



Audit and Risk Management Committee

Date:	Tuesday, 25 November 2014
Time:	6.00 pm
Venue:	Committee Room 1 - Wallasey Town Hall

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AGENDA

1. MEMBERS' CODE OF CONDUCT - DECLARATIONS OF INTEREST

Members are asked to consider whether they have 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 - 22)

To approve the accuracy of the minutes of the meetings held on 17 September and 8 October, 2014.

3. ANNUAL AUDIT LETTER (Pages 23 - 32)

4. INTERNAL AUDIT UPDATE (Pages 33 - 48)

5. STATEMENT OF ACCOUNTS 2013/14 (Pages 49 - 62)

6. MANAGEMENT OF INSURANCE AND CORPORATE RISK (Pages 63 - 68)

7. CORPORATE RISK REGISTER (Pages 69 - 104)

8. ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR (PART 1)

9. 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.

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

AUDIT AND RISK MANAGEMENT COMMITTEE

Wednesday, 17 September 2014

Present: Councillor J Crabtree (Chair)

Councillors S Kelly M Patrick
P Doughty A Sykes
D Elderton J Walsh

Deputies: Councillors M Sullivan (In place of RL Abbey)
G Watt (In place of J Hale)

Cabinet Member: Councillor AR McLachlan

18 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.

19 MINUTES

Resolved – That the minutes of the meeting held on 22 July 2014, be approved.

20 INTERNAL AUDIT UPDATE

The Chief Internal Auditor presented a report which identified and evaluated the performance of the Internal Audit section. It included details of issues that had arisen from the actual work undertaken during the period 1 June to 31 July 2014 and provided specific details of two items of note, which were brought to the attention of the Committee in relation to Performance Management and Risk Management –

- With regard to the corporate Performance Management system, he was pleased to report that all of the agreed recommendations to improve systems of work had been actioned. Further audit work was scheduled for this important area of operations later in the year to evaluate the impact of the implemented actions and an update would be included in future reports.
- With regard to the corporate Risk Management system, significant progress had been made to address the actions identified and auditors were now more confident that risks were now being identified and managed more effectively by the organisation. The Chief Internal Auditor noted also that further important development work was being undertaken to improve systems and he indicated that further audit work

was 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. The work would seek to provide further assurance of the effective operation of risk management within Directorates and the findings would continue to be included in future update reports.

The Chief Internal Auditor provided details of outstanding Audit recommendations that had not currently been implemented and he commented that all were RAG rated as 'amber', which indicated that progress was being made to address the issues identified. He stated that there were currently no issues arising with regard to compliance with performance indicators and he highlighted some of the actions taken to date to secure the continued improvement that was important to the overall efficiency and effectiveness of the Internal Audit Service.

He referred also to a number of issues that had been raised by Members at previous meetings and gave a brief update upon the Business Rates Retention Scheme and Fraud Awareness Week. Details of both would be included in his bi-monthly update. In response to questions from the Liberal Democrat spokesperson, he provided an explanation in respect of turnaround times for the issue of audit reports and commented further upon outstanding audit recommendations related to The Learning Lighthouse and the National Fraud Initiative. Further details would also be included in his bi-monthly report.

Resolved – That the report be noted.

21 **PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

Further to minute 7 (23 June 2014), the Chief Internal Auditor reported upon the requirements of the Public Sector Internal Audit Standards and outlined the progress being made to secure compliance. The Standards came into effect on 1 April 2013, having been developed jointly by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA) and had replaced the CIPFA Code of Practice as the mandatory guidance for internal audit standards for the whole of the public sector.

The Standards introduced 142 requirements which were additional to those detailed in the CIPFA Code of Practice and local authorities were required to demonstrate full implementation and compliance no later than 31 March 2018. The report contained a summary of a self-assessment exercise, which had found the Internal Audit Service to generally conform to 88% of the requirements of the Standards. The Chief Internal Auditor set out a number of key actions to ensure full compliance and assured Members that there were no areas of significance where the service was not fully compliant. In response to comments from Members, he proposed to circulate the detailed action plan with his bi-monthly update.

In response to further questions from Members with regard to how Wirral compared to other local authorities in securing compliance, he indicated that

discussions with colleagues from across the North West Region suggested that Wirral was more advanced than others, due in part to the nature of work that had been required to be undertaken over the past 12 months to improve performance. He commented also that colleagues across the region had agreed to a Peer Review process to provide external quality assessment. A further update report would be presented on the assessment process in due course.

Resolved –

- (1) That the report be noted.**
- (2) That the actions being taken by the Internal Audit section in becoming fully compliant with the Public Sector Internal Audit Standards, be supported.**
- (3) That the Committee recognises that the positive outcome of the self assessment, with Wirral already being 88% compliant with the Standards, is due to the significant work that has been undertaken by the Internal Audit team and the thanks of the Committee be accorded to the Chief Internal Auditor and his staff.**

22 AUDIT FINDINGS REPORT - MERSEYSIDE PENSION FUND

The Director – Assurance (Grant Thornton UK LLP) presented the Audit Findings Report for Merseyside Pension Fund (MPF), which had been considered by the Pensions Committee on 15 September 2014 (minute 29 refers). He highlighted the key issues that had arisen from the audit of the Fund's financial statements for the year ended 31 March 2014 and anticipated that an unqualified opinion would be provided. The audit had not identified any adjustments affecting the Fund's reported financial position, which recorded net assets carried forward of £6.1bn. A number of adjustments were agreed to improve presentation and the key messages were that –

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

He referred also to a number of future developments that were relevant to the Pension Fund and the audit and commented that Members would be very welcome to attend training that was to be provided by Grant Thornton, in association with CIPFA.

Resolved – That the report be noted.

23 **STATEMENT OF ACCOUNTS 2013/2014 - MERSEYSIDE PENSION FUND**

The Head of Financial Services presented the report of the Director of Resources, which indicated that the Pensions Committee, at its meeting held on 15 September 2014 (minute 30 refers) had approved the Merseyside Pension Fund (MPF) Statement of Accounts 2013/2014, having considered the Audit Findings Report and Letter of Representation.

The audited Statement of Accounts of Merseyside Pension Fund for 2013/2014 formed part of the Council's overall Statement of Accounts (see minute 27 post) and the Audit Findings Report for Merseyside Pension Fund (see minute 22 ante) had indicated that an unqualified opinion would be issued and that the accounts presented fairly the financial position of the Fund as at 31 March 2014. The accounts would now form the basis of the Annual Report for the year ended 31 March 2014.

Resolved – That the report be noted and the Letter of Representation be approved.

24 **ANNUAL GOVERNANCE STATEMENT 2013/2014**

Further to minute 3 (23 June 2014), the Strategic Director for Transformation and Resources presented the report of the Chief Executive, which contained the final Annual Governance Statement (AGS) and action plan, its preparation and publication being necessary to meet the statutory requirement set out in Regulation 4(3) of the Accounts and Audit (England) Regulations 2011. The Council was required to have approved and adopted a Code of Corporate Governance that complied with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government; and to report publicly through the AGS the extent to which the governance processes outlined in the Code were operating effectively in practice.

He commented that the production of the AGS was based upon 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. Although the Council's Internal Audit team had been responsible for undertaking the relevant assurance work, it was important to note that the AGS was not owned by the audit function but was a Council statement on the effectiveness of its governance processes. The Chair was pleased to comment upon the remarkable and rapid improvement that had been made by the Council and the Strategic Director assured Members that the significant governance issues that were appended to the document would be closely monitored and addressed over the next 12 months.

Resolved – That the Annual Governance Statement and action plan for 2013/2014 be agreed.

25 **AUDIT FINDINGS REPORT - WIRRAL COUNCIL**

The Director – Assurance (Grant Thornton UK LLP) presented the Audit Findings for Wirral Council, which highlighted the key matters that had arisen

from the audit of Wirral Council's financial statements for the year ended 31 March 2014. He reported that the audit was substantially complete, with the exception of work on the Whole of Government Accounts, which would be completed in accordance with the national timetable. As at 10 September 2014, and subject to completion of the outstanding work, it was expected that an unqualified opinion would be issued on the Council's financial statements and the report contained a draft Letter of Representation. The draft statements detailed gross expenditure of £745m, net assets of £105m and a General Fund balance of £17.2m. Key messages arising from the audit were that –

- no significant issues were identified;
- the accounts were well prepared with few errors and the Council provided working papers in support of the draft statements;
- further working papers were produced as required during the audit; and
- Finance staff were available throughout the audit, answered questions promptly and provided additional information in a timely manner.

He was also pleased to report that, based upon the review of the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources. It was proposed to give an unqualified Value for Money conclusion. A separate, more detailed report was presented for consideration (see minute 26 post) and he commented that the conclusion represented a significant improvement from 2012/2013, when a qualified "adverse" conclusion was issued, as the review had identified a number of areas where arrangements had not been effective.

In response to questions from Members with regard to the small number of areas where IT arrangements could be further strengthened, the Director confirmed that these were not significant control weaknesses and were RAG rated as 'green'. The Chief Internal Auditor commented also that arrangements for the issue and recovery of mobile phones had also been strengthened and much more robust systems were now in place.

Resolved –

- (1) That the report be noted.**
- (2) That a report on the Value for Money Action Plan be presented to the next meeting of the Committee.**

26 **REPORT ON VALUE FOR MONEY**

The Director – Assurance (Grant Thornton UK LLP) presented the Report on Value for Money for Wirral Council, which summarised the findings from work supporting the Value for Money (VfM) conclusion. It complimented the Audit Findings Report (see minute 25 ante) by the provision of additional detail on the themes that underpinned the VfM conclusion. The report would not normally have been presented to Committee but, he had done so on this occasion to highlight the Council's direction of travel. He set out the criteria upon which the VfM conclusion was based and outlined the audit approach. He referred also to the National and Local context against which the

assessment had been undertaken and commented that with demand for many Council services expected to rise, at a time when central funding was being cut, it was now more important than ever for Councils to have sound arrangements for securing value for money.

Wirral had recognised the scale of the financial challenge it faced and had developed a fundamental proposal designed to transform the Council and help deliver the major savings required. The Future Council programme sought to ensure that resources were used effectively to achieve the outcomes required by residents. He set out summary observations against various risk areas and provided an analysis of various benchmarking data against Wirral's nearest statistical neighbours. In response to a question from a Member, he confirmed that Wirral's place in its comparator group was not of concern at this stage.

The overall VfM conclusion was that on the basis of the work undertaken and having regard to the guidance on the specified criteria published by the Audit Commission, he was satisfied that in all significant respects the Council had in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

Resolved – That the report be noted.

27 **STATEMENT OF ACCOUNTS 2013/2014 - WIRRAL COUNCIL**

The Head of Financial Services presented the report of the Director of Resources, which advised that the Council's Constitution allocated responsibility for the approval of the Statement of Accounts to the Audit and Risk Management Committee. The Statement for 2013/2014 was published on 30 June 2014 and had been subject to audit by the Council's external auditor, Grant Thornton UK LLP, who had presented their findings, within the Audit Findings Report (see minute 25 ante).

He commented that the purpose of the Statement of Accounts was to present the overall financial position of the Council at 31 March 2014. The amendments to the Accounts were as detailed in the Audit Findings Report (see minute 25 ante) and the financial position of the Council remained unchanged from that reported in the Accounts published at 30 June 2014 (minute 9 (23 June 2014) refers) and reported to Cabinet on 8 July 2014 (minute 28 refers). Subject to the Committees consideration of the Audit Findings Report and agreement to the Letter of Representation, Grant Thornton would issue the Audit Opinion, which would state that the Accounts represented a true and fair view of the financial position of the Council at 31 March 2014. The Opinion, together with the revised Annual Governance Statement, would be included in the Statement of Accounts to be published before 30 September 2014.

Resolved –

- (1) That the Audit Findings Report presented by Grant Thornton be noted, noting the actions taken over the amendments to the**

Statement of Accounts as detailed in section 2 of the report now submitted.

- (2) That the Director of Resources be authorised to sign off the Council's 2013/2014 Statement of Accounts in consultation with the Chair of the Committee.**
- (3) That the Director of Resources be authorised to sign off the Letter of Representation, in consultation, with the Chair of the Committee.**
- (4) That the Statement of Accounts for 2013/2014 and the arrangements for further amendments be approved.**

28 **MANAGEMENT OF INSURANCE AND CORPORATE RISK**

The Risk and Insurance Officer presented the report of the Director of Resources, which set out the key actions to be taken in relation to corporate risk and insurance management during 2014/2015. The two significant areas of activity were –

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

In addition to day to day operations the insurance service was responsible for major procurement exercises and improvement activities and the Director set out progress in respect of those actions since June 2014.

