions that may materially alter the carrying value or classification of assets and liabilities reflected in the financial statements.

We believe that the Council's financial statements should be prepared on a going concern basis on the grounds that current and future sources of funding or support will be more than adequate for the Council's needs. We believe that no further disclosures relating to the Council's ability to continue as a going concern need to be made in the financial statements.

Information Provided

We have provided you with:

- a access to all information of which we are aware that is relevant to the preparation of the financial statements such as records, documentation and other matters;
- b additional information that you have requested from us for the purpose of your audit; and
- c unrestricted access to persons within the Council from whom you determined it necessary to obtain audit evidence.

We have communicated to you all deficiencies in internal control of which management is aware.

All transactions have been recorded in the accounting records and are reflected in the financial statements.

We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.

We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the Council and involves:

- a management;
- b employees who have significant roles in internal control; or
- c others where the fraud could have a material effect on the financial statements.

We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the Council's financial statements communicated by employees, former employees, regulators or others.

We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing financial statements.

We have disclosed to you the entity of the Council's related parties and all the related party relationships and transactions of which we are aware.

Annual Governance Statement

We are satisfied that the Annual Governance Statement (AGS) fairly reflects the Council's risk assurance and governance framework and we confirm that we are not aware of any significant risks that are not disclosed within the AGS

Approval

The approval of this letter of representation was minuted by the Council's Audit & Risk Management Committee at its meeting on 18 September 2014.

Signed on behalf of Wirral Council

Vivienne Quayle
Director of Resources
30 September 2014

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WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

17 SEPTEMBER 2014

SUBJECT	MANAGEMENT OF INSURANCE AND CORPORATE RISK
WARD/S AFFECTED	ALL
REPORT OF	DIRECTOR OF RESOURCES
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

1.1 This report sets out the key actions to be taken in relation to corporate risk and insurance management during 2014/15 and highlights a decision which needs to be made. Progress made since June in relation to key actions planned for 2014/15 are also included.

2.0 BACKGROUND AND KEY ISSUES

2.1 Risk and insurance management comprises two significant areas of activity:

- One is the provision of advice and support to Members and officers in developing the corporate risk management framework and processes.
- The other is risk financing which incorporates insurance procurement, management of the Council's Insurance Fund and claims management.

2.2 In addition to day-to-day operations the insurance service is responsible for major procurement exercises and improvement activities. This report focuses on the latter. The key actions to be implemented during 2014/15 were included in the report to this Committee on 18 March. Progress since June in respect of those actions is summarised in the paragraphs below.

2.2.1 Annual renewal of Property All Risks Money Fidelity Guarantee and Personal Accident / Business Travel policies

Terms for the renewal of all classes of business were agreed with the holding insurers. In respect of the Property policy there was an increase of £21,100 (10%) over 2013/14 costs. This was entirely due to growth in rebuilding costs. The All Risks premium fell by £45 (0.3%) and Money premium fell by £700 (10%). The Fidelity Guarantee and Personal Accident / Business Travel premiums were unchanged.

2.2.2 Determine risk appetite

Preparations have been made for two pieces of work to support further consideration of the Council's risk appetite later in the year. The first will address the Council's risk capacity and is expected to take place in September. The other will consider the Council's risk maturity and will draw on a national risk management benchmarking exercise.

2.2.3 Academy Schools insurance procurement

The Risk & Insurance team worked with existing Academy school clients to complete questionnaires ahead of the renewal of their policies on 1st September and terms for all schools have been agreed. Insurance quotations have also been obtained for Townfield Primary School ahead of its anticipated conversion to Academy status on 1 October. The Education Funding Agency has provided more information about its 'Risk Protection Arrangement' for Academy schools. However my officers consider that the existing insurance programmes put in place for Academies in Wirral continue to offer the best solution for those schools.

2.2.4 Review of Corporate Risk Register

A further report on the register was presented to the Chief Executive Strategy Group on 18 August. An update on progress with managing the corporate risks is the subject of a separate report to this meeting.

2.2.5 Future Council

A standard business case template for the options has been produced. The template is designed to draw out clear and concise information on the risks and benefits of the option proposed and how these would be addressed.

2.2.6 Develop training and guidance for Members and officers

Draft content for two E-learning courses one for staff and another for managers has been created. The Risk & Insurance and Organisational Development teams have begun to develop the courses with the aim of making them available by the end of December.

2.2.7 Consider options to extend the Computer Insurance and Civil Litigation contracts

These contracts both contain clauses giving the Council an option to extend them for 2 years from 1 April 2015. In respect of the Civil Litigation contracts the 'Jackson' reforms have resulted in the contracts format no longer being fit for purpose. As such it would not be appropriate to extend them and a procurement exercise will be held to identify suppliers for the period from 1 April 2015. As regards the Computer insurance contract it is recommended that the option to extend be taken up. The holding insurer's premium is a relatively modest sum (£14,750) and was 20% lower than its competitor. Furthermore claims have been dealt with promptly and satisfactory settlements obtained.

2.2.8 Consider options to extend the Casualty insurance contract

This contract, which covers liability risks, gives the Council an optional 2 year extension from 01 April 2015. Outline terms have just been received from the insurers that incorporate a proposed annual premium increase of £70,000 (40%) combined with a reduction of cover via a 50% increase in the self insured aggregate exposure to £3.75m. These changes are not reflective of the stable performance within the liability account.

The current contract was procured during a 'soft' phase of the liability insurance market. The market for local authority liability insurance is now much more difficult with only 2 key insurers. A procurement exercise could potentially result in an even greater premium and / or further reductions in cover. Officers are continuing to evaluate the benefits and risks of this extension and recommend that the ultimate decision to either tender or extend the existing contract should be taken by the Director of Resources and reported to the next committee.

If the option to extend is taken up it may be possible to contain this 2015 / 2016 premium increase without overall growth in the insurance fund budget by reductions in other contractual costs and reduced liability contributions to the insurance fund. Any reduction in the contribution to the insurance fund will however decrease confidence in the long term solvency of the fund. The 2015 / 2016 Insurance Fund budget report will be reported to Committee in Jan 2015.

2.2.9 Consider options for the administration of liability claims

Officers have completed the review into options for claims handling. 4 key alternatives have been identified and the risks and benefits for each have been considered;

- Maintain existing outsource and manage approach
- Fully outsource all decision making and administration
- Fully in source all elements
- Partially in source some further administration

The current approach has worked well but will not produce any saving. The fully outsourced approach is very likely to result in substantial additional claims costs and would therefore be counter productive. Following a thorough review officers believe that a move to a fully in sourced claims handling function would carry a great deal of financial risk for too little reward and further development of the option is therefore not recommended. However the final option of partial further in sourcing could be productive.

A concept has been developed that could utilise existing skills and resources with relatively limited risk exposure. This option would provide a contractual saving of around £30,000 pa (under current terms) at an investment of less than £7,500 pa. Whilst it was originally envisaged that this project may provide budget savings, given developments in the market it may now be necessary to implement the approach to partially offset the 2015 / 2016 contractual cost pressures noted above.

Extending the existing liability contract would provide a stable platform for the introduction of this project and this issue will therefore be a factor in the decision making process. Further detail of the claims handling option evaluation process is available upon request.

2.2.10 Local Government Association (LGA) / Cabinet Office Roundtable

The authority was invited to participate in a roundtable event on 17 July organised by the LGA and the Cabinet Office. The session was organised to

discuss the pressures on local authority insurance premiums and possible solutions. The official report from the session is currently awaited.

2.2.11 Alarm National Forum

Two officers from the Risk & Insurance team attended the Alarm National Forum held in Manchester in June. The Forum is the primary educational event for public sector risk managers. The sessions covered topics as diverse as opportunity risk management, risk behaviours, management of social care risks, cyber threats and risks associated with shared service models. The conference costs of the Senior Risk & Insurance Assistant were met directly by Alarm.

3.0 RELEVANT RISKS

- 3.1 The improvement of the risk management framework and the implementation of more effective processes will help to improve the ability to handle risk across the organisation.
- 3.2 Mishandling of liability claims can result in substantial additional claims costs.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 4 options for claims handling arrangements have been considered;
- Maintain existing arrangements
 - Fully outsource
 - Partially further in source
 - Fully in source
- All options are detailed within a further report that is available upon request.

5.0 CONSULTATION

- 5.1 No specific consultation has been undertaken with regard to this report.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 None

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 There are no implications arising directly from this report.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING AND ASSETS

- 8.1 The provision of support services to Academy schools is estimated to generate income of approximately £40,000 in 2014/15. This will also help to offset the Council's insurance administration costs which are ultimately recharged to users of the service.
- 8.2 The expected increases of £70,000 in liability insurance costs for the contract extension could be partially offset with savings from revised claims handling arrangements. Officers will investigate methods for containing any residual balance within existing budgets. The alternative tender process for this contract would carry financial and cover uncertainty.

- 8.3 The partial in sourcing of claims would necessitate a small adjustment in staffing arrangements.
- 8.4 The existing claims management software is scheduled for an upgrade and this process would be brought forward to facilitate the claims process. This process would be managed by the software providers and would not necessitate significant internal IT involvement.

9.0 LEGAL IMPLICATIONS

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

10.0 EQUALITIES IMPLICATIONS

- 10.1 There are no implications arising directly from this report.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

- 11.1 There are no implications arising directly from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 12.1 There are no implications arising directly from this report.

13.0 RECOMMENDATION

- 13.1 That the content of this report be noted.
- 13.2 That the decisions on extension of the existing liability contracts and proposed amendments to claims handling processes be delegated to the Director of Resources.

14.0 REASON FOR RECOMMENDATION

- 14.1 Regular update reports are presented to this Committee on the work around Risk and Insurance which seek to support the Risk Management Policy and maintain the successful management of the Insurance Fund.
- 14.2 Insufficient information is available to make an informed decision on the contract extension at this point. If a full tender is deemed to be required but the decision is not delegated then the scheduling of the next committee will not provide sufficient time to implement an appropriate procurement project.

REPORT AUTHOR: Mike Lane
 Risk & Insurance Officer
 telephone: 0151 666 3413
 email: mikelane@wirral.gov.uk

BACKGROUND PAPERS/REFERENCE MATERIAL

Correspondence with insurers and insurance brokers
 Draft report into claims handling options and appendices
 Documentation from ALARM National Forum
 Report of the Risk and Insurance Officer (Corporate Risk Register) – 14 August 2014

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	
Corporate Risk & Insurance Management	23 June 2014
Corporate Risk & Insurance Management	18 March 2014
Corporate Risk & Insurance Management	January 2014
Corporate Risk & Insurance Management	25 November 2013
Corporate Risk & Insurance Management	18 September 2013

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

17 SEPTEMBER 2014

SUBJECT	CORPORATE RISK REGISTER
WARD/S AFFECTED	ALL
REPORT OF	CHIEF EXECUTIVE
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

- 1.1 Under the terms of the Council's Constitution one of the functions of the Audit & Risk Management Committee is to provide independent assurance that the Council's risk management framework is effective.
- 1.2 A key output from the Council's risk management framework is the Corporate Risk Register. To support this Committee's work in considering the effectiveness of the framework a report is now presented on a regular basis detailing the key risks facing the authority and how these are being managed.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Corporate Risk Register summarises those areas of uncertainty which have greatest potential to prevent or frustrate delivery of the Corporate Plan and confirms how the authority is seeking to tackle them. At a strategic level these risks help to inform future priorities and interventions. The actions required to mitigate the risks also influence the content of Directorate Service Plans and the allocation of resources. In that way they are a key component of the corporate planning process and so success in managing these risks is a key factor in overall corporate performance.

2.2 Existing Corporate Risks

- 2.2.1 The Corporate Risk Register presented to this Committee on 23 June 2014 contained 28 risks.

2.3 Review - Quarter One 2014/15

- 2.3.1 Governance arrangements for the register require that it be formally reviewed each quarter. The review is undertaken by the Chief Executive Strategy Group (CESG). This task is informed by a report from the Risk & Insurance Officer which summarises potential new risks for consideration and significant movements in Directorate and Programme risk registers.
- 2.3.2 A thorough refresh of the register had been undertaken on 10 June 2014. The quarter 1 review focussed on significant risks indicated in 2014/15 directorate plans. It was recognised that cross-cutting risks (those common to more than one directorate) were already reflected in the corporate register. There were no individual risks in directorate plans that were considered sufficiently significant to merit addition to the corporate register.

2.3.3 CESH also considered the suggestion made by a member of this committee at its meeting on 23 June 2014 that it might be appropriate for there to be two 'safeguarding' risks one relating to children and young people and another relating to vulnerable adults. However the consensus was that a single safeguarding risk was appropriate particularly given the joint approach to safeguarding.

2.4 Review August 2014

2.4.1 The Chief Executive Strategy Group requested a further review of the register.

2.4.2 To inform this review improved information on the controls for the risks was obtained. Updates on the current status of additional mitigating actions were also collated.

2.4.3 The Group also considered one risk escalated by the Strategic Director of Families & Wellbeing. This concerned the risk associated with a failure to respond a recent clarification of the law made by the Supreme Court. In the case concerned the Court resolved that arrangements made for the care or treatment of individuals lacking capacity to consent to them could amount to a deprivation of liberty. CESH considered that this was an appropriate topic for the Directorate risk register but not at this point for the Corporate Risk Register.

2.4.4 The appendix contains a summary of progress made in relation to the management of the existing corporate risks that is correct as at 29/08/2014.

2.5 Next Steps

2.5.1 To help give the Chief Executive Strategy Group and Members a more objective view of the significance of the corporate risks and the effectiveness of the controls work will be undertaken to identify relevant key risk indicators.

2.5.2 Many of the risks in the register are driven by external factors and as such the Council's ability to control them is limited. It is intended that future reports will comment in greater detail on this point.

3.0 RELEVANT RISKS

3.1 The issues contained in the register are considered by Chief Executive Strategy Group to present the most significant risks to achievement of the objectives and priorities contained in the Corporate Plan. As such failure to manage them effectively could have severe implications for delivery of the Plan.

4.0 OTHER OPTIONS CONSIDERED

4.1 These are not applicable in respect of this report.

5.0 CONSULTATION

5.1 No specific consultation has been undertaken with regard to this report.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

6.1 None.

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

7.1 None.

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

8.1 Whilst there are no direct implications effective management of the corporate risks will help to mitigate negative impacts on the Council's financial IT and human resources.

9.0 LEGAL IMPLICATIONS

9.1 There are none arising directly from this report.

10.0 EQUALITIES IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

12.1 There are none arising directly from this report.

13.0 RECOMMENDATIONS

13.1 That Members consider the summary of progress made in relation to the management of the existing corporate risks.

13.2 That further reports on the Corporate Risk Register be brought to future meetings of this Committee.

14.0 REASONS FOR RECOMMENDATIONS

14.1 Having an understanding of the Council's principal risks and their controls supports the Committee's responsibility in relation to the adequacy of the Council's risk management framework.

14.2 The provision of regular reports to this Committee on the Corporate Risk Register is a requirement of the Council's Corporate Risk Management Policy.

