

# Public Document Pack

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Head of Legal and Democratic Services  
Pennaeth Gwasanaethau Cyfreithiol a Democraataidd



To: Cllr Alison Halford (Chair)

CS/NG

Councillors: Glyn Banks, Haydn Bateman,  
Alan Diskin, Richard Jones, Ian Roberts and  
Arnold Woolley

4 December 2012

Paul Williams

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Dear Sir / Madam

A meeting of the **AUDIT COMMITTEE** will be held in the **CLWYD COMMITTEE ROOM, COUNTY HALL, MOLD CH7 6NA** on **WEDNESDAY, 12TH DECEMBER, 2012** at **10.00 AM** to consider the following items.

Yours faithfully

Democracy & Governance Manager

## **AGENDA**

- 1 **APOLOGIES**
- 2 **DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**
- 3 **MINUTES** (Pages 1 - 10)  
To confirm as a correct record the minutes of the meeting held on 25 September 2012.
- 4 **ACTION TRACKING** (Pages 11 - 18)  
Report of Head of Finance

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The Council welcomes correspondence in Welsh or English  
Mae'r Cyngor yn croesawau gohebiaeth yn y Cymraeg neu'r Saesneg

- 5 **IMPROVEMENT ASSESSMENT LETTER FROM THE AUDITOR GENERAL FOR WALES** (Pages 19 - 38)  
Report of Chief Executive
- 6 **ANNUAL AUDIT LETTER** (Pages 39 - 44)  
Report of Chief Executive
- 7 **ANNUAL UPDATE OF CODE OF CORPORATE GOVERNANCE** (Pages 45 - 68)  
Report of Democracy and Governance Manager
- 8 **CERTIFICATION OF GRANT CLAIMS** (Pages 69 - 72)  
Report of Head of Finance
- 9 **INTERNAL AUDIT PROGRESS REPORT** (Pages 73 - 108)  
Report of Head of Finance
- 10 **AUDIT COMMITTEE SELF ASSESSMENT AGAINST CIPFA REQUIREMENTS** (Pages 109 - 120)  
Report of Head of Finance
- 11 **FORWARD WORK PROGRAMME** (Pages 121 - 124)  
Report of Head of Finance

## AUDIT COMMITTEE 25 SEPTEMBER 2012

Minutes of the meeting of the Audit Committee of Flintshire County Council held at Clwyd Committee Room, County Hall, Mold CH7 6NA on Tuesday, 25 September 2012

**PRESENT: Councillor Alison Halford (Chair)**

Councillors: Glyn Banks, Haydn Bateman, Alan Diskin, Richard Jones, Ian Roberts and Arnold Woolley

**APOLOGIES:** Chief Executive and Mr. Paul Williams

**ALSO PRESENT:** Councillors Bernie Attridge and Aaron Shotton

**IN ATTENDANCE:**

Head of Finance, Internal Audit Manager, Democracy & Governance Manager, Corporate Finance Manager and Committee Officer

Head of Legal & Democratic Services (minute number 25)

Head of Corporate & Capital Accounting (minute number 25)

Clwyd Pension Fund Manager (minute number 26)

Mr. Patrick Green of RSM Tenon Plc

Ms. Amanda Hughes and Mr. John Herniman of Wales Audit Office

**23. DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)**

No declarations of interest were made.

**24. MINUTES**

The minutes of the meeting of the Committee held on 17 July 2012 were submitted.

**RESOLVED:**

That the minutes be approved as a correct record and signed by the Chairman.

**25. STATEMENT OF ACCOUNTS 2011/12**

The Head of Finance and Corporate Finance Manager introduced the Statement of Accounts for 2011/12, together with the Wales Audit Office (WAO) report in connection with the audit of the 2011/12 financial statements for Flintshire County Council and the Clwyd Pension Fund.

The draft Accounts had been received by the Committee on 17 July 2012 when officers had responded to Members' questions. The remaining queries had been followed up by a written response, with no further queries received since that time. Changes agreed with WAO colleagues during the course of the audit

had been incorporated into the final Statement of Accounts to be presented to the County Council later in the day in order to meet the statutory approval deadline.

Mr. J. Herniman of WAO commented on the difficult task of producing a set of accounts that were easy to understand, whilst following the necessary requirements. For both audits, the Council was required to provide a Letter of Representation to confirm that all necessary information had been disclosed and that the financial statements were accurate.

### Audit of Financial Statements Report for Flintshire County Council 2011/12

It had been reported that whilst the audit work had been substantially complete, some areas of work remained outstanding due to a number of significant adjustments and delays in receiving information. Mr. Herniman confirmed that this had been resolved and there were no further issues, additional to the report, which needed to be brought to the Committee's attention. He advised that although an unqualified opinion would be issued, a query on Communities First had been raised by a member of the public late in the process but prior to the audit sign-off. As a result, the audit closure certificate could not be issued until the query had been investigated.

There were two uncorrected misstatements detailed in the report. The first identified that a number of assets had not been depreciated appropriately which resulted in assets being overstated, and the second was an incorrect classification on the balance sheet between creditors and grants received in advance. It was noted that although the auditor was required to raise these with the Committee, if the Committee chose not to correct them and included appropriate comment in the Letter of Representation, this would not change the audit opinion.

The Head of Finance said that the points raised by WAO had been accepted by management and would be dealt with accordingly for future years. She explained that there had been a timing issue in deciding not to correct the two misstatements, due to audit work continuing late into the audit period; this left little time to correct any late issues raised at Audit within the time available. The significant amount of work required in following through any corrections would have impacted on finalising the Statement of Accounts.

Councillor R.B. Jones said he hoped that the issue on fixed asset depreciation would be resolved with the introduction of the Technology Forge software. On intangible assets, the Corporate Finance Manager and Head of Corporate & Capital Accounting agreed to respond separately to his query on the increased amount for software licences from zero in the draft Accounts.

On other significant issues identified in the report, Councillor G.S. Banks asked why six investment properties had been omitted from the annual revaluation process. The Corporate Finance Manager replied that this had been due to a move from a spreadsheet-based system to a computerised system and that the properties were now included.

On general issues, Mr. Herniman commented on improvements which could be made to the style and format of the Accounts in future years to ensure

clarity on the key messages. The Corporate Finance Manager said that following similar comments in the past, the International Financial Reporting Standards (IFRS) had been adopted during 2011 and officers were working with WAO colleagues to make further improvements. Councillor Jones asked whether an improved format would have helped to identify the issue with fixed assets at an earlier stage. Mr. Herniman replied that this was not the case, however minor typographical errors may have been picked up more easily. He went on to say that the nature of Accounts reporting within the regulations meant that errors could easily occur.

In response to a question from Councillor I.B. Roberts on best practice example Statement of Accounts reports, Mr. Herniman said that a model example was available from the Chartered Institute of Public Finance Accountancy (CIPFA) and that this together with reports from other Local Authorities could be shared with the Finance team at the closure meeting of the Accounts process. Councillor Roberts' proposal that the WAO and the Welsh Government (WG) be asked to provide a standard set of accounting procedures for Local Authorities in Wales was seconded. However, Mr. Herniman suggested that the format set out within the CIPFA model could be used as a starting point and that this would be subject to further changes. After a further question, Mr. Herniman confirmed that the Statement of Accounts for Flintshire were materially accurate.

Councillor Jones asked if balancing entries could be eliminated for the 2012/13 Accounts. The Head of Finance acknowledged that this was a reasonable target but said that some review work would be required first and that she would report on progress.

Following a question by the Chair on the potential liability for Equal Pay settlements with employees, Mr. Herniman explained that an estimate had been given based on independent expert advice however this had not been challenged by Council officers, which had led to a significant adjustment. The Head of Finance went on to say that due to the Single Status and Equal Pay issues not yet being concluded, an accountancy entry had been required based on the potential liability and that accounting provision was different to settlement provision. The expert advice had been valid, however officers were working with advisers on the total liability to the Council.

On the same issue, the Head of Legal & Democratic Services explained that final figures could not be calculated until the pay model was available which meant that the external consultant had worked on the basis of the 'worst case scenario'. The note of caution advised by WAO colleagues had been acknowledged by the Council, however the information could not have been known at the time and this was a form of business planning. Councillor Jones referred to the difference between the figures provided by the consultant and the WAO. Mr. Herniman explained that the £5.5M difference had been moved from one part of the balance sheet to another to better reflect the potential liability as a provision, with the difference moved to the reserves, so there was no loss.

Following concerns raised by the Chair on any slippage in the Single Status timetable, Mr. Herniman referred to differing legal advice given to WAO and the Council on pension contributions in relation to Equal Pay claims, which applied to most Local Authorities in Wales. The Head of Legal & Democratic

Services said that this could prove to be beneficial for the Council in not yet having implemented Single Status and he went on to state that the WAO had confirmed that the Council were acting appropriately in basing its position on the legal advice received.

The Chair commented on the failure of ten Members to return related party declarations for Accounts disclosure consideration purposes. The Democracy & Governance Manager said that both officers and Members needed chasing after a cut-off date for replying. The Head of Finance said that a 'chasing up' system was in place on which she would work with the Democracy & Governance Manager to improve.

#### Audit of Financial Statements Report for Clwyd Pension Fund 2011/12

Mr. Herniman explained that the Accounts for 2011/12 did not include an Emphasis of Matter which had been included for the previous year and he went on to detail one uncorrected misstatement. Investments were understated because more up-to-date valuation information had been received in between the preparation of the accounts and the audit. He explained that in previous years, management had corrected for this, but for this year management had taken the view not to correct for 2011/12 because of the additional work involved. The Clwyd Pension Fund Manager said that this was a timing issue each year when information was received from investment managers at a late stage: this was a situation outside his control but he would continue to pursue.

The Head of Finance made reference to the significant amount of work in producing the Statement of Accounts and thanked WAO colleagues for their work. She expressed her gratitude to the Committee for their interest at the draft and final stages of the process and gave assurance that the issues raised had been acknowledged. In extending personal thanks to Finance officers, she said that the work had been completed during an ongoing team review of the Finance department and the implementation of a new software system. The Chair also thanked those involved.

#### **RESOLVED:**

- (a) That the final version of the Statement of Accounts 2011/12 be recommended to County Council;
- (b) That the reports from the Wales Audit Office be noted;
- (c) That the Letter of Representation - Flintshire County Council and Letter of Representation - Clwyd Pension Fund be recommended to County Council;
- (d) That the Corporate Finance Manager and Head of Corporate & Capital Accounting provide a separate response to Councillor Jones' query on the increased amount for software licences; and
- (e) That Wales Audit Office colleagues share with Council officers the CIPFA model Accounts, together with other examples, at the closing Accounts meeting.