He reported that both the Computer Insurance and Civil Litigation contracts contained clauses giving the Council an option to extend them. In respect of the Civil Litigation contracts, the 'Jackson' reforms had resulted in the contracts format no longer being fit for purpose. As such, it was not appropriate to extend them and a procurement exercise would be held to identify suppliers from 1 April 2015. However, it was recommended that the option should be taken up to extend the Computer Insurance contract. He commented also upon a substantial increase in the cost of the Casualty Insurance contract, which was not reflective of the stable performance within the liability account. There were however, only two key insurers in the market to provide local authority liability insurance and a procurement exercise could potentially result in greater premiums or a reduction in cover.

He reported also upon options for the administration of liability claims and expressed a view that a move to a partially in source some further administration could provide a contractual saving of £30,000pa at an investment of less than £7,500pa.

In response to a question from a Member, he commented that letting contracts was done on a collaborative basis with other local authorities, with a view to secure savings wherever possible.

Resolved –

- (1) That the report be noted.**
- (2) That the decision on the extension of the existing liability contracts and proposed amendments to claims handling processes be delegated to the Director of Resources.**

29 **CORPORATE RISK REGISTER**

The Risk and Insurance Officer presented the report of the Chief Executive, which advised that under the terms of the Council's Constitution, one of the functions of the Audit and Risk Management Committee was to provide independent assurance that the Council's Risk Management Framework was effective. He commented that a key output from the framework was the Corporate Risk Register and to support this Committee's work in considering the effectiveness of the framework, a report was now presented on a regular basis detailing the key risks facing the authority and how they were being managed.

The Corporate Risk Register summarised those areas of uncertainty which had the greatest potential to prevent or frustrate delivery of the Corporate Plan and it confirmed how the authority was seeking to tackle them. At a strategic level the risks helped to inform future priorities and interventions. The actions required to mitigate the risks also influenced the content of Directorate Service Plans and the allocation of resources and, in that way they were a key component of the corporate planning process. Therefore, success in managing risks was a key factor in overall corporate performance.

A thorough refresh of the register had been undertaken by the Chief Executive Strategy Group (CESG) on 10 June 2014 and he provided a summary of reviews that were undertaken in July and August 2014. He indicated that the CESG had also considered a suggestion made by a Member of this Committee (minute 12 (23 June 2014) refers) that it may be appropriate for there to be two 'safeguarding' risks – one related to children and young people and another to vulnerable adults. However the consensus was that a single safeguarding risk was appropriate particularly given the joint approach to safeguarding.

He referred also to the progress update contained within the appendix attached to his report and sought the views of the Committee as to whether the high level of detail was appropriate or whether a more truncated version was preferred for future updates.

Resolved –

- (1) That the summary of progress made in relation to the management of the existing corporate risks be noted.**

- (2) That further reports on the Corporate Risk Register be presented to future meetings of this Committee, to contain the high level of detail in relation to progress in mitigating risks as now reported.**

30 **UPDATE OF HR POLICIES**

The Head of Human Resources presented the report of the Strategic Director of Transformation and Resources, which advised that the Council's Human Resources (HR) Policies were subject to ongoing review to ensure they remained fit for purpose, legally compliant and provided a valuable and workable resource for employees and managers on employment related issues in the workplace. She indicated that, as part of the new intranet site, implemented in January 2014, a number of key policy documents were refreshed and formatted and an opportunity had also been taken to update and rationalise the information under the People section of the site to enhance it as a more user friendly resource.

The report provided details of the following new and revised HR Policies for consideration –

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

The policies had clear links and had been reviewed as a suite, although the most significant work had been undertaken around Dignity at Work, which was a new policy. She commented that the Annual Governance Statement 2013/2014 stated, in relation to risk management, that further actions were required to embed policies for confidential reporting and grievances and the report set out the communication and training plan to ensure that all managers and employees understood the requirements of the policies and what their roles and responsibilities were in their delivery

In response to a question from a Member in relation to the involvement of trade unions in the formulation of HR policies, the Head of Human Resources confirmed that, although their agreement was not required, the trades unions had been consulted on all policies. There remained an outstanding, unresolved area of disagreement in relation to the procedure for employment appeals, insofar as it no longer provided a mechanism for a panel of elected Members to determine such appeals, which were now heard by an officer. In response to a further question as to whether the unions were in agreement with other HR policies, she confirmed that their objection was as indicated, and was more in relation to principle than practice.

The Liberal Democrat spokesperson referred to the Whistleblowing Policy, which stated that protection would be given to whistleblowers against victimisation. However, in its definition of victimisation, the Dignity at Work Policy appeared to imply that such protection would only be afforded to persons who had acted 'in good faith' and he questioned how such a determination would be made.

Following a brief adjournment, the Head of Human Resources indicated that she had reviewed the wording in the Policy and proposed an amendment for Members consideration.

Resolved –

- (1) That, subject to the amendment now reported, and to it being circulated to Members, the Dignity at Work procedure and supporting documents be recommended to the Council, for approval.**
- (2) That the proposed amendments to the Council’s Grievance Policy be recommended to the Council for approval.**
- (3) That the changes to the Whistleblowing Policy be endorsed.**

31 **REGULATION OF INVESTIGATORY POWERS ACT 2000 (RIPA)**

The Head of Legal and Member Services presented a summary of the use of covert surveillance by the Council, to detect evidence of criminal behaviour, between 1 March and 1 September 2014. During the period, authorisations were approved by a magistrate to detect flytipping, suspected acts of serious criminal damage and unlawful waste deposits.

He commented that previously authorised covert surveillance had obtained evidence, which had led to the successful prosecution and conviction of a local waste carrier for the offence of depositing builder’s waste in Buccleuch Street, Birkenhead.

He reported also that, on 4 September 2014, training was conducted by Ibrahim Hasan, one of the UK’s leading experts on RIPA/Surveillance Law, which meant that all officers who applied for, authorised or made applications to a magistrate were properly trained.

In response to a question from the Liberal Democrat Spokesperson with regard to the use of covert surveillance to detect harassment, the Head of Legal and Member Services commented that it was his belief that where the offence of harassment had been substantiated in terms of reasonable suspicion, the use of covert surveillance could be authorised by a magistrate. He had encouraged the Anti-Social Behaviour Team to make applications in such circumstances.

Resolved – That the report be noted.

AUDIT AND RISK MANAGEMENT COMMITTEE

Wednesday, 8 October 2014

Present: Councillor J Crabtree (Chair)

Councillors RL Abbey D Elderton
J Hale M Patrick
S Kelly A Sykes
P Doughty

MARK DELAP

The Chair referred to the recent and sudden death of Mark Delap, Principal Committee Officer for this Committee and the Committee stood in silent tribute to Mark's memory.

32 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.

Councillor Patrick declared a personal interest by virtue of a friendship with Mr Hobro's son.

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

The Chair in introducing this item made a statement to the Committee as follows:

"The matter being considered tonight is important and has been ongoing since June 2011. There have been a lot of allegations made and issues and concerns raised since 2011.

A number of important steps have been taken and the Committee has received a considerable volume of papers to consider and digest. The papers have been redacted to protect businesses and companies against whom the allegations and concerns are made or directed. The names of officers and other individuals have also been redacted as appropriate.

It is important that the Committee recognises the need to ensure that names of businesses and companies, and commercially sensitive information is protected and that appropriate steps are taken to protect identities.

I accept that the Committee must satisfy itself of whatever line of enquiry it considers necessary to reach an informed decision, but that cannot be at the expense of exposing the Council to a risk of legal challenge and potential liability.

I would therefore remind everyone, including anyone addressing the Committee not to name businesses, companies, individuals or officers of the Council. Any issues involving officers should be addressed to the Council as officers act on behalf of the Council.”

Councillor Kelly sought some assurance as to the method of redactions in the documents before the Committee, noting in that some instances several lines of text or whole paragraphs had been redacted.

The Head of Legal and Member Services stated that a judgment had had to be made as to the levels of redaction but assured the Committee that they had been kept to a minimum level. Sometimes a number of lines of text had had to be redacted where it was felt that through reasonable enquiry someone would be able to piece together a name or organisation.

The purpose of the report was to share the outcomes from Grant Thornton's reports into the Business Investment Grant (BIG) and Intensive Start-Up Support (ISUS) schemes with the Audit and Risk Management Committee. The report contained the initial draft reports produced by the former Chief Internal Auditor. The initial draft reports were attached at Appendices 1 and 2.

A review, requested by the Chief Executive, of the initial draft reports undertaken by the then Interim Director of Finance was attached at Appendix 3. This review recommended that an external firm of accountants or solicitors specialising in investigations for local authorities reviewed the evidence, allegations and investigations that had taken place in relation to both BIG and ISUS. Following a tender process Grant Thornton were appointed to deliver this work. The ISUS reports, appendices and documents to accompany the reports were attached at Appendix 5, with the Executive Summary at Appendix 4. The BIG report was attached at Appendix 9, with the accompanying Executive Summary attached at Appendix 10.

Grant Thornton recommended that the Council consider referring the findings of its report into ISUS to the Police. As the provider was the same for the BIG scheme, the Council made the decision to also refer the BIG report to the Police for their consideration, in the interests of openness and transparency. The Police, after reviewing both reports, subsequently wrote to the Council advising that no action was to be taken following receipt of Grant Thornton's draft reports. The Police letter was attached as Appendix 6.

Given that ISUS utilised North West Development Agency (NWD) Funding, the ISUS report was initially referred by the Council to the Department for

Business, Innovation and Skills ('BIS') and thereafter to the Department for Communities and Local Government ('DCLG') for consideration following the abolition of the NWDA.

To assist the Committee, a further two summary reports had been produced (Appendices 7 and 8) by the Council, each of which provided a summary of events and background from the period when the matters were first raised with the Council to the point at which Grant Thornton provided its finalised reports.

The Chair invited Mr N Hobro to address the Committee for up to 15 minutes.

Mr Hobro stated that the Chief Executive had said how small an affair this is. It was two years since Mr Garry's report was suppressed and three years since he himself had raised his objections.

He had brought a Bible and was prepared to put himself on oath. He would not criticise Councillors but rather officers. He believed that Councillors had continually been misled by officers. He then referred to a former employee and his voluntary severance details, at which point, the Head of Legal and Member Services advised him not to raise unnecessary personal information and to direct his comments to the issues to be considered.

He described himself as presenting the case for the 'prosecution'. He then gave examples of what he believed were weaknesses in the 'defence'. Referring to pages 459 and 460 of the document bundle he said it was an absurd statement to say in paragraph 4.2, 'the only major finding was a £500 repeated entry in one company's accounts.' Of the six applications investigated two of the companies or successor companies had gone into liquidation. It was bound to have a positive effect giving out up to £20,000 but were the businesses appropriate ones to give to as all six had anomalies.

He suggested that it was outrageous that the former Chief Internal Auditor's imperfect report into ISUS had taken 13 months to prepare 13 pages, whereas the Grant Thornton report of 375 pages had been produced in less than five months. The Chief Internal Auditor's report of 25 pages into BIG had taken 13 months whereas the Grant Thornton report of 115 pages had again taken less than five months.

He stated that the hundreds of pages of the Grant Thornton report made recommendations which were highly neutral and suggested that why would they risk anything for their £50,000 payment when they were potentially facing a lawsuit for billions of pounds by the Tchenguiz Brothers.

Three whistleblowers had met with Grant Thornton at their offices for six hours and subsequently met with two investigators for six hours at ISUS(1)'s house. The Grant Thornton report didn't say Council officers were negligent or

incompetent. Mr Hobro handed out a paper to the Committee which questioned the integrity of officers and listed a number of suggested untruths which had appeared in the Chief Internal Auditor's report.

The Head of Legal and Member Services noted that the document referred to some companies by name but Mr Hobro stated that Lockwoods Engineering no longer existed.

Referring to page 19 and 20 of the document bundle, Mr Hobro questioned the comment, 'There was no evidence of deception...' and suggested that the numbers which were not redacted in the BIG report on page 521 were, 'completely and utterly untrue'.

At this point in the meeting, the Chair informed Mr Hobro that he had had 20 minutes and would he like to start winding up.

Mr Hobro then said to the Chair, 'I hold you in contempt'.

Referring to page 25 of the document bundle, Mr Hobro asked why the Head of Regeneration had agreed the transfer of £30,000 of assets from an insolvent company to a successor company. Referring to the former Chief Internal Auditor's report, he held up a copy of the 35 pages with numerous colour coded inserts which he stated marked misleading or untruthful statements.

Mr Hobro referred to an impact statement ISUS (1) who had lost a substantial amount of money in his business because he received the wrong advice from Council officers that his licence to occupy would be converted into a lease. He invested £35,000 into a franchise which he couldn't sell and Wirral Biz had charged him £1,444 for two and half hours work. In respect of ISUS (2) they had collected a County Court judgement bill of £22,000 because of the wrong advice received.

He also referred to ISUS (3), a 16 year old who had been advised under the Working Wirral Programme and opened a 'boutique sweet shop' in Birkenhead Market with a predicted turnover of £100,000. She had borrowed £10,000 from her aunt and lost it. A County Court judgement had been made against her for failing to file accounts promised under the Wirral Biz scheme.