REPORT AUTHOR: Mike Lane
Risk & Insurance Officer
telephone: 0151 666 3413
email: mikelane@wirral.gov.uk

APPENDIX

Corporate Risk Register – progress report

BACKGROUND PAPERS/REFERENCE MATERIAL

Reports of the Risk and Insurance Officer – 21 July and 14 August 2014
Agenda and minutes from the Chief Executive Strategy Group

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY

Council Meeting	Date
Audit & Risk Management Committee	23 June 2014
Audit & Risk Management Committee	18 March 2014
Audit & Risk Management Committee	10 June 2013
Cabinet	23 May 2013
Cabinet	2 February 2012

Corporate Risks – Progress with Additional Controls as at 29/08/2014

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to deliver within immediate and long term budgets (FI1)	<ul style="list-style-type: none"> • Corporate Plan reflects financial challenge • Delivery of budget options projects being progressed • Fortnightly meetings of Budget Steering Group • Weekly meeting of 'Future Council' Governance Board • Monthly monitoring of savings 	<p>12</p> <p>(4x3)</p>	<ul style="list-style-type: none"> • Re-model early intervention and prevention services to ensure we manage demand efficiently and community based care effectively • Embed a strategic approach to commissioning • Progress opportunities for joint commissioning with health partners • Care Bill modelling and preparation for implementation in 2015/16 • Review of specialist rates for supported living and (LD/MH) for residential and nursing care • Support the implementation of the Future Council Programme 	<ol style="list-style-type: none"> 1. Reviews of both the assistive technology and community equipment services are currently underway 2. A draft Commissioning Strategy has been produced. 3. Implementation of Better Care Fund and Care Act will generate joint opportunities 4. Care Bill modelling work is currently not as far progressed as envisaged 5. Review of rates currently delayed, pending final issuing of guidance 6. A fortnightly budget tracking meeting has been introduced. 7. An EY report on potential savings has been received. 8. Future Council - structures for key service areas have been developed - remainder to be completed during August 2014

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Major fraud or corruption (F12)	<ul style="list-style-type: none"> • Counter Fraud and Corruption Policy • Whistle Blowing Policy • Counter Fraud Plan and trained investigator • Participation in National Fraud Initiative • Codes of conduct for Members and officers • Financial Procedure Rules • Contract Procedure Rules • Sound Internal Control systems • Effective recruitment and selection • Benefits Fraud Investigation team with trained investigators • Procedures for the Declaration of Conflict of Interests, Gifts and Hospitality and Pecuniary Interests • Mandatory training programme • Use of declarations and fair processing notices • Disciplinary procedures 	<p style="text-align: center;">6 (3x2)</p>	<ul style="list-style-type: none"> • Implement counter fraud action plan • Develop Corporate Counter Fraud Strategy • Update and deliver on-line fraud training programme • Establish facility for on-line reporting by MOP • Introduce positive vetting of new employees • Introduce anti fraud statement into recruitment form • Brief directorates on new Contract Procedure Rules • Seek DCLG funding to establish a 'Mersey Region Fraud Hub' 	<ol style="list-style-type: none"> 1. Some elements of the plan are in place (e.g. benchmarking). Others remain outstanding. 2. Target date for the development of the Strategy has been put back to October / November 2014. 3. Target date for implementation of the on-line fraud training has been put back to August 2014. 4. Template for on line reporting is complete. Revised target date of October / November 2014. 5. Target date for positive vetting of new employees has been put back to March 2015. 6. Target date for introduction of anti-fraud statement has been put back to March 2015. 7. Wirral has established a Mersey Region Fraud Group.

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to remodel the Council to meet its future challenges (GO1)	<ul style="list-style-type: none"> • Wirral's vision is set out in Corporate Plan • CESG focus on coherent new model • Revised contract procedure rules introduced • Robust technical design principles • Robust project and risk management arrangements for 'Future Council' programme 	8 (4x2)	<ul style="list-style-type: none"> • Implement programme of ICT improvements • Implement new Asset Management Plan • Embed a strategic approach to commissioning • Support the implementation of the Future Council Programme 	<ol style="list-style-type: none"> 1. Pilot IT replacement activities have started (July) 2. An initial group of servers have been replaced 3. A draft commissioning strategy has been produced 4. Future Council - structures for key service areas have been developed - remainder to be completed during August 2014
Failure to establish governance arrangements that support wholesale change and enable difficult decisions to be taken (GO2)	<ul style="list-style-type: none"> • Revised Constitution in place • Scheme of Delegation rolled out • Cohesive CESG • Closer working with Cabinet • New Members briefing and decision-making processes implemented • Leaders Board established • Member development programme • Revised corporate risk management policy adopted 	6 (3x2)	<ul style="list-style-type: none"> • Further embed the new Constitution • Joint Cabinet / CESG sessions • Formalise new Corporate Governance Group 	<ol style="list-style-type: none"> 1. New Corporate Governance Group formalised. Terms of reference agreed by CESG (July). 2. Training on Code of Corporate Governance given to Members (July)

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Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Internal policies & procedures could delay change (GO3)	<ul style="list-style-type: none"> • New Members briefing and decision-making processes implemented • Scheme of Delegation / Member Officer protocol updated • Code of Corporate Governance revised • Weekly meeting of 'Future Council' Governance Board • Robust governance arrangements for 'Future Council' programme 	4 (2x2)	<ul style="list-style-type: none"> • Further embed the new Constitution • Monitor compliance with revised financial regulations and new Contract Procedure rules 	1. Most services have rolled out the 'Values' sessions.
Failure to identify potential changes to government policy early enough to influence and respond (GO4)	<ul style="list-style-type: none"> • Work of the Policy Unit • Policy network established • Regular policy briefings provided to Senior Officers and Members • Performance Management and Business Intelligence resource • Regular item on CESG agenda 	6 (3x2)	<ul style="list-style-type: none"> • Increased visibility of political and executive leaders with national government 	

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to maintain a focus on economic growth (GO5)	<ul style="list-style-type: none"> • Investment Strategy • Investment Strategy Board • Priority within Corporate Plan 	8 (4x2)	<ul style="list-style-type: none"> • ERDF business growth programme • Regional Growth Fund projects • Policy & Performance committee–scrutiny function • Capitalise on the success of the ‘Open’ • Implement Investment Strategy delivery plan • Continue lobbying as an authority and as part of LCR for national availability of match funding • Marketing activity -implementing the Inward Investment Targeting Plan 	<ol style="list-style-type: none"> 1. Wirral’s RGF resources have been fully allocated. Further RGF resources are still available, of which 1/3 has been allocated. 2. Wirral hosted a number of events for the IFB reflecting its key growth sectors. 3. A plan is now in place to ensure inward investment marketing is co-ordinated and effective. 4. Invest Wirral website has been updated. 5. Govt has announced the city region’s allocation from the Local Growth fund
A failure to maximise our influence with key stakeholders limits our ability to capitalise on opportunities (GO6)	<ul style="list-style-type: none"> • Chief Executive and senior members / officers engage outside Wirral with national decision-makers • Leader of the Council’s role as chair of the Combined Authority • LEP membership • CX influence via LCR Chief Executive group 	4 (2x2)		<ol style="list-style-type: none"> 1. The Leader of the Council has been selected to join LGA national Improvement and Innovation Board.
Use of untried / untested models (mutuals, social enterprises, shared services) (GO7)	<ul style="list-style-type: none"> • Transformational Change projects based on robust business cases • Learning from other local authorities • Accessing external expertise (legal, financial and operational) 	12 (4x3)	<ul style="list-style-type: none"> • Embed a strategic approach to commissioning 	<ol style="list-style-type: none"> 1. A draft commissioning strategy has been produced.

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Scale and pace of change could exceed organisational capacity – especially in key areas (PE1)	<ul style="list-style-type: none"> • Full senior management team in place • New governance model for programme management • Focus of Change Team • Change agent programme • Matrix management arrangements adopted • Weekly project review meetings (Future Council) 	12 (4x3)	<ul style="list-style-type: none"> • Project leads to establish detailed resource plan for each element / stage of Future Council programme 	<ol style="list-style-type: none"> 1. Change agent programme is progressing well
Skills within the Council could be insufficient to support our future operating model (PE3)	<ul style="list-style-type: none"> • Redeployment training support in place • Change agent programme • Leadership and Management Development Programmes • Performance Appraisals for senior managers • Future Council modelling has been based on stress testing 	8 (4x2)	<ul style="list-style-type: none"> • Continue Leadership Development Programme • Continue Management Development Programme • Roll out Performance Appraisals to all staff 	<ol style="list-style-type: none"> 1. The Leadership Development and Change agent programmes are progressing well. 2. Management Development programme is behind target 3. Performance Appraisals remain behind schedule
Failure to ensure that the culture of the organisation supports the future operating model (PE4)	<ul style="list-style-type: none"> • Link of values to behaviours in Performance Appraisal • Change agent programme 	9 (3x3)	<ul style="list-style-type: none"> • Design / implement cultural change programme • Continue Leadership Development Programme • Continue Management Development Programme • Roll out Performance Appraisals to all staff • Respond to the 2013/14 Staff Survey 	<ol style="list-style-type: none"> 1. Most services have rolled out the Values Sessions or are currently delivering them 2. The Leadership Development and Change agent programmes are progressing well. 3. Management Development programme is behind target 4. Performance Appraisals remain behind schedule 5. A high level Staff Survey action plan has been developed.

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Description	What are the main controls for the risk?	Current Risk Score (I x L)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
A failure in health and safety management leading to death or serious injury (PE5)	<ul style="list-style-type: none"> • Register of corporate H&S risks • Corporate H&S policy specifies management roles & responsibilities, specific management arrangements have been developed • Legislative Compliance Audit programme & Fire Risk Assessments of all Council premises • Programme of auditing management compliance against H&S policy • Delivery of essential emergency training for fire and first aid • H&S Officers investigate all significant accidents & incidents, including ELI claims • Specific H&S training • Health surveillance arrangements for occupational health risks • Delivery of (IOSH) Managing Safely training to Managers and Supervisors below HoS 	<p style="text-align: center;">8 (4x2)</p>	<ul style="list-style-type: none"> • Continuous review and develop of H&S arrangements • Continuing programme of compliance audits of H&S policy • Maintaining health surveillance programme for occupational health risks • Continuous programmed assessment of legislative compliance and fire risk at all Council premises • Senior management teams H&S training programme 	<ol style="list-style-type: none"> 1. The Health, Safety & Resilience team has continued to make improvements to H&S arrangements and carry out its programme of compliance audits - although the team have experienced some difficulties recently with personnel changes and reorganisation in certain service areas. 2. Proposals have been put to the Strategic Director for Transformation & Resources for a redesign of the current H&S governance arrangements (including a refresh of the Corporate H&S committee) together with recommendations to improve the governance of H&S management. 3. Delivery of a H&S training programme for senior management teams may be slightly delayed as a result of Future Council and awaiting the redesigned corporate structure

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Quality and availability of data & intelligence could be insufficient to enable us to design services & target effective interventions (DA1)	<ul style="list-style-type: none"> • Performance Management and Business Intelligence resource within Policy, Performance and Public Health function • Provision of dashboard reports to Policy & Performance committees • Breadth and depth of data from Service Reviews 	<p>9 (3x3)</p>	<ul style="list-style-type: none"> • Implement new case management system across both Adult and Children services • Implement Data Warehouse • Enhance Corporate Governance Group 	<ol style="list-style-type: none"> 1. Expected implementation data for DASS is now September and for CYPD October 2. The Data Warehouse project is progressing as planned. 3. New Corporate Governance Group formalised. Terms of reference agreed by CESG (July).
A failure in information governance leading to a significant disclosure of sensitive information (DA2)	<ul style="list-style-type: none"> • IG Board and IG Operational Group established • Guidance on information handling/security circulated • Technical ICT controls • Independent security assessments of the council's ICT infrastructure • PSN accreditation attained • Training delivered to Members and key officers on information governance • IG communications for non-IT users developed • IG checklist for departments/managers developed 	<p>8 (4x2)</p>	<ul style="list-style-type: none"> • Training for IGOs • Annual refresh of training for managers and key staff • Implement the Information Governance Action Plan • Secure all council mobile and printing devices • Implement technical solution to protectively monitor the council's ICT infrastructure • All staff to undertake background checks to comply with BPSS • Achieve Level 2 IG toolkit accreditation • Centralise IG policies and procedures and risks 	<ol style="list-style-type: none"> 1. IG action plan developed. 2. IG Principles, Management Framework and Policy approved. 3. 'Information Responsibilities' area on Intranet went live (July) 4. Training delivered to Information Asset Owners (July). 5. Printing devices in sensitive areas secured 6. Completion of the IG Toolkit version 12 has started 7. Work has yet to formally start on the PSN accreditation

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Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to ensure resilience and cohesion in key partnerships (PA2)	<ul style="list-style-type: none"> • Health & Wellbeing Board established • Local Public Sector Board established • Support for Combined Authority 	9 (3x3)	<ul style="list-style-type: none"> • Conduct a review of partnerships • Develop a register of key partnerships • Refresh partnership toolkit • Develop the Local Public Sector Board and Health & Wellbeing Board 	1. A register of key partnerships remains outstanding
Failure of a major provider (private, public or voluntary, community and faith sector) or partner leading to interruption of service (PA4)	<ul style="list-style-type: none"> • External suppliers identified and position statement compiled as to their arrangements • Procurement Strategy and the agreed procurement process checks on potential contractor. • Contract and performance management arrangements • Monitoring of contract delivery by Strategic Directors • Linkages to Business Continuity arrangements 	12 (4x3)	<ul style="list-style-type: none"> • Work with departments to ensure that all partner agencies and/or voluntary, community or faith sector organisations have suitable and sufficient business continuity arrangements – a check should be made on a two yearly basis • Ensure all external suppliers / contractors provide a position statement in regard to their individual business continuity plans on a two yearly basis • Incorporate an annual financial check is as part of the regular contract performance management arrangements 	1. A Business Continuity Implementation Plan <i>(including arrangements for the review of external providers' arrangements)</i> has been drafted

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Inadequate safeguarding arrangements exposing children or vulnerable adults to greater risk of abuse or exploitation (CU1)	<ul style="list-style-type: none"> Local Safeguarding Children Board and Safeguarding Adults Partnership Board monitor serious case review action plans. Business priorities for the WSCB monitored through the WSCB Executive Weekly performance monitoring of changes to contact and referral taking in CADT. Reports to CESG and strategic Directors DMT on Corporate Safeguarding performance. National Notification of Serious Child Care Incidents to OFSTED. Continuing programme for disseminating learning from serious child care incidents. Monthly meetings of the Merseyside Child Death Overview Panel. Continuing review of S118 IRO applications. Market supplement is paid to social workers in hard to recruit and retain posts. Reviews carried out by District Managers of children / young people known to a number of different agencies 	15 (5x3)	<ul style="list-style-type: none"> Implement Signs of Safety as a framework for safeguarding children by November 2014 and to evaluate impact by March 2015. Support Council staff and partners in learning from best practice and serious/critical case reviews. Deliver a customer focused response to complaints that leads to improvements in practice and evaluate Establish an effective Multi Agency Safeguarding Hub for vulnerable children and adults and evaluate. Implement 'Making Safeguarding Personal' (MSP) and evaluate its impact Establish a joint Domestic Violence sub committee of the SAPB and LSCB 	Progress report awaited

	<ul style="list-style-type: none">• High-level multi-agency review of individuals leading to improved, and consistently applied multi-agency risk management process and targeted support to be put in place to pre-empt, where possible, escalation of identified areas of concern.• Strategic Review Process implemented for contracted providers giving cause for concern			
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Description	What are the main controls for the risk?	Current Risk Score (I x L)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
A major physical incident compromises the delivery of essential services (PH1)	<ul style="list-style-type: none"> • Dedicated Health, Safety & Resilience Team provides support and guidance with 24/7 duty officer cover • External Partner organisations and suppliers identified and position statement compiled as to their arrangements • Awareness sessions delivered to key staff • Exercises conducted to test efficiency of plans • Departmental business continuity plans in place for critical service areas • Wirral Business Continuity Plan • Wirral Flood and Water Management Partnership formed • Review of winter maintenance arrangements conducted. • Merseyside Community Risk Register • Business interruption and Loss of Revenue insurance 	<p>8 (4x2)</p>	<ul style="list-style-type: none"> • Increase the number of Duty Officers • CSG Training and Exercising programme • Continue to review and capture any lessons learnt from incidents and exercises. • Introduction of a Wirral emergency Volunteer Scheme • Arrange refresher training on service continuity planning and management • Agree and implement a revised corporate business continuity policy 	<ol style="list-style-type: none"> 1. Knowsley MBC has provided templates for revised BC plans and has delivered training to the Health, Safety and Resilience team (June) 2. A Business Continuity Implementation Plan has been drafted 3. A revised corporate business continuity policy has been drafted.

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to implement new IT systems / hardware in time to support the new Council model (PH2)	<ul style="list-style-type: none"> • Replacement / upgrade projects agreed as part of 'Future Council' programme • Control and monitoring meetings for all projects within ICT improvement programme • Temporary engagement of Strategic IT Advisor to provide direction and capacity • Initial group of servers implemented 	9 (3x3)	<ul style="list-style-type: none"> • Implement programme of ICT improvements (including refresh of hardware) • Recruit to newly created senior IT post • Implement a new case management system across both Adult and Children services • Implement Windows 7 & Office 2010 across the Council 	<ol style="list-style-type: none"> 1. Behind the scenes IT projects are progressing well 2. Pilot activities have started (July) 3. An initial group of servers have been replaced 4. An offer has been made to a suitable candidate for the post of Head of IT. 5. Case management system - expected implementation data for DASS is now September and for CYPD October
A sustained catastrophic failure in IT systems (PH3)	<ul style="list-style-type: none"> • Second machine room • Fire suppressant system in rooms • Additional backup /security based at Cheshire Lines implemented 	10 (5x2)	<ul style="list-style-type: none"> • Implement programme of ICT improvements • Review of IT service continuity arrangements) 	<ol style="list-style-type: none"> 1. Behind the scenes IT projects are progressing well 2. Additional backup / security based at Cheshire Lines has been introduced 3. A review of IT business continuity has begun

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Welfare Reforms (EC2)	<ul style="list-style-type: none"> • Ongoing Council-led strategic approach to assess the implications and prepare effective policy & delivery response e.g. through WEDS & Welfare Reform partnership • Discretionary Funds Housing Payment Fund for those on Housing Benefit impacted by the reforms inc. under occupancy • Localised Welfare Assistance Scheme for those impacted directly or indirectly and at risk • Collaborative working with social and rented sector landlord stakeholders • Collaborative working with DWP Local Partnership Lead • Delivery Partnership Agreement with DWP to April 2015 	16 (4x4)	<ul style="list-style-type: none"> • Develop and deliver a Welfare Reform Dashboard • Deliver additional activity through a Local Partnership Framework • Undertake regular impact assessments • Local Welfare Assistance Member Task and Finish Group for post March 2015 continued support as specific funding ends • UC continued live roll-out of national scheme, corresponding engagement with DWP those accessing and impacted upon by this Reform. Local Delivery Partnership Agreement – Nov 2014 review 	<ol style="list-style-type: none"> 1. Work has started on the development of the Welfare Reform Dashboard 2. There have been further meetings of the Member Task and Finish Group. 3. DWP have introduced couples into the roll-out of Universal Credit. This does not appear to have had any impact so far.

