

WIRRAL COUNCIL

AUDIT & RISK MANAGEMENT COMMITTEE

14 JUNE 2012

SUBJECT	AUDIT COMMISSION PROGRESS REPORT – ACTION AREAS
WARD/S AFFECTED	ALL
REPORT OF	ACTING CHIEF FINANCE OFFICER
RESPONSIBLE PORTFOLIO HOLDER	COUNCILLOR ADRIAN JONES
KEY DECISION	NO

1.0 EXECUTIVE SUMMARY

1.1 The Audit Commission Progress Report presented to each meeting of this Committee makes reference to areas that this Committee may wish to consider. As requested by Committee this report provides detail on the action taken by the Council in respect of those identified in the January / March Progress Reports.

2.0 BACKGROUND AND KEY ISSUES

AUDIT COMMISSION PROGRESS REPORT

2.1 Presented to each meeting of this Committee this includes an 'Other matters of interest' section which highlights recent publications, by the Commission and other organisations, as well as an update on any progressing legislative proposals. To assist Members the Commission have introduced a 'Key considerations' section comprising questions that the Committee may wish to consider. Committee on 1 February 2012 requested that an update on the issues and the actions taken by the Council be presented to a future meeting.

Auditing the 2010/11 Accounts

2.2 National report published by the Commission on 15 December 2011.

2.3 Issue : Has the Council reviewed the report on the 2010/11 Accounts and, in particular, considered the key challenges facing bodies for 2011/12?

2.4 Response : This Committee considered a Statement of Accounts 2011/12 Review of Arrangements report on 1 February 2012 which referred to the Commission report and compared the Wirral position with the national findings.

Lets be clear : Making local authority IFRS accounts more accessible and understandable

2.5 The Commission issued a briefing paper on 18 January 2012 which supplemented the Auditing the 2010/11 Accounts report in section 2.3.

- 2.6 Issue : Has the Council reviewed its 2010/11 Accounts and identified ways in which these could be streamlined or clarified?
- 2.7 Response : The size of the Statement of Accounts has increased considerably and the 2010/11 Statement comprised of 176 pages. This increase resulted partly from the initial disclosures required under International Financial Reporting Standards so will reduce in size in 2011/12. The opportunity is also being taken to reduce the number of supporting notes and to limit any 'clutter' in following the Commission's briefing paper. Each year actions are taken to make the Foreword to the Accounts more of an overview and potentially a 'stand-alone' streamlined document and this will be further enhanced. The Council has produced a Summary Statement of Accounts leaflet for a number of years. The profession has recognised that action is needed to increase understanding and accessibility and guidance from CIPFA is expected later this year.

Managing Workforce Costs

- 2.8 The Commission and Local Government Association jointly launched 'Work in progress : Meeting local needs with lower workforce costs'. The report is supplemented by a number of resources including:-
- An agency workers expenditure tool which shows councils how much they spend on agency workers compared with other councils.
 - A workforce expenditure tool which shows councils how much they spend on staff as a proportion of their current net expenditure, and how this has changed over time.
 - Case studies providing examples of the different approaches councils are taking to reduce the costs of employing people while protecting valuable services.
 - A practical guide on how to undertake effective pay benchmarking.
- There is also a briefing for elected members with a series of questions to help assess how well their council decides the size, shape and cost of its workforce and how these decisions will affect services and communities,
- 2.9 Issue : Has the Council reviewed the report and is Audit & Risk Management Committee satisfied that appropriate use has been made of the supporting materials?
- 2.10 Issue : Has the Council circulated the briefing for elected members on the workforce report to Members? Is the Audit & Risk Management Committee satisfied that the questions within the briefing have been properly considered by the Council?
- 2.11 Response : The Department of Law, HR and Asset Management has undertaken a detailed analysis of workforce costs, including allowances, overtime and use of agency workers. Preliminary discussions with the Trade Unions have covered areas where workforce costs may be reduced and the potential implications for employees and services. This is part of the Strategic Change Programme for which proposals are to be submitted to Cabinet later this year.

