

# WIRRAL COUNCIL

## AUDIT AND RISK MANAGEMENT COMMITTEE

30 JUNE 2011

<b>SUBJECT:</b>	<b>AUDIT COMMISSION REPORTS</b>
<b>WARD/S AFFECTED:</b>	<b>ALL</b>
<b>REPORT OF:</b>	<b>CHIEF INTERNAL AUDITOR</b>
<b>RESPONSIBLE PORTFOLIO HOLDER:</b>	<b>COUNCILLOR ADRIAN JONES</b>
<b>KEY DECISION ?</b>	<b>NO</b>

### **1.0 EXECUTIVE SUMMARY**

- 1.1 This report summarises reviews undertaken by the Audit Commission for the period 1 April 2006 to 31 March 2011, and details the action that Wirral Council, including Merseyside Pension Fund, has subsequently taken to implement the recommendations contained within the associated reports.

### **2.0 RECOMMENDATIONS**

- 2.1 That the report is noted.
- 2.2 That all Chief Officers be reminded to ensure that they respond in an appropriate and timely manner to all recommendations that the Audit Commission makes.

### **3.0 REASON FOR RECOMMENDATIONS**

- 3.1 To provide Members with assurance that the Council is taking appropriate measures to implement the recommendations set out in Audit Commission reports.

### **4.0 BACKGROUND AND KEY ISSUES**

- 4.1 On 29 June 2005, the Finance and Corporate Management Select Committee resolved that it should receive an annual report detailing the results of the reviews undertaken by Internal Audit as to how the Council has responded to Audit Commission reports.
- 4.2 The Financial Regulations (4.3.15) state that it is incumbent on Chief Officers to ensure that the receipt and action taken in response to the recommendations within external audit reports, relating to services for which they are responsible, are reported promptly to the appropriate committee.
- 4.3 A request was made by this Committee on 30 June 2010 that in-depth verification of a sample of recommendations be undertaken so as to provide assurance that appropriate action has been taken.

## **5.0 FINDINGS**

- 5.1 For the period 1 April 2010 to 31 March 2011, the Audit Commission issued five reports containing recommendations in respect of Wirral Council and one in respect of Merseyside Pension Fund. These reports have been reported to the appropriate Committee. Management has provided adequate assurance that these recommendations have been implemented or are in the process of being implemented, and details of this are provided at Appendix I, section A.
- 5.2 The report presented to this Committee on 28 September 2010 detailed the reports and associated recommendations for the period 1 April 2006 – 31 March 2010. Adequate assurance has been provided by management that the recommendations have been implemented. These reports are listed at Appendix I, section B.
- 5.3 In-depth verification of the implementation of a sample of recommendations has been undertaken, as per this Committee's request on 30 June 2010. The reports reviewed were Access to Services (January 2009) and Managing Attendance (July 2010). The findings of this work provide assurance of the progress made. These are detailed at Appendix I, section C.
- 5.4 However, despite a number of requests for evidence to be provided for four reports within the Department of Law, HR and Asset Management, evidence of implementation of these recommendations was not provided. Indeed, a number of recommendations (some dating back to 2006) have now been superseded without ever being implemented. An assurance has now been provided that the recommendations will be implemented following the introduction of new legislation in the forthcoming year. The Director of Law, HR and Asset Management has been advised to introduce a system to ensure that recommendations made by the Audit Commission are responded to and implemented in a timely manner. These reports are detailed at Appendix I, section D.
- 5.5 Also listed at Appendix I, section D are other recommendations which are still outstanding. Management provided satisfactory assurances that plans are in place for their implementation, with the exception of an element of recommendation 2 in the Annual Governance Report, September 2009. This related to the cataloguing of community assets held in museums and art galleries. Management needs to take action to ensure that this issue is addressed in a timely manner.

## **6.0 RELEVANT RISKS**

If recommendations are not implemented there is a risk of potential failure:

- 6.1 Of the Council achieving its corporate objectives.
- 6.2 Of the Audit and Risk Management Committee to comply with best professional practice and thereby not function in an efficient and effective manner.
- 6.3 To meet statutory requirements to provide adequate and effective systems of internal control.

## **7.0 OTHER OPTIONS CONSIDERED**

7.1 No other options considered.

## **8.0 CONSULTATION**

8.1 Members of this Committee, Chief Officers and other internal stakeholders are consulted throughout the process of developing and delivering the Internal Audit Plan.

## **9.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS**

9.1 There are none arising from this report.

## **10.0 RESOURCE IMPLICATIONS: FINANCIAL; IT; STAFFING; AND ASSETS**

10.1 There are none arising from this report.

## **11.0 LEGAL IMPLICATIONS**

11.1 There are none arising from this report.

## **12.0 EQUALITIES IMPLICATIONS**

12.1 There are none arising from this report.

## **13.0 CARBON REDUCTION IMPLICATIONS**

13.1 There are none arising from this report.

## **14.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS**

14.1 There are none arising from this report.

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FNCE/148/11

## **APPENDICES**

Appendix 1: Audit Commission reports summary for the period 1 April 2006 – 31 March 2011.

## **REFERENCE MATERIAL**

- Reports issued by the Audit Commission in respect of Wirral Council and Merseyside Pension Fund for the period 1 April 2006 – 31 March 2011.

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

<b>Council Meeting</b>	<b>Date</b>
An annual report is presented to the Audit and Risk Management Committee on Audit Commission reports. An additional report was presented to the Committee on 28 September 2010 following the Committee's request for in-depth verification of a sample of recommendations.	Annually – June meeting of Audit and Risk Management Committee  28 September 2010