



Audit and Risk Management Committee

Date:	Monday, 12 March 2018
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 - 18)

To approve the accuracy of the minutes of the meetings held on 21 November 2017 (as revised) and 29 January 2018.

3. IMPROVEMENT JOURNEY - UPDATE

Director for Children – Presentation (copy available online via the Council Website).

4. INTERNAL AUDIT UPDATE (Pages 19 - 24)

5. INTERNAL AUDIT PLAN 2018/19 (Pages 25 - 52)

6. PROCUREMENT - AMENDMENTS TO THE COUNCIL CONTRACT PROCEDURE RULES (Pages 53 - 58)

7. AGS SIGNIFICANT GOVERNANCE ISSUES ACTION PLAN (Pages 59 - 120)

8. CORPORATE RISK REGISTER (Pages 121 - 144)

9. MANAGEMENT OF INSURANCE AND CORPORATE RISK (Pages 145 - 150)

- 10. EXTERNAL AUDIT - WIRRAL COUNCIL CERTIFICATION LETTER
2016/17**
(Pages 151 - 154)
- 11. EXTERNAL AUDIT - WIRRAL COUNCIL AUDIT PLAN 2017/18**
(Pages 155 - 172)
- 12. GENERAL DATA PROTECTION REGULATION (GDPR)
IMPLEMENTATION UPDATE**
(Pages 173 - 184)

Agenda Item 2

AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 21 November 2017

<u>Present:</u>	Councillor	AER Jones (Chair)
	Councillors	P Doughty D Elderton
	JE Green C Muspratt	
<u>Deputies:</u>	Councillors	C Carubia (In place of P Gilchrist) A Davies (In place of A Leech) L Rowlands (In place of J Hale) M Sullivan (In place of RL Abbey)

37 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors R Abbey, A Leech, P Gilchrist, J Hale and Cabinet Member Councillor M Patrick.

38 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.

39 ORDER OF BUSINESS

The Chair suggested, and it was agreed that item 8 on the agenda (HR Attendance Update) be considered after item 3 on the agenda (Minutes) given that visiting officers were in attendance specifically for this item.

40 MINUTES

Resolved – That the minutes of the meeting held on 25 September 2017, be approved.

41 HR ATTENDANCE UPDATE

The Assistant Director: Human Resources and Organisational Development introduced her report that updated Members on the work undertaken in response to the audit review of Attendance Management (Sickness Absence). The report informed of key items to note concerning the development of Council Attendance Management action plan, activity to date and planned approach, namely:

- Attendance Management action plan – to develop a culture where wellbeing was valued and supported, improve the management of attendance in line with the policy, to target and respond to key issues in order to improve wellbeing and attendance;
- Approach so far – identification of target areas for action and performance management; and
- Future activity – 2017-18 (Quarter 3 & 4) - leadership and communication, further training and support.

The Assistant Director: Human Resources and Organisational Development updated the Audit and Risk Management Committee on the current position reiterating responses to key issues and actions to target the improvement of staff wellbeing and attendance. Members were further apprised on information being provided to managers via desktop and skills based training, to help understand the tools available, and to provide the requisite skills and confidence to deal with matters of attendance giving cause for concern.

Members questioned the Assistant Director: Human Resources and Organisational Development on key points in her verbal and written reports that included not only the cost to the council in financial terms, but as a direct impact on the quality and timeliness of services, already stretched following reductions in budget.

A Member highlighted that disturbingly the most common reason for absence was mental health related illness. He questioned the Assistant Director on what was being done to address this. The Assistant Director responded stating that this term covered absence as a result of stress, anxiety and/or depression. She informed that absences under this category tended to be the result of a specific trigger or response to pressure and management training aimed to help managers identify such issues at an early stage. She further informed that such reasons for absence would automatically generate a referral to occupational health for immediate assessment. The Assistant Director stated that demands placed upon staff within the workplace were changing and that uncertainty for the future both contributed to increased pressures that impacted on wellbeing and attendance.

A Member questioned the Assistant Director on performance management and why the targeted level of 100% completed staff appraisals had not been achieved. He also questioned whether the stress recognition training provided to managers was also provided to those officers ‘acting up’ into managerial posts, and how many such ‘acting up’ posts were currently recorded in the staffing structure. The Assistant Director responded, informing that the levels of completed appraisals had now exceeded 90% and training had been targeted at managers in services where the highest levels of stress were being reported.

A Member questioned the Assistant Director further on the subject of attendance management, and points raised in the report about how relatively little formal action was taking place by line managers to address unacceptable levels of attendance in line with the policy. The Assistant Director responded stating that there had been feedback from managers about the problems faced when dealing with 'difficult conversations' about absence i.e. 'feeling intrusive'. She added that manager training had helped in this respect, and figures were reducing slowly, with performance levels improving.

The Assistant Director: Human Resources and Organisational Development went on to inform that the absence targets were also improving, but the cost of absence to the council (£4.4 million) was a serious issue and accountability statements existed for Senior Directors, who in turn would ensure that the objectives of the Attendance Management Action Plan would be cascaded to staff.

Following further questioning from Members the Assistant Director informed that the raising of awareness via the report, combined with better levels of detail regarding sickness reporting would help address issues of culture and leadership that had in the past contributed to the problem faced.

At the Chair's suggestion, consideration was given to a supplementary report on matters arising from the issues raised, to be presented to the Employment and Appointments Committee for review. The Vice-Chair added that he felt the issues raised within the report were particularly alarming, and further suggested that a Task and Finish Workshop might also be appropriate.

Mr Robin Baker, Grant Thornton highlighted that the report had been requested based upon the concerns of Internal Audit and Members of the Audit and Risk Management Committee. He pointed out that the response to the request had informed of the cost and impact to the Council, and that the matter was still 'work in progress' with more to do.

A Member informed that it was important to maintain focus and that the matter be referred to the Employment and Appointments Committee, and that the need for strong support from senior management would suggest that there be merit in asking the Chief Executive (Head of Paid Service) to attend the Employment and Appointments Committee to provide further information on the subject of leadership culture and approach to stress and absence management.

It was:

Moved by Councillor Jeff Green
Seconded by Councillor Christina Muspratt

"That the matter of Attendance Management be referred to the Employment and Appointments Committee for consideration; and that the Chief Executive

be requested to provide an update on progress in respect of the Leadership approach to stress and absence management for staff."

A vote was put and carried (5:2) One abstention.

Resolved - That

- (1) the report be noted;**
- (2) the Attendance Management Action Plan be noted and referred to the Employment and Appointments Committee for further consideration; and**
- (3) the Head of Paid Service be requested to attend the next meeting of the Employment and Appointments Committee to provide a further update on matters regarding council's approach to stress and absence management for its staff.**

42 INTERNAL AUDIT UPDATE

The Chief Internal Auditor introduced his report that identified and evaluated the performance of the Internal Audit Section and included 5 items of note arising from the actual work undertaken during the period 1 September to 31 October 2017. The report focused upon:

- 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.

Members' attention was drawn specifically to the following items of note that had been identified, namely:

Ethical Framework Audit - An audit was being undertaken to evaluate and review the Council's Ethical Framework as part of the 2017/18 Internal Audit Plan under the Public Sector Internal Audit Standards evaluating the design, implementation and effectiveness of the Council's ethics-related objectives, programmes and activities.

General Data Protection Regulation (GDPR) - An audit of the Council's compliance with the requirements of the new GDPR was being undertaken with a completion date of December 2017. The aim of the audit was to ensure that the Council was on track for full compliance with the regulation by the 25 May 2018 deadline. The Assistant Director: Law and Governance informed that the matter of GDPR impacted on many areas of the Council, and that the project was progressing, with a number of training and audit sessions planned. He added that he would be happy to provide and update to Members on the subject when an appropriate stage in the project had been reached.

Counter Fraud Publicity Campaign - Internal Audit, in conjunction with colleagues from across the Council and the Mersey region, had co-ordinated a week long Fraud Awareness campaign during November 2017 to coincide with the International Fraud Awareness week running from 12 November. The aim of the campaign was to raise public awareness, change people's attitude towards fraud and encourage Wirral residents and businesses to help spot and stop fraud.

Highways Maintenance Contract - At the request of senior managers an audit visit had been made to the local base of the contractor BAM Nuttall to gain an objective audit view on the percentage overhead rates that were being charged to various direct costs and the contractual basis for this. Members informed of complaints and problems experienced with regard to areas of the existing contractual service (i.e. surface coatings and white lines) and issues arising from lack of action regarding promised repairs / making good.

Golf Courses - As a result of concerns raised over cash security, two golf courses (Brackenwood Country Park and Arrowe Park) had been audited during the reporting period that involved on-site visits with the Golf Co-ordinator. Onsite advice was provided and subsequently reported which included the re-positioning of CCTV cameras, actions for daily and weekly cash returns, and the responsibility for administrative checks on amounts banked. Effectiveness of the arrangements and the ensuing outcomes would be reported to the Audit and Risk Management Committee.

A Member questioned why the Data Loss Prevention Follow Up Audit had, as yet, not been completed. The Assistant Chief Executive informed that the previous (Head of Digital) post holder had been optimistic in terms of delivery of this particular project, having based his estimations upon an expectation of additional funding. He thanked the current Interim Head of Digital and SIRO post holder for taking on the role and informed the Audit and Risk Management Committee that an update report on this and other IT matters was due to be considered later in the meeting under Agenda Item 9.

Resolved – that the report be noted.

43 COUNTER FRAUD UPDATE

The Chief Internal Auditor introduced his report that provided Members of the Audit and Risk Management Committee with an update on the activities of the Counter-Fraud Team within Internal Audit. The report covered the year 2016/17 and current year to date.

The report informed that although the Counter-Fraud Team worked closely and collaboratively with the Fraud and Compliance Team within Revenues and Benefits, the report did not include the extensive specialist activities of their work which was reported to Members separately.

A Member congratulated the Chief Internal Auditor and his team in respect of the work undertaken in respect of the National Fraud Initiative (NFI) that had resulted in significant savings for the Council, arising largely from payments recovered or stopped. Members noted that for the 2016/17 NFI exercise £167,000 had been identified to date, of which £154,000 was currently in the process of being recovered.

The Chief Internal Auditor thanked the Member and informed that it was the role of the Counter-Fraud Team to prepare relevant best practice policies and procedures, and proactively manage the risk of fraud to the Council through targeted audits in high risk areas. He added that the Counter-Fraud Team also facilitated changes to the culture of the organisation by raising awareness amongst the workforce to fraud and corruption through targeted training, and provided both a proactive and a reactive response to tackling fraud across the authority.

The Chief Internal Auditor informed that the Counter Fraud Team continued to chair and co-ordinate the activities of the Mersey Region Fraud Group (MRFG) that consisted of a number of neighbouring authorities and partner organisations. He further informed that the Team also contributed to the North West Chief Audit Executives Counter-Fraud Sub Group, to develop practical solutions to mitigate current and emerging fraud risks.

Resolved – that the report be noted.

44 AGS SIGNIFICANT GOVERNANCE ISSUES UPDATE

The Assistant Director: Finance and Investment (S151 Officer) introduced his report that provided Members with a progress update on actions taken by officers to address items of concern identified in the Annual Governance Statement for 2016/17. The report informed that progress was being made to address all issues identified in the action plan. Targets, timescales and responsible officers having been identified and tasks allocated and work underway. The Audit and Risk Management Committee was apprised that issues appearing in the action plan (appendix to the report) relating to Human Resources, Information Technology and Procurement were all subject of separate reports on the meeting agenda.

The Assistant Director: Finance and Investment (S151 Officer) further informed that the matter relating to the Improvement Plan regarding the Ofsted Inspection of Children's Services continued to be subject to review and action, with regular detailed reports on progress presented to both the Children and Families Overview and Scrutiny Committee and to Cabinet.

Members questioned the officers on the matter of Business Continuity and why, given business continuity plans (BCPs) had been received for all 26 identified critical services the RAGB rating remained at Amber.

A Member questioned why, given the length of time that this matter had been identified as an area for action, only 21 of the 26 areas had been tested using a walkthrough exercise, particularly in key risk areas such as Health and Care (DASS), Supported Housing and SEN Transport. It was also identified that the CYPD Social Care, Specialist Services Plan had not been reviewed as at September 2017.

The Assistant Chief Executive informed that although walkthrough tests had been completed and the implementation in the majority of areas was much improved, he believed that the rating (for the entire plan) reflected the current position, but further assessment reviews were underway and the improvement plan was scheduled for review again in 6 months. A Member suggested that only those areas that were not achieving the required targets should be listed.

Members commented on the need for the Audit and Risk Management Committee to be kept informed of progress on these matters, given the Committees role in ensuring actions and process compliance is monitored, particularly those issues highlighted by both the external and internal auditors.

Resolved – that the report be noted.

45 **PROCUREMENT - USE OF PROCEDURE RULES APPROVAL DOCUMENT PERMITTED UNDER THE COUNCIL CONTRACT PROCEDURE RULES**

The Head of Procurement introduced his report that report informed the Committee of the range and number of contracts awarded which had been subject to Contracts Procedure Rules (CPRs) Rule12 Extension/Variation; Rule 11 Waiving the Rules, as required under the CPRs.

The report appendix detailed the contracts subject to the Extension/Variation or Waiver rules for the period 1 April 2017 to 30 September 2017 which under Contracts Procedure Rule 16 required that all contracts which met the following criteria were reported to Audit and Risk Management Committee, i.e.

- a) A contract awarded where the total value of which exceeds £500,000.
- b) A variation or extension to a contract approved by the Assistant Director of Finance (S151 Officer) and by others (per criteria detailed within the report appendix).
- c) A waiver or breach of the Contract Procedure Rules in relation to a contract which exceeds £50,000 in value.

The Head of Procurement informed that there had been 27 Procedure Rule Approval Documents (PRAD) exceptions to the CPR's approved for the period, and highlighted the summary report appendix, detailing the following:

- Extensions - 22 (extended within Contract terms)
- Variations - 13 (within the interests of the Council)
- Awards - 5 (over £500,000.00, under a full tender process)

Members questioned the Head of Procurement on actions taken in respect of a number of contracts and robustness of the contract procedures and procurement processes. The Head of Procurement responded, providing the Committee with specific detail on the reasons for extension, variation and exception on the projects concerned.

The Head of Procurement allayed Member's particular concerns that that an extension within contract was not automatic and contracts were subject to monitoring and review on a regular basis.

A Member also questioned officers on the circumstances relating to contract extension relating to the Wirral Recovery Orientated Substance Misuse Treatment Services (£7.2million contract). Members were informed that the Cabinet had taken up a 2nd year option, which provided the Council with good value for money.

The Chair requested that the Head of Internal Audit provide Members with some additional information on this particular contract extension. Members also requested that future report appendices be listed by contract value.

Resolved – that the report be noted.

46 IT PROGRESS UPDATE

The Head of Digital introduced his report that provided Members with a progress update on actions taken by Digital Officers to remove and mitigate risk associated with underinvestment in IT infrastructure in the past. The report informed that the Business Change Manager and the Senior Information Risk Officer (SIRO) had provided a verbal report to the June meeting of the Audit and Risk Management Committee, and at the following September meeting Members had requested a written report and the attendance of a senior member of Digital at their November meeting.

The Head of Digital's report provided Members with a progress update on the following key areas:

- IT Contingency and Disaster Recovery
- Data Loss Prevention (DLP)
- Cyber Security
- Information Governance (IG)
- Information Commissioner's Office (ICO) Audit
- General Data Protection Regulation (GDPR); and
- Patch Management

Members questioned the Head of Digital on the key areas of his report relating to the Council's risk exposure and the previous post holder's optimism regarding implementation of IT contingency and disaster recovery and the delays experienced in the past relating to the progression of this particular

project. The Head of Digital informed that the migration of the Treasury link datacentre to Merseytravel Georges Dock datacentre was progressing, and was planned to be completed by the end of December 2017. The report informed that the Creation of a Disaster Recovery datacentre on the first floor of the Treasury building in the existing room was currently being planned with an expected completion date of the end of February 2018. The Head of Digital apprised Members that the digital transmission between the Wirral based datacentre and Liverpool datacentre also incorporated two separate cable routes through the Mersey tunnel.

The Head of Digital also updated Members on the strengthening of data protection within the EU, afforded by the GDPR, and how the Council's existing firewalls were sufficient for protection against external threat. He added that the Information Governance Group, headed up by the Law and Governance Service had been holding regular meetings and that HR/OD were developing a course for all council staff.

In response to a Member question on cyber security and the Wallasey Town Hall Wi-Fi provision, the Committee was informed that the age and construction of the building meant that to maintain adequate levels of data transmission further upgrade to the Wi-Fi service would be required.

The Head of Digital informed that a review of the wireless infrastructure had been planned and would commence in the New Year.

The Audit and Risk management Committee expressed thanks the Head of Digital for his report and welcomed progress on what had been a lengthy journey.

Resolved – that the report be noted.

47 ARMC SELF ASSESSMENT

The Chair introduced his report, compiled in association with the Chief Internal Auditor that informed that to comply with best professional practice the Audit and Risk Management Committee was required to complete an annual evaluation of its role and effectiveness as part of the systems of internal audit. His report informed that the CIPFA publication 'A Toolkit for Local Authority Audit Committees' recommended the use of a self-assessment checklist to achieve this task. The Chair informed that the completed checklist and effectiveness evaluation was attached at appendices 1 and 2 to his report.

The Head of Internal Audit informed the Audit and Risk Management Committee of best practice applied in support of the Chair's report and stated that the overall conclusion in respect of the ARMC Self-Assessment had been that the Committee was functioning well, had met the regulatory requirements and was compliant with the necessary regulations.

Members questioned the Chair and the Chief Internal Auditor on the relevance of some of the prescribed questions, but noted that the supporting comments provided additional clarity on the actions expected and undertaken to ensure compliance with the CIPFA assessment ‘toolkit’.

Resolved – that the report be noted.

48 MANAGEMENT OF INSURANCE AND CORPORATE RISK

The Senior Risk and Insurance Officer introduced the report of the Assistant Director: Finance that provided a regular update on the work undertaken in relation to Insurance and Risk Management activities in relation to key actions planned for 2017/18.

The report informed that the risk and insurance management comprised two significant areas of activity, namely:

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

The report further informed that In addition to day-to-day operations the service was responsible for major procurement exercises and improvement activities.

The Senior Risk and Insurance Officer provided a short verbal update to the Audit and Risk management Committee on the key areas of work summarised in the report, that included:

- Alignment of Risk Management and Performance Management;
- Corporate Risk Register;
- Traded Services for Schools and Academies;
- Corporate Insurance Budget;
- Procurement of Property Business Interruption Museums, Marine, Crime and Personal Accident/Business Travel Insurance;
- Liability Claims Handling;
- Actuarial Study;
- Review of Corporate Governance; and
- Corporate Risk Management Policy.

Resolved – that the report be noted.

49 **CORPORATE RISK REGISTER: UPDATE**

The Manager: Insurance and Risk introduced the report of the Chief Executive that confirmed the outline of a forthcoming review of the Corporate Risk Register and provided an update as to the development of risk registers for other areas. The potential impact of a governance review on future risk recording and reporting arrangements was also indicated.

The report informed that following adoption of the Wirral Plan in 2015 the Strategic Leadership Team (SLT) revised the Council's Corporate Risk Register. This had been reported to the Audit and Risk Management Committee on 14 June 2016. The report further informed that regular reviews had been undertaken by the Senior Leadership Team (SLT). Currently these addressed progress in relation to the management of the existing corporate risks as well as emerging risk areas for possible addition to the Register.

The Senior Risk and Insurance Officer informed that an update report was scheduled for consideration by the SLT the following week and a full report and conclusions would be reported to the Audit and Risk Management Committee at its next meeting in the New Year.

Resolved - That

- (1) the development in relation to the production of risk registers for Wirral Plan pledge strategies be noted; and**
- (2) the outcome of the forthcoming review of the Corporate Risk Register be reported to the next meeting of this committee.**

50 **EXTERNAL AUDIT - ANNUAL AUDIT LETTER**

Mr Robin Baker of Grant Thornton UK LLP, the Council's external auditors, presented a report to Members on work undertaken with regard to the delivery of their responsibilities as External Auditor covering the Year ending 31 March 2017. Mr Baker provided the Audit and Risk Management Committee with a summary of the purpose and key findings of the External Auditor that included a summary of the detailed findings from their audit work to the Audit and Risk Management Committee on 25 September 2017.

The report informed that the External Auditor had provided an unqualified opinion on the Council's financial statements on 26 September 2017. The report also informed that the External Auditor's review of the Council's arrangements to secure economy, efficiency and effectiveness which had resulted in a qualified - except for value for money conclusion. The reason for this being concern that progress in respect of Ofsted monitoring visits had not yet met expectations and some time would be needed to implement all the actions to deliver the required service improvement.

A Member questioned the External Auditor with regard to the financial pressures facing the Council, use of balances and the sustainability of its use of general fund balances. The External Auditor's report informed that the Council recognised that it continued to face significant financial pressures. The Quarter 1 revenue monitoring report for 2017/18 set out a projected £4.2 million overspend that had been mainly attributable to additional investment in Children's services. An early review of the 2017/18 financial position resulted in a further £8.5 million of the revenue budget contingency being added to service budgets, consequently only £3.5 million of this contingency remains.

The External Auditor's report further informed that revenue monitoring report detailed further risks and actions resulting in a projected General fund balance of just £9.4 million at 31 March 2018 which was below the £10 million minimum recommended by the Section 151 Officer. The External Auditor recognised that there continued to be a £3.5 million in the contingency budget, however it was important the Council take decisive action to ensure spending was constrained and the general fund balance does not fall below recommended levels.

Mr Baker apprised the Audit and Risk Management Committee on the independence of the auditor and that the same team would be delivering the next year's audit. He added that the Council faced additional pressures with regard to the required reporting deadlines, in addition to the pressures faced by the majority of local authorities in the current financial climate. Mr Baker took the opportunity to thank Mr Tom Sault, Assistant Director: Finance and Investment (S151 Officer) for his honest, clear and supportive assistance with the work of the External Auditor.

A Member questioned the delay in resolving an objection to the Council's 2015-16 accounts that related to a request for a public interest report and application to the courts for a declaration that Wirral Council's Lender Option, Borrower Option loan borrowing as referenced in the 2015-16 accounts was unlawful. The External Auditor informed that the Council had provided prompt and full co-operation on this matter, but was not possible at present to place a definitive timescale to reach a resolution regarding the objection.

The Assistant Director: Finance and Investment (S151 Officer) informed the Committee that the Council continued to face significant financial pressures and Q2 accounts had been presented to Cabinet, along with the need to action a projected overspend of £4.2million from Q1 mainly attributable to additional investment in Children's Services.

Resolved – that the Annual Audit Letter for Wirral Council be noted.

51 **MATTERS FOR ESCALATION TO CABINET**

None.

AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 29 January 2018

<u>Present:</u>	Councillor	AER Jones (Chair)
Councillors	RL Abbey A Davies P Doughty D Elderton	P Gilchrist JE Green C Muspratt
<u>Deputy:</u>	Councillor	C Povall (In place of J Hale)

52 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 Jeff Green declared a personal interest in items 5, 'Management of Insurance and Corporate Risk' and 6, 'Insurance Fund Budget 2018/19' insofar as the references to schools, by virtue of his wife's employment.

Councillor Angela Davies declared a personal interest in agenda item 4, 'Corporate Risk Register – Update' insofar as the reference to 'all-age disability services' by virtue of her employment.

Councillors David Elderton, Adrian Jones, Ron Abbey and Phil Gilchrist declared personal interests in items 5, 'Management of Insurance and Corporate Risk' and 6, 'Insurance Fund Budget 2018/19' insofar as the references to schools, by virtue of them being School Governors.

53 MINUTES

Councillor Jeff Green raised a query regarding minute 50, 'External Audit – Annual Audit Letter' (21/11/17) and his comments and officers' responses on the use of balances and asked that they be amended to reflect these comments.

Councillor Phil Gilchrist referred to minute 42, 'Internal Audit Update' and the reference to 'Beacon Wood' golf course which should be amended to read, 'Brackenwood'.

The Interim Assistant Director: Law and Governance suggested that the minutes of 21 November, 2017 meeting would be taken back for review and brought back to the next meeting for approval.

54 **INTERNAL AUDIT UPDATE**

The Chief Internal Auditor, Mark Niblock, introduced his report which identified and evaluated the performance of the Internal Audit Section and included seven items of note arising from the actual work undertaken during the period 1 November to 31 December 2017. The items of note were:

- Children's Carer Payments
- Contract Extensions – Compliance with Procurement Rules
- Access Transformation Project
- Quality Assurance Improvement Programme
- Floral Pavilion
- Ethical Framework
- Merseyside Pension Fund – Governance

With regard to Children's Carer Payments, Mark Niblock reported that the matter had been escalated to the Senior Leadership Team and a report to the next meeting would detail what measures were being taken to address the issue.

In respect of Contract Extensions and Compliance with Procurement Rules, Mark Niblock, responding to a Member's comment, stated that a report would be brought to the next meeting on the process by which the Highways Maintenance contract was to be brought back in-house.

The Assistant Chief Executive commented that the matter was not entirely through Council choice as the contractor also had a view too but it would be something on which a case study could be undertaken and provide a degree of assurance on how the decision was reached with an update to the Committee in March.

The Interim Assistant Director: Law and Governance also commented that this was an ongoing process and there would be some information subject to commercial sensitivity.

In response to further comments from Members, officers' comments included:

- The review of the risk and governance arrangements for the Access Wirral Transformation Project was being undertaken in phases.
- More details would be provided in future reports in respect of the performance indicators with the actual figures provided and not just the percentage achieved.

Resolved – That the report be noted.

55 **CORPORATE RISK REGISTER: UPDATE**

The Senior Risk and Insurance Officer, Mike Lane, introduced the report of the Chief Executive which confirmed the outcome of the last review of the Corporate Risk Register and provided an update as to the development of risk registers for other areas. He apologised that an older update appendix had been included with the report and stated that the latest information would be brought back to the March meeting.

The Interim Assistant Director: Law and Governance confirmed to Members that although latest information could be circulated to the Committee it would not be possible to discuss it as there had to be pre-publication of reports prior to any discussion.

Members expressed concern at the way in which the information in the report was presented. A Member suggested that there was a need to see a series of actions to mitigate risks and did not feel assured that the Council had a proper risk management strategy for the top of the authority.

In response, Mike Lane and the Director of Finance and Investment commented that they would be looking at some other models for the Risk Register and a revised format would be brought back to the next meeting of the Committee.

A Member suggested that a workshop could be arranged on risk registers.

On a motion by Councillor Jeff Green, seconded by Councillor Christina Muspratt, it was –

Resolved – That this Committee expresses its concern with regard to the presentation of the Risk Register and notes the further work being done and that a report be brought back to the March meeting on how this information is presented.

56 **MANAGEMENT OF INSURANCE AND CORPORATE RISK**

The Senior Risk and Insurance Officer, Mike Lane, introduced the report of the Assistant Director: Finance which provided a regular update on the work undertaken in relation to Insurance and Risk Management activities and the key actions planned for 2017/18. Progress since his last report in respect of the following key actions was summarised in the report:

- Alignment of Risk Management and Performance Management
- Corporate Risk Register
- Traded Services for Schools and Academies
- Corporate Insurance Budget

- Procurement of Property Business Interruption Museums, Marine, Crime and Personal Accident/Business Travel Insurance
- Renewal of Liability Motor Engineering and Computer Insurance Policies
- Liability Claims Handling
- Actuarial Study
- Review of Corporate Governance

With regard to a possible change in the liability motor engineering policy 'discount rate' Mike Lane stated that this was because the Government was currently in the middle of a consultation exercise on a review.

Resolved – That the report be noted.

57 INSURANCE FUND BUDGET 2018/19

The Senior Risk and Insurance Officer, Mike Lane, introduced the report of the Assistant Director: Finance which set out the elements which made up the Insurance Fund, the cost of running the Risk & Insurance Section and the Budget for 2018/19.

The report informed that the Budget for 2018/19 was £85,000 more than the agreed Budget for 2017/18. The increased costs had fallen on schools due to changes in the claims experience and values at risk. There was no increase in the overall cost to the General Fund in 2018/19.

A Member commended Mike Lane for the way in which the insurance fund was managed generally. Responding to comments, Mike Lane informed the meeting that insurance for schools was a traded service and they were entitled to look elsewhere for this service.

Resolved – That the Insurance Fund 2018/19, be agreed.

58 AGS SIGNIFICANT GOVERNANCE ISSUES UPDATE

The Director of Finance and Investment, Shaer Halewood, introduced her report which provided Members with a progress update on actions taken by officers to address items of concern identified in the Annual Governance Statement for 2016/17. The report informed that progress was being made to address all issues identified in the action plan. Targets, timescales and responsible officers having been identified and tasks allocated and work underway.

With regard to the Improvement Plan following the Ofsted inspection of Children's Services and in response to Members' comments, Shaer Halewood stated that she would ask for a full action plan to come to the next meeting of the Committee and for the Director for Children, Paul Boyce, to present the report and answer questions.

Shaer Halewood also confirmed that walkthrough exercises had been conducted for all Business Continuity Plans of the 26 identified critical services. With regard to ICT Resilience Planning the new datacentre would be in place and completed by the end of February, 2018.

A Member expressed concern regarding the levels of absence due to mental health and commented that the Wellbeing Strategy should have been shared with Members prior to its launch to staff.

Another Member commented that the Wellbeing Strategy was a good approach and on the need to break down the stigma of mental health.

Shaer Halewood commented that the issue of training was taken very seriously; further training was being rolled out for managers and she would report back on this as part of the next report.

The issue of compliance with essential training for all staff was also raised and the Assistant Chief Executive, David Armstrong, responded that although there could be not a 'one size fits all' approach, he did acknowledge the need to do better.

In respect of performance appraisals David Armstrong confirmed that the workforce had been split into two groups, with Children and Young People's Department (CYPD) having a completion rate of 59% and the rest of the workforce on 96% as at 8 January, 2018. A Member suggested that performance management was really weak in CYPD. Another Member queried whether this figure included agency staff, David Armstrong responded that he would assume it would only include payroll staff but an update would be brought to the next meeting.

Resolved – That the report be noted.

59 EXTERNAL AUDIT - COMMITTEE UPDATE

Mr Robin Baker of Grant Thornton UK LLP, the Council's external auditors, presented a report to Members on work undertaken with regard to the delivery of their responsibilities as External Auditor covering the Year ending 31 March 2018. Mr Baker provided the Audit and Risk Management Committee with a summary of the progress on a number of key matters since the last report to Committee in November 2017.

With regard to the Whole Government Accounts Assurance Statement work was ongoing with Council officers to resolve differences and an update would be provided in March.

Resolved – That the report be noted.

The Interim Assistant Director: Law and Governance presented a report which gave a summary of the use of covert surveillance by the Council, to detect evidence of criminal behaviour, between 1 September 2017 and 1 January 2018.

The report informed that during this period, the Council had obtained approval for the use of covert surveillance with the intention of detecting evidence of suspected illegal fly tipping at a site in Wirral. The authorisation was cancelled in December, 2017 as it was considered no longer required.

The report also gave details of a successful prosecution arising from authorised covert surveillance for illegal dumping of household waste which had concluded at the Wirral Magistrates Court in November, 2017.

Resolved – That the report be noted.



Audit and Risk Management Committee Monday, 12 March 2018

REPORT TITLE:	INTERNAL AUDIT UPDATE
REPORT OF:	CHIEF INTERNAL AUDITOR

REPORT SUMMARY

This report identifies and evaluates the performance of the Internal Audit Service and includes details of any issues arising from the actual work undertaken during the period 1st January to 28 February 2018. There are three items of note concerning audit work undertaken that are brought to the attention of the Members for this period and these are identified at Section 3.2.

RECOMMENDATION

Members note the report.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION

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

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options considered.

3.0 BACKGROUND AND AUDIT OUTPUT

- 3.1 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 1st January to 28th February 2018.