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
<p>Increasing demand for socially provided care exceeds the resources available (Council and NHS) (SO1)</p>	<ul style="list-style-type: none"> • Vision 2018 programme • Integrated Care programme • Joint Commissioning arrangements with the CCG • Enhanced monitoring and reporting arrangements 	<p>16 (4x4)</p>	<ul style="list-style-type: none"> • Re-model early intervention and prevention services to ensure we manage demand efficiently and community based care effectively • Implement 7 Day Working within the Integrated Discharge Team and Care Arranging Team • Enhance market capacity to prevent avoidable hospital admissions and supporting timely hospital discharges • Joint Carers Strategy between Social Care and Health 	<ol style="list-style-type: none"> 1. Reviews of both the assistive technology and community equipment services are currently underway 2. Phase 1 implemented; phase 2 implementation due by end of Sept 3. Additional market capacity created through the re-commissioning of the domiciliary care and reablement contracts. Bed based capacity increased through commissioning of transitional beds service 4. Joint carers strategy is now live
<p>Poor lifestyle choices adversely affect public health and require different public provision (SO2)</p>	<ul style="list-style-type: none"> • Commissioned lifestyle services (i.e. stop smoking services, weight management, drugs and alcohol services) • Role of sports development service • Health & Wellbeing Board provides focus and a forum for collaboration • Vision 2018 work stream on early intervention and prevention 	<p>12 (4x3)</p>	<ul style="list-style-type: none"> • Develop a new Public Health strategy for 2015-20 • Conduct four health promotion campaigns – Stoptober, National Smile Week, Dry January and Mental Health Awareness Week 	<ol style="list-style-type: none"> 1. The new Public Health strategy is progressing as planned

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Failure to equip the community to be more self-reliant (SO3)	<ul style="list-style-type: none"> Asset based community development (ABCD) projects Public sector transformation network Existing support through the Voluntary, Community and Faith sectors Engagement of individuals and groups through Constituency Committees 	9 (3x3)	<ul style="list-style-type: none"> Development of the local approach to ABCD via Constituency Committee Delivery of the IFIP programme Commission a Direct Payments Advisory Service supporting people to have enhanced choices and control through personalisation Create a social enterprise delivery vehicle for disability services Introduction of a Wirral emergency Volunteer Scheme 	<ol style="list-style-type: none"> IFIP programme - update awaited Direct Payments Advisory Service has been commissioned Social enterprise vehicle - final approval to commence is being sought by 22 August 2014. Wirral Emergency Volunteer Scheme has successfully been set up
Technological advance leads to digital exclusion of individuals and businesses (TE1)	<ul style="list-style-type: none"> Council is leading a partnership approach to increasing digital inclusion ('Go ON Wirral'). Draft Wirral Digital Inclusion Action Plan (under development) As part of the response to Welfare Reforms, an interactive profile of access and available support has been developed through Wirral Well website 	12 (4x3)	<ul style="list-style-type: none"> Roll out of ongoing Community learning; training and IT skills, particularly with Housing partners Ongoing work with partners to increase the network of publicly accessible PCs & Internet Council project to encourage access to Council services online Increasing availability of free Wi-Fi Merseyside Connected (BDUK) superfast broadband project 	<ol style="list-style-type: none"> Training by partners has been given more focus in recent months, as welfare reforms and Universal Credit are implemented. Through the WEDS/Welfare Reform partnership an interactive profile of access and available support has been developed which also identifies any gaps to help inform future delivery. Baseline data from the draft Digital Inclusion Action Plan is being used to help identify where extra support may need to be targeted. The infrastructure element of the Merseyside Connected (BDUK) project is underway and on target.

Description	What are the main controls for the risk?	Current Risk Score (IxL)	What additional actions are being taken to mitigate the risk?	What Progress has there been?
Growing incidence of extreme weather events (EN2)	<ul style="list-style-type: none"> • Wirral Flood & Water Management Risk Partnership • Merseyside Strategic Flood & Coastal Risk Management Committee • NW Regional Flood & Coastal Committee • Contribute to existing NW RFCC levy scheme. • Merseyside Local Resilience Forum (Multi-Agency) & Wirral Council Flooding & Adverse Weather Response Plans • Met Office and Env Agency weather and flood alerting systems – council cascade to partner agencies 	12 (4x3)	<ul style="list-style-type: none"> • Progress implementation of the Wirral Flood Risk Partnership action plan. • Wirral Coastal Strategy 2013 – resultant Action Plan identifies 4 areas where intervention is required within 20 years • Wirral Emergency Volunteers Scheme – Flood Wardens • Surface Water Investigation work (RFCC Levy Bid for works to be delivered in 2014/15) • Merseyside LRF Flooding Response Exercise 2014 	<ol style="list-style-type: none"> 1. Wirral Emergency Volunteer Scheme has successfully been set up 2. The Council has been allocated funding to evaluate the viability of a bid for Grant Aid funding to investigate flood risk across the whole Borough 3. Wirral was unable to attend the Merseyside LRF Flooding Response Exercise because the date was changed with very little notice
Growth of academies / free schools complicates our ability to raise educational attainment and provide skills (LE1)	<ul style="list-style-type: none"> • Dialogue with schools becoming Academies • Retention of support networks e.g Cluster Headteacher Groups • Wirral Education Quality Services (WEQS) offered to all schools, including Academies • Existing structures (e.g. WASH, WISP, Children’s Trust Board) provide focus and forums for collaboration 	9 (3x3)	<ul style="list-style-type: none"> • Exploring with schools grouped Academy structures • Facilitating continuing dialogue with schools re Academy options • Expand and enhance the traded services offer to schools 	<ol style="list-style-type: none"> 1. Programme team established to develop a business case for the joint delivery of Traded Services to schools.

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WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

17 SEPTEMBER 2014

SUBJECT:	UPDATE OF HR POLICIES
WARD/S AFFECTED:	ALL
REPORT OF:	STRATEGIC DIRECTOR TRANSFORMATION AND RESOURCES
KEY DECISION?	NO

1.0 EXECUTIVE SUMMARY

1.1 This report provides details of new and revised HR Policies for Audit and Committee to consider. These policies are:

- New Dignity at Work procedure and supporting documents
- Details of changes to Grievance Policy and Procedure
- Details of legal updates to Whistleblowing policy

1.2 The report also sets out the communication and training plan for the new and updated policies.

2.0 BACKGROUND AND KEY ISSUES

2.1 The Council's Human Resources policies are subject to an ongoing review to ensure they remain fit for purpose, legally compliant and provide a valuable and workable resource for employees and managers on employment related issues in the workplace.

2.2 The Council implemented a new Intranet site in January 2014 and as part of that many key policy documents were refreshed and formatted. This also provided an opportunity to update and rationalise the information available under the People section of the site to enhance it as a more user friendly resource for employees and managers.

2.3 The Annual Governance Statement 2013/14 presented to the Audit & Risk Management Committee on 23 June 2014 states 'Progress has been made on a further (four) issues which were identified as significant in the 2012-13 Annual Governance Statement', however 'further actions are required in relation to (risk management,) embedding policies for confidential reporting and grievances'.

2.4 This report provides details of work that has been undertaken to ensure that HR policies support the Council requirements for strong corporate governance.

- 2.5 The Council agreed a revised Whistleblowing Policy in 2011 and a revised Grievance Policy in 2012. In 2013, revised policies were agreed for Conflict of Interest and Gifts and Hospitality.
- 2.6 The Dignity at Work Policy, Grievance and Whistleblowing policies have clear links and have been reviewed as a suite. Formal complaints under the Dignity at Work policy are dealt with under the grievance procedure. Both the Grievance and Whistleblowing policies provide clear guidance to employees about what policy should be used for what purpose and the distinction between employment complaints and protected disclosures.
- 2.7 The most significant work has been undertaken around Dignity at Work which is a new policy. Some further revisions and updates have been made to Grievance and Whistleblowing policies

Dignity at Work procedure

- 2.8 This policy replaces the existing Bullying and Harassment resource pack and makes some significant changes as follows:
- Significant policy refresh/new formats
 - Updated definitions of bullying and harassment
 - Clarification for working arrangements during investigation of a complaint
 - Impact rather than intention of behaviour remains a key principle but would be a relevant factor in determining any action in response to a complaint.
 - Emphasise on responsibility of managers to promote standards in workplace and deal with inappropriate behaviour
 - Action may be taken against a manager who does not deal with a complaint appropriately
 - Legitimate, reasonable and appropriate management of performance is not bullying
 - New guidance document for managers in handling complaints informally and formally and how to manage performance
 - Frequently asked questions to support policy and procedure
 - Facility for mediation and new guidance explaining mediation process
 - Appointment of Dignity at Work Advisors (voluntary) to provide support in the workplace and signpost employees who are experiencing problems at work
- 2.9 Formal complaints under Dignity at Work are managed under the grievance procedure.
- 2.10 The policy has been developed following a review of policies of other organisations and incorporating best practice from ACAS code of practice.

Grievance Procedure

- 2.11 The grievance policy was last revised in November 2012.
- 2.12 It currently has a 3-stage formal process which is not considered workable in practice. It contains two rights of appeal and so in effect almost every tier of manager in the line management chain can be required to deal with an employee's grievance to satisfy the requirements of the procedure. This is unnecessary and causes delays and duplication.

- 2.13 It is therefore proposed to make the following changes to the grievance policy and procedure:
- Move to two-stage formal process under which a formal grievance will be heard initially by a line manager or senior manager and any subsequent appeal will be heard by Head of Service or Director.
 - Any grievances directly against a Head of Service will continue to be heard at a Strategic Director Level.
 - An addition of an explicit statement that the grievance procedure is not intended to be used as an alternative or in addition to a right of appeal contained in another policy.
- 2.14 The proposed process is in accordance with ACAS guidance as the process would retain an informal stage, formal stage and right of appeal.

Whistleblowing Policy

- 2.15 The Council's Whistleblowing Policy was agreed in September 2011.
- 2.16 Some minor changes have been made to the scope of policy in relation to contractors and volunteers, agency workers and contractors in accordance an Internal Audit Recommendation which stated that:

When redrafted, the paragraph in the Confidential Reporting (Whistleblowing) policy relating to the policy covering non-employees should be removed.

- 2.17 This has been addressed in paragraph 2.5 of the revised policy
- 2.18 It has also been updated to reflect some further changes to 'whistleblowing' legislation (pursuant to the Enterprise and Regulatory Reform Act 2013) as follows:
- Clarification that a qualifying disclosure means any disclosure of information that, in the reasonable belief of the worker is made in the public interest
 - The removal of the requirement that disclosures must be made 'in good faith'
 - Clarity that complaints about breaches of contract of employment should be raised as a grievance

Communication and Training plan

- 2.19 A Communication and Training Plan is attached at Appendix A.
- 2.20 It is critical that all managers and employees understand the requirements of these policies and what their roles and responsibilities are in their delivery.

3.0 RELEVANT RISKS

- 3.1 The Council is required to have Human Resources Policies in place which are legally compliant and ensure that any complaints are fully dealt with properly and in a timely manner.
- 3.2 Failure to do so may create employee relations issues and leave the Council open to legal challenge.

4.0 OTHER OPTIONS CONSIDERED

- 4.1 N/A

5.0 CONSULTATION

- 5.1 The Policies have been discussed with the trade unions.

6.0 OUTSTANDING PREVIOUSLY APPROVED ACTIONS

- 6.1 None

7.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

- 7.1 None

8.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

- 8.1 All training and communication of policies will be met within existing resources. Staff will be made aware of updated policies and will be required to adhere to them as applicable.

9.0 LEGAL IMPLICATIONS

- 9.1 The legal implications are set out in the main body of the report.

10.0 EQUALITIES IMPLICATIONS

- 10.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?

(a) Yes and impact review is attached:

<https://www.wirral.gov.uk/my-services/community-and-living/equality-diversity-cohesion/equality-impact-assessments/eias-april-2014/eias-transformation-res>

11.0 CARBON REDUCTION AND ENVIRONMENTAL IMPLICATIONS

- 11.1 None

12.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

- 12.1 None

13.0 RECOMMENDATION/S

13.1 That Audit and Risk Management Committee recommends to Council approval of the:

- a. Dignity at Work procedure and supporting documents set out in this report; and
- b. Proposed amendments to the Council's Grievance Policy as detailed in this report.

13.2 That Audit and Risk Management Committee endorse and notes changes to Whistleblowing Policy detailed in the report

14.0 REASON/S FOR RECOMMENDATION/S

14.1 In order to ensure that the Council is compliant with relevant legislation. updates and changes can be implanted to key HR policies that are subject of the report and for the communication and training plan to be implemented.

REPORT AUTHOR:

Chris Hyams Head of Human Resources and Organisational Development	Telephone	0151 691 8590
	Email	chrishyams@wirral.gov.uk

APPENDICES

- Appendix One** Communication and Training Plan
- Appendix Two** Dignity at Work (Anti-Bullying and Harassment) Policy
Dignity at Work Procedure
Manager's Guidance to Dignity at Work
Guidance on Mediation
Dignity at Work Advisors
- Appendix 3** Updated Whistleblowing Policy
- Appendix 4** Update Grievance Policy and Procedure

BACKGROUND PAPERS/REFERENCE MATERIAL

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date

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Communications and Training Plan - Dignity at Work, Grievance, Whistle Blowing

In order to embed this suite of policies the following communications and training plan will be implemented across the organisation.

Timeframe	Target Audience				
	Chief Officers	Senior Managers	Managers	Dignity at Work Advisors	Employees
Phase One - Oct '14 – Dec '14 Awareness Raising	Head of Human Resources/Organisational Development to brief all Chief Officers	Chief Executive to brief Senior Managers as part of regular senior manger briefings	All to access newly created e-learning module	Recruit Dignity at Work Advisors Advisors to complete newly created e-learning module	All to complete newly created e-learning module Paper versions of e-learning to be made available for those employees unable to access e-learning (e.g. street crossers, transport escorts)
Communications Campaign	For All				
	<ul style="list-style-type: none"> • One Brief Articles • Fact Sheet & FAQ's • News Item on Intranet • Recruitment campaign for Advisors 				

	Chief Officers	Senior Managers	Managers	Dignity at Work Advisors	Employees
Phase Two – Jan '15 – March '15		Attend 2 hr training workshop	Attend 2 hr training workshop	Attend detailed training on policy and their role within it	
Phase Three March '15 – May '15			New training sessions included in the revised version of the mandatory Wirral Management Development Programme	Ongoing support and further training if required	



Dignity at Work (Anti-Bullying and Harassment) Policy

Human Resources & Organisational Development



Dignity at Work

(Anti-Bullying and Harassment) Policy

1. Policy Statement

The Council is committed to creating a work environment free of harassment and bullying, where everyone is treated with dignity and respect.

Harassment and bullying can have very serious consequences for individuals and the Council. Harassment or bullying may make people unhappy, cause them stress and affect their health, family and social relationship. It may affect their work performance and can cause them to leave their job. The effects on the Council can include loss of morale, poor work performance, increase in turnover of staff, legal claims and damage to the Council's reputation.

The Council will not tolerate bullying and harassment of any kind. All allegations of bullying and harassment will be investigated and, if appropriate, disciplinary action will be taken. The Council will also not tolerate victimisation of a person for making allegations of bullying or harassment in good faith or supporting someone to make such a complaint. Victimisation is a disciplinary offence.

Employees found guilty of harassment or bullying may face disciplinary action, up to and including dismissal and could be personally liable to pay compensation in legal claims. In some instances harassment may be a criminal offence.