**26. TREASURY MANAGEMENT MID YEAR UPDATE**

The Clwyd Pension Fund Manager introduced the update report on matters relating to the Council's Treasury Management Policy, Strategy and Practices 2012/13 to the end of August 2012 which was also due to be submitted to Cabinet and County Council.

Members were advised of the Council's continuing cautious approach to invest for no longer than three months and that the availability of lower interest rates for longer periods made it difficult to restructure debt. The mid-year report showed compliance with every treasury management practice, with the exception of a minor administrative error detailed in the report. The Clwyd Pension Fund Manager gave an update on the Landsbanki issue shown in the report, but was unaware of a potentially related issue brought to his attention by the Chair.

Following a question from Councillor G.H. Bateman on the transfer of responsibility for the Council's Treasury Management function, the Clwyd Pension Fund Manager said that officers would continue to take advice from the treasury advisers, Sterling, on policies. The Head of Finance explained that following a review of the Finance function, responsibility for the Council's Treasury Management would transfer to the Corporate Finance Manager and his team which included the Finance Manager (Strategy & Technical) and Funds Officer who were present in the public gallery.

**RESOLVED:**

- (a) That the report be noted; and
- (b) That the Treasury Management Mid Year Report 2012/13 be presented to the Cabinet on 16 October 2012.

**27. INSPECTION REPORT FROM THE OFFICE OF SURVEILLANCE COMMISSIONERS**

The Democracy & Governance Manager presented a report from the Office of Surveillance Commissioners (OSC) following an inspection on 26 July 2012 to review the Council's management of covert activities and compliance with the Regulation of Investigatory Powers Act 2000 (RIPA).

He explained that this was the first such report received as part of the new role of the Audit Committee and that it was favourable of the Council's RIPA policies and procedures which were mainly used by Trading Standards as a last resort. Two recommendations had been made on the clarity of wording in procedures and a requirement for RIPA training, the latter of which had already been identified. The Democracy & Governance Manager reported that both recommendations had been acted upon, with training scheduled for 31 October 2012 to update officers on the complex legislation.

Councillor R.B. Jones suggested that an additional recommendation be made for the Committee to endorse the recommendations of the OSC report and this was duly seconded.

Following a question from Councillor G.S. Banks on the use of CCTV equipment for fly tipping and dog fouling enforcement, the Democracy & Governance Manager explained that this had been included in the report to explain why the Council did not resort to covert surveillance for such matters.

**RESOLVED:**

- (a) That the letter and report from the Office of Surveillance Commissioners be noted; and
- (b) That the recommendations of the report of the Office of Surveillance Commissioners be endorsed.

**28. ITEMS DEFERRED FROM THE AUDIT PLAN FOR 2010/11 AND 2011/12**

In response to discussion at the previous meeting, the Internal Audit Manager presented a report to inform the Committee of items deferred from the Audit Plan over the past two years.

He explained the process of deferring items from the Plan and said that 22 audits had been deferred from the Plan in 2011/12 and 19 in 2010/11, most of which had been advisory with the remainder as risk-based.

Of the 22 audits deferred in the 2011/12 Plan, Councillor G.H. Bateman enquired about that for the Communities First Follow Up. The Internal Audit Manager said that this had been deferred a year ago and would be carried forward to 2014/15. The Chair asked for clarification on the comments column for this audit and it was explained that this related to the deferment of the audit as the Communities First scheme was nearing completion before a further scheme could be continued.

Following a query by Councillor R.B. Jones on the 'In Plan for 2012/13' column in the plan deferrals table, the Internal Audit Manager replied that a three year Strategic Plan was in place and that the target year for each audit was shown in brackets. Councillor Jones questioned the clarity of the table and also referred to earlier discussion on Communities First. The Internal Audit Manager said that this issue had only been raised recently and could be a possible change to the Plan.

Following a question by Councillor Bateman on a deferral from the 2010/11 Plan, the Internal Audit Manager explained that the CD27 Waste Management audit had been a Strategic Assessment of Risks & Challenges (SARC) risk-based review on recycling performance and was included in the 2012/13 Plan. In response to a query from the Chair, he replied that the scope of the original HR Strategy Management audit had related to Service Plans and People Plans rather than staff appraisals.

Councillor Jones felt that the report was too complex and said that information was only needed on Plan items for the current year and where they had come from. The Chair stated that work had been carried out to simplify information in the report which remained 'work in progress'. The Democracy &



Governance Manager pointed out that the report had been produced in response to the Committee's request for details of deferred items, following comments made in the Wales Audit Office report on Internal Audit received at the June 2012 meeting. Councillor I.B. Roberts felt that the report gave clear information. The Chair remarked that the report was the result of officers' genuine attempts to respond to Members' requests and that improvements would be continue to be made.

**RESOLVED:**

That the report be accepted.

**29. ACTION TRACKING**

The Internal Audit Manager introduced a report to inform the Committee of the actions resulting from points raised at previous Audit Committee meetings. A summary of actions was attached to the report and it was noted that most had been completed with the remainder to be reported to a future meeting.

The Chair explained that this was an improved method of reporting actions carried out and asked about progress with Finance staff appraisals. The Internal Audit Manager stated that these had been scheduled to take place between September and November 2012 to coincide with the implementation of the Finance function review. He added that the Head of Finance had also discussed appraisal policy review with the Head of Human Resources.

Councillor G.H. Bateman, who had earlier given apologies for being unable to attend the drop-in sessions for Members, asked if these had been well attended and whether they would continue to be offered in future years. The Corporate Finance Manager replied that there had been no visits made by Members for this year and that the Audit Committee would need to take a view on future sessions.

**RESOLVED:**

That the report be accepted.

**30. FORWARD WORK PROGRAMME**

The Internal Audit Manager presented a report to consider the Forward Work Programme for the Audit Committee for the coming year, similar to that produced for Overview & Scrutiny Committees. It was explained that this had been drafted based on reports due to be submitted to the Committee and that Members were able to propose changes.

**RESOLVED:**

That the Forward Work Plan be approved.

## 31. INTERNAL AUDIT PROGRESS REPORT

The Internal Audit Manager presented a report to update on progress of the Internal Audit department.

As agreed at the previous meeting of the Committee, the new report had been divided into five sections to cover previous lengthy reports on Audit Plan, Final Reports, Recommendation Tracking, Performance Indicators and Investigations Progress. The section on the Audit Plan included adjustments to the Plan after the failure to recruit which had been reported to the Committee in June 2012. This had been following discussion with the Chief Executive and Head of Finance which had also resulted in the agreement to bring in some resource.

It was reported that due to a major investigation being undertaken, 183 days had been used up until the end of August 2012 out of the allocated 200 days for investigations for the whole of the year. Although the investigation was still ongoing, it was estimated that around 100 additional days would be required to ensure that obligations were met and that a decision would need to be taken on whether to acquire extra resources or defer more items from the Plan. The Internal Audit Manager explained the intention for management to review and prioritise work on the Plan and to submit a half-year Plan for approval to the next meeting of the Committee.

Councillor I.B. Roberts proposed that once the total number of days used for investigations extended beyond 200, that additional resources be sought from RSM Tenon Plc to enable the Audit Plan to retain its integrity for the year, as opposed to the deferral of more audits. The Head of Finance welcomed the support of the Committee but said that officers would need to explore the type of resources required and that this could be from another source. It was proposed that once the allocation of 200 days had been used, resources should be provided to enable the Audit Plan to be completed at the discretion of the Head of Finance. This was seconded and agreed.

In response to a question from Councillor R.B. Jones on the cost of extra resources from RSM Tenon Plc, Mr. Patrick Green replied that this would be around £300-350 per day depending on the skills required.

On Recommendation Tracking, the Internal Audit Manager outlined proposed changes to the method used which would allow analysis of reasons given by departments on non-implementation and that future reports would be developed to include this. On Performance Indicators and in particular the target for client departments, the Chair commented on the Committee's support of Audit in obtaining responses within 20 days. She also remarked on work that she had undertaken with the officers to help clarify wording on the report and said that further improvements would be made.

Prior to discussion on investigations, it was explained by the Democracy & Governance Manager that if more detail was required, a decision would need to be made on whether to exclude the press and public from the meeting.

**RESOLVED:**

- (a) That the report be accepted; and
- (b) That once the allocation of 200 days for investigations had been used, resources should be provided, at the discretion of the Head of Finance, to enable the Audit Plan to be completed.

**32. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC**

**RESOLVED:**

That the press and public be excluded from the meeting as the following item was considered to be exempt by virtue of Part 1 of Schedule 12A of the Local Government Act 1972 (as amended).

**33. APPENDIX E - INVESTIGATIONS PROGRESS**

The Head of Finance and Internal Audit Manager responded to a number of questions raised by Members on an ongoing investigation.

**RESOLVED:**

That the report be accepted.

**34. MEMBERS OF THE PRESS AND PUBLIC IN ATTENDANCE**

There were no members of the press or public in attendance.

(The meeting started at 10.00 am and ended at 12.35 pm)

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**Chair**

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **AUDIT COMMITTEE**  
**DATE:**                 **WEDNESDAY, 12 DECEMBER 2012**  
**REPORT BY:**         **HEAD OF FINANCE**  
**SUBJECT:**            **ACTION TRACKING**

### **1.00   PURPOSE OF REPORT**

1.01   To inform the committee of the actions resulting from points raised at previous Audit Committee meetings.

### **2.00   BACKGROUND**

2.01   At previous meetings requests for information or reports have been made. These have been summarised as action points. This paper summarises those points and provides an update on the actions resulting from them.

### **3.00   CONSIDERATIONS**

3.01   A summary of the points and the actions taken is provided at Appendix A. The majority of the requested actions have been completed, with some still outstanding. They will be reported back to a future meeting.

### **4.00   RECOMMENDATIONS**

4.01   The committee is requested to accept the report.

### **5.00   FINANCIAL IMPLICATIONS**

5.01   None as a direct result of this report.

### **6.00   ANTI POVERTY IMPACT**

6.01   None as a direct result of this report.

### **7.00   ENVIRONMENTAL IMPACT**

7.01   None as a direct result of this report.

### **8.00   EQUALITIES IMPACT**

8.01 None as a direct result of this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None as a direct result of this report.