3.2. Items of Note

3.2.a Human Resources – HMRC IR35 (Deemed Employment) Scheme

An audit has been conducted of the Human Resources / Payroll system in respect to the IR35 (Deemed Employment) scheme. The IR35 scheme was introduced into the public sector from April 2017 ensuring that contractors working on public sector contracts are no longer responsible for determining their own IR35 status. Instead, the public sector engager is required to determine the IR35 status of a particular contract. Under the IR35 scheme, if the contract is assessed to be inside IR35, the entity which pays the contractor's company (either Wirral Council or a recruitment agency) become responsible for deducting the resulting taxes directly from payments made to the contractor and reporting those deductions to HMRC. The changes affect

any payments made on or after 6 April 2017, regardless of when the work was undertaken. If an engagement falls within IR35 then the payment must be subjected to PAYE and NI deductions.

The scope of the audit was to determine whether the controls over ‘off-payroll’ engagements are adequate and effective and provide reasonable assurance of compliance with HMRC IR35 regulations by reviewing the Governance (Roles & Responsibilities); Policies & Procedures; and Implementation of IR35 changes. It was pleasing to note that controls are firmly in place to ensure that the correct status is ascertained for each employment type and for each contractor within the Council ensuring deductions are made, and paid over, in the correct way in accordance with HMRC IR35 regulations.

3.2.b Key Corporate Contracts

An assurance review audit was completed during the period on the final tendering process that has led to the determination of the final partner for the Wirral Growth Company. The audit was able to confirm that the Council had complied with all relevant legal requirements as well as its own Contract Procedure Rules, furthermore calculations performed within the evaluation were found to be accurate, and a robust control environment was found to be in existence.

3.2.c General Data Protection Regulations (GDPR)

An audit of the Council's compliance with the requirements of the new GDPR was completed during the period. The aim was to evaluate progress being made by the Council to ensure that the deadline of the 25th May 2018 for full compliance would be achieved. The review focused on implementation of the ‘Twelve Steps Framework’ recommended by the Information Commissioner’s Office and evaluated progress in these areas, providing an assessment and identifying any required actions for management. The findings from the work undertaken indicates that whilst the ‘steps’ have not yet been implemented, good progress is being made at this moment in time with comprehensive plans in place for delivery and implementation. Governance arrangements could be further strengthened by appointing a permanent Chair and ensuring representation from across the Authority and these issues are identified in the report for management. It is planned to undertake a further review prior to the deadline and the findings reported to Members.

3.3 Outstanding Audit Recommendations

- 3.3.a Members will be aware that Internal Audit have developed a ‘tracker’ table that identifies information relating to those audits where recommended actions included in audit reports for the current year to date have not been fully implemented within agreed timescales and yet still present a serious risk. This table is appended to this update report when there are items outstanding that may require action by Members. For this particular period there are no current outstanding actions although it should be noted that a significant number of follow up audits are currently in progress and may impact upon this for future reports.

3.4 Internal Audit Performance Indicators

3.4.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 & (No Returned)
Percentage delivery of Internal Audit Plan 2017/18.	80	76
Percentage of High priority recommendations agreed with clients.	100	100
Percentage of returned client survey forms for the reporting period indicating satisfaction with the Internal Audit service. (12 Client Survey Forms requested for the period)	90	100 (12)
Percentage of internal audit reports issued within 10 days of the completion of fieldwork.	100	98

3.4.b There are currently no significant issues arising.

3.5 Internal Audit Developments

3.5.a Continuous Improvement

This is important to the overall efficiency and effectiveness of the Internal Audit Service and as such a Continuous Internal Audit Improvement and Development Plan has been formulated that incorporates new and developing areas of best practice from across the profession, ensuring that the service continues to constantly challenge how efficient and effective it is at delivering its service to all of its stakeholders and making any relevant changes and improvements as required. Some of the actions currently ongoing include:

- Implementation of the revised Internal Audit Methodology and Delivery Manual to fully comply with the new requirements of the Public Sector Internal Audit Standards and related best practice guidance;
- Ongoing improvement of corporate counter fraud awareness across the Council as evidenced in Counter Fraud Update report presented to this Committee;
- Continuing development of more automated working papers and reports to evidence and support audit findings;

- Continued ongoing development of the Mersey Region Counter Fraud group led by Wirral Internal Audit to include more joint fraud exercises and training across the local region and the North West of England;
- Development and implementation of a comprehensive Business Continuity Plan for the service;
- Continuing development of the Wirral Assurance Map identifying areas of assurance for the Council for utilisation in audit planning process;
- Ongoing improvements to the audit reporting format/template;
- Ongoing improvements to the audit planning process for 2018/19.

4.0 FINANCIAL IMPLICATIONS

4.1 There are none arising from this report.

5.0 LEGAL IMPLICATIONS

5.1 There are none arising from this report.

6.0 RESOURCE IMPLICATIONS

6.1 There is none arising from this report.

7.0 RELEVANT RISKS

- 7.1 Appropriate actions are not taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives.
- 7.2 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.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

9.1 There are none arising from this report.

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REFERENCE MATERIAL

Internal Audit Plan 2017/18

SUBJECT HISTORY (last 3 years)

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

Agenda Item 5



Audit and Risk Management Committee Monday, 12 March 2018

REPORT TITLE:	INTERNAL AUDIT PLAN 2018/19
REPORT OF:	CHIEF INTERNAL AUDITOR

REPORT SUMMARY

The report identifies the Internal Audit Plan of work for 2018/19.

Work scheduled for completion has been included to reflect the findings of the extensive planning exercise recently undertaken to ensure the ongoing relevance of risks previously identified, as well as the inclusion of any risks to the organisation that have emerged since the original exercise, or are likely to emerge in the near future.

The updated plan has been presented to the Strategic Leadership Team and approved for implementation.

RECOMMENDATION

That in accordance with the terms of reference for the Audit and Risk Management Committee, Members should endorse the work proposed in the Internal Audit Plan.

SUPPORTING INFORMATION

1.0 REASON FOR RECOMMENDATION

- 1.1 The Audit and Risk Management Committee is required by its terms of reference to advise on the adequacy of the Council's strategic risk management, internal control and governance processes.
- 2.2 The Public Sector Internal Audit Standards produced jointly by the Chartered Institute for Public Finance and Accountancy and the Chartered Institute of Internal Auditors sets out the expected professional standards for Internal Audit in Local Government.
- 2.3 The standards set out the requirement for a risk based internal audit plan. This report identifies the Annual Internal Audit Plan for 2018/19.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options considered.

3.0 FINANCIAL

- 3.1 There are none arising from this report.

4.0 LEGAL IMPLICATIONS

- 4.1 There are none arising from this report.

5.0 RESOURCE IMPLICATIONS

- 5.1 There is none arising from this report.

6.0 RELEVANT RISKS

- 6.1 The Council may not achieve its corporate objectives.
- 6.2 The Audit and Risk Management Committee may fail to comply with best professional practice and thereby not function in an efficient and effective manner.
- 6.3 Appropriate actions may not be taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives.
- 6.4 Statutory requirements for the Council to provide adequate and effective systems of internal audit may not be met.

7.0 ENGAGEMENT/CONSULTATION

- 7.1 Members of this Committee are consulted throughout the process of preparing and delivering the Internal Audit Plan.

8.0 EQUALITY IMPLICATIONS

8.1 There are none arising from this report.

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APPENDICES

Appendix 1: Internal Audit Annual Plan 2018/19

REFERENCE MATERIAL

CIPFA Code of Practice for Internal Audit in Local Government
Chartered Institute of Internal Auditors Standards & Protocols for Internal Auditing
Public Sector Internal Audit Standards

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	Report presented annually to this Committee.

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WIRRAL INTERNAL AUDIT SERVICE

INTERNAL AUDIT PLAN

2018 - 2019

**Internal Audit Service
Old Market House
Birkenhead
Wirral
CH41 5AL**

Section One

INTRODUCTION

- 1.1 This document summarises the results of Internal Audit's planning work. It sets out details of the:
 - Responsibilities and scope of internal audit
 - Resourcing and delivery of the Council's internal audit service
 - Arrangements for reporting internal audit work
 - Proposed programme of work for 2018/19 (the Audit Plan)
- 1.2 The Audit Plan for 2018/19 has been prepared in accordance with the requirements of the Public Sector Internal Audit Standards (PSIAS). The PSIAS represent mandatory best practice for all internal audit service providers in the public sector.
- 1.3 The Council has adopted the PSIAS definition of internal auditing:

Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.4 In accordance with PSIAS, the mission of internal audit is to:

Enhance and protect organisational value by providing risk-based and objective assurance, advice and insight.
- 1.5 The work of internal audit is a key element in delivering the Council's strategic priority of corporate effectiveness and business efficiency, but also supports the Council in achieving all the aims and objectives set out in the Wirral Council Plan: A 2020 Vision.
- 1.6 The PSIAS require that the internal audit service is delivered and developed in accordance with the internal audit charter. The Council has formally agreed provisions relating to internal audit as detailed in the Financial Procedure Rules of the Council's Constitution in accordance with the Internal Audit Charter.

Section Two

INTERNAL AUDIT – RESPONSIBILITIES AND SCOPE

2.1 *Responsibilities of internal audit*

The internal audit function is responsible for:

- Reviewing and developing the Council's governance processes. Specifically, this includes:
 - Promoting appropriate ethics and values within the Council
 - Supporting effective organisational performance management and accountability
 - Communicating risk and control information to appropriate areas of the organisation
 - Coordinating the activities of, and communicating information among, Audit and Risk Management Committee, external audit, internal audit and management
- Evaluating the effectiveness of the Council's risk management processes and contributing to their improvement
- Assisting in the maintenance and development of an effective control environment by providing robust independent assurance over its operation.

2.2 *Responsibilities of management*

The establishment and maintenance of adequate control systems is the responsibility of management. Recommendations made by internal audit can reduce risk and improve systems of control. However, the implementation of audit recommendations cannot eliminate risk entirely.

2.3 *Responsibilities of the Audit and Risk Management Committee*

In regard to internal audit, the Audit and Risk Management Committee is responsible for:

- Approving, but not directing, internal audit's strategy, plan and monitoring performance
- Reviewing summary internal audit reports and the main issues arising, and seeking assurance that action has been taken where necessary
- Receiving and considering the Chief Internal Auditors annual report.

2.4 *Responsibilities for fraud prevention and detection*

The primary responsibility for the prevention and detection of fraud rests with management. Management's responsibilities include creating an environment where fraud is not tolerated, identifying fraud risks, and taking appropriate actions to ensure that controls are in place to prevent and detect fraud.

It is not the role or responsibility of internal audit to detect fraud. However, internal audit will evaluate the potential for the occurrence of fraud in each assignment and how the Council manages the risk of fraud.

2.5 *Scope of internal audit activities*

The scope of internal audit work includes:

- The entire control environment of the Council, comprising financial and non-financial systems.
- Reviewing controls that protect the interests of the Council in its dealings with partnerships in which the Council has an involvement.

Internal audit may also provide assurance services to parties outside the Council as appropriate and with the agreement of the Council.

Section Three

RESOURCING & DELIVERY OF INTERNAL AUDIT

3.1 *Resource requirements*

The level of resource required to deliver an effective internal audit service to the Council has been assessed based on the need to provide adequate audit coverage of the Council's:

- Key financial systems
- Risk management and governance arrangements
- Front line services
- Support services
- Procurement and contract management activity
- Information management arrangements
- Anti-fraud and corruption arrangements
- Schools

Account has also been taken of the need to be able to resource:

- Unplanned work which may arise during the year
- Follow up work to provide assurance that previously agreed recommendations are implemented
- Provision of advice and consultancy to internal customers

3.2 *Delivery of the internal audit service*

The 2018/19 Internal Audit Plan will be delivered by a highly experienced and suitably qualified in-house team of 11 FTE auditors. The level of available internal audit resource is considered sufficient to deliver a robust annual internal audit opinion to the Audit and Risk Management Committee.

As in recent years, where opportunity arises, the internal audit team will also collaborate with internal audit colleagues from other local authorities in regard to the approach and delivery of particular audit assignments.

3.3 *Independence and objectivity*

The internal audit team is managed by the Chief Internal Auditor reporting directly to the Director: of Finance and Investments, the Council's statutory Section 151 Officer and with direct unfettered access to the Chief Executive Officer and Chair of the Audit and Risk Management Committee. These arrangements are designed to prevent any potential impairment to independence and objectivity in regard to the provision of an effective internal audit.

3.4 *Approach to placing reliance on other sources of assurance*

When planning specific audit assignments, other sources of assurance may be taken into consideration in order to ensure the best use of the audit resource. Any work that is necessary in order to place reliance on other sources of assurance will be determined as required for each assignment.

3.5 *Assurance services to other organisations*

The only assurance work provided to an external party is that delivered to Edsential which is the trading company established to deliver support services to Schools. Wirral Internal Audit Services have included some time within the audit plan for 2018/19 to accommodate work of this nature during the year as required.

Section Four

INTERNAL AUDIT REPORTING ARRANGEMENTS

4.1 *Distribution of internal audit reports*

At the conclusion of each audit assignment, a draft report and action plan is discussed with the manager responsible for the area which has been audited. A final report containing management responses to any issues identified is subsequently distributed to:

- The relevant Senior Managers for the area reviewed,
- The Strategic Directors responsible for the area reviewed,
- The Council's external auditor, Strategic Leadership Team and ARMC in summary bi-monthly activity report format.

4.2 *Overall assurance opinion*

In each audit report, an overall opinion on the organisational risk presented is provided for the area audited. The opinion is based on the information obtained in the course of the audit and represents an assessment of the effectiveness of the risk management, control and governance processes in the area audited.

Organisational Risk Rating	Explanation
Major	This opinion indicates that the likelihood/impact of the risks identified during the review, should they materialise, would leave the Council open to major risk of a fundamental or material nature. This opinion suggests that there are some potentially serious weaknesses in the design and/or operation of the control environment that may have a significant impact on the achievement of systems and or corporate objectives if not addressed.
Moderate	This opinion indicates that the likelihood/impact of the risks identified during the review, should they materialise would leave the Council open to moderate risk of a fundamental or material nature. This opinion suggests that there are some weaknesses in the design and/or operation of the control environment that may have varying degrees of impact on the achievement of the systems and/or corporate objectives.

Minor	This opinion indicates that the likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to minor risk.
Negligible	There were no weaknesses identified during the review

4.3 *Reporting to elected members*

On a regular scheduled basis throughout the year internal audit update/progress reports are presented to the Audit and Risk Management Committee Members summarising the outcomes of internal audit work and any significant matters identified. Such matters may include risk exposures, governance weaknesses, performance improvement opportunities and value for money issues and include those matters escalated to Members for action..

In addition to this, Members are emailed a bi-monthly Internal Audit Activity Summary report throughout the year identifying audits completed, opinions provided, summary findings and a RAGB rating indicating the status of actions being taken by officers in response to audit recommendations. Information is provided in this manner to ensure that the timeliness of data provided is maintained effectively on an ongoing basis.

4.4 *Annual Audit Opinion*

An annual report is presented to the Audit and Risk Management Committee which includes the Chief Internal Auditor's overall opinion on the Council's risk management, control and governance processes. This opinion forms one of the sources of assurance in support of the Council's Annual Governance Statement. The opinion is based upon the collective findings from the internal audit work completed during the year.

Section Five

INTERNAL AUDIT PLAN - METHODOLOGY

5.1 Requirements of the Public Sector Internal Audit Standards

The PSIAS state that the ‘chief audit executive must establish risk-based plans to determine the priorities of the internal audit activity, consistent with the organisation’s goals’.

5.2 Development of the Audit Plan

In developing the Audit Plan, account has been taken of:

- The Council’s risk management processes
- Senior management’s views on risk in their areas of responsibility
- The results of previous internal audit work
- Other existing sources of assurance, including the work of external audit
- New or emerging risks affecting the Council or local government as a whole
- Known changes to the Council’s business, operations, programs, systems, and controls
- The requirement to ensure sufficient and wide ranging coverage in order to provide a robust annual audit opinion
- Any planned work deferred from the 2017/18 Audit Plan that is still considered a priority

5.3 Alignment of the Audit Plan to the Council’s Corporate Priorities

The Audit Plan has been prepared in a way that aligns each piece of planned work with the key risks presented to the Council whilst also taking account of corporate priorities. Some planned reviews clearly contribute to more than one risk or priority. For presentational purposes the reviews have been listed in a manner that is considered most closely linked to the relevant directorate.

5.4 *Budgeted time allocations*

A budgeted time allocation has been set for each area included in the Audit Plan. It is accepted that the exact resource requirement for each assignment cannot be forecast with certainty at this stage. The plan therefore represents the best estimate of the way in which the Council's internal audit resources will be deployed.

5.5 *Timing and prioritisation of audit work*

The intention is to complete all planned work within the year. However, the timing and respective prioritisation of work will take account of:

- The need to finalise any work from 2017/18 that remains incomplete at year-end
- The requirement to provide assurance over the Council's key financial systems
- The views of management of the service areas in regard to the timing of work
- Any other factors that may be relevant to the timing of a particular piece of work
- Any urgent unplanned work arising
- Changes in the level of audit resources available

5.6 *Significant interim changes to planned work*

The Audit Plan will be kept under review during the year and it may be necessary to make revisions to planned work in order to respond to changes in priorities or changes in the level of internal audit resources. Minor changes will be agreed with the relevant operational Directors. Any significant interim changes will be reported to the Audit and Risk management Committee.

Section Six

SUMMARY INTERNAL AUDIT PLAN

Audit Area	2018/19 Audit Days
Children's Services (Incl Schools)	176
Health & Care (Excl Delivery)	63
Strategy	74
Delivery	282
Corporate Resources & Reform	228
Assistant Chief Executive	137
Pension Fund	150
ICT	216
Counter Fraud	300
Advisory	100
Contingency	110
Total Planned Audit Days	1836

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
CHILDREN'S SERVICES			
Troubled Families	Need to maximise income and prove details claimed accurate and valid.	Verification of grant claim details including appraisal of outcomes	X
Safeguarding	Essential that Council complies with legal requirements to ensure protection of vulnerable individuals.	Appraisal of current effectiveness of Children's Safeguarding procedures	X
Children's Services	Important that service maintain effective systems of governance, performance and finances to ensure ongoing delivery of statutory requirements.	Payments and processes reviews to give assurances on accuracy and control, covering Social Care Payments, Cash Controls and Early Years Provision. Ofsted related work and organisational compliance (Attendance Management/Training etc)	X
TOTAL CHILDREN'S SERVICES			176
HEALTH & CARE			
Social Care Integration	Essential that Council maintains effective management arrangements for effective partnership working with NHS Trusts.	Contract management arrangements with Wirral NHS Community Trust and Cheshire and Wirral Community Trust	X

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
Integrated Commissioning Hub	Key transformational change project on the health integration agenda, essential to the delivery of service and financial priorities.	Continuing review of progress towards the implementation of the Integrated Commissioning Hub with a focus to ensure key governance and financial risks are appropriately addressed.	X
Controcc Payments	Essential that accurate and efficient payments are made to genuine care recipients.	Review control arrangements regarding care financials system	X
Out of Borough Placements	Awareness of care provision quality and control regarding service users placed outside of the Council's boundary.	Assurance of correct assessment, monitoring and payment processes	X
TOTAL HEALTH & CARE			63
STRATEGY			
Commissioning	Important for organisation to maintain effectiveness of identifying outcomes to meet needs through efficient market intelligence and stakeholder involvement.	Support and guidance plus compliance work regarding: <ul style="list-style-type: none">- Assisted Travel- Highways- Car Parking- Procurement	X
Waste Disposal Levy	Correct and appropriately defined significant payments to partner agency for service.	Verify accuracy and basis of payments	X

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
Performance Management	Effective performance management arrangements remain key to ensuring Council activity is geared to achievement of Council objectives.	Annual review of the Council's arrangements for Performance Management. Planned work includes a review of how performance management arrangements link with and support business planning and strategic service planning and review processes.	X
Partnership Delivery	Achievement of Council objectives is increasingly linked to the effectiveness of partnership working.	Review of the risk management and governance arrangements of a sample of key service partnerships. Planned work includes consideration, for a sample of Wirral Plan pledges, of how the Council ensures appropriate ownership and delivery of pledge commitments by key partners.	X
TOTAL STRATEGY			74
DELIVERY			
Financial Systems <ul style="list-style-type: none"> • Council Tax • Business Rates • Payroll • Benefits • Accounts Receivable • Accounts Payable • Income Reconciliation 	These systems provide material disclosures for the financial statements. (S151 requirement).	High level reviews evaluating and testing the effectiveness of the key controls within each financial system and focused on any emerging key risks areas.	X

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
Business Support	Business support systems underpin the delivery of effective customer services.	Assurance on effectiveness of systems for business support within Customer Services.	X
Free-Standing Payments	Important that effective controls are implemented over all payments made by the Council.	Examination of range of payments made outside of Iprocurement.	X
Housing Services	Effective delivery of key service ensuring legislative compliance.	Review compliance with legislation and policies specifically regarding homelessness.	X
Licencing	Essential that Council complies with statutory and regulatory requirements.	Select sample of licences and test for compliance with legislation and Council's Policy &Procedures.	X
Environmental Improvements	Need to guard against low quality service not meeting Council requirements and citizens' expectations.	Appraise control environment covering governance, performance and financial aspects.	X
Schools	Appropriate financial and operational control is essential to effective operation over school funds.	An audit programme focussed on financial and governance risks is undertaken at all schools over a 3-4 year programme, with phasing planned based on risk assurance rating. A thematic review of controls over a selection of IT risks will also be undertaken at a small sample of schools. Ongoing support and guidance on effective control environments to be provided on a risk basis.	X

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
Landican	Essential that this high profile/high risk service is delivered effectively by the Council.	Appraisal of financial and operational processes.	X
Leisure Services	Weak control environment would significantly impact upon service delivery and future transformation plans.	Visits to sample of Sports centres to review financial and operational aspects.	X
Wirral Evolutions	Important Local Authority Trading Company delivering services regarding day centres and day opportunities. Essential that governance arrangements are robust.	Delivery of service agreement covering key governance, performance and financial aspects of service.	X
Edsential	Potentially significant risks associated with delivery of these external services to schools.	Completion of targeted audit work to contribute to development and operation of effective control environment.	X
TOTAL DELIVERY			282
CORPORATE RESOURCES & REFORM			
Capital Financing	These systems provide material disclosures for the financial statements.	High level reviews evaluating and testing the effectiveness of the key controls within the Capital Programme, Assets and Treasury Management operations focused on any emerging key risks areas.	X

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
Financial Accounting System	These systems provide material disclosures for the financial statements (S151 requirement).	High level reviews evaluating and testing the effectiveness of the key controls within the accounting practices and budgetary control focused on any emerging key risks areas.	X
Financial Management	Essential provision of assurance to the S151 Officer on the financial resilience of Council.	Reviews evaluating and testing the effectiveness of the key controls within the financial systems that support the Council's business and focused on any emerging key risks areas.	X
Grants	Essential to maximise income and prove details claimed accurate and prompt.	Responsive work prior to despatch of claims	X
Attendance Management	Essential that Council effectively controls sickness absence across the organisation to prevent financial and reputational loss.	Assurance of compliance with Council's policies and procedures.	X
Organisational Change	Significant change projects key to organisational and financial wellbeing and achievement of corporate objectives.	Transformation schemes input/overview ensuring sufficient focus on key elements including governance and risk. Ongoing audit input to LLCS. Input to developing areas of Commercialism. Future ADM's and lessons learnt input.	X

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
Financial Resilience	Uncertainty over the level of future funding and increased demand pressures mean the Council's ability to deliver future essential services depend on effective delivery of key actions.	<p>Review the new outcome-based budget process and test the application of the new scheme for delegated budget responsibility.</p> <p>Review the process for establishing and monitoring savings targets and how this is linked to increased accountability for their delivery.</p>	X
Risk Management	A robust risk management framework is essential to ensure the range of risks to service delivery and achievement of Council priorities are effectively managed.	Annual review of the Council's arrangements for Risk Management. Support, challenge and evaluate the extent to which corporate risk management policy is consistently applied corporately and within service departments.	X
Organisational Culture	Securing the right culture and embedding this throughout the organisation will be key to achieving service priorities in a time of considerable change.	Review effectiveness of corporate initiatives aimed at strengthening the accountability framework for senior managers including the approach to performance appraisals.	X
Follow-ups	Agreed recommendations not implemented.	Follow up of all audit recommendations.	X
TOTAL CORPORATE RESOURCES & REFORM			228

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
ASSISTANT CHIEF EXECUTIVE			
Constitution	Essential to overall good governance that the Council's Constitution is current, relevant and functions effectively.	Annual review and feedback to Monitoring Officer regarding assurance on effectiveness and corporate compliance.	X
Regeneration Projects	Major regeneration schemes represent a substantial investment by the Council that will encourage economic growth and increase income. Essential that effective progress with delivery of these major schemes is maintained and managed effectively.	Reviews of partnership/governance arrangements to deliver investment through Growth Company and overview of current Wirral Waters position. Further targeted work in this area including input/testing and in year reviews as appropriate.	X
Corporate Governance / Annual Governance Statement (AGS)	Statutory requirement for the Council to produce an Annual Governance Statement. Poor governance leading to failure to achieve key objectives and ineffective use of resources.	Undertake work to support and assist in the preparation of the Annual Governance Statement, ensuring it aligns with knowledge and understanding of structures and processes in place. . Provide support and challenge to development of governance arrangements, including attendance and support for Corporate Governance Group and Governance Review initiatives.	X

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
Ethical framework	Robust ethical procedures will help ensure good governance and protect the Council's reputation.	Review of ethical framework arrangements. Evaluate the effectiveness of the processes supporting compliance with ethical governance principles.	X
TOTAL ASSISTANT CHIEF EXECUTIVE			137
PENSION FUND			
	The Council as administering authority for the Merseyside Pension Fund (MPF) is required to make arrangements for the proper administration of the financial affairs of the Fund and provide assurance they are managed to secure effective, economic and efficient use of resources and to safeguard its assets.	Reviews undertaken based on the current cyclical MPF internal audit plan arrangements updated to take into account the emerging key risks facing the Fund and delivered in accordance with the service level agreement. An increase in the number of audit days has been mutually agreed to recognise the complex challenges now facing the LGPS and to demonstrate good governance. The following high risks areas will be included: <ul style="list-style-type: none">• Investments• Benefits• Member Services	X
TOTAL PENSION FUND			150

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
ICT			
Legislation Compliance	Failure to comply with relevant legislation could lead to financial and reputation damage to the Authority.	Provide an update on Authorities position on Legislation Compliance.	X
Business Continuity/ Disaster Recovery	Insufficient Business Continuity Plans and Disaster Recovery processes could lead to unavailability of business critical systems that could result in unavailable services for vulnerable people.	Provide assurance sufficient controls in place to manage physical & environmental security of systems to ensure availability of critical Council systems.	X
Cyber Security	Cyber attackers are continually seeking new and innovative ways to attack an organisations infrastructure to obtain confidential information for financial gain.	Provide assurance that there are robust controls in place prevent a wide range of Cyber-Attacks, using guidance from National Cyber Security Centre and other Agencies.	X
IT Projects	The risk of running over budget and over time are the key risks to any project. All projects need to be in line with strategy and include all relevant stakeholders to ensure that benefits are realised.	To provide assurance that projects are managed and monitored sufficiently to ensure that they are delivered in time, on budget and benefits are realised.	X

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
Network Security	The key for IT is to constantly evaluate current security measures and policies to identify any shortcomings that may be exposing the company to risk.	To provide assurance that the risks presented to our networks are managed and mitigated to protect our infrastructure.	X
Information Assurance	The loss of information can have a detrimental effect on an individual therefore an organisation must adopt corporate wide culture that protects all data.	To provide assurance that information is managed in line with the LPS Data Handling Guidelines	X
System Assurance	To ensure the confidentiality, integrity and availability of business critical systems. Also ensure systems are fully utilised and fit for purpose.	To provide assurance that critical systems have sufficient controls in place to manage integrity, confidentiality, availability.	X
Follow Ups	To ensure recommendations are implemented as stated in line with PIAS.	Follow up of recommendations made by internal and external assurance providers to provide assurance that actions are implemented in a timely manner.	X
TOTAL ICT			216

Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
COUNTER FRAUD			
Counter Fraud Strategies, Policies and Awareness Training	Fraud and corruption are ever present risks to all organisations. It is important therefore that the Council's arrangements to counter fraud reflect best practice.	Update internal fraud policies and evaluation of awareness and compliance across the Council and continued delivery of awareness training for all employees.	X
National Fraud Initiative (NFI)	NFI matches data across organisations and systems to help public bodies identify anomalies which may signify fraud. The Council is required by law to participate in NFI.	Coordination of the NFI 2018/19 exercise, including the investigation of matches and review of user outcomes. To identify possible cases of fraud and error from data provided through NFI and ensure that corrective action is taken in respect of any identified under/overpayment.	X
Fraud – Reactive	Fraud referrals deemed of sufficient significance to be referred to and accepted by the CIA are investigated by Internal Audit in line with the Counter-Fraud and Corruption Strategy.	Investigations of allegations/referrals to Internal Audit	X
Fraud – Proactive	Fraud and corruption are ever present risks to all organisations. It is important	Risk based proactive work to prevent and detect fraud.	X

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Area of Audit Work	Risk Context	Overview of Assurance	2018/19 Audit Days
	therefore that a programme of proactive anti-fraud work is undertaken to prevent and detect fraud.		
TOTAL COUNTER FRAUD			300
ADVISORY			
Audit Queries		Time allocation for specific queries that arise from directorates that require audit services.	X
Corporate Working Groups		Time allocation to contribute to Audit Working Groups	X
National/Regional Working Groups		Time allocation to contribute to Audit Working Groups	X
TOTAL ADVISORY		Including Control Awareness training.	100
TOTAL CONTINGENCY		Time allocation to allow for new emerging risks and unplanned work for example large investigations.	110
TOTAL AUDIT DAYS			1836



Audit and Risk Management Committee Monday 12 March 2018

REPORT TITLE	PROCUREMENT - AMENDMENTS TO THE COUNCIL CONTRACT PROCEDURE RULES
REPORT OF	HEAD OF PROCUREMENT

REPORT SUMMARY

The Council is committed to a review the Contract Procedure Rule's (CPR's) to take account changes in its governance, Public Contract Regulations and developments in good practice and improvements highlighted by audit reports.

The Assistant Director: Law and Governance (Monitoring Officer) must keep the CPR's under review and has the authority to make minor amendments as required, after consultation with the Head of Procurement. Any changes will be notified by the Assistant Director: Law and Governance (Monitoring Officer) to Strategic Directors for dissemination to officers involved in procurement.

Any significant changes require the consent of the Audit and Risk Management Committee.

The Assistant Director: Law and Governance (Monitoring Officer), in consultation with the Head of Procurement, will fully review these rules every two years and report this review to the Audit and Risk Management Committee.

The existing CPR's were approved by Audit & Risk Management Committee (A&RM) on 24 November 2015.

This report highlights the proposed amendments to the CPR's as a result of the review. These amendments, if approved will come into effect on the 1st April 2018.

RECOMMENDATIONS

That the amendments to the CPR's be approved.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATIONS

- 1.1 This report sets out proposed amendments, for approval by Audit and Risk Management Committee, to the Council's Contract Procedure Rules (CPRs).
- 1.2 These amendments reflect comments made by Officers directly involved in contract activity across the Council who have taken part in the review, and by members of the Corporate Governance Group.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options have been considered.

3.0 BACKGROUND INFORMATION

- 3.1 A complete review of the CPRs was undertaken and the revised Rules, approved by this committee on the 24 November 2015, came into effect on the 1 April 2016.
- 3.2 The revised CPRs included the adoption of the Public Procurement Regulations 2015, the Transparency Code 2014, and the requirement to publish all contracts over £5,000 in value.