2. Background

2.1 Employee Code of Conduct

The people of Wirral are entitled to expect the highest standards of behaviour from everyone who works for their Council, and the Employees' Code of Conduct clearly sets out those standards. Everyone working for the Council is expected to act in accordance with the Code.

The principles which underpin the code are:

- Honesty
- Integrity
- Impartiality
- Objectivity
- Accountability

As employees of the Council we must all have respect for others, and must therefore:

- Treat others with respect
- Not discriminate unlawfully against any person
- Treat members and co-opted members of the authority professionally

The Council has put the Dignity at Work policy in place to support the Employee Code of Conduct and the Dignity at Work procedure provides a process to follow in respect of allegations of bullying and harassment.

2.2 Scope

This policy covers bullying and harassment of and by managers, employees, contractors, agency staff and anyone else engaged to work at the Council, whether by direct contract with the Council or otherwise. This is a Wirral Council Policy. Schools in Wirral have their own policies for their employees.

If the complainant or alleged harasser is not employed by the Council, eg if the worker's contract is with an agency, this policy will apply with any necessary modifications such as that the Council could not dismiss the worker but would instead require the agency to remove the worker, if appropriate, after investigation.

The policy covers bullying and harassment in the workplace and in any work-related setting outside the workplace, eg business trips and work-related social events.

2.3 Definitions and Principles

2.3.1 What is bullying and harassment?

Bullying is offensive, intimidating, malicious or insulting behaviour, and/or an abuse or misuse of power that undermines, humiliates or injure the person on the receiving end.

Harassment is unwanted conduct related to relevant protected characteristics, which are sex, gender reassignment, race (which includes colour, nationality and ethnic or national origins), disability, sexual orientation, religion or belief and age, that:

- has the purpose of violating a person's dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment for that person; or
- is reasonably considered by that person to have the effect of violating their dignity or of creating an intimidating, hostile, degrading, humiliating or offensive environment for them, even if this effect was not intended by the person responsible for the conduct.

Conduct may be harassment whether or not the person behaving in that way intends to offend. Something intended as a "joke" may offend another person. Different people find different things acceptable. Everyone has the right to decide what behaviour is acceptable to them and to have their feelings respected by others. Behaviour which would be likely to offend will be harassment without the recipient having to make it clear to the person that this is not acceptable, e.g. inappropriate touching.

Some situation may not be so clear that some other forms of behaviour would be unwelcome, or could offend, eg certain "banter", or flirting eg; asking someone for a private drink outside of work. In these cases, the first instance which may unintentionally cause offence may not be harassment. It would become harassment if the individual continues their behaviour after the recipient has made it clear (by words or conduct), that this is not acceptable.

Harassment may also occur where a person engages in unwanted conduct towards another because they perceive that the recipient has a protected characteristic (eg; perception that they are gay or disabled); when the recipient does not, have a protected characteristic. Similarly, harassment could take place where an individual is bullied or harassed because of another person with who they are connected or associated, eg; if their child is disabled, wife is pregnant or friend is a devout Christian.

There may also be circumstances in which an individual is subjected to unwanted conduct from a third party, such as a client or customer. If an employee feels that they have been bullied or harassed by customers, suppliers, vendors or visitors, they should report any such behaviour to their manager who will take appropriate action.

A single incident can be harassment if it is sufficiently serious.

All bullying and harassment is considered as misconduct, but dependent upon the nature of the allegations it is often considered to be gross misconduct. The level of disciplinary action will be determined following a full investigation and may lead to disciplinary action up to and including dismissal without notice.

Bullying or harassment will constitute unlawful discrimination where it relates to one of the protected characteristics, which are sex, gender reassignment, race (which includes colour, nationality and ethnic or national origins), disability, sexual orientation, religion or belief and age. Serious bullying or harassment may amount to other civil or criminal offences, eg a civil offence under the Protection from Harassment Act 1997 and criminal offences of assault.

2.3.2 Examples of bullying or harassment

Bullying and harassment may be misconduct that is physical, verbal or non-verbal, eg by letter or email, through social media or by act.

Examples of unacceptable behaviour that are covered by this policy include (but are not limited to):

- physical conduct ranging from unwelcome touching to serious assault;
- unwelcome sexual advances;
- demeaning comments about a person's appearance;
- unwelcome jokes or comments of a sexual or racial nature or about an individual's age, disability, sexual orientation or religion;
- questions about a person's sex life;
- unwanted nicknames related to a person's age, race or disability;
- the use of obscene gestures;
- excluding an individual because they are associated or connected with someone with a protected characteristic, e.g. their child is gay, spouse is black or parent is disabled;
- ignoring an individual because they are perceived to have a protected characteristic when they do not, in fact, have the protected characteristic), eg an employee is thought to be Jewish, or is perceived to be a transsexual;
- the open display of pictures or objects with sexual or racial overtones, even if not directed at any particular person, eg magazines, calendars or pin-ups;
- the offer of rewards for going along with sexual advances, eg promotion, access to training;
- threats for rejecting sexual advances, eg suggestions that refusing advances will adversely affect the employee's employment, evaluation, pay, advancement, assigned work, or any other condition of employment or career development;
- spreading malicious rumours or insulting someone, including comments/postings on social media and blogs;
- picking on someone or setting them up to fail;
- making threats or comments about someone's job security without good reason;
- ridiculing someone;
- isolation or non-cooperation at work; and
- deliberately excluding someone from social activities.

It is a principle of the policy that bullying and harassment is about the impact of the behaviour on the recipient and not the intention. The individual's feelings are of paramount importance. Equally, it cannot be the case that if a person feels bullied or harassed that it is enough to conclude they have been.

In dealing with a complaint, the manager nominated to deal with it will, based on the evidence available, need to make a determination as to whether it was reasonable for the person to be offended and whether the alleged bully or harasser could reasonably have been expected to be aware of the impact of their behaviour.

The Council will treat complaints of bullying and harassment sensitively and maintain confidentiality to the maximum extent possible

2.4 Manager's responsibility to manage people and performance

It is important to differentiate between the exercise of managerial responsibility and bullying or harassing behaviour.

Managers are responsible for ensuring that staff who report to them undertake their duties to an acceptable standard and conduct themselves appropriately. Managers have a responsibility to manage processes fairly and consistently with all employees within their team. Therefore legitimate, justifiable, and appropriate monitoring of an employee's behaviour or job performance does not constitute bullying or harassment.

Carrying out these functions in a fair, firm and consistent manner does not constitute an act of bullying or harassment, although it is recognised that some staff may feel stressed or anxious while the procedures are on-going. It is in the Council's interests that managers should be able to carry out their duties without threat of ill intentioned, malicious or vexatious complaints.

Where a complaint is made, a determination will be made as to whether a manager has bullied or harassed an employee or managed them fairly, but firmly and this will normally involve an investigation under the Council's Grievance Policy and Procedure.

2.5 What is victimisation?

Victimisation is subjecting a person to a detriment because they have, in good faith, complained (whether formally or otherwise) that someone has been bullying or harassing them or someone else, or supported someone to make a complaint or given evidence in relation to a complaint. This would include isolating someone because they have made a complaint or giving them a heavier or more difficult workload.

An employee is also protected from victimisation or detriment if they have raised a protected disclosure under the Council's Whistleblowing Policy.

Provided that the person acted in good faith, i.e. they genuinely believe that what they are saying is true, they have a right not to be victimised for making a complaint or doing anything in relation to a complaint of bullying or harassment and the Council will take appropriate action to deal with any alleged victimisation, which may include disciplinary action against anyone found to have victimised them.

Making a complaint that a person knows to be untrue, or giving evidence that they know to be untrue, may lead to disciplinary action being taken against them.

2.6 Roles and Responsibilities

2.6.1 What can employees do to help stop bullying and harassment?

We all have a responsibility to help create and maintain a work environment free of bullying and harassment. Employees can help to do this by:

- being aware of how their own behaviour may affect others and changing it, if necessary - they can cause offence even if they are "only joking";
- treating their colleagues with dignity and respect;
- taking a stand if they think inappropriate jokes or comments are being made;
- making it clear to others when they find their behaviour unacceptable, unless it should be obvious in advance that this would be the case;
- intervening, if possible, to stop harassment or bullying and giving support to recipients;
- making it clear that they find harassment and bullying unacceptable;
- reporting harassment or bullying to their line manager or Human Resources and supporting the Council in the investigation of complaints; and
- if a complaint of harassment or bullying is made, not prejudging or victimising the complainant or alleged harasser.

2.6.2 Managers have a particular responsibility to:

- report promptly to Human Resources any complaint of bullying or harassment, or any incident of bullying or harassment witnessed by them.
- set a good example by their own behaviour;
- ensure that there is a supportive working environment;
- make sure that staff know what standards of behaviour are expected of them;
- intervene to stop bullying or harassment;

The failure by a line manager to deal with allegations of harassment could be a disciplinary matter. The line manager should deal with any matter decisively and promptly, in line with the Council's grievance timescales of 1 month.

2.7 Support

The Council acknowledges that issues of bullying and harassment can be very difficult and very upsetting for both the complainant and the alleged harasser. If an employee feels that they are being bullied, raising the issue or making a complaint can be a significant step and if they are accused of bullying or harassment, this can be hurtful and damaging.

There are various mechanisms for support for complainants, the alleged harasser and witnesses (if appropriate). These include:

- Dignity at Work Advisors are available (See below) to offer advice and support on a confidential basis

- Employees can access free, confidential and independent advice on a range of issues from the Employee Assistance Programme. They can be contacted 24hrs a day, 7 days a week and 365 days per year on 0800 882 4102 or via website www.pamassist.co.uk and entering the following codes: User Name - Wirralb, Password - Council. More information is available on the Council's Intranet.
- Human Resources colleagues are available to offer objective and confidential advice and support to parties involved in a complaint.
- A management referral to the Council's Occupational Health Service (including medical support and the counselling service) is available if required in the investigation of harassment/bullying complaint. The employee will be told in advance of a referral to Occupational Health. The referral will be shared with the employee prior to the appointment.

2.7.1 Trade Unions

Trade Unions are available to advice and support their members involved in a complaint.

2.7.2 Dignity at Work Advisor

Dignity at Work Advisors can offer confidential advice and support to employees who may be experiencing problems at work.

The role of Dignity at Work Advisors is to listen, signpost and ensure that an employee is aware of all options available to them.

Dignity at Work Advisors are employees and managers from a range of services and backgrounds across the Council who have volunteered to provide support and confidential advice to employees. They have undertaken specific training on Dignity at Work issues.

The names of Dignity at Work Advisors will be published on the Council's intranet site. [Insert link](#)

Mediation

In some cases mediation offers an employee an alternative informal process to resolving perceived bullying and harassment issues rather than by pursuing concerns/complaints through the Council's Grievance Policy and Procedure. It can be a more effective way to resolve such matters informally although it may also be used at any stage of the Grievance Procedure. If an employee agrees to take part in mediation, this does not prevent them from pursuing their bullying and harassment complaint through the formal Grievance Procedure in the event that mediation does not resolve the issue.

It is the responsibility of line managers to try and resolve day to day workplace differences and independent mediation cannot be used to resolve all disputes or problems.

Further information can be obtained from Human Resources who will also advise managers on use of mediation in particular cases.

3. Commitment to Equality

Please identify which, if any, of the following Equality Duties this policy addresses:

Eliminate unlawful discrimination, harassment and victimisation



To advance equality of opportunity



To foster good relations between different groups of people



The Dignity at Work (Anti-Bullying & Harassment) Policy is fundamental to the Council's commitment to a working environment which promotes equality and diversity and complies with legal requirements.

4. Procedures

The Council has informal and formal procedures for the management of bullying and harassment. Please refer to the separate procedure. Formal complaints will be managed under the Council's Disciplinary and Grievance policies and procedures

The Council will determine the working arrangements that should be in place for employees involved in a complaint whilst the issue is being informally or formally managed. The Council has to balance the rights of all employees to be fairly treated in all concerned in this process.

A further determination of appropriate working arrangements will be made when the matter is concluded.

5. Supporting Documentation

- Dignity at Work Procedure
- Dignity at Work Guidance for Managers
- Dignity at Work Flowchart
- Dignity at Work FAQs
- Guidance on Mediation

6. Related Policies

- Grievance Policy
- Employee Code of Conduct
- Disciplinary Policy
- Whistleblowing Policy

- Capability Policy
- Domestic Abuse Policy
- Equality & Diversity Policy

7. Consultation

Consultation has taken place with trade unions. This policy change aims to ensure that services are delivered in accordance with corporate objectives and improves performance in accordance with the Council's Corporate Plan.

8. Communication and Awareness

This policy is considered:

Internal	External
[For Members, Officers and Contractors]	[For our Residents, Customers and Service Users]
<input checked="" type="checkbox"/>	<input type="checkbox"/>

The Council will ensure all new and existing employees are aware of the requirements of the policy through regular communication and awareness raising.

Specific training will be provided to line managers about their role in managing complaints and concerns, promoting dignity at work and role modelling standards of behaviour in the workplace.

9. Monitoring and Review

The Dignity at Work (Anti-Bullying & Harassment) Policy will be reviewed every three years as part of the Human Resources and Organisational Development Policy Review Programme. However, the Policy may be reviewed as and when required, for example, due to legislative changes or if an issue arises around its effectiveness.

The Council will review the outcomes of cases where complaints of bullying and harassment have been made to check that the proper procedures have been followed and to identify any points that can be learned from those cases and implement any necessary changes.

The Council will also periodically monitor how successful it is being in creating a workplace free of bullying and harassment by other means which may include confidential staff surveys.

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Dignity at Work (Anti-Bullying & Harassment) Procedure

Human Resources & Organisational Development

Dignity at Work (Anti-Bullying & Harassment) Procedure

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Supporting Documents

Dignity at Work Policy

Dignity at Work Guidance for Managers

Dignity at Work Flowchart

Dignity at Work FAQs

Guidance on Mediation

Dignity at Work (Anti-Bullying & Harassment) Procedure

1. Introduction

This document sets out the procedure that should be followed where an issue is raised under the Council's Dignity at Work (Anti-Bullying & Harassment) Policy. It must be read in conjunction with the policy. Managers should also refer to the management guidance.

2. What should I do if I think I am being bullied or harassed?

If you feel you are being bullied or harassed you can:

- Speak to one of your managers about it
- Approach the person concerned
- Seek advice from Human Resources
- Seek advice from your trade union
- Seek advice from the Employee Assistance Programme
- Make a formal complaint through the Grievance Procedure

* The Council's policy is to try and resolve matters informally and as early as possible where that approach is appropriate depending on the nature of the complaint.

3. Informal approach

You may be able to sort out matters informally. The person may not know that their behaviour is unwelcome or upsetting. An informal discussion may help them to understand the effects of their behaviour and agree to change it. You may feel able to approach the person yourself, or with the help of someone in Human Resources, a manager, trade union representative or another employee.

Alternatively, an initial approach could be made on your behalf by one of the people above. You should tell the person what behaviour you find offensive and unwelcome, and say that you would like it to stop immediately. You may want to add that, if the behaviour continues, you intend to make a formal complaint to your line manager or to Human Resources. You should keep a note of the date and what was said and done. This will be useful evidence if the unacceptable behaviour continues and you wish to make a formal complaint.

If you choose to raise this in a meeting, before that meeting you should:-

- identify the behaviours that you find unpleasant or bullying and the impact they are having upon you
- be specific (times, frequency where possible)
- keep a diary of events

At the meeting:-

- clearly describe the behaviour to the offending person and explain to them
 - the impact it is having upon you
 - say that it is unwanted
 - describe the appropriate behaviour that should be used
 - seek agreement for the behaviour to stop

The benefits of this approach are that issues can be resolved quickly and relationships can be improved.

Alternatively, there may be circumstances where it may be appropriate and preferable to write to the person with whom you are having problems. This may be when talking to the person has not brought about the expected results, or a meeting is not possible (e.g. distance, timing).

When writing the letter:-

- clearly describe the negative behaviours
- explain why the behaviours are unwanted and the impact they have upon you
- describe the alternative, appropriate behaviours
- say how you want the situation resolved (e.g. a meeting or acknowledgement of the letter)

It is important that you don't:-

- make the letter too long
- personalise the bad behaviours (e.g. say 'the behaviour was disrespectful' rather than 'you are disrespectful')
- be too emotional/emotive in your language

The benefits of this approach are that:-

- it allows preparation time
- it enables you to say what you want
- it acts as a record

4. Formal approach

If an informal approach does not resolve matters, or you think the situation is too serious to be dealt with informally, you can make a formal complaint by using the Council's Grievance Procedure.