**10.00 CONSULTATION REQUIRED**

10.01 None as a direct result of this report.

**11.00 CONSULTATION UNDERTAKEN**

11.01 None as a direct result of this report.

**12.00 APPENDICES**

12.01 Appendix A – Summary of Action Points.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

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## AUDIT COMMITTEE ACTION SHEET

25 <sup>TH</sup> JUNE 2012				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
6	Certification of Grant Claims and Returns 2010/11	Update to be brought to the first Audit Committee meeting following the September claim returns.	C Everett / K Feather	Paper provided to this meeting.
8	Risk Management Update	To consider possible refinements to the use of RAG status, including suggestion of up & down arrows.	C Everett / K Armstrong	To be considered as part of the updated Risk Strategy, to be brought to the committee in January.
11	Operational Audit Plan & Recommendation Tracking	The Audit Committee recommend that Cabinet consider the level it wishes to be involved in the use of consultants; Officers to raise with Cabinet	G Owens / C Guest	Since Audit Committee made its recommendation about controlling the appointment of consultants, CMT with Cabinet approval has introduced the process for controlling appointments that was reported to the Audit Committee recently. Cabinet would like to monitor the effectiveness of that new process to see whether it achieved the desired result before introducing any further controls.
		Future reports to include details of concerns for the committee to focus on.	D Webster	Completed in reports to committee from this meeting.

**17<sup>TH</sup> JULY 2012**

<b>Agenda Item No.</b>	<b>Report</b>	<b>Action Required</b>	<b>Responsible Officer</b>	<b>Action Taken</b>
3	Minutes of Previous Meeting	That the RAG status be reviewed for refinements and proposals brought back to the Committee at a future meeting.	C Everett	To be considered as part of the updated Risk Strategy, to be brought to the committee in January.
3	Minutes of previous meeting	Chair & Vice-Chair to meet with CE to discuss concerns on appraisals.	K Feather / H Stapleton	The Head of Finance has met with the Chair of the Audit Committee. Following the completion of the JE process the finance review has an agreed implementation date of 1 <sup>st</sup> January 2013. The majority of appraisals will now be scheduled for the first quarter of 2013 as part of the implementation of the new arrangements. However, appraisals have been completed for all staff within IA and Pensions Admin. The Head of HR has reviewed the tracking report to the Committee which was reporting on progress with an audit on appraisals carried out in June 2011. The Appraisal system and accompanying policy guidance is currently being reviewed by the HR Policy Officer and will be implemented by the agreed date of December 2012.



**17<sup>TH</sup> JULY 2012**

<b>Agenda Item No.</b>	<b>Report</b>	<b>Action Required</b>	<b>Responsible Officer</b>	<b>Action Taken</b>
6	Statutory Guidance on the Local Government (Wales) Measure 2011	A report to be brought back on the relative roles of the Audit Committee and the Corporate Resources Scrutiny Committee in relation to the Financial affairs of the Council, following the LG measure.	K Feather	A report will be made to the March meeting of the Audit Committee, following discussion with the Chair and Vice Chair of both committees.

**25<sup>TH</sup> SEPTEMBER 2012**

<b>Agenda Item No.</b>	<b>Report</b>	<b>Action Required</b>	<b>Responsible Officer</b>	<b>Action Taken</b>
4	Statement of Accounts	Intangible assets - to respond separately to Cllr Richard Jones' query on why the amount for software licences had increased from zero in the draft Accounts.	G Ferguson / I Llewellyn-Jones	Response sent to Cllr Jones

**25<sup>TH</sup> SEPTEMBER 2012**

Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
4	Statement of Accounts	Improving report format (WAO para 18) - that Wales Audit Office colleagues share with officers at the closing Accounts meeting the CIPFA model Accounts and examples from other Local Authorities.	J Herniman / K Feather	The model Accounts change every year. When the format for next year is produced it will be reviewed by FCC Finance Officers.
4	Statement of Accounts	Councillor Jones asked if balance entries could achieve zero for the 2012/13 Accounts. The Head of Finance acknowledged that this was a reasonable target but said that some review work would be required first and she would report on progress.	K Feather	Will be considered within the preparation for the closedown of the 2012/13 final accounts.

**25<sup>TH</sup> SEPTEMBER 2012**

<b>Agenda Item No.</b>	<b>Report</b>	<b>Action Required</b>	<b>Responsible Officer</b>	<b>Action Taken</b>
4	Statement of Accounts	Disclosure of details of related party transactions (WAO para 30) - the Democracy & Governance Manager to work with the Head of Finance to improve the chasing up system.	K Feather / P Evans	To be built into the 2012/13 final accounts closedown programme.
4	Statement of Accounts	To continue to chase up evaluation figures from investment managers to avoid late submissions.	P Latham	Investment Managers contacted on an ongoing basis. The need for adherence to closedown deadlines will be emphasised.
7	Items deferred from the IA Plan	Communities First - the Internal Audit Manager said that this had only been raised recently and could be a possible change to the Plan.	D Webster	To be included in audit planning for 2013/14.

**25<sup>TH</sup> SEPTEMBER 2012**

<b>Agenda Item No.</b>	<b>Report</b>	<b>Action Required</b>	<b>Responsible Officer</b>	<b>Action Taken</b>
10	IA Progress Report	Half-year Plan to be brought for approval to the Committee's meeting in December 2012.	D Webster	Original plan maintained due to the proposal to increase resources. It will still be subject to ongoing review throughout the remainder of the year.
10	IA Progress Report	Recommendation Tracking - changes to the method used which would allow analysis of reasons given by departments on non-implementation for inclusion in future reports.	D Webster	Changes made, results reflected in the report to this committee.

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:** **AUDIT COMMITTEE**

**DATE:** **12 DECEMBER 2012**

**REPORT BY:** **CHIEF EXECUTIVE**

**SUBJECT:** **IMPROVEMENT ASSESSMENT LETTER FROM THE  
AUDITOR GENERAL FOR WALES**

### **1.00 PURPOSE OF REPORT**

1.01 To advise Members of the Council's Improvement Assessment Letter October 2012 from the Auditor General for Wales.

1.02 Members to note the report and receive the Council's response.

### **2.00 BACKGROUND**

2.01 The Auditor General is required by the Local Government (Wales) Measure 2009 (the Measure) to report any audit and assessment work which informs tangible judgement as to whether a Council has discharged its duties and met the requirements of the Measure.

2.02 This is the first letter that the Council will receive; the second one covering an assessment of both the Council's Improvement Plan and the Annual Performance Report. This second letter will also comment on compliance with the Measure in addition to reporting on the financial audit.

### **3.00 CONSIDERATIONS**

- 3.01 The letter summarises the Auditor General's views on:
- whether the Council has discharged its statutory duties in respect of improvement planning
  - the Council's compliance with requirements to make arrangements to secure continuous improvement, including the Council's progress on areas for improvement and recommendations identified in previous assessments
  - any relevant issues that may have emerged since the last Auditor General's report, including comments on how the Council is addressing financial challenges; and a brief summary of relevant regulators issued since the last report
  - any further proposals for improvement and/or recommendations
  - updates to the Wales Audit Office work plan and timetable

- 3.02 The full letter is attached at Appendix 1.
- 3.03 The letter outlines developments since the last letter notably the housing ballot.
- 3.04 The Audit General has made no new proposals for improvement or recommendations in the letter.
- 3.05 However, as good practice, the Council always makes a full response. The response is attached at Appendix 2.

Both the letter and the Council's response were received by Corporate Resources Overview and Scrutiny Committee and Cabinet meetings in November.

#### **4.00 RECOMMENDATIONS**

- 4.01 To advise Members of the Council's Improvement Assessment letter received from the Auditor General for Wales.
- 4.02 Members to note the letter and receive the Council's response.

#### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 The letter refers to the medium-term financial plan.

#### **6.00 ANTI POVERTY IMPACT**

- 6.01 The letter has no direct implication in relation to poverty.

#### **7.00 ENVIRONMENTAL IMPACT**

- 7.01 The letter has no direct implication in relation to environmental impact.

#### **8.00 EQUALITIES IMPACT**

- 8.01 The letter has no direct implication in relation to equalities.

#### **9.00 PERSONNEL IMPLICATIONS**

- 9.01 The letter refers to the Council's work on implementing Single Status.

#### **10.00 CONSULTATION REQUIRED**

- 10.01 None required.

#### **11.00 CONSULTATION UNDERTAKEN**

- 11.01 Senior officers have had input into this report.

## **12.00 APPENDICES**

- 12.01 Appendix 1: The Auditor General's Improvement Assessment Letter (October 2012)  
Appendix 2: The Council's response to the Auditor General's Improvement Assessment Letter (October 2012)

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS**

None

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Mr C Everett  
Chief Executive  
Flintshire County Council  
County Hall  
Mold  
CH7 6NB

Date	25 October 2012
Our reference	467A2012
Your reference	
Tel No	02920 320500
E-mail	<a href="mailto:Walesauditoffice@wao.gov.uk">Walesauditoffice@wao.gov.uk</a>
Pages	1 of 11

Dear Colin

## Improvement Assessment

I am required, under the Local Government (Wales) Measure 2009 (the Measure) to report my audit and assessment work in relation to whether Flintshire County Council (the Council) has discharged its duties and met the requirements of the Measure.

This letter summarises:

- my views on whether the Council has discharged its statutory duties in respect of improvement planning;
- my views on the Council's compliance with requirements to make arrangements to secure continuous improvement, based on work carried out to date by the Wales Audit Office and relevant regulators, including:
  - the Council's progress on areas for improvement and recommendations identified in my previous assessments;
  - any relevant issues that may have emerged since my last report, including comments on how the Council is addressing financial challenges; and
  - a brief summary of any reports of relevant regulators issued since my last report.
- my further proposals for improvement and/or recommendations; and
- updates to the Wales Audit Office work plan and timetable for delivering my Improvement Assessment work.

I shall update my views during the year and will provide a further letter by the end of November 2012.

### **Developments since my last report**

I reported in January 2012 that the Council had made continued progress towards a housing stock transfer ballot and that this represented an important step in improving the quality of its housing stock. In March 2012, the Council balloted its tenants on the option of transferring its stock to a housing association. There was a high turnout of 71 per cent of tenants. Of these, 88 per cent voted against the proposal to transfer the stock from the Council. The Council is in discussions with the Welsh Government on how to meet the Welsh Housing Quality Standards.

My January report also referred to the Council's progress in reorganising its secondary schools in order to make better use of resources. Following an informal public consultation, the Cabinet has agreed its preferred options for modernising its school provision in the Holywell, Connah's Quay/Shotton/Queensferry and Buckley/Mynydd Isa/Mold areas of the county. The Council will now consult formally upon the preferred options. There has also been progress in the primary school sector; the Council has opened a new school in Connah's Quay and has amalgamated four pairs of infant and junior schools.

