

WIRRAL COUNCIL

AUDIT AND RISK MANAGEMENT COMMITTEE

1 DECEMBER 2008

REPORT OF THE DIRECTOR OF FINANCE

ANNUAL GOVERNANCE REPORT - ACTION PLAN UPDATE

1. EXECUTIVE SUMMARY

- 1.1. This Committee considered the Audit Commission Annual Governance Report on 30 September 2008 and recommended that the action plan be presented to this meeting of the Committee.

2. AUDIT COMMISSION ANNUAL GOVERNANCE REPORT

- 2.1 The District Auditor presented his report to this Committee on 30 September 2008. This covered the Council Statement of Accounts 2007/08, which received an unqualified audit opinion, and consideration of key issues facing the Council going forward.
- 2.2 The report identified a number of recommendations. The Committee resolved that regular progress reports be presented with regard to achieving compliance with the recommendations contained in the action plan.

3. PROGRESS REPORT

- 3.1 Production of an implementation plan
 - 3.1.1 The recommendations contained in the Annual Governance Report and draft action plan have been considered by Officers. A completed plan has now been produced that allocates responsibility, gives details of implementation and a date for anticipated implementation (see Appendix). Further progress on implementing the plan is in the following paragraphs.
- 3.2 Recommendation R3 - Consider the issued raised in the Annual Governance Report that should be include in the Letter of Representation
 - 3.2.1 This was completed with the consideration of the Audit Commission report to the meeting of this Committee on 30 September 2008.
- 3.3 Recommendation R13 - Consider the financial and governance implications of the Public Interest Disclosure Act (PIDA) report
 - 3.3.1 Further reports were considered by this Committee, on 4 November 2008.
- 3.4 Recommendation R6 – Review reserves and provisions to ensure they are at an appropriate level and remain prudent

3.4.1 All reserves and provisions have been reviewed and a report is due to presented to the Cabinet on 10 December 2008.

4. FINANCIAL AND STAFFING IMPLICATIONS

4.1 There are no financial or staffing implications arising directly from this report.

5. EQUAL OPPORTUNITIES IMPLICATIONS

5.1. There are none arising directly from this report.

6. HUMAN RIGHTS IMPLICATIONS

6.1. There are none arising directly from this report.

7. COMMUNITY SAFETY IMPLICATIONS

7.1. There are no specific implications arising from this report.

8. LOCAL MEMBERS SUPPORT IMPLICATIONS

8.1. There are no specific implications for any Member or Ward.

9. LOCAL AGENDA 21 IMPLICATIONS

9.1. There are none arising directly from this report.

10. PLANNING IMPLICATIONS

10.1. There are none arising from this report.

11. BACKGROUND PAPERS

11.1. The Annual Governance Report - Audit Commission - September 2008.

11.2 Follow up of Disclosure under Public Interest Disclosure Act 1998 (PIDA) – Audit Commission – August 2008.

11.3. Adult Social Services PIDA Disclosure – Internal Audit Report – November 2008.

12. RECOMMENDATION

12.1. That the progress on delivering the action plan be noted.

IAN COLEMAN
DIRECTOR OF FINANCE

APPENDIX

ANNUAL GOVERNANCE REPORT – ACTION PLAN

Page	Reference	Details	Priority 1=Low 2= Med 3=High	Responsibility	Agreed	Comments and actions	Anticipated Implementation
8	R1	Build on arrangements for the Annual Governance Statement (AGS) by involving Members at an earlier stage and strengthening the corporate ownership: <ul style="list-style-type: none"> Present the AGS to the Audit and Risk Management Committee at a separate meeting to the approval of the accounts to provide Members with more opportunity to consider and challenge the issues raised in the statement. Ensure the drafting of the AGS is done by a corporate group rather than being the responsibility of Internal Audit. 	2	Finance Mark Niblock	Yes	The AGS will be presented and considered at the Audit & Risk Management on 30 March 2009. The Corporate Improvement Group will consider departmental responses prior to review by the Corporate Governance Group. Internal Audit will produce the AGS from Departmental responses.	30 March 2009
8	R2	Ensure supporting records for community assets are complete and are accurately reflected in the financial statements.	2	Regeneration Jim Lester	Yes	Information currently being collated. An assessment will be made to consolidate as required in the Statements.	31 Dec 2008
10	R3	Consider the issues raised in the Annual Governance Report that should be included in the Letter of Representation.	3	Finance Tom Sault	Yes	Letter of Representation approved by Audit & Risk Management committee 30 September 2008.	Completed 30 Sept 2008
10	R4	Further improve the quality assurance processes that underpin the production of information for the statement of accounts.	2	Finance Jenny Spick	Yes	Processes will be enhanced and built into the timetable for 2008/09.	30 June 2009
10	R5	Review the underlying records and the accounting treatment of infrastructure assets to ensure strict compliance with the SoRP.	3	Technical Services & Finance Mark Smith Gavin Shaw	Yes	Work being undertaken to identify and analyse the infrastructure assets.	31 Dec 2008

10	R6	Review reserves and provisions to ensure they are at an appropriate level and remain prudent.	1	Finance Tom Sault	Yes	Cabinet reports every six months review the Councils reserves and provisions	10 Dec 2008 30 June 2009
10	R7	Ensure the Whole of Government Accounts consolidation pack is produced earlier in future years to ensure the Department for Communities and Local Government deadline is met.	1	Finance Reg Huyton	Yes	Work will be undertaken to develop earlier production of the Whole of Government Accounts Return 2008/09.	1 Oct 2009
13	R8	Ensure classification and valuation of assets is robust and that valuation and finance staff take joint responsibility to ensure assets are correctly reflected in the statement of accounts.	2	Law, HR and Asset Mgt/Finance Sam Hird Reg Huyton	Yes	The processes for joint assessment of assets and their valuation will be strengthened.	28 Feb 2009
13	R9	Discuss with Merseyside Pension Fund how a more accurate estimation of the value of Fund assets can be made whilst still meeting deadlines for financial reporting.	1	Finance Reg Huyton Gerard Moore Jenny Spick	Yes	Options are to be discussed with the Pension Fund.	31 Dec 2008
13	R10	Improve internal controls in respect of payroll procedures and ensure consistent compliance across the Council.	3	Law, HR and Asset Mgt Paul Bradshaw	Yes	A review of existing controls being undertaken, changes to then be made.	31 March 2009
13	R11	Review schools bank accounts to ensure funds are held and applied for proper purposes.	2	Children and Young People Andy Roberts	Yes	Liaising with schools to determine that the bank accounts held are correctly assigned.	31 Jan 2009
13	R12	Ensure all related party transactions returns are received from Members and officers to be included in the 2008/09 accounts and test disclosure.	1	Finance Reg Huyton	Yes	Procedures strengthened to ensure that 100% of returns are received by 30 June.	30 June 2009
3	R13	Consider the finance and governance implications of the Public Interest Disclosure Act report.	3	Adult Social Services/ Internal Audit	Yes	Investigations by DASS and Internal Audit.	Ongoing