In accordance with that procedure you should provide the following information:

- a. The nature of the grievance – what is alleged to have occurred, by whom and when.
- b. What the outcome of the informal approach was.
- c. The reason for your dissatisfaction with the informal solution (if appropriate).
- d. The remedy or resolution you are seeking.
- e. Any witnesses to the matters complained about.

A manager will be nominated to deal with the grievance and you will be invited to a meeting as part of that process. In certain circumstances an investigating officer may be appointed by the manager. The manager should deal with any matter decisively and promptly, in line with the Council's grievance timescales of 1 month.

The Council will investigate complaints promptly and, if appropriate, disciplinary proceedings will be brought against the alleged harasser. You will have the right to be accompanied by a work colleague or trade union representative of your choice at any meeting dealing with your grievance. You will be kept informed of the progress of the investigation and the broad outcome of any disciplinary proceedings. The Council will decide on a balance of probabilities, after considering all available evidence, whether or not harassment or bullying has occurred.

Once the facts are established, the manager who is responsible for dealing with your grievance will take into account all relevant facts and evidence available including the intention of the alleged harasser. The manager will have to make a determination as to whether it was reasonable for you to have been offended.

If you are not satisfied with the outcome of your complaint, in accordance with the Council's Grievance Procedure you may take the matter to the next stage of that procedure.

Some types of bullying or harassment may constitute unlawful discrimination and may give rise to the possibility of other civil claims or criminal proceedings. Claims to an employment tribunal about unlawful discrimination must be presented to the tribunal within three months, beginning with the act complained of.

5. Working Arrangements

Wherever possible, the Council will try to ensure that you and the alleged harasser are not required to work together whilst the complaint is under investigation. This may not always be possible and the Council has to consider a range of factors in making that determination.

In a serious case, the alleged harasser may be suspended or assigned to alternative duties while investigation and any disciplinary proceedings are underway. This is not to suggest the complainant is believed or that the alleged harasser is at fault.

If your complaint is upheld, and the person found to have bullied or harassed you remains in the Council's employment, every effort will be made to ensure that, if possible, you do not have to continue to work alongside the harasser, if you do not wish to do so. We will discuss the options with you. These may include the transfer of the harasser or, if you wish, you may be able to transfer to another post if there is a suitable alternative available.

If your complaint is not upheld, Human Resources will support you, the alleged harasser and your manager(s) in making arrangements for you both to continue or resume working and to help repair working relationships or to consider whether alternative arrangements can be made.

6. Confidentiality

The Council will treat complaints of bullying and harassment sensitively and maintain confidentiality to the maximum extent possible. Investigation of allegations will normally require limited disclosure on a "need to know" basis. For example, your identity and the nature of the allegations must be revealed to the person you are complaining about, so that they are able to respond to the allegations. Some details may also have to be given to potential witnesses but the importance of confidentiality will be emphasised to them.

If the complaint is upheld, and a person who has been found to have harassed you is kept in the Council's employment, managers may need to be given some information where this is necessary for them to manage the risk of further harassment by that person against you or others.

7. What happens if I am accused of bullying or harassment?

If someone approaches you informally about your behaviour, do not dismiss the complaint out of hand because you were only joking or think the complainant is being too sensitive.

It's important to remember that different people find different things acceptable and everyone has the right to decide what behaviour is acceptable to them and to have their feelings respected by others. You may have offended someone without intending to. If that is the case, the person concerned may be content with an explanation and an apology from you and an assurance that you will be careful in future not to behave in a way that you now know may cause offence. Provided that you do not repeat the behaviour that has caused offence, that may well be the end of the matter.

If a formal complaint is made about your behaviour, this will be fully investigated and the Council may bring disciplinary proceedings, if appropriate. The Council will follow its Disciplinary Procedure and you will have the rights set out in that procedure.

You will have the right to be informed of the allegations against you and you will have the full opportunity to provide all information that you wish to in response.

You will also have the right to be accompanied to meetings by a trade union representative or work colleague of your choice. The procedure will be implemented at the appropriate stage for the seriousness of the allegation. Complaints of bullying and harassment will often be allegations of gross misconduct that, if proved, could lead to dismissal without notice.

The Council will treat complaints of bullying and harassment sensitively and maintain confidentiality to the maximum extent possible. Investigation of allegations and future management of risk, if complaints are upheld, will normally require limited disclosure on a "need to know" basis. For example, some relevant details may have to be shared with potential witnesses but the importance of confidentiality will be emphasised to them.

Wherever possible, the Council will try to ensure that you and the complainant are not required to work together while the complaint is under investigation. If the allegation is very serious, you may be suspended on full pay during the investigation and, if a disciplinary hearing is to be called, until disciplinary proceedings have been concluded.

If the complaint against you is upheld, on a balance of probabilities, a disciplinary penalty may be imposed up to and including dismissal, having regard to the seriousness of the offence and all relevant circumstances. If the complaint is upheld, but you are not dismissed, the Council could decide to transfer you to another post.

If the complaint made against you is upheld, your managers, with support of Human Resources will consider how both parties can resume working or to consider alternative arrangements that can be made. If the Council has grounds for believing that the complaint was not made in good faith, the Council may take disciplinary action against the person making the false complaint.

You must not victimise a person who has made a complaint in good faith against you or anyone who has supported them in making the complaint or given evidence in relation to such a complaint. Disciplinary action may be taken against you if the Council has good reason to think that you may have victimised the complainant or someone else connected to the complaint.

If the complaint against you is not upheld, Human Resources will support you, the complainant and your manager(s) in making arrangements for you both to continue or resume working and to help repair working relationships where possible.

Some types of bullying or harassment may constitute unlawful discrimination and allegations may give rise to the possibility of other civil claims or criminal proceedings against you, which would proceed independently of the Council's

disciplinary proceedings. You could be personally liable to pay compensation to the complainant if a successful claim in the employment tribunal or other courts was brought against you. Criminal proceedings could lead to conviction and criminal penalties.

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Managers Guide to Dignity at Work

Human Resources & Organisational Development

Managers Guide to Dignity at Work

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Supporting Documents

Dignity at Work Policy
 Dignity at Work Procedure
 Dignity at Work Flowchart
 Dignity at Work FAQs
 Guidance on Mediation

Managers Guide to Dignity at Work

1. Introduction

This document supports the Council's Dignity at Work (Anti-Bullying & Harassment) Policy and Procedures and provides guidance for managers on their specific roles and responsibilities under the policy in promoting high standards of conduct and in dealing with any issues or complaints that arise in the workplace.

2. Manager's Responsibilities

Under the Dignity at Work (Anti-Bullying & Harassment) Policy it is your responsibility to:

- Implement and champion the Dignity at Work policy and ensure that employees have access to a copy of the Policy and are aware of their responsibilities under the policy
- Ensure that the work environment is positive, non-threatening and supportive
- Challenge inappropriate behaviour, language, bullying or harassment
- Act as a role model and behave in a way which does not harass/bully/victimise another person
- Treat all complaints seriously, sensitively and confidentially.
- Participate and engage in training on the Council's policy and best practice

3. What can you do to prevent harassment and bullying?

You must make every effort to ensure that harassment and bullying do not occur, particularly in work areas for which you are responsible by:

- Leading by good example
- Creating a non-offensive working environment
- Maintaining regular communication with team members and direct reports so that there is the opportunity for them to discuss any issues of concern
- Being alert to, and correcting, unacceptable behaviour, particular workplace banter where one or two people may be the butt of colleagues jokes and well-intended humour but which may become tiresome and wearing after a while
- Reviewing and amending workplace practices where appropriate
- Enabling employees to access training on diversity/dignity issues
- Ensuring employees know how to raise harassment and bullying and victimisation complaints
- Dealing with any complaints sensitively and fairly, and in accordance with the Council's policy.

4. How to deal with a complaint

4.1 Informal Approach

If you are approached by an employee who believes that they are being harassed or bullied, or someone approaches you on their behalf, you should not ignore the situation.

Dealing with the issue promptly may mean that it can be dealt with informally and resolved, minimising the personal stress on individuals and likely disruption to working relationships and the negative effect that bullying or harassment will inevitably have on performance and productivity.

There are a number of steps for you to take:

1. Establish the facts:

- Listen to the employee
- What is the nature of the complaint?
- If this is the first incident or if there have been others?
- If there are any witnesses to the incident(s)?
- If they have kept a record of what has been happening to them?
- Whether or not they have asked the individual they are complaining about to stop whatever it is that they are doing?
- How they wish to proceed?

Where appropriate you should talk the employee through the Dignity at Work policy and procedure and advise them of the options open to them, including support available. You can also seek advice from Human Resources on a confidential basis.

2. Decide together on the next step

There are 3 options

- Agree to talk to the alleged harasser (informal)
- Agree to talk together to the alleged harasser (informal)
- Deal with the matter under the Grievance Procedure (formal)

As the manager you can be guided by how the employee making the complaint wants to proceed i.e. formally or informally. In many cases an employee will simply wish the behaviour that is causing offence or upset to stop. The Council's policy is to resolve matters informally where possible.

However, if an issue is raised that you feel is so serious (for example, sexual or racial harassment, serious misconduct or potential criminal conduct,) then you would need to advise the employee that an informal approach is not appropriate and therefore formal action needs to be taken. You should seek advice from Human Resources in those circumstances.

If you decide to speak to the alleged harasser/bully informally you should:

- Explain your role in attempting to deal with the matter informally
- Advise them of the nature of the complaint and that their behaviour or conduct towards a fellow employee is causing distress
- Try to facilitate a resolution to the problem regarding future working arrangements.

At this initial stage witnesses should not be called.

A record of the incident, the discussions that have taken place and the desired outcome should be kept as this may be used as evidence if the situation cannot be resolved informally.

All parties are entitled to be provided with a copy of the note/summary of outcome.

It is important that the situation is monitored carefully in order to ensure that there is no subsequent harassment/bullying, and that neither the complainant nor the person complained about is victimised or ostracised in any way.

4.2 Formal Approach

Where it has not been possible to resolve the matter in this way, or if you feel that the allegations are of such a serious nature, the matter should be dealt with under the Council's Grievance Procedure.

If you as the line manager have been involved in trying to resolve the matter informally you would not be the nominated manager to deal with the grievance at the formal stage.

5. Do I need to wait until someone makes a formal complaint before I tackle a suspected issue of bullying within my team?

No. Issues of bullying and harassment are best resolved if they can be dealt with promptly. Do not wait until conditions become intolerable, or a person's well-being is put in jeopardy.

Anyone who sees bullying or harassment happening in their area has a responsibility to take action. Action does not necessarily need to be formal and it is possible to bring a complaint forward if you witness harassment or bullying but haven't been directly involved

6. What to do if you witness unacceptable behaviour

If you witness behaviour which you think is unacceptable, do not ignore it.

You should:

- Inform those involved that the behaviour is unacceptable and why
- Insist that the behaviour stops.
- Discuss for learning why the behaviour is unacceptable

The inaction of a witness, particularly one in a more senior role, could be construed as silent agreement or support for the alleged bully or harasser.

A manager's role is to ensure that standards of behaviour in the workplace comply with the Council's standards and expectations.

Should a claim be made at Employment Tribunal, a manager may be called to give evidence. You could be in a difficult position if a complaint of bullying or harassment is upheld and you have not complied with the organisation's obligations for a duty of care to the employee.

7. What can I do to promote a positive environment in my team?

You must consider your own behaviour and lead by example.

Raise awareness of the Dignity at Work Policy within your team. This will send out a positive message that you take issues of bullying, harassment and victimisation seriously. Ensure all members of the team have undertaken the e-learning and other training available.

The Council recognises that it is often an important part of working life for there to be some fun, humour, in-jokes and light-hearted interaction or forms of 'banter' between colleagues in the workplace. This is a feature of social interaction and team dynamics and often assists in creating a happy and productive workplace. The Dignity at Work policy does not seek to discourage this.

However, inappropriate or misplaced banter can be perceived very differently by individuals - as a bit of harmless fun by some or very offensive by others, or somewhere in between. It can, therefore, be very awkward to deal with and if it is perceived as offensive, it can lead to complaints of harassment or bullying.

As a manager you must be aware of language, attitudes or behaviour that may offend others. You must address inappropriate exchanges that could violate a person's dignity. Comments or behaviour that relate to race, ethnic origin, gender, marital or parental status, sexual orientation, religion, disability, age, political belief or union membership are most likely to be irrelevant in a work context, so avoid making them.

Similarly, you should be aware of any regular workplace discussions between colleagues about non-work related issues upon which individuals may hold strong but differing opinions to ensure that they do not escalate, have the potential to cause offence or become a source of tension amongst colleagues. Such matters are always best nipped in the bud.

8. Being aware of employees who may be suffering from harassment or bullying

It cannot be assumed that harassment or bullying is not a problem just because there have not been any complaints. Victims of harassment/bullying may often be too embarrassed or too fearful to make a complaint.

Most people do not want to draw attention to the situation; they just want the harassment or bullying to stop.

It may be that staff who are being harassed or bullied feel that there is no point in making a complaint as:

- It would not be taken seriously
- They do not want the harasser or bully to get into serious trouble
- They are afraid of reprisals.

Harassment/bullying affects different people in different ways, but even low level problems have the potential to make the most resilient people unhappy and unproductive.

Some of the signs may include;

- A change in behaviour, e.g. a lack of concentration, becoming withdrawn, depressed, and/or emotional
- Higher levels of sickness
- Poor work output, motivation or productivity
- Physical signs such as stomach aches, headaches or sleeping difficulties.
- Bingeing on food, alcohol or cigarettes.

If you are concerned that there may be a problem, it may be appropriate to approach the employee to establish what the problem is. The employee may welcome the opportunity to share their concerns. On the other hand, they may be reluctant to tell their line manager what has happened, especially where the harasser/bully is a more senior member of staff.

Let the employee know that if there is a problem you are there to support them.

It is important not to question victims intently or ask anything that might make them feel that they've done something wrong.

9. Could you be a workplace harasser/bully?

Do you:

- Use language which is insensitive or insulting?
- Single out employees for unwarranted or public criticism?
- Deal with team members inconsistently?

- Only manage performance or outputs for certain team members?
- Use aggressive behaviour or threats to get your point across?
- Pass on your own stress and pressures to people who work for you?
- Stand too close to people or make physical contact with them?
- Place constant excessive demands on employees?
- Set employees unrealistic work targets?
- Withhold access to appropriate development opportunities for employees?
- Voice strong personal beliefs that could make others feel uncomfortable.

10. What to do if your own behaviour is challenged?

Informal

As a manager, your behaviour may be challenged by the individual themselves, with someone else to support them or by someone on their behalf.

This can be very difficult and hurtful. However, it is important not to become too defensive, or aggressive, but to reflect on what has been said.

You should ask the complainant:

- What is it about your behaviour that is causing them concern?
- Why do they feel your behaviour is unacceptable?
- What is it that they wish you to do, or stop doing, to resolve the matter?

It may be the case that you do not feel that your behaviour is unacceptable. However, it is important, having discussed this with the person making the complaint, to try to reach a resolution to the problem and resume a professional working relationship.

If you feel the accusation is justified be prepared to apologise, review and amend your behaviour.

Formal

If a formal grievance is submitted against you, you will be informed of this.

Quite often this may not be a complete surprise to a manager as it is rare for a grievance to be submitted without there being some history to the issue.

Depending on the nature of the complaint the matter will be dealt with under the Council's Disciplinary or Grievance Procedure.

As above, this is likely to be very difficult and upsetting for you. Whilst you may naturally feel the complaint is unwarranted or without foundation, remember that the Council has a duty to investigate complaints and establish the facts. Doing so does not indicate any assumption of guilt.

You will be given the full opportunity to explain your version of events and provide any information that you feel is relevant. You will also be entitled to be represented at meetings by a colleague or trade union representative.

You can also seek support from Human Resources, your Trade Union, the Employee Assistance Programme and Dignity at Work Advisors.

The Council will need to consider what working arrangements should be put in place whilst the complaint is investigated. This is in the interests of the Council and all parties concerned.

11. How to manage performance without being accused of bullying

Managers have a right to discharge managerial duties. In doing so you may need to challenge employees and discuss their performance and behaviour. This is acceptable providing that employees are not demeaned, devalued or intimidated in the process.

All those with the responsibility for managing staff have a responsibility to manage their staff in a consistent and reasonable way, issue reasonable instructions and expect them to be carried out.

The legitimate supervision of staff should be distinguished from harassing and bullying behaviour.

When addressing performance, you should be able to provide as much clear and quantifiable evidence as possible of the performance issues that are causing concern and where possible, evidence that the employee was aware of the standards, behaviours or accountabilities that were required so that the shortfall in performance can be clearly demonstrated.