### **I am unable to state whether the Council has discharged its improvement planning duties under the Measure as the Council has not yet published its Improvement Plan for this year**

The Local Government elections in May 2012 resulted in significant changes in the Council's political leadership. Labour Party candidates won 30 of the Council's 70 wards and, at its Annual Meeting on 15 May, the Council chose Councillor Aaron Shotton of the Labour Group as its Leader. The Labour Group, formerly in opposition, now occupies seven of the eight seats on the Council's Cabinet.

In light of this political change, the Council has understandably chosen to publish its 2012-13 Improvement Plan in October 2012. Though well after the beginning of the financial year, the timing will enable the Council to consider how its Improvement Objectives might better reflect the manifesto commitments of the new political leadership. In the meantime, services continue to address the wide-ranging objectives and associated actions set in 2011-12, all of which remain relevant to the Council. I shall report on my audit of the Council's 2012-13 Improvement Plan by the end of November.

**Based on, and limited to, work carried out to date by the Wales Audit Office and relevant regulators, I believe that the Council is likely to comply with the requirement to make arrangements to secure continuous improvement during this financial year**

I have reached this conclusion because:

- the Council has made reasonable progress in acting on several of the recommendations in my last Annual Improvement Report but some key projects are taking longer than anticipated;
- work on the medium-term financial plan continues but the Council has not succeeded in completing the plan by the end of September 2012, as intended;
- the Council's arrangements for developing, using and supporting technology are likely to support continuous improvement; and
- the Care and Social Services Inspectorate Wales (CSSIW) has published a positive assessment of the Council's services for children and families, reflecting strong leadership and improving outcomes.

**The Council has made reasonable progress in acting on several of the recommendations in my last Annual Improvement Report but some key projects are taking longer than anticipated**

I have previously reported a number of recommendations/proposals for improvement and also noted some areas where we would undertake further work. I include a full list of my previous recommendations and proposals for improvement in Appendix 1, along with my assessment of progress to date and my plans for future reporting. I summarise progress on some of these matters below:

- The Cabinet (and previously the Executive) has received updates from officers on the Council's progress in delivering one of its 2011-12 Improvement Objectives, 'to be a modern, caring and flexible employer with fair and equal pay and terms and conditions of employment under a Single Status Agreement'. The Council has assessed its progress against this Improvement Objective as being satisfactory. However, the likely date for the full implementation of Single Status remains under review, having again been deferred. In this respect, the Council has been unable to meet its intended timetable, as recommended in my last Annual Improvement Report.
- The work of reaching a legal and affordable agreement with the Council's Trades Union partners is complex and the Council has understandably engaged external support for this work. The Council understands and accepts that there are financial risks associated with the implementation of Single Status and the settlement of existing and potential equal pay claims. It has set aside financial reserves to mitigate these risks. However, our audit of the Council's financial statements has

concluded that the Council has been too willing to rely, without sufficient review or challenge, on externally produced estimates for equal pay claims. As a result, the Council amended the figure included in the accounts to better reflect the liability for accounting purposes. The Council acknowledges that further work is required to estimate the actual liability. The size of this liability will emerge from the Single Status agreement and through negotiations with the Trades Unions.

- I recommended in January 2012 that the Council should complete its work in quantifying the financial benefits of its programme of efficiencies and organisational change by mid 2012-13. A key part of this programme, known as 'Flintshire Futures', represents an important strand in the Council's medium-term financial planning. It supports the Council's ability to continue to maintain and invest in services in the context of reduced external funding. In a paper to the Cabinet in June 2012, officers estimated that the Council needs to identify efficiencies of between £7 million and £8 million in order to balance its 2013-14 budget. The Flintshire Futures programme is ambitious and comprises five major workstreams. Senior officers acknowledge that progress is variable across the workstreams, and slower than planned in several areas. The Council has established a Programme Board to maintain and, where necessary, to increase momentum and to improve overall governance of the programme. While the Council has realised almost 90 per cent of the planned savings for 2011-12, from Flintshire Futures projects and other efficiencies, significant further work is needed to quantify the future savings that might be achieved so as to better inform the Council's financial planning.

We will provide further information about our findings in some of these areas separately in interim updates where appropriate.

**Work on the medium-term financial plan continues but the Council has not succeeded in completing the plan by the end of September 2012, as intended**

Officers reported to Cabinet in June 2012 that they planned to complete the Council's medium-term financial plan and to refresh the financial strategy by the end of September. In doing so, they estimated the total sum required to meet likely cost pressures for the year ahead, based on past experience. Officers also referred in general terms to the potential of the Flintshire Futures programme to generate efficiency savings. At the time of writing this letter, the production of the medium-term financial plan continues but remains incomplete.

The June report provided the new political administration with an outline of the Council's financial position. However, the Cabinet will, in future, require more detail in order to make informed decisions that will ultimately lead to the recommendation to the Council of a budget for 2013-14. As noted above, the Flintshire Futures programme remains unspecific in a number of areas in terms of the savings that each strand is likely to yield.

The introduction of a 'benefits realisation approach' to all projects has the potential to improve the Council's medium-term financial planning. At present, the Council's financial planning takes insufficient account of longer-term projects, particularly those that require services to be reconfigured, and whose financial benefits may not be realised for some time. It is important that the intended financial benefits arising from such work are estimated from the outset so that the Council is better placed to achieve a balanced budget in future years. Some of these projects, planned for two or three years ahead, also require early decisions to ensure that the intended savings become available in the year in which they are planned.

### **The Council's arrangements for developing, using and supporting technology are likely to support continuous improvement**

The effective use of technology is essential for transforming the delivery of public services, improving outcomes for citizens and delivering efficiency savings. Technology can support different ways of working, delivering services and engaging with citizens, enabling councils to deliver more for less. The way in which technology is delivered and managed has a direct impact on the efficiency, effectiveness and quality of work undertaken across the Council and affects almost every council worker.

In 2010, we identified that many local authorities were grappling with ensuring that technology was used effectively to support service transformation and achieve efficiency savings. As a result, we undertook reviews of technology at all councils during 2011-12.

In Flintshire, we found that the Council's arrangements for developing, using and supporting technology are likely to support continuous improvement. The Council has established a sound technology infrastructure, and is starting to use technology effectively to transform services and achieve efficiencies. In particular, we found that:

- arrangements for developing, using and supporting technology are sound with examples of good practice but a more corporate approach to funding technology would maximise improvement opportunities; and
- performance in the use of technology is sound and improving, but there is scope for further improvement through the better use of performance information.

Our feedback to the Council includes some suggestions as to how the Council might further improve its use of technology.

## **The Care and Social Services Inspectorate Wales has published a positive assessment of the Council's services for children and families, reflecting strong leadership and improving outcomes**

In June 2012, the CSSIW published a report on the quality of the Council's services for children and families. The CSSIW's overall assessment of services is positive. They found that:

- information about the role of Children's Services is widely available and there is an effective response to those who make contact, with prompt advice and support arrangements;
- there is an increasing focus upon prevention and early intervention that supports the whole family, with better outcomes for children as fewer are needing care;
- partnership arrangements work well in delivering a co-ordinated approach to meeting need;
- the Head of Children's Services provides strong strategic and operational leadership and managers are working with the workforce to gain commitment to modernised ways of delivering services;
- there are good systems in place to ensure work is appropriately prioritised; and
- staff morale is good and social work staff and their managers feel well supported.

There are nevertheless a number of areas where the Council needs to improve. These include:

- ensuring consistency of approach, practice and understanding among all workers and in the quality of professional supervision;
- ensuring that there is an appropriate component of experienced workers within the duty system;
- continuing to address staff sickness issues in some areas;
- improving the timeliness of case conference minutes and their subsequent distribution; and
- ensuring a consistent level of competent use of computer systems by all staff and that data is promptly and consistently recorded within the computer system.

## **Further proposals for improvement and recommendations**

I make no new proposals for improvement or recommendations in this letter. While the text above refers to a number of areas that are not yet as strong as they might be, I believe that the proposals and recommendations set out in my previous reports and letters, set out in Appendix 1, largely cover these. My Improvement Assessment Team will continue to monitor and report on the progress made by the Council in implementing these matters.

## Updates to the work plan and timetable

My Improvement Assessment Team will keep the Council informed of the detailed arrangements for the delivery of my assessment work.

The regularly updated work plan and timetable provides more detail on the work being delivered during this year's assessment and, in particular, how we will add value by focusing on jointly identified areas or services.

The work plan and timetable takes account of my consultation with improvement authorities over my proposals for 2012-13 performance audit work. In particular, I shall be asking my Improvement Assessment Team to consider during the year the reliance that we can place upon the self-assessment processes (including your review of governance in producing the Annual Governance Statement and your Annual Performance Report). I will also be reviewing the Council's self-assessment of its arrangements during the autumn. I shall comment on this approach in my Annual Improvement Report.

I am grateful to the Council for the way in which it has helped to facilitate our work and hope to see even more effective and efficient arrangements developing over time. I remain committed to providing appropriate levels of public assurance while supporting you in mitigating the inevitable risks to services and accountability that stem from reducing resources and consequential change.

Yours sincerely



**HUW VAUGHAN THOMAS**  
**AUDITOR GENERAL FOR WALES**

CC: Carl Sargeant, Minister for Local Government and Communities  
Huw Lloyd Jones, Manager  
Karen Lees, Performance Audit Lead

## Appendix 1

Recommendations <sup>1</sup> for improvement made in the Annual Improvement Report 2012	Progress
<p>The Council should report more fully and regularly to the Executive Board on progress in delivering the Human Resources strategy and Single Status Agreement, and ensure capacity and capability are available to achieve intended outcomes and timetables.</p>	<p>The Cabinet has received updates from officers on the Council's progress in delivering one of its 2011-12 Improvement Objectives, 'to be a modern, caring and flexible employer with fair and equal pay and terms and conditions of employment under a Single Status Agreement'. The Council has assessed its progress against this Improvement Objective as being satisfactory. However, the likely date for the full implementation of Single Status remains under review, having again been deferred. The work of reaching a legal and affordable agreement with the Council's Trades Union partners is complex and the Council has understandably engaged external support for this work. The Council understands and accepts that there are financial risks associated with the implementation of Single Status and the settlement of existing and potential equal pay claims. It has set aside financial reserves to mitigate these risks. However, our audit of the Council's financial statements has concluded that the Council has been too willing to rely, without sufficient review or challenge, on externally produced estimates for equal pay claims. As a result, the Council amended the figure included in the accounts to better reflect the liability for accounting purposes. The Council acknowledges that further work is required to estimate the actual liability. The size of this liability will emerge from the Single Status agreement and through negotiations with the Trades Unions.</p>

<sup>1</sup> These two recommendations follow from proposals for improvement made in August 2010 and August 2011.