Mr Hobro queried what employee of an outsourced company would tell the Council about fraud. He rebuked the officers for their loss of control, loss of the CRM databases and negligence in the BIG and ISUS affair and stated that it had taken two extra years to get to this point.

The Chief Executive then addressed the Committee. Having taken up his post with the Council in September, 2012 he stated that if investigations had found

any wrongdoing then he could say that it would not have been on 'his watch'. He was, however, convinced that the Council and officers had acted honourably. A statement was then circulated to the Committee and members of the public present from the Chief Executive which read as follows:

- "Committee has been provided with key documents relating to the ISUS and BIG schemes following various allegations being raised initially in June 2011.

Approach

- We have followed an open and transparent process and you will have noted that external auditors, Government Departments and the Police have all been engaged to ensure the issues and concerns that have been raised are scrutinised.
- This approach has afforded the complainants to speak openly and freely with these independent bodies and share with them ALL the evidence they have which they believe supports or otherwise proves their allegations.
- The concerns raised by the complainants were initially raised by one of them directly with the Director of Regeneration, who referred them to NWDA who commissioned A4E to undertake an audit into ISUS.
- A4E reported no concerns or issues with the operation of ISUS.
- The Director of Regeneration on 5 July 2011 nonetheless reported the concerns raised to the Head of Legal & Member Services who referred them to Internal Audit on 12 August 2011 for investigation.

Summary of Schemes

BIG

- The BIG fund was a capital investment programme aimed at supporting companies who, during the economic downturn, had experienced problems in securing capital investment.
- It was hoped that, through the availability of this funding from the Council, this would encourage financial and other institutions to invest in Wirral businesses.
- The funding available ranged from £4,000 to a maximum of £20,000 per project.

- Businesses prepared a BIG application with the support of Enterprise Solutions (NW) Limited t/a Wirralbiz.
- A total of 49 businesses were supported through the BIG programme.

ISUS

- On 1st April 2009 the North West Development Agency (NWDA) introduced a Regional Business Start Programme called Intensive Start-Up Support (ISUS).
- The Managing Agents for ISUS was A4E who were appointed by NWDA.
- Every Council in the North West wishing to participate in ISUS was required to accept a Managing Agent that was either the same or similar to A4E.
- Funding was made available by the NWDA and European Regional Development Fund (ERDF) to support the ISUS programme.
- The programme was aimed at new and recently created businesses and was complemented by the business start up grant scheme that was funded by the Council and an additional services contract, (namely the Complimentary Services Contract) funded through the Working Neighbourhoods Fund.
- All payments made to Wirralbiz (Enterprise Solutions Limited) could only be made if approved by NWDA's Managing Agent – A4E.
- Before ISUS, Wirral Council already had its own business start programme, offering a wider range of support. In its tender, Wirral specified that it might wish to procure these additional services because of their proven benefits to the programme.
- This additional work was awarded to Enterprise Solutions (NW) Limited in December 2009.
- The scheme ran from October 1st 2009 to December 31st 2011.
- The recorded outputs from the ISUS scheme met the initial target set by NWDA by achieving 877 new business starts (initial target was 676). This fell slightly short of Wirral Council's target of 900 new business starts.

- The scheme created 1,095 new jobs, short of the NWDA target of 1,216.
 - For both these outputs it should be noted that the dissolution of the NWDA meant that the scheme did not run its full course.
 - At the end of 12 months of the scheme, 94% of new businesses were still trading, which surpassed the 93% target set by the NWDA.
- The concerns raised by the complainants were initially raised by one of them directly with the Director of Regeneration, who referred them to NWDA who commissioned A4E to undertake an audit into ISUS.
 - A4E reported no concerns or issues with the operation of ISUS.
 - The Director of Regeneration on 5 July 2011 nonetheless reported the concerns raised to the Head of Legal & Member Services who referred them to Internal Audit on 12 August 2011 for investigation.
 - Due to ill health the investigator was unable to complete the investigations into ISUS and BIG - she later then left the organisation.
 - The investigations were taken over by the then Chief Internal Auditor.
 - The complainants were afforded opportunities to meet both auditors.
 - The reports of the CIA into ISUS and BIG are contained within the Committee's papers.
 - These reports were reviewed by the then Interim Director of Resources and S.151 Officer, and in agreement with me, it was decided that both reports did not adequately address the concerns raised.
 - It was decided that the allegations raised by the complainants needed to be referred externally for investigation.
 - In October 2012, following a tender exercise, Grant Thornton was appointed to undertake investigations into both ISUS and BIG.
 - The complainants were afforded the opportunity to meet Grant Thornton and detail their allegations and share any evidence in support.
 - The redacted reports detailing their findings and conclusions, including Executive Summaries, of Grant Thornton are included in the

Committee papers. The redaction is necessary to protect commercially sensitive information.

Police Referral

- Given the nature of the allegations that had been made and the recommendations of Grant Thornton, the Council referred the allegations of fraud in connection with BIG to Merseyside Police.
- However, the Council took it upon itself to also refer ISUS to the Police for consideration and investigation as they considered appropriate.
- The complainants were afforded the opportunity to meet with the Police and share their concerns and any relevant evidence.
- The Police having conducted a proportionate investigation in order to identify criminal activity and to assess the viability of prosecuting anyone responsible.
- The investigation revealed “no clear evidence of criminality”.
- The Police concluded that in the absence of further evidence no action would be taken.

BIS Referral

- Whilst the Council was under no obligation to do so, it referred the allegations and concerns raised in connection with ISUS to the Department for Business, Innovation and Skills - the successor to the North West Development Agency.
- BIS should be in receipt of ALL relevant evidence, information etc relating to ISUS and therefore able to address and consider any evidential matters.
- The concerns / allegations were subsequently referred to the Government’s Cross Departmental Internal Audit Services who have been tasked with investigating the allegations.
- The complainants have had many opportunities to share and disclose any evidence that they have to BIS. The complainants have taken up those opportunities.
- A draft report is currently going through their internal quality control process. This will in due course be issued to the DCLG Managing Authority who will be responsible for making the final decision on circulation of the report.

- If and once the report is received, it will be referred to the Council's Audit and Risk management Committee for consideration.
- If the complainants or anyone else have any other information, evidence or supporting documents which they have not disclosed to the Police or BIS in connection with the allegation and concerns raised, they should do so immediately.

Officers involved in ISUS and BIG are also in attendance to explain further the operation of both schemes and answer any questions of the Committee.”

The Chief Executive expressed dismay that officers' professional roles had been traduced in social media over the last two years. He stated that officers had acted both professionally and properly on every occasion and this was now an opportunity to recognise the work of officers in helping with the creation of over 1,000 jobs. If he had been involved in the scheme he would have been proud from the start.

David Ball, Head of Regeneration and Planning, outlined for the Committee the operation of the ISUS programme which had become operational in Wirral on 1 October, 2009, including the role of A4E (appointed by the NWDA) which would check and sample up to 10 per cent of evidence sent to the Council's Finance officer.

Kevin Adderley, Strategic Director of Regeneration and Environment, reported that with regard to the 49 businesses supported through BIG, three had since gone insolvent but 619 people were, as of July, employed by the 46 companies. He outlined the process for BIG grant applications including their assessment by an independent panel prior to submission for approval by the then Director of Corporate Services and Cabinet Member for Regeneration. This process continued until October 2010 and he was proud to have been associated with the scheme.

Councillor Hale remarked that there had been similar schemes in the early 1980s through the Merseyside Development Agency when there was a great need on Merseyside and Wirral to create jobs. Local Authorities encouraged schemes of this sort and it was inherent that there would be some business failings but it was remarkable how few there had been compared with the failure rates in the 1980s and 1990s. Officers involved in the BIG and ISUS schemes seem to have done a very good job.

Turning to the role of the Committee in this matter, Councillor Hale suggested that this was to look at the allegations made, the procedure and way they were investigated rather than as a second investigation. Given the success of the two schemes he was baffled by the remarks and innuendos made in this matter. The former Head of Internal Audit's report was not lengthy but this had

been picked up by the former interim Director of Finance. He thanked Grant Thornton for their work.

Councillor Hale stated that he could not find anything in the Grant Thornton report which laid any criticism on the staff involved. With regard to BIG the issues had been fully answered and if officers still felt there were lessons to be learnt then all well and good. In respect of ISUS, Grant Thornton had some misgivings on some of the matters. He would be happy to receive a report back once the DCLG had reported back to the Council.

Councillor Hale said that he regretted that the hard work done to help people into work had been tainted in this way with the sort of language used. Mr Hobro should apologise for some of the inferences he has made because he (Councillor Hale) was happy to accept the Chief Executive's report.

Councillor Kelly commented that the Chief Executive had emphasised that he was satisfied with the honesty and integrity of officers, there was no conspiracy here but rather an issue of process. By its nature the Council was a bureaucracy and the process had broken down at various points in the system. When the Chief Executive took up his post Internal Audit was not fit for purpose. The test was whether officers had acted with honesty and integrity. With regard to ISUS Grant Thornton had raised some concerns and he drew the Committee's attention to a number of these within the document bundle where there had been a breakdown in process.

Councillor Kelly referred to the Grant Thornton recommendation suggesting the matter be referred to the Information Commissioner, 'given the possible breaches of the Data Protection Act' and also to the Council considering possible civil action. He suggested that the Council needed to accept that the way in which the Council had dealt with whistleblowers was not fit for purpose. He shared the frustration of the whistleblowers and felt that the process had let them down. There were issues to be addressed, maybe at a later date after receipt of the BIS report. He stated that Enterprise Solutions had behaved appallingly.

The Chief Executive thanked Councillor Hale for his comments and agreed that the Committee needed to ensure adequate process and checks and balances were in place. Councillor Kelly was right, there had been very damaging statements made through social media and that was why he had highlighted the integrity and honesty of officers. He remarked that he expected similar flaws would have been found if one had looked at other Authorities in such detail but lessons were being learnt.

He had also been reassured by the Annual Governance Statement and Value for Money statements and was delighted to see a massive improvement in the Council's governance. When the BIS report was received he would give the

full details of this along with how the Grant Thornton recommendations were being responded to in a report to a future meeting.

Responding to comments from the Committee both Kevin Adderley and David Ball acknowledged that there were lessons to be learnt. The ISUS contract had been one of the most complex contracts to manage.

Councillor Abbey expressed agreement with the comments made by both Councillor Hale and Kelly. He was reassured by the Chief Executive, although mistakes had been made, everything was now in the public domain. He asked that a full report be brought to the Committee giving details of the actions put in place to make sure these mistakes didn't happen again. There was also a need to ensure people were never dissuaded from whistleblowing. He stated that he trusted the Council's officers with the advice they gave to elected Members.

Councillor Doughty expressed his understanding of the frustration felt by whistleblowers; public bodies and quangos could be notoriously inefficient in the distribution of funds. All the facts were now before the Committee in a transparent and accountable manner. Officers had been diligent in carrying out their duties. He didn't think it was the place of public bodies and officers to advise how to run a small start up business, this was a difficult thing to ask officers to do. There was no evidence officers had not acted with integrity and honesty and he was happy to support the recommendations.

Responding to further questions, the Chief Executive stated that with regard to potential civil action there was a need to look carefully at the strength of any case and the Head of Legal and Member Services would be able to brief Members on this at a future meeting when the further report was brought back.

Kevin Adderley stated that the Council had provided BIS with every document they had been asked for although some Customer Relations Management information was held by Enterprise Solutions.

The Head of Legal and Member Services stated that BIS was now in possession of all the relevant information. Their report was currently going through their internal approvals process and the DCLG Monitoring body was yet to consider the report and they were unable, as yet, to share any timetable for the release of the report.

On a motion by the Chair, duly seconded, it was -

Resolved (unanimously) – That the Committee,

(1) Notes the report;

- (2) Accepts the findings reported by Grant Thornton and Merseyside Police into the allegations made in respect of BIG and ISUS grant programmes; and**
 - (3) Subject to the response of the Department for Communities and Local Government ('DCLG'), the Chief Executive shall undertake all necessary steps to address any points/issues raised by DCLG and report back to this Committee.**
 - (4) That the report from the Chief Executive referred to at (3) above (or in a separate report if necessary) shall also include the response of the Council to the Grant Thornton recommendations as set out in their reports into the ISUS and BIG programmes and how they are being and / or have been addressed.**
-

The Annual Audit Letter for Wirral Council

Year ended 31 March 2014

October 2014

2013

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Agenda Item 3

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Appendices

- A Key issues and recommendations
- B Summary of reports and audit fees

Key messages

Our Annual Audit Letter summarises the key findings arising from the work that we have carried out at Wirral Council ('the Council') for the year ended 31 March 2014.

