



## Audit and Risk Management Committee

<b>Date:</b>	<b>Monday, 16 November 2020</b>
<b>Time:</b>	<b>6.00 p.m.</b>
<b>Venue:</b>	<b>Committee Room 1 - Wallasey Town Hall</b>

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<https://wirral.public-i.tv/core/portal/home>

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## AGENDA

- 1. WELCOME AND INTRODUCTION**
- 2. 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.

- 3. MINUTES (Pages 1 - 14)**

To approve the accuracy of the minutes of the meeting held on 10 March 2020, and the special meeting held on 21 September 2020.

- 4. PUBLIC AND MEMBER QUESTIONS**

- 4.1 Public Questions**

Notice of questions to be given in writing or by email, by 12noon, Friday, 2 October, 2020 to the Council's Monitoring Officer and to be dealt with in accordance with Standing Order 10.

- 4.2 Statements and Petitions**

Representations and petitions to be dealt with in accordance with Standing Order 11.

#### **4.3 Questions by Members**

Questions by Members to be dealt with in accordance with Standing Orders 12.3 to 12.8.

- 5. INTERNAL AUDIT UPDATE (Pages 15 - 50)**
- 6. CHIEF INTERNAL AUDITORS ANNUAL REPORT AND OPINION 2019/20 (Pages 51 - 74)**
- 7. CORPORATE RISK MANAGEMENT UPDATE (Pages 75 - 84)**
- 8. PROCUREMENT UPDATE (Pages 85 - 120)**
- 9. REGULATION OF INVESTIGATORY POWERS ACT 2000(RIPA) (Pages 121 - 126)**

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## AUDIT AND RISK MANAGEMENT COMMITTEE

Tuesday, 10 March 2020

Present: Councillor JE Green (Chair)

Councillors T Anderson K Hodson  
A Gardner AER Jones  
P Gilchrist S Whittingham  
K Greaney

### 51 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors Kate Cannon and Gillian Wood.

### 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.

No declarations were made.

### 53 MINUTES

**Resolved – That the minutes of the meeting held on 27 January 2020 be approved.**

### 54 PFI CONTRACTS

David Armstrong, Assistant Chief Executive introduced his report that provided a summary background to Wirral Council's current education based PFI contracts detailing the current status of each of the PFI Schools, a breakdown of the financial aspects of the scheme and the financial liability following the closure of one of the PFI sites – Kingsway Academy.

The report informed how nine schools were affected by Wirral Schools PFI project agreement developed in the 1990's, signed by the Council, school governing bodies, and the PFI contractor in 2001 in respect of the rebuild / refurbishment and facilities management of the sites.

The report also informed how, at the time of developing the scheme, the PFI procurement route was the only mechanism available nationally for large scale capital investment. The scheme replaced a very significant quantity of poor accommodation, including the removal of 120 classroom spaces in

“temporary” mobile units, provided additional specialist accommodation, e.g. Sports halls, ICT and laboratories and general refurbishment and backlog maintenance. Two schools were completely rebuilt, as detailed below.

- Leasowe Primary – Community School - 238 pupils on roll (new build)
- Bebington High – (Co-op) Academy School – 1108 pupils on roll
- Birkenhead Park School – Academy School – 667 pupils on roll
- South Wirral High – Community School – 869 pupils on roll
- Weatherhead High – Academy School – 1593 pupils on roll (new build)
- Hilbre High – Academy School – 1124 pupils on roll
- Prenton High – Academy School – 775 pupils on roll
- Kingsway Academy – Former Academy (Currently closed)
- Wirral Grammar Girls – Academy – 1184 pupils on roll

The Assistant Chief Executive apprised the Audit and Risk Management Committee (ARMC) that the existing contract had over eleven years to run, and PFI numbers on roll from October 2019 Census (including sixth forms) as a percentage of total secondary schools in Wirral was currently 34%.

The Assistant Chief Executive further apprised the ARMC on details relating to the funding costs, grant receipts from central government and net Council contribution in support of the PFI contract (£1m per annum). Members questioned the Assistant Chief Executive further on matters relating to the following:

- Contract sub arrangements – maintenance, minibuses, etc.
- School contributions (£7.9m).
- Alternative costs of borrowing.
- Kingsway school - decision to close (challenged by the Council).
- Initial 8 options and the legal advice taken at the time.
- Education funding agency and additional transition funding agreed for 2019 and 2020.

Members expressed concerns over how the contract would be managed over the period left to run and sought assurances that regular monitoring and challenge (when appropriate) would continue, utilising existing quarterly contract management meetings. The primary concern of the ARMC remained that, given the complexity of the contract, the risks associated with PFI were mitigated and any financial burden on the Council and Schools was kept to a sustainable level.

**Resolved – That the report be noted.**

## 55 INTERNAL AUDIT UPDATE

Mark Niblock, Chief Internal Auditor, introduced his report that identified and evaluated the performance of the Internal Audit Section and included four

items of note arising from the actual work undertaken during the period 1 January 2020 to 21 February 2020. The items of note were:

- National Fraud Initiative (NFI)
- Wirral Health and Care Commissioning
- Procurement Rules (also subject of a separate report on the meeting agenda)
- Wirral Growth Company

Details of audit work undertaken in these areas and actions arising were provided to the committee.

The Internal Audit Manager provided a brief update on internal audit activity over the reporting period as attached at Appendix 1 to the report that detailed the audits completed, identifying opinions provided and a current BRAG rating indicating the current status of the report and progress being made by officers to address identified issues.

The report provided further update on the Internal Audit Performance Indicators and actions to provide continuous improvement to the overall efficiency and effectiveness of the Internal Audit Service, namely the Improvement and Development Plan that incorporated new and developing areas of best practice from across the profession – to ensure that the service continued to constantly challenge how efficient and effective it was at delivering its service to all of its stakeholders, making any relevant changes and improvements as required.

At the conclusion of the Chief Internal Auditor's report, the Chair expressed thanks to the Officer and the internal audit team for their work over the past municipal year.

**Resolved - That the report be noted.**

## 56 INTERNAL AUDIT ANNUAL PLAN - 2020/21

Mark Niblock, Chief Internal Auditor, introduced his report that identified the Internal Audit Plan of work for 2020/21.

The report informed that work scheduled for completion had 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 had emerged since the original exercise, or were likely to emerge in the near future.

The report further informed that the updated plan had been presented to Members of the Strategic Leadership Team and approved for implementation.

The Chief Internal Auditor informed that the Internal Audit Plan (the Audit Plan), was prepared annually in accordance with the requirements of the Public Sector Internal Audit Standards, and set 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; and
- Proposed programme of work for 2020/21 (the Audit Plan).

The Chief Internal Auditor further informed that the Audit Plan contained an explanation of how it had been prepared, a list of proposed review areas for inclusion in the forthcoming year, and how it operated on a 12 monthly cycle in line with professional best practice. He added that this aimed to ensure adequate mitigation of risk, given the dynamic nature and changeable environment the Council was currently working in, with fundamental changes in the way services were being delivered that would undoubtedly mean that the Council would face significant and different kinds of risk to those experienced in the past.

The Chair sought assurance from the Chief Internal Auditor and the External Auditor that key risks faced by Local Government had been identified as part of the Internal Audit Plan. It was confirmed that such matters formed the basis of regular reports provided by the External Auditor, and Internal Audit Team to Councillors.

**Resolved – That the Internal Audit Plan for 2020/21 be endorsed, in accordance with the terms of reference for the Audit and Risk Management Committee.**

## 57 RISK MANAGEMENT UPDATE

Helen Turner, Risk, Continuity and Compliance Manager introduced the report of the Director of Finance and Investment that provided an update on the Council's current risk management arrangements, highlighting several key areas of work in the coming year, namely:

- Business Planning and Directorate Risk Registers - With the launch of the Wirral Plan 2025 services were in the process of developing their business plans. The template had been designed so that each Directorate can record their planned activity for the year ahead including actions, key performance indicators, risks and training requirements.
- Programme Management - Work was underway with the Programme Office to improve the risk management arrangements for the Council's main programmes and projects. A standard template had been adopted which will allow risks to be escalated more easily as well as providing a consistent approach which anyone joining a project would

be able to follow. Options for targeted training and awareness sessions for programme and project leads were also being considered.

- Member Risk workshops - A series of member ARMC sub-group workshops had been programmed in through 2020 to look at the different aspects of risk management. Sessions had been booked for the following dates: 5 March, 4 June, 3 September and 2 December 2020.

The Chair requested an update on Wirral Council's risk and continuity plans in respect of the Corona Virus (COVID-19). The Risk, Continuity and Compliance Manager informed Members that a tactical group had been established, led by the Director of Public Health, to establish a plan based on Public Health England advice, working with stakeholders, partners and Officers of the Council at different levels to ensure the most appropriate actions were addressed at each stage.

The Chair asked if sufficient resources were being allocated to support to the work required. The Risk, Continuity and Compliance Manager informed that the tactical group had been tasked to ensure this was the case.

The Chair thanked the Officer for her report and support to the Audit and Risk Management Committee over the past year.

**Resolved – That the report be noted.**

## 58 **SPEND FREEZE PROGRAMME AND NO PO NO PAY COMPLIANCE**

Keith Patterson, Head of Commercial Procurement introduce his report that provided information to the Audit and Risk Management Committee (ARMC) in relation to the active work programme that focussed on reviewing compliance with the Council's Spend Freeze Programme and No PO No Pay Policy.

The report informed that an initial update report was presented to members at the ARMC meeting on 18 November 2019 by the Director of Finance and Investment, that summarised the progress of the spend freeze that commenced in October 2019. A further progress report was provided to the Committee on 27 January 2020 (ARMC Minutes 31, 34 and 44 refer).

The aim of the spend freeze is to target discretionary expenditure, limit spending to that which is essential for safe and statutorily compliant operations, thus minimising pressure on the Council's budget position for 2019 and 2020.

A No PO No Pay progress report was also presented at the 27 January ARMC meeting by the Head of Procurement (ARMC Minute 44 refers).

The Head of Commercial Procurement provide the ARMC with updates on the Spending Freeze and key actions taken to mitigate non-compliance. In response to Member questions, the Director of Finance and Investment detailed procedures for performance management and plans for disciplinary action for commissioners who did not comply with procedures. She informed that in her role as the senior director responsible, she had written to all individuals in the service areas under her purview, and responses and reasons for non-compliance had been analysed. She added that other directors had indicated that similar actions were being taken in their services.

Members were provided with further detail in respect of retrospective orders, emergency orders and measures put in place to manage or mitigate against such issues – these included planned staff training and workshops.

A Member expressed the view that Officers had been tasked with dealing with non-compliance and that the ARMC should not act as a STAR Chamber but focus on ensuring that the correct controls and procedures were in place.

The Chair re-iterated his concerns regarding the non-compliance against procurement policies and confirmed that the ARMC would continue to monitor the situation and provide support to officers to ensure continued focus on adherence to the Council's controls and procedures.

**Resolved – That the report be noted.**

## 59 **COUNCIL STATUTORY DUTIES**

Further to a request from the Chair of the Audit and Risk Management Committee, Shaer Halewood, Director of Finance and Investment (S151) introduced her report (produced in partnership with the Director of Governance and Assurance) that provided information on the range of statutory duties delivered and duties the Council was required to fulfil. The report also provided information that fulfilling the Council's statutory duties had direct relevance to all Wirral Plan 20/20 pledges and supported the effective delivery of the Plan.

The Director of Finance and Investment (S151) provided a verbal summary on the content of her report and responded to Member questions on specific areas relating to the compliance with statutory duties and other legal duties, as guided by regulations directed at local government. She informed that not all legal duties had performance indicators, and no comprehensive formal reporting requirement existed. During presentation of her report she provided Members with assurance that the majority of the statutory duties overlap with policies, procedures and processes, and other requirements, that the Council also adheres to.

The Director of Finance and Investment (S151) apprised Members of the key areas of her report that included:

- External quarterly performance indicators
- Half yearly Individual performance appraisals and monthly one to one meetings
- Quarterly Directorate Performance meetings
- Compliance Review
- Overview and Scrutiny Meetings
- Annual Governance Statement
- Directors Self-Assessment Governance Assurance Statement (Annual Governance Statement)
- Role of Chief Finance Officer Statement
- Corporate Governance Group
- Specific meetings/boards
- External Published Scrutiny

Other points covered by the Director of Finance and Investment included information relating to:

- Adult Social Care assessment of care walk through
- (Appendix 3 to the report)
- Children & Young People Procedures Manual

The Director concluded her update informing that in the region of 3000 statutory duties existed, and although no complete list existed in respect of compliance many were discussed at Senior Leadership Team meetings (those with outcome measures) and some duties were effectively a 'tick box' e.g. ensuring establishment of a particular officer post (job description, duties and role responsibilities being covered by other procedures). A comprehensive list of statutory duties was attached as an appendix to the report.

The Chair thanked the Officer for her report.

**Resolved – That the report be noted.**

## 60 **EXTERNAL AUDIT - COMMITTEE PROGRESS REPORT**

Naomi Povey, Audit Manager – Grant Thornton introduced the External Audit - Committee Progress Report that provided an overview of the planned scope and timing of the statutory audit of Wirral Council for those charged with governance.

The report informed that the National Audit Office had issued a document entitled Code of Audit Practice that summarised the responsibilities of auditors and what was expected of the audit body. The report also set out how the scope of the audit was set out in accordance with the Code and International Standards on Auditing (ISAs) – to form and express an opinion on the Council's financial statements and value for money arrangements.

The report identified significant risks i.e. fraudulent transactions and management over-ride of controls and Valuation of Land and Buildings. In each case the External Audit provided a view (fraudulent transactions – in Wirral’s case not identified as a significant risk by the External Auditor) and proposed actions that the External Auditor would be taking to monitor the Council’s actions.

**Resolved – That the report be noted.**

**61 EXEMPT ITEM - EXCLUSION OF THE PRESS AND PUBLIC**

The Chair introduced an item of urgent business regarding the Coronavirus outbreak and the recent announcement of a global pandemic in respect of COVID-19.

Under section 100 (A) (4) of the Local Government Act 1972, it was moved by the Chair and agreed unanimously, that the press and public be excluded from the meeting during consideration of the item of business on the grounds that they may involve the likely disclosure of exempt information as defined by paragraph 1 of Part I of Schedule 12A (as amended) to that Act.

**62 COVID-19 ADVICE FROM PUBLIC HEALTH ENGLAND**

Further to Minute 56, Members of the Audit and Risk Management Committee discussed specific actions the Council was taking in respect of the Corona Virus (COVID-19).

The Risk, Continuity and Compliance Manager and Director of Finance and Investment informed the Audit and Risk Management Committee that all service areas had been directed to develop business contingency plans and mitigate risks wherever possible to ensure the most appropriate actions were taken to protect service users and staff. Members questioned the Officers on the current status of the plan and any actions taken to date.

Members were apprised that the Council’s actions in this respect were based on the current guidance emanating from Public Health England. See link below:

<https://www.gov.uk/government/publications/guidance-to-employers-and-businesses-about-covid-19/guidance-for-employers-and-businesses-on-covid-19>

# AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 21 September 2020

Present: Councillor JE Green (Chair)

Councillors T Anderson K Hodson  
K Cannon AER Jones  
A Gardner S Whittingham  
P Gilchrist G Wood  
K Greaney

## 63 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 Stuart Whittingham declared a personal, non-prejudicial interest by virtue of his being an Executive Member of the Council.

## 64 ALDERMAN DAVID ELDERTON

The Chair announced that it was his sad duty to announce the recent passing of former Councillor and past member of the Audit and Risk Management Committee, Alderman David Elderton. The Chair expressed his personal condolences to David's family and friends.

The Committee then observed a period of silence in tribute to former Councillor, Alderman David Elderton.

## 65 ANNUAL GOVERNANCE STATEMENT

Shaer Halewood, Director of Resources and Investment (Section 151 Officer) introduced her report that set out the draft Annual Governance Statement for consideration. A final version was scheduled report to the Committee at its next meeting in November 2020.

The Director of Resources apprised the Audit and Risk Management Committee that it was necessary for the Council to have approved and adopted a Code of Corporate Governance that complies with the principles of the CIPFA/SOLACE Framework Delivering Good Governance in Local Government and to report publicly through the Annual Governance Statement the extent to which the governance processes outlined in the Code were operating effectively in practice.

The report informed how (the) Framework identified seven core principles of good governance:

- Behaving with integrity, demonstrating strong commitment to ethical values and respecting the rule of law.
- Ensuring openness and comprehensive stakeholder engagement.
- Defining outcomes in terms of sustainable economic, social and environmental benefits.
- Determining the interventions necessary to optimize the achievement of the intended outcomes.
- Developing the entity's capacity including the capability of its leadership and the individuals within it.
- Managing risk and performance through robust internal control and strong public financial management.
- Implementing good practices in transparency, reporting and audit to deliver effective accountability.

Following the Director of Resources introduction, Iain Miles, Audit Manager apprised Members how the Annual Governance Statement had, as in previous years, been prepared in accordance with the CIPFA/SOLACE Delivering Good Governance in Local Government 2016 Framework and Guidance and had been evidenced from the following sources:

- Review of the key governance processes in place; Collation and review of Chief Officers' Governance Assurance Statements;
- Meetings with key Council officers; and
- Consideration of any relevant reports by external review agencies.

The Annual Governance Statement 2019/20 covered the period from 1 April 2019 to 31 March 2020 and therefore any significant governance issues identified were those which had occurred during this period. Members were further apprised that it was also required to take account of any key event, for example the COVID-19 pandemic, that commenced in 2019/20 but had continued to have an impact on the governance of the Council until the time of publication of the AGS.

The AGS included a summary of the significant action take in respect of the five significant governance issues identified in last year's AGS.

Members questioned the officers and highlighted specific areas of interest, namely the inclusion of information on the area of Business Continuity Planning and sought assurances on the matter of financial resilience.

**RESOLVED - That**

- 1) the initial draft of the Annual Governance Statement be noted; and**
- 2) the final Annual Governance Statement will be presented to the Audit and Risk Management Committee for approval at its next scheduled meeting in November 2020.**

66 **2019/20 STATEMENT OF ACCOUNTS UPDATE**

Diane Grisdale, Senior Finance Manager - Policy, Strategy and Financial Accounts introduced the report of the Director of Resources and Investment (Section 151 Officer) that presented the draft, unaudited, 2019/20 Statement of Accounts. Also included were a guide and extra information in relation to the accounts.

The Statement of Accounts set out the Council's financial position as at the 31 March 2020 with a summary of its income and expenditure for the year ended 31 March 2020.

The Senior Finance Manager - Policy, Strategy and Financial Accounts apprised the Audit and Risk Management Committee (ARMC) that the draft, unaudited Accounts had been published on the Council's website in line with the revised statutory deadline of 31 August 2020.

This report provided background information on the reasons why the Council prepares annual Accounts and the revised publication timetable for 2019/20.

The report also provides commentary on:

- the main Statements contained within the Accounts,
- the public inspection period currently underway, and
- arrangements being made to implement an external audit of the full Accounts by the Council's appointed auditor.

The Senior Finance Manager - Policy, Strategy and Financial Accounts responded to questions from Members on a number of key areas that included depreciation, statutory adjustments and minimum revenue provision.

The Audit and Risk Management Committee agreed that further discussion on the expectation on auditors, financial sustainability take place, and that this be managed through meetings with the ARMC Chair and Political Spokespersons ahead of final sign-off on the accounts.

**RESOLVED – That the draft, unaudited, 2019/20 Statement of Accounts be noted, and that further observations be provided via the Chair and Party Spokesperson prior to final sign-off on the accounts.**

Following the decision of Committee, Members received a short verbal report from Mark Stocks, External Auditor on the sustainability of Local Authority Audits, transparency, investing in training and the pricing of audits.

67 **ANY OTHER URGENT BUSINESS APPROVED BY THE CHAIR - COVID-19 UPDATE**

At the Chair's request, and with the agreement of the Audit and Risk Management Committee, Members considered a report from Ministry of Housing Communities and Local Government - Dame Mary Ney's rapid

stocktake of lessons learnt from the Leicester City/Leicestershire experience of responding to a local surge in COVID-19 cases.

The report informed the following learning points and good practice:

### **Learning Points**

1. Review the national and local governance frameworks to clarify the interface between them, how councils will be engaged and to strengthen local political oversight.
2. Councils need to exercise local outbreaks scenarios so they are well prepared.
3. The management and effectiveness of announcements of changes in local restrictions could be improved by the use of a checklist of requirements.
4. Ongoing work is required to improve the testing data available, in particular, data on ethnicity and workplace.
5. Councils should ensure they understand their communities and have community cohesion arrangements in place so that community and business engagement is effective.
6. In devising tactical control plans don't underestimate the range of skills and local knowledge that councils can deploy at pace from across the organisation.
7. There is scope to further the role of local councils and to move to a more preventative whole system approach on the ground bringing together scaling up of testing, tracing and supporting self-isolation and shielding.
8. There is a need to refine the application of the new regulatory framework in achieving compliance of businesses and events.
9. In Civil Contingencies arrangements, the role of local political leaders and local elected representatives should be reviewed.

### **Good Practice**

10. Implementation of a Local Political Oversight Board to provide a forum for local political leaders to have collective oversight of the management of the outbreak.
11. Integration of the PHE Incident Management Team into local resilience structures and establishing a joint outbreak management team.
12. Community and Business Engagement building on local knowledge and community cohesion work.

13. The local approach to scaling up testing – City Reach – used on the ground teams drawing on the local knowledge of council staff, local NHS staff and volunteers to undertake door to door visits.

14. Tracing contacts using the range of existing council data bases and systems as well as on the ground teams.

15. Bespoke Data Base built to capture activity and testing outcomes of the City Reach Teams.

David Armstrong, Assistant Chief Executive provided a short status report and local summary of the Covid-19 responses undertaken by Wirral Council and other partnership organisations.

Elsbeth Anwar (Assistant Director Public Health Consultant) then provided a summary of key learning points on the governance, local planning procedures, preparation, testing, local intelligence and data in Wirral. The Assistant Director Public Health Consultant apprised Members of detail on a variety of programmes that provided evidence of Wirral Council's positive efforts and success in working with local communities and businesses.