Recommendations <sup>2</sup> for improvement made in the Annual Improvement Report 2012	Progress
<p>The Council needs to complete its work in quantifying the financial benefits of its programme of efficiencies and organisational change by mid 2012-13, to determine the remaining funding gap (shortfall or surplus) and then establish clear plans to identify further savings and/or redirect resources to priorities.</p>	<p>The 'Flintshire Futures' programme represents an important strand in the Council's medium-term financial planning. It supports the Council's ability to continue to maintain and invest in services in the context of reduced external funding. In a paper to the Cabinet in June 2012, officers estimated that the Council needs to identify efficiencies of between £7 million and £8 million in order to balance its 2013-14 budget. The Flintshire Futures programme is ambitious and comprises five major workstreams. Senior officers acknowledge that progress is variable across the workstreams, and slower than planned in several areas. The Council has established a Programme Board to maintain and, where necessary, to increase momentum and to improve overall governance of the programme. Almost 90 per cent of the planned savings for 2011-12, from Flintshire Futures projects and other efficiencies, have been realised. However, significant further work is needed to quantify the future savings that might be achieved so as to better inform the Council's financial planning.</p>
Proposals for improvement made in the Annual Improvement Report 2012	Progress
<p>Complete the work in progress to set clear success measures for all improvement objectives and ensure regular, clear reporting.<sup>3</sup></p>	<p>We will report on progress in November 2012.</p>
<p>Develop and agree a detailed business plan for improving customer access showing how success measures will be achieved and offer value for money.</p>	<p>We will report on progress in our 2013 Annual Improvement Report.</p>

<sup>2</sup> These two recommendations follow from proposals for improvement made in August 2010 and August 2011.

<sup>3</sup> This proposal for improvement was first made to the Council in January 2011.

Proposals for improvement made in the Annual Improvement Report 2012	Progress
Ensure its Annual Performance Report is published by 31 October in line with statutory requirements and more fully reflects Welsh Government guidance.	We will report on progress in November 2012.
Improve quality assurance arrangements to ensure that data used to support performance management and monitoring is accurate and robust.	We will report on progress in November 2012.
Proposals for improvement made in the Corporate Assessment Update Letter 2011	Progress
<p>By the end of 2011, the Council should complete the development of its medium-term financial plan so as to allow informed decisions on how funding pressures will be addressed and resources allocated to achieve improvement objectives.</p>	<p>Officers reported to Cabinet in June 2012 that they planned to complete the Council's medium-term financial plan and to refresh the financial strategy by the end of September. In doing so, they estimated the total sum required to meet likely cost pressures for the year ahead, based on past experience. They also referred in general terms to the potential of the Flintshire Futures programme to generate efficiency savings.</p> <p>This report provided the new political administration with an outline of the Council's financial position. However, the Cabinet will, in future, require more detail in order to make informed decisions that will ultimately lead to the recommendation to the Council of a budget for 2013-14. As noted above, the Flintshire Futures programme remains unspecific in a number of areas in terms of the savings that each strand is likely to yield.</p> <p>The introduction of a 'benefits realisation approach' to all projects has the potential to improve the Council's medium-term financial planning. At present, the Council's financial planning takes insufficient account of longer-term projects, particularly those that require services to be reconfigured, whose financial benefits may not be realised for some time. It is important that the intended financial benefits arising from such work are estimated from the outset so that the Council is better placed to achieve a balanced budget in future years.</p>

<b>Proposals for improvement made in the Corporate Assessment Update Letter 2011</b>	<b>Progress</b>
By the end of October 2011, the Council should complete a review of overall progress with the People Strategy 2009-12, prioritise the outstanding actions and resources necessary to achieve them, and report on this to elected members.	We will report on progress in during 2013.
Develop an improved corporate approach to engagement with communities and users of services including arrangements to enhance the contribution of elected members.	We will report on progress in our 2013 Annual Improvement Report.

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## Wales Audit Office Improvement Assessment Letter 2012

### Update Response

#### A: Formal Recommendations made in the Annual Improvement Report 2012

Ref	Recommendation	Update Response
R1	The Council should report more fully and regularly to the Executive Board on progress in delivering the Human Resources (HR) Strategy and Single Status agreement and ensure capacity and capability are available to achieve intended outcomes and timetables.	For the People Strategy see C. P2 below. The Council's project plan for adoption of a local Single Status Agreement makes a commitment to an effective date for the Agreement of the first quarter of 2013-14. The project is sufficiently resourced to achieve this timeline. Achievement is subject to the successful conclusion of negotiations with the Trade Unions, adoption by the Council as the employer, and a positive outcome in the workforce ballot.
R2	The Council needs to complete its work in quantifying the financial benefits of its programme for efficiencies and organisational change by mid-2012-13 to determine the remaining funding gap (shortfall or surplus) and then establish clear plans to identify further savings or re-direct resources to priorities.	The Flintshire Futures first phase programme has clear objectives, project plans and financial targets. These targets are being built in to both the Medium Term Financial Plan and the annual budget for 2013-14. The programme governance and accountability arrangements have been strengthened with a new member-officer programme board. A second and more far-reaching phase of Flintshire Futures is under development for major organisational change and redesign.

#### B: Proposals for Improvement made in the Annual Improvement Report 2012

Ref	Proposal for Improvement	Response
P1	Complete the work in progress to set clear success measures for all improvement objectives and ensure regular, clear reporting.	The improvement objectives set in 2012-13 have had a first and initial review by the new Cabinet prior to read option with several additions. The priorities, targets and outcomes for the objectives are under review in line with this recommendation and the Wales Audit Office has been invited to advise and assist. The Local Service Board has similarly reviewed its priorities and has reset more specific and measurable outcomes and targets in the spirit of this recommendation.
P2	Develop and agree a detailed business plan for improving customer access showing how success measures will be achieved and offer value for money.	The Customer Services Strategy is adopted and is in the process of implementation. Success and efficiency measures are being developed for each work-stream of the Strategy as they are adopted and implemented (e.g. channel shift, Flintshire Connects). This is an ambitious Strategy and the Council is calculating risks and benefits for each work-stream as they develop. The Council must avoid being too cautious and be prepared to

		take some calculated risks to improve the organisation for customer benefit and to achieve efficiencies.
P3	Ensure its Annual Performance Report is published by 31 October in line with statutory requirements and more fully reflects Welsh Government guidance.	The 2011/12 Annual Performance Report has been published by the due date in full compliance with Welsh Government Guidance.
P4	Improve quality assurance arrangements to ensure that data used to support performance management and monitoring is accurate and robust.	Quality assurance arrangements for performance data are robust and sufficiently reliable. The audit of performance data for 2011/12 by the Wales Audit Office showed data to be accurate.

### C: Proposals for Improvement made in the Corporate Assessment Update Letter 2011

Ref	Proposal for Improvement	Response
P1	By the end of 2011, the Council should complete its medium-term financial plan so as to allow informed decisions on how funding pressures will be addressed and resources allocated to achieve improvement objectives.	The next staged publication of the Medium Term Financial Plan will be published alongside the 2013-14 annual budget. The Plan is under continual review given the volatility in national public finances and the economy, the uncertainty over financial systems such as the social housing finance regime, and the impacts of national Government policy notably Welfare Reform. The financial challenges the Plan aims to quantify and address are not static.
P2	By the end of October 2011, the Council should complete a review of overall progress with the People Strategy 2009-12, prioritise the outstanding actions and resources necessary to achieve them, and report on this to elected members.	The People Strategy has been reviewed in 2012-13 and the priorities re-set. The progress of the Strategy is reported at regular intervals to Cabinet and Overview and Scrutiny.
P3	Develop an improved corporate approach to engagement with communities and users of services including arrangements to enhance the contribution of elected members.	An improved corporate programme for community and citizen engagement is under development. The Council continues to progressively develop effective consultation methods in support of key service change as evidenced in housing, social care and school modernisation.

### D: Additional supplementary responses made to the Improvement Assessment Letter 2012

	WAO Reference	Update Response
	The Council's arrangements for developing, using and supporting technology to support continuous	<a href="#">The technology review undertaken earlier this year was positive and we accept the findings and recommendations. We have already</a>

	improvement.	strengthened the ICT business partner role to work with services to identify opportunities for ICT to support service improvement and identify priorities for corporate ICT investment. ICT is also seen as a key enabler of the Flintshire Futures programme. Our project management methodology is being applied consistently for ICT projects and a sound business case and ROI are required for all projects. We are seeing real tangible benefits from targeted corporate investment in ICT e.g. mobile working, EDRMS, e-Procurement, but need to be more consistent in undertaking post implementation reviews for all ICT projects.
	The Care and Social Services inspectorate Wales has published a positive assessment of the Council's services for children and families, reflecting strong leadership and improving outcomes.	The Care and Social Services Inspectorate Wales (CSSIW) assessment of Services for Children and Families makes a positive assessment of the services, notably leadership of change and delivery and our success in promoting positive outcomes for children and young people. The Council has already implemented measures to improve the small number of areas identified for improvement, and has discussed and agreed these with the CSSIW.

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **AUDIT COMMITTEE**

**DATE:**               **WEDNESDAY, 12 DECEMBER 2012**

**REPORT BY:**       **CHIEF EXECUTIVE**

**SUBJECT:**           **ANNUAL AUDIT LETTER**

### **1.00   PURPOSE OF REPORT**

1.01   To report to the Committee the Annual Audit Letter from the Council's Appointed Auditor, Wales Audit Office (WAO).

### **2.00   BACKGROUND**

2.01   The Appointed Auditor is required, under the Public Audit (Wales) Act 2004 to provide to Members of the Council, a summary of the key messages from his statutory responsibilities and reporting responsibilities under the code.

2.02   The letter is required to be issued by 30<sup>th</sup> November each year.

### **3.00   CONSIDERATIONS**

3.01   The Annual Audit Letter to Members of Flintshire County Council is attached.

3.02   The letter brings together key messages and relevant updates from:-

(a)    The (unqualified) audit opinion on the financial statements for 2012/13 which was issued on 26<sup>th</sup> September 2012 and reported to the Audit Committee and Council on 25<sup>th</sup> September 2012.

(b)    The Improvement Assessment letter to the Council dated October 2012, which was reported to Corporate Resources Overview and Scrutiny Committee on 19<sup>th</sup> November 2012, Cabinet on 20<sup>th</sup> November 2012 and is included earlier on today's Audit Committee agenda.