2.12 The Council has in recent years reviewed its contractual arrangements in respect of the recruitment and appointment of agency workers. The progress of Job Evaluation is regularly reported to Cabinet and Stage 3, for those employees above Spinal Column Point 34, is scheduled to be concluded in 2012.

Joining up health and social care

2.13 This second briefing on social care was published by the Commission on 1 December 2011 – ‘Joining Up Health and Social Care – Improving Value For Money Across The Interface’.

2.14 Issue : Has the Council reviewed the questions included in the briefing paper on joining up adult and social care?

2.15 Issue : Has the Council used the Commission’s tool to benchmark the performance of its NHS and Social Care Partnership?

2.16 Response :The Department of Adult Social Services is currently consulting on its Overarching Commissioning Strategy which contains the proposal to develop specific Targeted Commissioning Plans. It is proposed to address the questions raised in the Audit Commission document as part of the development of the Targeted Support Commissioning Plan. A report outlining the progress on the development of the Plan will be presented to the Health and Wellbeing Overview and Scrutiny Committee at its meeting on 10 September 2012.

2.17 As part of the development of the Targeted Support Commissioning Plan use will be made of the Audit Commission’s health and social care interface tool to benchmark the performance of local NHS and Social Care activity and agree how to best to use the funds allocated to the NHS and the Council to support joint working.

CIPFA Prudential Code for Capital Finance

2.18 CIPFA published an update to the Code which reflects the introduction of International Financial Reporting Standards.

2.19 Issue ; Has the Council reviewed its performance indicators in the light of the revised Code?

2.20 Response : The updated Treasury Management Policy was reported to Cabinet on 22 February 2012 and included the updated indicators.

2011/12 Accounts : CIPFA Guidance Notes for Practitioners

2.21 Each year CIPFA publish a set of guidance notes to provide support in preparing the accounts.

2.22 Issue : Has the Council reviewed CIPFA's guidance notes and made satisfactory arrangements for their implementation?

2.23 Response : These have been covered in the Audit Commission workshops attended by local authorities, including Wirral, in February 2012 and events organised by CIPFA which focus more on the technical accounting requirements which Wirral attended in March 2012.

3.0 RELEVANT RISKS

3.1 The papers from the Commission and others offer advice and guidance on compliance with regulations in respect of accounting and technical issues. Those in respect of the workforce and social care present opportunities for improvement and achieving efficiencies in the delivery of services and the benefits could be foregone if the opportunities are not taken.

4.0 OTHER OPTIONS CONSIDERED

4.1 There are no options considered in this report.

5.0 CONSULTATION

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

6.0 IMPLICATIONS FOR VOLUNTARY, COMMUNITY AND FAITH GROUPS

6.1 There are no direct implications arising from this report.

7.0 RESOURCE IMPLICATIONS

7.1 There are no direct financial, staffing or IT implications arising directly from this report. The implementation of actions following consideration of the reports from the Commission and others will be reported to Cabinet with appropriate implications.

8.0 LEGAL IMPLICATIONS

8.1 There is a legal requirement to publish the Statement of Accounts by 30 September each year.

9.0 EQUALITIES IMPLICATIONS

9.1 There are none arising directly from this report.

9.2 Equality Impact Assessment (EIA) is not required for this report.

10.0 CARBON REDUCTION IMPLICATIONS

10.1 There are none arising directly from this report.

11.0 PLANNING AND COMMUNITY SAFETY IMPLICATIONS

11.1 There are none arising directly from this report.

12.0 RECOMMENDATION

12.1 That the responses to the issued identified in the Audit Commission Progress Report be noted.

13.0 REASON FOR RECOMMENDATION

13.1 The issues were identified by the Commission and this Committee requested a report on the actions taken by the Council.

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SUBJECT HISTORY

Council Meeting	Date
Audit & Risk Management Committee – Audit Committee Update – Audit Commission	Updates are presented to each meeting of the Committee.