The Audit and Risk Management received assurance that the lessons being learned in other Local Authorities across the country were helping form effective arrangements to tackle the pandemic in Wirral, and across the Liverpool City Region.

The Chair thanked the officers for their reports.

**RESOLVED – That the verbal reports be noted.**

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## AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 16 November 2020

<b>REPORT TITLE:</b>	<b>INTERNAL AUDIT UPDATE</b>
<b>REPORT OF:</b>	<b>CHIEF INTERNAL AUDITOR</b>

### REPORT SUMMARY

This report analyses and summarises the work of the Internal Audit Service for the period 1<sup>st</sup> April to 31<sup>st</sup> October 2020, identifying the significant impact of the Covid19 pandemic on scheduled audit work and includes an analysis of planned work for the remainder of 2020/21.

### RECOMMENDATIONS

1. Members of the Audit and Risk Management Committee note the report
2. Members of the Audit and Risk Management Committee endorse the revised Internal Audit Plan for 2020/21

## **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 by CIPFA and the CIIA.

### **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 involves audit reports summarising audit work completed being presented to this Committee at scheduled meetings on a timely basis. However, following the outbreak of the Covid19 pandemic scheduled committee meetings have not taken place and normal routine planned audit work has had to be adjusted to accommodate a significantly changed operating environment.
- 3.2 This report therefore differs from the routine reporting format that I would normally adopt and identifies the impact of the pandemic on the normal work of the team, increased demands outside of the norm to address additional risks presented and the impact of this on routine planned work. This report therefore focusses on the following:
  - The Impact of Covid19 on the Internal Audit Plan 2020/21
  - Internal Audit Activity for the year to date
  - Planned Internal Audit work for the remainder of the year
  - Items of note arising from audit work undertaken.
- 3.3 The information contained within this report is for the period 1st April to 31st October 2020.
- 3.4. **Internal Audit Plan 20/21**
  - 3.4.1 The Internal Audit Plan for 2020/21 was reported to the Audit and Risk Management Committee in March 2020 and endorsed by the Members for delivery during the year.
  - 3.4.2 The Covid19 pandemic arrived in the same month and had an immediate and significant impact on the ability of the Internal Audit Service to deliver the Audit Plan as agreed. The reason for this was that officers of the Council were required to direct resources into addressing emergency Covid19 related activity as well as operating in

a very different manner, away from the traditional office workplace in a remote and agile fashion. Many services across the Council were unable to continue to deliver as normal and many activities were suspended to accommodate and deal with the impact of the pandemic. Consequently, many internal audits were required to be suspended and the team deliberately refocussed its activity towards supporting the corporate response to the pandemic, utilising its considerable expertise in governance, controls, and risk in the following areas:

- Supporting each of the governance cells established by the Council to oversee and manage corporate activity during the pandemic.
- Providing direct input to the development of processes and procedures and controls over systems implemented during the pandemic.
- Direct involvement in the control systems established for the payment of support grants during the pandemic.
- Evaluation of the threats posed by fraudsters and the subsequent development of a comprehensive publicity campaign.

3.4.3 The direct impact of this unscheduled activity on the agreed Audit Plan of work for the year to date has been significant and has required me, in conjunction with the Chief Executive, the Strategic Leadership Team and corporate managers, to revisit the planned work and to reassess the work priorities, including any additional risks presented as a result of the pandemic. A copy of the revised Audit Plan for the remainder of the 2020/21 year with annotations to indicate adjustments made is included at Appendix 1 of the report.

3.4.4 The approach to the work undertaken to adjust the audit plan has been completed in accordance with current best professional practice as identified by the Chartered Institute of Public Finance Accountants (CIPFA) and Chartered Institute of Internal Auditors (CIIA) in recent seminars and publications. This approach is also currently being adopted by peer colleagues from across the region and nationally.

3.4.5 In addition to the adjustments identified in the attached Audit Plan, the service is also currently looking at how it delivers scheduled audit work for the remainder of the year. This has involved streamlining processes, procedures and work programmes as well as reducing the content and presentation of audit reports and supporting working papers to ensure that minimal resource is utilised on this activity and more time focussed productively upon actual review and testing. This type of operating does not fully comply with the requirements of the Public Sector Internal Auditing Standards so consequently will be a relatively short-term measure introduced for the duration of the pandemic and supported by the respective professional bodies during these extraordinary circumstances.

### 3.5 **Internal Audit Activity for the Year to Date**

Internal Audit activity during the year to date has been focussed in the following areas:

3.5.1 Supporting each of the governance cells established by the Council to oversee and manage corporate activity throughout the pandemic and designed to ensure that the Council's response was appropriate and proportionate and delivered regional and national schemes introduced to support both the public and local business.

- 3.5.2 Providing direct input to the development of processes and procedures and controls over systems implemented to facilitate the delivery of various government schemes. Examples of this include Small Business Grant payments, Early Years Grant payments, Hospitality Grants, Discretionary Payments, Track and Trace systems and Foodhub operations.
- 3.5.3 Direct involvement in the establishment of a payment system for Government grants to small businesses and the hospitality sector with appropriate controls and checks over eligibility and to prevent fraud. Examples of the control checks implemented include Companies House, Business Rates and other evidence-based checks to ensure accuracy, validity and eligibility as well as protecting against fraud and corruption.
- 3.5.4 Evaluation of the threats posed by fraudsters and the subsequent development of a comprehensive publicity campaign designed to alert all stakeholders and the public to the risks and appropriate actions to take to mitigate.
- 3.5.5 Assessment and evaluation of the Ministry for Housing, Communities and Local Government (MHCLG) publication into the risks of fraud and corruption in local government procurement that was released during the pandemic and captured some of the increased fraud risks and threats that local government might face during this time. The exercise identified a total of 42 potential Issues/Risks across the following areas that the Council should consider and ensure that adequate controls are in operation over:
- Local Authority-wide arrangements
  - Commissioners procedures
  - Commercial Procurement and Payments
  - Counter-Fraud measures

The conclusions reached from the work undertaken was that of the 42 Issues/Risks identified in the publication over 30 were confirmed as having been identified, considered, and currently appropriately managed by Wirral Council officers. Those areas that require further action have been identified in a report for senior management that includes a detailed action plan for implementation within an agreed timescale, covering the following areas:

- Conflict of Interest Declarations for LA Companies
- Contract Procedure Rules Breaches reporting
- Main Contractor/Sub Contractor checks
- Procurement Initiation documentation completion
- Single Source contracting and reporting
- Invoices received outside of order process analysis and reporting.

Follow up work to evaluate progress made to implement required actions is scheduled for completion later in the year and the outcomes will be reported to this Committee.

3.5.6 Routine scheduled audit work has either recently been completed or is underway in the following areas and reports have been, or are being prepared for senior management with actions identified to improve arrangements in operation:

- Merseyside Pension Fund
- Contracted work at Academy Schools
- Council Tax Collection
- Contract Management

3.5.7 An audit has recently been started to examine and evaluate the effectiveness of the arrangements in operation to protect the Council from Cyber threats following recent incidents at Cleveland and Redcar and Hackney Councils. Research at these Councils and analysis of the nature of the incidents has allowed Internal Audit to develop a programme that will provide us with assurance regarding the effectiveness of arrangements in operation locally to combat this type of threat. These cyber-attacks resulted in system unavailability and in one Council staff were unable to use IT equipment for three weeks, thus impacting on services being provided to all stakeholders. Research at these Councils and analysis of the nature of the incidents has facilitated the development of a work programme that will provide us with some assurance regarding the effectiveness of arrangements in operation locally to combat this type of threat. In addition, we are also reviewing the Cyber Governance arrangements in line with guidance from the National Cyber Security Centre. Findings and conclusions from this piece of work will be included in a report to senior management including any required actions and summarised in the update report to this Committee.

### 3.6 **Planned Internal Audit Work for 2020/21**

3.6.1 The revised Internal Audit Plan identified at Section 3.4.3 includes targeted audit work aimed at evaluating the effectiveness of controls in operation in the following areas during the remainder of this quarter. Each piece of work has been identified for review based upon the significance of the risks presented in these areas and the corporate impact associated with failure of the control systems in operation. Each audit will culminate in a detailed report for senior management and identify any areas requiring attention/action and outcomes including progress updates will be reported to this Committee:

- Cyber Security – Organisational review (see 3.5.7)
- Wirral Growth Company – Governance and Financial Systems
- Corporate Financial Systems
- Governance Arrangements
- Business Grants - Post Assurance Checks
- Covid19 Decisions Audit (3.7.2)

### 3.7 **Items of Note**

3.7.1 Throughout November 2020 the Internal Audit Service will be coordinating a Counter Fraud Campaign aimed at both members of the public and the Council workforce. The campaign is scheduled to coincide with the International Fraud Awareness event run annually and has involved collaboration with a number other Mersey Region and North West Authorities.

The aim of the initiative is to heighten members of the public and employee awareness of the scale, nature and impact of fraud and the signs to look out for, as well as directing individuals to reporting procedures and processes. This is particularly important at this present time as the prevalence of fraud has risen dramatically in recent months as fraudsters look to exploit circumstances and potential opportunities presented by the pandemic. Members are requested to support this initiative in the usual manner.

- 3.7.2 An audit assignment is currently being undertaken to sample test a number of actual decisions taken by the Council during the Covid19 pandemic, evaluating compliance with established procedures implemented and assessing the effectiveness of the supporting documentation utilised to undertake decisions. The conclusion and outcomes from this assignment will be summarised in a report for the Strategic Leadership Team upon completion, identifying any actions required which will be incorporated into the comprehensive 'Covid19 Lessons Learnt' exercise that is currently being undertaken across the organisation and will be reported to this Committee in due course.

#### **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: STAFFING, ICT AND ASSETS**

- 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.

#### **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 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity.

9.2 There are none arising from this report.

## 10. ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The content and/or recommendations contained within this report are expected to have no impact on emissions of greenhouse gases.

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## APPENDICES

Appendix 1: Revised Internal Audit Plan 2020/21

## BACKGROUND PAPERS

Internal Audit Plan 2020/21

## SUBJECT HISTORY (last 3 years)

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

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**WIRRAL INTERNAL AUDIT SERVICE**

**INTERNAL AUDIT PLAN**

**2020 - 2021**

**Internal Audit Service  
Marriss House  
Hamilton Street  
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 2020/21 (the Audit Plan)
- 1.2 The Audit Plan for 2020/21 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
- Merseyside Pension Fund Administering Authority activities
- 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 2020/21 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.

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### 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*

Wirral Internal Audit Services provide assurance work to a number of external organisations via SLA's that include the Wirral Growth Company, Evolutions and a number of Academy Schools. Time has been included within the Audit Plan for 2020/21 to accommodate income generating work of this nature as detailed below:

<b>External Assurance</b>	<b>No Audit Days</b>
Wirral Growth Company	50
Evolutions	17
Academy Schools	25

## 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
<b>Major</b>	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.
<b>Moderate</b>	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.

<b>Minor</b>	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.
<b>Negligible</b>	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 2019/20 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 2019/20 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**

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
<b>ADULT CARE &amp; HEALTH</b>			
Demand Management	Failure to improve the quality of health and care services through integrated commissioning and delivery arrangements, could lead to demand, particularly in the winter period, continuing to increase, leaving the Council exposed to increased financial pressures in relation to meeting social care assessed need. <b>(Corporate Risk).</b>	Assessment of risks and mitigating controls in respect of integrated commissioning and delivery of health & care.	<i>Initial review undertaken to consider latest position for each of the risk mitigations. No further detailed work planned for the present until the Corporate Risk Register has been updated.</i>
Upstream / preventative activity	Insufficient time and resource for preventative and upstream activity mean that outcomes for vulnerable people do not improve, resulting in demand for reactive services not reducing, or increasing. <b>(Corporate Risk).</b>	Assessment of risks and mitigating controls to help ensure the Council has appropriate arrangements in place to manage the risks in respect of improving outcomes and reducing demand for reactive services for vulnerable people.	<i>No further work planned for the present until the Corporate Risk Register has been updated. (Envisaged that this risk will likely move to the departmental risk register)</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
Partnership working	<p>Inability to take advantage of collaborative opportunities locally and nationally, limiting improvement in economic conditions for the community and the Council's funding position.</p> <p><b>(Corporate Risk)</b></p>	<p>Assessment of risks and mitigating controls to help ensure the Council has sound overarching arrangements to manage the corporate risk, including in respect of the Wirral Plan and LCR.</p>	<p><i>No further detailed work planned for the present until the Corporate Risk Register has been updated.</i></p> <p><i>A follow-up of the Wirral Health &amp; Care Commissioning review, reported January 2020, will be undertaken.</i></p>
Significant Safeguarding Incident (Adult's & Children's)	<p>The Council and its partners do not effectively manage their relevant safeguarding risks, leading to a safeguarding incident, resulting in harm to individuals and/or families, potential legal challenge, resident dissatisfaction and public scrutiny.</p> <p><b>(Corporate Risk)</b></p>	<p>Assessment of risks and mitigating controls to ensure safeguarding issues are correctly identified, actioned appropriately and outcomes monitored.</p>	<p><i>Work still scheduled to be completed this financial year.</i></p>
Wirral Evolutions	<p>Important Local Authority Trading Company delivering services regarding day centres and day opportunities. Essential that governance arrangements are robust.</p>	<p>Delivery of service agreement covering key governance, performance and financial aspects of service, including ongoing consultancy advice on control environment within Centre and specific sites.</p>	<p><i>Work still scheduled although limited coverage as Centres not currently open and reduced staff at Centre.</i></p>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
<b>CORPORATE OFFICE</b>			
Business Planning & Performance Management	Effective business planning and performance management arrangements remain key to ensuring Council activity is geared to the achievement of Council objectives.	Review of aspects of the business and service planning and performance management arrangements in a sample of Council departments.	<i>In the light of restructuring and some interim arrangements during 2020/21, this review will be undertaken in quarter 1 of the 2021/22 plan.</i>
<b>CHILDREN'S SERVICES</b>			
Schools	Appropriate financial control arrangements and sound governance procedures are essential to ensuring effective financial management in school.	An audit programme focussed on financial and governance risks is undertaken at all schools over a four-year programme, with phasing planned based on risk assurance rating. Ongoing support and guidance on effective control environments provided as requested.	<i>Current plan for 2020/21 is to undertake reviews at 12 schools, rather than the 24 schools originally planned. School audits will be undertaken remotely.</i>
Troubled Families	Need to maximise income and prove details claimed accurate and valid.	Verification of grant claim details including appraisal of outcomes.	<i>Work still scheduled to be completed during 2020/21 financial year.</i>
Brexit	Uncertainty caused by Brexit adversely affects public and market confidence, impacting demand for housing and the	Assessment of risks and mitigating controls to ensure full awareness on an ongoing basis of the potential implications of Brexit as	<i>Work still scheduled to be completed during 2020/21 financial year.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
	level of investment in the Borough. Other Brexit implications include, e.g. lack of workers available for care type work; withdrawal and/or reduction in external funds impacts ability to sustain investment in local programmes <b>(Corporate Risk)</b>	negotiations continue and outcomes become clearer.	
Academies	Continuing to explore alternatives for wider Internal Audit service development.	Agreeing SLAs with a small number of Academies to undertake their internal scrutiny role.	<i>2019-20 audits completed August – October 20 for the five schools with agreed SLAs. Work on 2020/21 SLAs to commence January – March 2021.</i>
<b>NEIGHBOURHOODS</b>			
Climate Emergency Response	Failure to respond effectively and develop plans/adaptations leads to legal challenge, reputation damage, increased costs, lack of resilience, public. <b>(Corporate Risk)</b>	Assessment of risks and mitigating controls to ensure appropriate arrangements in place to manage this corporate risk.	<i>Audit review will be deferred until 2021/22.</i>
Health and Safety Management	If health and safety/compliance policies and procedures are not sufficiently developed, tested or adhered to by officers, members or contractors, this	Assessment of risks and mitigating controls to ensure full compliance with legislative requirements and policies agreed with Council's partners.	<i>Scheduled involvement with developments taking place will continue during 2020/21, advising on risks and controls to ensure legislative compliance.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
	<p>could lead to an incident resulting in harm to employees/Members/members of the public, legal challenge and reputational damage.</p> <p><b>(Corporate Risk)</b></p>		
Commissioning	<p>Important for organisation to maintain effectiveness of identifying outcomes to meet needs through efficient market intelligence and stakeholder involvement.</p> <p>Risk of interruption to the delivery of vital services from the failure of a critical supplier</p>	<p>Support and guidance plus compliance work regarding:</p> <ul style="list-style-type: none"> <li>- Breach notices</li> <li>- Highways</li> <li>- Partnership working</li> <li>- Procurement</li> </ul> <p>Assessment of risks and mitigating controls.</p>	<p><i>Scheduled audit work will largely be completed, with the exception of work on Highways which will be undertaken in 2021/22.</i></p> <p><i>Some risks in this area will have increased due to Covid19 and consequently will be subject to more targeted work.</i></p>
Contract Management testing	<p>Effective contract management essential in the efficient delivery of services and the achievement of best financial value.</p>	<p>Programme of tests focusing on specific existing contracts to ensure roles and responsibilities clear, payments are accurate and required outcomes satisfactorily delivered.</p>	<p><i>Scheduled work will be completed this financial year.</i></p>
Commercialism	<p>Impact on future income flows of any failure to develop and deliver commercial culture and processes.</p>	<p>Annual review of governance, specifically efficiency and effectiveness of decision-making regarding commercial ideas and the actual improvements in income as a result.</p>	<p><i>Scheduled work in this area will be completed in early 2021/22</i></p>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
Leisure and General Establishments reviews, Income Maximisation and Policy	Need to ensure expected income streams are fully maximised and key corporate policies and procedures are followed across the Council.	Review of income from a sample of establishments plus confirmation of compliance with a range of established policies and procedures.	<i>New generic audit programme designed including a section on Covid19 risk arrangements at Centres, seeking assurances that operating correctly. Work will be performed once Centres reopen.</i>
<b>RESOURCES</b>			
Financial Resilience	Failure to effectively manage changes to the way that the Council is funded could lead to poor decisions on service reductions, unplanned efficiencies and in year overspends, resulting in the Council being unable to deliver priority services to vulnerable communities. <b>(Corporate Risk)</b>	Assessment of risks and mitigating controls to ensure the Council's has robust arrangements in place for ongoing financial resilience.	<i>Scheduled review will be undertaken in line with original audit plan.</i>
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.	A peer audit review of the adequacy and effectiveness of the Council's risk management arrangements.	<i>Scheduled peer audit review will be deferred to 2021/22.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
Financial Systems <ul style="list-style-type: none"> <li>• Transactional Management - Collection Fund</li> <li>• Payroll</li> <li>• Accounts Receivable</li> <li>• Accounts Payable</li> <li>• Income Control</li> </ul>	These systems provide material disclosures for the financial statements. ( <b>s151 requirement</b> ).	High level reviews evaluating and testing the effectiveness of the key controls within each financial system and focused on any emerging key risks areas.	<i>A generic audit programme has been developed in accordance with the best practice guidance issued by both CIPFA &amp; IIA. This will be utilised during 2020/21 as the method for reviewing the risks and impacts of the current Covid19 situation on the operation of the key financial systems. The audit objective is to determine the key impacts on the effective operation of the system emanating from the Covid19 situation and provide managers with reasonable assurance that the risks have been considered and mitigated where appropriate.</i>
Transactional Management - Benefits	These systems provide essential financial support to vulnerable clients.	Provision of assurance to s151 Officer on a cyclical basis in respect to the various Benefit systems. i.e. HB, CTSS, DHP's, IHM & LWASS	<i>An audit programme has been developed in accordance with the best practice guidance issued by both CIPFA &amp; IIA. This will be utilised during 2020/21 as the method for reviewing the risks and impacts of the current Covid19 situation on the operation of the key financial systems. The aim objective is to determine the key impacts on the effective operation of the system emanating from the Covid19 situation and provide managers with reasonable assurance that the risks have been considered and mitigated where appropriate.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
Client Finance Support Team	These operations provide essential support to vulnerable clients.	Assurance on effectiveness of the client finance support systems reviewed on a cyclical basis. i.e. Direct Payments, Court of Protection.	<i>Scheduled work will be completed the 2020/21 financial year.</i>
Personal Finance Unit	Prompt financial assessment, billing and recovery of client financial contributions is essential to fund the Council budget.	Provision of support in respect to service development.	<i>Scheduled Involvement on working group to look at most efficient practices with awareness of vulnerable nature of service users at this time will continue during 2020/21.</i>
Treasury and Capital Management	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.	<i>Planned work has been re-focussed for 2020/21 to evaluate the progress made in implementing the previously agreed (pre-Covid19) audit recommendations and to evaluate the current operational risks including Covid19 risks..</i>
Financial Accounting System	These systems provide information and disclosures for the financial statements.	Provision of information and assurance to s151 Officer in respect to the production and external audit of the financial statements.	<i>Audit Completed – Work to facilitate the provision of assurance to the External Auditors (Grant Thornton) on key areas affecting the financial statements in order to comply with the International Auditing Standards. Assurances were provided on the management processes in place to prevent and detect fraud and to ensure compliance with law and regulation.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
Financial Control	Provision of assurance to the S151 Officer on the supporting financial management systems.	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.	<i>Audit work to provide advice and guidance on developing financial controls will continue during 2020/21. In addition, audit assurance on post Covid19 system changes and evaluation of impacts on the control environment will be undertaken during 2020/21</i>
Regularity Testing	A risk of non-compliance with Council financial policies and procedures.	Focussed sample testing of transactions, including Direct Payments, using IT assisted sampling approach and agreed exception parameters to determine sample, to identify any significant instances of non-compliance.	<i>Scheduled work in this area is likely to be deferred until the 2021/22 financial year.</i>
Grants	Essential to maximise income and prove details claimed are accurate and prompt.	Responsive work prior to despatch of claims	<i>Scheduled work will be completed this financial year with greater emphasis on Covid19 related risks presented.</i>
Cultural Change for an Effective and Efficient Organisation	Failure to implement the cultural change necessary to become an efficient and effective organisation, which is financially sustainable in the long term. A risk that insufficient capacity or expertise, cultural resistance from staff or ineffective	Assessment of risks and mitigating controls to ensure the Council has appropriate arrangements in place to overcome potential barriers to the delivery of the Wirral Plan, including capacity, cultural and partner engagement.	<i>No further work planned for the present until the Corporate Risk Register has been updated.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
	<p>engagement with partners means that the ambition of the Wirral Plan is not realised, perpetuating inefficiencies and preventing required outcomes from being achieved.</p> <p><b>(Corporate Risk)</b></p>		
Compliance with Policies and Procedures	<p>Non-compliance with corporate policies and procedures across disciplines such as HR, finance, information, procurement, health &amp; safety, put the reputation of the Council and the health and safety of our staff and residents at risk, and may lead to financial penalty and ultimately loss of life.</p> <p><b>(Corporate Risk)</b></p>	Assessment of risks and mitigating controls to ensure the Council has appropriate arrangements in place to ensure compliance with policies and procedures.	<i>Assurances required covered within other scheduled audit work such as Procurement Fraud and Corruption review, Health and Safety board input and Finance Consultancy involvement.</i>
<b>LAW, GOVERNANCE &amp; ASSURANCE</b>			
Corporate Governance / Annual Governance Statement (AGS)	<p>Statutory requirement for the Council to produce an Annual Governance Statement.</p> <p>Failure to maintain effective</p>	Undertake work to support and assist in the preparation of the Annual Governance Statement, ensuring it aligns with knowledge and understanding of structures	<i>Reviews and support will be provided in line with original audit plan to ensure that statutory obligations complied with.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
	<p>corporate governance 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. <b>(Corporate Risk)</b>.</p>	<p>and processes in place.</p> <p>Provide support and challenge to development of governance arrangements, including attendance and support for Corporate Governance Group and review of the Code of Corporate Governance.</p> <p>Assessment of risks and mitigating controls to ensure the Council maintains effective corporate governance.</p>	
Ethical framework	Robust ethical procedures will help ensure good governance and protect the Council's reputation.	Review of risk areas within the Council's Ethical Framework. Evaluate the effectiveness of the processes supporting compliance with ethical governance principles.	<i>Detailed audit work no longer deemed to be a priority for 2020/21 (previous review reported March 2020). Follow-up review will be undertaken in Q4 (2020/21).</i>
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.	<i>Audit work will now be undertaken early in 2021/22 financial year. When new Constitution and working arrangements have been in operation for a reasonable time.</i>
Mayor's Charity	Failure to comply with Charity Commission requirements.	Undertake Independent Examination of the Mayor's Charity accounts.	<i>Review will be undertaken in line with original audit plan.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
<b>REGENERATION &amp; PLACE</b>			
Local Plan	A failure to ensure the Council's arrangements for the consultation, publication and implementation of the Local Plan could result in intervention, a loss of control over future development and missed opportunities to promote economic growth. <b>(Corporate Risk)</b>	Assessment of risks and mitigating controls to review whether the Council has appropriate arrangements for the consultation, publication and implementation of the Local Plan	<i>Audit work will be streamlined and predominately involve overview of progress in comparison to internal and external expectations will be undertaken; together with follow-up of previous audit review.</i>
Exposure to Economic and Market Risk	The aggregate level of risk presented by multiple regeneration projects is not recognised, leaving the Council over-exposed in the event of a downturn in the economy and/or markets. <b>(Corporate Risk)</b>	Assessment of risks and mitigating controls to ensure the Council is effectively engaging with relevant partners concerning contingency plans, with full awareness of financing options and contractual requirements.	<i>Planned work will be streamlined and predominately involve provision of advice and assistance on risk and control at various development/working groups.</i>
Wirral Growth Company	Failure of the Wirral Growth Company to deliver anticipated benefits undermines the Council budgetary position, economic growth aspirations and public and investor confidence in the authority. <b>(Corporate Risk)</b>	Assessment of risks and mitigating controls to ensure all risks and opportunities effectively covered in agreement with development partner and clear governance processes structure the continuing working arrangements.	<i>Three scheduled audit reviews covering Governance and Finance to be completed this financial year, as approved through Joint Venture Board in Oct 2020.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
Wirral Waters	Potential failure to deliver on target with commensurate impact on regeneration plans and planned income streams.	Reviews of control environment to ensure satisfactory progression of projects within regeneration scheme and advice regarding operation of Investment Fund.	<i>Scheduled audit work now to be completed in 2021/22 financial year.</i>
Housing Services	Lack of delivery of an adequate supply of housing for the community and failure to comply with relevant legislation.	Appraisal of effectiveness of key housing services including waiting lists, dealings with landlords, and actions regarding homelessness situation.	<i>Scheduled audit work now to be completed in 2021/22 financial year.</i>
<b>PENSION FUND</b>			
	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.	Provision of an opinion on the MPF control environment based on the outcomes of a separate cyclical MPF internal audit plan. The plan is updated annually to take account of the emerging key risks facing the Fund and is delivered in accordance with the approved service level agreement. The work is split between: Pensions Administration; Investments, Accounting & Compliance; and cross cutting risk areas.	<i>The development of the MPF Audit Plan included discussions on the impact of the Covid19 situation with the Fund managers via the Fund Operating Group (FOG). The view of FOG was that the key operations were still working effectively so following due consideration no amendments to the planned assignments have been identified or requested but the Audit Plan remains fluid should the situation change.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
ICT			
Cyber Security	<p>IT security is insufficient to deter, detect and prevent unauthorised access to IT systems, resulting in loss of data and disruption to Council services.</p> <p><b>(Corporate Risk)</b></p>	<p>Assessment of risks and mitigating controls to provide assurance that there are robust controls in place to prevent a wide range of Cyber-Attacks.</p> <p>Reviews to include the protection of internet connected systems in the following areas:</p> <ul style="list-style-type: none"> <li>- cyber governance</li> <li>- application of security controls</li> <li>- cloud strategies and controls</li> <li>- threat and vulnerability management</li> <li>- firewall and network security</li> <li>- compliance.</li> </ul>	<p><i>Scheduled audit work to be undertaken as planned with the emphasis on any new or emerging risks due to the impact of Covid19.</i></p>
Information Management	<p>Council is not compliant with relevant data and information management legislation which may lead to loss or breach of personal data creating security or reputational risk.</p> <p><b>(Corporate Risk)</b></p>	<p>Assessment of risks and mitigating controls within aspects of Children’s and Adult’s services to provide assurance that there are sufficient controls in place to manage key risks in the various aspects of information management including sharing,</p>	<p><i>Scheduled audit work to be undertaken as planned with the emphasis on any new or emerging risks due to the impact of Covid19 and Agile Working.</i></p>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
		recording, storing, security and compliance. To provide assurance that information is managed in line with the LPS Data Handling Guidelines.	
ICT Compliance	Significant risks presented the Council by a potential failure of the organisation to comply with established policies and procedures in operation to provide effective governance over its digital operations	A programme of targeted work to assess and evaluate the effectiveness of arrangements in operation and levels of compliance with agreed operations by the workforce.	<i>No further work to be undertaken, consideration for inclusion in the 2021/22 plan once risk registers have been revised.</i>
Digital Strategy	Failure of Digital Strategy to achieve established and agreed objectives presents significant risk to the Council.	Assessment and evaluation of the Council's agreed Digital strategy for fitness and purpose including its ability to achieve agreed purpose.	<i>Scheduled audit work to be undertaken albeit a reduced audit programme will be applied due to higher priority risks as a result of Covid19.</i>
Business Continuity Planning – Response to a Disruptive Incident	Failure to coordinate and maintain effective business continuity plans leaves the Council unable to respond to an incident, resulting in a major failure in service delivery. <b>(Corporate Risk)</b>	Assessment of risks and mitigating controls to provide assurance that there are sufficient controls in place to manage key risks.	<i>Scheduled audit work now to be completed in 2021/22 financial year as plans are being reviewed as a direct result of Covid19.</i>
Digital Projects	Successful delivery of the digital transformation programme is crucial to the delivery of the Council's	To provide assurance that projects are managed and monitored sufficiently to ensure that they are delivered in time, on budget and	<i>Scheduled audit work to undertaken as planned.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
	transformation agenda. Key digital transformation projects currently underway include: <ul style="list-style-type: none"> <li>- Access Wirral</li> <li>- Customer Access Solution</li> <li>- Digital Infrastructure (Full Fibre Network)</li> <li>- Microsoft Teams and Sharepoint.</li> </ul>	planned benefits are realised.	
ERP	Failure to deliver an effective Enterprise Resource Management planning solution across arrange of linked services will present an ongoing risk to the efficient and effective operation of the Council.	Ongoing targeted audit support, consultancy advice and guidance on the ERP project.	<i>Work in this area will continue.</i>
Follow-ups	Agreed recommendations not implemented.	Follow up of recommendations made by internal and external assurance providers to provide assurance that actions are implemented in a timely manner.	<i>Scheduled audit work to undertaken as planned.</i>
<b>COUNTER FRAUD</b>			
Counter Fraud Strategies, Policies	Fraud and corruption are ever present risks to all	Review internal fraud policies and evaluation of awareness and	<i>Scheduled audit work to be undertaken as planned although with</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
and Awareness Training	organisations. It is important therefore that the Council's arrangements to counter fraud reflect best practice.	compliance across the Council and continued delivery of awareness training for all employees.	<i>greater emphasis on Covid19 related fraud risks.</i>
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.	<i>Scheduled audit work to be undertaken as planned although with greater emphasis on utilisation of NFI for Business Grants post assurance checks.</i>
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	<i>Scheduled audit work to be undertaken as planned.</i>
Fraud – Proactive	Fraud and corruption are ever present risks to all organisations. It is important therefore that a programme of proactive anti-fraud work is undertaken to prevent and detect fraud.	Risk based proactive work to prevent and detect fraud.	<i>Scheduled audit work to be undertaken as planned although with greater emphasis on risks presented as a result of Covid19.</i>