4.0 PROPOSED AMENDMENTS / CHANGES TO CPR's for 2018

- 4.1 The first is where a breach of the Rules has taken place, the process for reporting and recording needs amendment. The second, is the use of corporate contracts which needs to be underpinned, as were they not used the Council will be in breach of contract and is at risk of not achieving value for money. The third is to ensure that financial risk of third party suppliers and providers is minimalised.
- 4.2 Further additions include a new clause regarding 'Organised Crime' as recommended by the Home Office, the application of the Council's 'Social Value Policy' approved by Cabinet on the 6th November 2017 and the application of price/quality criteria when evaluating contracts.
- 4.3 Amendments /Changes as follows:

Section 3.2 Responsibilities of Officers and Members

Add:

- 3.2.2** Failure to comply with any of these rules may be considered a **breach of the Officers Code of Conduct and may result in disciplinary action.**
- 3.2.3** Where it becomes apparent that a Service has failed to comply with the CPRs a Breach Notice, as set out in a Procurement Rules Approval Document (PRAD 6), should be completed and submitted to the Head of

Procurement and Internal Audit. Internal Audit will, if the breach exceeds £50,000 in value, submit a report to the Head of Procurement and the Assistant Director: Law and Governance (with appropriate recommendations) before reporting to Audit and Risk Management Committee and / or the Corporate Governance Group. Breaches up to £50,000 will be reported to the Corporate Governance Group by Corporate Procurement in consultation with Internal Audit.

Section 6 Pre-Procurement Process replaced by:

Section 6 Corporate Contracts

- 6.1** If a Council contract exists which covers the subject matter of the proposed procurement (a Corporate Contract) it must be used unless one of the following conditions applies:
 - The corporate contractor has confirmed that the goods or services are not available within the required timescale.
 - The corporate contractor has confirmed that they are unable to fulfil the requirement.
 - The corporate contract is subject to an unresolved dispute or an exit plan has been exercised.
 - The corporate contractor's financial position has altered and a status of administration or liquidation has been applied.
 - The corporate contractor is in breach of contract and a termination notice has been issued.
 - The Corporate Contract is no longer value for money and the Council is entitled in law to procure the goods or services elsewhere.
- 6.2** Where an officer seeks to no longer use a corporate contract, they will arrange for consent to be obtained in writing from the Head of Procurement. Such consent will be evidenced on a Procurement Rules Approval Document (PRAD 5), in advance of any commitment to proceed with a supplier or provider.

Previous Section 6 to follow now becomes Section 7 and so on.

Section 7 (previously 6) Pre Procurement Process

Amend 7.2.1 j to read:

The economic, social and environmental wellbeing of the borough and the benefit which the procurement process can bring to the community and have regard to the duty to secure continuous improvement in accordance with Best Value, ***the Council's Social Value Policy 2017, Social Value Guidance and Social Value Framework.***

Add:

- 7.2.5** The Authorising Officer, together with Corporate Procurement, in all Supplier / Contractor sectors and areas identified as vulnerable to serious and organised crime include within the **quotation / tender** documentation the following statement:

“Wirral Council has identified that the scope of this procurement falls within a business sector which may be attractive to infiltration by organised crime groups. Wirral Council therefore reserves the right to include enhanced probity checks / requirements at both the selection and award stages of the procurement.” as set out in the invitation to tender.

Section 10 (previously 9) Tenders

Section 10.6 Evaluation of Tenders

Amend:

- 10.6.5** During the evaluation process, the evaluation of quality should be separate from that of price to ensure so that one cannot influence the other before the final scoring of bids is completed. ***Unless agreed with the Head of Procurement all evaluation criteria should be based upon 70% price / 30% quality.***

Add:

10.7 Financial Evaluations

- 10.7.1** Corporate Procurement shall obtain financial profile reports of bidders for all appropriate procurements of £5k and above.
- 10.7.2** Financial profile reports for procurements up to £100k shall be considered jointly by the commissioning service and Corporate Procurement for the purposes of deciding to include the bid in the evaluation stage. Financial profile reports for procurements of £100k and above shall be submitted to the Director of Finance & Investment (S151) for the approval or rejection of the bidder to proceed to the evaluation stage in accordance with the following principles.
- 10.7.3** No tender shall be rejected on the grounds of lack of financial standing unless the criteria for rejection is clearly stated in the published pre-tender documentation and the tender can be rejected in accordance with those criteria.
- 10.7.4** The financial standing criteria must comply with Regulation 58 of the Public Contracts Regulations 2015 as being related to and proportionate to the subject matter of the contract and compliant with the requirements on minimum yearly turnovers and ratios between assets and liabilities set out in the Regulation.

10.7.5 Where the Director of Finance & Investment (S151) considers it to be necessary, annual accounts shall be obtained from bidders for appraisal.

10.7.6 The appraisal of financial profile reports for procurements of £100k and above shall be supported by the completion of a Procurement Rules Approval Document (PRAD 7) by Corporate Procurement and issued to the Director of Finance & Investment (S151) for approval or rejection.in accordance with the above requirements

Previous Section 10.7 to follow now becomes Section 10.8 and so on

Section 17 (previous 16) Reporting to Members

17.1 Delete from bullet 3 'or breach' (now covered in 3.2.3)

there is a waiver **or breach** of the Contract Procedure Rules in relation to a contract which exceeds £50,000 in value.

5.0 FINANCIAL IMPLICATIONS

- 5.1 There are no immediate Financial Implications although all Council contracts are subject to the Contracts Procedure Rules.

6.0 LEGAL IMPLICATIONS

- 6.1 The Council must comply with its Contract Procedure Rules and relevant procurement legislation.

7.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 7.1 The revised CPR's resulted in changing workloads in order to improve the efficiency and effectiveness of the Council's commissioning and procurement processes.
- 7.2 The additional PRAD process gives further assurances that the financial resources and compliance of the rules are properly accounted for.

8.0 RELEVANT RISKS

- 8.1 There are none arising directly from this report.

9.0 ENGAGEMENT / CONSULTATION

- 9.1 Consultation was undertaken with all Officers involved in commissioning and procurement process in respect of this report.

10.0 EQUALITY IMPLICATIONS

- 10.1 This is a report for information so there is no requirement of an Equality Impact Assessment.

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APPENDICES

None

SUBJECT HISTORY (last 3 years)

Meeting	Date
Audit and Risk Management Committee – Revised Contract Procedure Rules	25 November 2015



Audit and Risk Management Committee Monday, 12 March 2018

REPORT TITLE:	AGS SIGNIFICANT GOVERNANCE ISSUES UPDATE
REPORT OF:	DIRECTOR OF FINANCE AND INVESTMENTS

REPORT SUMMARY

This report provides Members with a progress update on actions taken by officers to address items of concern identified in the Annual Governance Statement for 2016/17.

RECOMMENDATION

Members should note the report and if appropriate escalate any matters deemed relevant to Cabinet.

SUPPORTING INFORMATION

1.0 REASONS FOR RECOMMENDATION

- 1.1 The Annual Governance Statement for 2016/17 was presented to this Committee in June 2017. A standard agenda item is included for all meetings of this Committee to allow for regular updates on matters of concern identified in the AGS to be presented.
- 1.2 To ensure that risks to the Council are managed effectively.
- 1.3 To ensure that the Council complies with best practice guidance identified in the CIPFA publication 'A Toolkit for Local Authority Audit Committees'.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options considered.

3.0 BACKGROUND

- 3.1 At the meeting of this Committee in June 2017 the Annual Governance Statement for 2016/17 was presented. Following discussion by Members it was agreed that the standard Agenda item continues to be included for all future meetings of this Committee to provide a regular update on progress being made to address key governance issues faced by the Council and to allow Members to escalate areas of concern to the Cabinet where required.
- 3.2 The body responsible for overseeing work in this area is the Council's Corporate Governance Group. This Group meets regularly throughout the year and has formulated a detailed plan of action that includes the designation of responsible officers and timescales for action to address outstanding governance issues. This action plan is attached at Appendix 1.
- 3.3 The governance issues identified in the action plan comprise the significant issues identified in the Annual Governance Statement (AGS) for 2016/17.

PROGRESS

- 3.4 Progress is being made to address all issues identified in the action plan. Targets, timescales and responsible officers having been identified and tasks allocated and work underway. Regular updates on actions to address identified issues are reported to the Corporate Governance Group on a bi-monthly basis by responsible officers and an escalation process has been implemented for reporting issues arising including failure to achieve targets to the Strategic Leadership Team for appropriate action.
- 3.5 Of the seven actions identified in the plan four are currently RAGB rated as 'Amber' indicating that work is in progress to achieve 'systems' and 'outcome'

targets within agreed timescales. Two actions are rated as 'Green' indicating that significant actions have been taken by senior management to address issues identified and one action relating to Essential Training Compliance is currently rated as 'Red' to reflect the current position regarding progress. The Corporate Governance Group and the Strategic Leadership Team are currently monitoring and facilitating actions by senior management to address the outstanding issue.

- 3.6 At the previous meeting of this Committee Members requested that additional information be provided within the attached action plan in respect of the OFSTED item and that the Director for Children be invited to attend this Committee to provide assurances regarding progress currently being made to address this issue. Both of these actions have been implemented.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are none arising from this report.

5.0 LEGAL IMPLICATIONS

- 5.1 There are none arising from this report.

6.0 RESOURCE IMPLICATIONS

- 6.1 There are none arising from this report.

7.0 RELEVANT RISKS

- 7.1 Appropriate actions are not taken by officers and Members in response to the identification of risks to the achievement of the Council's objectives.
- 7.2 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.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 Members of this Committee are consulted throughout the process of preparing the AGS.

9.0 EQUALITY IMPLICATIONS

- 9.1 There are none arising from this report.

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APPENDICES

Significant Governance Issues Action Plan

REFERENCE MATERIAL

CIPFA/SOLACE Delivering Good Governance in Local Government

SUBJECT HISTORY

Council Meeting	Date
Audit and Risk Management Committee	All ARMC Meetings

Action plan update – Significant Governance Issues reported in the 2016/17 Annual Governance Statement

Key Improvement Area (as per 2016/17 AGS)	Actions for Implementation (as per 2016/17 AGS)	Responsibility and Implementation Date (as per 2016/17 AGS)	Progress Update – as at 26 February 18	RAGB Rating - Outcome	RAGB Rating - Arrangements
Improvement Notice issued by the Secretary of State for Education (30th September 2016) Ofsted's " <i>Inspection of services for children in need of help and protection, children looked after and care leavers and Review of the effectiveness of the Local Safeguarding Children Board</i> ", in July 2016 found significant weaknesses in each area reviewed.	<p>In response to the Ofsted findings an Improvement Plan has been established and delivery of the same is underway with oversight provided by the Improvement Board which is independently chaired.</p> <p>The board convenes monthly to consider its progress against the Ofsted recommendations and monitor the impact of the delivery of the improvement plan.</p> <p>Additional oversight for the improvement plan is provided by the Council's Children and Families Committee.</p> <p>The Leader of the Council has also committed to the setting up of a Leader's Task Force to ensure oversight of the improvement plan.</p>	Director of Children's Services March 2018	<p>The refreshed improvement plan (approved by the improvement board in July 2017) has been in place since September 2017. Progress is reported monthly to the improvement board.</p> <p>Ofsted monitoring visits continue. The third Ofsted monitoring visit took place on the 30 and 31st of August. During this visit, inspectors focused on the progress made in improving support to care leavers. Additionally, inspectors reviewed the effectiveness of independent reviewing officers (IROs) and the quality and impact of auditing processes.</p> <p>The fourth monitoring visit took place on 11th and 12th December with a focus on children looked after. A copy of the Ofsted letter issued on 18/1/18 reporting the outcome of the December monitoring visit has been circulated with this report.</p> <p>Paul Boyce, Director for Children's Services will make a presentation to the March ARMC.</p>	Amber	Amber

Key Improvement Area (as per 2016/17 AGS)	Actions for Implementation (as per 2016/17 AGS)	Responsibility and Implementation Date (as per 2016/17 AGS)	Progress Update – as at 26 February 18	RAGB Rating - Outcome	RAGB Rating - Arrangements
ICT Business Continuity Planning A greater focus is needed by business plan owners and relevant Directors to ensure business continuity plans are kept up to date and subject to supportive challenge and review by advisers in the business continuity and IT teams.	ICT are supporting the Business Continuity team to ensure effective Business Continuity Plans are being put in place, should a disruptive incident occur. ICT have recognised a marked improvement in the ownership of the IT element of the Council's business continuity plans over the last quarter. Six monthly and annual reviews are planned for all business critical plans.	Head of Community Safety and Transport Services / Acting Head of Digital September 2017 March 2018	Business Continuity plans are now in place for all identified critical services and are stored electronically on Resilience Direct (secure Cabinet Office hosted website). All plans have been subject to a walkthrough exercise with the Business Continuity & Environment Officer (BCEO) supported by a representative from Digital. Plans should be tested by the plan owner every 12 months. The BCEO monitors this and attends selected tests on a rolling programme. The BCEO will continue to send reminders to plan owners to ensure that plans are kept up to date with a six monthly review. All plans are currently up to date. Since the January ARMC, the plan for CYPD Specialist Services has been revised and updated. It has been circulated to managers for review and will shortly be presented to CYPD's SLT for approval.	Green	Green

Key Improvement Area (as per 2016/17 AGS)	Actions for Implementation (as per 2016/17 AGS)	Responsibility and Implementation Date (as per 2016/17 AGS)	Progress Update – as at 26 February 18	RAGB Rating - Outcome	RAGB Rating - Arrangements
ICT Resilience Planning A Scrutiny review in November 2016 identified that the Council's IT disaster recovery arrangements required further work and that the Council does not have a current, fit for purpose IT disaster recovery plan.	A working group is in place to monitor progress with the key project to relocate the Treasury Building Datacentre. It is planned that a comprehensive disaster recovery plan will be prepared following the successful completion of this project, scheduled to be completed by September 2017. The project remains on course for completion within the proposed timeline. The Council has successfully negotiated with Merseytravel to host the data centre and the network connection through the Mersey tunnel is in place. The tendering to relocate the data centre was won by SCC. The process to plan and then move the data centre to Merseytravel will shortly be underway.	Acting Head of Digital September 2017	As of the end of December, the corporate risk of having two datacentres in the same building has been addressed with services either running from Georges Dock (DC3) or the Treasury Building (DC1). The network issue that stopped all services running from DC3 has been resolved however Liquid Logic (Social Care) is still running from DC1 due to a separate technical issue. This has gone to the vendors to resolve. In a Disaster recovery situation Liquid Logic could run from DC3. The enhancement of the Disaster recovery capabilities in Treasury Building (DC1) is scheduled to be completed by the end of March.	Amber	Amber

Key Improvement Area (as per 2016/17 AGS)	Actions for Implementation (as per 2016/17 AGS)	Responsibility and Implementation Date (as per 2016/17 AGS)	Progress Update – as at 26 February 18	RAGB Rating - Outcome	RAGB Rating - Arrangements
Compliance Absence Management : Ensuring compliance with the Council's sickness absence policy remains a Significant Governance Issue for the 2016-17 AGS.	<ul style="list-style-type: none"> - An action plan has recently been agreed and is being delivered in response to the (internal) audit review. The action plan includes a focus on support and training for managers including targeting of identified groups. Additional work is being put in place to strengthen the organisational approach and ensure that all managers recognise their accountability and accept and discharge their responsibilities to comply with all aspects of the Council policy. HR are realigning resources to provide further dedicated support and monitoring of management actions in relation to absence. 	Assistant Director: Human Resources and Organisational Development (AD HR&OD). March 2018	<p>A revised and updated action plan has been developed and was presented to SLT on 12 September 2017 and to Audit and Risk Management on 21 November 2017. This is centred around 5 key themes:</p> <ul style="list-style-type: none"> - Leadership and Commitment - Training and Support - Performance and Compliance - Targeted Action - Health and Wellbeing <p>At the request of Audit and Risk Management Committee, the Chief Executive is attending the Employment and Appointments Committee on 6 March to present a detailed report on absence, stress and mental health and discuss the Council's approach.</p> <p>The attendance plan agreed by SLT is being implemented. A new suite of management information reports have developed to support management of absence. These have improved management oversight.</p> <p>Specific areas have been identified for targeted action by Service managers supported by HR, who have re-allocated</p>	Amber	Amber

Key Improvement Area (as per 2016/17 AGS)	Actions for Implementation (as per 2016/17 AGS)	Responsibility and Implementation Date (as per 2016/17 AGS)	Progress Update – as at 26 February 18	RAGB Rating - Outcome	RAGB Rating - Arrangements
			<p>some dedicated resources to this issue.</p> <p>Whilst it will take some time to be evidenced within the overall figures, this work has already seen some success in resolving some of the longest term cases and there is also evidence that cases are being progressed through the stages of the absence procedure quicker.</p> <p>A system of regular case conferences are in place with AD HR/OD, senior manager and line manager from relevant service areas is in place for long term, complex cases to ensure that the issue is being managed in accordance with policy.</p> <p>Training for line managers is currently being rolled out. Starting with managers in identified 'hotspot' areas this is designed to ensure managers are fully proficient with recording absence on the Council serve system, using absence MI and policy compliance. This commenced with a workshop for Senior Managers on 9 January 2018.</p> <p>At the last Audit and Risk Management Meeting, there was a specific comment</p>		

Key Improvement Area (as per 2016/17 AGS)	Actions for Implementation (as per 2016/17 AGS)	Responsibility and Implementation Date (as per 2016/17 AGS)	Progress Update – as at 26 February 18	RAGB Rating - Outcome	RAGB Rating - Arrangements
			<p>about whether the Council employs mental health nurses. We don't directly employ any nursing or clinical staff but employees have access to a wide range of mental health and other specialist services via the Council's Occupational Health Service(e.g. Counselling, Cognitive Behaviour Therapy (CBT) and Eye Movement Desensitization and Reprocessing (EMDR.) Any employees with mental health issues can referred immediately. The Council meets the cost of all referrals. In addition, employee also have 24/7 access to 6 sessions of free telephone or face to face counselling via the Employee Assistance Programme.</p> <p>A workplace wellbeing strategy has been developed alongside the attendance action plan was launched on 15 Jan 2018.</p> <p>The absence projection for the financial year is currently around 10.78 days against a target of 10.75 days. Absence levels during the winter months are generally expected to higher than other seasons and this year we have seem a spike in flu cases and other sickness. This will be clearer when quarter 4 figures are available.</p>		
Compliance - A project plan to adopt a	Assistant		There are two essential training (e-learning)	Red	Red

Key Improvement Area (as per 2016/17 AGS)	Actions for Implementation (as per 2016/17 AGS)	Responsibility and Implementation Date (as per 2016/17 AGS)	Progress Update – as at 26 February 18	RAGB Rating - Outcome	RAGB Rating - Arrangements
Essential Training Compliance with supporting staff development through the provision of essential training remains a Significant Governance Issue for the 2016-17 AGS.	<p>refreshed approach to the delivery of essential training in 2017-18 has been developed and is being implemented with a robust communication approach / monitoring to rapidly address noncompliance.</p> <p>In addition to the roll out of essential training for 2017-18 led by the Senior Leadership Team corporate ownership must be displayed by all management and staff to ensure routine compliance with training.</p> <p>There has been a complete refresh of the Ulearning portal, with a regular staff compliance report available to all managers. Essential training will subsequently be linked to appraisal accountability statements, to promote compliance across the organisation. This will in turn hold both staff and their</p>	Director: Human Resources and Organisational Development (AD HR&OD). March 2018	modules to be completed by all employees: <ul style="list-style-type: none"> - Responsibility for Information 2017 (by 31 October 2017); - Equality and Diversity in the Workplace (by 31 March 2018). <p>62% of employees had completed the Responsibility for Information training module by the deadline of 31 October 2017.</p> <p>Some adjustments have been made to tailor the training for some groups where there are practical difficulties accessing the e-learning module. 83% of employees have now completed the training (this includes completion of e-learning module and alternative tailored training.)</p> <p>SLT and DMTs have / will be provided with details of non-completed training with follow-up action required.</p> <p>Specific training workshops targeted at line managers are due to be delivered by June 2018:</p> <ul style="list-style-type: none"> - Stress management (due October – December 2017) - Performance management (January – June 2018) 		

Key Improvement Area (as per 2016/17 AGS)	Actions for Implementation (as per 2016/17 AGS)	Responsibility and Implementation Date (as per 2016/17 AGS)	Progress Update – as at 26 February 18	RAGB Rating - Outcome	RAGB Rating - Arrangements
	managers accountable for the completion of the training program.		<p>HR Business Partners are meeting with relevant Senior Managers to discuss outstanding requirements for training in each area and agree follow up action. This will also be monitored by SLT. The Director of Corporate Resources and Reform took the matter to SLT on 13/12/17 for further action.</p> <p>The Accountability framework for managers and Council approach to essential training are being reviewed. These initiatives will help ensure that going forward all staff complete training assessed as essential for their role.</p>		
Compliance Contract Procedure Rules (CPR's) Compliance with the Councils CPR's remains a Significant Governance Issue for the purposes of the 2016-17 AGS.	Development work is underway in 2017-18 to address this issue; a number of actions are being implemented. These include a new procurement model structure to be in place by September 2017. Additional training will be provided to officers and a targeted approach based on insight of areas of noncompliance put in place.	Head of Procurement March 2018	<p>In November 2015 Members approved the existing CPR's. The CPR's went live on the 1 April 2016. A full review of the CPR's has been undertaken as this is required every two years. Recommendations for amendments will be presented for Member approval at the January 2018 ARMC. If approved they will be operational from the 1 April 2018. The recommendations will further enhance and support compliance.</p> <p>The Use of Procurement Rules Approval Documents (PRAD) from 1 April 2017 to the</p>	Green	Green

Key Improvement Area (as per 2016/17 AGS)	Actions for Implementation (as per 2016/17 AGS)	Responsibility and Implementation Date (as per 2016/17 AGS)	Progress Update – as at 26 February 18	RAGB Rating - Outcome	RAGB Rating - Arrangements
			<p>30TH September 2017 has been reported to the November 2017 ARMC. At Members request all future report details will be reported showing highest value first.</p> <p>The new Corporate Procurement Structure has been finalised and is expected to be operational, allowing for the consultation process and recruitment process, from the middle of April 2018.</p>	Green	Green

Other Governance Issues

Other Governance Issue	Actions for Implementation (as per 2016/17 AGS)	Responsible officer Expected Delivery Date	Progress Update as at 15 Jan 18	BRAG Rating 'Outcome'	BRAG Rating 'Arrangements'
Performance Appraisals	(Not reported as a Significant Governance Issue in the 2016/17 AGS. Reported here for information).	Assistant Director: Human Resources and Organisational	90% of performance appraisals due by 31 October (all staff except CYPD) were completed by the deadline. 97% have been completed by 21 February 2018.	Amber	Amber

		Development (AD HR&OD).	<p>80% of all CYPD staff have completed appraisals by 21 Feb 2018 (deadline for CYPD staff is 31 March 2018). (Where HR are informed by managers that staff are not available for an appraisal, e.g. long term sickness or maternity, they will be excluded from the statistics for % of appraisals completed. When staff return and an appraisal becomes due they will be included in the reported statistics. Agency workers with line management responsibilities are included (as they need to appraise their own direct reports) but agency workers without line management responsibilities are not).</p> <p>HR Business Partners have met relevant Senior Managers to discuss outstanding performance appraisals and training in each area and agreed follow up action where appropriate. This is also being monitored by SLT.</p>		
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Paul Boyce
Director of Children's Services
Metropolitan Borough of Wirral
Hamilton Building
132 Conway Street
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Dear Mr Boyce

Monitoring visit to Wirral children's services

This letter summarises the findings of the monitoring visit to Wirral children's services on 11 and 12 December 2017. The visit was the fourth monitoring visit since the local authority was judged inadequate in September 2016. The inspectors were Sheena Doyle HMI and Shabana Abasi HMI.

The local authority is now beginning to show signs of making some progress in improving services for its children and young people who are looked after. Following a slow start, the direction of travel is now more promising, though there is still a great deal of work to be done.

Areas covered by the visit

The focus of this monitoring visit was looked after children. Inspectors tracked and sampled a number of children's cases to assess how well their needs were being met and their outcomes improving, including their emotional well-being and the progress of their education. The local authority audited each child's case file in advance of the monitoring visit. Consideration was also given to the impact of advocacy services and the progress of planning for children subject to care proceedings.

A range of evidence was considered during the visit, including electronic case records and discussions with social workers and independent reviewing officers (IROs). Meetings were held with senior managers to discuss the improvements in services for all children looked after, including their educational attainment. Inspectors spoke with nine children in care and care leavers and their views are included in this letter.

Overview

The local authority, in addition to the inspection findings, has identified other areas requiring further improvement and has taken action to achieve these improvements,

but this has happened too recently for the impact to be evaluated. The focus is shifting from social workers complying with minimum standards and procedures to improving the quality of practice for the benefit of children, but this will require wholesale cultural and practice changes. The local authority has a well-informed understanding of the scale of changes required and is now in a better place to achieve these. Overall, inspectors saw improvements in compliance but little improvement in the quality of practice. Of the small sample of cases inspectors looked at, good practice was seen in a minority of cases, and this good practice was largely down to the good work of individual social workers rather than the progress in implementation of the improvement plan.

Findings and evaluation of progress

Services for children looked after have been subjected to internal scrutiny since June 2017, some 11 months after the last inspection. The number of children looked after at the time of the inspection was 705. The number of children looked after continues to increase and currently stands at 837, in turn increasing the demand on all parts of the service. Senior managers told inspectors that they have identified more deficits than was reported at the time of the inspection. An increase in the number of social work staff and managers is a welcome response to managing the increasing demands on the service, even though this has necessitated an increase in temporary staff. Considerable effort is under way to stabilise the workforce, with some early signs of success. However, the majority of the tracked cases show that many children have had two or three social workers and IROs so far in 2017, as well as a number of changes in social worker in previous years.

Children looked after described to inspectors what staff turnover meant for them. They unanimously expressed unhappiness at the number of changes of social workers and IROs. One young person said that they had had 36 different social workers. They described the range of negative impacts on them: they felt unhappy about not being given advance notice of a new worker or who it would be, and said that the new social workers did not always understand their past or what life was like for them. Changes of workers meant that there were delays in things happening for them, and understandably, they have become increasingly unwilling to form trusting relationships with another person when they cannot be sure how long they will be their social worker for.

Senior education and health staff spoken with said that changes in social workers sometimes result in poor information sharing, for example in advising partner agencies of placement changes or breakdowns.

The local authority accurately notes that the six tracked cases highlight areas of historic poor practice. Senior managers believe that there is evidence of better practice over the last three months. The local authority's overall judgement of the cases found one to be good, three to require improvement, and two to be inadequate. Inspectors agreed with many of the findings of the audits, but found the

judgements made by the local authority in some of the cases to be overly positive given the volume of deficits identified by both the local authority auditors and inspectors.

Inspectors saw recent better compliance with essential minimum requirements, such as completing plans, convening essential meetings and recording casework. Social workers understand the need for children to have plans, including personal education plans (PEPs). Full compliance on PEPs has not yet been achieved and the virtual headteacher noted that only 50% of children looked after had an up-to-date PEP in November 2017. The quality of PEPs remains variable, as it was at the last inspection, although very recent plans show improvements, for example they detail educational progress to date and future target setting. This is not true of earlier PEPs completed by social workers without sufficient input from schools. Since September 2017, draft PEPs have been quality controlled by the virtual school's progress officers to ensure that they are sufficiently aspirational and take account of the child's views. This should improve their quality and value.

Increased capacity in the virtual school is showing early signs of benefits to children looked after, but it is too soon to see the full impact of these changes. The virtual headteacher's post only became full time in July 2017. An additional senior post was also created to focus on improving educational outcomes for all vulnerable children. From September 2017, the team has had access to an educational psychologist on one day per week. However, because of sickness, the educational psychologist is not currently working.

Training in PEP completion has been delivered, and the educational progress of children looked after is now being carefully tracked. The virtual headteacher has a good grasp of current strengths and weaknesses, and has a clear plan to drive forward further improvements. Current performance outlines the scale of the task faced by the virtual school. The local authority's data shows that while the gap between attainment for all pupils and children in care was roughly the same as the previous year, there is variable progress across the key stages. At key stage 1, attainment in reading, writing and mathematics combined, fewer children looked after met the expected standard and the attainment gap between all children and children looked after widened. Progress was better at key stage 2. At key stage 4, the local authority reports that the gap between all Wirral children and those who are looked after remains an important area requiring further improvement.

The expansion in the virtual school is also essential to addressing issues of attendance and exclusion. There are 27 pupils whose attendance fell below 90% and increasing numbers of children looked after have been permanently excluded this year. The limited capacity in the virtual school means that it does not directly liaise with the education providers for children who are placed outside the borough, relying on social workers to do this. As a result, the virtual school is unable to assure itself that the out-of-borough providers are suitable and sufficiently ambitious for these children.

All children looked after who were tracked have up-to-date completed strengths and difficulties questionnaires (SDQs) that provide a measure of the children's emotional well-being and needs. However, not all social workers understand the purpose of SDQs or what they need to do with the findings in order to help children. Senior health and children's social care managers confirmed that training has been rolled out, but not all staff have accessed this. Therefore, the impact of this is limited.

A key shortfall remains the absence of up-to-date assessments for children looked after. These are crucial as their circumstances and needs change over time.

Historical concerns are not always appropriately included in forward plans. Risks from, or to, children are not clearly articulated. Senior managers advised that, at the beginning of the year, no children looked after had an up-to-date assessment of need, but there has been recent activity to begin to redress this. None of the tracked cases had an up-to-date assessment, although all the social workers said that they were in the process of undertaking these. The absence of up-to-date assessments blunts the focus, and undermines the effectiveness, of plans and interventions.

Care planning is not 'SMART' enough. It is not always clear what outcomes are expected for children looked after from their care experience. Children's plans do not always take account of all of their needs and do not progress swiftly enough. Clear planning is essential for achieving permanency for children in care. However, permanency is not well understood by most of the staff that inspectors spoke to. Some short-term goals and services, such as time-limited placements, were described as providing long-term stability for them. Drift in care planning has led to some children ending up in long-term placements by default rather than by good planning. It was not clear that placement breakdowns had been sufficiently analysed to reduce the likelihood of reoccurrence and improve matching for some children going forward. For children who have been in care for a long time, deficits in assessment and planning have exacerbated their already traumatic experiences. The full impact of this is not taken into consideration in their current plans.

Case recording is generally up to date. The electronic case recording system is not being used to its maximum. Children often do not have genograms or useful chronologies, which would provide accessible ways of seeing what life has been like for them. These become even more important when there are frequent changes of staff and, alongside up-to-date comprehensive assessments and smart plans, are essential to avoid drift and delay.

Case files show variable managerial case oversight and staff supervision. Some show frequent oversight while others show infrequent or no electronic records of supervision. The complexity of the cases tracked demonstrates the need for good-quality reflective supervision and management oversight to ensure that children's plans are appropriate and progressing swiftly.

Increasing numbers of IRO escalations show more strength from this service in addressing drift, and this is positive. However, the service is not yet ensuring that

children's plans are sufficiently specific and measurable. For a minority of the tracked children, professionals working with the children did not demonstrate sufficient strength and tenacity in ensuring that the child was being well cared for and thriving. Social workers vary in the extent to which they undertake and record direct, purposeful work with children.

Auditing continues to be undertaken by managers, helping them develop their skills to agree and share what good practice should look like. Social workers told inspectors that they find the auditing process and feedback useful. The current audit tool used for this monitoring visit contains too much narrative. It would be more useful for there to be a sharper focus on strengths and weaknesses of different aspects of social work practice. The local authority has revised its audit template in recognition of current shortfalls and plans for the revised template to be rolled out shortly.

Headteachers spoken with described a positive change of culture over the last 18 months. This has been led by the senior leadership team in children's services. They say that this has resulted in more collaborative working between agencies, and better multi-agency work with families and children. They were particularly positive about additional mental health and well-being resources linked to schools, and described swift access to appropriate services for vulnerable pupils as a result.