The manner and style of approach in communication is also key to managing this successfully. You need to be particularly careful when delivering negative feedback, for example where an employee has made a mistake in their work. Feedback will be essential to help the employee to understand what they have done that is unsatisfactory, why it is unsatisfactory and how to put matters right for the future. Giving balanced critique is part of every manager's job but it is important to ensure that it is delivered in a way that is constructive, not destructive.

Here are some examples of what to say and what not to say when seeking to address performance issues constructively:

Don't say	Do say
You're always making mistakes.	There are three mistakes in this piece of work.
You tend to shout at people.	I noticed at last week's meeting that you shouted somewhat aggressively at Jim when he ...
You're hopeless - you never meet your deadlines.	You've missed the monthly deadline six times this year so far, on each occasion by at least two days.
You're very aggressive.	I appreciate that you may not realise this, but sometimes your tone and manner come across to others as aggressive. For example ...
Your work is not up to scratch. You'll have to pull your socks up.	This piece of work falls short of the standard we require because ...
You're lazy. I can't ever rely on you to complete a piece of work.	It has been brought to my attention that you have not completed ...
You have a poor attitude towards the rest of the staff.	What do you think you could do to improve your working relationship with your colleagues?

If you are managing the issue of under-performance in your team, support can be provided by Human Resources.

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Guidance on Mediation

DRAFT

Human Resources & Organisational Development

Guidance on Mediation and the Mediation Process

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Guidance - Mediation and the Mediation Process

1. Introduction

This document provides guidance on how to use mediation to resolve issues between two parties or more in the workplace.

First and foremost it is the responsibility of managers to seek to resolve day to day workplace differences and independent mediation could not possibly be used to resolve all disputes or problems.

Use of mediation is likely to be used in more complex cases of disagreement or for a breakdown of relationships in the workplace where the particular circumstances mean mediation is an appropriate option to seek a resolution.

2. What is Mediation?

Mediation is a process where a neutral person (the mediator) works with members of staff who have a disagreement to help them to find their own solution and reach an agreement that will sort out their problem or improve the situation. It is a voluntary and confidential process.

Mediation offers employees an alternative informal process to resolving perceived bullying and harassment issues rather than pursuing concerns\complaints through the Council's Grievance Policy and Procedure. It can be a more effective way to resolve such matters informally although it still may also be used at any stage of the Grievance Procedure.

If an employee agrees to take part in mediation, this does not prevent them from pursuing their bullying and harassment complaint through the formal Grievance Procedure in the event that mediation does not resolve the issue.

The purpose of workplace mediation is to try to resolve appropriate issues of bullying and harassment and any other forms of workplace disputes informally and at the lowest level in the organisation, without resorting to formal, time-consuming, expensive and potentially distressing and damaging processes. The Council's Grievance Policy and Procedure encourages staff to resolve disputes informally before resorting to the application of formal procedures.

However, mediation is unlikely to be appropriate where there is an allegation of very serious bullying or harassment.

3. Why Use Workplace Mediation?

Mediation is normally described as a positive process, as it focuses on the future, rather than trying to find blame for the past. The mediation process is confidential on all sides.

Workplace mediation is a voluntary process. If mediation is suggested by the employee's manager who is not party to the dispute or Human Resources or a

Dignity at Work Advisor, the decision to undertake mediation will rest with the individual raising the concerns and the alleged perpetrator following a discussion regarding the mediation process. Should either party choose not to take part in mediation they will not be disadvantaged in any way.

4. Why should an employee choose mediation?

Conflict with an employee's colleague(s) as a result of perceived issues of bullying and/or harassment can undermine the individual's effectiveness at work and lead to stress: mediation can help them resolve their issues\concerns so that they can get on with 'normal' life again and move forward.

When an employee is involved in a conflict situation, talking to the person they believe is bullying or harassing them can seem impossible: mediation can re-establish those channels of communication.

Any agreement is on terms agreed by the parties involved, not dictated by someone else; it leaves them in control of what is finally agreed.

5. Can the employee bring a representative to the mediation?

In most cases, mediation will be most effective if only the parties to the conflict are involved with the mediator. That is because it is most successful when those actually in the conflict work directly with the mediator to resolve it, particularly when the alleged victim and perpetrator need to work together in the future. An open and frank discussion of the issues, which is facilitated by the mediator, ensuring fairness and appropriate behaviour and creating a "safe" environment, can be the key to resolving the conflict.

However, there may be good reasons where either party may feel the need to bring a representative to the mediation and they should discuss this with the mediator when they first meet. It is important that all those involved in the mediation know in advance who will be attending and what their role will be.

6. What can an employee expect if they participate in Mediation?

Whilst there is no set format for workplace mediation the following elements are normally experienced by participants to the process:-

- the mediator(s) will hold separate meetings with the parties to introduce themselves, explain the process and key principles, to listen to their concerns and identify the core issues, to begin to explore possible outcomes and to explain the next steps.
- face-to-face mediation in a "joint meeting" with both parties present. During the joint meeting, each participant will have a chance to speak openly, without interruption, about areas of concern. They will be encouraged to

be open and honest, and express their feelings clearly to one another. This will help to identify areas of agreement and disagreement and move towards building a practical and workable agreement, focussing on future working relationships.

- Agreement on some/all of the areas of concern addressed during mediation. This can take the form of a verbal or written agreement which both parties have reached a resolution on.

7. Confidentiality

Unless otherwise agreed by the two parties, both the fact that mediation is taking place, and the contents of any discussion, are to be kept confidential to the parties involved and the mediator(s). The exception to this will only be if a party raises issues of harm to self or others, or issues of gross misconduct or both parties agree to disclose specified information to an identified person which is relevant to move concerns forward.

A record of the mediation process is not kept on personal files. Any notes taken by the mediator(s) will be destroyed once the mediation has been concluded.

A written agreement made during mediation will be kept only by the two parties involved and not shared with others unless agreed by them both. They are responsible for ensuring the agreement is implemented. The mediator(s) may provide general feedback to Human Resources to confirm that the mediation took place and that an outcome was achieved but will not share any detail about the matters discussed within the process or the content of the agreement if any is reached. The only exception to this position is as outlined in the first paragraph of section 7.

8. Next Steps?

If mediation is the agreed route to resolve disputes concerning bullying and/or harassment, Human Resources should be contacted and they will be able to provide further information including what options are available to access an appropriately independent and trained mediator.

Mediators will not be responsible to Human Resources or Managers and they will have had no previous involvement with the issues or either of the parties who have agreed to mediation.

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Dignity at Work Advisors

Are you interested in supporting colleagues at work and promoting dignity at work?

The Council is looking for volunteers from the workforce to act as Dignity at Work Advisors to help deal with some difficult issues that employees may experience from time to time at work. The Council is committed to providing a workplace in which bullying, harassment and any form of discrimination will not be tolerated.

The role of Dignity at Work Advisors is to support an employee who feels that they may be being bullied, harassed or unfairly treated at work. The Advisors ensure that an employee is aware of all the options available to them and signpost the employee to further support. In circumstances where an employee is away from the workplace they may act as a link between that person and the Council.

Employees can contact Dignity at Work Advisors on a voluntary basis. The Advisors role is to supplement the support available from Human Resources, the Employee Assistance Programme and the Trade Unions. The role of Dignity at Work Advisors does not include investigating complaints or advising an employee to take a particular course of action.

We are looking for Dignity at Work Advisors from all departments and levels of the Council. We would welcome interest from a wide range of employees at all levels, job roles, backgrounds and from different services as this means employees have options to talk to someone who they may feel most comfortable with. The names and contact numbers of Advisors will be published on the Intranet and in workplaces.

What skills do I need to be a Dignity at Work Advisor?

You would need to:

- Be a good listener and be able to deal with issues confidentially.
- Have an interest in equality and diversity issues, fairness at work and have good interpersonal skills
- Be able to offer support whilst remaining objective, non-judgemental and impartial.

Will training be provided?

Yes, we will provide full training for Dignity at Work Advisors and refresher training will be provided periodically.

If you are interested, please email....or ring....for further information. An informal interview may follow to determine suitability to undertake this role.

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Whistleblowing Policy

1. Policy Statement

- 1.1 Wirral Council is committed to the highest possible standards of openness, professionalism and accountability. In line with that commitment the Council wants its employees, and others that it deals with, who have concerns about any aspect of how the Council operates or the work it does, to feel confident in coming forward and voicing those concerns.
- 1.2 The Council's Whistleblowing Policy, Procedure and supporting documents set out Wirral Council's approach to the management of whistleblowing within the workplace.

2. Background

Raising Concerns About Issues at Work

- 2.1 The purpose of the Whistleblowing Policy is to make it clear to all employees that it is safe and acceptable to raise any concerns they may have at an early stage over any perceived wrong-doing by the Council, its employees or those with whom it has dealings without fear of victimisation, reprisal, discrimination or disadvantage.
- 2.2 The Council recognises that its employees may from time to time be concerned about an issue at work. Usually such issues can and are easily resolved. The Council does however also recognise that employees may be the first to realise serious wrong-doing within the Council and may be reluctant to speak up because of loyalty to colleagues or to the Council itself. It can be difficult to know what to do.
- 2.3 Employees may also fear bullying, harassment or victimisation if they did raise their concerns and may therefore choose not to do so.
- 2.4 Any employee who raises concerns over possible wrong-doing by the Council its employees or those with whom the Council has dealings ("a whistleblower") is also afforded protection under the Public Interest Disclosure Act 1998. The law provides protection for workers who raise legitimate concerns about specified matters. These are called "qualifying disclosures". This gives protection to a whistleblower who raises concerns about serious fraud or malpractice at their place of work against victimisation or dismissal, provided they have acted in a responsible way in dealing with their concerns.
- 2.5 This policy applies to all employees of the Council. Whilst they are not covered by the policy, other individuals performing functions in relation

to the organisation, such as volunteers, agency workers and contractors, are encouraged to use it.

- 2.6 If employees wish to make a complaint about their employment or the way they have been treated at work, they should raise their complaint using the Council's Grievance or Dignity at Work Policy (please see the Grievances section below for further guidance).
- 2.7 The Whistleblowing Policy is in addition to the Council's Complaints Policy and Procedures. The holding of any data in connection with this Whistleblowing Policy will be consistent with the provisions of the Data Protection Act 1998 (as amended) and any other relevant legislation.

Aims of the Whistleblowing Policy

2.8 The Whistleblowing Policy aims to:

- encourage employees to feel confident in raising concerns and to question and act upon concerns over perceived wrong-doing by the Council, its employees or others with whom the Council has dealings;
- provide guidelines for employees to raise concerns and receive feedback on any action taken;
- ensure that employees receive a response to their concerns and that they are aware of how to pursue them if they are not satisfied;
- reassure employees that if they raise a concern in the public interest reasonably believing that the information, and any allegations contained in it, are substantially true, they will be protected against any possible reprisals, harassment or victimisation; and will not be discriminated against or suffer any disadvantage.

2.9 The Whistleblowing Policy is intended to cover those concerns that fall outside the scope of other Council policies and procedures. However, if anyone is in doubt as to whether the Whistleblowing Policy applies, they should seek advice from the Council's Human Resources Section or the Head of Legal and Member Services (or their authorised representative), their trade union, or any relevant external advisor (such as those listed in Appendix 1 and 2 to this Whistleblowing Policy)

2.10 To assist employees to decide which is the right policy to use, they should consider,

1) If they have witnessed or are aware of something of concern and want to raise it, if so they should do so under the Whistleblowing policy, or

2) If they have a complaint about something happening to them and want a particular response or outcome to address that complaint, they should raise this under the grievance or bullying and harassment policy.

2.11 While it is not possible to provide a complete list of all the issues which might be properly raised under the Whistleblowing Policy, any concern about improper, unethical, illegal or negligent practice(s) in the workplace, including the conduct of officers or members of the Council or others acting on behalf of the Council, can be raised. A qualifying disclosure is one made in the public interest by a worker who has a reasonable belief that:

- a criminal offence (e.g. fraud, corruption or theft) has been/is likely to be committed;
- financial impropriety, maladministration or the unauthorised use of public funds;
- a miscarriage of justice has been/is likely to occur;
- the health or safety of any individual has been/is likely to be endangered;
- the environment has been/is likely to be damaged;
- the Council's Constitution (including Standing Orders, Financial Regulations etc) have or are not being observed or are being breached by member and/or officers;
- sexual or physical or verbal abuse of any employee or service recipient is taking place;
- discrimination is occurring to any employee or service recipient on grounds of sex, race or disability;
- any other form of improper action or conduct is taking place; information relating to any of the above is being deliberately concealed or attempts are being made to conceal the same.

2.12 It is not necessary for the worker to have proof that such an act is being, has been, or is likely to be, committed - a reasonable belief is sufficient.

2.13 The Whistleblowing Policy is intended to assist employees raise concerns they may have over any perceived wrong-doing by the Council, its employees or those with whom it has dealings so that they can be examined and/or investigated. It is not intended to be used as a mechanism to question or challenge financial or management decisions taken by the Council where there is no suggestion or allegation of wrong-doing.

Grievances

2.14 The Whistleblowing Policy and procedure is for disclosures about matters other than a breach of an employee's own contract of employment.

- 2.15 Where an employee is concerned that his/her own contract has been, or is likely to be, broken, he/she should use the organisation's grievance procedure.
- 2.16 The Council's Dignity at Work Policy and Grievance Policy should be used relation to matters concerning:
- Terms and conditions of employment (excluding grading);
 - Working conditions or health and safety matters;
 - New Working Conditions or organisational changes; and/or
 - Disagreements or breakdown in relationship with colleagues or managers.
- 2.17 Where an employee raises a concern(s) under both the Whistleblowing Policy and a grievance under the Council's Grievance Policy, the Council will ensure that a clear distinction is maintained between both matters and ensure that they are effectively progressed and determined.
- 2.18 Any proposed resolution of a grievance will not undermine or otherwise prevent any investigation being carried out in relation to any concern(s) raised under the Whistleblowing Policy. Similarly, dealing with a concern raised under Whistleblowing should not be linked to resolution of a grievance.
- 2.19 Where employees are in any doubt as to whether the concern(s) raised falls within the Whistleblowing Policy or the Council's Grievance Policy, they should seek advice from the Council's Human Resources Section or Trade Union Representative.

Commitment to Employees

- 2.20 The Council is committed to good practice and high standards and wants to be supportive of employees making the decision to report any concern(s) they have under the Whistleblowing Policy.
- 2.21 If employees raise a concern they consider to be in the public interest, they are fulfilling their role as public servants and their duties to the Council. In these circumstances, employees will not be at risk of losing their job or suffering any form of reprisal or retribution as a result of raising a concern(s)
- 2.22 The Council will not tolerate any bullying, harassment, victimisation (including informal pressures), discrimination or unfair treatment of employees who raise a legitimate concern(s) under this Whistleblowing Policy. Such retaliation could include, but is not limited to:
- frequent and undesirable changes in work assigned;
 - unsubstantiated disciplinary action;
 - Isolation or exclusion

- unjust denial of promotion or transfer
- 2.23 The Council will take appropriate action promptly to protect such employees. Employees should refer to the Dignity at Work Policy if they have any concerns regarding their treatment within the workplace.

Confidentiality

- 2.24 It is the Council's intention for the Whistleblowing Policy to help employees feel confident to raise any concern they may have without fear of victimisation, the Council recognises that it can be difficult at times to speak up openly. For this reason, when employees raise a concern(s) under the Whistleblowing Policy, the Council will not reveal their identity without their consent first being obtained or unless required by law (please see below).
- 2.25 There are specific circumstances where confidentiality cannot be guaranteed. It may be impossible to take action to resolve a concern(s) without revealing the identity of the person who raised it, for example, where their personal evidence is essential. In such cases the Council will discuss with the employee who raised the concern whether and how best to proceed. Employees should remember that the Council owes a duty of fairness to all its employees, including those suspected of wrongdoing.
- 2.26 If there is an unauthorised disclosure of the identity of an employee or any other person who raised a genuine concern in confidence under the Whistleblowing Policy, disciplinary action may be taken against that employee.

Anonymous Allegations

- 2.27 An anonymous concern is where no one knows the identity of the person who raised it. While the Whistleblowing Policy is designed to reassure employees that it is safe and acceptable for them to speak up, they may still have concerns about their own position. While the Council can offer confidentiality (see above), employees should remember that if they fail to reveal their identity to the Council, it will be more difficult for the Council to look into the concern(s) raised. The Council will not be able to protect their position or provide them with details of any outcome or feedback. Head of Legal and Member Services (Monitoring Officer) (or his authorised representative) will consider every anonymous concern(s) raised under this Whistleblowing Policy, however any decision to investigate will be at their sole discretion.
- 2.28 In exercising discretion referred to in the Confidentiality section above, the Head of Legal and Member Services (or his authorised representative) shall have regard to the following factors;

- the seriousness of the concern(s) raised;
- the credibility of the concern(s);
- the likelihood of confirming any allegation(s) made from attributable sources; and
- any other material or relevant factor.