Area of Audit Work	Risk Context	Overview of Assurance	Oct 2020 – Covid19 Adjustment
<b>ADVISORY</b>			
Audit Queries		Time allocation for specific queries that arise from directorates that require audit services.	<i>Work will continue as planned.</i>
Corporate Working Groups National/Regional Working Groups		Time allocation to contribute to Audit Working Groups (in addition to that included under respective risk areas above)	<i>Work will continue as planned.</i>
<b>CONTINGENCY</b>		Time allocation to allow for new emerging risks and unplanned work for example large investigations.	



## AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 16 November 2020

REPORT TITLE:	CHIEF INTERNAL AUDITORS ANNUAL REPORT AND OPINION 2019/20
REPORT OF:	CHIEF INTERNAL AUDITOR

### REPORT SUMMARY

The Internal Audit Service plans and completes audits to review all relevant areas of risk.

Reports, including recommendations produced following audits are presented to managers. A summary report is produced annually by the Chief Internal Auditor and an overall opinion provided as to the effectiveness of the Council's control environment.

This report presents the Chief Internal Auditors Annual Report for 2019/20.

### RECOMMENDATION

That Members of the Audit and Risk Management Committee note the report.

## **SUPPORTING INFORMATION**

### **1. REASON FOR RECOMMENDATION**

- 1.1 To provide the Members with assurance that the Council is taking appropriate measures to comply with statutory requirements to provide an adequate and effective internal audit service.
- 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 'Audit Committees: A Practical Guidance for Local Authorities and Police 2018'.

### **2. OTHER OPTIONS CONSIDERED**

- 2.1 No other options considered.

### **3. BACKGROUND INFORMATION**

- 3.1 The Accounts and Audit Regulations require that a local authority "shall maintain an adequate and effective system of internal audit".
- 3.2 In order to meet the statutory requirements the Internal Audit Section has conducted audits to review the operation of the internal control systems. The work has been conducted in accordance with Public Sector Internal Auditing Standards set by the Audit Practices Board, CIPFA and the Chartered Institute of Internal Auditors.

### **CHIEF INTERNAL AUDITORS ANNUAL REPORT 2019/20**

- 3.3 The attached Chief Internal Auditors Annual Report specifies the Internal Audit assurance opinion on key areas of the Council's activity for 2019/20.
- 3.4 The audits conducted during the year were principally planned to review the financial control systems in compliance with the requirements of the Accounts and Audit Regulations. However significant attention was also paid to key risks in the following areas:  
  
Performance Management,  
Counter Fraud and Corruption  
Corporate Governance,  
Risk Management,  
ICT Systems,  
Service Delivery.
- 3.5 The Audit Plan was compiled on a risk assessment basis that included consideration of the sensitivity and complexity of all risks identified. Client requests, systems being developed and the availability of resources were also other factors also taken into account during the year.
- 3.6 The Internal Audit Plan for 2019/20 was approved by this Committee in March 2019.

#### 4. **FINANCIAL IMPLICATIONS**

4.1 There are none arising from this report.

#### 5. **LEGAL IMPLICATIONS**

5.1 There are none arising from this report.

#### 6. **RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

6.1 There are none arising from this report.

#### 7. **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. **ENGAGEMENT/CONSULTATION**

8.1 Members of this Committee are consulted throughout the process of delivering the Chief Internal Auditors Annual Report.

#### 9. **EQUALITY IMPLICATIONS**

9.1 There are none arising from this report.

#### 10. **ENVIRONMENTAL AND CLIMATE IMPLICATIONS**

10.1 The content and/or recommendations contained within this report are expected to have no impact on emissions of greenhouse gasses.

**REPORT AUTHOR:** **Mark P Niblock**  
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email: markniblock@wirral.gov.uk

#### **APPENDICES**

Chief Internal Auditors Annual Report 2019/20

#### **BACKGROUND PAPERS**

Internal Audit Plan 2019/20

CIPFA Publication: Audit Committees a Practical Guidance for Local Authorities 2018

#### **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
Audit and Risk Management Committee	Annual Report





**Chief Internal Auditor's  
Annual Report and Opinion on the System of Internal Control  
2019/20**

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**Mark P Niblock  
Chief Internal Auditor  
Wirral Internal Audit Service**

## Executive Summary

### 1.1 Introduction

In accordance with the Public Sector Internal Audit Standards (PSIAS), the Chief Internal Auditor is required to provide an annual opinion on the overall adequacy and effectiveness of the organisation's control and governance processes. This is achieved through delivering a risk-based plan of work (the Internal Audit Plan), which has been agreed with management and approved by the Audit and Risk Management Committee. The opinion does not imply that Internal Audit has reviewed all risks and assurances relating to the organisation. However, the Chief Internal Auditors opinion forms one of the sources of assurance that underpins the Council's Annual Governance Statement.

### 1.2 Overall Assurance

In providing an opinion it should be noted that assurance can never be absolute. The work of Internal Audit can only provide reasonable assurance that there are no major weaknesses in the Council's control and governance processes. The opinion provided is based on the work completed by internal audit and reported to the Audit and Risk Management Committee. It must be noted that there may be weaknesses in the Council's systems of internal control that have not been identified if they did not form part of the programme of audit work completed or were excluded from the scope of individual internal audit assignments.

### 1.3 Opinion

*In the opinion of the Chief Internal Auditor, the Council generally maintains adequate and effective control and governance processes overall. This opinion is based on audit work performed during 2019/20 and from cumulative knowledge of the organisation.*

*There has been positive engagement with management in agreeing recommendations where audit work has identified weaknesses in the design or application of controls. Action plans are in place to address all issues identified through the work of internal audit. The results of the follow up audits completed provide assurance that the actions agreed in response to audit reports are being implemented.*

## Section Two

### Basis of the Opinion

#### 2.1 Planned coverage and output

Internal audit completed 84% of the planned audits and delivered over one hundred individual assignments across a wide range of service areas during 2019/20 up to the outbreak of the Covid-19 pandemic in mid-March 2020 with 100% of actions identified in audit reports agreed with clients for implementation. The ability of the team to comprehensively complete all of the work identified during the year was directly affected by the advent of Covid-19, preventing completion of a number of audit assignments that were in progress at the date of the outbreak, however coverage is considered sufficient and wide-ranging enough to allow a confident and evidence-based annual audit opinion. It is important to note that the overall opinion is based on internal audit work undertaken during 2019/20, the vast majority of which took place prior to Covid-19 and the resulting emergency measures being implemented. Covid-19 has resulted in a significant level of challenge to the Council and necessitated some changes to its control and governance arrangements. Internal Audit has had significant involvement in supporting the Council's response to Covid-19, both in terms of undertaking audit and non-audit emergency work directly relating to the Council's response, as well as directly supporting Covid-19 activity across a wide variety of business areas.

#### 2.2 Summary of work supporting the opinion

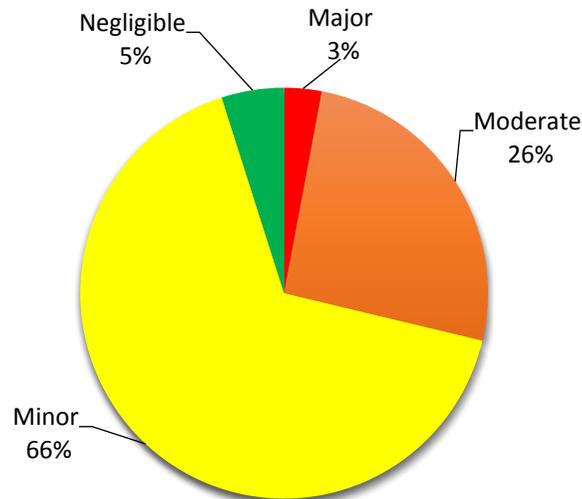
The audit work undertaken that forms the basis of the opinion includes:

- The work of Internal Audit in reviewing the Council's governance arrangements.
- Assessment of risk management arrangements across business areas.
- Assessment of the range of audit opinions arising from audit assignments that have been reported to the Audit and Risk Management Committee throughout the year. This assessment has taken account of the relative materiality of each area audited and includes the audit of the Merseyside Pension Fund for which separate reporting arrangements are in operation in accordance with the service level agreement.
- Assessment of management's responses to Internal Audit's recommendations and the progress made in addressing risks and issues identified through audit work.

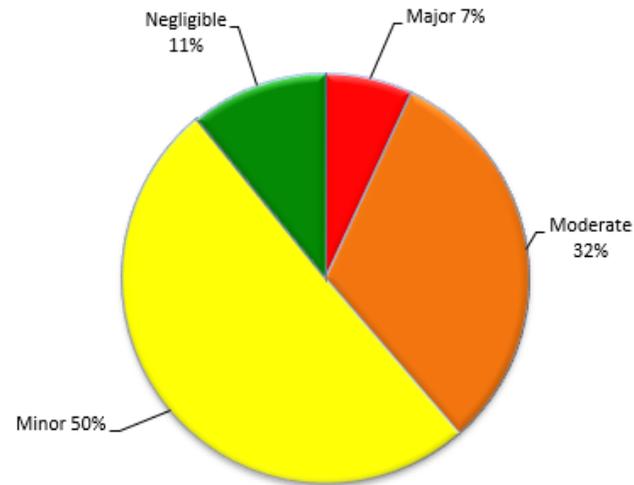
### 2.3 Audit assignments completed

A full list of the audit assignments that have helped inform the opinion is provided in Appendix A. Each audit is graded in terms of the risk to the organisation and how well risks were managed in the area under review. Four different levels of opinion are used: major, moderate, minor and negligible. Definitions of the assurance levels are provided in Appendix C. All audit reports were finalised, summarised and reported to the Audit and Risk Management Committee during the year. The opinions provided are shown in the chart below with comparative information for 2019/20 and 2018/19.

**2019/20**



**2018/19**



It is notable that opinions provided in audit reports produced during 2019/20 are similar to the previous year with the majority of the audit opinions provided identified as being in the 'Minor' and 'Negligible' risk categories, although a notable reduction in the number of audits identifying 'Major' and 'Moderate' risk opinions is very encouraging and suggests an increased understanding and awareness amongst officers of the importance of robust systems of control and ongoing management of risk.

## 2.4 Summary of key issues arising in year

Issues have been identified in audit reports during the year and reported to senior management for appropriate actions to be undertaken to mitigate any risks and strengthen and improve the respective control environment. All of these issues have been summarised and reported to the Audit and Risk Management Committee at regular scheduled meetings and appropriate actions taken by Members that have included relevant officers being invited to Committee meetings to provide updates including progress being made to implement agreed actions. Key issues identified and reported during 2019/20 include the following for which actions have either been undertaken in year by senior management or are progressing and will be subject to further audit work during 2020/21:

Information Governance and GDPR Compliance.  
Finance Management (CFSU).  
Commissioning and Procurement.  
Wirral Health and Care Commissioning.  
Enterprise Resource Planning (ERP).

Appointment of Agency Workers.  
Compliance with Policy and Procedure  
Cyber Security.  
VAT Compliance.  
Digital Business Continuity Planning.

## 2.5 Follow-up audit assignments completed

In accordance with the requirements of the Public Sector Internal Audit Standards follow-up audit assignments were completed for audits during the year. These audits examine the progress that management has made in implementing previously agreed audit recommendations. A revised opinion is subsequently issued for each 'follow up' audit, which is informed by the extent to which the issues identified in the original audit report have been addressed. Adequate progress has been made during 2019/20 by management in response to these audits. Any failure to implement agreed recommendations within agreed timescales are routinely reported to the Audit and Risk Management Committee. Appendix B to this report contains more information relating to this.

## 2.6 Limitations placed on internal audit

During the year, there have been no matters arising which have impacted on the independence of the Internal Audit Service and there have been no inappropriate scope or resource limitations on internal audit work.

## 2.7 Conformance with the Public Sector Internal Audit Standards

Under PSIAS, internal audit services are required to have an external quality assessment every five years. The Council's external assessment was completed during 2018/19 and the overall conclusion was that the Council's internal audit arrangements 'fully conform' with all aspects of the standards. There were no departures from these arrangements in 2019/20.

## Section Three

### Performance, Quality Assurance and Improvement Programme

#### 3.1 Performance

The Internal Audit service measures its ongoing performance against an agreed set of key targets in line with current best practice and as identified below. These indicators form part of the overall service performance reporting information for senior management and the Audit and Risk Management Committee.