Participation by children in their own planning processes is encouraged well. A good range of child-friendly tools are used to help them share their views, and children have been involved in the design of these. The IRO service tracks participation closely. Children looked after have access to advocates, but the extent to which they understand and know how to access advocacy is unclear. The advocacy service attended 36 meetings for children looked after in the most recent quarter, offered interventions to seven living outside the borough, and independent visitors were offered to four. Advocates in total offered support to 89 children in the last quarter. However, the data from the electronic case record indicates that only 13 children looked after and care leavers were receiving a service from the advocacy service at the time of the monitoring visit.

I am copying this letter to the Department for Education. This letter will be published on the Ofsted website.

Yours sincerely

Sheena Doyle
Her Majesty's Inspector

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**Wirral Children and Young People's
Improvement Plan
2017-2019**

Happy, Safe, Achieving: Only the best for our Children

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Appendix One: Review of progress against the Ofsted inspection recommendations

Appendix Two: Wirral Improvement Plan: Action Plan – September 2017

1. Introduction

In September 2016, Wirral Council was issued with a ‘Notice to Improve’ from Government following the Ofsted inspection of the local authority’s services for children in need of help and protection; children looked after and care leavers and a review of the effectiveness of the local safeguarding children board in July 2016. In response, an Improvement Board was created, an independent Improvement Board Chair appointed and an Improvement Plan to deliver the required changes produced.

The Ofsted inspection report, which was published in September 2016, identified actions that would need to be in place in order to allow the process of improvement to begin. The initial focus and effort was very much about securing the right conditions for improvement. For example co-locating a dedicated Human Resources team within the department to strengthen the ability to recruit staff and appoint permanent senior managers. These changes were critical to ensure that any direct service and practice improvement was sustained and embedded within a robust system of operation and support.

The Wirral Local Safeguarding Children’s Board also embarked on a vigorous programme of change in response to the inspection findings which has seen significant strengthening of its governance, performance monitoring framework and improved delivery of quality assurance by partner organisations.

The next stage of the Wirral improvement journey will major on the delivery of services to children and young people with a clear understanding of the challenges that need to be addressed and crafted in a realistic programme of necessary transformation for the local authority and its partners delivered.

Our new, refreshed, Wirral Improvement Plan will take us into the next phase of improvement - consolidating our progress, strengthening practice and embedding our improvement to deliver our vision:

Happy, Safe, Achieving: Only the best for our Children

We look forward to a successful journey of working together to achieve this.

Eric Robinson
Chief Executive



Cllr Bernie Mooney
Lead Member for Children and Families



Deborah Gornik
Acting Director of Children’s Services



Maggie Atkinson
Chair of Wirral Safeguarding Children Board



2. Wirral Improvement Plan: September 2016 – August 2017

The first Wirral Improvement Plan was developed in September 2016 and was very much a live document as the learning and findings from delivery were included in an updated plan every three months. Monitoring of the plan and challenging progress was undertaken at the monthly meeting of the Wirral Improvement Board.

The Ofsted Inspection report contained 19 recommendations for the local authority and 7 recommendations for the Local Safeguarding Children Board for immediate three and six month actions which guided the content and focus of the plan. Work has been ongoing to 'fix' these areas.

Many actions have been taken to create the conditions and environment to support change and included recruiting staff, improving practice and developing a shared vision. Whilst it is possible to evidence action against all the recommendations, the process of improvement cannot be considered complete until the actions are clearly embedded and delivering improved outcomes, evidenced through day to day practice, systematic implementation and confirmed through audit. The ultimate test will be to consider the impact these actions are having on the day to day lived experience of children and families and their outcomes.

Although it is too early to measure the sustained impact against actions that have been delivered, there is some clear evidence of success since the Ofsted inspection, such as an induction programme that has been launched for social workers, practice standards for managers and the next steps are to develop the programme for the Children and Young People Department and the partnership.

The following bullet points provide key examples of the progress made against the 19 Ofsted recommendations:

- **Social work practice standards issued to ensure staff are clear on what is required in producing quality assessments and plans**
- **The volume and quality of strategy meetings taken place has significantly increased**
- **The newly launched Care Leavers Service is providing a much improved service, with all care leavers known to the service, clear examples of creative ways to engage young people, and all young people have a pathway plan**
- **The out of hour's duty service now has robust access to children's records**
- **A fundamental review of the care leaving service has been undertaken**
- **There is a shared and common understanding across partners of thresholds for interventions and the function of the Integrated Front Door**
- **A robust Quality Assurance Framework has been implemented**
- **A practice model 'Supporting Families Enhancing Futures' has been launched jointly between the Council and partners**

A full assessment of progress against the Ofsted recommendations is provided in [**Appendix One**](#). The next phase of the Wirral improvement journey will focus on impact and outcome and seek to improve practice beyond the Ofsted recommendations. Implementing a new performance management framework and quality assurance process will ensure that improvements are measured and sustained.

3. Wirral Improvement Plan: Improvement and Transformation Principles

It is important that the refreshed Wirral Improvement Plan is guided by a number of overarching principles that capture the ambition of our improvement and transformation journey, and that all partner organisations can sign up to. These are:

- **Children, young people and families are at the heart of everything we do.**

The Wirral Improvement Board is committed to promoting opportunities to engage children and young people in decision-making processes and to put them at the heart of this and give them as much influence as possible. A helpful profile of Wirral's children and young people is shown on the following page.

- **Equality for all children, young people and their families.**

Some groups of children and young people are more vulnerable to poor outcomes and this plan is particularly concerned with responding more effectively to their needs. Our plan will ensure that support, help and advice is available to all regardless of circumstance

- **Partnership working, joint commissioning and investment is central to our improvement**

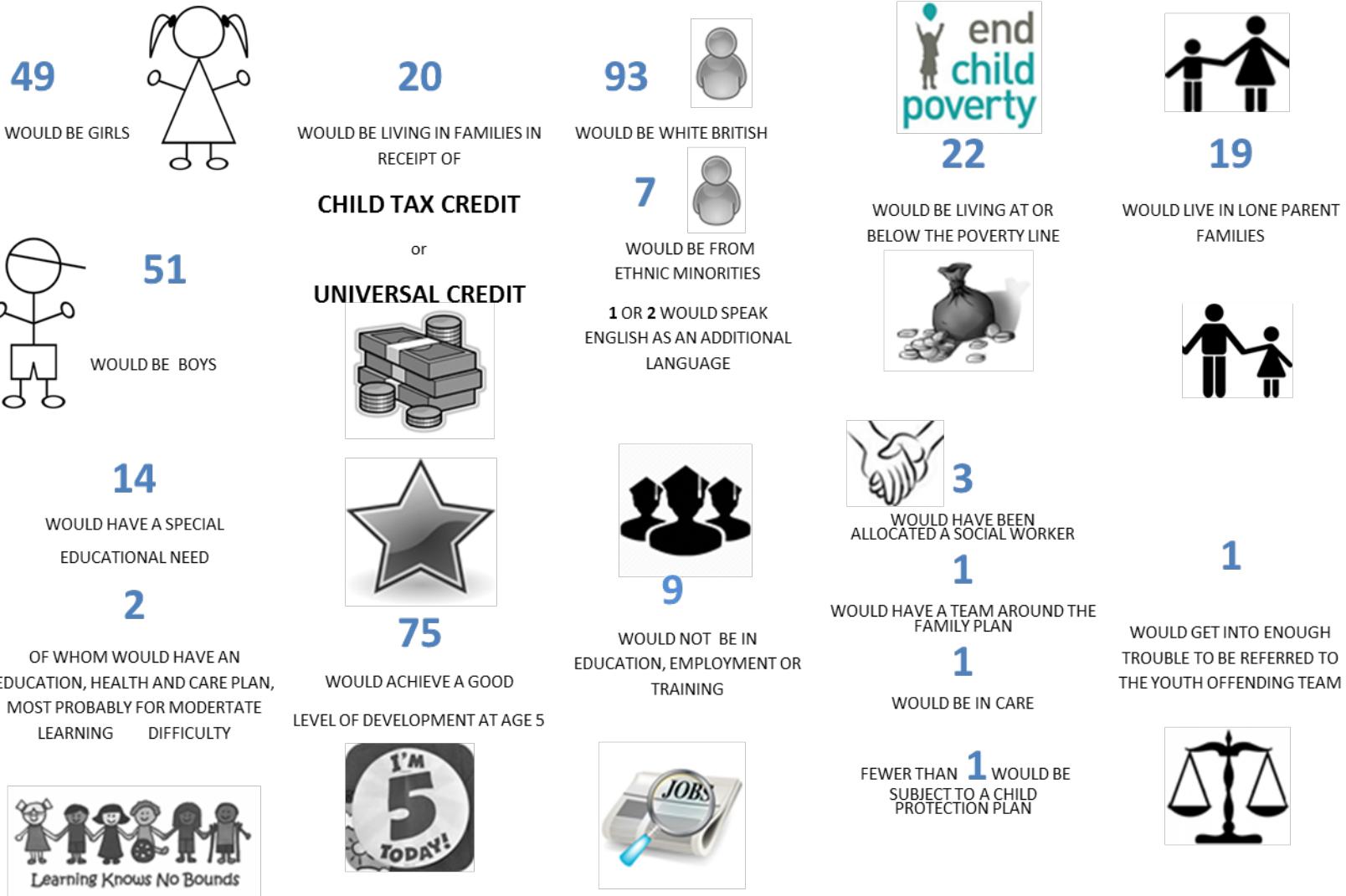
All partners have confirmed their commitment to partnership working. The process of joint planning and commissioning enables partners to build services around the needs of children and young people, and deliver outcomes effectively and efficiently.

- **Embedding prevention and early help will sustain improvement**

It is recognised both nationally and locally that the costs of intervention escalate in proportion to need. There are considerable social and financial benefits in working differently, intervening earlier and reducing dependency on more acute and specialist services whenever possible. Early help is a key priority both for implementing this plan but also in delivering a fair and equitable system that improves outcomes.

These improvement and transformation principles will be tested at every level of service planning and delivery to improve outcomes for children and young people in Wirral.

If Wirral had 100 children



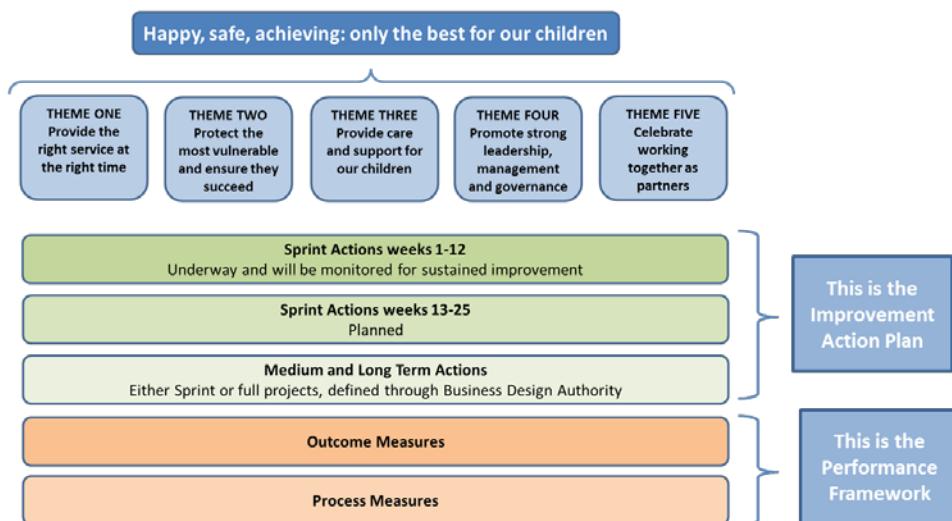
4.0 Wirral's Refreshed Improvement Plan: 2017-2017

Following a joint workshop with members of the Wirral Improvement Board, Local Safeguarding Children's Board and Elected Members, work began on sharpening the focus of what 'good' looks like for children and young people in Wirral, using the Continuum of Need. As a result the following thematic priorities were identified.

- 1. Provide the right service at the right time**
- 2. Protect the most vulnerable and ensure they succeed**
- 3. Provide care and support for our children**
- 4. Promote strong leadership, management & governance**
- 5. Celebrate working together as partners**

These themes provide the framework for action planning and monitoring for the next phase of the improvement journey. The following section sets out why each of these themes is a priority for Wirral, what the success criteria are, and how will we measure progress and impact. A detailed action plan underpins each theme, building on the improvements made to date. An updated performance management framework will enable the Wirral Improvement Board to hold partners to account for delivering sustained improvement. The diagram below explains this framework:

Improvement Action Plan and Performance Framework



The Children and Young People's Reference Group was asked for their views on the improvements made to date, and their input to shaping the updated Improvement Plan. As a result, the group will produce their own version of the Improvement Plan targeted at children and young people.

THEME 1: Provide the right service at the right time

Why this is a priority for Wirral:

All children access services, such as maternity and health visiting, school and youth services. These services are well placed to recognise and respond when extra support may be necessary. However, these services need to be more joined-up, localised, and easier and quicker for children and young people to access. Too many cases which are open to Children's Social Care close without stepping down into Early Help. The average rate of step downs in 2015-16 was 6.8% when previous analysis suggests 22-25% of cases should 'step down'. Children who have additional or complex needs may require targeted support from a range of services provided by statutory, voluntary and private sector organisations. Evidence shows that too many children are referred to statutory services when their needs could have been met earlier through targeted interventions. **Our aim is to work together with partners to identify problems earlier, ensure services support children with Special Educational Needs and Disability, and work assertively with families help create resilience.**

Ensuring the right services are delivered relies on joint planning, delivery and investment by partners. The partnership has set out clear thresholds of need so that levels of risk are understood and consistently applied across partner organisations. A shared model of practice "**Supporting Families, Enhancing Futures**" will be implemented to ensure children and young people receive the right help. Young people tell us they do not always know where to get help, or have practical barriers to accessing services such as travel costs, they may have to ask for help more than once, or have to repeat their story. By listening to families and children, focussing on their individual stated needs the right services will be offered which respond to their needs at the right time.

What are the success criteria to deliver the required improvement?

1. Children receive help and/or protection in a timely manner through an Integrated Front Door for Children's Services
2. Children vulnerable to exploitation are protected through early identification and, where necessary, crisis intervention via robust reporting systems and pathways
3. Children receive the right service at the right time as information is available which supports effective decision making and a better understanding of thresholds
4. Children experience smooth transition upwards through threshold levels through meaningful conversations
5. Children's needs are met at the earliest opportunity through a localised early help offer delivered by the partnership and community

How will we measure if we have made a difference?

- Number of contacts
- Number and rate of referrals
- % of strategy meetings held within timescale
- % of infants who received a 6-8 week Development Check by the time they were 8 weeks
- % of children who received a 12 month Health Visitor review by the time they turned 12 months
- % of children who received a 2-2.5 year Health Visitor review

THEME 2: Protect the most vulnerable and ensure they succeed

Why this is a priority for Wirral:

All children in Wirral should grow up safe, healthy, feel listened to and be provided with the right opportunities to succeed and achieve their potential. However, some children are at risk of suffering harm as a potential consequence of abuse, neglect or exploitation. Wirral has a high number of Children Looked After, relative to comparable authorities, and recent data shows a continuing increase in numbers of Children Looked After. In May 2017 Wirral had 779 Children Looked After which equates to 115 per 10,000 children aged 0-17 years old, compared to a 2015-2016 average of 60 per 10,000 for England and of 85 per 10,000 for our statistical neighbour group. Of the children who have become looked after in the current year the majority are young: 15% were under one year's old and 26.3% were aged between 1-4 years.

All partners must work together to provide early help to children and their families, thereby avoiding escalation to social services. The focus needs to shift to prevention and early years support, as well as quality support to Special Educational Needs and Disability.

Everyone who works with children in Wirral has a responsibility to keep them safe. If children and their families receive the right service at the right time, we all have a responsibility to identify issues to ensure prompt action is taken. Our partnership workforce will champion this principle and assessment will take into account history of support, vulnerability, risk or protective factors and their living context. The recently introduced Practice Standards for Children's Services Managers will be embedded across all service and partner delivery.

Child-centred safeguarding systems will remain at the core of service delivery. In order for this to be effective children and young people will benefit from a stable relationship with professionals built on trust, and confidence that their voice is heard through all aspects of service provision.

What are the success criteria to deliver the required improvement?

1. Children in Wirral are safeguarded and protected from harm, including abuse and neglect.
2. Experienced and high quality practice and leadership supports high quality and consistent practice.
3. Assessments and Plans clearly identify and address need in a timely way that achieves positive change which is sustained
4. The voice of children is fully embedded in practice and service planning, and services reflect their individual needs.
5. Effective partnerships support and protect the most vulnerable children and families

How will we measure if we have made a difference?

- Number of assessments
- Number of Children in Need
- % ICPC taking place within timescales (YTD)
- Number of Children becoming subject to a second or subsequent Child Protection plan
- Number of privately fostered children

THEME 3: Provide care and support for our children

Why this is a priority for Wirral:

Keeping children safely supported at home with their parents through early help and prevention is a priority for Wirral, recognising the particular needs of SEN/D. When this is not possible, the reasons and decisions for children and young people entering care should be clearly evidenced and shared with the child and family.

When children need to be looked after, they will live in placements which are safe, supportive, caring and being ‘good enough for our own children’. There will be greater emphasis on supporting more children to live with their families, with a clear plan for permanence which safely manages risks.

Adults working with children and young people will ensure that children are listened to and that they contribute to practice and service planning. Equally physical and mental health needs of children and young people will be regularly assessed and if additional support is required this will be met through the provision of timely and effective support.

Care Leavers in Wirral will benefit from high quality Pathway Plans and build stable and enduring relationships with their Personal Advisors in order that they are safe and feel safe. They will receive quality support and access to education, employment and training.

What are the success criteria to deliver the required improvement?

1. The voice of children is listened to and contributes effectively to practice and service planning and delivery
2. Decisions why children enter care are clearly communicated and understood
3. Children and young people have their needs met through timely and effective assessment and support across services.
4. Children in care receive the best possible education, which develops their abilities and supports them to achieve their aspirations.
5. Children in Care have the right destinations
6. All children in care are aware of the ‘local offer’ and how they access support.

How will we measure if we have made a difference?

- Number of Children in Care
- Number of referrals to CAMHS
- Number of CAMHS appointments made and attended
- Number of PEPs
- Number of Pathway Plans complete
- % Care Leavers in touch every 8 weeks, in EET, and in suitable accommodation

THEME 4: Promote strong leadership, management and governance

Why this is a priority for Wirral:

Leaders and managers in Wirral have a responsibility to ensure all children and young people receive good services providing the protection and care of children and young people. Since the published findings of the report, decisive action has been taken to identify areas of weakness in practice, management oversight and governance to ensure we know where to improve outcomes for children and young people. Strategic leadership is now in place alongside a reviewed structure that provides clarity, reduces tiers of management, spans of control and promotes clear accountability.

Effective oversight through the use of systematic performance management and monitoring arrangements that demonstrate rigorous and timely action in response to service deficiencies or new demands will be provided to the Improvement Board and where practice is not good enough this will be challenged. Our workforce will be accountable for performance, compliance and supporting the road to improvement.

Recruitment, retention and training a high quality permanent workforce remains a priority and an innovative Workforce Development Strategy has been developed. This will now be implemented across the partnership to ensure only the best work with our children and young people.

What are the success criteria to deliver the required improvement?

1. Strong, strategic leadership that models the expected behaviors of our workforces and promotes an continuous improvement culture
2. A systemic performance management and quality assurance framework, 10tilizing intelligence and analysis, that provides evidence to ensure timely action is taken in response to the nonperformance of services
3. Integrated commissioning approaches are embedded across the partnership to ensure resources are targeted to the areas of most need
4. Compliance is understood and escalation procedures know to address non compliance
5. A culture of strategic and operational communication, engagement and participation underpins the Wirral Improvement Journey and ensures that best practice services become the norm.

How will we measure if we have made a difference?

- % of permanent and agency staff
- Social care vacancy rates
- Social care sickness rates
- Social care days lost to long-term sickness and mental health
- Number of IRO escalations made each month
- Average IRO caseload at end of month

THEME 5: Celebrate working together as partners

Why this is a priority for Wirral:

Effective safeguarding requires clear local arrangements for collaboration between professionals and agencies. The Wirral Safeguarding Children Board plays a key role in coordinating activity and holding agencies to account in respect of their safeguarding responsibilities.

The Safeguarding Board, through effective governance and relationships, will ensure effective commitment from partner organisations in meeting the needs children and young people through effective practice, service planning and responding to the voice of the child. Issues around resourcing will continue to be reviewed.

The partnership arrangements in Wirral will combat Child Sexual Exploitation and other concerns for children through improved information and effective identification, assessment and service provision. All partner organisations will have arrangements in place which set out clearly the processes and principles for sharing information between each other. The Wirral Safeguarding Children's Board, as the key learning organisation, will drive improvement based on clear priorities developed from an analysis of data, learning from audit and reviews.

What are the success criteria to deliver the required improvement?

1. Thresholds are understood and consistently applied by all WSCB partners
2. Effective partnerships in Wirral respond to combatting Child Sexual Exploitation and children do not suffer exploitative relationships
3. Children who are looked after are kept safe and supported to reach their potential
4. Partners are held to account through effective governance and ensuring that the voices of children and families are heard, and the needs of Children and Young people are met
5. Learning and review are at the core of operations which drives improvements, priorities, and the delivery of services based on analysis of data, audits, reviews and reports

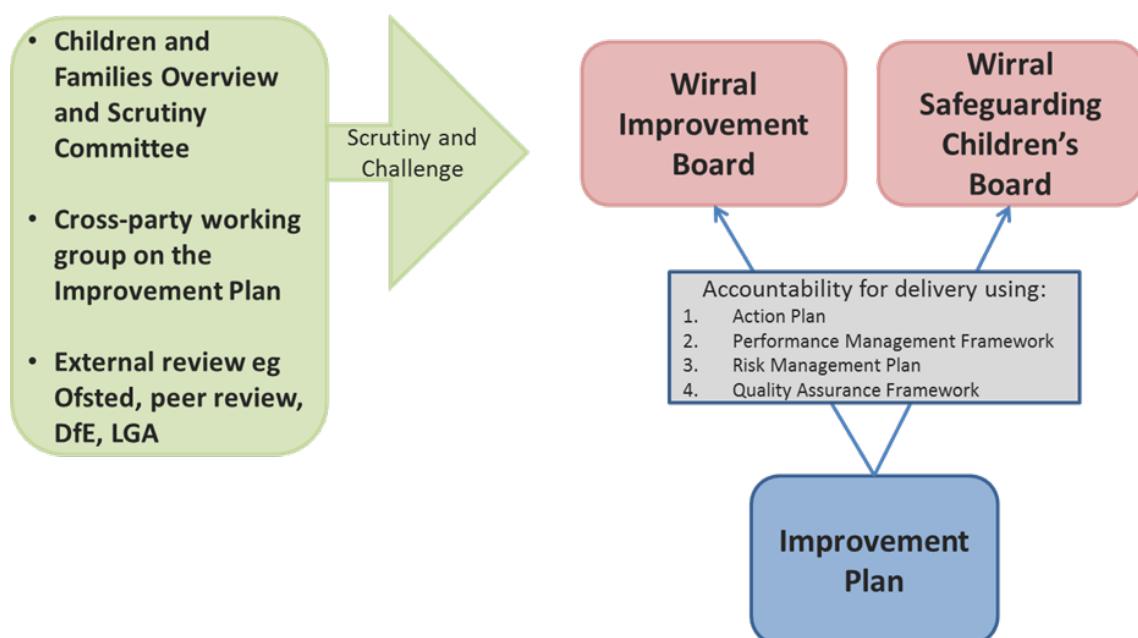
How will we measure if we have made a difference?

- Number of children in “Team Around the Family”
- Number of completed Step Downs from social care
- Number of Children in Need
- Number of Children in Care

5. How we will monitor the Improvement Plan

Good progress has been made in improving services during the first year of the Wirral Improvement Plan, and it is important that the pace of change continues. Clear accountability for delivery of the improvement plan is crucial, coupled with robust scrutiny and challenge. The diagram below sets out the governance and scrutiny arrangements in place:

Improvement Plan governance and scrutiny



The Wirral Children's Improvement Board and the Wirral Safeguarding Children's Board are accountable for owning and driving the delivery of the Improvement Plan. Both boards are made up of key agencies involved in improving and delivering services for children and young people and includes, amongst others, Wirral Council, Wirral Clinical Commissioning Group, Health Partners, Schools and Merseyside Police.

The action plan at Appendix 2 sets out all the actions identified to deliver improvement for each of the five themes. Where appropriate these activities will be planned and delivered within the new Sprint approach, where activities have been grouped into 12 week “sprint” action plans, tracked through weekly monitoring meetings. However, some changes will be of a scale or nature which requires a full project delivery approach, and this will be undertaken as part of the Council’s Transformation Programme utilising established project governance.

The successful implementation of the Sprint as a method of tasking and tracking delivery has allowed flexibility on the allocation and completion of actions issued through the first Sprint. At the end of Sprint 1, there will be an assessment of any outstanding actions to promote their closure which will allow for all new tasks in Sprint 2 to be allocated in the first week. These are currently shown in action plan at Appendix 2 as not having a completion date but are included in Sprint 2 and will be delivered through weeks 13-24.

The Wirral Improvement Board and Safeguarding Children's Board will use the Risk Management Plan to keep delivery on track and provide assurance that improvements will be delivered in a clear and transparent way.

In addition, the **Wirral Quality Assurance and Learning Framework** for Children's Services includes activity undertaken to ensure work is carried out to the highest quality. It aims to improve our understanding of whether we are supporting the right children, in the right way, at the right time.

The framework has been built with the following conditions:

- **Child Centred** : Our aim is to ensure that all audit activity follows the journey of the child through our services
- **Outcome Based and Qualitative**: It is not enough to carry out quality assurance activity; the findings from such activity will drive service improvement and create better outcomes for children and workforce
- **Fair**: Equality and diversity issues are taken into account when developing and undertaking quality assurance activity.
- **Participative**: Our quality assurance activity is focussed on a 'working together' approach. Activity is carried out in partnership with children and families along with professionals;
- **Consultative**: By using a consultative approach this will encourage an awareness of quality issues and ownership of the findings
- **Transparent**: It is our intention to deliver clear messages about the purpose and benefits of quality assurance to encourage openness and willingness to participate
- **Ethical**: We will always endeavour to respect participant's privacy and confidentiality

The next priority is to continue the refresh the performance management framework to ensure that we are able to monitor and review both process and outcome measures. This intelligence will be used alongside learning from the Quality Assurance and Learning Framework, particularly to review the impact of improved process measures, to ensure that improvements are sustained, and that we embed a culture of continuous improvement. As we move from the intensive improvement set out in this plan, we will adopt a simple approach to continuous improvement based on the cycle of "plan, do, review".



6. Conclusion

The establishment of the Wirral Children's Improvement Board has demonstrated a substantial commitment from the Council and its partners to improve front line practice. Ensuring that children and their families receive a timely, responsive and consistent service to meet their needs is fundamental to the improvement journey. This will require continued delivery of high standards by our high quality, stable and effective workforce and partners. We have already made significant changes across the workforce and will continue to focus on driving quality and improvements in this area.

APPENDIX 1 – REVIEW OF PROGRESS AND IMPACT AGAINST THE OFSTED RECOMMENDATIONS

Inspection Recommendations	Progress to date	Further work required
1 Page 94	<p>Urgently progress plans to recruit a permanent head of service for children's social care to provide consistent and effective operational leadership of services for vulnerable children.</p>	<p>A permanent head of service for children social care has now been appointed and work commenced in securing a permanent management team for children's social care.</p> <p>Key changes to the leadership structure have been made to reduce silo working and to ensure a clearer focus on the needs of children rather than resource management.</p> <p>Work will continue to ensure compliance, delivery of impact and improving quality. This will focus on turning previous strategies into effective ongoing action including:</p> <ul style="list-style-type: none"> Improving communication through the holding of regular management meetings, team meetings and supervision sessions Ensuring that all managers and staff are managed within a clear performance framework which includes clarity regarding their roles and responsibilities performance measures and deliverable outcomes. Ensuring that quality is delivered through active use of a range of quality measures this includes use of data, audit and feedback from children young people staff and partners.
2	<p>Ensure that thresholds are consistently understood and applied by the local authority and partner agencies, so that all children receive appropriate responses to risk and intervention at the right level when they need it.</p>	<p>Three large conferences were held that included children social care and partner agencies. This has enabled staff and partners to consider the threshold for referring children supporting our aim of achieving the right service at the right time.</p> <p>A model of service delivery based on a multiagency safeguarding hub has been developed and a wide range of agencies are now working in a collocated way sharing information and supporting children. Additional resources have been committed by partners such as the police which helped the development of other collocated services</p> <p>Review the service provided from the front door from a co-located model to a fully integrated model of service delivery. The grade and job description of the MASH manager will be reviewed as information would suggest a more operationally manager would give closer oversight on day-to-day practice.</p> <p>Further work is still required to continue to ensure that thresholds are fully understood evidenced by a further reduction in re-referral rate. The 'Supporting Families Enhancing Futures' model will allow us to do further multiagency training right across the continuum of need</p>

	Inspection Recommendations	Progress to date	Further work required
Page 95		<p>supporting the more complex joint investigations such as CSE.</p> <p>Across the wider service there has been increased focus on thresholds via ensuring managerial decisions are considered and recorded. This is included new guidance on how to record management decisions and monitoring through reports. Whilst there is increased compliance with recording management decisions there is still a level of concern that management decisions are sometimes late or not fully effective in taking timely action to meet the child's needs.</p>	<p>and embed one threshold concept to enable partners to work together effectively.</p> <p>Audit and review evidence tells us that in the main where children are subject to care proceedings or intervention the threshold applied is appropriate however this threshold could have applied for many of these children earlier. As a result although the children are within the service there is often a delay in the right action being taken. Some of these concerns have arisen due to inconsistent oversight brought about through the high use of agency managers and changes in staff. We need to ensure that the concept for working with families under the supporting families enhancing futures model translates into an effective model for social care across the social care service, at transitions between services, and with all partner organisations.</p>
3	<p>Ensure that all performance management information is based on accurate data, and that managers, leaders and elected members use it effectively to measure and inform service improvements.</p>	<p>Developing the performance management systems and information has been based on ensuring that liquid logic is in place an effective and that managers have access to a wide range of performance reports. Whilst this is now the case viewing management data on a service, district, team or individual level quickly and easily is still challenging. This is because management data is held in a range of bespoke reports presented in an Excel format which requires managers and others to understand how to manipulate Excel to obtain the information required. This can be complex and therefore management reports are not used</p>	<p>A significant shift in focus to ensure that managers and staff are both accountable and responsible for their performance actions that we need to undertake. This includes:</p> <ul style="list-style-type: none"> launch a performance data dashboard that will allow managers to see overall performance but drill down to individual staff's performance ensure that each manager has a set of performance indicators on which their own performance will be measured and that these are rooted in effective service plans

	Inspection Recommendations	Progress to date	Further work required
		routinely or effectively to influence practice.	<p>re-instate regular performance clinics with all managers to drill down and question performance across the department</p> <p>Ensure that future strategic reports are based on information and performance data that has been validated as accurate and can be used effectively to plan strategically.</p> <p>Provide more information to overview and scrutiny in a format that will allow them to challenge and understand the performance of services.</p>
Page 96 ⁴	<p>Ensure that recommendations from local authority audits of social work with children, themes from complaints and other quality assurance activities are fully reflected in subsequent learning and development programmes, and that the impact is demonstrated in regular management supervision of social workers.</p>	<p>The process of audits was implemented following the Ofsted inspection. This involved consideration of a high number of cases. However the process that was used by the auditors was bespoke and not always completed with a full understanding of what was required as part of the audit process. As a result whilst early audits gave us some information this could not be triangulated with other audits in a way that produced a consistent oversight of progress. When audits were undertaken there was not a process in place whereby the case was rechecked to ensure that actions identified at the audit had been effectively carried out. From June this year a more robust systematic process of audit is in place. This allows us to get a clear oversight of practice across key performance areas whilst also allowing us to use the same audit structure to look at practice in themed areas. Reports from audits are now being made available in a timely way both for individual social workers managers and senior leaders and this is beginning to be used to produce action plans that</p>	<p>Continue to embed best practice approaches to audit and ensure that we close the learning loop through the breakfast and lunchtime bite-size learning sessions which pick up and reinforce learning. .</p> <p>Multiagency audits are now beginning with CSE and this will give us a clearer insight in how to work effectively with partners.</p>