3.03   The Annual Audit Letter will be incorporated into the Annual Improvement Report (AIR) which will be issued in the new year. However, as a stand alone document with a reporting date of end November, it is important to bring it to Members in this cycle.

3.04 A representative of WAO will be present at the meeting to present the annual letter.

**4.00 RECOMMENDATIONS**

4.01 Members are asked to note the Annual Audit Letter to Members of Flintshire County Council.

**5.00 FINANCIAL IMPLICATIONS**

5.01 None directly as a result of this report.

**6.00 ANTI POVERTY IMPACT**

6.01 None directly as a result of this report.

**7.00 ENVIRONMENTAL IMPACT**

7.01 None directly as a result of this report.

**8.00 EQUALITIES IMPACT**

8.01 None directly as a result of this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None directly as a result of this report.

**10.00 CONSULTATION REQUIRED**

10.01 None directly as a result of this report.

**11.00 CONSULTATION UNDERTAKEN**

11.01 None.

**12.00 APPENDICES**

12.01 Appendix A – Annual Audit Letter to Members of Flintshire County Council

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

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Councillor Aaron Shotton – Leader  
Colin Everett – Chief Executive  
Flintshire County Council  
County Hall  
Mold  
Flintshire  
CH7 6NB

Reference	603A2012
Date	29 November 2012
Pages	1 of 4

Dear Councillor Shotton and Colin

## Annual Audit Letter to the Members of Flintshire County Council

This letter summarises the key messages arising from my statutory responsibilities under the Public Audit (Wales) Act 2004 as the Appointed Auditor and my reporting responsibilities under the Code of Audit Practice.

**The Council complied with its responsibilities relating to financial reporting and use of resources but there is still scope to improve financial controls in a number of areas and the Council needs to further develop its financial planning to help it meet the financial challenges ahead**

It is the Council's responsibility to:

- put systems of internal control in place to ensure the regularity and lawfulness of transactions and to ensure that its assets are secure;
- maintain proper accounting records;
- prepare a Statement of Accounts in accordance with relevant requirements; and
- establish and keep under review appropriate arrangements to secure economy, efficiency and effectiveness in its use of resources.

The Public Audit (Wales) Act 2004 requires me to:

- provide an audit opinion on the accounting statements;
- review the Council's arrangements to secure economy, efficiency and effectiveness in its use of resources; and
- issue a certificate confirming that I have completed the audit of the accounts.

Local authorities in Wales prepare their accounting statements in accordance with the requirements of the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom. This Code is based on International Financial Reporting Standards. On 26 September 2012 I issued an unqualified audit opinion on the accounting statements stating that they present a true and fair view of the Council's and the Pension Fund's financial position and transactions. My report is contained within the Statement of Accounts. The key matters arising from the accounts audit were reported to members of the Audit Committee and Council in my Audit of Financial Statements reports on 25 September 2012.

The following issues were identified regarding Flintshire County Council's accounts:

- The accounts contained two uncorrected misstatements, although they were not material. The first related to the charge for depreciation on fixed assets which was understated by £628,000 (and as a result non-current assets were overstated by the same amount) and the second related to the misclassification of £4.710 million of grants received in advance which were incorrectly disclosed as short term creditors on the balance sheet. However, the Council provided management representations to explain the reasons for not amending and confirmed that the issues will be resolved in the 2012-2013 accounting statements.
- Non-current (fixed) assets and related accounts were subject to extensive restatement for a number of reasons, but in particular, because the draft set of accounts had not been reconciled to the new fixed asset software system. This hampered progress with the audit as the Council did not provide the final reconciliation and resulting amendments to the accounts until late in the audit window.
- There were a number of general issues relating to the quality of the accounts and supporting records some of which we had reported previously, including: the need to address balancing items within the accounts, ensure full compliance with disclosure requirements and ensure all information is available to correctly value Council Houses.
- There were three other matter which were significant to the oversight of the financial reporting process:
  - The Council needs to ensure that it does not over rely on external advice when preparing its financial estimates. The Council used estimates prepared by an independent expert as the basis for its accounting provision for equal pay liabilities without carrying out any review. In the final statements the figure was amended to better reflect the potential liability.
  - Based on legal advice, the Council did not recognise a liability for pension contributions on its equal pay liabilities. This is contrary to legal advice received by the Appointed Auditor which suggests that pension contributions should be paid on payments to resolve equal pay claims. Given the diverging legal views and uncertainty regarding the need to recognise a provision, the

Appointed Auditor concluded that he would not take any further action as part of the 2011-2012 audit of accounts.

- A number of members failed to return related party declarations which were required to comply with disclosure requirements.

Since the financial statements were approved, I'm advised that the Council has made good progress in terms of both reviewing and clearly determining the financial implications of single status and equal pay, as it works with relevant parties, to put in place its single status agreement.

The following issue was identified regarding the Clwyd Pension Fund accounts:

- The accounts contained an uncorrected misstatement, although it was not material. Investments were recorded in the accounts based on valuation reports available at the time of preparation. Prior to the conclusion of the audit, more up to date valuation reports became available which showed that investments at 31 March 2012 had been understated by £2.297 million. However, as this was a timing issue, the Council provided management representations, which we accepted, to explain the reason for not amending.

My consideration of the Council's arrangements to secure economy, efficiency and effectiveness has been based on the audit work undertaken on the accounts as well as placing reliance on the work completed as part of the Improvement Assessment under the Local Government (Wales) Measure (2009). Overall, I am satisfied that the Council has appropriate arrangements in place. The Auditor General will highlight areas where the effectiveness of these arrangements has yet to be demonstrated or where improvements could be made when he publishes his Annual Improvement Report.

As referred to in the Auditor General for Wales' recent Improvement Assessment letter to the Council (dated October 2012), the Medium Term Financial Plan (MTFP) still requires further development and this is acknowledged by the Council. In its response to the Improvement Letter, the Council identified that the plan is not static but rather, is under continual review as the Council responds to the volatility in public finances, the economy and the range of challenges being faced by local government and public services.

In a Cabinet report (16 October 2012), the Head of Finance outlined how the MTFP has been developed in accordance with the key objectives of the Medium Term Financial Strategy. The report identified a potential budget gap, at that stage of £8.4 million, against which efficiencies need to be identified to balance the budget for 2013-14. Using similar planning assumptions this would be a gap of £35 million over the MTFP period to 2017-18. It was also reported that the MTFP would be updated with any revenue implications from the:

- development of the capital programme taking place during October; and
- outcome of the negotiations on single status on agreement being reached by the Council.

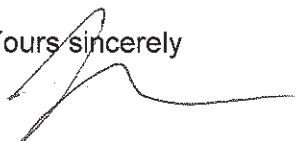
I understand from the Council that work is ongoing with 2013-14 budget planning and that budget gap proposals for the 2013-14 budget, including efficiency measures, will be reported to Cabinet in December, alongside an update of the implications for future years.

I am concerned that the implementation of efficiency measures, particularly those that impact on service delivery, often need significant lead in time from the decision to the saving realisation. Whilst elements of the Flintshire Futures programme take a medium-term view, this is not consistently the case across the wider programme, where some plans continue to primarily focus on the shorter term. It is essential that for all projects within the programme, there is clarity on the timing of and the benefits to be realised and, where they result in cash savings, how and when it impacts on the medium term financial plan. The Council acknowledges this and has recently reviewed its internal arrangements through the establishment of a Flintshire Futures Board comprising members and officers to oversee the delivery of its efficiency programme.

I have not yet issued a certificate confirming that the audit of the accounts has been completed as there is an outstanding matter raised by a member of the public into which I need to make enquiries.

The financial audit fees for 2011-12 are currently expected to be in line with the agreed fees set out in the Annual Audit Outlines.

Yours sincerely



John Herniman  
Group Director

For and on behalf of the Appointed Auditor  
29 November 2012

## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **AUDIT COMMITTEE**

**DATE:**                 **12 DECEMBER 2012**

**REPORT BY:**         **DEMOCRACY & GOVERNANCE MANAGER**

**SUBJECT:**           **ANNUAL UPDATE OF CODE OF CORPORATE  
GOVERNANCE**

### **1.00   PURPOSE OF REPORT**

1.01   To agree the annual update of the code of corporate governance.

### **2.00   BACKGROUND**

- 2.01   The Council's code of corporate governance forms part of the Constitution and applies to all aspects of the Council's business. Members and staff of the Council must in carrying out its business conduct themselves in accordance with the high standards expected by the citizens of Flintshire. The code recognises the emphasis placed upon corporate governance by the Welsh Government and is based upon and reflects the various principles in the CIPFA/SOLACE document entitled "Delivering Good Governance in Local Government : Framework".
- 2.02   The code states that the Chief Executive and Monitoring Officer are responsible for ensuring that it is kept up-to-date by way of annual reviews commencing in October each year. This updating review was initially carried out by the Corporate Governance Officer Working Group in consultation with the Chief Executive, Monitoring Officer and Head of Finance. The recommended updating changes were then reported to the Corporate Management Team meeting of the 20 November 2012 when the updates were agreed. Appendix 1 is the code with the proposed updating changes tracked.
- 2.03   The Local Government (Wales) Measure 2011 in April 2012 broadened the terms of reference of Audit Committees to include corporate governance. In the past the annual updates to the code of corporate governance have been reported to the Constitution Committee but in view of the widened terms of reference of the Audit Committee it is more appropriate for it to now be considered by the Audit Committee.

### **3.00 CONSIDERATIONS**

- 3.01 The code has received detailed consideration by the Corporate Governance Officer Working Group and this is one of the reasons that there appears to be so many updating changes. The other reason is that in the past year there have been more than the usual number of changes as a result of the implementation of the Local Government (Wales) Measure and the changes made at the Council's annual meeting following the elections.
- 3.02 The only substantive (rather than updating) change has been to insert as paragraph 4.11 details of the Council's business continuity arrangements which were not previously referred to in the code.

### **4.00 RECOMMENDATIONS**

- 4.01 For the Audit Committee to agree or amend as appropriate the updated code of corporate governance shown in appendix 1.

### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 None as a result of this report.

### **6.00 ANTI POVERTY IMPACT**

- 6.01 None as a result of this report.

### **7.00 ENVIRONMENTAL IMPACT**

- 7.01 None as a result of this report.

### **8.00 EQUALITIES IMPACT**

- 8.01 None as a result of this report.

### **9.00 PERSONNEL IMPLICATIONS**

- 9.01 None as a result of this report.

### **10.00 CONSULTATION REQUIRED**

- 10.01 With the Corporate Governance Working Group, Chief Executive, Monitoring Officer and Section 151 officer.