The table below details the key performance targets relating to the Internal Audit Service and identifies actual performance for 2019/20, indicating that with the exception of plan delivery which was directly impacted by Covid-19, preventing the completion of a number of pieces of work at the year end all of the targets were achieved. Failure to fully achieve this target has not directly impacted upon the annual opinion provided in this report:

IA Performance Indicator	Target	Actual
Percentage delivery of IA Plan 2019/20	100	84
Percentage of High priority recommendations agreed with clients.	100	100
Percentage of returned client survey forms indicating 'satisfaction' with the IA service.	90	100
Percentage of internal audit reports issued within 10 days of completion of fieldwork.	100	100

#### 3.2 Quality Assurance

The development and maintenance of a Quality Assurance and Improvement Programme (QAIP) is a requirement within PSIAS. The purpose of the QAIP is to ensure that the Internal Audit service operates in accordance with PSIAS and the Local Government Application Note (LGAN) and maintains consistently high standards. The Internal Audit Service operates

a Quality Assurance Improvement Programme (QAIP) that is designed to provide all stakeholders with reasonable assurance that the service performs its work in accordance with this, the Internal Audit Charter, Strategy and Code of Ethics. The QAIP is designed to cover all elements of internal audit activity in accordance with PSIAS Standard 1300 ensuring compliance, adding value and helping improve organisational operations. Key elements of the quality assurance improvement programme are described below:

- The Internal Audit team is made up of appropriately trained and qualified staff with significant local government experience. All of the team complies with ethical rules, technical standards and professional practice laid down by Wirral Internal Audit Services and respective professional bodies;
- Internal audit work is based upon a detailed risk-based audit plan, which is agreed in consultation with management and is approved by the Audit and Risk Management Committee;
- Internal Audit employs an audit methodology that is in accordance with professional standards;
- Terms of reference are developed with key stakeholders for each audit assignment which set out the agreed coverage;
- Robust management review is undertaken of all audit files and reports prior to issue;
- Post audit assessments are undertaken for all audit assignments completed, evaluating performance against core competencies for professional internal auditors;
- There is a well-developed system of regular reporting of progress against the audit plan and the performance of the Internal Audit Service against key targets to the Audit and Risk Management Committee;
- All Internal Audit staff complete annual declarations confirming their compliance with the Code of Ethics;
- There is a commitment to the continuing professional development of all internal audit staff through a range of learning and development opportunities including ongoing auditor skills appraisals. These include professional training, on the job training, e-learning, webinars and attendance at relevant training events and workshops.

### **3.3 Feedback from audit clients**

Internal Audit invites feedback on the quality of service provided by issuing a 'customer satisfaction questionnaire' at the end of each audit. This is an important process in terms of identifying how the audit was received by the service area. It is also an important means of identifying aspects of the audit process that can be improved.

The feedback received in the year was very positive and there were no common themes in the questionnaires returned that highlighted any particular areas for improvement. A sample of comments received through the questionnaires is included below:

- *Very professional and fair... xxx put us at ease and explained things fully.*
- *The audit was carried out in a thoroughly professional manner.*
- *The process was very helpful and highlighted areas for improvement.*
- *A worthwhile audit with some very good recommendations that will have a positive impact.*
- *A very positive experience, the auditor was very supportive and understanding.*

### 3.3 Areas for Development

The challenge for the Internal Audit Service in 2020/21 is to complete sufficient audit work during the year to provide assurance to support the annual audit opinion. For various reasons the current pandemic impacted on the completion of audit work and coverage in quarter one of 2020/21 has been affected. Like many other teams, all members of the Internal Audit team have been working from home since mid-March. Initially most of the team were engaged in overseeing the payment of Covid-19 financial support grants to small businesses across the borough, as well as providing support in many other areas where emergency arrangements were rapidly developing to address issues arising out of the pandemic. However, the auditors are now mostly engaged in audit work with audits largely being completed remotely. This enforced change has provided the opportunity to challenge the way the team operates and to implement some improvements to working practices. Performance management and quality control arrangements will however need to be kept under review and adapted as required.

In terms of audit coverage, some planned audits of frontline services have had to be postponed temporarily to allow services to focus on the Council's continued response to the pandemic. The pandemic has also necessitated changes to planned work, as the environment within which the Council is operating has changed significantly since the 2020/21 Audit Plan was approved in early March 2020. In order to address the situation, a more dynamic approach will be undertaken to the planning of audit work with planned coverage being kept under constant review.

The 2020/21 Audit Plan therefore needs to be more flexible and dynamic to accommodate changes in the priority of audit work to accommodate emerging risks. Changes to the planned coverage for 2020/21 have consequently been made and these will be reported to the Audit and Risk Management Committee meeting in November 2020 and subsequently through the regular Internal Audit Update Reports.

## Appendix A

### Summary of Audit Assignments

Summary of the audit assignments completed in the year is set out below showing the assurance ratings and the number and priority of recommendations made. Definitions of the organisational risk opinion can be found at Appendix C.

No	Audit Assignment	Organisational Risk Opinion	High Recs	Med Recs	Low Recs
1	Pension Fund - Alternative Portfolio Custodian Transfer	Negligible	0	0	0
2	Corporate Governance / AGS	Moderate	0	0	0
3	Barnston Primary School	Minor	0	4	2
4	Bedford Drive Primary School	Minor	0	3	0
5	Brookdale Primary School	Minor	0	4	1
6	Business Rates - Covid19 Grants – IA Control and Processing		-	-	-
7	Business Rates - Covid19 Grants – IA Project Development Input		-	-	-
8	Business Rates - Covid19 Grants – IA Support and Ongoing Development		-	-	-
9	Capital Financing	Moderate	0	4	1
10	Castleway Primary School - Headteacher Referral/Investigation	Moderate	0	8	0
11	Castleway Primary School	Moderate	0	8	5

No	Audit Assignment	Organisational Risk Opinion	High Recs	Med Recs	Low Recs
12	Christchurch CE Primary (Birkenhead)	Minor	0	4	1
13	Client Finance Support Team	Major	0	8	3
14	Pension Fund - Contributions Payable - Knowsley Council	Minor	0	2	1
15	ContrOCC Payments	Minor	0	0	0
16	Council Tax Collection	Moderate	0	3	0
17	Dawpool CE Primary	Minor	0	7	1
18	Eastway Primary School	Minor	4	0	3
19	Ethical Framework	Moderate	0	5	0
20	Financial Resilience (Ongoing input and review)	Major	-	-	-
21	Foxfield School	Minor	0	9	1
22	Gilbrook Primary School	Minor	0	7	1
23	Holy Cross Catholic Primary School	Minor	0	1	0
24	Holy Spirit Catholic & CE Primary	Minor	1	7	1
25	HR Selfserve System	Minor	2	0	0
26	Income Control	Minor	0	0	1
27	Key Route Network grant claim - 1st quarter	Negligible	0	0	0

No	Audit Assignment	Organisational Risk Opinion	High Recs	Med Recs	Low Recs
28	Key Route Network grant claim – 2nd quarter	Negligible	0	0	0
29	Key Route Network grant claim – 3rd quarter	Negligible	0	0	0
30	Kilgarth School	Minor	0	15	3
31	Leasowe Early Years	Minor	0	9	1
32	Lifeguard Referral/Investigation	Moderate	0	6	0
33	Local Pension Board	Minor	0	0	0
34	Children's Services - Management Information	Moderate	1	2	3
35	Mayor's Charity Account 2018/19	Minor	0	6	0
36	Mount Primary School	Minor	0	4	1
37	Pension Fund – Benefits Payable	Minor	0	1	0
38	Pension Fund – Civica5 Migration	Negligible	0	0	1
39	Northern LGPS Collective Asset Pool - Governance Review	Minor	0	1	0
40	Overchurch Infants School	Minor	0	1	2
41	Overchurch Junior School	Moderate	3	9	1
42	Parks and Countryside Services - Wages Enhancements	Moderate	2	1	1
43	Payroll - Advances of Pay	Minor	0	6	0

No	Audit Assignment	Organisational Risk Opinion	High Recs	Med Recs	Low Recs
44	Pensions Payroll System	Minor	0	0	1
45	Performance Management – Business Planning	Moderate	3	4	0
46	Personal Finance Unit	Moderate	2	4	0
47	Planning Review	Moderate	2	3	0
48	Business Management - PRAD Forms	Moderate	2	3	0
49	Commissioning and Procurement - PRAD6 review	Moderate	0	2	0
50	Commissioning and Procurement	Moderate	0	4	0
51	Regularity testing	Minor	0	0	1
52	Repayable Advances	Minor	1	0	0
53	Riverside Primary School	Minor	0	5	0
54	Somerville Primary School	Minor	0	5	5
55	South Wirral High School	Minor	0	4	1
56	St Albans Catholic Primary	Minor	0	6	1
57	St John Infants Catholic Primary	Minor	1	9	2
58	St Josephs Catholic Primary School (Upton)	Minor	1	13	1
59	St Joseph's Catholic Primary School (Wallasey)	Minor	0	6	2

No	Audit Assignment	Organisational Risk Opinion	High Recs	Med Recs	Low Recs
60	Stanley School	Minor	0	11	1
61	Sustainable Transport Enhancement Package grant claim - 1st quarter	Minor	0	0	1
62	Sustainable Transport Enhancement Package grant claim – 2nd quarter	Minor	0	0	0
63	Sustainable Transport Enhancement Package grant claim – 3rd quarter	Minor	0	0	0
64	Thornton Hough Primary	Minor	0	1	0
65	Troubled Families grant certification – (12 report certificates tested and certified)	Minor	0	0	1
66	Financial Management – VAT System	Moderate	0	11	1
67	Wirral Evolutions – Governance and Finance Rules and Regulations	Moderate	0	3	0
68	Wirral Health Care Commissioning – Demand Management	Moderate	1	7	2
69	Wirral Hospital Schools	Minor	1	10	1
70	Woodchurch Road Primary	Moderate	3	10	0
71	National Fraud Initiative	Minor	0	2	0
72	Counter Fraud Policies and Procedures	Minor	-	-	-
73	Counter Fraud Campaign	Minor	-	-	-
74	Wirral Growth Company Risk Assessment and Audit Plan Development 20-21	Minor	-	-	-
75	Wirral Growth Company – Payments System	Minor	0	1	0

No	Audit Assignment	Organisational Risk Opinion	High Recs	Med Recs	Low Recs
76	Wirral Evolutions – Risk Management	Moderate	0	2	0
77	Information Governance (GDPR, Arrowe Hill, IAO's, Digital Storage, advice)	Moderate	6	12	3
78	PCIDSS (Extended Follow up)	Moderate	2	1	0
79	ERP System (Consultancy/Development Input)	Major	-	-	-
80	Insurance – Crime Insurance Policy (development input)	Minor	-	-	-
81	Payroll – Emergency Acting Up Payments (development input)	Minor	-	-	-
82	Contracts – Bona Fide Error	Minor	-	-	-
83	Housing Benefit Subsidy Claim	Minor	-	-	-
84	Corporate Debt Recovery Policy (development input)	Minor	-	-	-
85	Financial Regulations (development input)	Minor	-	-	-
86	Accounts Payable (Meridian exercise – development input)	Minor	-	-	-
87	Contract Procedure Rules (development input)	Minor	-	-	-
88	Windows 10 Project	Moderate	0	3	4
89	Business Continuity Planning Digital (Crisis Comms)	Moderate	2	2	0
90	Cyber Security	Moderate	3	3	0
91	Appointment of Agency Workers	Moderate	5	2	2

## Appendix B

### Summary of Follow Up Audit Assignments

The Public Sector Internal Audit Standards require the ‘chief audit executive’ (Chief Internal Auditor) to establish a follow-up process to monitor and ensure that management actions have been effectively implemented or that senior management has accepted the risk of not taking action. This process involves internal audit carrying out work to determine the progress that management has made in implementing recommendations previously agreed. A follow-up audit notification is then issued summarising the results of this work. Each follow-up audit provides an overall opinion, which is based on the extent to which the risks identified in the original audit have been addressed. The following table summarises the results of the follow-up assignments completed during the year by original organisational risk opinion:

No	Audit Assignments	Original Organisational Risk Opinion	Actions Implemented	Actions Ongoing	Actions Outstanding	Actions No Longer Needed
1	Three Audits	Major	8	5	0	0
2	Twenty Seven Audits	Moderate	127	27	0	4
3	Sixty Seven Audits	Minor	134	36	0	9
4	Five Audits	Negligible	1	0	0	0

Actions identified as ‘ongoing’ are subject to ongoing discussion and agreement with senior management regarding action timescales and will continue to be monitored and reported upon in line with these agreed timescales.

## Appendix C

### Organisational Risk Opinions

Conclusion from Audit Findings	Risk Level
<p><i>A Major organisational risk opinion indicates that the likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to a 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.</i></p>	<p><b>Major</b></p>
<p><i>A Moderate organisational risk opinion indicates that the likelihood/impact of the risks identified during the review, should these materialise, would leave the Council open to a 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 systems and/or corporate objectives.</i></p>	<p><b>Moderate</b></p>
<p><i>A Minor organisational risk indicates that the likelihood/impact of the risks identified during the review, should they materialise, would leave the Council open to minor non fundamental or material risk.</i></p>	<p><b>Minor</b></p>
<p><i>A Negligible organisational risk indicates that there were no weaknesses identified during the audit review and that the Council is not exposed to any risks directly associated with the findings.</i></p>	<p><b>Negligible</b></p>



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## AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 16 November 2020

<b>REPORT TITLE:</b>	<b>CORPORATE RISK MANAGEMENT UPDATE</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES</b>

### REPORT SUMMARY

This report provides an update on work in progress to review the Council's Corporate Risk Register and highlight areas of risk management work in the coming year.

This matter affects all Wards within the Borough. It is not a key decision.

### RECOMMENDATION

That the report be noted.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 To enable the committee to understand the Authority's most significant risks, the associated mitigating controls and the risk management framework in order to fulfil its role of providing independent assurance of the Council's Risk Management Framework.

### **2.0 OTHER OPTIONS CONSIDERED**

- 2.1 No other options considered.

### **3.0 BACKGROUND INFORMATION**

- 3.1 Updates on the Council's risk management arrangements have been regularly reported to Audit and Risk Management Committee (ARMC) following the changes to the Risk Management Policy approved by the Committee in September 2017 and the significant refresh of the Corporate Risk Register in 2018/19.
- 3.2 In March 2020 it was reported to the Committee that the Corporate Risk Register would undergo a detailed review and alignment to the Wirral Plan 2025 ahead of a discussion at a Member Risk workshop and reporting to the next ARMC
- 3.3 In light of events since March it is recognised that many of the controls may no longer be effective or have changed over the past 6-8 months. Similarly actions previously identified may have been superseded or no longer be relevant therefore a more in-depth review is required.

#### **Corporate Risk Register (CRR)**

- 3.4 Due to COVID-19 the Wirral Plan 2025 is currently being refreshed to reflect the current situation and emerging Recovery Plans. This has led to the associated alignment of the Corporate Risk Register to the Wirral Plan being affected and delayed slightly.
- 3.5 A Member Risk workshop was able to take place over the summer and the comments and suggestions from this session have been presented to the Senior Leadership Team (SLT).
- 3.6 The Senior Leadership Team has recently been debating the content of the Corporate Risk Register, looking at the existing risks and new ones which have materialised over the past 9 months. The key question considered by officers is what has the possibility of affecting the Council in achieving its priorities and objectives over the coming years? Time is being taken to consider the appropriate risks to be included with thought being given to both threats and opportunities
- 3.7 To develop this further SLT have been asked to consider the following four questions:

- a) Are these risks that SLT are most worried about and want to monitor and gain assurance that they are being well managed?
- b) Do the risk descriptions accurately reflect what is going on?
- c) Are the risks listed the right risks for inclusion at this level or can any risks be demoted to a DRR and monitored at Directorate level?
- d) Is anything missing? Horizon scan and thinking a little further ahead into 2021 and beyond.

3.8 Attached at Appendix 1 is the draft working version of the Corporate Risk Register following initial deliberations.

3.9 There are currently over 20 identified risks for inclusion in the Corporate Risk Register. By their inclusion and very nature the risks listed are considered to be of a high impact and medium or high likelihood. It is anticipated that due to their level of impact it may be more appropriate for some of these risks to be demoted to the Directorate Risk Registers for management and regular monitoring at that lower level. In addition, some risks may only reside on the CRR for a short period of time before dropping down or off the risk register.

3.10 Many of the risks featured have been present on the CRR for several years. This is to be expected. Several new risks have been identified in relation to the response to COVID-19 and the past 9 months.

#### **Next Steps for the Corporate Risk Register**

3.11 Further work is to be undertaken by officers to refine the risks, confirm the mitigating controls and add any further planned actions, over and above those summarised in the attached document.

3.12 Scoring of the risks will also be undertaken by SLT to consider the likelihood and possible impact of the risks should they occur.

3.13 Upon completion a revised version will be brought back to a future meeting of the Committee for consideration as well as a Member Risk Workshop to allow Members time for active engagement and reflection on the risks and the associated mitigation measures.

#### **Directorate Risk Registers and Performance Management**

3.14 At the same time Directorate Risk Registers are being developed, again in line with the Wirral Plan 2025, which will allow the linkage between the different levels of risks and assist with the monitoring, performance management and support the re-prioritisation and re-design of how our services are delivered and operated.

3.15 As the Council Plan is currently being refreshed a new Performance Management Framework (PMF) is also being developed to align with the refreshed plan. The PMF will be aligned to the Council's risk management strategy and both will be regularly reviewed as part of corporate management processes

#### **Other Risk Management Activity**

3.16 The current Risk Management Strategy is in need of refreshment to reflect the changes in the Council's decision-making structure; the new form of governance and to ensure the risk management framework allows for the individual policy and service

committees to have sufficient oversight and information of the risks in their respective areas of interest.

- 3.17 This revision will also capture enhancements to the project and programme management processes used for the management of the Council's major projects such as introducing dedicated risk workshops for significant work programmes and major regeneration projects as well as linkages to other key areas of risk management for example health and safety and information governance.
- 3.18 Risk management training for members of this committee will also be made available to enable Members to develop their understanding of the Council's risk management framework. It is also proposed to continue to hold regular risk workshops to provide time for an in depth ongoing review of the revised Corporate Risk Register.

#### **4.0 FINANCIAL IMPLICATIONS**

- 4.1 There are no immediate financial implications arising directly from this report.

#### **5.0 LEGAL IMPLICATIONS**

- 5.1 There are no immediate legal implications arising directly from this report.
- 5.2 The Authority has a statutory responsibility under Part 2 – Internal Control of the Accounts and Audit Regulations (England) 2015 to have arrangements in place for the management of risk. It also forms part of the seven new core principles within the best practice guidance, 'Delivering Corporate Governance in Local Government: Framework' published by the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE).

#### **6.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 6.1 There are no resource implications arising directly from this report.

#### **7.0 RELEVANT RISKS**

- 7.1 Without robust risk management procedures in place there is a danger that the Council will fail to identify, understand, and monitor key strategic and operational risks. An ineffective and poorly established risk management framework prevents the optimisation and balanced approach between risk taking and control, leading to ineffective assurance and missed opportunities. The consequence of both is that risks are not considered in decision-making which could have serious financial, reputation and resource implications.
- 7.2 Risk management arrangements for the Council form part of the key controls for the Corporate Risk 20 – Effective Governance.

## 8.0 ENGAGEMENT/CONSULTATION

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

## 9.0 EQUALITY IMPLICATIONS

9.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity. No equality issues arising from this report.