	Inspection Recommendations	Progress to date	Further work required
		will support improvement.	
5	Ensure that the underlying causes for changes of social workers are quickly and purposefully addressed to reduce the use of temporary social workers and the disruption that this causes for children.	Our current workforce is made up of almost 1/3 of agency workers. This for many children does not provide the stability of worker they need to form a consistent relationship. Our process currently for managing cases focuses on protecting areas of resource bypassing children from team to team this also creates further changes of social worker when for instance children become looked after. The significance of securing a permanent workforce has been recognised and is supported through the resourcing of a dedicated HR team working with children services. This has enabled us to map workforce to understand our sickness levels, to plan for recruitment and to develop the beginnings of a workforce strategy. It is also supported a high volume of training that has been provided although this has not always been delivered as part of a well-considered plan.	We want Wirral to be a workplace of choice for high quality staff by enabling them to deliver high quality work in a supportive environment. This will require: A workforce strategy based on predicted needs of children and young people coming into service. A training strategy that supports our workers at all levels to develop. Recruitment of permanent staff at all levels through the utilisation of effective recruitment and retention practices. The proactive management of sickness absence A robust process of induction and exit interviews is in place for all staff including agency
6	Provide regular supervision to social workers that demonstrates reflective analysis of challenging and complex issues arising in their work with children and families.	Managers have all received training on what good supervision looks like this includes how to set up and deliver reflective supervision. Auditing of supervision records shows that is clearly still a work in progress in regards to achieving total compliance and consistently good quality records of supervision.	Whilst there is a supervision model in place and clear guidance on how to record case decisions it is less clear how supervision notes relating to workers development and personal performance management are created and stored. Currently individual workers performance is not assessed against an agreed performance framework. Supervision records are still held on paper and a training needs analysis must reflect correctly the training needs of our staff to enable effective planning for training and

	Inspection Recommendations	Progress to date	Further work required
			development of staff currently.
7	Ensure that strategy meetings are timely and include information from key professionals to inform identification of risks to children, when assessing the need for child protection intervention.	The volume of strategy meetings taken place has significantly increased. The police have provided additional resources based at the MASH and this is given the capacity to hold almost all of his meetings face-to-face. The police have identified that currently Wirral undertake more strategy meetings than other similar authorities in region. Our current use of strategy meetings and the recording of meetings is being reviewed to ensure that our increase is leading to best practice.	Complete the review underway of our use of strategy meetings to ensure that we are compliant with best practice.
Page 8	Improve the quality of assessments and plans to ensure that all risks to children, young people and care leavers are identified, including their family history and diverse needs. Ensure that plans are specific and realistic to achieve change, and are informed by children and young people's views, balanced against an holistic assessment of risk.	<p>It was recognised that although caseloads were not excessively high (in the mid-20s+) the case work being undertaken was exceptionally complex and therefore to be able to do this effectively and record social workers required lower caseloads. There has been a significant drive so far using agency staff to ensure that there is enough capacity for caseloads to reduce on average to 18 per social worker.</p> <p>Social work practice standards were developed and issued to all staff to ensure they understood what was required in producing assessments and plans. Recording formats have been improved and social workers have been provided with clearer guidance on what should be included within assessments. However these standards were issued as a one-off action and these have not been robustly followed up and monitored to ensure impact on compliance.</p>	<p>Repeat breakfast learning sessions with all social workers and managers regarding the basic requirements of good assessment and planning</p> <p>Use the learning from audit and from the IRO escalation process to more robustly tackle non-compliance.</p>

	Inspection Recommendations	Progress to date	Further work required
Page 99		<p>Lunchtime learning sessions have focused on ensuring workers understand how to capture the voice of the child and most recently on how to consider issues regarding equality and diversity. Whilst we have some good examples of assessments and plans a number of cases recently have received commendations from the court for good practice overall practice remains variable. The recent more robust audit processes and feedback will assist us in identifying staff that need additional support or guidance to be able to work effectively.</p> <p>The IRO service is beginning to undertake a far more active role in challenging work of poor quality and cases are now being frequently escalated when assessments and plans are not robust.</p> <p>The current auditing program that is undertaken with the social worker allows for reflective learning for that individual worker and therefore has an impact broader in the case being audited.</p>	
9	<p>Ensure that all case records fully and accurately reflect children's and young people's experience so that there is sufficient information available to inform decision making, including out of hours, and so that young people</p>	<p>The out of hour's duty service now has complete access to children's records which means they can access and review files and records directly into the child's record.</p> <p>Ensuring accurate and timely recording remains a key focus and drive of our improvement work. Whilst audit show there has been some improvement further work needs to</p>	<p>Ensure all staff members have access to the early help Liquid Logic modules as the full child's journey through services can be used as part of planning and assessment.</p> <p>Develop a flexible working IT offer to enable staff to have better access to the systems and record more effectively when away from the office.</p>

	Inspection Recommendations	Progress to date	Further work required
	have a clear account of actions taken, should they choose to access their records.	be undertaken to ensure that improvement is consistent and evidenced across all service areas.	Implement a robust approach to compliance. Members of staff who do not perform as required will be dealt with as part of the capability process.
10 Page 100	Ensure that the emergency duty team's involvement in children's casework is regularly quality assured and analysed, and that its performance is included in wider performance management reporting to senior leaders and elected members.	A full review of this service has been launched which is due to complete in the next six weeks. How the service operates, how it is staffed and how it provides for the needs of children are being considered against a future operating model.	Complete the review of service and report to the improvement board in the next eight weeks regarding what model we believe would be effective to support children social care based on cost and need. Ensure that this model is implemented effectively and quickly.
11	Ensure that, when contact has been lost with care leavers, strenuous and regular efforts are made in all cases to re-establish this contact and engage young people in services.	A complete review of our care leaving service has taken place and the service redesigned. This is supported by the creation of a leaving care team and Personal advisers have been recruited.	Ensure that all care leavers have a good quality pathway plan in place and enhance the services we offer.
12	Ensure that those children in private fostering arrangements are identified, assessed and visited within statutory timescales.	When a child is identified in a potential private fostering arrangement a senior manager is now alerted. They take an overview of the case and ensure that there is compliance with the statutory guidance and the visiting timescales. This process has been in place since the end of October last year. During this time six children have been identified and in five of these cases there was full compliance with standards. All private fostering	Undertake an awareness raising campaign with agencies in the Wirral to ensure that information about children who may be privately fostered is known and children are identified.

	Inspection Recommendations	Progress to date	Further work required
		<p>arrangements are reviewed by the same Independent reviewing IRO to ensure standards are met.</p> <p>There are five children identified as in private fostering arrangements in Wirral. Whilst we are now confident that children in private fostering arrangements are closely monitored we are less confident that agencies are actively reporting all circumstances in which a child may be privately fostered.</p>	
13 Page 101	Ensure that procedures for referral to the designated officer are understood and followed by staff to provide a consistent, timely and effective response to allegations against professionals.	<p>Referral procedures have been sent out by the safeguarding board to all partners with clear expectations. Processes are now in place to capture and record data to enable more effective challenge of partner agencies regarding submission.</p> <p>The recording of the LADO referrals has been refreshed and the designated officer now has accurate data to reflect the compliance. Quarterly reports will be submitted to the Safeguarding Board. In the month of June 38 new cases were open, out of these 14 were referred out of time. These cases have been escalated to the individual agencies.</p>	Although cases from the majority of agencies are now being reported appropriately timescales for reporting are not being consistently adhered to. Further work is required with partners to ensure they appreciate the importance of early reporting to enable cases to be managed effectively.
14	Ensure that homeless 16- and 17-year-olds receive a coordinated response from children's social care and housing, so that assessments identify their	A review has been undertaken of the joint protocol and pathway which will be completed by the end of August. This pathway ensures that any young person identified as being homeless receives a social work assessment and support and a joint response from housing and children	Complete the work on the protocol, the joint assessment document and ensure that all staff understand what the processes when identifying a potentially homeless young person.

	Inspection Recommendations	Progress to date	Further work required
	vulnerabilities early and ensure that they are offered and receive appropriate services and accommodation.	social care. Currently although high numbers of children and young people present for service when consideration of their cases is undertaken not all of them are homeless.	A performance framework which considers how effective we are in managing these cases needs to be developed so both children's services and housing can plan effectively for these children.
15 Page 102	Ensure that independent reviewing officers (IROs) have sufficient capacity to fulfil all of their responsibilities towards children in need of help and protection and children looked after, and that, when IRO challenges to poor practice are unsuccessful, escalation processes are used to achieve positive change for children.	<p>The team of independent reviewing officers has been increased by five agency independent reviewers. This has increased by one third our capacity and reduced our caseloads per reviewing officer to approximately 78.</p> <p>IRO Managers have regular meetings with the group managers to discuss case escalations. When these have not been resolved these have been escalated to the Deputy Director, to date one meeting of this nature has been convened and the matter was resolved. In January 2017, there were approximately 70 outstanding escalations, at the end of June this had reduced to 32.</p> <p>A consultation process has been introduced which ensures consistency of threshold and supports the upskilling of staff. Whilst there is a recent dip in the timeliness of ICPC's these have been a response to ensuring the correct people attended the ICPC to provide the correct information to make the decisions.</p> <p>Whilst some of the data may indicate a dip in performance (ICPC/RCPCC), this is demonstrating the stance taken by the Safeguarding Unit to raise standards.</p>	<p>Recruit permanent staff as a matter of urgency to secure progress that has been made.</p> <p>Launch and embed standards of practice for all independent reviewing officers which will support good practice standards across the service.</p> <p>Launch the use of the 'Supporting Families Enhancing Futures' model to undertake all conferences improving engagement.</p> <p>The service has employed an apprentice to work on young people's engagement.</p>

	Inspection Recommendations	Progress to date	Further work required
16	Ensure that the progress of children in pre-proceedings agreements is regularly reviewed to make sure that there is no delay in planning for them.	<p>A pre-proceedings tracker is now in place which is reviewed on a weekly basis and this gives an oversight as to whether cases have progressed within agreed timescales. However there are current issues regarding workers submitting care plans and documents to court within timescales. This potentially causes delay in some cases and doesn't assist the court in considering their decisions in a balanced way.</p>	<p>Improve the quality of court work throughout the whole of the court proceedings to ensure we can complete on time.</p> <p>A permanency planning coordinator has just been appointed and further work needs to be undertaken to embed the concept of permanency for children going through proceedings from day one to ensure good quality decisions are made.</p> <p>Pre-proceedings work needs to consider the introduction more routinely of family group conferences when there are large numbers of family members coming forward to support a child to reduce the current number of viability assessments needed as part of the court process.</p>
17	Ensure that children's emotional health needs are better understood through the completion of strengths and difficulties questionnaires, in accordance with statutory guidance, and that their emotional health needs are met through provision of timely, effective support.	<p>A process is in place to ensure there was compliance with completing strength and difficulties questionnaires. It was agreed that these would be completed as part of all children looked after medicals. However at the end of the year when looking to report this data although there was confirmation from health that all the work had been undertaken we were unable match individual children's records with their strengths and difficulties questionnaire and therefore reported a significant drop in performance last year we now only show 135 as being completed. To ensure that this didn't happen again a new process was developed with the social workers taking the lead on ensuring that this key information was collated.</p>	<p>A new process is in place but this needs to be monitored and audited to ensure compliance throughout the year. We also need to consider how this information is used not only as a collected statistic but to enhance children's lives.</p>
18	Ensure that young people's personal education plans are	<p>There have been a number of changes in the way that PEP documents have been created and reviewed. The idea</p>	<p>Action needs to be taken to ensure that all children looked after have a personal education plan in place within the</p>

	Inspection Recommendations	Progress to date	Further work required
	specific, measurable, match the identified needs of children and young people, and include progress against targets.	<p>behind this was to add clarity regarding the role of the social worker and the school in producing the PEP. The virtual head is now reviewing this practice and monitoring the production of all PEPs. Where it is identified that a PEP is not in place or not updated the virtual head is actively contacting the school and the social worker to address this. Independent reviewing officers have also been asked to monitor reviews whether or not an up-to-date personal education plan is in place for each child. Currently the quality of personal education plans remains highly variable.</p>	<p>first two weeks of the new term in September. The virtual head needs to continue to dip sample personal education plans to provide support advice guidance and feedback on quality. The virtual head will be undertaking breakfast and learn sessions with social workers to ensure they understand the importance of the personal education plan and its role in securing the future attainment of children and young people.</p>
Page 104	Ensure that all children who would benefit from an advocacy service or an independent visitor have the opportunity to do so.	<p>A contract with Barnardos has now been set up to provide advocacy for both children looked after and children and children who are part of a child protection process. Participation rates are improving but overall remain low. In June 4% of children attended the child protection review conference. The children looked after in June participation rates were higher with 51% taking part in their reviews. Overall the service offer is still relatively new and it is expected that numbers of children taking part in reviews and using this service is liable to increase.</p>	<p>A piece of work is currently underway where a dip sample of young people who attended the review and young people who did not is being taken. Based on this work of the service will be further targeted to encourage future engagement.</p>

APPENDIX 2 – WIRRAL IMPROVEMENT PLAN – ACTION PLAN: SEPTEMBER 2017

Note: At the end of Sprint 1, there will be an assessment of any outstanding actions to promote their closure. This will allow for all new tasks in Sprint 2 to be allocated timescales in the first week. These are shown in the action plan below as “Sprint 2” and will be delivered through weeks 13-24

Theme 1 - Provide the Right Service at the Right Time					
Success Criteria 1	Ref	Action	Owner	Due Date	
Children receive help and/or protection in a timely manner through an integrated front door for Children's Services	1A1	<p>Review the service provided from an integrated front door, to move from a co-located model to a fully integrated model:</p> <p>1) undertake and e2e review of the Integrated Front Door service 2) Confirm revised JD for MASH Manager and implement through HR 3) Assess requirements and job specifications for the recruitment of a permanent First Response Team 4) National probation service to contribute Probation resource into the MASH, as part of delivering an integrated model</p>	Deputy Director Children's Services	Sprint 2	
	1A2	<p>Complete a ‘health check’ on recent Right Service Right Time developments including:</p> <p>1) Audit of Section 47s undertaken by First Response Team to ensure the outcome and consequent support is appropriate to identified need 2) Audit of strategy meetings and strategy discussions to ensure efficiency of approach, benchmarking against Liverpool City Region</p>	(i) Practice Improvement Lead (ii) Quality Assurance Manager (iii) Head of Integrated Front Door	Sprint 2	
Success Criteria 2	Action	Action	Owner	Due Date	
Children vulnerable to exploitation are protected through early identification and, where necessary, crisis	1B1	<p>Ensure staff members have access to the Early Help Liquid Logic module so as the full child's journey through services can be used as part of planning and assessment:</p> <p>1) Engage with Digital to conduct assessment of access to Liquid Logic and Early Help modules 2) Conduct gap analysis of staff who need access against records help by Digital - request access</p>	Head of Quality, Performance and Improvement	31/10/17	

intervention via robust reporting systems and pathways		3) Assign access requirements against roles to ensure that new starters have appropriate access on arrival 4) National Probation Service will have representation on MACSE panel and work together with partners to ensure information is shared at the earliest opportunity.		
Success Criteria 3 Children receive the right service at the right time as information is available which supports effective decision making and a better understanding of thresholds	Ref	Action	Owner	Due Date
	1C1	Review the thresholds across all children's services to ensure that these are being appropriately and consistently applied with information provided to ensure they are fully understood: 1) Review and develop a consistent application of the 'one threshold' approach across all relevant services at the earliest point of intervention 2) Develop evidence gathering mechanism to confirm thresholds are understood across staff and stakeholders 3) National Probation Service will ensure all frontline staff members are briefed on the referral process to ensure children's needs are met.	Deputy Director Children's Services	30/11/17
	1C2	Develop Liquid Logic to include facilities for: 1. Early Help practitioners to record case work 2. Oversight of Early Help interventions delivered by partnership professionals 3. Safer Wirral Hub staff to record engagement and case notes 4. Contact redesign for MASH assessment pathway in Early Help module to promote better and more consistent reporting in performance	Information, Systems and Schools Projects Manager	30/09/18
	1C3	1) Ensure all existing WSCB multi-agency training promotes consistent information on threshold levels, risk assessment tools 2) Introduce a multi-agency induction which includes thresholds, early help services and guidance on the Right Service Right Time	Senior Manager Targeted Services	30/09/17
	1C4	Introduce a multi-agency induction which includes early help services and guidance on the Right service Right Time	Senior Manager Targeted Services	30/1/18
	1C5	Implement a multi-agency quality assurance schedule, focussed on key points of the child's journey through services, which measures the effectiveness of decision making, support provided, the child's experience and outcomes	Head of Quality, Performance and Improvement	31/10/17
	1C6	Devise and implement the 1001 Critical Days Pathway to ensure that there is appropriate support pre-birth and continued engagement in early years services	Senior Manager Targeted Services	30/01/18

Success Criteria 4	Ref	Action	Owner	Due Date
Children experience smooth transition upwards through threshold levels through meaningful conversations	1D1	<p>1. Establish transfer meetings in each locality which bring key professionals together to plan for step up and step down across all levels of need</p> <p>2. NPS to contribute to meetings where they are involved with the family of children requiring safeguarding to ensure that their transitions are well planned and smooth.</p>	Senior Manager Targeted Services & Senior Manager CiN/CP	31/10/17
Success Criteria 5 Children's needs are met at the earliest opportunity through a localised early help offer delivered by the partnership and community	Ref 1E1	Action Deliver the Early Help Transformation Plan, which will embed an Early Help Hub, establish multiple Delivery Spokes in localities and attach a named Early Help Social Worker to every school in Wirral	Owner Senior Manager Targeted Services	Due Date 30/01/18

Theme 2 - Protect the most vulnerable and ensure they succeed					
Success Criteria 1	Ref	Action	Owner	Due Date	
Children in Wirral are safeguarded and protected from harm, including abuse and neglect	2A1	Implement the Supporting Families Enhancing Future (SFEF) multi-agency model	Deputy Director Children's Services	31/3/18	
Success Criteria 2	Action	Action	Owner		
Experienced and high quality practice and leadership supports high quality and consistent practice	2B1	1) To complete the review underway of our use of strategy meetings to ensure that we are compliant with best practice 2) National Probation Service - all staff to attend child safeguarding and domestic abuse training including completion of e-learning	Deputy Director Children's Services	31/10/17	
	2B2	Monitor increased compliance through the auditing process in case recording and all increased cases of staff being challenged using the capability process. 1) Review reporting mechanism to Improvement Board to allow for them to assess compliance rates 2) Develop process flow which allows for internal review of results prior to issue to Improvement Board to allow for the development of an agreed response 3) NPS In house Safeguarding Children audits have been implemented, this is led by a Senior Probation Officer and cross grade representation of staff to ensure practice standards are maintained and to test our compliance in protecting vulnerable children	Deputy Director Children's Services	31/10/17	
Success Criteria 3	Ref	Action	Owner	Due Date	
Assessments and Plans clearly identify	2C1	Assess the viability of introducing an electronic method of capturing training needs of staff to support future development 1) Gather requirements for the potential use of a digital system for holding supervision records	Deputy Director Children's Services	21/8/17	

and address need in a timely way that achieves positive change which is sustained		2) Build an annual skills gap process which can be implemented as part of the Performance Management process		
	2C2	<p>Conduct breakfast learning sessions with all social workers and managers to advocate the basic requirements of good assessment and planning and ensure consistency is applied across cases at any level of need</p> <p>1) Develop evidence gathering process to allow for the capture and assessment of feedback from attendees at all such learning and development opportunities</p> <p>2) Establish a process for the analysis of the feedback to shape the development of future training sessions aligned with key policy and statutory drivers</p>	Deputy Director Children's Services	30/9/17
	2C3	<p>Utilise learning from audit and from the IRO escalation process to more robustly tackle non-compliance.</p> <p>1) Process map the current escalation process</p> <p>2) Assess points where compliance can be measured</p> <p>3) Embed compliance within the Performance Management policy and develop suitable KPI's to measure</p>	Head of Safeguarding Unit	30/11/17
Success Criteria 4 The voice of children is fully embedded in practice and service planning	Ref	Action	Owner	Due Date
	2D1	Do end to end review of processes to identify where voice of child needs to be heard. Use voice of customer methodology.	Head of Quality, Performance and Improvement	31/12/17
Success Criteria 5 Effective partnerships support and protect the most vulnerable children and families	Ref	Action	Owner	Due Date
	2E1	<p>1) complete WCSB actions for improvement responding to Ofsted recommendations</p> <p>2) Agree further partnership improvement plan</p>	Head of Quality, Performance and Improvement	30/10/17

Theme 3 - Provide care and support for our children					
Success Criteria 1 The voice of children is listened to and contributes effectively to practice and service planning and delivery	Ref	Action		Owner	Due Date
	3A1	1) Review and implement revised Care Plans to ensure they are 'SMART' and capture the voice of the child. 2) As part of the MAPPA process, NPS has ensured the voice of the child		Deputy Director Children's Social Care	31/12/17
	3A2	Conduct a review of Care Plans to ensure that they are shared with the child or young person consistently and that they understand the reasons for care and the outcomes to be achieved.		Deputy Director Children's Social Care	31/12/17
	3A3	Provide training for Personal Advisors (PA's) on Pathway Planning, Benefits and housing options, including Staying Put.		Deputy Director Children's Social Care	31/12/17
Success Criteria 2 Decisions why children enter care are clearly communicated and understood	Action	Action		Owner	Due Date
	3B1	1) Implement Edge of Care 2) Develop age appropriate language for communicating to children so they understand what is happening to them		Deputy Director Children's Social Care	Sprint 2
	3B2	Review and implement a robust, multi-agency system for decision making for children becoming looked after.		Deputy Director Children's Social Care	Sprint 2
Success Criteria 3 Children and young people have their needs met through timely and effective assessment and support across services.	Ref	Action		Owner	Due Date
	3C1	Complete Statutory Health Assessments within timescales and result in meaningful and effective Health Care Plans		Deputy Director Children's Social Care	Sprint 2
	3C2	Review the Commissioning arrangements of CAMHS for Children in Care		Strategic Commissioning Manager	Sprint 2
	3C3	Implement and embed revised SDQ process with clear roles and responsibilities		Deputy Director Children's Social Care	Sprint 2
	3C4	1) Develop a mechanism to capture learning from IRO's on best practice that is then used in the development of training plans		Deputy Director Children's Services	Sprint 2

Success Criteria 4 Children in care receive the best possible education, which develops their abilities and supports them to achieve their aspirations.	Ref	Action	Owner	Due Date
	3D1	Implement training for Social Workers, IRO's and Designated Teachers on Personal Education Plans to fully understand the purpose and objectives	Virtual School Head Teacher	Sprint 2
Success Criteria 5 Children in Care have the right destinations	Ref	Action	Owner	Due Date
	3E1	Undertake an awareness raising campaign with agencies in the Wirral to ensure that information about children who may be privately fostered is known and children are identified: 1) Assess how we currently share information relating to privately fostered children 2) Assess Data Protection issues of sharing information across partner agencies 3) Develop mechanism for sharing data to partners 4) Request partners furnish CYPD with information relating to their engagement and support of privately fostered children	Deputy Director Children's Services	Sprint 2
	3E2	Review and implement the Permanency Strategy	Deputy Director Children's Social Care	Sprint 2
Success Criteria 6 All children in care are aware of the 'local offer' and how they access support.	Ref	Action	Owner	Due Date
	3F1	Ensure that all care leavers have a good quality pathway plan in place 1) Review current care leavers plan 2) Review best practice from other sources and develop an improved plan 3) Embed plan and develop mechanism to monitor improvements and compliance	Deputy Director Children's Services	Sprint 2
	3F2	Enhance the services we offer to care leavers tax. Look at other models of care leaving service and consider ways in which we can improve our offer further for example by possibly considering the use of a care leaver base/house where they can safely meet 1) Conduct financial assessment of the cost of paying care leaver's Council Tax	Deputy Director Children's Services	Sprint 2

		2) Develop Staff Suggestion Scheme/feedback mechanism for consideration of additional packages/offers for care leavers		
	3F3	1) Complete development of the protocol and joint assessment document 2) Launch the document with clear signposting	Deputy Director Children's Services	Sprint 2
	3F4	Develop a performance framework which considers how effective we are in managing these cases needs to be developed so as both children's services and housing can plan effectively for these children: 1) Initiate a joint workshop with Planning to discuss the development of a framework for 16-17 year olds 2) Develop a joint framework with clear routes to help and offers identified	Deputy Director Children's Services	Sprint 2
	3F5	Publicise the 'Local Offer' for young people by utilising relevant comms outlets including social media	Senior Manager Targeted Services	Sprint 2
	3F6	Implement a joint protocol between Housing and Social Care for Homeless young people	Deputy Director Children's Social Care	Sprint 2

Theme 4 - Promote strong leadership, management and governance				
Success Criteria 1	Ref	Action	Owner	Due Date
Strong, strategic leadership that models the expected behaviors of our workforces and promotes an continuous improvement culture	4A1	Monitor and manage sickness to ensure we are effectively delivering service: 1) Develop a cost of sickness to contextualise to managers and allow the Department to understand the budget impact 2) Develop reports which provide feedback to managers on the cause of sickness as well as the length of time forecast to be inactive	Head of Human Resources	Sprint 2
	4A2	Support the development of our staff through progression to enable us to achieve an experienced stable workforce: 1) Through the reissue of the Performance Management policy, improve the use of the Personal Development Plan (PDP) to identify staff who are keen to develop and are showing signs of ability	Head of Human Resources	Sprint 2
	4A3	Centralise all front line delivery where possible by locating staff in a single location with the required facilities and tools to do a good job	Head of Quality, Performance and Improvement	31/01/18
	4A4	Support cross party support and leadership in driving continuous improvement through the established Children's Task Force.	Director of Children's Services	31/08/17
	4A5	Develop a robust governance model and tools which allow for appropriate control to be fostered within the Department and supports the development of the accountability agenda led by the Chief Executive	Director of Children's Services	Sprint 2
Success Criteria 2	Action	Action	Owner	
A systemic performance management and quality assurance framework, utilising intelligence and analysis, that provides evidence to	4B1	Ensure all managers and staff are managed within a clear performance framework which includes clarity regarding their roles and responsibilities performance measures and deliverable outcomes: 1) Issue the Performance Management Framework along with clarification of application and consequences for non-compliance 2) Instruct SLT to agree a departmental approach and enforce compliance - capturing any issues with application 3) Develop a suitable dashboard that allows for performance to be viewed and analysed at service and individual level	Head of Quality, Performance and Improvement	Sprint 2

ensure timely action is taken in response to the non-performance of services	4B2	Ensure that future strategic reports are based on information and performance data that has been validated as accurate and can be used effectively to plan strategically. 1) Create an approval process for the release of performance data which is locked down to a single source and is watermarked to confirm validity of the data	Head of Quality, Performance and Improvement	Sprint 2
	4B3	1) Await outputs from the Performance Review project 2) Assess feedback available from audit/staff & partners and centralise into an evidence 'folder'	Head of Quality, Performance and Improvement	Sprint 2
	4B4	1) Develop a departmental approach to effective performance management, including consistent application of staff KPI's - derived from the policy and with clear interpretation and accountabilities that are enforced 2) Following approval of the Performance Management approach, establish a model for delivering clinics and arrange date(s)	Head of Quality, Performance and Improvement	Sprint 2
	4B5	1) Develop a performance dashboard aligned to the Performance Management Framework 2) Embed compliance against the Framework at SLT level 3) Implement Quality Assurance Framework 4) Develop multi agency audit programme with LSCB	Head of Quality, Performance and Improvement	Sprint 2
	4B6	1) Create an approval process for the release of data which is locked down to a single source and is watermarked to confirm validity of the data	Head of Quality, Performance and Improvement	Sprint 2
	4B7	Provide information to CYP Overview and Scrutiny in a format that will allow them to challenge and understand the performance of services	Head of Quality, Performance and Improvement	Sprint 2
	Ref	Action	Owner	Due Date
Success Criteria 3 Integrated commissioning approaches are embedded across the partnership to ensure resources are targeted to the areas of most need	4C1	1) Via workshops and briefings, raise awareness of leads across commissioning and delivery around strategic commissioning in improving the outcomes for children 2) Develop monitoring and performance frameworks with providers – in-house and externally - that links service outcomes and outcomes to need and reducing demand 3) Ensure outcomes for children are improved by involvement in an all age integrated commissioning function	Strategic Commissioning Manager	Sprint 2

Success Criteria 4 Compliance is understood and escalation procedures know to address non compliance	Ref	Action	Owner	
Compliance is understood and escalation procedures know to address non compliance	4D1	Provide 'close the learning loop' through the breakfast and lunchtime bite-size learning sessions which pick up and reinforce learning from audit. 1) review all appropriate tools to support the embedding of multi-agency auditing 2) assess best practice for continuous improvement in embedding learning from feedback and audits	Head of Quality, Performance and Improvement	Sprint 2
	4D2	Management oversight is consistent and effective in ensuring that all case management work is conducted to a good standard	Deputy Director Children's Services	Sprint 2
Success Criteria 5 A culture of strategic and operational communication, engagement and participation underpins the Wirral improvement journey and ensures that best practice services become the norm.	Ref	Action	Owner	Due Date
A culture of strategic and operational communication, engagement and participation underpins the Wirral improvement journey and ensures that best practice services become the norm.	4E1	Develop a flexible working IT offer which will enable staff to have more flexible access to the systems and record more effectively when away from the office: 1) CYPD have agreed to support a PoC for agile devices - PoC process developed 2) Meet with Digital PM to assess and develop the project 3) Agree allocation of 16 trial devices and the feedback mechanism process to support PoC outcomes	Head of Quality, Performance and Improvement	Sprint 2
	4E2	1) Arrange regular management meetings, team meetings and supervision sessions 2) Develop Departmental Comms plan to support Transformation Programme Comms Plan 3) Introduce departmental Risk Register to ensure SLT are managing risk and delegating risk management to teams	Deputy Director Children's Services/Head of Quality, Performance & Improvement	Sprint 2
	4E3	Communicate the vision, values and principles for Children and Young People both within the local authority and across the Partnerships	Director of Children's Services	Sprint 2
Success Criteria 6 A high quality, stable workforce is in place	Ref	Action	Owner	Due Date
A high quality, stable workforce is in place	4F1	1) Initiate a joint workshop with key partners and teams to discuss/consider why staff don't currently want to work in Wirral 2) Research best practise across other LA's who have successfully encouraged a growth in permanent recruitment across key CYPD roles 3) Confirm with HR the fast track route through the recruitment process to ensure key roles can be launch expediently	Deputy Director Children's Services	Sprint 2

	4F2	1) Circulate the approved Workforce Strategy along with guidelines for effective implementation	Head of Human Resources	Sprint 2
	4F3	1) Develop and approve a Training Strategy, supported by the findings from the change review, which addresses the known areas of skill deficiency as well as staff development	Head of Human Resources	Sprint 2
	4F4	1) Capitalising on the improvements to the recruitment and retention policy, develop new ways of advertising effectively using social media/partners/job fairs/foreign recruitment routes	Head of Human Resources	Sprint 2
	4F5	Ensure a robust process of induction and exit interviews is in place for all staff as current processes do not always include agency staff: 1) review current induction and exit interview processes and ensure it is applied to all staff 2) Capture experiential feedback from current and previous agency workers. Use to shape future roles/offer/rates		Sprint 2