The Letter is intended to communicate key messages to the Council and external stakeholders, including members of the public. Our annual work programme, which includes nationally prescribed and locally determined work, has been undertaken in accordance with the Audit Plan that we issued in May 2014 and was conducted in accordance with the Audit Commission's Code of Audit Practice, International Standards on Auditing (UK and Ireland) and other guidance issued by the Audit Commission.

<p>Financial statements audit (including audit opinion)</p> <p>Page 25</p>	<p>We reported our findings arising from the audit of the financial statements in our Audit Findings Report on 17 September 2014 to the Audit and Risk Management Committee. The key messages reported were:</p> <ul style="list-style-type: none"> • No significant issues were identified from our audit of the 2013/14 draft financial statements; • The accounts were well prepared with few errors and the Council provided working papers in support of the draft statements; • Further working papers were produced as required during the audit.; and • Finance staff were available throughout the audit to answer our questions promptly and provided additional information in a timely manner. <p>We issued an unqualified opinion on the Council's 2013/14 financial statements on 29 September 2014, meeting the deadline set by the Department for Communities and Local Government. Our opinion confirms that the financial statements give a true and fair view of the Council's financial position and of the income and expenditure recorded by the Council.</p>
<p>Value for Money (VfM) conclusion</p>	<p>We issued an unqualified VfM conclusion for 2013/14 on 29 September 2014.</p> <p>On the basis of our work, and having regard to the guidance on the specified criteria published by the Audit Commission, we are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2014. We issued a separate report on Value for Money that was presented to the Audit and Risk Management Committee on 17 September 2014.</p>

Key messages

Whole of Government Accounts	We reviewed the consolidation pack which the Council prepared to support the production of Whole of Government Accounts. We reported that the Council's pack was consistent with the audited financial statements.
Certification of grant claims and returns	Our work on the certification of the grant claim within the scope of the Audit Commission regime is on going. The detailed findings of our work will be reported to the Audit and Risk Management Committee on completion of our work.
Audit fee	Our audit fee for 2013/14 was £213, 150 excluding VAT with further detail included at Appendix B.

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2013/14 audit that were set out in the report on Value for Money

Area for consideration	Recommendation	Responsibility	Timescale	Management response
Key indicators of performance	Continued action is required to address the issue of historic arrears and the Council needs to ensure that the management of current debt is also robust.	Malcolm Flanagan	On-going throughout 2014/15 but effectiveness will be determined by outturn for 2014/15 in June 2015	For 2014/15 the cumulative position will be monitored against both original targeted debt and in addition newer debt will be examined to enhance the process of assessing progress. Newly created debt, (newly invoiced) will be under scrutiny in 2014/15 as well. It is therefore anticipated collection levels in respect of 2014/2015 will exceed those in respect of the previous year.
Page 27	The Council need to closely monitor sickness absence rates and take appropriate action to work toward achieving the target of 8 days.	Chris Hyams	On-going throughout 2014/15	Sickness levels will be closely monitored through the enhanced self serve system. All managers have access to the system that contains employee related information.
	Strategic Financial Planning	Ensure that key plans and strategies, including the Corporate Plan and MTFS are updated to reflect the outcome of the Future Council Programme.	Vivienne Quayle	March 2015
	The Council should develop savings plans for each of the three years covered by the MTFS and set these out within the strategy.	Vivienne Quayle supported by Senior Management	March 2015	The Medium Term Financial Strategy will be considered by Cabinet 10 February 2015. This will be revised to reflect Future Council proposals for savings and new ways of working. The MTFS will contain details of savings plans for future years.

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2013/14 audit that were set out in the report on Value for Money

Area for consideration	Recommendation	Responsibility	Timescale	Management response
Financial Governance	As the need for robust governance in local government continues to grow, the Council should ensure it provides support to Members and Officers with responsibility for managing budgets.	Graham Burgess	March 2015	Members and CESG will receive updates through monthly monitoring and reviews of the future financial position for the Council. Further support to Members is available on an ad-hoc basis with briefings and training being arranged. For all officers support is in the form of the various approaches to monitoring and the provision of budget monitoring information in a variety of ways. This ranges from reports to one to one meetings plus technical support and advice.
Financial Control	Ensure that the staffing levels within finance are appropriate to allow the Council to address the financial challenges that it faces and to support the delivery of the Future Council Programme.	Vivienne Quayle	March 2015	Levels of finance staff will be kept under review as new structures across the Council develop. A new structure for Financial Services is proposed.

Appendix A: Key issues and recommendations

This appendix summarised the significant recommendations identified during the 2013/14 audit that were set out in the report on Value for Money

Area for consideration	Recommendation	Responsibility	Timescale	Management response
Financial Control	The Council should continue to closely monitor budgets to identify variances at an early stage and ensure appropriate corrective action is taken.	Vivienne Quayle supported by Senior Management	On-going throughout 2014/15 but effectiveness will be determined by outturn for 2014/15 in June 2015	<p>The Council will continue to:</p> <ul style="list-style-type: none"> • Report frequently (each month); • Report to CESC and Cabinet; • Report progress on savings separately from budget monitoring; • Use a risk based approach to savings, with BGAR ratings of all savings; • Adopt a project management approach to the delivery of savings; • Report alternative savings and actions that have been required due to slippage or non delivery of savings plans; and • Adopt a corporate approach to corrective action where budget variances occur.

Appendix B: Reports issued and fees

We confirm below the fee charged for the audit and **provision of non-audit services**.

Fees

	Per Audit plan £	Actual fees £
Council audit	211,680	Note 1 – 213,150
Grant certification	40,400	Note 2 - 38,229
Total audit fees	252,080	251,379

Note 1 - There is additional fee of £1,470 in respect of work on material business rates balances. This additional work was necessary as auditors are no longer required to carry out work to certify NDR3 claims. The additional fee is 50% of the average fee previously charged for NDR3 certifications for Metropolitan Councils and is subject to agreement by the Audit Commission.

Note 2 - At the time of setting the grant certification fee it was anticipated that we would be required to certify the following claims:

- Housing and Council Tax Benefit: The revised fee for grant certification covers a revised fee for this claim now that it no longer covers council tax benefit.
- Teachers' Pension Claim: This will no longer come under the Audit Commission regime and will be subject to a separate review with the fee being classed as 'Fees for other services'.

Fees for other services

Service	Fees £
Regional Growth Fund (RGF) - Audit Reports	1,950

Reports issued

Report	Date issued
Audit Plan	May 2014
Audit Findings Report	September 2014
Certification report	Not yet issued – January 2015
VfM – Findings Report	September 2014
Annual Audit Letter	October 2014



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WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

25 NOVEMBER 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 August to 31 October 2014. There are 5 items of note concerning audit work undertaken that are 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 operate an effective reporting mechanism for Members of the Audit and Risk Management Committee that summarises audit work completed and identifies issues raised on timely bi-monthly basis. This report supports these 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 August to 31 October 2014.

2.2. Items of Note

2.2.a Financial Systems

Work has been undertaken during the period to review and evaluate the effectiveness of controls in operation over a number of key financial systems as detailed below:

Payroll Central System
 Revenue Budget Cycles
 MPF Payroll
 Income / Debt Management – CYPD
 Cash Management

The findings of the work continue to provide positive assurances to managers and the external auditors that the control environments for these fundamental financial systems are sound and that risks are being effectively managed. A small number of areas for improvement have been discussed and a timescale for implementation agreed with management.

2.2.b Commissioning

During the period Internal Audit were requested by the Strategic Director, Transformation and Resources to undertake a review of payments that had been made by the Council to a service provider, examining the actual commissioning, expenditure, and compliance with the Council's operating rules.

Audit work is concluding and findings indicate that whilst there is no inference of impropriety against any Council officer there have been examples identified of inadequate control which needs to be corrected, and on a number of occasions the Council's Contract Procedure Rules have been breached which will require reporting to this Committee in due course. A draft report has been prepared for the Strategic Director and the senior management team identifying actions required to improve the control arrangements in place and progress made to address these issues including any further outcomes arising will be reported to this Committee.

2.2.c Performance Planning and Management

A review of the performance planning and management system has been undertaken. The review built on the previous recommendations and positive progress made in respect of performance management, and covered such risk areas as:

- Corporate guidance/procedures for: Business Planning (at corporate and directorate level); and Performance Management.
- Roles and responsibilities; and training for officers and members, particularly those directly involved in business planning and the performance management system.
- Defining and setting corporate and directorate priorities and associated measures and targets.
- The year-end assessment of the outcomes delivered through each of the Plans.
- Ensuring a comprehensive and effective performance management system is operating.

The review was used as an opportunity to trial a revised Internal Audit Report template. This includes a number of new features – principally a Review of Effectiveness section (to comment upon the effectiveness of the system in achieving its agreed objectives and providing value for money) and an Organisational Risk Opinion (which provides a view of the potential impact on the organisation if the recommendations are not implemented, and seeks to place the risks identified in a corporate context). A final version of the report, based upon the comments and feedback received as part of the pilot, will be

proposed and fully discussed with CESG and this Committee prior to its formal launch.

The organisational risk opinion provided for the audit was: Moderate - the likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to moderate risk.

There were no recommendations of high priority made in the review. However, medium and low priority recommendations were made in relation to the following:

- the need to update the Business Planning Framework in advance of the 2015/16 planning cycle (low)
- updating the performance management documents and reports on the intranet and internet pages to include the most relevant and up to date reports, and the need to roll out training to all relevant officers on the principles of performance management and planning (medium)
- the need for more comprehensive dissemination of the corporate and directorate plans and the key messages and targets – in particular utilising the performance appraisal system (medium)
- provision of more information so as to strengthen challenge and scrutiny of performance indicators proposed for discontinuation from one year to the next (low)
- the production of a comprehensive and timely year-end report (medium).

The report was met with an extremely positive response, and plans are in place to address the recommendations, so as to continue the recent positive progress made in this area.

2.2.d Fraud Awareness Week

Internal Audit is coordinating a week long fraud awareness campaign commencing on the 17 November 2014. It is a collaboration between the Internal Audit Counter Fraud Team, The Housing Benefit Investigation Team, Trading Standards, Insurance & Risk, HR and Publicity and other local Authority's. The aim of the week is to heighten the awareness of staff to the problem and scale of fraud in the public sector, to direct all staff to complete the Anti-Fraud and Corruption e-learning course and to encourage staff to report any suspicions of fraud that they may have. The event is scheduled to coincide with the International Fraud Awareness week and has also involved various collaborative initiatives with a number of other Mersey region Authorities to promote the event and raise awareness of fraud risks.

2.2.e Information Governance (IG)

The NHS Information Governance Toolkit return has now been submitted and we are awaiting assessment by the Health and Social Care Information Centre. The toolkit records and measures the Council's progress against 28 Information Governance criteria. Local Authorities are required to be at Level

2 (of 3) and Wirral’s submission either confirms Level 2 compliance or contains an Action Plan to achieve that level. The evidence and actions were reviewed by Internal Audit prior to the submission being made.

The Toolkit has been the catalyst for improving and embedding Information Governance throughout the Authority. Policies and procedures have been written and approved; information assets have been identified and recorded; and Information management and Governance responsibilities have been assigned. However, there is the risk that, as the impetus of the IG Toolkit project fades away, the focus on good Information Governance will decrease. Completion of the IGT submission relied heavily on dedicated temporary resource. The newly introduced processes, procedures and responsibilities can only be effective and become well-established if there is a consistent, committed approach to IG and the recognition that senior management must take the lead in ensuring best practice is enforced. The Information Governance Board is currently taking the lead in this area and must continue to ensure that effective operational practice remains in place.

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.	40	38
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 (20)	100 (25)
Percentage of internal audit reports issued within 10 days of the completion of fieldwork.	100	96

2.4.b There are currently no issues arising.

2.5 Internal Audit Developments

2.5.a Continuous Improvement

This 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 recently undertaken to evaluate the service against the new Public Sector Internal Audit Standards. A separate report on this was presented to the Committee at the previous meeting and an update is included at 2.5.b.

Some of the actions taken to date include

- The implementation of revised audit reporting arrangements incorporating opinions on systems, compliance and organisational impact; further developments are currently taking place in this area,
- 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.

2.5.b Public Sector Internal Auditing Standards (PSIAS) Developments

At the previous meeting of this Committee Members were presented with a report updating them on the outcome of the self assessment exercise undertaken to evaluate Internal Audits compliance with the new PSIAS standards and advising them of the work required to implement an external assessment process across the public sector. To update Members on progress since this meeting I include the following comments:

Detailed discussion took place at the recent North West Chief Audit Executives group where it was agreed that a 'task and finish' group would be set up to develop and formulate a system for undertaking the external quality assessments on a North West peer group basis as endorsed by the Chartered Institute of Internal Auditors and the Chartered Institute of Public Finance Accountants to ensure compliance with PSIAS. I will be a full member of this group actively contributing to the development and implementation of an effective system for the region within the 2018 timescale deadline. Regular updates on progress being made with this initiative will continue to be provided to this Committee.

I will also 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'.

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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.