## 10.0 ENVIRONMENT AND CLIMATE IMPLICATIONS

10.1 The content and/or recommendations contained within this report are expected to:

- Have no impact on emissions of Greenhouse Gases

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## APPENDICES

Appendix 1 – Draft Corporate Risk Register Summary

## BACKGROUND PAPERS

Risk Management Policy

## SUBJECT HISTORY (last 3 years)

Council Meeting	Date
<b>Audit &amp; Risk Management Committee</b>	
Improvements to the Corporate Risk Management Framework	23 July 2018
Development of the Revised Corporate Risk Register	24 September 2018
Development of the Revised Corporate Risk Register	19 November 2018
Development of the Revised Corporate Risk Register	28 January 2019
Development of the Revised Corporate Risk Register	11 March 2019
Update of the Corporate Risk Register	22 July 2019
Update of the Corporate Risk Register	23 September 2019
Update of the Corporate Risk Management Arrangements	18th November 2019
Corporate Risk Management Update	27th January 2020
Risk Management Update	10 <sup>th</sup> March 2020

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Appendix 1 - Draft Corporate Risk Register Summary - Working Version Under Review  
November 2020

Wirral Council Plan 2025 Priorities	Risk Ref.	Risk Description	Comments / Revisions	Lead Director	Existing Mitigation / Controls	Selection of Planned Actions - more detail to be added as Corporate Plan revised and risk register develops.
<b>Inclusive Economy</b> - Working for a prosperous, inclusive economy where local people can get good jobs and achieve their aspirations.	CRR 01	<b>Development and Implementation of the Local Plan 2022-2037</b> Failure to ensure the Council's arrangements for the consultation, publication and implementation of the Local Plan resulting in intervention, a loss of control over future development and missed opportunities to promote economic growth.	Reworded to reflect Local Plan status	Alan Evans	Regulation 18 consultation completed LGA, Planning Officers Society and Planning Advisory Service supporting the work on the Local Plan Local Development Scheme for Wirral includes risk assessment and indicative timetable (latest version 03/10/2020)	Publication of the Local Plan: (Regulation 19) February 2021 Submission to the Secretary of State - Summer 2021 Indicative date for Local Plan Adoption 2022
	CRR 02	<b>Regeneration Programme</b> The failure of the major regeneration projects to deliver the anticipated benefits undermines the Council's budgetary position, its economic growth aspirations and public and investor confidence in the authority.	Risk previously related only to WGC delivery of benefits, risk refocussed to entire regeneration programme.	Alan Evans	Projects brought forward within a clear strategic framework reflecting the Borough's Local Plan and providing confidence to investors, funders and developers Strategic Framework allows for enabling infrastructure, skills and business support to be brought forward to underpin major project development Clearly documented legal frameworks and agreements for all regeneration projects Robust business cases, project and programme plans with detailed risk registers, informed through corporate risk workshops, to underpin key decisions Clear lines of project reporting through project groups to the Regeneration and Place Board with supporting structures and monitoring in place Existing relationships in place with key developers – Muse (Wirral Growth Company LLP) and Peel (Wirral Waters)	Investment strategy being developed to support the funding model for the major regeneration projects Public consultation to be carried out to inform development plans Delivery Action Plans to be finalised in order to ensure a co-ordinated and phased approach to development A joint Board has been established with the LCR CA and Homes England to advance a programme approach to investment in Wirral growth projects Alternative delivery models are being reviewed to ensure that effective delivery by the council is maximised
	CRR 03	<b>Brexit Implications</b> Uncertainty caused by Brexit adversely affects public and market confidence, impacting demand for housing and the level of inward investment in the borough. Other Brexit implications e.g. lack of workers available for care work; withdrawal and/or reduction in external funds impacts ability to sustain investment in local programmes	In light of current position risk retained at CRR level.	Alan Evans	Wirral EU Exit Partnership Group has reformed and met on the 30/11/20 to review Local Brexit Plan. Local Brexit Plan in place. Scheduled meetings of group every 3 weeks. Commissioned (£50k) for Chamber of Commerce to be business conduit. Communications encouraging EU citizens to register for British citizenship if they are intending to reside.	
<b>Sustainable Environment</b> - Working for a sustainable environment that leads the way in its response to the climate emergency and is environmentally friendly.	CRR 04	<b>Climate Emergency Response</b> Failure to respond effectively and proportionately to develop plans/adaptations that may lead to legal challenge, financial damage, reputation damage, increased costs, lack of resilience	Minor wording amendment to include "proportionate"	Nicki Butterworth	Impact of Covid-19 restrictions - new ways of working and some unforeseen environmental benefits and opportunities to be built upon. Climate Emergency Team created. Launch of the Tree, Woodland and Hedgerow Strategy in 2020. Cool Wirral Partnership's Climate Change Strategy, Cool 2 including a number of climate emergency public events	Establishment and delivery of the Environment and Climate Emergency Policy and Action Plan. Set up of Task & Finish Group - Environment and Climate Emergency Policy Members' Working Group to develop an Environment and Climate Emergency Policy Establish Internal Action Group of senior officers to oversee delivery of the Environment and Climate Emergency Action Plan. Become a Carbon Literate Organisation - investment in carbon literacy training for the Council's senior leaders and carbon awareness briefings for all staff and members. Amendment of employee development structures including core competences to include carbon literacy as a core requirement.
<b>Safe &amp; Pleasant Communities</b> - Working for safe and pleasant communities where our residents feel safe, and where they want to live and raise their families.	CRR 05	<b>Response to a Crisis/Disruptive Incident (both internal and external)</b> Failure to maintain effective response arrangements and plans (and incorporate COVID-19 measures) to react to a disruptive event leaves the Council unable to respond quickly and effectively to an incident, resulting in a major failure in service delivery	Retain and expand to reflect COVID-19	Nicki Butterworth / Shaer Halewood	Emergency response structure led by Strategic Co-ordination Group, with close links to a cross-party leaders group. Operational response was led by Tactical Co-ordination Group, operating through a series of delivery cells, including for example Economic Resilience, Humanitarian, Scientific Technical Advisory and Health and Social Care. Governance structures adapted during COVID-19 response to reflect phase - cells stood up/down as appropriate. Role within LCR and MRF cells	Lessons Learnt review
	CRR 06	<b>Ongoing COVID-19 Response - Increased Cases/Winter Plans</b> Failure to use intelligence effectively leads to an inability to respond effectively to a local outbreak resulting in wider restrictions, increased infection and mortality rate increases, longer term health risks, key council services unavailable, people (staff and public) at risk, increased costs, government intervention and loss of trust/support	New Risk suggested	SCG / Julie Webster	Outbreak Management Plan June 2020 Development and use of Community Champions network Joint working and communications across LCR and neighbouring authorities Local Outbreak Hub Wirral Covid-19 Testing strategy 2020-22	
	CRR 07	<b>Partnership Working</b> Inability to take advantage of collaborative opportunities locally and nationally, limiting improvement in economic conditions for the community and the Council's funding position	Risk retained	Paul Satoor	Effective close partnership working through COVID-19 response by means of the Merseyside Resilience Forum and the Chief Executive's regular meetings with Health partners.	

Wirral Council Plan 2025 Priorities	Risk Ref.	Risk Description	Comments / Revisions	Lead Director	Existing Mitigation / Controls	Selection of Planned Actions - more detail to be added as Corporate Plan revised and risk register develops.
Active & Healthy Lives - Working for happy, active and healthy lives where people are supported, protected and inspired to live independently.	CRR 08	<b>Significant Safeguarding Incident</b> The Council and its partners do not effectively manage their relevant safeguarding risks, leading to a safeguarding incident, resulting in harm to individuals and/or families, potential legal challenge, resident dissatisfaction and public scrutiny	Children's considering refocussing of risk.	Graham Hodkinson / Paul Boyce	Multi-agency Safeguarding Arrangements for Children via Wirral Safeguarding Children Partnership - activity led by the LA, health economy and police including robust local audit and case review procedures, audit, scrutiny, training and publication of policies and guidance. Serious incidents are escalated to Assistant Director Level to ensure that learning and procedures are implemented and followed up.	
	CRR 09	<b>Quality &amp; Demand Management in Health and Care Services</b> Failure to improve the quality of health and care services, anticipate demand particularly in the winter period leaving the Council exposed to increased financial pressures in relation to meeting social care assessed need.	Risk retained	Graham Hodkinson	Implementation of Healthy Wirral Strategy Home First Pathway implemented Social Work services integrated with partners with a section 75 agreement for most services, focus on demand management, early intervention and prevention	
	CRR 10	<b>Infection Control within Social Care settings</b> Failure to learn, implement and maintain the lessons of COVID-19 in infection control management for care homes and other social care settings leads to increased levels of preventable infections/deaths in the borough's elderly and vulnerable population	New Risk suggested - consideration to be given by SLT is this a Corporate or Directorate risk?	Graham Hodkinson / Julie Webster		
	CRR 11	<b>Health Inequalities</b> Failure to understand and manage health inequalities leads to increased costs, earlier involvement with and pressure on services and long-term issues for the community	New Risk suggested	Graham Hodkinson / Julie Webster		
Brighter Futures - Working for brighter futures for our children, young people and their families by breaking the cycle of poor outcomes and raising the aspirations of every child in Wirral.	CRR 12	<b>Education - School Sufficiency</b> Failure to secure appropriate and balanced school sufficiency impacting on the financial viability of education institutions and resulting in declining performance and poor educational outcomes for children	New Risk suggested by Children's	Paul Boyce		
	CRR 13	<b>SEND</b> Failure to appropriately understand how well the local authority identifies, meets the need and improves outcomes for children and young people with Special Educational Needs and Disabilities resulting in a statement of action from Ofsted and potentially leading to reputational damage for Children's Services and the Council	New Risk suggested by Children's	Paul Boyce / Graham Hodkinson		
	CRR 14	<b>Preventative Activity in Health and Care Services</b> Insufficient time and resource for preventative and upstream activity mean that outcomes for vulnerable people do not improve, resulting in demand for reactive services not reducing, or increasing.	Risk under review by Children's - refocus/reword	Paul Boyce / Graham Hodkinson		
	CRR 15	<b>Impact of COVID on Education</b> Impact of COVID on educational outcomes leads to increasing gap between the borough's disadvantaged children and non-disadvantaged children, poorer long term outcomes for some of the most vulnerable children	New Risk suggested by Children's - discussions ongoing.	Paul Boyce		

Wirral Council Plan 2025 Priorities	Risk Ref.	Risk Description	Comments / Revisions	Lead Director	Existing Mitigation / Controls	Selection of Planned Actions - more detail to be added as Corporate Plan revised and risk register develops.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 83</p> <p>We will be ambitious, professional, customer-focused and accountable</p>	CRR 16	<p><b>Capitalisation Directive</b> Failure to obtain agreement from MHCLG to progress the Council's request for exceptional financial support in respect of the financial impact of COVID-19, in the form of a capitalisation directive, and obtain requisite approval by HM Treasury (HMT) leads to financial remedial measures that could include:</p> <ul style="list-style-type: none"> <li>• setting an emergency budget</li> <li>• issuing a s. 114 notice</li> <li>• Government intervention</li> </ul>	New Risk suggested	Shaer Halewood	An initial submission for a capitalisation directive was made in October. Supporting information underwent external validation by LGA, who are providing an independent challenge and critical friend role in supporting the development of the Council's submission and business case, as directed by MHCLG as part of the process.	<p>Certain conditions that the Council will be expected to fulfil are:</p> <ul style="list-style-type: none"> <li>• A robust assessment of the current budget position and the direct and indirect financial impact of Covid-19</li> <li>• A robust medium term financial recovery strategy to ensure the Council can secure a financially sound and sustainable footing</li> <li>• Demonstration of the Council's headroom to borrow</li> <li>• Capital programme review in light of the Council's current financial position</li> <li>• Assurance that the Council has done everything it can in advance to mitigate the budget gap including:               <ul style="list-style-type: none"> <li>- Utilising earmarked reserves where available</li> <li>- Evidencing the requirement for all pressures and growth items built in to the budget</li> <li>- Actioning and accelerating the plans for achievable savings</li> <li>- An asset review to deliver savings/capital receipts</li> <li>- Reviewing all services to determine what efficiencies can be made including a review of non-statutory services to determine why they are being provided and evidencing what beneficial outcomes they provide</li> </ul> </li> </ul>
	CRR 17	<p><b>Financial Resilience/Management</b> Failure to effectively plan/manage the Council budget and funding leads to poor decisions on service reductions, unplanned efficiencies and in year overspends, resulting in the withdrawal of Council services to communities, government intervention, S114 declaration.</p>	Risk retained	Shaer Halewood	<p>Additional Government funding to support the emergency response to Covid-19</p> <p>Quarter 1 monitoring report that was presented at Cabinet on 27 July - resetting the Medium Term Financial Plan at Quarter 1</p> <p>Budget report to P&amp;R Committee 6 October</p> <p>Quarter 2 monitoring report to P&amp;R Committee early November.</p> <p>Reviews undertaken of items in 2020/21 budget including: pressures and growth items, budget savings currently assumed to be unachievable or partially achievable, forecast capital receipts programme for any opportunity to progress anticipated sales, current budget forecast to take account of services being paused and buildings being closed due to Covid-19, earmarked reserves.</p> <p>Regular Financial Monitoring and Challenge Group</p>	<ul style="list-style-type: none"> <li>• Review of 2020/21 savings proposals to determine what can be delivered in-year</li> <li>• Identification of savings proposals for 2021 – 2024 to ensure a programme of support could be established early on to ensure these proposals progressed with an escalation process for any issues that may arise.</li> <li>• Review of the process for agreeing capital projects and funding to ensure a return on investment and a better link with the revenue budget</li> <li>• Policy &amp; Resources and Service Committee budget workshops to discuss potential budget options for consideration once the outcome of the government's comprehensive spending review is known and the Council's financial position for 2021/22 is made clear</li> <li>• Review of the process for agreeing capital projects and funding to ensure a return on investment and a better link with the revenue budget</li> </ul>
	CRR 18	<p><b>Non-Compliance with Policies and Procedures</b> Non-compliance with corporate policies and procedures across disciplines such as HR, finance, information, procurement, health &amp; safety, put the reputation of the Council and the health and safety of our staff and residents at risk, and may lead to legal challenge, financial penalty and ultimately loss of life.</p>	Risk retained	Shaer Halewood	<p>Specialist Area Groups in place for key areas e.g. Corporate Governance, People Strategy, Information Governance, Health, Safety and Wellbeing</p> <p>Internal Audit Plan includes areas of financial control, risk and compliance with key areas audited on a more regular basis than others.</p> <p>Targeted training packages rolled out including: Information Management - Information Asset Owners and Administrators, Finance - Budget workshops, Procurement, Political Awareness and Report Writing</p> <p>New initiatives e.g. procurement smart form easier and quicker to complete with a more robust workflow.</p>	
	CRR 19	<p><b>Cultural Change for an Effective and Efficient Organisation</b> Failure to maintain the cultural changes necessary (due to insufficient capacity or expertise, cultural resistance from staff) leads to difficulties in developing an efficient, effective and long-term financially sustainable organisation resulting in ineffective engagement with partners, unable to deliver on the ambition of the Wirral Plan, perpetuating inefficiencies and preventing required outcomes for the community.</p>	Risk retained	Shaer Halewood	<p>Regular communications - Exec View, Director blogs, Wellbeing newsletters, staff roadshows and Directorate events</p> <p>Manager training including - Manager Micros</p> <p>Staff Check-Ins</p>	

Wirral Council Plan 2025 Priorities	Risk Ref.	Risk Description	Comments / Revisions	Lead Director	Existing Mitigation / Controls	Selection of Planned Actions - more detail to be added as Corporate Plan revised and risk register develops.
<p style="writing-mode: vertical-rl; transform: rotate(180deg);">Page 84</p>	CRR 20	<p><b>Effective Governance</b> Failure to maintain effective corporate governance 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</p>	Risk retained	Phil McCourt / Shaer Halewood	<p>Internal governance procedures (DMT/ SLT) New Council Constitution. Code of Corporate Governance reviewed in line with CIPFA guidelines and aligned with Council policies and procedures Member and Officer Protocols - reviewed Improved Annual Governance Statement process, following CIPFA guidance / best practice review in 2019. Significant issues highlighted and monitored in year. Appropriate governance arrangements through COVID-19 response, with Group Leader and Leader of Council ratification of decisions and a system to track all decisions made.</p>	
	CRR 21	<p><b>Transition to Committee System</b> Failure to manage and adequately understand transition from Cabinet to Committee system resulting in lack of continuity, proper management of legal and sound decision making</p>	New risk suggested, expected to be a short term corporate risk.	Phil McCourt	<p>Training programme for Officers in preparation for changes - this is continuing down through Directorates. Training for Members Report Authors Support Group launched. A Committee Services Cell has also been established</p>	On-going training for Members and Officers including role descriptors, improved working protocols and mandatory training. Service review and staffing re-design within Democratic Services.
	CRR 22	<p><b>Health &amp; Safety Management</b> Failure of officers, members or contractors to develop, test or sufficiently adhere to health and safety / compliance policies and procedures leads to an incident or exposure resulting in harm to employees / Members / members of the public, legal challenge and reputational damage</p>	Risk retained	Shaer Halewood	<p>Health and Safety Strategic Group, chaired by Chief Executive, supported by the Health and Safety Steering Group. COVID-19 specific risk assessment procedures implemented including for the remobilisation of services, reviewed by H&amp;S Team and Public Health.</p>	Update of H&S Strategy and Policy. Refresh of H&S subject specific policies. Development of H&S risk framework including Service level risk assessment and profile.
	CRR 23	<p><b>Cyber Security</b> IT security is insufficient to deter, detect and prevent unauthorised access to IT systems, resulting in loss of data and disruption to Council services.</p>	Risk retained	Shaer Halewood	<p>Technical controls: 1) Endpoint security software, 2) Network firewall 3), Prevention of downloading of unauthorised software Member of NW notification groups/networks to share knowledge on latest incidents. Regular patching and updates programme.</p>	
	CRR 24	<p><b>Information Management</b> Council is not compliant with relevant data and information management legislation which may lead to loss or breach of personal data creating security or reputational risk.</p>	Risk retained	Shaer Halewood	<p>Awareness Training for Information Asset Owners and Administrators Regular update of Information Asset Register - October update to reflect changes to working practices</p>	Project to achieve Cyber Essentials+ accreditation
	CRR 25	<p><b>Digital Infrastructure</b> Quality of Digital infrastructure and systems prevents council from offering/transforming to digital first services, lack of management information/timeliness of data resulting in poor decisions and increased costs.</p>	New Risk suggested - consideration to be given by SLT is this a Corporate or Directorate risk?	Shaer Halewood		



## AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 16 November 2020

<b>REPORT TITLE:</b>	<b>PROCUREMENT UPDATE</b>
<b>REPORT OF:</b>	<b>DIRECTOR OF RESOURCES</b>

### REPORT SUMMARY

This report informs the Committee of the range and number of contracts awarded which have been subject to Contracts Procedure Rules (CPR's) Rule 12 - Waiving the Rules and Rule 13 – Extension/Variation.

The Appendix details the contracts subject to the Extension/Variation or Waiver rules for the period 1<sup>st</sup> October 2019 to 30<sup>th</sup> September 2020, which under Contracts Procedure Rule 17 requires that all contracts which meet the following three criteria are reported to Audit and Risk Management Committee on a six monthly basis. The details are presented as a full 12-month period in this report as this is the first committee meeting since pandemic controls were applied. The three criteria referenced are:

- a) Contract is awarded, the total value of which exceeds £500k
- b) Variation or extension to a contract approved by The Director of Resources
- c) Waiver of the Contract Procedure Rules in relation to a contract which exceeds £50k in value

The report also includes a summary of the no po no pay policy progress.

The report is relevant to all of the Wirral Plan pledges as contracts and transactions across services are referenced and therefore supports the plan and its delivery.

This matter affects all Wards within the Borough.

### RECOMMENDATION

Members of the committee are invited to comment on and note the Procurement Update.

### SUPPORTING INFORMATION

#### 1.0 REASON/S FOR RECOMMENDATION

1.1 To provide the Committee with assurance that the council is taking appropriate measures to comply with Contracts Procedure Rules (CPR).

## **2.0 OTHER OPTIONS CONSIDERED**

2.1 No other options have been considered.

2.2 The Council's Contract Procedure Rules require this report to be presented to this Committee. The frequency of the reporting usually covers the previous six month period as agreed by this Committee on the 21st November 2017; but a full 12 month period is presented in this case to take account of pandemic controls which have affected the usual meeting programme.

## **3.0 BACKGROUND INFORMATION**

3.1 Current Contract Procedure Rules, approved by this Committee, came into effect on the 1<sup>st</sup> April 2016.

3.2 The rules place the responsibility for the approval of contracts on officers of the Council.

3.3 Each contract is posted on the Council's Contracts Register, The Chest, which is the regional e-Contracting Portal for the North West local authorities.

3.4 Within the revised Rules, four distinct Procedure Rules Approval Documents of approval are:

Exceptions  
Extensions  
Variations  
Awards

These form the basis of all reports to this Committee in accordance with Rule 17.

3.5 The current procedure rules include the adoption of the Public Procurement Regulations 2015, the Transparency Code 2015 and the requirement to publish all contracts above £5k in value excluding VAT

3.6 There have been 61 Exceptions approved for the period. Requests to waive the CPR's for under EU threshold contracts (or where the thresholds do not apply) have been authorised only in the following circumstances, supported in all cases by the appropriate evidence;

- a) Goods, services or the execution of works are obtainable from one source or contractor and there is no reasonably satisfactory alternative.
- b) Compatibility issues such that procurement from another source would be uneconomic given the investment in the previous infrastructure.
- c) A waiver of the rules would be in the interests of the Council, be lawful, and provide value for money.
- d) Where there is a legal requirement to deal with a particular supplier.

e) Contracts awarded to suppliers because of exclusive rights.

3.7 A summary of all approved documents, inclusive of the 61 exceptions noted above, is shown below.

Description	Number Approved
Exception	61
Extension	4
Variation	33
Award	9
<b>Total</b>	<b>107</b>

#### 4.0 NO PO NO PAY

- 4.1 The no PO no pay policy was introduced with effect from the 1<sup>st</sup> April 2019 and this report provides details of progress and the measures being applied to address non-compliance.
- 4.2 The policy does not apply to schools as they do not have access to the Council's procurement ordering system.
- 4.3 Corporate Procurement has transferred to the Director of Resources with effect from the 1<sup>st</sup> April 2020 and the Accounts Payable team now report to the Head of Commercial Procurement.
- 4.4 The analysis compares to the 6 months period 1<sup>st</sup> April 2020 to 30<sup>th</sup> September 2020 to the 2019 corresponding period.

Transaction Type	Total Volume	Total Value	Total Volume	Total Value
Period	2019		2020	
Purchase Order	7,069	£34.9m	6,211	£45.1m
Retrospective Purchase Order	3,485	£20.7m	3,054	£18.1m
Non Purchase Order (free standing invoices)	9,271	£28.9m	4,840	£27.4m

4.5 The data indicates that that the measures applied so far have had some impact on transaction volumes especially in respect of free standing invoices which have reduced by 48% and will be captured within purchase orders.

Retrospective orders have reduced by 12%

- Standard Purchase Order volumes have reduced by 12%
- Standard purchase Order values have increased by 29%
- Retrospective Order volumes have reduced by 12%
- Retrospective Order values have reduced by 12%
- Free Standing Invoice volumes have reduced by 48%

The Corporate Procurement Team have worked extensively with departments to generate call off or draw down orders to reduce the administration of transactions which may explain the reduction in the volumes of purchase orders.

- 4.6 Electronic Transactions account for more than 50% of all transaction volumes and increases in both the values and volumes is reflected in the analysis.

Transaction Type	Total Volume	Total Value	Total Volume	Total Value
Period	2019		2020	
External Electronic Files from suppliers	6,512	£2.3m	6,879	£5.9m
Internal Electronic Files from digital systems	22,536	£63.8m	29,829	£71.8m

- 4.7 Departmental Analysis - Free Standing Invoices 2019/20

The table below provides an analysis of which services have been operating with transactions which have not been subject to a purchase order and indicates how this is broken up in % terms to each service.

Dept	Invoice type	% of all Free Standing Invoices	RAG status
Children, Family and Education	Externally looked after child placement	40	
Children, Family and Education	Children with disabilities invoices (NHS) & Children's Finance	13	
Regeneration and Place	Self-Certificates for construction	2	Green
Regeneration and Place	Supported Housing	30	Green
Regeneration and Place	PFI	1	Amber
Neighbourhoods	Children's Transport	12	Green
Public Health	Public Health invoices	2	Green
<b>Total</b>		<b>100</b>	

Those lines shown as green in the table above indicate that we have now secured Purchase Orders for these transactions.