Theme 5 – Celebrate working together as partners					
Success Criteria 1 Thresholds are understood and consistently applied by all WSCB partners	Ref	Action	Owner	Due Date	
	5A1	Create a programme of audit at the Integrated Front Door to demonstrate partnership understanding and application of thresholds	Senior Manager, Integrated Front Door	30/09/18	
	5A2	Create a programme of audit of statutory and Early Help assessments to evidence clear outcomes and effectiveness of work undertaken, that will inform clear decision making	Senior Managers for CIN/CP and Targeted Services	30/09/18	
	5A3	Create a programme of audit of Early Help assessments to evidence appropriateness of referral	Senior Manager for Targeted Services	30/09/18	
	5A4	Present the Early Help Strategic Board performance framework to demonstrate an increase over time in Early Help assessments and reduction over time of statutory assessments	Chair of the Early Help Strategic Board	30/09/18	
Success Criteria 2 Effective partnerships in Wirral respond to combatting Child Sexual Exploitation and children do not suffer exploitative relationships	Action	Action	Owner		
	5B1	Ensure partner attendance at scheduled CSE training workshops	Chair of the CSE and Missing Committee	31/03/18	
	5B2	Conduct an evaluation of the WSCB multi-agency training programme	Chair of the Learning and Development Committee	31/03/18	
	5B3	1) Deliver a programme of auditing of cases at MACSE to evidence the impact of interventions to safeguard children at risk of or victims of CSE 2) review impact of NPS audit tool to ensure organisation is confident in its duty to safeguard children	Chair of MACSE	30/09/18	
	5B4	Review the CSE referral pathway, tools, process and guidance to ensure clear understanding and increase in the number of appropriate referrals	Chair of the CSE Committee	30/09/17	

	5B5	Create a programme of audit of contacts at the Integrated Front Door to evidence compliance and accurate use of CSE screening tool	Senior Manager, Integrated Front Door	31/03/18
Success Criteria 3 Children who are looked after are kept safe and supported to reach their potential	Ref	Action	Owner	Due Date
	5C1	Ensure children looked after have a personal education plan in place within the first two weeks of the new term in September: 1) Assess the current PEP process/mechanism to consider if it remains fit for purpose 2) Develop monitoring and tracking process to deliver against PEP once finalised	Deputy Director Children's Services	Sprint 2
	5C2	Continue to dip sample personal education plans to provide support advice guidance and feedback on the quality 1) Establish reminder system for Virtual Head to dip sample 2) Construct a dip sampling process to ensure consistency and appropriate evidence is gathered 3) Work with DoE to establish the acceptance criteria for demonstrating effective dip sampling	Deputy Director Children's Services	Sprint 2
	5C3	1) Develop capture mechanism for the receipt of feedback 2) Agree data storage process and learning extraction 3) Use data gathered to design the follow up review	Deputy Director Children's Services	31/12/17
	5C4	Audit PEP's and Health assessments to demonstrate the high quality of assessments and completion within timescales	Chair of the Corporate Parenting Group	30/09/17
	5C5	Ensure that the Corporate Parenting Board reports to the WSCB with assurance about: • how children who are looked after are having their needs met including their health and education needs • accurate understanding about the number of children who are looked after and their status	Chair of the Corporate Parenting Group	31/03/18
	5C6	Review placements to assure WSCB that all placements are appropriate and children are safe and have their needs met, including consideration at MACSE in cases at risk of or victims of CSE	Chair of the Corporate Parenting Group	Sprint 2

Success Criteria 4	Ref	Action	Owner	Due Date
Partners are held to account through effective governance and ensuring the needs of Children and Young people are met	5D1	<p>Undertake analysis, with partners, to ensure they understand the need for early reporting of cases to promote effective management</p> <p>1) Assess current reporting timelines and the blockers for compliance with partners 2) Develop escalation route(s) for non-compliance with appropriate accountabilities 3) Work with partners to understand their reasons for non-compliance and capture to develop next steps to support</p>	Head of Safeguarding Unit	Sprint 2
	5D2	<p>Improve the quality of court work throughout the whole of the court proceedings to ensure we can complete on time:</p> <p>1) Arrange to meet with CPS case file workers to allow them to share what good case file management looks like 2) Engage with the Police and wider stakeholders to understand the potential blockers which could occur through the court process 3) Conduct risk assessment for the e2e pre-proceedings process and build mitigations across all stakeholders 4) Review impact of NPS safeguarding and children checks to ensure children who are potentially at risk are identified at the earliest opportunity</p>	Deputy Director Children's Services	Sprint 2
	5D3	<p>1) Develop data capture process which complies with audit requirements 2) Develop KPI's for the process to alert if key areas are failing 3) Develop best practice view across other LA's</p>	Head of Quality, Performance and Improvement	Sprint 2
	5D4	Conduct a review of the memorandum of understanding with influential boards, specifically the Health and Wellbeing Board, the Corporate Parenting Group, the Community Safety Partnership and the Youth Justice Board to ensure effective reporting and accountability mechanisms are in place	WSCB Business Manager	30/09/17
	5D5	Review existing resourcing arrangements and agree a sustainable funding model for 2017-18 and beyond	WSCB Business Manager	01/10/17
	5D6	Challenge partner agencies to provide assurance of arrangements to safeguard identified vulnerable groups including children looked after, young carers and those privately fostered. Partners provide assurance about how they – identify, assess, support	Independent Chair WSCB	02/10/17
	5D7	Develop partner dashboard to evidence improvement across key performance areas	Independent Chair WSCB	03/10/17

Ref	Action	Owner	Due Date
Success Criteria 5 Learning and review are at the core of operations which drives improvements, priorities, and the delivery of services based on analysis of data, audits, reviews and reports	Employ a young person to develop young people's engagement 1) Develop a feedback mechanism to ensure all lessons learned are captured during the formative phase of the role 2) Be clear on who is clearing the development of the work for the role, ensuring that assumptions are not made on what young people's engagement looks like	Head of Safeguarding Unit	31/03/18
5E1			
5E2	Establish quarterly practice learning forums to capture the learning from multi-agency audits	Chair of the Learning and Development Committee	31/03/18
5E3	Ensures that learning from local and national serious case reviews is disseminated and embedded to demonstrably improve practice	Chair of the Learning and Development Committee	31/03/18
5E4	Complete Section 11/175 accountability meetings with statutory partners to evidence the multi-agency commitment to safeguarding and improving outcomes for children and young people	Chair of the Performance Committee	30/09/17
5E5	Provide reports including qualitative and quantitative data and information to evidence strength of safeguarding arrangements, areas for improvement, priorities and future plans	Chair of the Performance Committee	30/09/17



Audit and Risk Management Committee Monday, 12 March 2018

REPORT TITLE:	CORPORATE RISK REGISTER
REPORT OF:	Director of Finance and Investment

REPORT SUMMARY

The Council is improving and modernising its arrangements for corporate governance. The risk management framework is a key element of those arrangements. To support the wider programme and to respond to changes both within the Council and the wider environment I am proposing a number of amendments to the risk management framework. This progress report deals specifically with proposals for a revised approach to the oversight of the Council's corporate risks.

RECOMMENDATION/S

That Members consider the proposals and whether they provide assurance that the arrangements will be sufficient to support the effective governance of the organisation.

That proposals for other improvements to the risk management framework be brought to future meetings of the committee for the consideration of Members.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The organisation's attitude to risk and its arrangements for managing risk are a major component of corporate governance. Those arrangements should provide assurance to those charged with the oversight of governance that the uncertainties faced by the Council in seeking to deliver the Wirral Plan and associated pledges are understood and are being mitigated.
- 1.2 Having an understanding of the arrangements for the identification and oversight of the Council's principal risks supports the Committee's responsibility in relation to the adequacy of the Council's risk management framework.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 None.

3.0 BACKGROUND INFORMATION

- 3.1 To ensure that the Council's risk management framework supports the needs of the organisation now and into the future, improvements are needed to a number of elements of the framework. Proposed improvements will be put to Members in the coming months. This initial report deals specifically with proposals for the corporate risk register.
- 3.2 The Council's corporate risks are those which present the greatest threat to the delivery of its overall objectives. As such the Council's political and executive leadership are responsible for ensuring that the risks are understood and effectively controlled.
- 3.3 The existing Corporate Risk Register was the result of an exercise undertaken with the Strategic Leadership Team (SLT) in 2016 following adoption of the Wirral Plan.
- 3.4 Since the creation of the current register it has been reviewed by SLT each quarter. Those reviews have considered progress in relation to the management of the existing corporate risks and emerging risk areas for possible addition to the register.
- 3.5 The degree of change within the Council, the complexity and speed of change in the wider environment, uncertainties over future funding and the need to ensure the long term sustainability of the organisation mean that the existing arrangements for oversight of our corporate risks require further development.

PROPOSED CHANGES

- 3.6 The proposals are intended to position risk as a driver for the work of the Strategic Leadership Team and through more frequent and robust scrutiny deliver enhanced assurance that they are being effectively controlled.
- 3.7 The corporate risk register would be refreshed within the first quarter of 2018/19. The process would begin with an examination of risks to the delivery of 2018/19 service plans and to the Change Programme in order to identify individual critical risks and those common to multiple areas which collectively could pose a threat of corporate significance. This analysis would be supplemented by consideration of the existing strategic risks and a facilitated discussion aimed at capturing any corporately significant risks which had not been identified in the initial exercise. The result of this would be a revised register focussed on more specific and immediate risks which in turn were more tightly defined.
- 3.8 Recognising that the Council's risk profile can develop quickly given the scale and speed of internal and external change SLT would in future formally review and challenge the management of corporate level risks every month under a specific agenda item. This would be led by the Director of Corporate Resources and Reform. Assurance would be provided and weaknesses in controls identified through consideration of a performance 'dashboard' for existing corporate risks. The Team would also consider risks escalated from individual directorates and programmes for possible addition to the register and ownership by the Team.
- 3.9 Within the agenda item members of the Team would review and challenge the effectiveness of the existing controls for risks. Where it was agreed that additional or alternative action was needed to mitigate a risk to an acceptable level the responsibilities for such actions would be recorded and progress monitored in future monthly meetings. Decisions would also be taken as to whether escalated risks should be added to the register or existing risks de-escalated to directorate or programme risk registers. Those decisions would be recorded and communicated to the officers involved.
- 3.10 To support the escalation process the risk registers for all main functional areas of the Council and all programmes would be reviewed and updated monthly. Compliance would be monitored and failures to comply reported to SLT and to this committee.
- 3.11 In addition to the formal monthly process, risk would be a standing agenda item for each weekly SLT meeting. This would provide the opportunity for consideration of fast-moving newly identified risks and urgent discussion required in relation to existing corporate risks.

ADDITIONAL ACTIONS REQUIRED

- 3.12 To support the implementation of the above arrangements a number of other actions would be taken.

- 3.12.1 There are a number of risks generated by the Council's business as usual activity which have potentially critical impacts. Some of these are represented on the existing corporate risk register. Examples might include a significant failure in health and safety management, the collapse of a critical supplier or a major failure in information security. I am proposing greater formal oversight of critical operational risks. This could be delivered through regular formal scrutiny by a new Operational Board which is being proposed as part of the wider Governance Review. The Board would escalate to SLT concerns around any weaknesses in the effectiveness of controls.
- 3.12.2 Each main functional area of the Council would be required to identify an individual to act as the areas risk management resource. The role of the officers concerned would be to support management teams to develop refresh and review their risk registers to meet with the Senior Risk and Insurance Officer as a group each month to review and challenge risk registers and to prepare the risk dashboard and notes on risks for escalation to SLT. To support these officers in discharging their responsibilities they would be provided with training in key risk management principles and tools.
- 3.12.3 Alternative models for the format and content of the new corporate risk performance dashboard would be investigated and a preferred option put forward for endorsement by SLT. A standard format for the briefing note to be used to escalate risks to SLT and a set of criteria to help guide decisions on escalated risks would also be developed.
- 3.12.4 SLT would be briefed on the responsibilities of senior executive teams in relation to the effective management of risk and current best practice in this field. This will provide them with sufficient knowledge to challenge each other to ensure that those responsibilities are effectively discharged when the committee holds them to account.
- 3.12.5 Members of this committee would also be briefed on the format and content of the new corporate risk dashboard to ensure that they can effectively discharge their responsibilities for oversight of this component of the risk management framework.

STATUS OF KEY CONTROL ACTIONS FOR CURRENT CORPORATE RISKS

- 3.13 Members may recall that the document appended to my last Corporate Risk Register: Update report was not the status report which had been provided to SLT on 28 November 2017. Whilst the correct document was circulated subsequently a copy is also appended to this report as a matter of record.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are no direct implications arising from this report.

5.0 LEGAL IMPLICATIONS

- 5.1 There are no direct implications arising from this report

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 The revised arrangements would create additional demands on the capacity of the Senior Risk and Insurance Officer.

7.0 RELEVANT RISKS

- 7.1 The implementation of revised arrangements could be frustrated by limited capacity of the Senior Risk and Insurance Officer. This should be mitigated to a degree by having a level of risk management resource and knowledge within each main functional area of the Council.

8.0 ENGAGEMENT/CONSULTATION

- 8.1 The proposals will also be put to the Strategic Leadership Team and the Governance Review - Task and Finish Group.

9.0 EQUALITY IMPLICATIONS

- 9.1 There are none arising directly from this report.

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APPENDICES

2017/18 CRR Controls 281117

REFERENCE MATERIAL

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	29 th January 2018
Audit & Risk Management Committee	21 st November 2017
Audit & Risk Management Committee	25 th September 2017
Audit & Risk Management Committee	12 th June 2017

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2017/18 Corporate Risk Register – Update Report 28 November 2017

Risk Number and Description	Unmanaged Risk Rating	Original Risk Score	Key Existing Controls	Current Risk Rating	Current Risk Score																																				
1.Financial Resilience There is considerable uncertainty around the approach of Central Government over the level of future funding across the public sector and the mechanism for its allocation. The continuing review of Welfare Reform could further increase demand. The ability of the Council and its partners to continue to deliver the essential services residents need could be compromised should funding reductions continue as planned, or be accelerated, without substantial action from the Council and its partners. 160 171 180	<table border="1"><thead><tr><th>Likelihood</th><th>Impact</th></tr></thead><tbody><tr><td>Green</td><td>Yellow</td></tr><tr><td>Green</td><td>Red</td></tr><tr><td>Green</td><td>Red</td></tr><tr><td>Green</td><td>Yellow</td></tr><tr><td>Green</td><td>Yellow</td></tr><tr><td>Green</td><td>Yellow</td></tr><tr><td>Green</td><td>Yellow</td></tr><tr><td>Green</td><td>Yellow</td></tr></tbody></table>	Likelihood	Impact	Green	Yellow	Green	Red	Green	Red	Green	Yellow	20 Likelihood 4 x Impact 5	<ul style="list-style-type: none"> • Financial planning, management and reporting • Management of demand • Programmes to reduce costs • Programmes to increase revenue 	<table border="1"><thead><tr><th>Likelihood</th><th>Impact</th></tr></thead><tbody><tr><td>Green</td><td>Yellow</td></tr><tr><td>Green</td><td>Red</td></tr><tr><td>Green</td><td>Red</td></tr><tr><td>Green</td><td>Yellow</td></tr><tr><td>Green</td><td>Yellow</td></tr><tr><td>Green</td><td>Yellow</td></tr><tr><td>Green</td><td>Yellow</td></tr><tr><td>Green</td><td>Yellow</td></tr></tbody></table>	Likelihood	Impact	Green	Yellow	Green	Red	Green	Red	Green	Yellow	12 Likelihood 3 x Impact 4																
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Lead Responsibility	Assistant Director: Finance / S151 Officer																																								
Additional Controls – Quarter 2 update	<p>Reducing costs</p> <p><u>Integration with Health</u> – This programme has an amber status. (A system recovery plan is currently in development).</p> <p><u>Enhanced Transformation Programme</u> – Definitions for both the Assets and Customer Experience programmes have been completed and programme managers are in position for all areas. A New digital programme has been established which will underpin the delivery of all programmes. The Library Leisure & Cultural Services programme has been reviewed after milestones</p>																																								

were missed. A revised plan is being developed to ensure delivery of outcomes.

Working across the Liverpool City Region (LCR) – Key existing actions (engagement in LCR networks at a leadership and operational level, regular updates and briefings with elected members and SLT) have continued. There has been further activity to develop Wirral projects and ensure that they are represented within LCR strategic priorities.

Increasing revenue

Business Rates Retention Pilot - The regular discussions amongst the Liverpool City Region Heads of Finance have continued to ensure that no single authority is disadvantaged from participation.

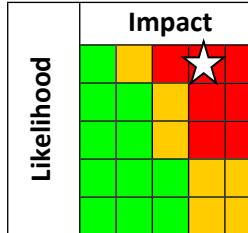
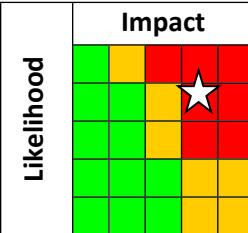
Commercialisation/Income Maximisation – During quarter 2 Phase 3 of the Council’s Commercial Approach was put into 5 revised work streams. Progress in respect of each is as follows:

- Growth - new ideas were generated from staff and are being considered
- Investment - work is continuing with Treasury Management to look at investment opportunities for the Council
- Fees and Charges - more focus has been given to income generation in the process for budget setting for 2018/19
- Income & Debt - a project has been initiated aimed at introducing a new way of working that is fit for purpose for a future Revenues and Benefits service aligned to the Council’s corporate vision
- Organisational Development - An intranet site, e-learning modules and Commercial Service Managers Network have been established and a Commercial Skills Programme for managers is being delivered.

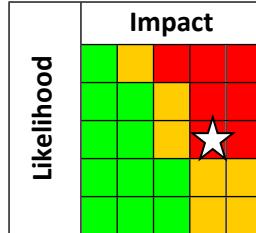
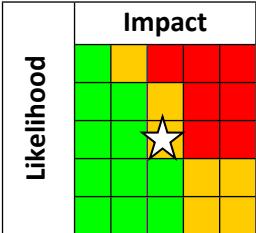
Implementation of the Growth Plan - Delivery of the Plan has continued to progress well, with pledge indicators and measures improving and meeting targets. Notable progress within the quarter is summarised below:

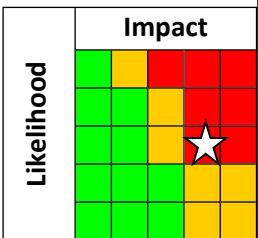
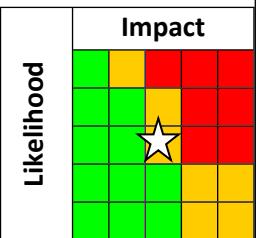
- Cabinet and Council approved Wirral's Strategic Regeneration Framework (SRF), allowing the Framework to be adopted as a material planning consideration in relation to development proposals which come forward
- Plans for a major tourism project - a national children's museum (Eureka!) - were revealed in September
- The new Business Support Service delivered by Wirral Chamber facilitated three Sector Networks, offering information on training and funding and facilitating business to business networking opportunities in support of growth.

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Risk Number and Description	Unmanaged Risk Rating	Original Risk Score	Key Existing Controls	Current Risk Rating	Current Risk Score
2.Organisation Development and Pace of Transformational Change The Council is pursuing fundamental change to its design and operating model at the same time as developing cross-boundary and cross-sector alliances and embracing commercialism and innovative solutions to deliver outcomes. It is uncertain whether the Partnership will have available to it the capacity and expertise necessary to deliver transformation at the speed required and maintain day-to-day operations. Particularly given competition for staff from other employers.		20 Likelihood 5 x Impact 4	<ul style="list-style-type: none"> • Performance appraisals • Accountability statements • Ad-hoc initiatives -e.g. Children's Social Work • HR involvement in development of business cases for Alternative Delivery Models 		16 Likelihood 4 x Impact 4
Lead Responsibility					Director for Transformation
Additional Controls – Quarter 2 update					<p>Capacity and Expertise – A draft framework for the Council's People strategy was agreed at SLT in September with a completion date of December 2017.</p> <p>A single management structure for Transformation and key support areas – Finance and HR - was introduced in September.</p> <p>Transformation</p> <p>Work has continued on the development of a change management strategy and process.</p> <p>A Digital Transformation programme has been established, incorporating Access Wirral, Digital Infrastructure and Customer Insight</p>

and a mandate has been developed for submission to November portfolio board
A new reform programme has been established which provides the framework for all service reviews and the feasibility for new service models.
A Communication Officer was appointed in August and is currently engaged in the development and delivery of communication plans and staff engagement activity.
The programme manager for Reform is to be involved in budget rounds and Star Chamber Sessions.
Benefits management and tracking is being developed.
A mechanism has been incorporated within the reform programme service reviews to ensure the outcomes are then deliverable within the relevant programme.
A Governance review is underway in collaboration with the strategic hub and business services. Discussions are underway to develop an organisation wide Design Authority and proposals for an Investment & Change Board are being developed for implementation by the end of March 2018.

Risk Number and Description	Unmanaged Risk Rating		Original Risk Score	Key Existing Controls	Current Risk Rating	Current Risk Score
3.Partnerships The approach within the Wirral Plan is bringing together organisations which have different capabilities, cultures and levels of resilience. The focus of different partners could be affected by their own financial imperatives and the need to answer to a range of stakeholders. The constituent parts of the Partnership could also be affected by future changes in their structures or key personnel.		12 Likelihood 3 x Impact 4	<ul style="list-style-type: none"> The Wirral Partnership agreed a single Wirral Plan with joint priorities, and committed to a partnership approach with collective actions to deliver it Partners have lead responsibility for a number of the Pledges and are involved in delivery of all of them To ensure a single approach, the Partnership Delivery Group (PDG) meets regularly, bringing together Chief Executives of partner organisations to co-design implementation of the Plan and emerging strategies 		9 Likelihood 3 x Impact 3	
Lead Responsibility	Chief Executive					
Additional Controls – Quarter 2 update	<p>Delivery by the Leadership Academy of additional Partnership workshops and learning to further accelerate partnership collaboration and joint working.</p> <p>Wirral Partnership has continued to work together on an increasingly collaborative agenda, including significant progress in Health & Social Care and Community Safety.</p> <p>Following on from the successful Leadership Academy, a number of joint projects are now being led and implemented by partners. A series of themed Partnership masterclasses are underway to further progress joint working, particularly in relation to Joint Commissioning.</p> <p>Another successful Wirral Partnership Summit was held in July, bringing together around 80 partners to further agree joint priorities for the coming months.</p>					

Risk Number and Description	Unmanaged Risk Rating	Original Risk Score	Key Existing Controls	Current Risk Rating	Current Risk Score
4.Devolution Uncertainty exists around how the Liverpool City Region (LCR) might operate in future and the final shape of Devolution (potential for inefficiencies, silo behaviour, culture mismatch and gaps in accountability). Wirral might fail to reap the considerable benefits presented by membership of the LCR if it has insufficient influence and does not have enough 'ready to go' projects. 2019		12 Likelihood 3 x Impact 4	<ul style="list-style-type: none"> To ensure up to date knowledge and communication of developments: Regular updates and briefings with elected members and Strategic Leadership Team (SLT) i.e. through Leader's Portfolio reports; Policy & Performance progress reports; Scrutiny Review; SLT discussions To optimise Wirral's influence: Wirral's Chief Executive and Leader part of regular LCR meetings to develop new LCR arrangements and devolution deal Wirral elected members appointed to LCR Scrutiny and other thematic Boards Wirral officers represent Wirral's interests and priorities at relevant LCR boards and networks Ongoing activity to develop Wirral projects and ensure that they are represented within LCR strategic priorities SLT ongoing discussions to ensure a strategic and comprehensive knowledge of developments; to agree Corporate approach; and identify Wirral's priority focus and projects for the short, medium and long term 		9 Likelihood 3 x Impact 3
Lead Responsibility	Chief Executive				
Additional Controls – Quarter 2 update	<p>Contribute to the implementation of detailed proposals for the Liverpool City Region Combined Authority, including the new Mayor's Office</p> <p>The Policy & Strategy team lead and co-ordinate all LCR input and engagement to ensure a strategic approach.</p> <p>In addition, senior Policy Officers from Wirral are leading on dedicated LCR work streams. This includes the Leader's LCR Portfolio of Culture and Economic Development. The head of Policy is the lead for the Chief Executive's Public Service Transformation Programme and LCR Culture</p> <p>A senior Policy Officer is currently seconded to the Mayor's Office</p>				

Risk Number and Description	Unmanaged Risk Rating	Original Risk Score	Key Existing Controls	Current Risk Rating	Current Risk Score																								
5.Integration of health and social care <p>Significant challenges are posed by an ageing population and a predicated upsurge in the use of primary care. Integration is a means to ensure that services are cohesive and make best use of resources. Levels of demand for hospital care and the high cost Social Care support, set against reducing resources present a significant set of challenges to the Healthy Wirral Partnership. Bringing together health and social care is important in terms of working as a single system but could also expose funding deficits with greater clarity.</p>	<table border="1"> <thead> <tr> <th>Likelihood</th> <th>Impact</th> </tr> </thead> <tbody> <tr><td>Green</td><td>Yellow</td></tr> <tr><td>Green</td><td>Red</td></tr> <tr><td>Yellow</td><td>Red</td></tr> <tr><td>Yellow</td><td>Yellow</td></tr> <tr><td>Yellow</td><td>Yellow</td></tr> </tbody> </table>	Likelihood	Impact	Green	Yellow	Green	Red	Yellow	Red	Yellow	Yellow	Yellow	Yellow	20 Likelihood 4 x Impact 5	<ul style="list-style-type: none"> • Integration of community and older people's services • Integrated commissioning hub • Integration project for all age mental health services • Integration of all age disability services • Initiative to reduce long term care admissions • Initiatives around review of activity and replacement with alternatives (e.g. assistive technology) • Wirral Independence Service • Short term crisis support, to avoid admission • On-line self-assessment • STAR Re-ablement service • Integrated single gateway into services • Rapid Community Response Service – with Wirral Community NHS Trust 	<table border="1"> <thead> <tr> <th>Likelihood</th> <th>Impact</th> </tr> </thead> <tbody> <tr><td>Green</td><td>Yellow</td></tr> <tr><td>Green</td><td>Red</td></tr> <tr><td>Yellow</td><td>Red</td></tr> <tr><td>Yellow</td><td>Yellow</td></tr> <tr><td>Yellow</td><td>Yellow</td></tr> </tbody> </table>	Likelihood	Impact	Green	Yellow	Green	Red	Yellow	Red	Yellow	Yellow	Yellow	Yellow	12 Likelihood 3 x Impact 4
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Lead Responsibility	Director for Health and Care																												
Additional Controls – Quarter 2 update	Development of extra care housing – The current status of this initiative is green, with good progress being made.																												

	<p>Review of the supported living service model – The current status of this initiative is green. Good progress is being made and changes are being approved.</p> <p>Support regional work around specialist services and fees - This initiative currently has an amber status, as limited progress is being made.</p>
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Risk Number and Description	Unmanaged Risk Rating	Original Risk Score	Key Existing Controls	Current Risk Rating	Current Risk Score																																																																				
<p>6. Effect of demographic changes on demand for services</p> <p>People living longer is clearly positive and presents opportunities for the council and its partners, but also brings additional requirements and costs. Extra demand could be driven by the trend in some communities for people to develop multiple chronic conditions at an earlier age, and living longer with them. Residents will be encouraged to be more independent. But some communities are less resilient than others. Young people with complex disabilities have significant needs related to behaviours that challenge and a failure to provide good educational independence support and employment opportunities could lead to increasing cost of support due to high</p>	<table border="1"> <thead> <tr> <th>Likelihood</th> <th colspan="3">Impact</th> </tr> </thead> <tbody> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> </tbody> </table>	Likelihood	Impact			Low	Medium	High	Very High	Low	Medium	High	Very High	Low	Medium	High	Very High	Low	Medium	High	Very High	Low	Medium	High	Very High	Low	Medium	High	Very High	Low	Medium	High	Very High	16 Likelihood 4 x Impact 4	<ul style="list-style-type: none"> • Integrated Care programme • Joint Commissioning arrangements with the Clinical Commissioning Group • Delivery of commissioned lifestyle services - Head of Public Health • All Age Disability pledge and plans • 'Healthy Wirral' work stream on early intervention and prevention 	<table border="1"> <thead> <tr> <th>Likelihood</th> <th colspan="3">Impact</th> </tr> </thead> <tbody> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> </tbody> </table>	Likelihood	Impact			Low	Medium	High	Very High	Low	Medium	High	Very High	Low	Medium	High	Very High	Low	Medium	High	Very High	Low	Medium	High	Very High	Low	Medium	High	Very High	Low	Medium	High	Very High	Low	Medium	High	Very High	12 Likelihood 3 x Impact 4
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levels of dependence					
Lead Responsibility	Director for Health and Care				
Additional Controls – Quarter 2 update	<p>Integration agenda (Healthy Wirral) - The current status of this initiative is green, with good progress being made.</p> <p>Programmes of early intervention and prevention - The current status of this initiative is green, with good progress being made.</p> <p>Implement health and social care integration - The current status of this initiative is green, with good progress being made.</p>				

Risk Number and Description	Unmanaged Risk Rating	Original Risk Score	Key Existing Controls	Current Risk Rating	Current Risk Score																																																								
7.Safeguarding <p>A major failure in safeguarding would cause preventable harm to children or vulnerable adults and compromise our pledge to protect the vulnerable. It could lead to regulatory intervention and significant cost, to the Council and its partners, compromise outcomes at a child and families level and the Council as a whole.</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">JULY 2017</p>	<table border="1"> <thead> <tr> <th>Likelihood</th> <th colspan="3">Impact</th> </tr> </thead> <tbody> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>White</td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>White</td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>White</td> </tr> </tbody> </table>	Likelihood	Impact			Low	Medium	High	Very High	Green	Yellow	Red	White	Low	Medium	High	Very High	Green	Yellow	Red	White	Low	Medium	High	Very High	Green	Yellow	Red	White	25 Likelihood 5 x Impact 5	<ul style="list-style-type: none"> An Improvement Board was established in September 2016 to drive the improvements needed to respond to the Ofsted recommendations; the board meets monthly to ensure the improvement plan including the safeguarding board recommendations are gripped, and progress is monitored and challenged. The Board now includes an independent chair and an independent adviser appointed by the DFE. An experienced permanent Deputy Director for Children's Care Services and an Independent Chair of the Wirral Safeguarding Children Board have been recruited and are in place. A recruitment process is underway (July 2017) for an experienced permanent Director of Children's Services An experienced social work practice improvement lead is in place and supporting the experienced permanent Deputy Director for Children's Care Services Children's early help and intervention offer strengthened, through increased partnership engagement to meet children's needs earlier, and so reduce demand for children's social care A single senior manager is leading and overseeing the MASH (Multiagency Safeguarding Hub) this is under review to inform future need. Performance management and reporting arrangements have been reviewed and new arrangements are being put in place for September 2017 that provides a series of dashboards that allows responsibilities to be clear and distinct An HR and OD team is co-located in the Children and Young People's Department enabling close working with service managers to rapidly recruit, induct, develop and retain social workers and social work managers; and support managers at all levels 	<table border="1"> <thead> <tr> <th>Likelihood</th> <th colspan="3">Impact</th> </tr> </thead> <tbody> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>White</td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>White</td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>White</td> </tr> </tbody> </table>	Likelihood	Impact			Low	Medium	High	Very High	Green	Yellow	Red	White	Low	Medium	High	Very High	Green	Yellow	Red	White	Low	Medium	High	Very High	Green	Yellow	Red	White	16 Likelihood 4 x Impact 4
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			to develop and challenge staff to meet the higher bar set through the Wirral Social Work Practice Standards		
Lead Responsibility	Director for Children				
Additional Controls – Quarter 2 update	<p>Ensure Ofsted findings not identified as recommendations are addressed through service improvement plans in children's social care and early help – The refreshed Wirral Improvement Plan 2017-19 was agreed in September 2017 and includes a new partnership action plan incorporating a wide range of actions which relate to all issues raised in the Ofsted report. The action plan is being delivered and tracked through a Sprint process.</p> <p>Review the current HR and OD support available to children's social care in order to develop a departmental approach – There remains in place an onsite team of 5 HR/OD officers supporting Children's Services improvement plan (There is also 1 Officer seconded from the Council's Resources Team in the Transaction Centre). Children's services are funding a number of these posts. There is a meeting planned with AD/HROD and Acting DCS review the position, work programme and discuss future HR/OD resource requirements</p> <p>Deliver the priorities of the Local Children's Safeguarding Board (LSCB) and the Safeguarding Adults Partnership Board (SAPB) – The KLSW Combined Safeguarding Adults board met again in quarter 2 and sub groups are working towards a set or agreed priorities. The board have also agreed a stream of assurance work to take place by March 2018 to understand fully 'how safe we are' across the four boroughs and to identify key areas of similarity and difference.</p> <p>Complete the financial review programme of work and implement the findings – The review has been completed and the findings are being implemented through work managed by the new Director of Finance and the Director of Corporate Resources & Reform.</p> <p>Implement a process that ensures that plans are in place to manage the cessation of the additional funding allocated to address issues identified in the Ofsted inspection - The additional funding needed is currently being reviewed as part of the Councils budget plans for 2018-19.</p> <p>Ensure the risks identified through the CYPD Transformation Programme are effectively managed through the programme structure - A risk register has been developed, which is reviewed through monthly Programme Board meetings. Weekly highlight reports to the Transformation Office capture any new risks being identified and any identified mitigation.</p>				