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

<u>Summary</u>	Total	R	A
1. Completed Audits	20	0	20
2. Follow Up Audits Completed	7	0	7

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS

PERIOD: 01 JANUARY 2014 TO 31 OCTOBER 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
Capital Investment Programme 09/06/2014	Transformation & Resources (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	The minor procedural issues identified are being addressed by senior management.	A
The Learning Lighthouse 30/06/2014	Families & Wellbeing (F&W) [CYPD]	Limited	Minimum	Minor	1) 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. 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. (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. (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). (iv) All desirable equipment belonging to TLL should be security marked, where practicable. 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.	9 (3)	August 2014 Strategic Director of Families & Wellbeing	Nov 14	All recommendations to improve systems and address identified weaknesses have been agreed with senior manager and a very strong commitment has been demonstrated by them to address these issues within the agreed timescale. It is noted that a number of the required actions have been implemented ahead of the agreed schedule which is very encouraging.	A
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

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
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 number of recommendations have been implemented to date . A target date of 31 October 2014 has been set for the implementation of the remaining recommendations.	A
Corporate Complaints Procedure (DASS, Environment & Regulation, Business Processes) 08/08/2014	T&R [Business Processes]	Substantial	Substantial	Moderate	The audit resulted in 4 x Medium recommendations and 2 x Low recommendations.	6 (0)	December 2014 Strategic Director Transformation and Resources	Dec 14	Discussion currently ongoing with management regarding actions required in a changing work environment.	A
Procurement of Commissioned Care (Domiciliary Care and Reablement Services) 29/08/2014	F&W [DASS]	Substantial	Limited	Moderate	The audit resulted in 2 High, 3 Medium and 2 Low recommendations Arrangements must be put in place by the department to ensure that for all future procurement exercises it conducts, it is satisfied that the 'signing' element of the procurement process will be in accordance with Contract Procedure Rules. A final list of Tier 3 providers must be compiled ensuring a contract is in place for each organisation (liaising with Legal in the process). This list should then be disseminated and utilised by the Contracts Team and the Care Arranging Team. Procurement and Legal should be notified to ensure the Contracts Register is updated accordingly. The contract arrangements for those organisations who are not a Tier 1, 2 or 3 provider, but who are providing a service to Adult Social Services funded clients, must be clarified and resolved with Legal and Member Services.	7 (2)	October 2014 Strategic Director Families and Wellbeing	Dec 14	All recommendations agreed. The client acknowledged and supported the recommendations. Action will be taken, where applicable, to ensure implementation of the recommendations against the current contract. Where it is not possible to action against the current contract, implementation of the recommendation will be evidenced in future procurement exercises.	A
Cashiers Central System 28/08/2014	T&R [Business Processes]	Substantial	Substantial	Minor	The audit resulted in 1 x medium priority recommendation and 3 x low priority recommendations.	4 (0)	December 2014 Strategic Director Transformation and Resources	Dec 14	All recommendations agreed	A
Day to Day Responsive Repairs & Maintenance and Planned Preventative Maintenance. 10/09/2014	Universal & Infrastructure Services [Design Consultancy]	Maximum	Substantial	Minor	The audit resulted in 1 medium priority recommendation.	1 (0)	December 2014 Deputy Director CYPD and Assistant Chief Executive	Dec 14	Recommendation agreed,	A
Annual Governance Statement Review 19/09/14	T&R [Human Resources & OD]	N/A	N/A	N/A	The importance of performance appraisal (formerly KIE) should be emphasised to all managers and monitored through the corporate performance monitoring processes. Completion rates should be enhanced so as to encourage a culture of effective staff engagement, prioritisation and good practice.	1 (1)	October 2014 Strategic Director Transformation and Resources	Jan 15	Recommendation 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
Annual Governance Statement Review 19/09/14	T&R [Legal and Member Services]	N/A	N/A	N/A	i) The Code of Corporate Governance should be disseminated and made readily available to all staff. ii) Training and awareness sessions on the Code of Corporate Governance should be undertaken for officers and members. iii) Changes and updates to the documents and policies underpinning the Code of Corporate Governance should be captured in appropriately timed reviews, so that the Code remains relevant and up-to-date. Guidance should be produced or training provided so as to advise Members explicitly of their legal duties and responsibilities when undertaking additional duties, such as directorships or serving as trustees.	2 (2)	October 2014 Strategic Director Transformation and Resources	Jan 15	Recommendations agreed	A
Business Travel Arrangements - Redfern Travel 02/10/2014	T&R [Resources]	Limited	Maximum	Moderate	Responsibility for the management of the Redfern Travel contract should be established and assigned to nominated officers to lead on strategic issues, particularly the re-tendering of the contract which is due for renewal within the next 12 months.	1 (1)	Feb 2015 Joint Chair of the Commissioning & Procurement Board	Feb 15		A
Regional Growth Fund - Project Delivery 07/10/2014	Regeneration & Environment [Investment and Business]	Substantial	Substantial	Minor	3 low priority recommendations.	3 (0)	Jan 2015 Strategic Director Regeneration and Environment	Jan 15	Recommendations agreed.	A
Payroll Central System 08/10/2014	T&R [Human Resources and OD]	Maximum	Maximum	Minor	The audit resulted in 1 low priority recommendation.	1 (0)	Immediate Strategic Director Transformation and Resources	Nov 15	Recommendation agreed.	A
Self Service Administration 21/10/2014	T&R [Human Resources and OD]	N/A	N/A	Moderate	The appropriateness of allowing officers to authorise their own timesheets, especially the eight officers in Appendix B, should be determined, and amendments made as necessary. If there is no technical solution to the situation, the Information Asset Owner should a) update the Information Asset Risk Register and advise the Council's Senior Information Risk Owner, and determine a non-technical solution. b) ensure the production of exception reports, to be produced each pay cycle. Confirmation of the accuracy and appropriateness of the Council's hierarchy, ensuring appropriate segregation of duties, should be provided to the Information Asset Owner.	3 (3)	Nov 2014 Strategic Director Transformation and Resources	Nov-14	All recommendations agreed.	A
Resource Link – Access Controls 22/10/2014	T&R [Human Resources and OD]	Limited	Limited	Moderate	The Information Asset Owner for Resource Link should ensure that an ACP is documented, reflecting best practice guidance, and be disseminated to all users of the Resource Link system. A review of the continued appropriateness of user roles and profiles (i.e. user rights and permissions) should be carried out before the end of the financial year. User roles and profiles (i.e. user rights and permissions) should be reviewed in line with the regularity stated in the ACP, and evidence of the check retained. Part of this check should be obtaining clarification from line management of the accuracy of their establishment of users. The IAO should determine the necessary number of users with the Supervisor profile, and all inappropriate accounts should be provided with a new profile. The audit trail for system administration activity should be switched on. Complex password rules should be applied to all accounts in line with the Corporate standard. A maximum and minimum password duration should be determined and applied to all users.	14 (7)	TBC Strategic Director Transformation and Resources		Final report issued, awaiting client comments.	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
Revenue Budget Cycle 2014-15 20/10/2014	T&R [Finance]	Substantial	Substantial	Moderate	4 x Medium Priority Recommendations	4 (0)	April 2015 Strategic Director Transformation and Resources	Jul 15	A follow up review is scheduled for 2015/16	A
Performance Planning and Management 31/10/2014	Chief Executive [Policy, Performance and Public Health]	N/A	N/A	Moderate	3 Medium Priority Recommendations and 2 Low Priority Recommendations	5 (0)	February 2015 Director of Policy, Performance and Public Health	Apr 15	A follow up review is scheduled for 2015/16 (following the updates to the Corporate and Directorate Plans). Audit used to pilot revised Audit Report template - hence Control and Compliance opinions were not provided, but were replaced with an Organisational Risk Opinion. The details of the revised template will be shared with ARMC members and CESG once the pilot has been completed and the template finalised.	A
Protective Marking 30/10/2014	Authority wide	N/A	N/A	N/A	Briefing paper for Information Governance Board highlighting the need for classification and labelling of information assets.	0 (0)	To be presented to Nov 14 IGB	N/A		A

INTERNAL AUDIT OUTSTANDING AUDIT RECOMMENDATIONS

PERIOD: 01 JANUARY 2014 TO 31 OCTOBER 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
Youth Offending Team 21/01/2014 Aug 2013	Families & Wellbeing (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	Nov 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 2014	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

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
Council Tax Single Person Discount 29/07/2014 Oct 2013	T&R [Business Processes]	Minimum	N/A	Moderate	Original audit resulted in 1 high priority recommendation which was: The 1,309 matches remaining from the NFI exercise should be investigated.	1 (1)	December 2014 Strategic Director Transformation and Resources	Jan 15	The Council Tax Manager has appointed a firm to undertake the Single Person Discount review. The review is anticipated to be complete before the end of 2014	A
Governance Assurance Statement 2013/14 02/10/2014 Jan 2014	All Directorates	N/A	N/A	N/A	Original audit resulted in 1 high priority recommendation: The Directorate should ensure that governance systems and controls, particularly those key controls referred to in the Governance Assurance Statement, are embedded and working effectively on an ongoing basis, so that evidence of this is readily available. The Directorate should also consider how its approach to the Governance Assurance Statement process could be re-designed so that future Governance Assurance Statement reviews are completed and returned in accordance within specified timescales. This may involve having regular discussions of governance issues at Directorate Management Team meetings. Suggestions would be welcomed pertaining to how Internal Audit could improve the Governance Assurance Statement process so as to facilitate a timely response from Directorates. Follow-up work was undertaken in the areas of: Transformation and Resources; and Sport and Recreation within Families and Wellbeing.	1 (1)	March 2015 All Directorates	Apr 15	Follow-up work was undertaken in the areas of: Transformation and Resources; and Sport and Recreation within Families and Wellbeing. Transformation and Resources: Evidence was available to substantiate the effectiveness of the controls referred to in the Statement. Sport and Recreation: Further work is required to be undertaken to ensure evidence is available to support the controls referred to in the Statement. This will be assessed as part of the 2014/15 review.	A
Data Loss Prevention 30/10/2014 Feb 2015	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)	March 2015 Information Governance Board	Mar 15	The recommendations have been included in the briefing note to be taken to the Information Governance Board in November 2014, and the specific recommendations will be followed up in March 2015.	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 & RISK MANAGEMENT COMMITTEE

25 NOVEMBER 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 report updates Committee on the conclusion of the audit process for 2013/14 including the Value for Money Action Plan that has been developed since the Audit Findings Report was finalised with the Council's external auditors in September.

2.0 BACKGROUND AND KEY ISSUES

INTRODUCTION

- 2.1 The Council Constitution allocates responsibility for the approval of the Statement of Accounts to the Audit & Risk Management Committee. The draft Statement for 2013/14 was published on 30 June 2014 and was then subject to audit. Grant Thornton, the Councils' external auditors, presented their findings, within the Audit Findings Report (AFR) to this Committee on 17 September 2014. The Statement of Accounts 2013/14 was published on 30 September 2014 – the statutory deadline for publication – and included the Merseyside Pension Fund (MPF) accounts as Wirral Council is the Administering Authority for MPF.

AMENDMENTS TO THE STATEMENT OF ACCOUNTS

- 2.2 Following the Committee on 17 September minor amendments were requested to be made to the Statement of Accounts by Grant Thornton. These related to the cash flow statement and note 28(Amounts Reported for Resources Allocation Decisions). The meeting was informed of one amendment highlighted by the Auditor and detailed in the Audit Findings Report.
- 2.3 The final published Statement of Accounts also incorporated the Annual Governance Statement and Action Plan for 2013/14 approved at the Committee meeting on 17 September. A copy can be viewed on the Council's website - <http://www.wirral.gov.uk/my-services/council-and-democracy/budgets-and-spending/annual-accounts>

AUDITOR'S REPORT AND OPINION

- 2.4 Committee on 17 September 2014 considered the Audit Findings Report issued by Grant Thornton and, given that work was on-going; delegated to the Chair of the Committee and the Director of Resources authority to finalise the Statement of Accounts 2013/14.
- 2.5 The Audit Opinion was issued on 29 September 2014 and is appended. This stated that the financial statements give a true and fair view of the financial position of the Council at 31 March 2014 and of its expenditure and income for the year and that they have been properly prepared in accordance with the Code of Practice on Local Authority Accounting in the United Kingdom 2013/14.
- 2.6 Besides commenting on the Financial Statements Grant Thornton also commented on the Council's value for money arrangements. Grant Thornton reported an unqualified VFM conclusion for 2013/14. In 2012/13 an adverse conclusion on the Councils' arrangements for securing economy, efficiency and effectiveness was issued.
- 2.7 The Value for Money Report set out further details on the assessment. It also set out that while progress had been made since the previous year the scale of the financial challenge facing the Council meant that issues still needed to be tackled. Grant Thornton stated that having already delivered substantial financial savings, the Council faces a significant challenge to address this budget gap and to meet its statutory responsibilities.
- 2.8 The Audit Certificate issued to formally conclude the audit has been issued. The Whole of Government Accounts return was completed by the October deadline.