Untrue or unfounded allegations

2.29 No action will be taken against employees that raise a genuine concern(s) even if they are mistaken and no malpractice or serious risk is found. However, if an employee makes an allegation under the Whistleblowing Policy which transpires to be false, malicious or for personal gain, disciplinary action may be taken against that employee.

Additional support for employees

2.30 Anyone who raises a concern(s) or is the subject of an investigation under the Whistleblowing Policy can access confidential counselling through the Occupational Health Service.

2.31 The Employee Assistance Programme is an independent organisation that provides confidential help and assistance including counselling for employees for any personal or work-related issue. It is available 24 hours a day, 7 days a week, 365 days a year. They can be contacted on 0800 882 4102 or via the website www.pamassist.co.uk (User Name - Wirralb, Password – Council).

3. Commitment to Equality

3.1 Please identify which, if any, of the following Equality Duties this policy addresses:

Eliminate unlawful discrimination, harassment and victimisation

To advance equality of opportunity

To foster good relations between different groups of people

3.2 The purpose of the Whistleblowing Policy is to make it clear to all employees that it is safe and acceptable to raise any concerns they may have at an early stage over any perceived wrong-doing by the Council, its employees or those with whom it has dealings without fear of victimisation, reprisal, discrimination or disadvantage.

4. Procedures

4.1 The Procedure provides guidelines for employees on how to raise concerns. It aims to reassure employees that, if concerns are raised in good faith reasonably believing that the information and any allegations contained in it are substantially true, they will be protected against any

possible reprisals, harassment or victimisation and will not be discriminated against or suffer any disadvantage.

- 4.2 The procedure also specifies the process and timescales for providing a response to employees raising concerns and for pursuing them if they are not satisfied.

5. Supporting Documentation

5.1 This Policy is complimented by:

- Whistleblowing Procedure
- Whistleblowing Internal Contacts
- Whistleblowing External Contacts
- Confidential Reporting Form (CRF1)
- Whistleblowing Flowchart

6. Related Policies

- Grievance
- Dignity at Work
- Complaints

7. Consultation

- 7.1 Consultation was undertaken with trade unions when current policy was agreed in September 2011.

8. Communication and Awareness

8.1 This policy is considered:

Internal
[For Members, Officers and
Contractors]

External
[For our Residents, Customers
and Service Users]

- 8.2 All employees must be made aware of, and understand the need for this Policy. The Council will send out a clear message about its commitment to ensuring that any concerns raised are investigated and dealt with appropriately. All employees and managers are expected to comply with the terms of this Policy.

9. Monitoring and Review

- 9.1 The Whistleblowing Policy and its Procedure will be reviewed every three years as part of the Human Resources & Organisational Development Policy Review Programme. However, the Policy may be reviewed as and when required, for example, due to legislative changes or if an issue arises around its effectiveness.
- 9.2 The Head of Legal and Member Services, (Monitoring Officer) has overall responsibility for the maintenance and operation of the Whistleblowing Policy. The Head of Legal and Member Services, (Monitoring Officer) has responsibility to ensure all issues raised under this Whistleblowing Policy are investigated thoroughly and in a timely manner.
- 9.3 On behalf of the Head of Legal and Member Services, (Monitoring Officer), the Head of Human Resources and Organisational Development will ensure that a confidential corporate casework system is maintained containing all concerns and that the progress and outcomes of those concerns are fully documented within that system.
- 9.4 The Head of Human Resources and Organisational will appoint a Senior Human Resources Officer to co-ordinate and monitor the progress of investigations to ensure that they are carried out comprehensively and in a timely manner. The Senior Human Resources Officer will liaise with the appointed Designated Officer and/or Investigating Officer (and if necessary the Head of Legal and Member Services, (Monitoring Officer)) to discuss the progress of investigations and identify and address any issues that arise that hinders or otherwise prevent the timely investigation of the concern(s) raised.
- 9.5 The Head of Legal and Member Services, (Monitoring Officer) will review the system referred to above and produce and present a twice yearly report detailing any relevant matters and issues arising in connection with the Whistleblowing Policy to the Council's Chief Executive Strategy Group and to the Audit and Risk Management Committee.
- 9.6 The reports prepared will not disclose details of any employees (or other confidential information), but will summarise (so far as is possible without undermining or exposing the Council to unacceptable risk or challenge) the number and nature of the concerns raised under the Whistleblowing Policy, the Department(s) to which the concerns relate and the outcomes.
- 9.7 The table below sets out the ownership and review schedule for this policy. However it may be necessary to review as and when required, for example, due to legislative changes or if an issue arises around its effectiveness.

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Employees

3.3 Employees will:

- a. Only raise grievances in good faith and work with the manager to genuinely seek resolution.
- b. Wherever possible try to resolve the grievance informally. This may include the use of mediation.
- c. Co-operate with any investigation.

Role of Human Resources

3.4 Human Resources will:

- a. Provide advice to managers and employees through the grievance process, and will seek to ensure the Council's procedures are followed, and ensure the process is fair and transparent.
- b. Attend grievance hearings at every formal stage of the process.
- c. Liaise with managers to ensure that employees who have submitted a grievance, and who may be the subject of the grievance have access to appropriate support during the process.
- d. Provide advice to employees who have raised a grievance at any stage of the process as required. This will be on a confidential basis.

3.5 Where an investigation is undertaken, a member of the Human Resources Team will be assigned to support the Investigating Officer to provide advice and guidance as appropriate and to assist in ensuring that the investigation is carried out in a timely manner.

4. Principles

4.1 The policy and procedure contained within this document is based on the following principles:

- a. Grievances will be resolved quickly and consistently across the Council in order to maintain good working relationships.
- b. Where the circumstances are appropriate, and/or both parties agree, grievances should be dealt with through the informal process, including mediation, where appropriate.
- c. Any employee raising a grievance will be given the opportunity to explain their issues, management will investigate their issues and respond. The outcome is confirmed in writing.
- d. The employee does not suffer any detriment in the form of victimisation for asserting their statutory right to raise a grievance.
- e. Any witnesses are protected against detriment and dismissal as a result of acting as a witness during a grievance hearing.

- f. The subject of the grievance is fully supported and kept informed of progress as appropriate.
- g. Any representative or work colleague is protected against detriment and dismissal in respect of his/her action in accompanying the employee and for addressing or seeking to address the hearing.
- h. Not to discriminate against any individual in the application of this policy and procedure on prohibited grounds e.g. on grounds of sex, race, disability, age, sexual orientation, trans-gender, part-time worker status or religious belief, marital status or pregnancy, or trade union activities.
- l Confidentiality will be observed at all times by those involved in the grievance process and information shared on a need to know basis only.

5. What Could Constitute a Grievance?

5.1 A grievance is a problem or concern that an employee has about their work, working conditions or relationships with colleagues that they wish to raise with management.

A grievance could be regarding any of the following:

- Terms and conditions of employment (excluding salary or grade)
- Working conditions
- Working hours
- Unfair treatment
- Health and safety
- Bullying and Harassment/working relationships with colleagues or others
- Equal opportunities
- A breach of statutory employment rights

N.B. This list is not an exhaustive list nor is it an attempt to give a definition of a grievance.

6. Exclusions

6.1 This policy does not apply to the following categories:

- a. Employees appealing against a dismissal/disciplinary decision. This is dealt with through the disciplinary appeal procedure (*insert link to intranet*)
- b. Employees appealing against a job evaluation/grading. This is dealt with through the job evaluation appeal procedure (*insert link to intranet*)
- c. Whistleblowing Concerns. These are dealt with under the Council's Whistleblowing Policy (*insert link to intranet*).

Whilst it is not possible to provide a complete list of all the issues which might be properly raised under the Whistleblowing Policy, any concern about improper, illegal or negligent practice(s) in the workplace, including the conduct of Officers, Members of the Council or others acting on behalf of the Council, which may adversely affect the public interest, can be raised.

To assist employees to decide which policy should be used, the following should be considered:

Appendix Four

- If the employee is aware of any improper, illegal or unsafe act or omission which is not in the public interest, they should do so under the Whistleblowing Policy; or
- If the employee has a complaint about something that has happened to them during the course of their employment that they would like a particular response or outcome to address, this should be raised under the grievance procedure.

Where employees are in any doubt as to whether the concern(s) raised falls within the Whistleblowing Policy or the Council's Grievance Policy, they should seek advice from the Council's Human Resources Team or their Trade Union Representative if applicable.

- 6.2 It is not intended that this policy be used for an employee to raise a grievance about Council policy. However, it may be used to make a complaint about the way a Council policy and/or procedure may have been applied in a specific case.
- 6.3 The Grievance Policy should not be used by an employee to make a complaint about a manager that is seeking to discuss or address issues of attendance or performance, where this is the sole reason for the complaint. It is a fundamental part of a manager's role to ensure that the attendance or performance of employees within their teams or departments is at the required standard. However, managers must be able to demonstrate there is a clear and legitimate justification for addressing attendance and performance issues and ensure that a fair and reasonable approach is taken when doing so and employees may use this Grievance Policy if they believe that this has not been done.

7 Using the Grievance Policy

- 7.1 All genuine grievances raised will be treated seriously. However, employees should be aware that they should not use the policy to raise concerns without just cause, and with the intent of causing distress to others.
- 7.2 Inappropriate use of the policy, or malicious complaints may result in the employee who has raised the grievance being subject to disciplinary action.
- 7.3 An expectation of this policy is that before individuals invoke the formal stages of this procedure, they should attempt to resolve their complaint informally, by discussing their complaint with their line manager, or another suitable person. Guidance may be sought from Human Resources.
- 7.4 If the grievance concerns an employee's line manager, the employee should raise their concern with the next level of management.
- 7.5 Where the grievance involves a complaint against a Chief Officer, the employee should seek advice from Human Resources as to how the grievance can be dealt with.
- 7.6 An officer at Director level will normally be appointed to hear the grievance at the first formal stage. Any appeal against the outcome will normally be heard at Strategic Director level at Stage 2. This procedure may be varied as appropriate to the circumstances.

10. Formal Stages of the Grievance Procedure

10.1 Registering a Formal Grievance

- 10.1.1 Employees should normally raise a formal grievance in writing to their line manager (or appropriate other, as detailed in 7.4), using the Formal Grievance Form (M35).
- 10.1.2 A grievance should be raised as soon as possible after an event or incident and, unless in exceptional circumstances, no later than 3 months after the incident or event.
- 10.1.3 The written grievance should include the following information:
- a. The nature of the grievance – what is alleged to have occurred, by whom and when.
 - b. What the outcome of the informal approach was.
 - c. The reason for dissatisfaction with the informal solution (if appropriate).
 - d. The remedy or resolution the employee is seeking.
 - e. Any witnesses to the matters complained about.
- 10.1.4 The grievance should refer to specific issues rather than generalisations. An employee may wish to seek assistance from a work colleague or Trade Union Representative when writing the grievance.

10.2 Investigation

- 10.2.1 Upon receipt of the grievance, managers should assess whether they can try to resolve the grievance themselves, with HR support.
- 10.2.2 Managers should assess whether they are able to gather all the relevant facts of the matter and speak to all the parties involved. If this is the case, the manager will usually be in a position to make an informed decision and give an outcome in relation to the grievance. The manager should be able to clearly demonstrate how and why the decision has been reached.
- 10.2.3 In exceptional cases it may be necessary to appoint an Investigating Officer. This will depend on the nature and complexity of the grievance and HR should be consulted. The Investigating Officer will be appropriately trained and will be responsible for investigating the complaint(s) made, and establishing the facts including the events surrounding or leading up to the complaint.
- 10.2.4 The role of the Investigating Officer is to establish the facts of the grievance. This will be done by reviewing documentation, meeting with the complainant, the respondent, and any potential witnesses to find out if there is evidence to support or rule out the allegations etc. These meetings also allow the respondent to respond to the allegations made against them.
- 10.2.5 It is important that the Investigating Officer is provided with the resources and reasonable time to allow for an appropriate investigation within the timescales allowed within this policy.
- 10.2.6 The Investigating Officer, (or manager dealing with the grievance if they are dealing with the matter) should compile a report containing a written summary of their findings and details of any witnesses interviewed, including, where appropriate, interview notes and statements. A template Investigating Officer report is available on the Council's intranet.

10.3.8 Indicative timescales for the resolution of the grievance are set out at each formal stage. Please also refer to the "Grievance Procedure Flowchart", attached at Appendix Two.

10.4 Stage 1 (Formal)

Manager or Senior Manager

10.4.1 It is important that managers have the opportunity to deal with grievances from employees who directly report to them. However, if the manager has been involved in seeking to resolve the issue at the informal stage or is the subject of the grievance, this matter should be raised to the line manager's manager/senior manager.

10.4.2 Once a grievance is submitted in writing to the manager, this should be acknowledged within 5 days. An initial meeting with the employee should be arranged within 10 working days of receipt of the grievance to discuss the details of the grievance and the outcome(s) the employee is seeking. The purpose of this is to seek clarification of the issue(s) and to acknowledge in person that the matter is being dealt with.

10.4.3 If the grievance is a complaint against a colleague, the manager will normally also meet with the person who is the subject of the grievance (the respondent) to make them aware of the complaint, ascertain their version of events and any background to the concern that has been raised.

10.4.4 An Investigating Officer may be appointed at this stage, when necessary. Guidance on this may be found at 10.2 above.

10.4.5 Following the investigation, a Stage 1 hearing will be arranged by the manager, giving at least 5 working days written notice to all parties required to attend the hearing.

10.4.6 The manager dealing with the grievance may ask the investigating officer to attend the meeting. In exceptional circumstances, the manager may decide to call relevant witnesses, if he/she believes it is necessary to determine the grievance .

10.4.7 Following the hearing, the manager should confirm the outcome in writing, within 5 working days. This may be varied by mutual agreement in exceptional circumstances.

10.4.8 If the employee is dissatisfied with the outcome at Stage 1, they may opt to take the matter to Stage 2 by writing to the Strategic Director within 10 working days of the date of the decision letter at Stage 1.

10.5 Stage 2: (Formal)

Chief Officer (Director/Head of Service)

10.5.1 The Strategic Director should acknowledge the grievance within 5 working days and nominate a Chief Officer (Director or Head of Service) to hear the grievance on their behalf at this stage, unless the Stage 1 grievance was heard at this level, in which case the Strategic Director will hear the grievance.

10.5.2 An initial meeting with the employee should be arranged within 10 working days to discuss the details of the grounds for appeal and the grievance itself.

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- 10.5.3 If further information is required, the Chief Officer should consider whether further investigation is required or whether the information can be provided at the grievance hearing itself.
- 10.5.4 A Stage 2 hearing will be arranged by the Chief Officer, giving at least 5 working days written notice to all parties required to attend the hearing.
- 10.5.5 The Chief Officer dealing with the grievance may ask the manager who dealt with the grievance at Stage 1, to attend the meeting. In exceptional circumstances, the manager may decide to call relevant witnesses, if he/she believes it is necessary to determine the grievance.
- 10.5.6 The employee who has raised the grievance will be notified of the outcome of the Stage 2 hearing in writing, normally within 5 working days of the date of the hearing.
- 10.5.7 This is the final stage of the Council's grievance procedure.

11. Notification to attend a grievance hearing

- 11.1 Employees must be provided with at least 5 working days written notice of a grievance hearing at Stage 1 and 2. The manager hearing the grievance is responsible for writing to the employee, in conjunction with HR.
- 11.2 The letter will advise the employee of the following:
- The location, date and time of the proposed grievance hearing.
 - The employee's right to be accompanied.
 - The identity of the Manager/Head of Service/Chief Officer nominated who is dealing with the grievance.
 - A copy of the Investigating Officer's report, where applicable.
- 11.3 The manager dealing with the grievance should seek to agree the date of the meeting with the employee and their recognised trade union representative or work colleague.
- 11.4 The employee is under a duty to take all reasonable steps to attend the hearing. If the employee's work colleague or trade union representative cannot attend on the proposed date, the employee can suggest another date so long as it does not create unreasonable delay, and should be no longer than 5 working days where possible.
- 11.5 When an employee fails to attend a grievance hearing, or does not respond to the invitation to the grievance hearing, without good reason, the manager will attempt to reschedule another meeting. However, should this second attempt result again in non-attendance without good reason, or failure to respond to the invitation, then the Council at this point is no longer obliged to consider the grievance and may end the process at this point.