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8.Governance (including information governance) Major acts of non-compliance with internal and external governance requirements could result in poor decision-making, malpractice and breach of legislation, leading to regulatory intervention and significant cost, both in financial terms and to the reputation of the Council and its partners.	<table border="1"> <thead> <tr> <th>Likelihood</th> <th colspan="3">Impact</th> </tr> </thead> <tbody> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Black</td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Black</td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Black</td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Black</td> </tr> </tbody> </table>	Likelihood	Impact			Low	Medium	High	Very High	Green	Yellow	Red	Black	Low	Medium	High	Very High	Green	Yellow	Red	Black	Low	Medium	High	Very High	Green	Yellow	Red	Black	Low	Medium	High	Very High	Green	Yellow	Red	Black	20 Likelihood 4 x Impact 5	<ul style="list-style-type: none"> • Council Constitution • Code of Corporate Governance • Member / Officer Protocol • Staff Policies (e.g. Dignity at Work) • Corporate Policies (e.g. Whistleblowing) • Operational policies (e.g. Information Governance, Gifts and Hospitality) • Ethical Framework for Members • Regulatory policies - Planning and Licensing • Oversight provided by CGG and Information Governance Delivery Group • Annual Governance Statement 	<table border="1"> <thead> <tr> <th>Likelihood</th> <th colspan="3">Impact</th> </tr> </thead> <tbody> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Black</td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Black</td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Black</td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Black</td> </tr> <tr> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Red</td> <td>Black</td> </tr> </tbody> </table>	Likelihood	Impact			Low	Medium	High	Very High	Green	Yellow	Red	Black	Low	Medium	High	Very High	Green	Yellow	Red	Black	Low	Medium	High	Very High	Green	Yellow	Red	Black	Low	Medium	High	Very High	Green	Yellow	Red	Black	Low	Medium	High	Very High	Green	Yellow	Red	Black	9 Likelihood 3 x Impact 3
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Lead Responsibility	Assistant Director - Law & Governance																																																																																				
Additional Controls – Quarter 2 update	<p>Review the Constitution, Code of Corporate Governance and Members Code of Conduct – The Interim Director (Law & Governance) has reviewed the Constitution and has made recommendations that will be implemented by the new monitoring officer next year. The Members Code of Conduct is to be reviewed by the new monitoring officer next year.</p> <p>Introduce the webcasting of Council Committee and Cabinet meetings – Responses to the tender have been received and are currently being reviewed by the Webcasting project board.</p> <p>Review and enhance information governance arrangements (including delivery of action plan responding to the ICO report and ensuring delivery of the Council's GDPR Project –</p> <p>The ICO audit report's outstanding items are more particularised in the minutes of the Information Governance Delivery Group (IGDG). All items are being satisfactorily managed by the Records and Information Manager.</p> <p>A GDPR project manager has been appointed and is reporting to the IGDG with his draft project plan 22/11/17.</p> <p>The Audit Manager and Governance and Practice Manager are currently reviewing the Council's Code of Corporate Governance, with a view to ensuring that the same is fully transparent and based upon tangible / accessible evidence.</p> <p>The Audit Manager, Governance and Practice Manager and the Head of Intelligence are tasked with preparing the Annual Governance Statement (AGS 2017/18). This project will be overseen by the Corporate Governance Group.</p>																																																																																				

Risk Number and Description	Unmanaged Risk Rating	Original Risk Score	Key Existing Controls	Current Risk Rating	Current Risk Score																																																																
9.Economic Activity Wirral is in competition for growth with areas across the country. Low levels of business and housing growth would adversely affect the Council's income (Council Tax and Business Rates) and limit employment opportunities, with consequent effects on wellbeing and prosperity, and could drive an increase in demand for support. Oct 2017	<table border="1"> <thead> <tr> <th>Likelihood</th> <th colspan="3">Impact</th> </tr> </thead> <tbody> <tr><td>Low</td><td>Medium</td><td>High</td><td>Very High</td></tr> <tr><td>Low</td><td>Medium</td><td>High</td><td>Very High</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> </tbody> </table>	Likelihood	Impact			Low	Medium	High	Very High	Low	Medium	High	Very High	Medium	20 Likelihood 5 x Impact 4	<ul style="list-style-type: none"> Implementation of the Growth Plan 	<table border="1"> <thead> <tr> <th>Likelihood</th> <th colspan="3">Impact</th> </tr> </thead> <tbody> <tr><td>Low</td><td>Medium</td><td>High</td><td>Very High</td></tr> <tr><td>Low</td><td>Medium</td><td>High</td><td>Very High</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> <tr><td>Medium</td><td>Medium</td><td>Medium</td><td>Medium</td></tr> </tbody> </table>	Likelihood	Impact			Low	Medium	High	Very High	Low	Medium	High	Very High	Medium	9 Likelihood 3 x Impact 3																																						
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Lead Responsibility	Strategic Commissioner - Growth																																																																				
Additional Controls – Quarter 2 update	<p>Complete consultation and implement the Wirral Strategic Regeneration Framework - Consultation has been completed and the Framework was agreed by Cabinet on 2nd October. In terms of individual key initiatives progress has been as follows:</p> <p><u>Wirral Growth Company</u> - The tender process to establish the company has progressed on schedule and a number of submissions received. The competitive dialogue process will lead to the appointment of an investor/developer partner in 2018.</p> <p><u>SRF Spatial Priority Areas</u> –</p> <ul style="list-style-type: none"> Birkenhead: The strategic acquisition programme for Birkenhead sites is progressing to plan. A41 Corridor: A Woodside transport feasibility exercise is currently out to tender, with activity expected to commence in November 2017. Birkenhead Hinterlands: Plans for a major tourism project reported were revealed in September 2017 Wirral Waters: In addition to the two skills infrastructure projects, a 2nd Stage funding application for a new build office development has been successful for Combined Authority Single Investment Fund 																																																																				

	<ul style="list-style-type: none">• Other Wirral Areas: Dialogue with Hoylake Golf Resort developers is ongoing. <p>Delivery of the commissioned Wirral Business Support Service (including start-up and growth advice) - Wirral Chamber has registered 144 businesses into the Business Support Service since its 1st June launch. Three Sector Networks have been facilitated this quarter and the Enterprise Hub has continued to support business start-up growth with several workshops delivered.</p> <p>Delivery of programmes to drive key growth sectors, such as the Maritime Knowledge Hub -</p> <p>Implementation of the Wirral Waters Investment Fund - Officers have been finalising the Wirral Waters Investment Fund finance terms. The next schedule of applications have been delayed for submission with individual project development, from applicants Peel, now aligned to the Combined Authority Single Investment Fund application process.</p> <p>Delivery of the Ways to Work programme – Programme activity has continued on target in quarter 2</p>
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Additional Controls – Quarter 2 update	<p>Establishment of data centres – Migration of the Treasury link datacentre (DC1) to Merseytravel Georges dock datacentre (DC3) is progressing on schedule, and is planned to be completed by the end of December 2017. The creation of a Disaster Recovery datacentre (DC2) in the existing room on the first floor of the Treasury building is currently being progressed, with an expected completion date of the end of February 2018.</p> <p>Implementation of new Digital Strategy (including Rationalisation and standardisation of systems and applications) – A review of the Digital Strategy is underway to ensure most effective, strategic governance and delivery. The approach is now being co-ordinated through the Transformation Programme.</p> <p>Implementation of new Asset strategy – Progress in relation to the 5 priorities within the Asset Strategy has been as follows:</p> <ol style="list-style-type: none">1. Place Shaping: significant work was undertaken with colleagues in Transformation to write the Strategic Outline Case for the new Civic Campus. A new Strategic Regeneration Framework which sets out the context to drive regeneration across Wirral was produced in Q22. Asset Policy and Strategy: The project to create a Civic Campus has highlighted the requirement to have short, medium and long term accommodation strategy3. One Wirral Public Estate: A mapping exercise with partners to identify assets for service needs is planned, but has seen delay4. Financial Efficiency: Good progress is being made with the strategic direction of asset optimisation for the Council's Commercial Estate5. Managing the Corporate Estate: Good progress has been made in delivering Capital projects, as directed by the Assets and Capital Group <p>Development of the Wirral Growth Company (Civic Hub) – The development of design principles and writing of the Outline Business Case for the new Civic Campus was slow up to quarter 2, but work since this period has increased. This project is closely aligned to the delivery capabilities of the new Wirral growth Company for which target delivery dates will be known after appointment of the referred partner in early 2018.</p>
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Audit and Risk Management Committee Monday, 12 March 2018

REPORT TITLE:	MANAGEMENT OF INSURANCE AND CORPORATE RISK
REPORT OF:	Director of Finance and Investment

REPORT SUMMARY

This report sets out the key actions to be taken in relation to corporate risk and insurance management during 2018/19 and highlights any key decisions which will need to be made. Recent progress made in relation to key actions planned for the current year is also included.

RECOMMENDATION/S

1. That the content of this report be noted.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 Regular update reports are presented to this Committee on the work around risk management and insurance which seek to support the Risk Management framework and maintain the successful management of the insurance programme.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 Not applicable to this report

3.0 BACKGROUND INFORMATION

- 3.1 Risk and insurance management comprises two significant areas of activity:

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

- 3.2 The table below summarises key actions planned between now and the end of 2018/19. It highlights those areas in which Members will have an involvement and what form that will take. They include proposals for improvements to the risk management framework which will be put to Members for consideration.

Category	Action	Date	Member Involvement	Comments
Risk financing	Annual renewal of Liability, Motor, Engineering and Foster Care policies	Apr 2018	No	Outcome will be reported to Members
Risk financing	Procurement of Property, Business Interruption, Museums All Risks, Crime and Personal Accident / Business Travel policies	Jun 2018	No	My decision on the contract awards will be shared with Members

Category	Action	Date	Member Involvement	Comments
Risk financing	Insurance Fund Annual Report	Jun 2018	Yes	Members to Consider recommendations on provisions and reserves.
Risk financing	Insurance Fund Budget 2019/20	Jan 2019	Yes	Members to agree Insurance Fund Budget and apportionment between schools and the General Fund
Risk financing	Procurement of Motor and Engineering insurance	Mar 2019	No	My decision on the contract award will be shared with Members
Risk management	Implement improvements to the risk management framework	From Apr 2018	Yes	Proposals will be put to Members for consideration
Risk management	Revised Corporate Risk Management Policy	Sep 2018	Yes	Policy will be provided for consideration of Members

- 3.3 In addition to day-to-day operations the service is responsible for major procurement exercises and improvement activities. This area of the report focuses on the latter. The key actions to be implemented during 2017/18 were included in the report to this Committee on 14 March 2017. Progress since my last report in respect of those actions is summarised in the paragraphs below.

3.3.1. Corporate Risk Register

Proposals in respect of the future management of the corporate risk register are the subject of a separate report to this meeting.

3.3.2 Traded Services for Schools and Academies

Costs for individual schools for the Risk and Insurance service in the coming financial year were produced as part of corporate insurance budgeting activity. Schools will confirm by the end of this month if they wish to continue buying back the service in 2018/19.

3.3.3 Procurement of Property, Business Interruption Museums, Crime and Personal Accident/Business Travel Insurance

The Invitation to Tender will be published this month with responses required by the end of April enabling award decisions to be taken well in advance of the expiry of the existing contracts. It has been agreed with the Procurement Team that the evaluation criteria will place greater emphasis on quality particularly in relation to policy coverage and claims handling capabilities.

3.3.4 Renewal of Liability Motor Engineering and Computer Insurance Policies

As confirmed in my Insurance Fund Budget report to the 29 January meeting of this committee the premiums for 2018/19 in respect of both the Liability and Motor insurance contracts will rise as a result of central government changing the 'Discount Rate.' Renewal premiums for the Engineering and Computer insurance contracts will also be greater than in 2017/18. The cost of Engineering insurance inspections will rise in line with average earnings as provided for within the contract. The Computer insurance premium will rise as the result of an increase in the sum insured for computer hardware. All revised sums are within the Insurance Budget figures previously reported to this committee.

3.3.5 Liability Claims Handling

I have decided not to extend the in-house handling of Liability claims at this time because of the limitations of the Council's current claims management system and concerns over the ability to maintain continuity within the existing team. The position will be reviewed during 2018/19 alongside a possible replacement for the existing claims management system.

3.3.6 Actuarial Study

Clarification of a number of points covered in the report has confirmed that the funds held by the authority to cover Liability claims should be sufficient to meet the liabilities that it will have at the end of the current financial year. The study will be reported in detail to this committee in June as part of my Insurance Fund Annual Report. The study also recommended that the annual contribution to the Insurance Fund should be increased in the coming years to cover rises in the cost of self-insured claims. This has been reflected in my forecast of the Council's Liability insurance costs for 2018/19.

3.3.7 Review of Corporate Governance

An early outcome from the Review with direct implications for the management of risk is the trial of a new template for all reports to SLT, Cabinet/SLT and Leadership meetings. This requires the significant risks associated with decisions and their mitigation to be clearly indicated in a standard format ensuring that these considerations inform the decisions taken in those forums. Another is for risk to be a standard agenda item for all SLT

meetings. This would provide space to discuss new or developing risks on a weekly basis as an addition to a new formal monthly risk review process.

4.0 FINANCIAL IMPLICATIONS

- 4.1 There are none arising directly from this report.

5.0 LEGAL IMPLICATIONS

- 5.1 There are none arising directly from this report.

6.0 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 There are none arising directly from this report.

7.0 RELEVANT RISKS

- 7.1 Outcomes from the review of corporate governance indicated in paragraph 3.3.7 and associated changes to the Council's risk management framework which will be put to Members in the coming months should improve the organisations ability to handle risk.
- 7.2 If a large number of schools were to convert to academies the pool of contributors to the Insurance Fund would decrease. Over time this could reduce the authority's buying power and the degree to which it could self-insure. This in turn could increase the cost of financing insurable risk. However my officers remain vigilant to potential conversions and will make changes to the authority's arrangements to ensure that potential negative impacts are gradual and limited wherever possible.
- 7.3 Whilst the need to conduct a competitive tender exercise for a large element of the programme as indicated in paragraph 3.3.3 could lead to lower costs it has created uncertainty in the forecasting of the Council's insurance costs for 2018/19 and beyond.

8.0 ENGAGEMENT/CONSULTATION

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

9.0 EQUALITY IMPLICATIONS

- 9.1 There are none arising directly from this report.

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APPENDICES

None

REFERENCE MATERIAL

Correspondence with insurers, brokers and legal services providers.

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit & Risk Management Committee	29 January 2018
Corporate Risk & Insurance Management	21 November 2017
Corporate Risk & Insurance Management	25 September 2017
Corporate Risk & Insurance Management	12 June 2017



Grant Thornton

An instinct for growth™

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21 February 2018

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Dear Shaer

Certification work for Wirral Council for year ended 31 March 2017

We are required to certify the Housing Benefit subsidy claim submitted by Wirral Council ('the Council'). This certification typically takes place six to nine months after the claim period and represents a final but important part of the process to confirm the Council's entitlement to funding.

The Local Audit and Accountability Act 2014 gave the Secretary of State power to transfer Audit Commission responsibilities to other bodies. Public Sector Audit Appointments (PSAA) took on the transitional responsibilities for HB COUNT issued by the Audit Commission in February 2015.

We have certified the Housing Benefit subsidy claim for the financial year 2016/17 relating to subsidy claimed of £129.2 million. A number of issues were identified from our certification work which we highlight for your attention with further details are set out in Appendix A. As a result of the errors identified, the claim was amended (by £259) and qualified, and we reported our findings to the Department for Work and Pensions (DWP) who may require the Council to undertake further work or provide assurances on the errors identified. We wish to acknowledge the continued support and co-operation of the Council's Benefits team throughout the audit.

The indicative fee for 2016/17 for the Council was based on the final 2014/15 certification fees, reflecting the amount of work required by the auditor to certify the Housing Benefit subsidy claim that year. The indicative scale fee set by PSAA for the Council for 2016/17 was £23,850. This is set out in more detail in Appendix B.

Yours sincerely

Grant Thornton UK LLP

Appendix A - Details of claims and returns certified for 2016/17

Claim or return	Value	Amended?	Amendment value	Qualified?	Comments
Housing benefits subsidy claim	£129,162,324 (post amendment)	Yes	£259	Yes	See below

Findings from certification of housing benefits subsidy claim

Manual adjustments

The total number of rent rebates cases was 95 for the year and it was agreed that the Council's Benefits Team would check all 95 cases to allow an amendment to be agreed should errors be identified. Under the HB COUNT methodology, we were required to review all errors identified by the Council and a sample of the remaining cases. We discussed the results of our work with officers and agreed a number of manual adjustments to the claim, resulting in an overall increase to the amount of subsidy claimed by the Council of £259.

Scheme Misclassification

We identified one error where assessors had applied the incorrect scheme rules to a claim which had restarted after a break in payment. This was the only instance of this error type out of the combined 60 cases tested. However, the HB COUNT methodology requires us to calculate a notional maximum error value where we identify overpayments based on the headline cell value. This resulted in an extrapolated potential error of £1,244,650. The Council have commenced further work to determine the exact extent of the issue and preliminary enquiries suggest that the issue is confined to cell 99 cases which account for only 4% of the total cell value. We have already discussed with the Council a proposed methodology to review relevant cases.

Backdated Benefit Expenditure

We identified three cases where benefit was awarded by assessors for an incorrect backdated period. The total value of the extrapolated overpayment, over the 40 cases tested, was £3,040 which we reported in the qualification letter.

Appendix B: Fees for 2016/17 certification work

Claim or return	2014/15 fee (£)	2016/17 indicative fee (£)	2016/17 actual fee (£)	Variance (£)	Explanation for variances
Housing benefits subsidy claim (BEN01)	£23,850	£23,850	£23,850	£0	N/a
Total	£23,850	£23,850	£23,850	£0	

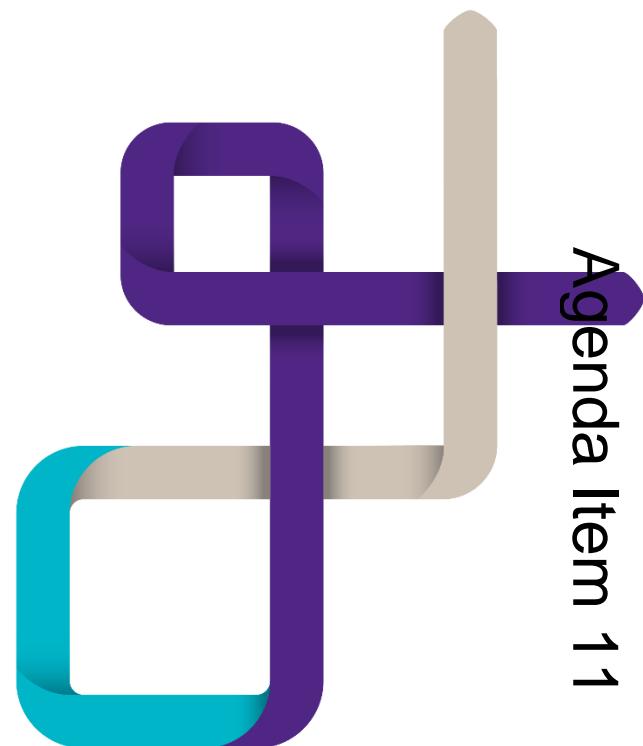
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External Audit Plan

Year ending 31 March 2018

Wirral Council
March 2018

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Agenda Item 11

Contents



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Section

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Appendices

The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit planning process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect the Council or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

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Introduction & headlines

Purpose

This document provides an overview of the planned scope and timing of the statutory audit of Wirral Council ('the Council') for those charged with governance.

Respective responsibilities

The National Audit Office ('the NAO') has issued a document entitled Code of Audit Practice ('the Code'). The Code summarises where the responsibilities of auditors begin and end and what is expected from the audited body. Our respective responsibilities are also set in the Terms of Appointment and Statement of Responsibilities issued by Public Sector Audit Appointments (PSAA), the body responsible for appointing us as auditor of Wirral Council. We draw your attention to both of these documents on the [PSAA website](#).

Scope of our audit

The scope of our audit is set in accordance with the Code and International Standards on Auditing (ISAs) (UK). We are responsible for forming and expressing an opinion on:

- financial statements (including the Annual Governance Statement) that have been prepared by management with the oversight of those charged with governance (the Audit and Risk Management Committee); and
- Value for Money arrangements in place at the Council for securing economy, efficiency and effectiveness in your use of resources.

The audit of the financial statements does not relieve management or the Audit and Risk Management Committee of your responsibilities. It is the responsibility of the Council to ensure that proper arrangements are in place for the conduct of its business, and that public money is safeguarded and properly accounted for. We have considered how the Council is fulfilling these responsibilities.

Our audit approach is based on a thorough understanding of the Council's business and is risk based.

Significant risks

Those risks requiring specific audit consideration and procedures to address the likelihood of a material financial statement error have been identified as:

- Management override of control
- PPE valuation
- Pension liability

We will communicate significant findings on these areas as well as any other significant matters arising from the audit to you in our Audit Findings (ISA 260) Report.

Materiality

We have determined planning materiality to be £13.026m for the Council's financial statements (PY £13.803m). This level equates to 1.8% of your gross expenditure for the year. We are obliged to report uncorrected omissions or misstatements other than those which are 'clearly trivial' to those charged with governance. Clearly trivial has been set at £0.651m for the Council's financial statements (PY £0.690m).

Value for Money arrangements

Our risk assessment regarding your arrangements to secure value for money identified the following significant risks:

- The Council continues to face an increasingly difficult financial position. The Medium Term Financial Strategy 2017/18 – 2020/21 set out a £132m budget gap and plans are in place to achieve savings of £45m in 2017/18 and £61m in 2018/19. The Council recognise that the balanced position in 2017/18 and 2018/19 has been achieved, in part, through the use of "one –off" options including the use of balances and reserves and the generation of capital receipts through the proposed sale of Council assets. Plans are in place to secure both service transformation and increased income generation as part of the Council strategy to secure its longer term financial stability with a key component of this strategy being the establishment of the Wirral Growth Company. The delivery of the required savings in 2017/18 and the plans for further service transformation represent a significant challenge to the Council.
- In 2015/16 Ofsted issued a report on the Council's children's services which rated these as 'inadequate'. The Council quickly established an Improvement plan and improvement Board and the Council have been subject to a number of follow up reviews by Ofsted who have noted the progress to address the required improvements is being achieved. However, until such time as Ofsted has confirmed that adequate arrangements are in place this remains a significant risk to the Council's arrangements.

Introduction & headlines

Audit logistics

Our interim visit will take place in February and March and our final visit will take place over June and July. Our key deliverables are this Audit Plan and our Audit Findings Report.

Our fee for the audit will be £159,863 (PY: £159,863) for the Council.

Independence

We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements

Deep business understanding

Changes to service delivery	Changes to financial reporting requirements	Key challenges
<p>Commercialisation</p> <p>The scale of investment activity, primarily in commercial property, has increased as local authorities seek to maximise income generation. These investments are often discharged through a company, partnership or other investment vehicle. Local authorities need to ensure that their commercial activities are presented appropriately, in compliance with the CIPFA Code of Practice and statutory framework, such as the Capital Finance Regulations. Where borrowing to finance these activities, local authorities need to comply with CIPFA's Prudential Code. A new version is due to be published in December 2017.</p> <p>The Council has placed a strong emphasis on the value of rapidly increasing the scale and pace of its commercial activities to deliver on corporate priorities for balancing budget and regenerating the local economy. This is reflected in the draft Commercial Strategy which proposes to contribute an unspecified amount to the £132m Budget Gap by 2020/21.</p> <p></p> <p>New ways of working - Devolution/Integration with the Health Sector</p> <p>The Cities and Local Government Devolution Act 2016 provides the legal framework for the implementation of devolution deals with combined authorities and other areas. Following on from the election of the Liverpool City Region Mayor in May 2017 plans to increase investment across the City Region have progressed.</p> <p>Plans are well advanced for the Council and Wirral CCG to establish a single commissioning organisation fulfilling the statutory health, care and well being functions of the Council and the CCG to help deliver the required strategic outcomes.</p> <p></p>	<p>Accounts and Audit Regulations 2015 (the Regulations) and Earlier Closedown</p> <p>The Department of Communities and Local Government (DCLG) is currently undertaking a review of the Regulations, which may be subject to change. The date for any proposed changes has yet to be confirmed, so it is not yet clear or whether they will apply to the 2017/18 financial statements.</p> <p>Under the 2015 Regulations local authorities are required to publish their accounts along with the auditors opinion by 31 July 2018. The Council has plans in place to meet this earlier closedown timetable and we have met with officers to discuss key accounting judgements and confirm our working paper requirements. It will still be a considerable challenge to prepare the draft accounts to this earlier timetable.</p> <p>Changes to the CIPFA 2017/18 Accounting Code</p> <p>CIPFA have introduced other minor changes to the 2017/18 Code which confirm the going concern basis for local authorities, and updates for Leases, Service Concession arrangements and financial instruments.</p>	<p>Financial pressures – 2017/18 and beyond</p> <p>Like many other authorities, the Council continues to face a tough financial position with reduced central funding and uncertainty in the wider economy. The 2017/18 budget requires savings of £45m and the Quarter 3 forecast is a £1.3 million underspend, mainly attributable to the implementation of revised and one-off policy change. The report sets out projected year end overspends of £3.9m relating to Children's services and £1.5m relating to Adults after the allocation of an additional £5m and £2m respectively from the contingency reserve in Quarter 1.</p> <p>The Council budget 2018/19 set out a funding gap of £61million following the decision to make an additional £25m investment in Children's services. In February 2018 the Council set out proposals to address that shortfall that requires the use of £16m of reserves and balances and £10m to be generated through the planned sale of Council assets. The Council recognises that a key component of the 2018/19 savings strategy is the use of "one-off" balances and asset sales and is working to meet the challenge of developing longer term financial stability through initiatives that include the establishment of the Wirral Growth Company.</p>
		<p>OFSTED Inspection</p> <p>In September 2016 Ofsted issued their report to the Council following an Inspection of the Council's services for children in need of help and protection, children looked after and care leavers and review of the effectiveness of the Local Safeguarding Children Board. The report concluded that the overall arrangements for ensuring the effectiveness of Children's Services at the Council and the Local Safeguarding Board in the Wirral Council area were inadequate. Consequently, we issued a qualified "except for" VFM conclusion in both 2015/16 and 206/17</p> <p>The Council have undertaken a range of actions designed to secure service improvement Subsequent interim reviews of the Council by Ofsted have noted progress to address the required improvements however there remain areas for improvement that the Council still need to address.</p>

Our response

- We will consider your arrangements for managing and reporting your financial resources as part of our work in reaching our Value for Money conclusion.
- We will consider whether your financial position leads to uncertainty about the going concern assumption and will review any related disclosures in the financial statements.
- We will keep you informed of changes to the Regulations and any associated changes to financial reporting or public inspection requirements for 2017/18 through on-going discussions and invitations to our technical update workshops.
- As part of our opinion on your financial statements, we will consider whether your financial statements reflect the financial reporting changes in the 2017/18 CIPFA Code.

Significant risks identified

Significant risks are defined by professional standards as risks that, in the judgement of the auditor, require special audit consideration because they have a higher risk of material misstatement. Such risks often relate to significant non-routine transactions and judgmental matters. In identifying risks, audit teams consider the nature of the risk, the potential magnitude of misstatement, and its likelihood.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
The revenue cycle includes fraudulent transactions	Under ISA (UK) 240 there is a rebuttable presumed risk that revenue may be misstated due to the improper recognition of revenue.	<p>Having considered the risk factors set out in ISA240 and the nature of the revenue streams at the Council, we have determined that the risk of fraud arising from revenue recognition can be rebutted, because:</p> <ul style="list-style-type: none">there is little incentive to manipulate revenue recognitionopportunities to manipulate revenue recognition are very limited because there is a high degree of predictability in the main revenue streamsThe culture and ethical frameworks of local authorities, including Wirral Council, mean that all forms of fraud are seen as unacceptable <p>Therefore we do not consider this to be a significant risk for Wirral Council.</p>
Management over-ride of controls	Under ISA (UK) 240 there is a non-rebuttable presumed risk that the risk of management over-ride of controls is present in all entities. Management over-ride of controls is a risk requiring special audit consideration.	<p>We will:</p> <ul style="list-style-type: none">gain an understanding of the accounting estimates, judgements applied and decisions made by management and consider their reasonablenessobtain a full listing of journal entries, identify and test unusual journal entries for appropriatenessevaluate the rationale for any changes in accounting policies or significant unusual transactions.

Significant risks identified

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Valuation of property, plant and equipment	<p>The Council revalues its land and buildings on an quinquennial basis to ensure that carrying value is not materially different from fair value. This represents a significant estimate by management in the financial statements.</p> <p>We identified the valuation of land and buildings revaluations and impairments as a risk requiring special audit consideration.</p> <ul style="list-style-type: none"> - 	<p>We will:</p> <ul style="list-style-type: none"> • review of management's processes and assumptions for the calculation of the estimate, the instructions issued to valuation experts and the scope of their work • consider the competence, expertise and objectivity of any management experts used. • discuss with the valuer the basis on which the valuation is carried out and challenge of the key assumptions. • review and challenge of the information used by the valuer to ensure it is robust and consistent with our understanding. • test revaluations made during the year to ensure they are input correctly into the Council's asset register • evaluate of the assumptions made by management for those assets not revalued during the year and how management has satisfied themselves that these are not materially different to current value.
Valuation of pension fund net liability	<p>The Council's pension fund asset and liability as reflected in its balance sheet represent a significant estimate in the financial statements.</p> <p>We identified the valuation of the pension fund net liability as a risk requiring special audit consideration.</p>	<p>We will:</p> <ul style="list-style-type: none"> • identify the controls put in place by management to ensure that the pension fund liability is not materially misstated. We will also assess whether these controls were implemented as expected and whether they are sufficient to mitigate the risk of material misstatement • evaluate the competence, expertise and objectivity of the actuary who carried out your pension fund valuation. We will gain an understanding of the basis on which the valuation is carried out • undertake procedures to confirm the reasonableness of the actuarial assumptions made. • check the consistency of the pension fund asset and liability and disclosures in notes to the financial statements with the actuarial report from your actuary.

Reasonably possible risks identified

Reasonably possible risks (RPRs) are, in the auditor's judgment, other risk areas which the auditor has identified as an area where the likelihood of material misstatement cannot be reduced to remote, without the need for gaining an understanding of the associated control environment, along with the performance of an appropriate level of substantive work. The risk of misstatement for an RPR is lower than that for a significant risk, and they are not considered to be areas that are highly judgmental, or unusual in relation to the day to day activities of the business.