VALUE FOR MONEY ACTION PLAN

- 2.9 The Value for Money Report received contained a number of recommended actions which Grant Thornton believe will improve the Councils financial controls or give consideration to the key issues facing the Council in the future. These recommendations have been agreed and an Action Plan developed to bring improvements in the areas identified. This is detailed at appendix 2.

3.0 RELEVANT RISKS

- 3.1 Grant Thornton identified a number of concerns in their Value for Money Report. If not addressed by the Council through the Action Plan then there are potential risks that the Council will not be able to meet its value for money requirements and will also affect its financial resilience.

4.0 OTHER OPTIONS CONSIDERED

4.1 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.

5.0 CONSULTATION

5.1 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

7.1 The amendments to the Statement of Accounts 2013/14 did not change the level of General Fund balance or reserves 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 was 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 or formats.

10.0 CARBON REDUCTION 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 the Independent Auditors Report be noted.

12.2 That progress on delivering the actions identified in the Audit Findings Report Action Plan be reported to this Committee.

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.

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APPENDICES

- 1 Independent Auditor's Report issued by Grant Thornton 25/29 September 2014.
- 2 Audit Findings Report Action Plan

Note : Statement of Accounts 2013/14 - as the document is in excess of 180 pages it has not been appended but can be accessed via the Council web-site.

BACKGROUND PAPERS

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

REFERENCE MATERIAL / SUBJECT HISTORY

Council Meeting	Date
Audit & Risk Management Committee Grant Thornton Audit Findings Report - Merseyside Pension Fund Merseyside Pension Fund Accounts 2013/14 Grant Thornton Audit Findings Report - Wirral Council Statement of Accounts 2013/14 Grant Thornton Report on Value for Money	17 September 2014
Cabinet Statement of Accounts 2013/14	9 October 2014

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIRRAL COUNCIL

Opinion on the Authority financial statements

We have audited the financial statements of Wirral Council for the year ended 31 March 2014 under the Audit Commission Act 1998. The financial statements comprise the Movement in Reserves Statement, the Comprehensive Income and Expenditure Statement, the Balance Sheet, the Cash Flow Statement and Collection Fund 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 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 auditor

As explained more fully in the Statement of Responsibilities, the Director of Resources is responsible for the preparation of the Statement of Accounts, which includes the 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 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 Authority'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 explanatory foreword 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 financial statements

In our opinion the financial statements:

- give a true and fair view of the financial position of Wirral Council as at 31 March 2014 and of its expenditure and income for the year then ended; 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 explanatory foreword for the financial year for which the financial statements are prepared is consistent with the financial statements.

Matters on which we report by exception

We report to you if:

- in our opinion the annual governance statement does not reflect compliance with 'Delivering Good Governance in Local Government: a Framework' published by CIPFA/SOLACE in June 2007;
- we issue a report in the public interest under section 8 of the Audit Commission Act 1998;
- we designate under section 11 of the Audit Commission Act 1998 any recommendation as one that requires the Authority to consider it at a public meeting and to decide what action to take in response; or
- we exercise any other special powers of the auditor under the Audit Commission Act 1998.

We have nothing to report in these respects.

Conclusion on the Authority's arrangements for securing economy, efficiency and effectiveness in the use of resources

Respective responsibilities of the Authority and the auditor

The Authority is responsible for putting in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources, to ensure proper stewardship and governance, and to review regularly the adequacy and effectiveness of these arrangements.

We are required under Section 5 of the Audit Commission Act 1998 to satisfy ourselves that the Authority has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources. The Code of Audit Practice issued by the Audit Commission requires us to report to you our conclusion relating to proper arrangements, having regard to relevant criteria specified by the Audit Commission.

We report if significant matters have come to our attention which prevent us from concluding that the Authority has put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources. We are not required to consider, nor have we considered, whether all aspects of the Authority's

arrangements for securing economy, efficiency and effectiveness in its use of resources are operating effectively.

Scope of the review of arrangements for securing economy, efficiency and effectiveness in the use of resources

We have undertaken our audit in accordance with the Code of Audit Practice, having regard to the guidance on the specified criteria, published by the Audit Commission in October 2013, as to whether the Authority has proper arrangements for:

- securing financial resilience; and
- challenging how it secures economy, efficiency and effectiveness.

The Audit Commission has determined these two criteria as those necessary for us to consider under the Code of Audit Practice in satisfying ourselves whether the Authority put in place proper arrangements for securing economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

We planned our work in accordance with the Code of Audit Practice. Based on our risk assessment, we undertook such work as we considered necessary to form a view on whether, in all significant respects, the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources.

Conclusion

On the basis of our work, having regard to the guidance on the specified criteria published by the Audit Commission in October 2013, we are satisfied that, in all significant respects, Wirral Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ended 31 March 2014.

Certificate

We certify that we have completed the audit of the financial statements of Wirral Council in accordance with the requirements of the Audit Commission Act 1998 and the Code of Audit Practice issued by the Audit Commission.

Michael Thomas

Director
for and on behalf of Grant Thornton UK LLP, Appointed Auditor
Royal Liver Building
Liverpool
L3 1PS

29 September 2014

The signed version of this report is available from the Director of Resources for Wirral Council, PO Box no.2, Treasury Building, Cleveland Street, Birkenhead, Wirral CH41 6BU

INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF WIRRAL COUNCIL

Opinion on the Merseyside pension fund financial statements

We have audited the Merseyside pension fund financial statements of Wirral Council for the year ended 31 March 2014 under the Audit Commission Act 1998. The Merseyside 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 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 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 Merseyside 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 Merseyside 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 Merseyside pension fund financial statements

In our opinion the Merseyside 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.

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

Grant Thornton UK LLP
Royal Liver Building
Liverpool
L3 1PS

25 September 2014

The signed version of this report is available from the Director of Resources for Wirral Council, PO Box no.2, Treasury Building, Cleveland Street, Birkenhead, Wirral CH41 6BU

This appendix summarises the significant recommendations identified during the 2013/14 audit that were set out in the report on Value for Money.

Area for Consideration	Recommendation	Responsibility	Timescale	Management Response
<p>Key indicators of performance</p>	<p>Continued action is required to address the issue of historic arrears and the Council needs to ensure that the management of current debt is also robust.</p>	<p>Malcolm Flanagan</p>	<p>Ongoing throughout 2014/15 but effectiveness will be determined by outturn for 2014/15 in June 2015</p>	<p>For 2014/15 the cumulative position will be monitored against both original targeted debt and in addition newer debt will be examined to enhance the process of assessing progress. Newly created debt, (newly invoiced) will be under scrutiny in 2014/15 as well. It is therefore anticipated collection levels in respect of 2014/2015 will exceed those in respect of the previous year.</p>
	<p>The Council need to closely monitor sickness absence rates and take appropriate action to work toward achieving the target of 8 days.</p>	<p>Chris Hyams</p>	<p>Ongoing throughout 2014/15</p>	<p>Sickness levels will be closely monitored through the enhanced self serve system. All managers have access to the system that contains employee</p>

				<p>related information.</p> <p>Detailed action is as follows:</p> <ol style="list-style-type: none"> 1. Absence data and trigger reports available to all managers on their desktop via self serve. 2. Monthly People management reports to DMTs to include absence information. 3. Specific support to managers to manage long-term complex cases. 4. Evidence of the absence management policy being applied resulting in a number of cases of absence capability termination of employment. 5. The above action is within the positive attendance management policy with support for staff via the employee assistance programme, health and well being programme.
Strategic Financial Planning	Ensure that key plans and strategies, including	Vivienne Quayle	March 2015	A refreshed Corporate Plan will be considered

	<p>the Corporate Plan and MTFS are updated to reflect the outcome of the Future Council Programme.</p> <p>The Council should develop savings plans for each of the three years covered by the MTFS and set these out within the strategy.</p>	Vivienne Quayle supported by Senior Management	March 2015	<p>by Full Council on 8 December 2014. The main focus of the refresh will be to ensure that the Corporate Plan is updated to reflect organisational changes and the work of the Future Council programme.</p> <p>The Medium Term Financial Strategy will be considered by Cabinet 10 February 2015. This will be revised to reflect Future Council proposals for savings and new ways of working. The MTFS will contain details of savings plans for future years.</p>
Financial Governance	As the need for robust governance in local government continues to grow, the Council should ensure it provides support to Members and Officers with responsibility for managing budgets.	Graham Burgess	March 2015	<p>Members and CESG will receive updates through monthly monitoring and reviews of the future financial position for the Council.</p> <p>Further support to Members is available on an ad-hoc basis with briefings and training being arranged.</p>

				For all officers support is in the form of the various approaches to monitoring and the provision of budget monitoring information in a variety of ways. This ranges from reports to one to one meetings plus technical support and advice.
Financial Control	<p>Ensure that the staffing levels within finance are appropriate to allow the Council to address the financial challenges that it faces and to support the delivery of the Future Council Programme.</p> <p>The Council should continue to closely monitor budgets to identify variances at an early stage and ensure appropriate corrective action is taken.</p>	<p>Vivienne Quayle</p> <p>Vivienne Quayle supported by Senior Management</p>	<p>March 2015</p> <p>Ongoing throughout 2014/15 but effectiveness will be determined by outturn for 2014/15 in June 2015</p>	<p>Levels of finance staff will be kept under review as new structures across the Council develop. A new structure for Financial Services is proposed.</p> <p>The Council will continue to:</p> <ul style="list-style-type: none"> • Report frequently (each month). • Report to CESHG and Cabinet. • Report progress on savings separately from budget monitoring. • Use a risk based

				<p>approach to savings, with BGAR ratings of all savings.</p> <ul style="list-style-type: none">• Adopt a project management approach to the delivery of savings.• Report alternative savings and actions that have been required due to slippage or non delivery of savings plans.• Adopt a corporate approach to corrective action where budget variances occur.
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WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

25 NOVEMBER 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. Progress made since September 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 September in respect of those actions is summarised in the paragraphs below.

2.2.1 Annual renewal of Marine insurance policy

Renewal terms for the Marine insurance policy were agreed with the holding insurers. There was an increase of £183 (2%) over 2013/14 costs. This was entirely due to a rise in the value of the craft insured. In future the renewal date for this policy will be 30 June to bring it into line with the Property policy.

2.2.2 Risk management arrangements for programmes and projects

A review has begun of risk management in the governance arrangements for programmes and projects with a view to producing revised requirements and improved guidance for project managers and project teams.

2.2.3 Academy Schools insurance procurement

An individual portfolio of insurance was put in place for Townfield Primary School on its conversion to Academy status on 1 October 2014. Townfield is the 11th Academy School to enter into a risk and insurance consultancy agreement. The estimated fee income from this service will now be in excess of £40,000 for 2014/15.

2.2.4 Review of Corporate Risk Register

A further review of the register was undertaken by the Chief Executive Strategy Group on 27 October. This is the subject of a separate report to this meeting.

2.2.5 Future Council

The Risk & Insurance team has continued to provide direct support to the Future Council Operational Leads in the review and update of the Programme level risk register and in the production of a register of human resource risks associated with the programme.

2.2.6 Develop training and guidance for Members and officers

Further development work on the E-learning courses for staff and for managers has been undertaken. The objective remains to have the completed courses available by the end of December 2014.

2.2.7 Consider options to extend the Casualty (Liability) insurance contract

On 17 September this committee was advised that insurers had indicated for the 2015/16 casualty contract they would require a 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. I indicated that there was a risk that a procurement exercise could potentially result in an even greater premium and / or further reductions in cover. However I did not consider that the proposed changes were reflective of the stable performance within the liability account and that my officers were continuing to evaluate the benefits and risks of the extension to this contract.

Following a thorough examination of the merits of the account and a review of the commercial environment the holding insurers have reduced their proposed premium increase to £24,000 (14%). The increase in the self-insured aggregate exposure has also now been limited to £3.5m. The market for local government insurance risks is currently experiencing a period of rate correction and other authorities have faced increases of more than 100%. Given the risk that a procurement exercise could potentially result in an even greater premium and / or further reductions in cover I consider that in the current market the terms are probably the best available. As such I have accepted them.

The increase in external premium for liability risks in 2015/16 will be offset by a corresponding reduction in the contribution to the liability section of the Insurance Fund. So the overall cost of Liability insurance should be no greater

than in the current year. Analysis of payment patterns and developments in the costs of civil litigation enable this reduction to be made with reasonable confidence. The 2015/16 Insurance Fund budget report will be reported to this Committee in January 2015. It is envisaged that this report will forecast a slight budget saving to the General Fund over all classes of business.