### **11.00 CONSULTATION UNDERTAKEN**

- 11.01 With the Corporate Governance Working Group, Chief Executive, Monitoring Officer and Section 151 officer and with Corporate Management Team.



## **12.00 APPENDICES**

- 12.01 Appendix 1 – Code of corporate governance with tracked proposed updates.

### **LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985 BACKGROUND DOCUMENTS**

**Contact Officer:** Peter Evans  
**Telephone:** 01352 702304  
**Email:** peter.j.evans@flintshire.gov.uk

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# CODE OF CORPORATE GOVERNANCE

## Introduction

Corporate Governance is the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.

Flintshire County Council recognises the need for sound corporate governance arrangements and over the years Members and senior Officers have put in place policies, systems and procedures designed to achieve this and the stewardship of the resources at their disposal. In adopting a Code the Council has drawn together all those elements of corporate governance which were already in place.

This code recognises the emphasis placed upon corporate governance by the Welsh Government and also takes into account the contents of guidance documents which have been issued as follows

- Delivering Good Governance in Local Government: Framework – CIPFA/SOLACE
- Delivering Good Governance in Local Government – Guidance Notes for Welsh Authorities – CIPFA/SOLACE
- The Annual Governance Statement – A Rough Guide for Practitioners issued by the CIPFA Finance Advisory Network

The Council's Corporate Governance arrangements are reviewed annually by way of a self-assessment. The self-assessment is undertaken by senior officers of the Council and used to inform the Annual Governance Statement reported each year to the Council's Audit Committee and Council.

The Code forms part of the Constitution and applies to all aspects of the Council's business. Members and staff of the Council must, in carrying out its business, conduct themselves in accordance with the high standards expected by the citizens of Flintshire and to the aspirations set out below.

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**Deleted:** When the Code was adopted by the Council it was recognised that the first review of the Code would need to take into account certain modifications set out in proposed guidance which was at that time in draft format. That guidance has now been formalised and additional guidance received on governance issues. The guidance documents issued are as follows:-¶¶  
¶¶

**Deleted:** This Code recognises the greater emphasis placed upon corporate governance by the Welsh Government and the contents of the guidance documents.

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The Code is based upon and reflects the various requirements that underpin the six core principles contained in the document entitled “Delivering Good Governance in Local Government: Framework”. Those six core principles are:-

- Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area.
- Members and Officers working together to achieve a common purpose with clearly defined functions and roles.
- Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour.
- Taking informed and transparent decisions which are subject to effective scrutiny and managing risk.
- Developing capacity and capability of Members and Officers to be effective.
- Engaging with local people and other stakeholders to ensure robust public accountability.

Many of the requirements that underpin the six core principles are inter-related and the various sections of the Code need to be read together to obtain a full understanding of the arrangements in place. The Code specially identifies the actions to be taken for each of the six core interlocking principles governing our business.

The Cabinet in consultation with the Constitution Committee were responsible for approving this Code and the Chief Executive and Monitoring Officer are responsible for ensuring that it is kept up to date by way of annual reviews commencing in October each year.

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**1. Focusing on the purpose of the Authority and on outcomes for the community and creating and implementing a vision for the local area**

1.1 The County Council is committed through the carrying out of its general and specific duties and responsibilities and its ability to exert wider influence, to:-

- Work for and with its communities.
- Exercise leadership in its communities, where this is appropriate.
- Undertake an “ambassadorial” role to promote the well-being of Flintshire where appropriate.
- Engaging and working in partnership with other organisations and authorities for the benefit of its communities.

1.2 The Council will maintain effective arrangements:

- For explicit accountability to stakeholders for the Authority’s performance and its effectiveness in the delivery of services and the sustainable use of resources.

- To demonstrate integrity and openness in the Authority's dealings with partnerships established with other public agencies and the private/voluntary sectors.
- To demonstrate inclusivity by communicating and engaging with all sections of the community to encourage active participation.
- The impact of the county vision as set by the Local Service Board (LSB) is monitored and reviewed by the LSB and the Council's Cabinet as each partner body translates the vision into its working and governance arrangements.
- Ensure that the partnership arrangements below the community strategy are supported by a common vision.

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1.3 An audited and signed Statement of Accounts is published on an annual basis to reflect a true and fair view of the Authority's financial position. Contained within the Statement of Accounts is a statement of responsibilities which includes:

- Compliance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in Great Britain.
- The Authority manages its affairs to secure economic, efficient and effective use of resources and safeguard its assets
- Suitable accounting policies have been selected and consistently applied.
- Ensuring judgements and estimates which have been made were reasonable and prudent.
- Reasonable steps have been taken to prevent and detect fraud and other irregularities

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1.4 An Annual Governance Statement is presented to Audit Committee and Council for approval every year. Once approved the Statement is signed by the Leader of the Council and the Chief Executive. The statement explains how the Authority has complied with the Code of Corporate Governance, and met the requirements of the Accounts and Audit (Wales) (Amendment) Regulations 2010.

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**Deleted:** Statements are published annually explaining how the Council has complied with the Code and met the requirements of the Accounts and Audit (Wales) Regulations 2005.

1.5 The Council Planning Framework has been developed to incorporate both our accountability arrangements through i) annual and periodic reporting of performance and risk and challenges in relation to our administration and improvement priorities and our ii) internal structural arrangements to support improvement and change through strategies and plans such as the HR People Plan, ICT Strategy and Medium Term Financial Strategy. Both these elements of the Council Planning Framework are encapsulated within our Directorate Plans which include both the 'what and how' we plan to provide our services and the quarterly reporting of progress against these plans. The

contents of the Council Plan (Governance) Framework have been agreed by Cabinet.

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1.6 The Medium Term Financial Strategy was formally adopted by the Council in June 2011; the strategy has been translated into Welsh and has been published on the Council's website along with the Council priorities and improvement plan. The Medium Term Financial Strategy is a critical part of the Council's overall Governance Framework. It sets out the financial resource strategy by which the Council will deliver its vision as strategic objectives over the medium term. Its purpose is to enable the Council to plan ahead by identifying when new investment is required, where activity will increase or decrease and which new policies or targets (external or internal) will be set by the organisation.

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Integral to the MTFs is the Medium Term Financial Plan which:-

- i) Forecasts for a defined period available resources, financial pressures (which arise from conscious choice, or uncontrollable demand) and opportunities for efficiencies/savings for both revenue services and capital programme.
- ii) Provides an analysis of the 'gap' between estimated future funding and expenditure.
- iii) Identifies specific actions required to balance budgets and manage resources within the overall framework of the Medium Term Financial Strategy.

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1.7 The County Council's financial and operational reporting processes are independently examined by:

- The Wales Audit Office whose annual audit letter is presented to the Audit Committee and their audit certificate is included in the annual Statement of Accounts.
- Our own independent Internal Audit who report regularly to the Audit Committee including an annual report.
- Other external review agencies such as ESTYN and the Care and Social Services Inspectorate Wales (CSSIW).

1.8 The Council's Overview and Scrutiny Committees have a significant input into the review and development of service delivery issues and policy development. This role includes the examination of performance out turn and budget monitoring which assist in assessing success and failure. These are some of the checks and balances which have been put in place. External regulations add to the process through the publication of reports on service and performance.

1.9 Other ways in which the Council measures and monitors the quality of its services includes:-

- The development of quality assurance models.
- A more focused approach to audit and inspections.
- Customer Satisfaction Surveys.
- The CIPFA Benchmarking Club.
- Reports on performance, risk and achievement of Improvement Objectives (priorities), to Overview & Scrutiny Committees and the Cabinet.

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1.10 The Council strives to ensure continuous improvement in the delivery of its services through performance measurement and management, establishing service quality standards, creating clear lines of accountability and undertaking customer satisfaction surveys. The Council has a procedure for dealing with Compliments, Comments and Complaints which enables complaints to be recorded on a central database and monitored corporately and within each directorate.

1.11 A central register of contracts and lists of defaults is being developed to assist in contract monitoring and review. In some areas the Council has put in place arrangements and backup capacity to respond to service or market failure.

1.12 A number of methods are employed to demonstrate value for money. The Annual Improvement Plan provides detailed information of the Council's plans and aims, performance and general progress towards improving the level of efficiency and effectiveness. An annual budget setting process is in place and all directorates have monthly meetings to review their budgets. The Terms of Reference of the Council's Overview & Scrutiny Committees enable them to review, scrutinise, question and make recommendations in relation to their areas of activity including policy, finance, risk and governance.

1.13 The Wales Audit Office review the Council's performance and value for money arrangements through their Improvement Assessment work and report their findings in various letters and their Annual Improvement Report.

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1.14 Various impacts such as equality, financial, personnel, environmental and anti-poverty of the Council's policies, plans and strategies are identified on all committee reports. In addition, Equality Impact Assessments are undertaken and published in relation to policy and business decisions.

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**Deleted:** The Council's Regulatory Plan produced by the Wales Audit Office and the Annual Audit Letter also review the Council's performance and value for money arrangements.¶

1.15 The Council has adopted the principle that in the conduct of public business and the administration of justice in Wales it will treat the Welsh and English languages on a basis of equality. The Council's Welsh Language Scheme sets out how the Council will give effect to that principle when providing services to the public in Wales, and in the conduct of its internal business. The Council has made a public commitment to monitor and review the implementation of its Welsh Language Scheme and to report annually to the Council's Cabinet and to the Welsh Language Commissioner on its performance.

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**Deleted:** the Flintshire Integrated Tool provides an overview of the environmental, social and economic impacts during the development process of all new strategies, plans and policies as deemed as appropriate.¶

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**2. Members and Officers working together to achieve a common purpose with clearly defined functions and roles**

2.1 The Council recognises the need to have effective political and management structures and processes to govern decision-making and the exercise of authority within the organisation. It has therefore established a number of arrangements to secure this.

2.2 The Council's Constitution includes the names and a description of the portfolios held by the Leader and other Members of the Cabinet. Their respective roles have been agreed and documented. Role descriptions have also been agreed for all chairs and vice-chairs of Overview and Scrutiny Committees, regulatory committees and Members of Overview and Scrutiny Committees are similarly documented.

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2.3 Job descriptions are in place for all Senior Officers of the Council and have been reviewed as part of the Council's restructuring programme.

2.4 The Constitution includes a Delegation Scheme which identifies those decisions reserved to the County Council, those local choice issues which are decided by the County Council and those by the Cabinet at the Council's discretion. Local choice issues are reviewed at the Council's Annual Meeting. The Delegation Scheme identifies those general and specific delegated powers given to Chief Officers, Heads of Service and other Senior Officers and is subject to frequent review.