Risk	Reason for risk identification	Key aspects of our proposed response to the risk
Employee remuneration	<p>Payroll expenditure represents a significant percentage (33% in 2017) of the Council's total expenditure.</p> <p>As the payroll expenditure comes from a number of individual transactions and interfaces with different sub-systems, there is a risk that payroll expenditure in the accounts could be understated. We therefore identified completeness of payroll expenses as a risk requiring particular audit attention</p>	<p>We will:</p> <ul style="list-style-type: none">evaluate the Council's accounting policy for recognition of payroll expenditure for appropriateness;gain an understanding of the Council's system for accounting for payroll expenditure and evaluate the design of the associated controls;re-perform all year-end reconciliations and investigate significant adjustmentsagree year end accruals to supporting documentationperform substantive analytical procedures disaggregated for each month.
Operating expenses	<p>Non-pay expenses on other goods and services also represents a significant percentage (67% in 2017) of the Council's total expenditure. Management uses judgement to estimate accruals of un-invoiced costs.</p> <p>We identified completeness of non- pay expenses as a risk requiring particular audit attention:</p>	<p>We will:</p> <ul style="list-style-type: none">evaluate the Council's accounting policy for recognition of non-pay expenditure for appropriateness;gain an understanding of the Council's system for accounting for non-pay expenditure and evaluate the design of the associated controls;test April non-pay expenditure to ensure it is charged to the correct yearre-perform all year-end reconciliations and investigate significant adjustments.

Other matters

Other work

In addition to our responsibilities under the Code of Practice, we have a number of other audit responsibilities, as follows:

- We carry out work to satisfy ourselves that disclosures made in your Annual Governance Statement are in line with the guidance issued and consistent with our knowledge of the Council.
- We will read your Narrative Statement and check that it is consistent with the financial statements on which we give an opinion and that the disclosures included in it are in line with the requirements of the CIPFA Code of Practice.
- We carry out work on your consolidation schedules for the Whole of Government Accounts process in accordance with NAO group audit instructions.
- We consider our other duties under the Act and the Code, as and when required, including:
 - giving electors the opportunity to raise questions about your 2017/18 financial statements, consider and decide upon any objections received in relation to the 2017/18 financial statements;
 - issue of a report in the public interest; and
 - making a written recommendation to the Council, copied to the Secretary of State.
- We certify completion of our audit.

Other material balances and transactions

Under International Standards on Auditing, "irrespective of the assessed risks of material misstatement, the auditor shall design and perform substantive procedures for each material class of transactions, account balance and disclosure". All other material balances and transaction streams will therefore be audited. However, the procedures will not be as extensive as the procedures adopted for the risks identified in this report.

Going concern

As auditors, we are required to "obtain sufficient appropriate audit evidence about the appropriateness of management's use of the going concern assumption in the preparation and presentation of the financial statements and to conclude whether there is a material uncertainty about the entity's ability to continue as a going concern" (ISA (UK) 570). We will review management's assessment of the going concern assumption and evaluate the disclosures in the financial statements.

Materiality

The concept of materiality

Materiality is a fundamental benchmark for management when preparing the financial statements and for the audit process. It applies to the monetary items, to narrative disclosures, and adherence to accepted accounting practice and applicable law. Misstatements, including omissions, are considered material if they, individually or in aggregate, could reasonably be expected to influence the economic decisions of users taken based on the financial statements.

Materiality for planning purposes

As last year, we calculate financial statement materiality based on 1.8% of the gross expenditure of the Council for the financial year. We have determined planning materiality (the financial statements materiality determined at the planning stage of the audit) to be £13.026m for the Council (PY £13.803m). We design our procedures to detect errors in specific accounts at a lower level of precision.

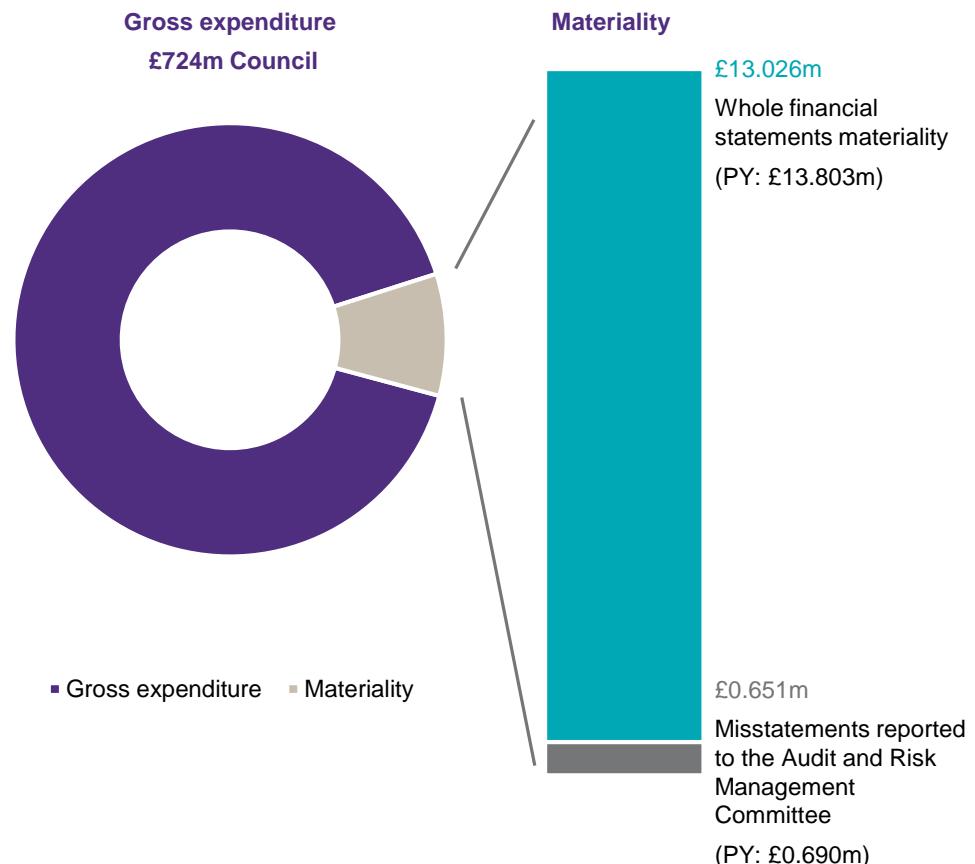
We consider planning materiality if, during the course of our audit engagement, we become aware of facts and circumstances that would have caused us to make a different determination of planning materiality.

We are required to determine separate, lower, materiality levels where there are 'particular classes of transactions, account balances or disclosures for which misstatements of lesser amounts than materiality for the financial statements as a whole could reasonably be expected to influence the economic decisions of users'. We have identified Related Party Transactions and Disclosures of senior manager salaries and allowances as items where separate materiality levels are appropriate.

Matters we will report to the Audit and Risk Management Committee

Our audit procedures are designed to identify misstatements which are material to our opinion on the financial statements as a whole. Under ISA 260 (UK) 'Communication with those charged with governance' we report to the Audit and Governance Committee any unadjusted misstatements of lesser amounts identified by our audit work unless they are 'clearly trivial. ISA 260 (UK) defines 'clearly trivial' as matters that are clearly inconsequential, whether taken individually or in aggregate and whether judged by any quantitative or qualitative criteria. In the context of the Council, we propose that an individual difference could normally be considered to be clearly trivial if it is less than £0.651m for the Council (PY £0.690m).

If management have corrected material misstatements identified during the course of the audit, we will consider whether those corrections should be communicated to the Audit and Risk Management Committee to assist it in fulfilling its governance responsibilities.



Value for Money arrangements

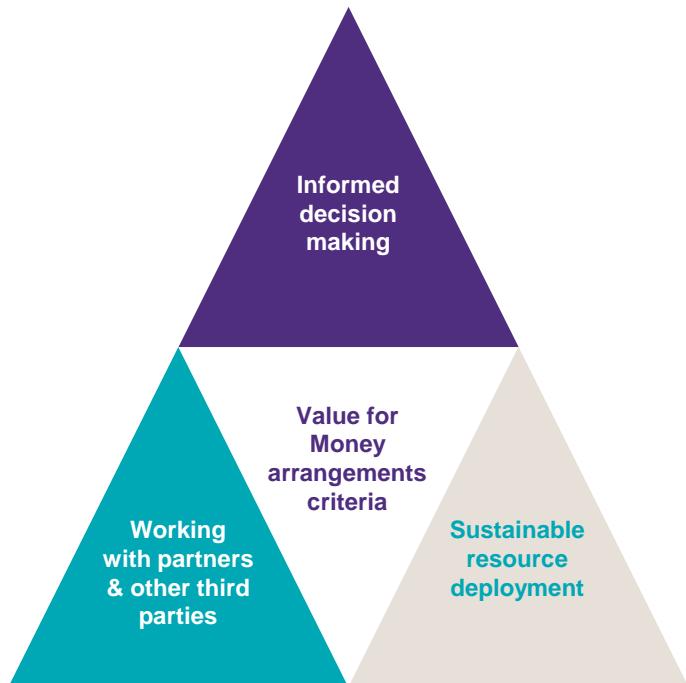
Background to our VFM approach

The NAO issued its guidance for auditors on Value for Money work for 2017/18 in November 2017. The guidance states that for local government bodies, auditors are required to give a conclusion on whether the Council has proper arrangements in place.

The guidance identifies one single criterion for auditors to evaluate:

"In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people."

This is supported by three sub-criteria, as set out below:



VFM potential risks

Those risks requiring specific audit consideration and procedures to address the likelihood that proper arrangements are not in place at the Council to deliver value for money.

Financial Planning/sustainability

The Council continues to face an increasingly difficult financial position. The Medium Term Financial Strategy 2017/18 – 2020/21 set out a £132m budget gap and plans are in place to achieve savings of £45m in 2017/18 and £61m in 2018/19. The Council recognise that the balanced position in 2017/18 and 2018/19 has been achieved, in part, through the use of "one –off" options including the use of balances and reserves and the generation of capital receipts through the proposed sale of Council assets.

Plans are in place to secure both service transformation and increased income generation as part of the Council strategy to secure its longer term financial stability. With a key component of this strategy being the establishment of the Wirral Growth Company. The delivery of the required savings in 2017/18 and the plans for further service transformation represent a significant challenge to the Council.

We will review arrangements for identifying and updating savings plans alongside arrangements for monitoring and delivery of budget and medium term financial plan.

We will review assessments of the adequacy of reserves and balances and consider the Council's plans to secure long term financial sustainability.

Ofsted inspection of children's services

Ofsted issued a report on the Council's children's services in September 2016 which rated the service as 'inadequate'. Subsequently, the Council have undertaken a range of actions and significantly increased funding to the service and worked toward securing the required service improvement. Ofsted have completed regular follow up reviews and the December 2017 review concluded that "some progress" has been achieved and the "direction of travel is now more promising" however "there is still a great deal of work to be done".

Until such time as Ofsted has confirmed that adequate arrangements are in place this remains a significant risk to the Council's arrangements.

We will review update reports from Ofsted and review both the progress made by the Council and further actions planned to deliver required improvement actions.

Audit logistics, team & audit fees



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Audit fees

The planned audit fees are £159,863 (PY: £159,863) for the financial statements audit.

Our fees for grant certification cover only housing benefit subsidy certification, which falls under the remit of Public Sector Audit Appointments Limited and have been set at £23,850. Fees in respect of other grant work, such as reasonable assurance reports, are shown under 'Fees for other services'.

In setting your fee, we have assumed that the scope of the audit, and the Council and its activities, do not significantly change.

Our requirements

To ensure the audit is delivered on time and to avoid any additional fees, we have detailed our expectations and requirements in the following section 'Early Close'. If the requirements detailed overleaf are not met, we reserve the right to postpone our audit visit and charge fees to reimburse us for any additional costs incurred.

Early close

Meeting the early close timeframe

Bringing forward the statutory date for publication of audited local government accounts to 31 July this year, across the whole sector, is a significant challenge for local authorities and auditors alike. For authorities, the time available to prepare the accounts is curtailed, while, as auditors we have a shorter period to complete our work and face an even more significant peak in our workload than previously.

We have carefully planned how we can make the best use of the resources available to us during the final accounts period. As well as increasing the overall level of resources available to deliver audits, we have focused on:

- bringing forward as much work as possible to interim audits
- starting work on final accounts audits as early as possible, by agreeing which authorities will have accounts prepared significantly before the end of May
- seeking further efficiencies in the way we carry out our audits
- working with you to agree detailed plans to make the audits run smoothly, including early agreement of audit dates, working paper and data requirements and early discussions on potentially contentious items.

We are satisfied that, if all these plans are implemented, we will be able to complete your audit and those of our other local government clients in sufficient time to meet the earlier deadline.

Client responsibilities

Where individual clients do not deliver to the timetable agreed, we need to ensure that this does not impact on audit quality or absorb a disproportionate amount of time, thereby disadvantaging other clients. We will therefore conduct audits in line with the timetable set out in audit plans (as detailed on page 11). Where the elapsed time to complete an audit exceeds that agreed due to a client not meeting its obligations we will not be able to maintain a team on site. Similarly, where additional resources are needed to complete the audit due to a client not meeting their obligations we are not able to guarantee the delivery of the audit by the statutory deadline. Such audits are unlikely to be re-started until very close to, or after the statutory deadline. In addition, it is highly likely that these audits will incur additional audit fees.

Our requirements

To minimise the risk of a delayed audit or additional audit fees being incurred, you need to ensure that you:

- produce draft financial statements of good quality by the deadline you have agreed with us, including all notes, the narrative report and the Annual Governance Statement
- ensure that good quality working papers are available at the start of the audit, in accordance with the working paper requirements schedule that we have shared with you
- ensure that the agreed data reports are available to us at the start of the audit and are reconciled to the values in the accounts, in order to facilitate our selection of samples
- ensure that all appropriate staff are available on site throughout (or as otherwise agreed) the planned period of the audit
- respond promptly and adequately to audit queries.

In return, we will ensure that:

- the audit runs smoothly with the minimum disruption to your staff
- you are kept informed of progress through the use of an issues tracker and weekly meetings during the audit
- we are available to discuss issues with you prior to and during your preparation of the financial statements.

Independence & non-audit services

Auditor independence

Ethical Standards and ISA (UK) 260 require us to give you timely disclosure of all significant facts and matters that may bear upon the integrity, objectivity and independence of the firm or covered persons. relating to our independence. We encourage you to contact us to discuss these or any other independence issues with us. We will also discuss with you if we make additional significant judgements surrounding independence matters.

We confirm that there are no significant facts or matters that impact on our independence as auditors that we are required or wish to draw to your attention. We have complied with the Financial Reporting Council's Ethical Standard and we as a firm, and each covered person, confirm that we are independent and are able to express an objective opinion on the financial statements. Further, we have complied with the requirements of the National Audit Office's Auditor Guidance Note 01 issued in December 2016 which sets out supplementary guidance on ethical requirements for auditors of local public bodies.

We confirm that we have implemented policies and procedures to meet the requirements of the Ethical Standard. For the purposes of our audit we have made enquiries of all Grant Thornton UK LLP teams providing services to the Council.

Non-audit services

The following non-audit services were identified

Service	Fees £	Threats	Safeguards
Audit Related			
Certification of skills funding agency grant	£3,950	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £3,950 in comparison to the total fee for the audit of £159,863 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level.
Certification of Teachers' Pensions Return	£4,200	Self-Interest (because this is a recurring fee)	The level of this recurring fee taken on its own is not considered a significant threat to independence as the fee for this work is £4,200. in comparison to the total fee for the audit of £159,863 and in particular relative to Grant Thornton UK LLP's turnover overall. Further, it is a fixed fee and there is no contingent element to it. These factors mitigate the perceived self-interest threat to an acceptable level.

The amounts detailed are fees agreed to-date for audit related and non-audit services to be undertaken by Grant Thornton UK LLP in the current financial year. These services are consistent with the Council's policy on the allotment of non-audit work to your auditors. Any changes and full details of all fees charged for audit related and non-audit related services by Grant Thornton UK LLP and by Grant Thornton International Limited network member Firms will be included in our Audit Findings report at the conclusion of the audit.

None of the services provided are subject to contingent fees.

Appendices

A. Revised ISAs

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Appendix A: Revised ISAs

Detailed below is a summary of the key changes impacting the auditor's report for audits of financial statement for periods commencing on or after 17 June 2016.

Section of the auditor's report	Description of the requirements
Conclusions relating to going concern	We will be required to conclude and report whether: <ul style="list-style-type: none">• The directors use of the going concern basis of accounting is appropriate• The directors have disclosed identified material uncertainties that may cast significant doubt about the Council's ability to continue as a going concern.
Material uncertainty related to going concern	We will need to include a brief description of the events or conditions identified that may cast significant doubt on the Council's ability to continue as a going concern when a material uncertainty has been identified and adequately disclosed in the financial statements. Going concern material uncertainties are no longer reported in an Emphasis of Matter section in our audit report.
Other information	We will be required to include a section on other information which includes: <ul style="list-style-type: none">• Responsibilities of management and auditors regarding other information• A statement that the opinion on the financial statements does not cover the other information unless required by law or regulation• Reporting inconsistencies or misstatements where identified
Additional responsibilities for directors and the auditor	We will be required to include the respective responsibilities for directors and us, as auditors, regarding going concern.
Format of the report	The opinion section appears first followed by the basis of opinion section.

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Audit and Risk Management Committee

Tuesday, 22 November 2016

REPORT TITLE:	General Data Protection Regulation (GDPR) Implementation Update
REPORT OF:	Assistant Director: Law & Governance (Monitoring Officer)

REPORT SUMMARY

The report seeks to provide assurance to the Committee on the implementation of the Council's GDPR project plan.

The GDPR project is working to achieve the following agreed objectives:

- Create a framework and environment for the Council to become GDPR compliant by 25 May 2018
- Build GDPR compliance into policies and procedures,
- Continually assess the Council's compliance with the GDPR
- Manage the training and awareness for staff on data protection, in line with the GDPR
- Create Data Protection Officer (DPO) job description and role
- Implement all identified requirements for change in high risk areas within the Council.

The project is at a key phase of its implementation, where it will inform and seek involvement from all Council departments to implement actions to meet the 25th May 2018 deadline.

Current Position

The Council appointed a GDPR Project Manager in November 2017. A project plan was designed and approved by the Information Governance Delivery Group (IGDG) who additionally acts as the project board.

The project plan is progressing, with contributions from the IGDG and the Working Group members.

Regular reports are prepared for the IGDG and the Senior Leadership Team (SLT).

Supporting the project is a communications and training strategy, which also provides evidence of compliance with GDPR. This is a rolling strategy which will provide more information both general and specific as the project progresses

External training for SLT has been arranged for 13/03/2018 and a new online training module is currently being reviewed.

A number of key tools and processes have been developed and will soon be implemented across the Council's departments.

RECOMMENDATION/S

That the Audit and Risk Management Committee:

- (1) Notes the GDPR project update.
- (2) Support the GDPR project.

SUPPORTING INFORMATION

1.0 REASON/S FOR RECOMMENDATION/S

- 1.1 The Audit and Risk Committee has responsibility as part of the risk management framework for assuring that important risks to the Council are monitored and reviewed. Failure to comply with the GDPR and UK Data Protection legislation (once it incorporates GDPR and agreed derogations) have both financial and reputational implications.

2.0 OTHER OPTIONS CONSIDERED

- 2.1 No other options were considered.

3.0 BACKGROUND INFORMATION

- 3.1 The GDPR replaces the EU Data Protection Directive and will govern how personal data should be held and processed by all 28 EU member states.
- 3.2 The Data Protection Act 1998 will no longer apply after 25th May 2018.
- 3.3 The GDPR will apply to any data controller or processor offering goods or services to data subjects located within the EU. The effects of the GDPR will also extend well beyond Europe. All organisations and businesses that hold data on EU citizens, whether they are located within the EU or not will be affected.
- 3.4 Both controllers and processors of personal data will be subject to the GDPR. The European Data Protection Board will have oversight of the GDPR with individual EU states having their own data protection authority.

Data Protection Bill

- 3.5 The GDPR has direct effect across all EU member states and has already been passed but comes into force on the 25th May 2018.
- 3.6 However, the GDPR gives member states a number of derogations to make provisions for how it applies in their country.
- 3.7 The GDPR, and the derogations (which have yet to be finally agreed by Parliament) are incorporated into the Data Protection Bill which is set to have final approval in early May 2018.
- 3.8 If the Bill is not passed, UK organisations will still have to comply with GDPR requirements which have already been passed.

Key Features of the GDPR

3.9 Appointment of a Data Protection Officer

As a public authority, the Council will be required to designate a person as its Data Protection Officer (DPO) (Article 37).

Article 3 (5) provides that the DPO shall be designated on the basis of professional qualities and, in particular, expert knowledge of data protection law and practices.

The DPO can be an employee or a named contractor.

Article 38 (3) provides protection against dismissal of the DPO for performing their tasks and they “shall directly report to the highest management level of the controller or the processor” (Article 38 (3)).

The DPO must ensure that all requirements under the GDPR are adhered to, including the following:

- Advising the organisation on regulation obligations
- Monitoring compliance, policies and training
- Advising on data protection impact assessments
- Communicating with the ICO

3.10 Information, Notification and Consent

The Council will be required to notify individuals if they process their personal data.

Any individual, whose data is going to be collected and / or processed, must be informed in unambiguous terms of the action, as well as for what specific purpose (or multiple purposes) the data will be used. It will be the Council’s responsibility to document this process.

Under the GDPR the definition of “consent” has been significantly restricted. The GDPR requires the data subject to signal agreement by “a statement of or clear affirmative action”. Consent must be “given unambiguously by any appropriate method enabling a freely given, specific and informed indication of the data subject’s wishes”. Explicit consent will be required for the processing of sensitive personal data. Organisations must be able to demonstrate consent. Special regard and sensitivity is needed when gaining consent from children

The Council will need to redesign its processes so that these requirements can be incorporated, when it processes personal data.

3.11 The right to erasure

Individuals will be able to withdraw their consent to having their personal data processed and the Council will be required to erase the personal data of data subjects if requested, unless the retention of data is necessary for the

performance of a contract or for compliance with a legal obligation. The data can be kept as long as necessary for that purpose.

If data is published by the Council, the recipient to whom the data has been passed must be notified if the data subject requests that links to or copies of this data be erased.

3.12 Subject Access Requests

The Council will be required to respond to all requests (under articles 15 to 20) without undue delay and, at the latest within one month of receipt of the request (rather than the current 40 day time limit).

The deadline can be extended for a maximum of two further months, when necessary taking into account the complexity and number of requests.

The data subject has to be informed of the reasons for the delay and right of appeal.

Requests will be free of charge.

Councils will be expected to have IT systems which will enable personal data to be retrieved.

3.13 Security

This is a key element of the GDPR.

A ‘personal data breach’ means a breach of security leading to the accidental or unlawful destruction, loss, alteration, unauthorised disclosure of, or access to, personal data transmitted, stored or otherwise processed.

The Council will be required to notify the ICO within 72 hours after ‘becoming aware’ of a personal data breach. In any report to the ICO, the Council will be required to provide the following details:

- Nature of incident
- Identity of organisation contact
- Likely consequences for data subjects
- Measures taken/proposed to be taken
- Mitigation

The Council will need to ensure that it has the right procedures in place to detect, report and investigate a personal data breach.

3.14 Penalties

Two levels:

- 10,000,000 Euros or 2% of turnover (whichever is higher for the private sector) relating to various organisational provisions including security retention;

- 20,000,000 Euros or 4% of turnover for breaches of principles, conditions, consent, protected data conditions, rights including fair processing, breaching ICO order.

The fines are based on the specific articles of the Regulation that the organisation has breached. Infringements of the organisation's obligations, including data security breaches, will be subject to the lower level, whereas infringements of an individual's privacy rights will be subject to the higher level.

When deciding whether to impose a fine and the level, the ICO must consider:

- The nature, gravity and duration of the infringement;
- The intentional or negligent character of the infringement;
- Any action taken by the organisation to mitigate the damage suffered by individuals;
- Technical and organisational measures that have been implemented by the organisation;
- Any previous infringements by the organisation or data processor;
- The degree of cooperation with the regulator to remedy the infringement;
- The types of personal data involved;
- The way the regulator found out about the infringement;
- The manner in which the infringement became known to the supervisory authority, in particular whether and to what extent the organisation notified the infringement;
- Whether, and, if so, to what extent, the controller or processor notified the infringement; and
- Adherence to approved codes of conduct or certification schemes.

The Data Protection Act (DPA) is the current legislation that holds organisations to account for data breaches. Below are two recent examples of ICO fines awarded under the DPA:

1. A GP practice was fined £40,000 for revealing confidential details about a woman and her family to her estranged ex-partner.
2. Islington Council was fined £70,000 following a fault in one of their I.T. systems potentially allowed public access to 89,000 individual's personal information.

3.15 GDPR Governance Structure

The project has a Project Board (IGDG) and a Working Group which is made up of workstream Leads linked to key deliverable areas. The stakeholders meet and work on the following basis:

Project Board (IGDG)

Frequency:	Monthly
Last Meeting:	26/01/2018
Next Meeting:	01/03/2018

Working Group with Working Group Leads

Frequency: Fortnightly
Last Meeting: 13/01/2018
Next Meeting: 28/02/2018

Reports on the project have regularly been presented to the Corporate Governance Group and a communication and training strategy briefing was presented to the Senior Leadership Team 06/02/2018.

3.16 Risk Management

Integral to the project is managing the potential risk and ensuring the implementation meets the expected legal and best practice requirements enforced by the Information Commissioner's Office (ICO). Therefore included on the Project Board and Working Group are representatives from Risk and Insurance (Mike Lane) and Internal Audit (Kelly Lacy).

The GDPR Project Risk is included on the Corporate Risk Register (Corporate Risk No. 8 – Governance (including information governance)) first presented to ARMC in September 2017 (See Appendix 1) and included in the SLT report in December 2017.

The project plan includes its own assessment of the project risk (See Appendix 2) and an important requirement is support from all departments. The project is broken down into 10 key areas, with a number of deliverables for each area. The areas are interrelated and there is a dependence on all department's information asset owners and administrators to respond to requests for information or assistance in a timely manner.

3.17 Next Steps

A GDPR User Guide is being developed for each department's information asset owners and administrators who have an important function in the Council meeting its objectives.

The guide will inform them of changes needed to meet the new legislative requirements and how personal data will need to be processed in their department.

The guide will also include a list of actions of what will be expected from officers with access to the tools and processes they will need to meet those requirements. Support will be provided for officers during the implementation period.

There will be close liaison with Internal Audit to provide assurance that the Council is meeting its requirements using the ISO guide: Preparing for the General Data Protection Regulation (GDPR) "12 steps to take now" as the focus of the plan moves into the detailed implementation stage.

4 FINANCIAL IMPLICATIONS

- 4.1 There are no such implications arising

5 LEGAL IMPLICATIONS

- 5.1 The Council is required to comply with the GDPR and derogations agreed in the Data Protection Bill (when approved by parliament) and comes into force on the 25th May 2018.

6 RESOURCE IMPLICATIONS: ICT, STAFFING AND ASSETS

- 6.1 The Council is required to appoint a Data Protection Officer as per section - 3.9 "Appointment of a Data Protection Officer". A process is taking place to resource this role internally.

7 RELEVANT RISKS

- 7.1 The Council is open to fines from the ICO; claims by individual's for loss of data and harm caused; reduction in confidence in the ability of the Council to securely process sensitive and personal data; and loss of reputation.

8 ENGAGEMENT/CONSULTATION

- 8.1 Consultation with members of the IGDG, Corporate Governance Group and Internal Audit.

9 EQUALITY IMPLICATIONS

- 9.1 There are no such direct implications arising.

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APPENDICES

Appendix 1	Corporate Risk No. 8 – Governance (including information governance)
Appendix 2	Project Plan Risk and Controls

REFERENCE MATERIAL

The ICO's: Guide to the GDPR

The ICO's: Preparing for the General Data Protection Regulation (GDPR) "12 steps to take now"

SUBJECT HISTORY (last 3 years)

Council Meeting	Date
Audit and Risk Management Committee	25th September 2017
Council Cabinet	6th November 2017
Senior Leadership Team	7th December 2017
Corporate Governance Group	20th December 2017
Senior Leadership Team	6th February 2018

Appendix 1: Corporate Risk No. 8 – Governance (including information governance)

Risk Description	Lead Responsibility					
<i>Major acts of non-compliance with internal and external governance requirements could result in poor decision-making, malpractice and breach of legislation, leading to regulatory intervention and significant cost, both in financial terms and to the reputation of the Council and its partners.</i>	Assistant Director – Law and Governance					
Pledges affected	Impacts					
Effective governance impacts on the delivery of all the Pledges.	<ul style="list-style-type: none"> Legal challenge to decisions. Financial penalties for non-compliance (e.g. for information governance incidents or breaches of procurement legislation). Loss of confidence by the public and other stakeholders in the Council's decision-making and governance arrangements. Potential loss of inward investment in the borough from damage to the reputation of the Council and the wider Wirral Partnership in the eyes of potential investors. 					
Unmanaged Risk Rating	Impact	5	Likelihood	4	Total	20

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Key Existing Controls	Responsibility					
<ul style="list-style-type: none"> Council Constitution Code of Corporate Governance Member / Officer Protocol Staff Policies (e.g. Dignity at Work) Corporate Policies (e.g. Whistleblowing) Operational policies (e.g. Information Governance, Gifts and Hospitality) Ethical Framework for Members Regulatory policies - Planning and Licensing Oversight provided by CGG and Information Governance Delivery Group Annual Governance Statement 	<ul style="list-style-type: none"> Assistant Director – Law and Governance Assistant Director – Law and Governance Assistant Director – Law and Governance Assistant Director: HR & OD Assistant Director – Law and Governance Assistant Director – Law and Governance Assistant Director – Law and Governance Heads of Regen & Planning and Env. & Regulation Assistant Director – Law and Governance Assistant Director – Law and Governance 					
Managed Risk Rating	Impact	3	Likelihood	3	Total	9

Planned Additional Controls	Responsibility
Review the Constitution, Code of Corporate Governance and Members Code of Conduct.	Assistant Director – Law & Governance 2017/18
Introduce the webcasting of Council Committee and Cabinet meetings.	Assistant Director – Law & Governance 17/18
Review and enhance information governance arrangements (including delivery of action plan responding to the ICO report and ensuring delivery of the Council's GDPR Project	Assistant Director – Law & Governance and Senior Information Risk Officer – 2017/18

Appendix 2 Project Plan Risk and Controls

Risk Ref.	Risk Owner	Risk Category	Risk Description	Links to other Projects / Plans	Unmanaged Scores			Existing Controls			Current Scores			Planned Additional Controls	Control Owner	Target Date
					Likelihood	Impact	Total (LxI)	Likelihood	Impact	Total (LxI)	Likelihood	Impact	Total (LxI)			
01	SIRO	Corporate	Project cannot meet the required deadline and incurring fines, claims and loss of reputation.		5	4	20	Senior Management buy-in to the project. Resources allocated with a full time designated project lead. Defined compliance action plan. Prioritisation of deliverables with key milestones.	3	4	12	Work with Internal Audit during project timelines to provide ongoing assurance. Implement governance and reporting lines to Project Board and internal governance mechanisms	Gareth Webb	25/05/18		
02	SIRO	Operational	The scope of the Project is increased without sufficient resources to meet new requirements.		4	4	16	Project Plan states current scope. Any changes will need additional resources provided and new scope approval from Project Board.	2	4	8	No further action required at this time.	Gareth Webb	25/05/18		
03	SIRO	Operational	Internal knowledge and resources unavailable resulting in a delay to the project		5	3	15	Agreed prioritisation of resourcing. Leads allocated to assist Deliverables	3	3	9	Implement governance and reporting lines to Project Board and internal governance mechanisms	Gareth Webb	25/05/18		
04	SIRO	Operational	Unidentified complex changes to IT Systems / Practices which may cause significant delay or consume resources.		5	3	15	Agreed prioritisation of resourcing. Leads allocated to assist Deliverables	3	3	9	Implement governance and reporting lines to Project Board and internal governance mechanisms	Gareth Webb	25/05/18		
05	SIRO	Operational	Insufficient support or contribution from all WBC Departments to engage or implement changes.		4	3	12	Risk and Project Reporting to Corporate Governance Committee and IGDG.	3	3	9	Escalation procedure where lack of engagement is identified	Gareth Webb	25/05/18		

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