2.2.8 Consider options for the administration of liability claims

As reported to this Committee on 17 September the outcome of a review into options for the future handling of liability claims concluded that a limited degree of increased self-handling of claims could be introduced using existing capacity and skills. This could generate an annual saving of around £30,000 for an investment of less than £7,500 per annum. The decision as to whether to proceed was linked to the potential extension of the Casualty insurance contract which has now been agreed. However I am not recommending that the self-handling of claims is introduced from renewal on 1 April 2015 because current uncertainty over the composition of the Risk & Insurance team and its future place in the organisational structure presents too great a risk to the success of such a change.

2.2.9 Local Government Association (LGA) / Cabinet Office Roundtable

Following the event in July, Alarm and the LGA agreed to work together to explore options to ensure that the local government insurance procurement process is reviewed and if necessary amended to remove any perceived barriers. This work is at an early stage but practical solutions to improve efficiency and competition within the market have already been identified. Wirral will continue to be at the forefront of developments in this area.

2.2.10 Refresh of the Corporate Risk Management Policy

At its meeting on 15 October the Corporate Governance Group considered the output from a recent benchmarking survey. This highlighted a number of priorities for improving the Council's risk management framework including learning from risk events, business continuity planning, defining the Council's risk appetite, risk management training and partnership risk arrangements. These will inform changes to the Risk Management Policy and key actions for 2015/16.

2.2.11 Insurance Fund Budget 2015/16

Estimates for 2015/16 have been produced and will be reported in detail to this Committee in January 2015.

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 In relation to the extension of the Casualty insurance contract an alternative would have to hold a procurement exercise. However as indicated above there was a significant likelihood that this could result in an even greater premium and / or further reductions in cover.

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 increase of £24,000 in liability insurance costs for the contract extension will be offset by a reduction in the contribution to the liability section of the Insurance Fund.

8.3 The existing claims management software is scheduled for an upgrade and this process would be brought forward to facilitate any potential future move to self-handling of liability claims. This process would be managed by the software providers and would not necessitate significant 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.

14.0 REASON FOR RECOMMENDATIONS

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.

REPORT AUTHOR: Mike Lane
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BACKGROUND PAPERS/REFERENCE MATERIAL

Correspondence with insurers

Report of the Risk and Insurance Officer (Corporate Risk Register) – 23 October 2014

BRIEFING NOTES HISTORY

Briefing Note	Date

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	
Corporate Risk & Insurance Management	17 September 2014
Corporate Risk & Insurance Management	23 June 2014
Corporate Risk & Insurance Management	18 March 2014
Corporate Risk & Insurance Management	28 January 2014
Corporate Risk & Insurance Management	25 November 2013

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WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

25 NOVEMBER 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 Two 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 and progress in tackling the existing corporate risks.
- 2.3.2 In line with its new terms of reference the Corporate Governance Group considered a draft of the Risk & Insurance Officer's report at its meeting on 15 October. The Group indicated that four matters were significant enough to warrant escalation to CESG. These were incorporated into an updated version.

2.3.3 CESG undertook the quarter two review at its meeting on 27 October 2014.

2.4 Report to CESG

2.4.1 Two risks in directorate registers were considered.

(i) **Potential over spend within the children's area of the Families & Wellbeing Directorate.**

The likelihood for this risk had been increased sharply in quarter two. However the scale of the potential over spend (£0.5m) together with the existing and further planned controls meant that the risk did not warrant addition to the Corporate Register.

(ii) **Withdrawal of support for the content management system within the Council's web-site in early 2015 could affect the site's security and effectiveness.**

The potential impact of this risk made it of corporate significance in the short term. Following a request for action plans are being developed for an early upgrade to the web-site.

2.4.2 Two potential new risks that are not reflected in directorate registers were also considered.

(i) **The forthcoming retirement of the existing Chief Executive could create a short term capacity problem and uncertainty about the Council's future strategic direction.**

Whilst this risk was added to the Corporate Risk Register it was recognised that there are significant controls in place to mitigate it.

(ii) **Capacity pressures with the Procurement Team could prevent the Council from delivering compliant procurement.**

This was recognised as a corporate risk and short term actions were agreed pending the conclusion of the consultation on the restructure.

2.4.3 An updated version of the information presented to this Committee on 17 September concerning the status of actions being taken to mitigate the existing corporate risks was reviewed. Most actions are progressing as planned and no change to the scores for the risks was warranted.

2.5 Next Steps

2.5.1 Updated information on progress in addressing the existing corporate risks will be collated to support the quarter 3 review of the Register.

2.5.2 Directorates will be asked to provide more detailed information on their most critical risks for consideration by the Corporate Governance Group.

2.5.3 The Quarter three review is expected to take place in January 2015.

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 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.

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APPENDIX

Corporate Risks – 27 October 2014

BACKGROUND PAPERS/REFERENCE MATERIAL

Reports of the Risk and Insurance Officer – 23 October 2014
Agenda and minutes from the Chief Executive Strategy Group

SUBJECT HISTORY

Council Meeting	Date
Audit & Risk Management Committee	17 September 2014
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

Wirral Metropolitan Borough Council

Analysis of Corporate Risks by Category (Following Q2 review on 27 October 2014)

Internal

Category	Number	Descriptions	Risk Score
Financial	2	Failure to deliver within budgets (F11)	12
		Major fraud or corruption (F12)	6
Governance	8	Failure to remodel the Council (GO1)	8
		Failure to establish governance arrangements that support change (GO2)	6
		Internal policies & procedures could delay change (GO3)	6
		Failure to identify potential changes to government policy early enough to influence and respond (GO4)	6
		Failure to maintain a focus on economic growth (GO5)	8
		Failure to punch above our weight (GO6)	4
		Use of untried / untested models (GO7)	12
		The retirement of the Chief Executive could create a short term capacity problem and uncertainty about the Council's future strategic direction (GO8)	To be scored
People	5	Scale and pace of change could exceed organisational capacity (PE1)	12
		Skills within the Council could be insufficient (PE3)	8
		Failure to ensure that the culture of the organisation supports the future operating model (PE4)	9
		A failure in health and safety management (PE5)	8
		Failure to ensure sufficient capacity and technical knowledge to deliver effective and compliant commissioning and procurement (PE6)	12
Data and Information	3	Quality and availability of data & intelligence (DA1)	9
		A failure in information governance (DA2)	8
		Withdrawal of support for the content management system could affect the security and effectiveness of the Council's web-site (DA3)	12
Partnership / Contractual	2	Failure to ensure resilience and cohesion in key partnerships (PA2)	9
		Failure of a major provider (PA4)	12
Customer / Citizen	1	Inadequate safeguarding arrangements (CU1)	15
Physical	3	A major physical incident compromises the delivery of essential services (PH1)	8
		New IT systems/hardware not implemented in time (PH2)	9
		Sustained catastrophic failure in IT systems (PH3)	10
Total number	24		

External

Category	Number	Descriptions	Score
Economic	1	Welfare Reforms (EC2)	16
Social	3	Increasing demand for socially provided care (SO1)	16
		Poor lifestyle choices adversely affect public health (SO2)	12
		Failure to equip the community to be more self-reliant (SO3)	9
Technological	1	Technological advance leads to digital exclusion (TE1)	12
Environmental	1	Growing incidence of extreme weather events (EN2)	12
Legal / Regulatory	1	Growth of academies / free schools (LE1)	9
Total number	7		

Corporate Risks Plotted on Existing Corporate Scoring Model

		Impact				
		Very Low (1)	Low (2)	Medium (3)	High (4)	Very High (5)
Likelihood	Very High (5)	5	10	15	20	25
	High (4)	4	8	12 PE6	16 EC2, SO1	20
	Medium (3)	3	6	9 PE4, DA1, PA2, PH2, SO3	12 FI1, GO7, PE1, PA4, SO2, TE1, EN2, DA3	15 CU1
	Low (2)	2	4 GO3, GO6	6 FI2, GO2, GO4, LE1	8 GO1, GO5, PE3, PE5, DA2, PH1	10 PH3
	Very Low (1)	1	2	3	4	5

Corporate Risks 2014-15 (As at 27 October 2014)

Internal

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		

Financial

Failure to deliver within immediate and long term budgets (F11)	Strategic Director Trans & Resources	Political impact Damage to reputation Potential government intervention Storing up greater problems for the future Drain on reserves Fiduciary duty not met (S114)	<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 Budget tracker introduced and oversight exercised by budget tracking board 	4	3	12	<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 Future Council 	<ul style="list-style-type: none"> Strategic Director – Families & Wellbeing (March 2015) Strategic Director – Families & Wellbeing (March 2015) Strategic Director – Families & Wellbeing (Ongoing) Strategic Director – Families & Wellbeing (March 2015) Strategic Director – Families & Wellbeing (March 2015) Strategic Director Transformation & Resources
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Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				3	2	6		
Major fraud or corruption (FI2)	Strategic Director Transformation & Resources	Significant financial cost (depends on nature of incident(s), damage to reputation)	<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 	3	2	6	<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 Seek DCLG funding to establish a 'Mersey Region Fraud Hub' 	<ul style="list-style-type: none"> Director of Resources Director of Resources (October / November 2014) Director of Resources (tbc) Director of Resources (October / November 2014) All Strategic Directors (March 2015) Strategic Director Transformation & Resources (March 2015) Director of Resources (tbc)

			<p>programme</p> <ul style="list-style-type: none">• Use of declarations and fair processing notices• Disciplinary procedures					
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Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
Governance								
Failure to remodel the Council to meet its future challenges (GO1)	Chief Executive	Services might not be delivered to required standards. Needs could go unmet Potential government intervention Damage to reputation	<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 	4	2	8	<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 	<ul style="list-style-type: none"> • Director of Resources • Head of Universal & Infrastructure Services • Strategic Director – Families & Wellbeing (March 2015) • Strategic Director Transformation & Resources - ongoing
Internal policies and procedures could delay change (GO3)	Chief Executive	Possible slippage in key projects (financial impact) Impact on partners and suppliers (e.g. procurement) Agility could be restricted	<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 	2	2	4	<ul style="list-style-type: none"> • Further embed the new Constitution • Monitor compliance with revised financial regulations and new Contract Procedure rules 	<ul style="list-style-type: none"> • Strategic Director Transformation & Resources • Director of Resources (Internal Audit)

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
<p>Failure to establish governance arrangements that support wholesale change and enable difficult decisions to be taken</p> <p>(GO2)</p>	Chief Executive	Services could not be delivered to required standards. Needs could go unmet Council does not improve - reputation	<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 New Corporate Governance Group formalised 	3	2	6	<ul style="list-style-type: none"> Further embed the new Constitution Joint Cabinet / CSG sessions 	<ul style="list-style-type: none"> Head of Legal & Democratic Services Chief Executive (ongoing)

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Failure to identify potential changes to government policy and legislation early enough to influence and respond (GO4)	Chief Executive Strategy Group	Opportunities could be missed. Council might be slow to react (e.g. IER)	<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 CSG agenda 	3	2	6	<ul style="list-style-type: none"> • Increased visibility of political and executive leaders with national government 	

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
<p>Failure to maintain a focus on economic growth</p> <p>(G05)</p>	Strategic Director Regeneration & Environment	<p>Wirral would potentially miss key opportunities for economic growth. Less positive reputation with Government, investors and partners. Insufficient suitable sites for employment and housing. Multiple negative impacts on the community.</p>	<ul style="list-style-type: none"> Investment Strategy Investment Strategy Board Priority within Corporate Plan 	4	2	8	<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 	<ul style="list-style-type: none"> Strategic Director Regeneration & Environment Strategic Director Regeneration & Environment Strategic Director Regeneration & Environment Strategic Director Regeneration & Environment Strategic Director Regeneration & Environment Strategic Director Regeneration & Environment Strategic Director Regeneration & Environment Head of Neighbourhoods and Engagement

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
A failure to maximise our influence with key stakeholders limits our ability to capitalise on opportunities (GO6)	Chief Executive	Opportunities (government and private sector) might be missed.	<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 	2	2	4		
Use of untried / untested models (mutuals, social enterprises, shared services) (GO7)	Strategic Director Trans & Resources	Possible service failures Needs could go unmet Damage to reputation Increased costs	<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) 	4	3	12	<ul style="list-style-type: none"> Embed a strategic approach to commissioning 	<ul style="list-style-type: none"> Strategic Director – Families & Wellbeing (March 2015)

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
The retirement of the Chief Executive could create a short term capacity problem and uncertainty about the Council's future strategic direction (GO8)		Short term capacity problem Uncertainty about the Council's strategic direction	<ul style="list-style-type: none"> • Strategic Directors and Assistant Chief Executive remain in post • CESG operate as a management unit • Business continuity plan 				<ul style="list-style-type: none"> • Progress recruitment of new Chief Executive • Invoke temporary arrangements • Ensure key budget decisions are taken promptly • Use capacity of strategic directors 	<ul style="list-style-type: none"> • CESG and Cabinet • CESG • CESG and Cabinet • CESG