PFI is amber because it is confirmed that Purchase Orders will apply to these transactions but the service has not yet completed the process.

Externally looked after children and children with disabilities transactions are not highlighted as a resolution to these categories is still outstanding. Children’s invoices relate to hundreds of child placement providers and complex funding and costing issues prevail. Purchase order processing would not be an appropriate and effective control mechanism in many instances. Work is underway to incorporate such orders within the care management system (Liquid Logic and ContrOCC) which would secure these payments as electronic and would be recorded in future reports as Internal Electronic Files from digital systems.

#### 4.8 Departmental Analysis – Retrospective Purchase Orders (RPO)

These are transactions that occur when a purchase order has been raised after the invoice has been received. The origins of RPO’s are spread across all services but three departments represent 79% of the overall total.

Department	% of all Retrospective Purchase Orders	Volumes
Neighbourhood Services	37	1,119
Children, Family and Education	32	978
Regeneration and Place	10	310
Adult Care and Health	8	254
Covid-19	5	139
Resources	4	131
Chief Executive Office	2	70
Law and Governance	1	27
Other	1	26
<b>Total</b>	<b>100</b>	<b>3,054</b>

The Corporate Procurement Team have conducted multiple training programmes and workshops to resolve RPO’s and communications have been posted on the Intranet through the News section and through the Managers’ View. Direct emails have been issued to all RPO originators on a weekly basis during September and October 2020.

A regular report on RPO’s is to be included on the Corporate Governance Group agenda, which has recently had its terms of reference refreshed to include compliance. Directors of the three services stated above who account for 79% of the RPO total, will be instructed to attend to answer what actions they have put in place to ensure that officers do not raise RPO’s

Work will continue with services to reduce and address reliance on RPO’s

## **5.0 FINANCIAL IMPLICATIONS**

- 5.1 A total of 107 requests have been approved in relation to Exceptions, Extensions, Variations and Awards in compliance with the Council's Contract Procedure Rules against an overall third party spend of in excess of £200m. This may not necessarily result in poor value for money as the appropriate checks may well have been made to ensure VFM is evident.
- 5.2 The no PO no pay programme seeks to minimise or eliminate exposure to maverick spend and improve value for money from existing and new contracts, whilst delivering an appropriate management control mechanism to financial management.

## **6.0 LEGAL IMPLICATIONS**

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

## **7.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

- 7.1 The programme of addressing these issues has required significant levels of support from Procurement Staff to deliver training and workshop initiatives and to provide regular communications and reminders.

## **8.0 RELEVANT RISKS**

- 8.1 Failure to comply with the no PO no pay policy exposes the council to a range of risks including:
- Failure to control expenditure with suppliers and providers
  - Duplicate or overpayments for goods, services and works
  - Poor planning and control of contracts
  - Inefficient practices and controls within the services

## **9.0 ENGAGEMENT/CONSULTATION**

- 9.1 There was no specific consultation undertaken in respect of this report.

## **10.0 EQUALITY IMPLICATIONS**

- 10.1 Wirral Council has a legal requirement to make sure its policies, and the way it carries out its work, do not discriminate against anyone. An Equality Impact Assessment is a tool to help council services identify steps they can take to ensure equality for anyone who might be affected by a particular policy, decision, or activity.
- 10.2 There are no equality implications to this report.

## **11.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

- 11.1 There are no environment and climate implications to this report.

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## **APPENDICES**

Appendix 1 Audit and Risk Management Procurement Update

## **BACKGROUND PAPERS**

None

## **SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
<b>Audit and Risk Management Committee</b>	<b>24/09/2018</b>
<b>Audit and Risk management Committee</b>	<b>23/09/2019</b>
<b>Audit and Risk management Committee</b>	<b>18/11/2019</b>
<b>Audit and Risk management Committee</b>	<b>28/01/2020</b>
<b>Audit and Risk management Committee</b>	<b>10/03/2020</b>

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**Audit and Risk Management Procurement Update Appendix 1**

Contract Exception (all values above £50k)

Record	Date	Contract Title	Directorate	Service Area	Contract Description	CPR Clause applied	Justification as to why this CPR clause is selected	Annual Spend£k	Total contract spend £	Supplier	Departmental Contact	Signed by	Approval By
1	08/10/2019	Payment Service Post Office Paypoint	Resources	Transactional Management	To enable customers to pay using Post office and Paypoint and to interface with the council's capital payment system. There is an existing contract with Capita which is due to end 23.12.19 . Following a meeting with Capita and Procurement( DL) on 5.9.2019, agreement to extend contract to March 2022 and revised transaction charges - see addendum	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	Capita are incumbent and are PCIDSS compliant, removing any work from the council. The interfaces are in place as is the reference number to allow receipt of bar coded payments. The current contract ends 23.12.19 90 days notice is require . Following a meeting with Capita and Procurement( DL) on 5.9.2019, agreement to extend contract to March 2022 and revised transaction charges	£31,111.11	£70,000	CAPITA	Nicky Dixon	Lisa Jamieson	Keith Patterson
2	08/10/2019	Healthy Child Programme (Health Improvement)	Health and Wellbeing	Adult Care and Health	HCP health improvement. This consists of Breast Feeding, Sexual Health and Substance Misuse	B. Compatibility issues such that Procurement from another source would be uneconomic given the investment in previous infrastructure.	Procurement of this service would be to award a contract for 12 Months in order to allow further consultation and consideration to take place. Because of costs relating to the transfer of this service to another provider i.e. TUPE, Premises, IT and other set up costs, there will be an absence of any competition. Consequently any procurement exercise would be uneconomic.	£425,696	£425,696	Wirral Community Health and Care NHS Foundation Trust	Ian Shaw	Julie Webster	Colin Hughes
3	24/10/2019	Local Plan Consultation Support	Regeneration and Place	Forward Planning	To provide specialist support to undertake detailed review and analysis of the Aug 2018 consultation and the support for Reg 18 Consultation	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	Arup have responded to an urgent requirement to undertake essential call off tasks to review in prep ofthe Local Plan to meet the Governments strict deadline. Arup are a recognised leader in this field and are specialist Government advisors. The rates negotiated with Arup for this service are significantly lower than	£53,333	£80,000	Arup	Andrew Fraser	David Ball	Colin Hughes

								the CCS framework rates. They have confirmed capacity and willingness to deliver.						
4	18/10/2019	Wirral's Future Together Programme		Children, Family and Education	Education	A new partnership approach offer to all Wirral schools that will combine and enhance the LEP / Careers and Enterprise Company (CEC) Careers Hub offer with a Skills Show, behind the scenes industry taster days, sector network, etc.... This will ensure our schools are supported to drive up achievement of the Gatsby benchmarks which will improve the work and life chances of Wirral's young people.	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	Value for money is created through the project partnership arrangement and integrated delivery with Chamber of Commerce, Careers & Enterprise Council and Johnson Foundation; all of which are contributing funding and resource to enable delivery. Access to the Chamber of Commerce' employer membership group and sector forums is also critical to delivery of the project.	£71,429	£125,000.00	Wirral Chamber of Commerce	Paul Smith	Sue Talbot	Colin Hughes
5	11/11/2019	Royal Mail Postage		Resources	MPF and Payroll	Business Activity requires Ad-hoc letters to be sent either as 1st or 2nd class post to which there is no viable alternative to the royal mail.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Royal Mail are only supplier for ad- hoc delivery of paper correspondence.	£53,333.33	£90,000	Royal Mail Group Limited	Yvonne Murphy	Yvonne Murphy	Keith Patterson
6	20/11/2019	The Supply of Arboriculture Services		Nieghbourhoods	Highways & Infrastructure	The management and maintenance of all Streetscene trees within the Wirral, including highway, parks and countryside and all other Council owned trees, along with a 24 hour, 365 days a year emergency / out-of-hours call-out service.	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	The rates quoted for this process by Mancoed are the same as the rates quoted in their successful tender submission in October 2016. Those rates were evaluated at that time and demonstrated value for money.	£165,000	£165,000	Man Coed VM Ltd.	Shaun Brady	Mark Smith	Keith Patterson
7	13/12/2019	Civica License, Support & Maintenance		Resources	Transactional Management	Licenses, support & maintenance for Revenues, Benefits, PFU and Payments out for workflow and document management. This PRAD covers 2 invoices one for Hardware and second for	E. Contracts awarded to sole suppliers because of exclusive rights.	The hardware and software related to this contract are already in place. This should be considered as part of the longer term strategy regarding Revenues, Benefits and ERP.	£63,000	£63,000	Civica UK Ltd	Lynette Smith/Nicky Dixon	Lisa Jamieson	Keith Patterson

					software support and maintenance.									
8	16/12/2019	E-CHANGE IN CIRCUMSTANCES AUTOMATION	Resources	Transactional Management	Capita Addendum - additional service e-change in circumstances automation Contract signed 7.12.17 10% paid Feb 2018 as per PRAD 207616 - 90% NOT DUE UNTIL ALL SOFTWARE DELIVERED - Software delivered by Capita September 2019. We have now been invoiced for the balance of £49,500	B. Compatibility issues such that Procurement from another source would be uneconomic given the investment in previous infrastructure.	This is in addition to an existing Capita Product (eCIC Portal) that will allow us to automate workstream directly into Capita owned back office system	£55,000	£55,000	Capita Business Services Ltd	Lynette Smith/George Mallam	Lisa Jamieson	Colin Hughes	
9	17/12/2019	Civica Licence, Support and Maintenance	Resources	Transactional Management	Licenses, support & maintenance for Revenues, Benefits, PFU and Payments out for workflow and document management. This PRAD covers 2 invoices one for Hardware and second for software support and maintenance.	E. Contracts awarded to sole suppliers because of exclusive rights.	The hardware and software related to this contract are already in place. This should be considered as part of the longer term strategy regarding Revenues, Benefits and ERP.	£60,858.25	£60,858.25	CIVICA UK Ltd	Lynette Smith/Nicky Dixon	Lisa Jamieson	Keith Patterson	
10	28/11/2019	DoLS mental health assessor	Adult Care and Health	All Age Disability	To undertake DoLS assessments in line with schedule A1 MCA 2005	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	We have a number of doctors who are available to best interest assessors to undertake these statutory assessments	£100,000	£100,000	SIRP Medical Ltd	Peter Ferguson	Jason Oxley	Colin Hughes	
11	30/10/2019	WAN ( Wide Area Network)	Resources	ICT and Digital	The Council has a wide area network (WAN) covering the Borough that supports data, telephony and Wi-Fi services. The current infrastructure consists of 89 sites connected via BT IP Connect product. This contract expires in December 19 but will take around 3 months to migrate to a new provider if BT do not win the new contract during which time services from BT will still be required.	D. Where there is a legal requirement to contract with a particular supplier.	A 90 day cessation period for each site is required under the terms of the existing contract	£174,000	£174,000	BT PLC	john williams	Peter Moulton	Colin Hughes	

12	10/10/2019	Supervised Contact	Children, Family and Education	Modernisation and Support	To deliver a service for children and young people across the borough of Wirral and work in partnership with Wirral's Children Services. The objective is to deliver a contact service where parental/ family involvement and ownership is established to improve the offer and deliver a child-centred provision which meets their needs and supports their key interests.	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	Children's Services need additional time to complete a review of the service and collate data to inform a procurement process.	£290,000	£290,000	Active 8 Support Services	Carly Brown	Carly Brown	Colin Hughes
13	18/12/2019	Merseyside Society for Deaf People who are Deaf or Hard of Hearing	Adult Care and Health	Commissioning and Community Care	To support, promote and advance the independence and quality of life for all deaf and hard of hearing people/ adults in Wirral. The service includes social work service through assessment and care management ; environmental aids service including the provision, installation and maintenance of equipment (not connected to mains electricity supply) and provision of information	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	There is currently no other viable provider to deliver this service	£93,750	£93,750	Merseyside Society for Deaf People	Carol Jones / Jayne Marshall	Jacqui Evans	Keith Patterson
14	03/01/2020	Capita Revenues & Benefits Maintenance	Resources	Transactional Management	Revenues & Benefits , software support, upgrades and development	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	This is a previously purchased system and is maintained by the manufacturer. To purchase a new system would be prohibitive in the timescale required and needs to be considered by the CS Mgt and Procurement Teams as part of the long term strategy for purchasing systems	£157,803.58	£157,803.58	Capita Business Services Ltd	Lynette Smith/Nicky Dixon	Lisa Jamieson	Keith Patterson
15	10/01/2020	Sweetspot Cycling Events	Resources	Business Change & PMO	Wirral will hold a round of the Tour Series event in May 2020, and host the Start of a Stage of the Tour of Britain in September 2020.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Registered Trade Mark - Sweetspot Group is the only organisation providing this service.	£135,000	£135,000	Sweetspot Group Limited	Alan Evans	Tim Games	Keith Patterson

16	17/01/2020	Respond Statutory Complaints System	Children, Family and Education	Children's Services & Adult Care and Health	Upgrade Respond from V3 to V8 for Children's and Adults only.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Update to existing system, and specific software required as currently unsupported and not Windows 10 compliant	£57,070	£57,070	Aptean, Pioneer House, 7 Rushmills, Northampton	Dawn Stanley-Smith (Childrens) & Jen Harris (Adults)	Sue Talbot (Childrens) & Simon Garner (Adults)	Colin Hughes
17	15/11/2019	Occupational Therapy	Children, Family and Education	Contracts and Commissioning	Occupational Therapy service for children with disabilities and / or development problems	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	This will allow Children's commissioning team to complete the review of contracts and service specifications and decide the next steps. The full years extension is likely not to be required, Commissioning are hoping to have completed review within 6 months.	£66,500	£66,500	Wirral University Teaching Hospital (WUTH)	Stephanie Stenhouse	Carly Brown	Colin Hughes
18	18/12/2019	Hepatitis C Service	Adult Care and Health	Health and Wellbeing	Link between Acute and Community Services in order to eradicate Hepatitis C on Wirral	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Direct award is allowed under the principles of The Public Contract Regulations 2015 Regulation 32 (2)(b)(ii) competition is absent for technical reasons, where no reasonable alternative or substitute exists and the absence of competition is not the result of an artificial narrowing down of the parameters of the procurement.	£93,750	£225,000	Wirral University Teaching Hospital NHS Foundation Trust	Ian Shaw	Julie Webster	Keith Patterson
19	06/02/2020	Local Plan Landscape and Green Infrastructure Studies	Regeneration & Place	Forward Planning	Preparation of Borough Wide Green and Blue Infrastructure Study and separate Landscape Assessments	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	The studies are urgently required for the preparation of the Local plan in order to avoid Government Intervention.	£61,059.13	£61,059.13	LUC	Andrew Fraser	David Ball	Colin Hughes

20	03/02/2020	OMD Performance - Wirral Food Drink and Music Festival	Regeneration & Place	Culture and Vistor Economy	OMD Performance - Wirral Food Drink and Music Festival Sunday 6th September 2020. Ticketed event	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	This procurement exemption is sought due to the artists being specific to the event. This process has been undertaken with costs for multiple artists being investigated and agents approached. This band has shown value for money while looking at potential revenue that can be brought in. This process has been demonstrated and shared with the Investment in Change Board who have approved the amounts.	£60,000	£60,000	X-ray Touring	Tom Smith	Jane Morgan	Colin Hughes
22	13/02/2020	Maritime Knowledge Hub Business Plan Support	Regeneration & Place	Regeneration & Place	Support in the development of full business cases in respect of the Maritime Knowledge Hub Project, specifically preparation of financial and economic analysis.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Amion Consulting has been instrumental in the financial and economic analysis required for the development of the MKH Project business case process since its inception (2017-18) via prior separate commissioning and has sole supplier knowledge of the commercial and financial modelling. A break in progression of the project development has meant that the prior contract has ceased.	£75,000	£75,000	Amion Consulting	Sally Shah	Alan Evans	Keith Patterson
23	06/02/2020	Mental Health Assessor - Deprivation of Liberty Safeguards (DOLS)	Adult Care and Health	All Age Disability	The council is required to commission doctors to undertake assessments under Schedule A1 Mental Capacity Act 2005 under DOLS. I have been advised to put one PRAD1 in for all the doctors we use. The law is expected to change in October 2020 and we will not then need to commission such assessments at the volume we do. However the commencement date for this change may be moved by the government.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	We are restricted in who we can commission in that the regulations require the doctors commissioned to have undergone specific training and to have certain qualifications.	£262,500	£262,500	Dr Mansoor Feroze Dr Steve Dobbins Dr Richard Mellor Dr Sandhya Gaur Dr Jennie Holmes Dr Ruchit Sood Dr Min Latt Dr A. Tagore Dr Shiraz Akoo Dr Olufemi Sanni Dr Keerthy Raju	Peter Ferguson	Jason Oxley	Colin Hughes

24	11/02/2020	Safe Families for Children Service		Children, Family and Education	Contracts and Commissioning	This service provides family support, as well as hosting children providing overnight stays.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Provider offers a unique service, they are a sole supplier. Commissioning have been unable to identify a provider who could offer a like for like service	£95,000.00	£95,000.00	Safe Families for Children	Sarah Robertson	Elizabeth Hartley	Keith Patterson
25	06/03/2020	Healthwatch and Healthwatch Advocacy		Adult Care and Health	Commissioning Community Care	Provide the statutory local Healthwatch and health complaints advocacy service for people who use health and social care services and provide an independent channel for people to communicate their views on the health and care system and to influence the design and delivery of services	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	This is a statutory service, an extension will allow for the continuation of the service while a full review of the service is undertaken based on monitoring data and using Healthwatch England 'A guide to running Healthwatch' (uploaded). Consultation with colleagues on priorities for future projects to maximise benefits of the independent public involvement and service reviews.	£95,500	£95,500	Healthwatch Wirral	Carol Jones/Jayne Marshall	Jacqui Evans	Keith Patterson
26	06/03/2020	Intelligence & Evidence Services		Adult Care and Health	Champs	Provision of academic research and evidence base	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	12 months provision was agreed from April 2018 and from April 2019 on the basis that previous market exercises had yielded no viable bids, the market is unlikely to have changed in the intervening period. (the increase in value is due to one area dropping out last year but rejoining this year)	£93,602	£93,602	Liverpool John Moores University	Adam Major	Dawn Leicester	Keith Patterson
27	07/02/2020	Leisure Services - IT Provision		Nieghbourhoods	Leisure	Front of House and Back Office IT System and Support. Leisure memberships, back office config, reporting, marketing, kiosk, door access control and training	B. Compatibility issues such that Procurement from another source would be uneconomic given the investment in previous infrastructure.	Current supplier need to be retained until new supplier takes over - 9 - 12month transition period	£55,305	£55,305	GladstoneMR M	Simon Bellamy	Damian Walsh	Colin Hughes

28	19/03/2020	PPL/PRS Music Licence		Nieghbourhoods	Sports Centres	Royalties for music played during our exercise classes and background music played throughout the Leisure Facilities.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	The PPL/PRS Licence is provided by a sole supplier and cannot be obtained from another source.	£96,000	£96,000	PRS for Music	Karen Abbott	Damian Walsh	Keith Patterson
29	13/02/2020	Sexual Health - Out of Area Activity (NCA GUM)		Adult Care and Health	Health and Wellbeing	Sexual Health Services for Wirral residents that choose to access out of area	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Local Authorities have a legal duty to commission open access sexual health services for provision of contraception and treatment of STIs. This means that Wirral residents have a legal right to access sexual health services anywhere in England and the service provider would then invoice Wirral Council for the cost of that service.	£177,000	£177,000	Central Manchester University Hospital Foundation trust, Royal Liverpool & Broadgreen Hospital NHS Trust, St Helens and Knowsley Teaching Hospital NHS trust, Virgin Care services Ltd	Julie Webster	Julie Webster	Colin Hughes
30	17/12/2019	Speech & Language Therapy		Children, Family and Education	Practice Develop And Improve	The children's speech and language therapy service will provide a transparent and consistent offer to all children, young people, and families. This offer will be comprised of assessment, identification, management planning, training for parents and education staff and direct therapy provision where required.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	To extend the contract for an additional 6 months, however we may require 12 month extension depending on the review of this service.	£120,000	£120,000	Wirral Community NHS Foundation Trust	Stephanie Stenhouse	Carly Brown	Keith Patterson
31	25/03/2020	BME Health Improvement Service		Adult Care and Health	Health and Wellbeing	BME Health Improvement Service - To improve engagement with the BME community addressing the issue of poor engagement with BME Health Improvement Services.	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	Taking into account the current emergency situation generated by COVID - 19 it is requested that this contract is extended by the application of section 32 of the Public Procurement Regulations	£52,520	£52,520	Wirral Change Ltd	Rachael Musgrave	Julie Webster	Keith Patterson
32	23/03/2020	Capita SIMS Annual Entitlement		Resources	Digital and Improvement	Annual Entitlement for schools that use SIMS to obtain upgrades for 2020/21 financial year	E. Contracts awarded to sole suppliers because of exclusive rights.	Capita is the sole provider of SIMS, the majority of Wirral schools have chosen this supplier for their MIS for 2020/21 and this is an annual entitlement to continue	£123,245.66	£123,245.66	Capita Business Services	Lorraine Mitchell	Pete Moulton	Colin Hughes

								to use this product. This is NOT a new purchase but a support agreement.						
33	05/12/2019	12 months		Resources	Business Support Unit Management	Royal Mail Postal Service, postage charges for franked and business mail	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	We have investigated other options available (Whistl) - they would not be able to provide full service & we would still be required to use Royal Mail for 1st class, parcels Special & Recorded Mail (exclusive) - causing problems in delivering of mail to residents, customers, partners & suppliers. We would likely have to pay a collection charge on top which currently we don't.	£100,700	£100,700	Royal Mail Group LTD	Simon Cuerden	Lisa Jamieson	Keith Patterson
34	12/03/2020	Merseytravel		Children, Family and Education	Education	Reimburse Merseytravel for scholars travel passes provided in accordance with the Council's home to school transport policy	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Merseytravel is the sole provider for public transport in Merseyside	£130,000	£130,000	Merseytravel	Sally Cross	Sue Talbot	Colin Hughes
35	05/03/2020	Provision of Beach Lifeguarding Service		Nieghbourhoods	Leisure	Provide seasonal beach lifeguarding cover between May and September each year.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	RNLI is a nationally recognised beach lifeguard provider and other neighbouring local authorities (Sefton, Flintshire etc) also contract with the RNLI for a seasonal beach lifeguarding service . The service was previously managed 'in house' by Wirral Council, but was put forward in the 2015/16 savings option to transfer to the RNLI, making £100,000 saving.	£52,520	£172,985.77	Royal National Lifeboat Institution	Damian Walsh	Colin Clayton	Keith Patterson