12. Right to be Accompanied

- 12.1 At any formal grievance hearing the employee has the right to be accompanied by a representative. The representative may be a trade union representative, or work colleague. The representative should not be a family member or legal representative. Unavailability of a particular representative should not cause delays to the grievance proceedings, an alternative representative should be considered in such cases.

- 12.2 The Council will not meet any of the costs associated with the attendance of the representative at a grievance hearing beyond granting paid time off to a representative who is a Council employee.
- 12.3 The complainant, respondent and any witnesses have the right, if they wish, to be accompanied at any formal meetings held as part of the grievance process by a work colleague or accredited trade union representative. The representative/companion is permitted to address the hearing in order to put forward the employee's case, they can sum up the case and comment upon any view expressed at the hearing. They are also permitted to confer with the employee during the hearing.
- 12.4 It should be noted however that the companion/respondent has no right to answer questions on behalf of the member of staff, to address the hearing if the employee does not wish him/her to do so.

13. Format of Grievance Hearing

13.1 In general terms the following format is suggested at all stages:

Introductions

The manager hearing the grievance will outline the reason for the hearing and ask each person present to introduce themselves and state their role.

Employee Case

The employee or their representative will then outline their grievance and state how they would like to see it resolved.

Management Consideration

The investigation report, related evidence and decision made at the previous stage should be considered by the manager. If required, the manager who heard the grievance at the previous stage may present the reasons for their decision(s).

Adjournment

The hearing will adjourn so that the manager can consider the issue(s) carefully, and to reach a decision.

Where it is necessary for the manager to undertake further investigation or take further advice, they must set out the timescales by which they will be able to reconvene or be in a position to notify the employee of their decision.

Outcome

Where possible, the manager will recall the employee and their representative to inform them of the decision(s), which will be confirmed in writing. In some cases, the employee and their representative will be informed of the decision(s) and outcome(s) in writing, this will be done within 5 working days. The manager hearing the grievance may recall the parties to clear points of uncertainty on evidence already given.

14. Role of Witnesses

- 14.1 It is often the case that witness statements are taken at the investigation stage. Witnesses should be made aware that their statement will be disclosed to parties involved in the grievance.
- 14.2 Witness statements should be signed and verified as a true record. Witness statements should be taken as read and witnesses should not be required to

attend the hearing before a manager simply to confirm information they have already provided unless this is necessary for a decision to be made.

15. Decision and Outcomes

15.1 Notification of the manager's decision may be given verbally to all parties concerned, but in all cases will be confirmed to the employee and their representative in writing within 5 working days of the hearing. The decision letter will include:

- The outcome of the grievance hearing.
- The reasons for the decision(s) made.
- Notification of the employee's right to appeal at each stage and the relevant timescale to appeal.

15.2 At Stage 2, the employee will be informed that the decision is final and that this is the end of the internal process for dealing with the grievance procedure. Employees have the right to submit a claim to an Employment Tribunal.

15.3 At each stage, Human Resources should be notified of the outcome of the grievance hearing using Form M35.

15.4 The outcome of the grievance can be either:

- Upheld
- Not upheld
- Partially upheld

It should be made clear in the outcome letter, which elements of the grievance are upheld or not upheld, what was considered and the reasons for each decision made.

15.5 Any of the above outcomes may also be accompanied by a recommendation for management action.

15.6 If the grievance is substantiated (upheld) further advice should be sought from HR in respect of any further action required.

15.7 Where a grievance contains a number of separate elements, managers must ensure that the finding reached in relation to each element is clearly set out in the outcome letter. It is very important that managers and employees have an understanding and agree on the specific issues giving rise to the grievance and that the outcome letter addresses each of these issues. This will assist managers at the next stage, if some issues within the grievance are agreed as 'dealt with' and do not need further consideration at the next stage.

16. Grievance raised after an Employee has left the Organisation

16.1 Where an employee leaves the organisation during the grievance process or submits a grievance after leaving the organisation, the Chief Officer, in consultation with Human Resources will consider what action should be taken.

16.2 There is no legal requirement for the Council to deal with grievances raised by ex-employees. However, dealing with such grievances in some cases may identify possible employment tribunal complaints and where possible and appropriate, prevent those grievances from becoming tribunal complaints.

17. Grievances which contain allegations of misconduct by a colleague

- 17.1 There may be occasions where an employee raises a grievance which contains potentially serious allegations against another employee.
- 17.2 In such circumstances the manager receiving the grievance should seek advice from Human Resources and/or a more senior manager.
- 17.3 The manager dealing with the grievance should make an assessment of the nature of the allegations. This may involve an initial fact finding meeting with both the complainant and also the employee accused of misconduct.
- 17.4 This is not to take the form of an investigation but is designed to allow the manager to make an assessment of the situation and determine the appropriate next steps.
- 17.5 The manager should consider:
 - The seriousness of the matter.
 - The working arrangements of the parties during the grievance.
 - Depending on the nature of the matter, whether suspension is necessary to allow an investigation to take place.
- 17.6 If the matter is deemed to be a potential disciplinary issue, the Nominated Officer should appoint an investigating officer to investigate the matter in accordance with the Council's disciplinary procedure.
- 17.7 The disciplinary investigation and hearing should, where possible, be concluded ahead of the grievance to ensure this is dealt with as quickly as possible. This is particularly important if employees have been suspended during a disciplinary investigation.
- 17.8 To assist in ensuring that matters are concluded as speedily as possible, any statements or evidence collected during the disciplinary procedure may also form part of the grievance investigation.
- 17.9 The manager who deals with the disciplinary matter may also be the manager who determines the outcome of the grievance. This may not always be appropriate and should be determined according to the circumstances, and with advice from Human Resources.
- 17.10 If a manager receives a grievance alleging bullying, harassment or victimisation on the grounds of race, gender, disability or any other protected characteristic as defined in the Equality Act 2010, they should seek advice from Human Resources and/or a more senior manager at the very earliest opportunity. Managers should also refer to the Dignity at Work Policy.

18. Records

- 18.1 In the event that the aggrieved employee requests a copy of any of the formal meeting/hearing minutes or notes relating to their grievance, these should be given to the employee.
- 18.2 All notes taken and correspondence produced during any of the steps of the grievance procedure should be kept by the manager. The letter detailing the outcome of the grievance will be placed on the personal file of the employee who raised the grievance.

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18.3 All notes must be stored safely as an Employment Tribunal may request full disclosure of all notes. A fully copy of the grievance case will be kept by Human Resources.

18.4 All written documentation will be kept in accordance with the Data Protection Act 1998.

19. Monitoring

19.1 The Grievance Policy will be reviewed as and when required, for example, due to legislative changes or if an issue arises around its effectiveness.

19.2 Grievance cases across the Council will be monitored by Human Resources in order that any trends or areas of concern can be identified.

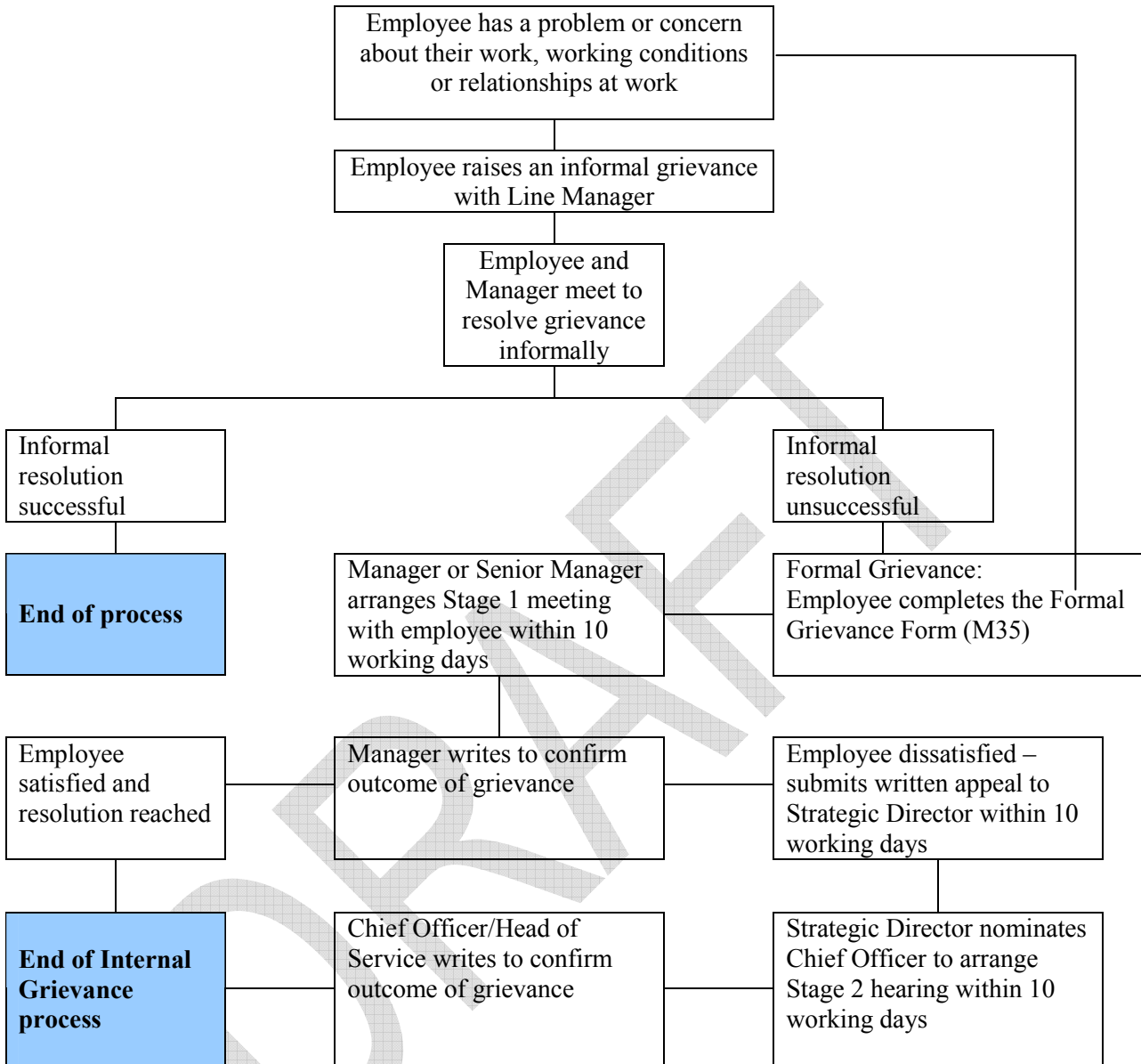
19.3 The Council is committed to providing a working environment free from discrimination and victimisation. Information relating to grievances will be analysed by protected characteristics in accordance with the requirements of The Equality Act 2010.

19.4 Information on the number, nature and timescales of grievances will be regularly reported to Departmental Management Teams and Chief Executive Strategy Group.

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Grievance Procedure Flowchart



WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

17 SEPTEMBER 2014

SUBJECT:	<i>REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)</i>
WARD/S AFFECTED:	<i>ALL</i>
REPORT OF:	<i>HEAD OF LEGAL AND MEMBER SERVICES</i>
KEY DECISION?	<i>NO</i>

1.0 EXECUTIVE SUMMARY

- 1.1 This report summarises the use of covert surveillance by the Council between 1 March and 1 September 2014.
- 1.2 This report was requested in the work plan for the Committee.

2.0 BACKGROUND AND KEY ISSUES

- 2.1 The Regulation of Investigatory Powers Act 2000 (RIPA) governs how public bodies use surveillance methods. The Council may use covert surveillance for the purpose of preventing or detecting crime or preventing disorder.
- 2.2 The origin of RIPA lies in the Human Rights Act 1998 which places restrictions on the extent to which public bodies may interfere with a person's right to respect for his or her home and private life and correspondence during the course of an investigation into suspected criminal activities. The provisions of RIPA ensure (in summary) that any such interferences are in accordance with the law and are necessary and proportionate (i.e. the seriousness of the suspected crime or disorder must outweigh any possible interferences with the personal privacy of the persons being investigated and of persons who associate with them).
- 2.3 The Council's Constitution authorises Directors to designate Heads of Service and Service Managers to authorise the use of covert surveillance in accordance with the procedures prescribed by RIPA. Since 1 November 2012 such authorisations require the further approval of a magistrate.
- 2.4 The Office of Surveillance Commissioners (OSC) is responsible for overseeing the operation of RIPA. The OSC inspected the Council on 8 June 2012. The outcome of that inspection was reported to the Committee on 19 September 2012. The Committee approved amendments to the Council's Policy and Guidance Document made in response to the Report which were adopted by the Cabinet on 18 October 2012.
- 2.5 On 18 September 2013 the Committee approved an updated Policy and Guidance Document. It was further updated to reflect changes in legislation and approved by the Committee at its meeting on 18 March 2014.

3.0 THE USE OF RIPA BY THE COUNCIL

- 3.1 Since 1 March 2014 the Council has used covert surveillance with the intention of detecting evidence of criminal behaviour as set out below.
- 3.2 On 6 May 2014 a magistrate approved an authorisation to use covert surveillance to detect flytipping at a site in Wirral.

- 3.3 On 10 June 2014 a magistrate approved the use of covert surveillance to detect suspected acts of serious criminal damage in a street in Birkenhead.
- 3.4 On 22 August 2014 a magistrate approved the use of covert surveillance to detect unlawful waste deposits at a site in Wirral.

4.0 CHANGES IN LEGISLATION

4.1 The Protection of Freedoms Act 2012 came into force on 1 November 2012 and made the following changes to the law;

- A Magistrate's approval is required for a local authority's use of RIPA. It is in addition to the authorisation needed from a senior officer and the more general oversight by elected councillors.
- Use of RIPA to authorise directed surveillance is confined to cases where the offence under investigation carries a custodial sentence of six months imprisonment or more except in relation to underage sales of alcohol and tobacco, where this sentencing threshold will not apply.

5.0 SUCCESSFUL PROSECUTIONS

- 5.1 On 25 October 2013 a magistrate approved an authorisation to use covert surveillance to detect flytipping in Buccleuch Street, Birkenhead.
- 5.2 Evidence was obtained which led to the conviction of a local waste carrier for the offence of depositing builder's waste on 11 December 2013 in Buccleuch Street contrary to Section 33 of the Environmental Protection Act 1990.
- 5.3 On 22 April 2014 the carrier pleaded guilty and was fined £300 and ordered to pay costs of £300 plus a victim support surcharge of £30.

6.0 TRAINING

6.1 On 4 September 2014 Ibrahim Hasan conducted his annual training event on RIPA for authorising and applying officers.

7.0 RELEVANT RISKS

- 7.1 These have been discussed in previous reports.
- 7.2 There is a risk that some investigations of anti-social behaviour will not be able use covert surveillance because the suspected criminal behaviour does not carry a custodial sentence of 6 months or more.
- 7.3 The Anti-Social Behaviour Team are however exploring the possibility of applying to the Court for approval of covert surveillance in suitable cases of suspected harassment of individuals which would amount to an offence under the Protection from Harassment Act 1997 (which can attract a sentence of 6 months or more imprisonment).

8.0 OTHER OPTIONS CONSIDERED

8.1 None.

9.0 CONSULTATION

9.1 None.

10.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

10.1 None.

11.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS

11.1 None at present.

12.0 LEGAL IMPLICATIONS

12.1 The Protection of Freedoms Act 2012 which restricts local authorities use of covert surveillance came into force on 1 November 2012.

13.0 EQUALITIES IMPLICATIONS

13.1 Has the potential impact of your proposal(s) been reviewed with regard to equality?
No because there is no proposal which is relevant to equality.

14.0 CARBON REDUCTION IMPLICATIONS

14.1 None.

15.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

15.1 See paragraphs 4 and 6.

16.0 RECOMMENDATION/S

16.1 That the Committee note the contents of this report on the use of covert surveillance.

17.0 REASON/S FOR RECOMMENDATION/S

17.1 The Home Office Code of Practice on covert surveillance requires every Council to report quarterly on its use of RIPA.

REPORT AUTHOR: Colin Hughes
Group Solicitor
telephone: (0151 691 8502)
email: colinhughes@wirral.gov.uk

REFERENCE MATERIAL

Authorisations for directed surveillance - exempt from publication because they relate to individuals and may be the subject of continuing investigations into alleged criminal behaviour.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Reports to the Audit & Risk Management Committee	28 March 2011
	30 June 2011
	28 September 2011
	1 February 2012
	14 June 2012
	19 September 2012
	10 June 2013
	18 September 2013
	28 January 2014
	18 March 2014
Report to the Cabinet	18 October 2012

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