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		

People

<p>The scale and pace of change required could exceed our organisational capacity – especially in key areas</p> <p>(PE1)</p>	Strategic Director - Trans & Resources	<p>Failure to remodel the organisation</p> <p>Possible delay to critical projects</p> <p>Behavioural change might be difficult to achieve</p> <p>Damage to reputation</p> <p>Political impact</p>	<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) 	4	3	12	<ul style="list-style-type: none"> • Project leads to establish detailed resource plan for each element / stage of Future Council programme 	
<p>Skills within the Council could be insufficient to support our future operating model</p> <p>(PE3)</p>	Strategic Director - Trans & Resources	<p>Possible service failures.</p> <p>Benefits from re-modelling might not be realised.</p> <p>Lack of ownership.</p>	<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 	4	2	8	<ul style="list-style-type: none"> • Continue Leadership Development Programme • Continue Management Development Programme • Roll out Performance Appraisals to all staff 	<ul style="list-style-type: none"> • Strategic Director Transformation & Resources (ongoing) • Strategic Director Transformation & Resources (ongoing) • Strategic Director Transformation & Resources (Jun to Aug 2014)

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
<p>Failure to ensure that the culture of the organisation supports the future operating model</p> <p>(PE4)</p>	Strategic Director - Trans & Resources	Change needed might not be delivered. Benefits of governance improvements might not be realised	<ul style="list-style-type: none"> • Link of values to behaviours in Performance Appraisal • Change agent programme 	3	3	9	<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 	<ul style="list-style-type: none"> • Strategic Director Transformation & Resources • Strategic Director Transformation & Resources (ongoing) • Strategic Director Transformation & Resources (ongoing) • Strategic Director Transformation & Resources (Ongoing) • Head of Neighbourhoods and Engagement and Head of Human Resources & OD

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
A failure in health and safety management leading to death or serious injury (PE5)	Head of Universal & Infrastructure Services	Significant financial cost, possible civil and criminal proceedings (corporate manslaughter), damage to reputation	<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 	4	2	8	<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 	<ul style="list-style-type: none"> Head of Universal & Infrastructure Services (ongoing) Head of Universal & Infrastructure Services (ongoing) Head of Universal & Infrastructure Services (ongoing) Head of Universal & Infrastructure Services (ongoing) Head of Universal & Infrastructure Services (2014)

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Failure to ensure sufficient capacity and technical knowledge to deliver effective and compliant commissioning and procurement (PE6)	Director of Resources	Impact on ability to introduce effective commissioning and deliver planned savings Challenge from external markets	<ul style="list-style-type: none"> Staff development and training Recruitment and retention policies Review of structure 	3	4	12	<ul style="list-style-type: none"> Acceleration of recruitment Re-allocation of staff with necessary skills Use of temporary staff 	<ul style="list-style-type: none"> Head of HR & OD Director of Resources/Head of Procurement Director of Resources/Head of Procurement

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Data and Information								
Quality and availability of data and intelligence could be insufficient to enable us to design services & target effective interventions (DA1)	Director of Policy, Performance & Public Health	Financial inefficiency Needs could go unmet Negative impact on the quality of commissioning	<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 	3	3	9	<ul style="list-style-type: none"> Implement new case management system across both Adult and Children services Implement Data Warehouse Enhance Corporate Governance Group 	<ul style="list-style-type: none"> Strategic Director – Families & Wellbeing (August 2014) Director of Policy, Performance & Public Health (August 2015) Strategic Director - Transformation & Resources
Withdrawal of support for the content management system could affect the security and effectiveness of the Council's web-site (DA3)	Head of N'hoods and Engagement	Site would become more vulnerable Functionality of the site would deteriorate	<ul style="list-style-type: none"> Development of upgraded site Rationalisation of site content 	4	3	12	<ul style="list-style-type: none"> Develop a plan for an early upgrade to the web-site Review of plan Re-prioritise resources 	<ul style="list-style-type: none"> Director of Resources / Head of N'hoods & Engagement Director of Resources / Head of N'hoods & Engagement Director of Resources / head of N'hoods & Engagement

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
A failure in information governance leading to a significant disclosure of sensitive information (DA2)	Strategic Director Trans & Resources	Distress and inconvenience to those affected. Criminal and civil proceedings against the Council. Damage to the Council's reputation	<ul style="list-style-type: none"> Information Governance Board and Information Governance 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 Training delivered to IAOs Level 2 IG toolkit accreditation achieved 	4	2	8	<ul style="list-style-type: none"> 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 Centralise IG policies and procedures and risks 	<ul style="list-style-type: none"> Strategic Director - Transformation & Resources (Dec 2014) Strategic Director - Transformation & Resources Strategic Director - Transformation & Resources (ongoing) Strategic Director - Transformation & Resources (Ongoing to March 2015) Strategic Director - Transformation & Resources (2015) Strategic Director - Trans & Resources (September 2014)

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		

Partnerships

<p>Failure to ensure resilience and cohesion in key partnerships</p> <p>(PA2)</p>	<p>Strategic Director - Trans & Resources</p>	<p>Potential service failures and gaps in provision. Needs could go unmet. Possible duplication / inefficient use of effort / resources. Cost 'shunting'. Increased demands on the Council because others cannot help.</p>	<ul style="list-style-type: none"> • Health & Wellbeing Board established • Local Public Sector Board established • Support for Combined Authority 	<p>3</p>	<p>3</p>	<p>9</p>	<ul style="list-style-type: none"> • Develop the Local Public Sector Board and Health & Wellbeing Board • Conduct a review of partnerships • Develop a register of key partnerships • Refresh partnership toolkit 	<ul style="list-style-type: none"> • Director of Public Health, Policy & Performance • Chief Executive • Strategic Director - Transformation & Resources • Strategic Director - Transformation & Resources
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Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Failure of a major provider (private, public or voluntary, community and faith sector) or partner leading to interruption of service (PA4)	Chief Executive	Impact on service delivery (depends on provider) potentially affecting vulnerable people, damage to the Council's reputation, cost of putting alternative arrangements in place	<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 	4	3	12	<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 as part of the regular contract performance management arrangements 	<ul style="list-style-type: none"> Head of Universal & Infrastructure Services (2014 onwards) Head of Universal & Infrastructure Services Head of Universal & Infrastructure Services

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Customer / Citizen								
Failure to ensure adequate safeguarding arrangements, exposing children or vulnerable adults to greater risk of abuse or exploitation (CU1)	Strategic Director Families & Wellbeing	Significant financial cost, possible civil and criminal proceedings, loss of confidence in the Council, damage to reputation, government intervention	<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. 	5	3	15	<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. 	<ul style="list-style-type: none"> Strategic Director - Families & Wellbeing (Nov 2014 to March 2015) Strategic Director - Families & Wellbeing (Nov 2014 to March 2015) Strategic Director - Families & Wellbeing (Dec 2014 to March 2015) Strategic Director - Families & Wellbeing (Sep 2014 to March 2015)

			<ul style="list-style-type: none"> • 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 • 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 • Joint Domestic Violence sub committee of the SAPB and LSCB established 				<ul style="list-style-type: none"> • Implement 'Making Safeguarding Personal' (MSP) and evaluate its impact 	<ul style="list-style-type: none"> • Strategic Director - Families & Wellbeing (May 2014 to March 2015)
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Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Physical								
A major physical incident could compromise the delivery of essential services (PH1)	Deputy Chief Executive / Head of Universal & Infrastructure Services	Potential major impact on service delivery (depends on nature of incident), additional cost of alternative provision, possible damage to reputation	<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 complied 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 	4	2	8	<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 • Gain agreement to and implement a revised corporate business continuity policy 	<ul style="list-style-type: none"> • Head of Universal & Infrastructure Services (ongoing throughout 2014) • Head of Universal & Infrastructure Services (various dates throughout 2014) • Head of Universal & Infrastructure Services • Head of Universal & Infrastructure Services • Head of Universal & Infrastructure Services • Head of Universal & Infrastructure Services

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
<p>Failure to implement new IT systems / hardware in time to support the new Council model</p> <p>(PH2)</p>	Director of Resources	<p>Benefits of the new operating model might not be realised.</p> <p>Costs could increase</p> <p>Possible service failures</p> <p>Unreliable data</p>	<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 	3	3	9	<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 	<ul style="list-style-type: none"> Director of Resources (December 2014) Director of Resources Strategic Director – Families & Wellbeing (October) Director of Resources – (December 2014)
<p>A sustained catastrophic failure in the Council's ICT systems (PH3)</p>	Strategic Director Trans & Resources	<p>Huge impact on service delivery, possibly affecting the public (especially the vulnerable) damage to reputation, breach of contracts, inability to share data with partners and government</p>	<ul style="list-style-type: none"> Second machine room Fire suppressant system in rooms Additional backup /security based at Cheshire Lines implemented 	5	2	10	<ul style="list-style-type: none"> Implement programme of ICT improvements Review of IT service continuity arrangements) 	<ul style="list-style-type: none"> Director of Resources (December 2014) Director of Resources (tbc)

External
Economic

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Welfare Reforms (EC2)	Chief Executive	Adverse effect on individuals and the local economy. Increase in demands on Council services.	<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 	4	4	16	<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, related engagement with DWP those accessing and impacted upon by this Reform. Local Delivery Partnership Agreement – Nov 2014 review 	<ul style="list-style-type: none"> • To be confirmed • Strategic Director Regeneration & Environment • Strategic Director Regen & Env • Strategic Director – Transformation & Resources • Strategic Director – Transformation & Resources

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Social								
<p>Increasing demand for socially provided care exceeds the resources available (Council and NHS)</p> <p>(S01)</p>	Strategic Director Families & Wellbeing	Budget gap could increase	<ul style="list-style-type: none"> • Vision 2018 programme • Integrated Care programme • Joint Commissioning arrangements with the CCG • Enhanced monitoring and reporting arrangements • Joint Carers Strategy between Social Care and Health 	4	4	16	<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 	<ul style="list-style-type: none"> • Strategic Director – Families & Wellbeing (March 2015) • Strategic Director – Families & Wellbeing (Q2 2014/15) • Strategic Director – Families & Wellbeing (April 2014)

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Poor lifestyle choices continue to adversely affect public health and require different public provision (SO2)	Director of Policy, Performance & Public Health	Health inequalities remain. Increasing demands on health and care services	<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 	4	3	12	<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 	<ul style="list-style-type: none"> Director of Public Health (March 2015) Director of Public Health (various)

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Failure to equip the community to be more self-reliant (SO3)	Chief Executive	Demands on our decreasing resources might not reduce Needs might go unmet	<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 Direct Payments Advisory Service commissioned (supporting people to have enhanced choices and control through personalisation) Wirral emergency Volunteer Scheme established 	3	3	9	<ul style="list-style-type: none"> Develop the local approach to ABCD via Constituency Committees Delivery of the IFIP programme Create a social enterprise delivery vehicle for disability services 	<ul style="list-style-type: none"> Director of Public Health (June 2015) Strategic Director – Families & Wellbeing (Dec 2014 to Sep 2015) Strategic Director – Families & Wellbeing (July 2014 to April 2015)

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Technological								
<p>Technological advance leads to digital exclusion of individuals and businesses</p> <p>(TE1)</p>	Strategic Director Regeneration & Environment	<p>Those who could benefit most from information and services available online will not do so.</p> <p>Impact on SMEs ability to build & develop their business. (They are less likely to maximise usage of the internet)</p>	<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 	4	3	12	<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 	<ul style="list-style-type: none"> • Strategic Director Regeneration & Environment • Strategic Director Regeneration & Environment • Strategic Director Regeneration & Environment • Strategic Director Regen & Environment • Strategic Director Regeneration & Environment

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		
Environmental								
<p>Growing incidence of extreme weather events</p> <p>(EN2)</p>	Strategic Director Regeneration & Environment	Flood risk could rise Council's operating costs could increase (e.g. winter maintenance) Disruption to services	<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 • Wirral Emergency Volunteers Scheme set up 	4	3	12	<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 • Surface Water Investigation work (RFCC Levy Bid for works to be delivered in 2014/15) 	<ul style="list-style-type: none"> • Head of Universal & Infrastructure Services • Strategic Director Regeneration & Environment (Coast Protection team) - by 2034 • Drainage & Development team

Risk Description	Lead Officer	Potential Impact	Principal Controls (Existing)	Current Risk Scores			Principal Controls (Planned)	Responsibility and Date
				Impact	Likelihood	Total		

Legal / Regulatory

<p>Growth of academies / free schools complicates our ability to raise educational attainment and provide skills</p> <p>(LE1)</p>	<p>Strategic Director Families & Wellbeing</p>	<p>Impact on children's health (if schools do not see themselves as partners) Reduced grant Reduced buy back of traded services Serious issues at schools might only become apparent at a late stage, creating turbulence, with LA having only limited powers Change in LA status could alter existing very positive relationships with schools</p>	<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 	3	2	6	<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 	<ul style="list-style-type: none"> • Strategic Director – Families & Wellbeing • Strategic Director – Families & Wellbeing • Strategic Director – Families & Wellbeing (March 2015)
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