36	13/11/2019	Children and Adolescent Mental Health Service (CAMHS) for Children Looked After (CLA)	Children, Family and Education	Contracts and Commissioning	The service provides a fast response for CLA who are suffering from poor mental health and wellbeing.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	This service was a historical arrangement, it was developed as part of a partnership arrangement with CWP as a provider. It is possible the full year extension will not be needed but this is dependant on the redesign of Mental Health services being undertaken to implement the national strategy 'Future in Mind'.	£333,737	£333,737	Cheshire and Wirral Partnership (CWP)	Alex Shears	Carly Brown	Colin Hughes
37	27/03/2020	Refugee Resettlement Support Service (Refugee Action)	Regeneration and Place	Strategic Housing and Investment	Resettlement support service for 2020/21 to support Wirral Council commitment to resettling 30 individuals through the Home Office Refugee Resettlement Programme. Wirral is part of the wider Liverpool City Region where all local authorities have pledged a commitment to resettle more refugees in 2020/21	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	LCC with LCR authorities, developed a brief and procured a 4 year Resettlement Support Service on the basis all LAs in the City Region could access the service. It has come to light that each LA should have used this call off to enter into their own contract with RA which has not happened expenditure for this service is deducted before any grant is received by Wirral Council via LCC.(see attached)	£140,000	£140,000	Refugee Action	Sue Hooper / Emma Foley	Lisa Newman	Colin Hughes
38	09/04/2020	Street lighting materials	Neighbourhoods	Highways and Infrastructure	supply of various street lighting components	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	Contract unable to tender due to COVID 19, material essential for lighting service	£90,000	£90,000	Marwoods Electrical	Brian Smith	Mark Smith	Keith Patterson / Colin Hughes
39	14/04/2020	Meritec Flex Ltd	Resources	Transactional Services	Council Tax and Housing Benefit Processing Agents, temporary - as an immediate resilience support to critical services, protecting the authorities income, ensuring legislative compliance , support to the most vulnerable residents of Wirral and their households.	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	This support must be secured immediately, the present demand for such support is high , Wirral has secured a favourable , discounted hourly rate and will benefit from the allocation of agents previously assigned to Wirral. IT and operational working arrangements and operational agreements are specified following ongoing collaboration, the most recent concluding November 2019	£173,160	£173,160	Meritec Flex Ltd	Nicky Dixon	Shaer Halewood - Director of Resources	Keith Patterson / Colin Hughes

40	21/04/2020	Talis Library Management System		Neighbourhoods	Libraries	Annual subscription for library management system and associated services (self-service kiosk connections and maintenance costs)	B. Compatibility issues such that Procurement from another source would be uneconomic given the investment in previous infrastructure.	Contract has been in place since 4th September 1997 and has been renewed on an annual basis. Before this request expires we will go back out to tender for a replacement system	£194,650	£194,650	Capita Business Services Ltd	Peter Aspinall	Colin Clayton	Keith Patterson / Colin Hughes
41	24/04/2020	i-Connect module for Pensions monthly data collection		Resources	Merseyside Pension Fund	Licence for the i-Connect module as part of the integrated Pensions Administration system. The module provides a web-based portal for the collection and management of monthly data collections from the Fund's constituent employers (n=150+). The module provides secure transfer of the member data, performs a level of quality control and will automatically update the altair database.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	The i-Connect module is only available from Heywoods who are the current provider of the Fund's pensions administration software. The Fund has been working with others on the creation of a National Framework for Pensions Administration Software which is scheduled for completion later in 2020 this will be utilised to conduct a formal procurement for complete solution of pensions admin software.	£80,000	£80,000	Aquila Heywood	Guy Hayton	Peter Wallach, Director	Keith Patterson
42	24/04/2020	Arboriculture Services		Neighbourhoods	Highways and Infrastructure	The management and maintenance of all Council trees within Wirral, including highway, parks and countryside and all other Council owned trees, along with a 24 hour, 365 days a year emergency / out-of-hours call-out service	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	Decision of TCG based on attached report. Extension necessary due to re-procurement delays associated with Covid-19. PPN01/20 applies.	£150,000	£150,000	Man Coed VM Ltd	Simon Fox	Nicola Butterworth	Keith Patterson / Colin Hughes
43	01/05/2020	SEND TUITION FEES		Children, Family and Education	Special Education Needs	Tuition fees for pupils placed in Out of Borough schools, FE Colleges and Independent and non maintained schools in Wirral.	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	SEND provision can be specific to the pupils needs and provision.	£6,676,345	£6,676,345	West Kirby Residential School	Tarun Ghosh	Tarun Ghosh	Keith Patterson / Colin Hughes
44	13/05/2020	Inter-agency Placement Fees		Children, Family and Education	Children and Families	Inter-agency Placement Fee for G&M L placed with adopters Evans.	A. Goods, services or execution of works are obtainable only from one source or	Fee negotiated under national contract.	£51,714	£51,714	Nugent Care Adoption	SIMONE WHITE	SIMONE WHITE	Keith Patterson

							contractor and there is no reasonably satisfactory alternative.							
45	14/05/2020	Gully and Skip waste		Neighbourhoods	Highways and Infrastructure	for the disposal of highway gully waste, and various waste in skips from various council areas, mostly Parks	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Veolia operate the waste site in Bidston where we also have a recycle unit set up, this would not be possible anywhere else	£128,000	£128,000	Veolia E S	Brian Smith	Simo Fox	Keith Patterson / Colin Hughes
46	15/05/2020	Preventative and early intervention secondary school based service		Adult Care and Health	Commissioning	To provide a 1:1 counselling service to young people attending Wirral secondary schools – providing assessment and early intervention through a range of counselling approaches.	B. Compatibility issues such that Procurement from another source would be uneconomic given the investment in previous infrastructure.	Potential costs relating to the transfer of this service to another provider i.e. TUPE, Premises, IT and other set up costs, means it is unlikely there will be any competition for a one year contract; any procurement exercise would be uneconomic. In addition, COVID-19 has had a significant impact on capacity and resource within the team to complete a procurement exercise.	£111,813	£111,813	Action for Children Services Ltd	Hayley Clifton	Julie Webster	Keith Patterson / Colin Hughes
47	15/05/2020	Sexual Health Education for Young People (DN175048)		Adult Care and Health	Commissioning	The primary aim of this service is to provide a safeguarded universal and targeted sexual health and well-being outreach, education and training service to Wirral young people, which prioritises those at greatest need.	B. Compatibility issues such that Procurement from another source would be uneconomic given the investment in previous infrastructure.	Potential costs relating to the transfer of this service to another provider i.e. TUPE, Premises, IT and other set up costs, means it is unlikely there will be any competition for a one year contract; any procurement exercise would be uneconomic. In addition, COVID-19 has had a significant impact on capacity and resource within the team to complete a procurement exercise.	£135,600	£135,600	Brook Young People	Hayley Clifton	Julie Webster	Keith Patterson / Colin Hughes

48	15/05/2020	Confidential Young People's Online Counselling and Advice Service for young people aged 11 to 19 years old (DN175040)	Adult Care and Health	Commissioning	To provide a confidential, preventative online counselling and advice service for young people across Wirral, that is tailored to addressing the emotional health and wellbeing needs of young people aged 11 to 19 years old (and up to age 25 for young people with SEN or disabilities).	B. Compatibility issues such that Procurement from another source would be uneconomic given the investment in previous infrastructure.	The of costs relating to the transfer of this service to another provider i.e. TUPE, Premises, IT and other set up costs, there will be an absence of any competition for a one year contract. Consequently any procurement exercise would be uneconomic. In addition, COVID-19 has had a significant impact on capacity and resource within the team to complete a procurement exercise.	£101,320	£101,320	Xenzone	Hayley Clifton	Julie Webster	Keith Patterson / Colin Hughes
49	29/05/2020	LGA Subscription 20/21	Resources	Resources	LGA Subscription 20/21	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Subscription Service	£54,490	£54,490	Local Government Association	Shaer Halewood	Shaer Halewood	Keith Patterson
50	08/06/2020	Regenda Care Leavers project	Children, Family and Education	Contracts and Commissioning	Provision of 11 units of Supported Housing for Care Leavers aged 16-18 to whom Children's Social Care have a statutory duty in respect of Housing and Support. Service provides two group living homes for 8 young people and three individual self-contained flats with staff support	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	Service will reduce expenditure and create local quality provision as young people accessing service will be stepping down from costly out of borough spot purchased residential Childrens homes of which current annual average costs for 11 young people is 1.716m. For 11 young people moving on into this provision cost avoidance is over 1m per annum.	£530,360	£530,360	Regenda Homes	Anne-Marie Carney	Simone White	Keith Patterson / Colin Hughes
51	16/06/2020	Clare Mount Special School additional double mobile classroom for teaching	Regeneration & Place	Estate Strategy Projects	Double mobile classroom with toilets required to teach additional pupils that have been assigned to the school from September 2020.	B. Compatibility issues such that Procurement from another source would be uneconomic given the investment in previous	Competitive rates recognised as Industry leader supplying from regional factory. Able to meet tight start date and demanding timescale to complete before September school term. The double mobile classroom will be compatible to the existing on the same site.	£80,000	£80,000	Portakabin Ltd	Mike Woosey	Jeannette Royle	Keith Patterson

						infrastructu re.								
52	23/06/2020	Local Plan Transport & Infrastructure Support		Regeneration and Place	Forward Planning	Preparation of borough wide Infrastructure Delivery Plan and Transport Accessibility & Modelling support work for Regulation 19.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	The supplier currently operates and manages Wirral Council Traffic Model for the council Transport Strategy team. Supplier is currently engaged as sub consultants to provide transport evidence on masterplanning studies and as such have detailed knowledge of Infrastructure requirements at a site by site level needed for the Infrastructure Delivery Plan.	£98,600	£98,600	Mott MacDonald	Andrew Fraser	David Ball, Assistant Director	Keith Patterson
53	02/07/2020	Remand Invoice		Children, Family and Education	Youth Offending Service Management	Wirral Youth Justice Service have a statutory obligation to pay remand costs for young people from Wirral who are detained in custody at a Young Offender Institution, Secure Training Centre or Secure Children's Home.	D. Where there is a legal requiremen t to contract with a particular supplier.	The Youth Justice Service have a statutory obligation to pay remand costs for young people who are detained at Youth Offenders Institutes/Secure Training Centre's/ Secure Children's Homes. These are designated by the Youth Justice Board for England and we have no alternative choice in placing young people, therefore we cannot go through the normal channels of procuring alternative accommodation	£60,000	£60,000	Her Majesty's Prison and Probation Service (HMPPS)	Kathy Gill	Anthony Kirk	Keith Patterson
54	07/07/2020	Provision of COVID-19 contact tracer resource		Adult Care and Health	Champs Public Health Collaborative	To procure contact tracing resource to staff the Cheshire and Merseyside COVID-19 test and trace hub.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Urgency of the requirement to have the service in place by 13th July 2020, furthermore we have the experience and confidence of working with NHS Professionals to deliver in the limited time period.	£600,000	£600,000	NHS Professionals Ltd	Helen Cartwright	Dawn Leicester	Keith Patterson / Colin Hughes

55	14/07/2020	DN175048: Sexual Health Education for Young People	Adult Care and Health	Health and Wellbeing	To provide a safeguarded universal and targeted sexual health and well-being outreach, education and training service to Wirral young people, which prioritises those at greatest need.	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	COVID-19 has diverted Public Health focus/resource away from business as usual. We would like to extend the contract with the current provider for 5 months to allow more time to prepare for a tender and undertake the necessary preliminary work (service review, soft market testing) to inform the service model and ensure we get the best offer for children and young people.	£56,500	£56,500	Brook Young People	Jane Harvey	Julie Webster	Keith Patterson
56	15/07/2020	Catch 22	Children, Family and Education	Intergrated Front Door	Provide missing from home service to Local Authority	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	Due to an administrative error, the first PRAD1 was submitted for two months, however an inaccurate end date was entered this PRAD is to run until end of financial year 2021. A full procurement process was not completed due to this work being transferred from another department and a lack of knowledge and experience with the process, this contract can only be provided by the current supplier.	£70,000	£70,000	Catch 22	Wendy Monnelly	Wendy Monnelly	Keith Patterson
57	15/07/2020	DN444117: Healthy Child Programme (Health Improvement) 0-19 year olds	Adult Care and Health	Health and Wellbeing	Lead, deliver and evaluate universal and targeted health promotion/health improvement services for families, children and young people and professionals that support them, with clear swift pathways into intervention and treatment where appropriate.	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	COVID-19 has diverted Public Health focus/resource away from business as usual. We would like to extend the contract with the current provider for 7 months to allow more time to prepare for a tender and undertake the necessary preliminary work (service review, soft market testing) to inform the service model and ensure we get the best offer for children and young people.	£248,323	£248,323	Wirral Community Health and Care NHS Foundation Trust	Jane Harvey	Julie Webster	Keith Patterson / Colin Hughes
58	15/07/2020	Wirral Nicotine and Smoking Cessation Treatment Service	Adult Care and Health	Health and Wellbeing	Provide comprehensive and consistent smoking cessation, tobacco and nicotine cessation treatment for Wirral residents who wish to quit, which is equitable and accessible. Target provision to groups with high smoking prevalence rates. Raise awareness of	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	COVID-19 has diverted Public Health focus/resource away from business as usual. We would like to extend the contract with the current provider for 6 months to allow more time to prepare for a tender and undertake the necessary preliminary	£348,939	£348,939	ABL Health Ltd	Elspeth Anwar	Julie Webster	Keith Patterson / Colin Hughes

						the harms associated with second-hand smoke. Reduce levels of smoking during pregnancy and post-partum.		work (service review, soft market testing) to inform the service model and ensure we get the best service for local residents, particularly in light of COVID19.						
59	28/07/2020	Funding for Temporary Accommodation (Hotels/B&B) for Homelessness/rough sleepers/risk of homelessness		Regeneration and Place	Supported Housing & Homelessness	Provision of temporary accommodation for homelessness/those at risk of homelessness. Retrospective awards of Housing Benefit will cover an estimated 50% of expenditure. Increased expenditure for 2020/21 as a result of Covid 19. Excess will be covered by Flexible Homelessness Grant.	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	To respond to emergency homelessness presentations which has increased due to Covid 19	£350,000	£350,000	Various hotels/B&B	Sheila Jacobs	Lisa Newman	Keith Patterson / Colin Hughes
60	10/08/2020	CM Test and Trace Data and Performance Management Service		Adult Care and Health	Champs	To provide leadership on the data analysis and performance management for the CM Contact Tracing Hub.	A. Goods, services or execution of works are obtainable only from one source or contractor and there is no reasonably satisfactory alternative.	A red risk has been identified as there is an immediate need for analytical support for the Hub to provide a) Performance management function of the hub b) surveillance function/review data and identify the locations of potential / actual outbreaks to prevent the escalation of COVID-19 outbreaks. It is important to be able to identify potential outbreaks swiftly so action can be taken urgently.	£99,500	£99,500	NHS SOLUTIONS FOR PUBLIC HEALTH	Helen Cartwright	Dawn Leicester	Keith Patterson
61	27/08/2020	Trauma Informed Practice Training		Children, Family and Education	14-19 Strategy	To further develop the skill sets of staff in Wirral schools in respect of general awareness for social, emotional mental health, in addition to ACES (adverse childhood experiences) awareness training and for schools to manage the behaviour of pupils from a trauma informed perspective. This will include general training for up to 5,000 staff as well as a more in depth pilot project to work with 20 schools to review and develop policies and practice with the aim of moving	C. A waiver of the rules would be in the interest of the Council, be lawful, and provide value for money.	This a pilot project to test, develop and inform a future service tender specification using a trust provider (University of Chester) that has up to date and relevant experience in this area.	£98,000	£98,000	Chester University	Paul Smith	Sue Talbot	Shelia Robinson



62	02/03/2020	Accommodation 25+		Regeneration and Place	Supported Housing & Homelessness	Provision of 56 units of Housing Related Support, within hostel accommodation, for single homeless men and women aged 25+.	£411,480.00	£411,480.00	The service is strategically relevant and supports the aims and outcomes of Wirral Council's Homelessness & Rough Sleeper Strategy 2020-2025. It has demonstrated it's effectiveness in meeting the aims within the specification by reducing the number of crisis presentations to Housing Options and preventing homelessness and rough sleeping. It is part of a pathway to permanent housing.	YMCA	Sheila Jacobs	Lisa Newman	Peter Molyneux	Keith Sailes
63	13/07/2020	Supported Housing Contract- Hostel with Support Service for single homeless people aged 18-24		Regeneration and Place	Supported Housing & Homelessness	Housing Support Service for single homeless young people (aged 18-24 years) within a hostel. Provides 26 units of accommodation with support with 5 additional emergency sit-up/safe seats for young males who present as homeless. Staff provide information, advice and guidance to assist young people prepare for move-on to independent living, includes Mainstay assessments and tailored support plans.	£141,950.00	£141,950.00	The service is strategically relevant and supports the aims and outcomes of Housing Options in meeting the Authorities homelessness requirements. There remains a need and demand for the accommodation and support for homeless young people. The service is being delivered in line with the requirements of the specification and Forum Housing has demonstrated that it is effective in meeting the aims.	Forum Housing Association	Sheila Jacobs	Lisa Newman	Peter Molyneux	Keith Sailes
64	20/05/2020	Wirral Local Helathwatch and Independent Healthwatch Advocacy		Adult Care and Health	Commissioning Community Care	Provide statutory local Healthwatch and health complaints advocacy service for people who use health and social care services. Offering an independent channel for people to communicate their views on the health and care system and to influence the design and delivery of services	£94,000	£94,000	Due to the Covid-19 situation, we want to extend the service to the end of the financial year (original contract was 6 months)	Healthwatch Wirral	Carol Jones / Jayne Marshall	Jacqui Evans	Peter Molyneux	Keith Sailes

65	20/05/2020	Early Intervention and Prevention & Carers		Adult Care and Health	Commissioning Community Care	To provide a range of early intervention and preventative services across the following services: Adult general support and opportunities for vulnerable people Adult day opportunities for people with eligible needs Shopmobility Long term conditions programme Adult Carers and wellbeing support Young Carers services Special Educational Needs and Disabilities Advocacy and Independent Visitor for children looked after and children subject to a child protection plan	£911,004	£911,004	There were discussions taking place across health and social care to align this commission with other contracts. Due to Covid-19 not able to complete soft market testing and consultation to go out to tender, therefore wish to extend the service provision to end of the financial year.	Wirral Health and Wellbeing CIC	Carol Jones / Jayne Marshall	Jacqui Evans	Peter Molyneux	Keith Sailes
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Contract Variation (all values of £5k and above)														
Record	Date	Contract Title	Directorate	Service Area	Contract Description	Original Annual Spend£k	Original Total contract spend £	Amended Annual Spend £k	Amended Total contract Spend £	Additional Cost	Supplier	Departmental Contact	Signed by	Approval By
66	17/10/2019	Provision of Specialist Planning Advice & Technical Support - Call Off Service	Regeneration and Place	Major Growth & Housing Delivery	Call off planning, advice & technical support in relation to preparation of Local Plan and related statutory documents provide by Arup Consultants.	£100,000.00	£150,000.00	£122,666.66	£184,000	£34,000	Arup	David Ball	David Ball	Peter Molyneux
67	24/10/2019	Wirral Local Plan Minerals Study 2019	Regeneration and Place	Forward Planning	Preparation of evidence study to inform the Local Plan. Completion is essential to inform the Regulation 19 Local Plan document and to enable it to be completed in time to meet the Government set programme to avoid intervention.	£19,575.00	£19,575.00	£24,032.50	£24,032.50	£4,457.50	RPS Group	Andrew Fraser	David Ball	Peter Molyneux
68	01/11/2019	Section 75 Agreement for Social Care Services	Adult Care and Health	Commissioning Community Care	Adult Social Care Assessment & Support Planning (Including ICCH's & Rapid Community Response)	£6,934,898.00	£6,934,898.00	£8,940,189	£8,940,189	£2,005,291	Wirral Community Health & Care NHS Foundation Trust	Tim Brookes	Jason Oxley	Peter Molyneux
69	26/11/2019	Property Pool Plus Housing Register IT System	Regeneration and Place	Operational Housing Services	To provide the IT system for the Sub regional Choice Based Lettings Scheme known as Property Pool Plus. The Property Pool Plus Service provides a Statutory function for the Council in that it is the service which administers the Housing Register and assess housing need according to the Council's Housing Allocations Policy. The IT system is used to administer the Housing	£50,916.00	£50,916.00	£19,600	£19,600	£31,316	Civica UK Ltd	Joanne Barrett	Lisa Newman	Peter Molyneux

					Register and allocate properties to those in housing need. It has been designed in line with the current PPP Policy and is used by all five scheme administrators as well as Registered Provider landlords who advertise and allocate their accommodation through the scheme.									
70	06/12/2019	Joseph Parrs Material Supply	Nieghbourhoods	Highways & Infrastructure	to supply various materials to undertake highway works	£16,000	£16,000	£16,000	£16,000	£16,000	Joseph Parrs	Brian Smith	Mark Smith	Peter Molyneux
71	06/12/2019	A1 Surface Dressing	Nieghbourhoods	Highways & Infrastructure	provide surface dress and lock-chip to various roads	£320,000	£320,000	£650,000	£650,000	£330,000	Kiely Bros	Brian Smith	Mark Smith	Peter Molyneux
72	06/12/2019	A2 Micro-Asphalt Surfacing	Nieghbourhoods	Highways & Infrastructure	To undertake micro-asphalt surface treatments to various roads on the Wirral as per cabinet approved programme	£800,000	£800,000	£1,200,000	£1,200,000	£400,000	Kiely Bros	Brian Smith	Mark Smith	Peter Molyneux
73	06/12/2019	A1.3 Footway Slurry	Nieghbourhoods	Highways & Infrastructure	lay footway surface treatment's to various footways on Wirral as per structural maintenance programme	£100,000	£100,000	£210,000	£210,000	£110,000	Kiely Bros	Brian Smith	Mark Smith	Peter Molyneux
74	06/12/2019	A2	Nieghbourhoods	Highways & Infrastructure	surfacing with HRA various roads on Wirral	£1,000,000	£1,000,000	£1,900,000	£1,900,000	£900,000	Hanson Quarry	Brian Smith	Mark Smith	Peter Molyneux
75	11/12/2019	KRN A41 Corridor Improvement	Nieghbourhoods	Highways & Infrastructure	Highway improvement works	£2,970,865	£2,970,865	£2,620,864	£2,620,864	£350,001	AE Yates Ltd	Simon Fox	Nicola Butterworth	Peter Molyneux
76	30/12/2019	Transfer to Assessment Beds	Adult Care and Health	Commissioning Community Care	22 Nursing Transfer to Assessment Nursing Beds to alleviate pressures, facilitate safe and timely transfer of medically optimised patients from an acute setting to a care home setting for further assessment of their health and social care needs.	£295,152	£885,456	£295,152	£885,456	Original specification has been updated to ensure processes are up to date in order to cover the seasonal pressures for the period December 2019 to March 2020. Current specification updated with current process and referral gateway process. No change to contract cost.	Daleside Nursing Home Limited	Clare Hazler	Jacqui Evans	Peter Molyneux

77	30/12/2019	Transfer to Assessment Beds	Adult Care and Health	Commissioning Community Care	23 Nursing Beds to alleviate, facilitate safe and timely transfer of medically stable patients from an acute setting to a care home setting for further assessment of their health and social care needs.	£308,568	£925,704	£308,568	£925,704	Original specification has been updated to ensure processes are up to date in order to cover the seasonal pressures for the period December 2019 to March 2020. Current specification updated with current process and referral gateway process. No change to contract cost.	Four Seasons (Emmanuel Christian Care Home)	Clare Hazler	Jacqui Evans	Peter Molyneux
78	30/12/2019	Transfer to Assessment Beds	Adult Care and Health	Commissioning Community Care	25 Transfer to assessment beds	£344,983	£1,006,200	£344,983	£1,006,200	Original specification has been updated to ensure processes are up to date in order to cover the seasonal pressures for the period December 2019 to March 2020. Current specification updated with current process and referral gateway process. No change to contract cost.	HC-One Ltd Leighton Court Nursing Home	Clare Hazler	Jacqui Evans	Peter Molyneux
79	30/12/2019	Transfer to Assessment Beds	Adult Care and Health	Commissioning Community Care	15 Transfer to Assessment Nursing Beds to alleviate, facilitate safe and timely transfer of medically stable patients from an acute setting to a care home setting for further assessment of their health and social care needs.	£226,395	£603,720	£226,395	£603,720	Original specification has been updated to ensure processes are up to date in order to cover the seasonal pressures for the period December 2019 to March 2020. Current specification updated with current process and referral gateway	Wirrelderly Limited	Clare Hazler	Jacqui Evans	Peter Molyneux

											process. No change to contract cost.			
80	30/12/2019	Transfer to Assessment Beds	Adult Care and Health	Commissioning Community Care	Eight Transfer to Assessment Beds to alleviate, facilitate the safe and timely transfer of medically stable patients from an acute setting to a care home setting for further assessment of their health and social care needs.	£169,248	£423,120	£169,248	£423,120	Original specification has been updated to ensure processes are up to date in order to cover the seasonal pressures for the period December 2019 to March 2020. Current specification updated with current process and referral gateway process. No change to contract cost.	Your Health Limited	Clare Hazler	Jacqui Evans	Peter Molyneux
81	06/01/2020	Symology Asset Management	Nieghbourhoods	Highways & Infrastructure	Street Manager Intergration	£83,333	£250,000	£5,749.99	£17,250	£17,250	Symology LTD	Brian Smith	Mark Smith	Peter Molyneux
82	30/01/2020	Progress Pathways	Children, Family and Education	Education	To offer a vocationally based curriculum for permanently excluded KS4 students in conjunction with high quality local providers.	£275,000	£550,000	£467,501	£935,001	£385,001	Progress Schools Ltd	Paul Smith	Sue Talbot	Peter Molyneux
83	30/01/2020	Pre-reintegration Programme	Children, Family and Education	Education	Provision for 40 students in both Key Stages 3 & 4 who are not ready for re-integration, or who may have already experienced Progress Schools/ Progress Pathways and not responded positively to the opportunities presented. These students will require continuing educational programmes with the effective delivery of English and Maths at an appropriate level.	£200,000	£400,000	£400,000	£800,000	£400,000	Progress Schools Ltd	Paul Smith	Sue Talbot	Peter Molyneux
84	30/01/2020	KS3 Re-intergration	Children, Family and Education	Education	To develop and embed the 12 week re-integration programme for KS3 students, as preparation for students to re-join mainstream school. 12 places funded from School Exclusions fines: no additional cost to LA.	£54,000	£108,000	£108,000	£216,000	£108,000	Progress Schools Ltd	Paul Smith	Sue Talbot	Peter Molyneux
85	06/02/2020	Wirral Local Plan Mineral Study 2019	Regeneration and Place	Forward Planning	Preparation of mineral study to inform Local Plan. Completion is essential to inform Reg.19 Local Plan document and to enable it to be completed in time to meet the Government set	£24,032.50	£24,032.50	£26,112.84	£26,112.84	£2,080.34	RPS Group	Andrew Fraser	Alan Evans	Peter Molyneux

					Programme to prevent intervention.									
86	10/02/2020	WIRRAL COUNCIL CIVIL ENGINEERING CONSULTANCY SUPPORT – 2019/20 (DN426163)	Nieghbourhoods	Commercial Management	Multi-disciplinary consultancy practice providing services in Civil Engineering, supporting Council in-house resources. Services may include, but are not limited to: feasibility; design; contract document preparation; NEC3 'Project Manager' or 'Supervisor' role on highway improvement, highway maintenance, drainage, street lighting, public realm and bridge maintenance capital projects.	£171,777	£171,777	£360,000	£360,000	£171,417	Amey Consulting Limited	Simon Fox	Nicola Butterworth	Peter Molyneux
87	02/03/2020	Royal Mail Postal Service	Resources	Business Support	Royal Mail Postal Service, postage charges for franked and business mail	£100,700	£100,700	£270,000	£270,000	£169,300	Royal Mail Group LTD	Simon Cuerden	Lisa Jamieson	Peter Molyneux
88	26/03/2020	Wirral Council Civil Engineering Support 2019/20	Nieghbourhoods	Highways & Infrastructure	Multi-disciplinary consultancy practice providing services in Civil Engineering, supporting Council in-house resources. Services may include, but are not limited to: feasibility; design; contract document preparation; NEC3 'Project Manager' or 'Supervisor' role on highway improvement, highway maintenance, drainage, street lighting, public realm and bridge maintenance capital projects	£360,000	£360,000	£600,000	£600,000	£240,000	Amey Consulting Limited	Simon Fox	Nicola Butterworth	Peter Molyneux

89	03/04/2020	Asbestos Removal Works	Regeneration and Place	Asset Management	The Schedule of Rates Contract for Asbestos Removal, Encapsulation and Associated Works 2020-2022,	£112,000	£225,000	£325,000	£480,000	£177,000	ACT Ltd	Neil Corser	Jeanette Royle	Peter Molyneux
90	22/04/2020	Supervised Contact	Children, Family and Education	Contracts and Commissioning	To deliver a service for children and young people across the borough of Wirral and work in partnership with Wirral's Children Services. The objective is to deliver a contact service where parental/ family involvement and ownership is established to improve the offer and deliver a child-centred provision which meets their needs and supports their key interests.	£175,000	£175,000	£262,500	£262,500	£87,500	Active 8 Support Services	Beth Hogg	Simone White	Peter Molyneux
91	27/04/2020	Branding services (marketing)	Nieghbourhoods	Sales Retention and Call Centre	branding services for Wirral Leisure	£17,500	£35,000	£22,500	£45,000	£10,000	White PM	Victoria Brown	Damien Walsh	Peter Molyneux

92	01/05/2020	Section 75 Agreement for Social Care Services	Adult Care and Health	Commissioning Community Care	Adult Social Care Assessment & Support Planning (Including ICCH's & Rapid Community Response)	£3,328,751	£6,934,898	£4,291,291	£8,940,189	£2,005,291	Wirral Community Health & Care NHS Foundation Trust	Roger Chester	Jason Oxley	Peter Molyneux
93	04/05/2020	Early Intervention and Prevention - Support for Vulnerable People/ Young People and Carers (Adult and Young Carers)	Adult Care and Health	Commissioning Community Care	Within the EIAP & Carers contract, Age UK Wirral provide a range of services including day care and other face to face interactions with older people. The additional funding will enable Age UK to develop alternative support for vulnerable people, particularly for those aged 70 plus during the Covid-19 period of self-isolation	£720,000	£720,000	£792,000	£792,000	£72,000	Age UK Wirral (Wirral Health and Wellbeing CIC)	Carol Jones / Jayne Marshall	Jacqui Evans	Peter Molyneux
94	19/05/2020	Support for Domestic Abuse	Children, Family and Education	Contracts and Commissioning	Leapfrog programmes for children and parents who have been victims of domestic abuse.	£37,360.50	£37,360.50	£37,360.50	£37,360.50	COVID - 19 has halted the wider Domestic Abuse strategy development across the authority.	Involve North West	Beth Hogg	Elizabeth Hartley	Peter Molyneux

95	21/05/2020	Merseyside Society for Deaf People, Support to People who are Deaf or Hard of Hearing	Adult Care and Health	Commissioning Community Care	To support, promote and advance the independence and quality of life for all deaf and hard of hearing people/ adults in Wirral. The service includes environmental aids service including the provision, installation and maintenance of equipment (not connected to mains electric supply) and provision of information and advice	£41,668	£41,668	£114,587	£114,587	£72,919	Merseyside Society for Deaf People	Carol Jones / Jayne Marshall	Jacqui Evans	Peter Molyneux
96	28/07/2020	Tomorrow's Women Wirral	Adult Care and Health	Commissioning	TWW is a project designed to benefit all women aged 18+ in the community and is committed to reducing female imprisonment, offending, and to provide assistance to those women who want to make positive lifestyle changes. TWW offers space in a safe women only environment so partners/agencies can work with them.	£25,000	£25,000	£30,000	£30,000	£5,000	Tomorrow's Women Wirral	Haley Clifton	Julie Webster	Peter Molyneux
97	17/08/2020	Wirral Local Plan Housing Need Study Phase 1	Regeneration and Place	Major Growth Projects and Housing Delivery	To provide robust and up-to-date evidence on the potential scale of future housing need and demand in Wirral based upon a range of housing, economic and demographic factors, trends and forecasts. To provide the Council with evidence on the future housing needs, of the authority area to help Wirral Council plan for future growth and make informed policy choices through its emerging Local Plan	£30,000	£60,000	£5,000	£10,000	£10,000	ARC4	Sally Shah	Finance Bp Regeneration & Place	Tony Birkett
98	21/08/2020	Royal Mail Postal Service	Resources	Business Support Unit Management	Royal Mail Postal Service, postage charges for all Council franked and business mail.	£100,700	£100,700	£200,900	£200,900	£100,200.00	Royal Mail Group LTD	Simon Cuerden	Peter Moulton	Peter Molyneux

Contract Award from Tendering (above £500k in value)

Record	Date	Contract Title	Single or Renewable Contract	Directorate	Service Area	Contract Description	Annual Spend£k	Total contract spend £	Supplier	Departmental Contact
99	27/11/2019	Home to school Transport		Neighbourhoods	Transprt	Home to school transport minibus provision	£900,000	£1,800,000	GK Travel,Airport Direct taxis, Eye Cab, Handy Cars.	Robert Smith
100	27/11/2019	Home to School Transport		Neighbourhoods	Transprt	Home to school transport taxi	£193,733	£774,930	Airport Direct Taxis, Merseycare Transport Services Ltd, R B travel, Argyle Park taxis , Handy Cars, M.W. Transport Wirral.	Robert Smith
101	31/01/2020	5th floor refurbishment, Castle Chambers Liverpool		Resources	Pensions	5th floor refurbishment, Castle Chambers Liverpool	£747,036	£747,036	Amspec	Susannah Friar
102	21/02/2020	Care & Support at Home		Adult Care and Health	Commissioning Community Care	The service will cover all client groups including but not limited to: Adults over and under 65, personal and social care and support with non-complex primary support needs	£15,000,000	£612,500,000	Last Minute Nursing & Apollo South	Donna Locke
103	26/02/2020	Willow Tree Residential Centre - Design Consultant		Regeneration and Place	Operational Housing Services	Principal Designers and Project Management to provide additional accommodation and refurbishment to Willow Tree Residential Centre.	£850,000	£1,700,000	Ellis Williams Architects	Mike Woosey
104	04/03/2020	Tower Road (Civilised Streets), Birkenhead		Neighbourhoods	Delivery Services	The scheme consists of major public realm improvements to 0.5km of the A554 Tower Road with the provision of wider pavements to provide high-quality facilities for pedestrians and cyclists and reduced carriageway widths to reduce vehicle speeds, which will improve road safety and the overall experience for all road users.	£2,681,659	£2,681,659	Cambrianway Limited	Mark Redman
105	21/05/2020	Replacement for M3 Public Protection and Acolaid		Resources	Digital and Improvement	Replacement for M3 Public Protection and Acolaid	£517,499.00	£517,499.00	Tascomi	Peter Moulton
106	16/06/2020	Public Realm, cycling, pedestrian connectivity along the Dock Road public highway from East Float Apartments to Duke Street, Birkenhead.		Neighbourhood Services	Neighbourhood Services	Public Realm, cycling, pedestrian connectivity along the Dock Road public highway from East Float Apartments to Duke Street, Birkenhead.	£572,373.35	£572,373.35	Eric Wright Civil Engineering	Mark Redman
107	29/07/2020	Construction of a series of high quality public realm and landscaping improvements to the A5139 Dock Road between East Float Apartments and Duke Street, providing increased accessibility for pedestrians and cyclists to the Wirral Waters West Float development and increased attractiveness of the area for businesses and other investors in the area		Neighbourhood Services	Neighbourhood Services	Construction of a series of high quality public realm and landscaping improvements to the A5139 Dock Road between East Float Apartments and Duke Street, providing increased accessibility for pedestrians and cyclists to the Wirral Waters West Float development and increased attractiveness of the area for businesses and other investors in the area	£572,373.35	£572,373.35	Eric Wright Civil Engineering Ltd	Mark Redman

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## AUDIT AND RISK MANAGEMENT COMMITTEE

Monday, 16 November 2020

<b>REPORT TITLE:</b>	<b>REGULATION OF INVESTIGATORY POWERS ACT 2000(RIPA)</b>
<b>REPORT OF:</b>	<b>DIRECTOR :GOVERNANCE AND ASSURANCE (MONITORING OFFICER)</b>

### REPORT SUMMARY

This report informs the Committee of the use by Council officers of the covert surveillance powers of the Council since January 2020

### RECOMMENDATION/S

That the Committee note the use made by the Council of covert surveillance since January 2020.

## **SUPPORTING INFORMATION**

### **1.0 REASON/S FOR RECOMMENDATION/S**

- 1.1 The Home Office Codes of Practice on covert surveillance require every Council to have regard to its provisions when applying RIPA and drawing up its policies and procedures. The Code recommends councils to review annually their policies and procedures and to report regularly their use of covert surveillance.
- 1.2 It is important to provide guidance to officers as to when covert surveillance is lawful and how and when it can be authorised.

### **2.0 OTHER OPTIONS CONSIDERED**

None; it is necessary to comply with the statutory guidance provided by the Home Office.

### **3.0 BACKGROUND INFORMATION**

- 3.1 The Regulation of Investigatory Powers Act 2000 (RIPA) governs how public bodies use surveillance methods. The Council may use covert surveillance for the purpose of preventing or detecting crime or preventing disorder.
- 3.2 The origin of RIPA lies in the Human Rights Act 1998 (HRA) which places restrictions on the extent to which public bodies may interfere with a person's right to respect for his or her home and private life and correspondence during the course of an investigation into suspected criminal activities. The provisions of RIPA ensure (in summary) that any such interferences are in accordance with the law and are necessary and proportionate (i.e. the seriousness of the suspected crime or disorder must outweigh any possible interferences with the personal privacy of the persons being investigated and of persons who associate with them).
- 3.3 The Council's Constitution authorises Directors to designate Heads of Service and Service Managers to authorise the use of covert surveillance in accordance with the procedures prescribed by RIPA. Since 1 November 2012 such authorisations require the further approval of a magistrate where the legislation applies.
- 3.4 The Investigating Powers Commissioner (IPCO) is responsible for overseeing the operation of RIPA. IPCO inspected the Council on 17 December 2018. The outcome of that inspection was reported to the Committee on 11 March 2019. The Committee approved amendments to the Council's Policy and Guidance Document made in response to the Report. Further amendments were approved by the Committee at its meeting on 27 January 2020 to take account of the new Home Office Codes of Practice and guidance offered by the Investigatory Powers Commissioner on the legal framework surrounding visits by officers to social media sites during the course of their duties.
- 3.5 There are regular quarterly meetings of RIPA co-ordinators chaired by a solicitor who gives advice and guidance on this complex area of the law. Social workers from the

Children's Services Department are now invited in order to discuss issues of common concern and particular areas of difficulty in the use of social media to protect children. They were invited to the annual training event held on 7 July 2020 and will be invited to future training events.

- 3.6 In accordance with the Council's Policy and Guidance on RIPA logs are being kept by trained officers of visits to social media sites and submitted to the quarterly meetings. The logs have shown that there has been no repeated or systematic viewing of social media sites by officers as part of covert investigations into the activities of targeted individuals. Consequently applications for authorisation under RIPA were not required for these visits to open sites as under the Guidance they would come within the category of seeking information as part of officers' general observational duties.

#### **4.0 CHANGES IN LEGISLATION**

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

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

#### **5.0 ANNUAL TRAINING**

- 5.1 This took place on-line on 7 July 2020 and was conducted by Stephen Morris an acknowledged expert in this field.
- 5.2 It was attended by Officers who are required to undertake refresher training every 2 years.
- 5.3 Mr Morris dealt in detail with the requirements for authorisations of surveillance under RIPA and in particular the use of social media for the purpose of investigations by the Council.

#### **6.0 USE OF RIPA SINCE 31 JANUARY 2020**

- 6.1 On 17 February 2020 officers obtained approval from a Magistrate to an authorisation granted by Mark Camborne (Lead Commissioner: Community Services and Resilience) to enable test purchases to be made by juveniles (under the supervision of Trading Standards Officers) from retailers who were suspected of selling e cigarettes to young persons under the age of 18.
- 6.2 Under age sales have been observed and appropriate enforcement action will be taken against the retailers concerned.

- 6.3 On 20 October 2020 officers obtained approval from a Magistrate to an authorisation granted by Mike Cockburn (Head of Service for Environment and Climate Emergency) to enable covert surveillance to be carried out at a site where there has been unlawful depositing of waste.

## **7.0 FINANCIAL IMPLICATIONS**

None at present but training of officers will need to receive continued funding in order to maintain current high standards and to comply with the Home Office Codes of Practice. Annual costs for on-line training are approximately £2,150 and for face to face training £2350.

## **8.0 LEGAL IMPLICATIONS**

- 8.1 The Protection of Freedoms Act 2012, which requires local authorities (where RIPA applies) to obtain the approval of a magistrate for the use of covert surveillance, came into force on 1 November 2012.
- 8.2 In suitable cases where the RIPA legislation does not apply, covert surveillance could be authorised under the Data Protection Act 2018 and Article 8 of the European Convention on Human Rights (which balance the value of the surveillance against intrusions into people's private lives). This is described in some detail in the Policy and Guidance Document.

## **9.0 RESOURCE IMPLICATIONS: STAFFING, ICT AND ASSETS**

None at present.

## **10.0 RELEVANT RISKS**

- 10.1 There is a risk of inadvertent breaches of human rights and data protection legislation by officers unless detailed guidance is given and followed in the Policy and Guidance Documents.
- 10.2 There is a risk that some investigations of anti-social behaviour will not be able to use covert surveillance under RIPA because the suspected criminal behaviour does not carry a custodial sentence of 6 months or more.
- 10.4 Where RIPA does not apply, but covert surveillance would be legitimate, necessary, and proportionate, then it would have to be authorised by the Authorising Officers in accordance with the Data Protection Act 2018 e.g. to supply evidence in disciplinary or care proceedings as explained in paragraph 10 of the amended Policy and Procedures Guidance Document.

**11.0 ENGAGEMENT/CONSULTATION**

None.

**12.0 EQUALITY IMPLICATIONS**

The report has no impact for equality implications at this stage

**13.0 ENVIRONMENT AND CLIMATE IMPLICATIONS**

The content and recommendations contained within this report are expected to have no direct impact on emissions of greenhouse gases but covert surveillance may reduce damage to the environment if it provides the evidence required to prosecute successfully those guilty of environmental offences.

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**BACKGROUND PAPERS**

None other than the Home Office Codes of Practice on RIPA. and the use of Communications Data and the Council’s Policy and Guidance Document

**SUBJECT HISTORY (last 3 years)**

<b>Council Meeting</b>	<b>Date</b>
	Date
Reports to the Audit & Risk Management Committee	25 September 2017 12 February 2018 24 September 2018 11 March 2019 27 January 2020

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