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2.5 The Council has appointed a Chief Executive as Head of the Paid Service and responsible for all aspects of operational management. The Head of Finance is responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts and for maintaining an effectual system of internal financial control fulfilling the Council's requirements under Section 151 of the Local Government Act 1972 and Section 114 of the Local Government Finance Act 1988. The Head of Legal & Democratic Services has been designated as the statutory Monitoring Officer and is accountable for the statutory requirements of that role under Section 5 and 5(a) of the Local Government and Housing Act 1989. The three Statutory Officers consult each other as required by their statutory roles and meet regularly to consider the work of the Cabinet.

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2.6 The Council has put in place a number of mechanisms to ensure effective communication between Members and Officers in their respective roles. A Protocol on Member/Officer Relations provides guidance for Members and Officers covering the more common situations that tend to arise. The Protocol encourages the establishment of sound and effective working relations for engendering mutual respect and the observance of the highest standards of behaviour and courtesy towards each other. It gives advice to Officers on the information that Members are entitled to expect, for the purposes of undertaking their various roles. It includes a section relating to communications and emphasises the need to maintain confidentiality where



such an expectation exists. It also recognises the need of Members to be apprised of local issues affecting their Ward including public meetings and consultation exercises.

- 2.7 Briefing sessions are provided to Chairs and Vice-chairs of Committees in advance of committee meetings and wider briefings are organised from time to time with Group Leaders, members of the Cabinet and Ward Members in relation to specific issues.

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- 2.8 The levels of Member allowances are set annually by the Independent Remuneration Panel for Wales. Their specific application to the Council is considered at the annual meeting and then detailed in the Schedule of Member Remuneration which forms part of the Constitution.

- 2.9 The terms and conditions and the remuneration of Officers are negotiated nationally. However a job evaluation exercise covering former manual and former administrative, professional, technical and clerical staff is underway pursuant to a single status agreement. The project is central to the development of an equality proofed pay structure and is reaching its final stage. A review of second tier officer terms and conditions through a HAY job design and evaluation exercise has been undertaken.

**Deleted:** There is an annual review of Members' allowances at the Annual Meeting and further reviews during the course of the year where appropriate. The Members' Allowance Scheme is set out in the Constitution.¶

- 2.10 The Chief Executive leads the management of the Council through its Corporate Management Team which through the review of the Council Improvement Plan, Directorate and Service Plans, is responsible for communicating the Council's shared values with the community and the Council's partners. It communicates these through:-

- Partnership working
- Reports to the Council and its committees and the Cabinet
- Meetings with the Flintshire Joint Trades Union Council
- Meetings of the Joint Consultative Committees
- Flintshire Focus
- Team Talk and Team Brief
- Staff appraisal process
- Senior Management Team and other team meetings

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- 2.11 Following the Annual Meeting of the Council, Members from all political groups are nominated to undertake roles on various outside bodies. Guidance has been provided to assist Members in carrying out those roles and responsibilities and separate guidance for those nominated as company directors. Whenever a new partnership is created, care is taken to ensure that its legal status is clear, that it has appropriate terms of reference and that representatives are aware of the extent to which they can bind the Council. The Cabinet has set and agreed a protocol for the governance of partnership working including the full involvement of appropriate Overview & Scrutiny Committees

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3. **Promoting values for the Authority and demonstrating the values of good governance through upholding high standards of conduct and behaviour**

3.1 The County Council recognises that the openness, integrity and accountability of individuals within a local authority form the cornerstone of effective corporate governance. Also the Council's reputation depends on the standards of behaviour of everyone in it, whether Members, employees or agents contracted to it.

3.2 Members and Senior Officers are therefore expected to maintain shared values and exercise leadership by conducting themselves as role models within the County Council to follow. As a result:-

- The Council has a Code of Conduct governing the behaviour of all Members and co-opted Members of the County Council. This Code requires all Members to declare personal (and prejudicial where appropriate) interests in any matters which come before them for consideration. Where the interest is prejudicial Members must withdraw from the room where the discussion is taking place unless they have received a dispensation from the Standards Committee. Interests must be declared in all meetings including informal meetings with Officers and in correspondence.
- The Code applies to Members in their dealings with other organisations to which they have been nominated except where that organisation has its own separate code when that code will apply.
- A supplementary Code has been adopted to deal specifically with planning matters.
- We have also established a Standards Committee including three independent members, one of whom is the Chairman of the Committee, with the responsibility for monitoring the operation of the Members' Code and providing training and guidelines on it to all Members.

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- Officers are subject to a Code of Conduct which includes a wide range of standards of behaviour required of them. These standards include requirements to perform their duties diligently, to respect the dignity and rights of the public, customers and other employees at all times; and to serve the public courteously, efficiently and impartially. There are other requirements relating to the use of Council resources, gifts and hospitalities, outside commitments, conflicts of interest, confidentiality, political neutrality, relationships with Members and general conduct.

3.3 The Leader and Cabinet have set up a number of advisory boards to assist the Cabinet in the development of policy and the development of services.

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3.4 The County Council has in place a timetable of meetings which seeks to ensure that the roles described above can be exercised effectively. The full

County Council is scheduled to meet every 10 weeks, special meetings also take place when they are required, Cabinet meets every four weeks and each of the six Overview and Scrutiny Committees meet regularly several times a year. Details of Overview & Scrutiny work is contained in an annual report reported to Council each year and available on the Council's website.

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3.5 The County Council has adopted an Anti-Fraud and Corruption Policy which is reviewed and updated periodically. Its key elements are:-

- To promote a culture of honesty and opposition to fraud and corruption within the Council.
- To provide arrangements whereby concerns can be raised with senior Officers on a confidential basis.
- To ensure arrangements are in place for the prevention of fraud and corruption within the Council, including internal control mechanisms and effective recruitment procedures.
- To set up basic principles to apply where instances of fraud are detected, including the involvement of the Police and the taking of disciplinary measures.
- To remind staff to be alert to possible causes of fraud and corruption.

3.6 Processes are also in place to ensure the continued operation of arrangements for ensuring that Members and employees are not influenced by prejudice, bias and conflicts of interest. In particular:-

- Members receive advice on a regular basis from the Standards Committee on the application of the Members' Code of Conduct.
- A Code of Planning Practice has been adopted.
- A Protocol has been agreed and published giving guidance to Members on dealings with Developers and Contractors.
- A Members' Register of Interests is maintained.
- There is a formal opportunity for Members at the beginning of all meetings to declare interests.
- Officers are required to register any interests, gifts and hospitality on registers kept by their Heads of Service. Members of the Corporate Management Team and Heads of Service should inform the Monitoring Officer of any interests, gifts and hospitality they receive which will be kept on a central register.

3.7 The requirements and terms of the various codes and policies are drawn to the attention of those who need to know about them in a variety of forms:-

- Through formal Member training, in the case of the Members' Code of Conduct.
- Through publicity of the Officers Code of Conduct, Whistle Blowing Policy and Anti-Fraud and Corruption Policy and the County Council's intranet site.
- Through the County Council's staff induction programme.

3.8 In addition to the Codes of Conduct and Protocols referred to above, the Council seeks to maintain high standards in the conduct of its business and avoid prejudice, bias and conflicts of interest through:-

- The adoption and publication of an Equal Opportunities and Diversity Policy and the provision of training.
- The adoption of a Strategic Equality Plan and annual reporting,
- Through the adoption and monitoring of the Council's Welsh Language Scheme and Policy.

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3.9. The Local Service Board has developed a Strategic Partnership Governance Framework that considers:

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- Procedures for forming or joining any Strategic Partnership
- Strategic Partnerships Agreements
- Performance Management
- Risk Management
- Resource Management
- Information Sharing and Communication
- Annual Partnership Review / Self Assessment

The purpose of this is to provide a consistent approach to Strategic Partnership Governance.

This Framework is now being used by:

- Children & Young Peoples Partnership
- Community Safety Partnership (for both Flintshire and Wrexham)
- Local Safeguarding Childrens Board (for both Flintshire and Wrexham)
- Flintshire Housing Partnership
- Health, Social Care & Well-being Partnership
- Regeneration Partnership
- Youth Justice Service Executive Management Board

#### 4. Taking informed and transparent decisions which are subject to effective scrutiny and managing risk

4.1 The Council has also adopted a Constitution which:-

- Clearly defines those functions which are reserved to the full Council for decision, those decisions which will be taken by the Cabinet or its

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individual members, and those which are delegated to senior Officers. In this respect, the basic principle on which these rules are established is that the full Council sets the strategic direction through the adoption of policies and the budget, the Cabinet takes major decisions within the overall policy and budget framework and helps to develop new policies and Officers take the day to day decisions within the policy and budget framework.

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- Established through the six Overview and Scrutiny Committees a robust overview and scrutiny role. These bodies have between them powers to review and scrutinise decisions relating to any of the Council's activities, including considering policy issues referred to them by the Council or the Cabinet.

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- Sets out clearly the role of the Leader and Cabinet and in particular makes it clear that they are responsible for providing effective strategic leadership to the Council and for ensuring that the Council successfully discharges its overall responsibilities for the activities of the organisation as a whole.

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- Ensures through Financial Procedure Rules and the Scheme of Delegated Powers that there is effective control over the day to day conduct of the Council's business by requiring Member approval for decisions outside defined parameters.

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- Makes clear the role of all Councillors both in their formal decision making/policy development role and as local members and ensures through the Schedule of Member Remuneration that they are properly remunerated for this work.

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4.2 The Constitution sets out the responsibilities and procedures for decision making. Decisions which can be taken by the Cabinet, Overview and Scrutiny and other committees and full Council are clarified in Part 3 of the Constitution. The fundamental principles to be applied in all decision making are as follows:

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- Proportionality (ie. the action must be proportionate to the desired outcome).
- Due consultation and the taking of professional advice from Officers.
- Respect for human rights.
- A presumption in favour of openness.
- Clarity of aims and desired outcomes.
- Consideration of alternative options.
- Recording reasons for the decision, including details of any alternative options considered and rejected.

- In addition the Council's policies and protocols set out the processes that must be followed in decision making eg. in relation to planning applications processes are detailed in the Flintshire Planning Code of Best Practice.

4.3 The Constitution sets out how the Council operates, how decisions are made and the procedures followed to ensure that these are efficient, transparent and accountable to local people. The Constitution is divided into 20 articles which set out the basic rules governing the Council's business. More detailed procedures and codes of practice are provided in rules and protocols at the end of the Constitution.

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4.4 The decision making process is clearly explained on the Council's web site.

4.5 The Constitution contains comprehensive Contract and Financial Rules governing the process to be adopted in conducting the Council's business; these are further supported by more detailed local codes, protocols and notes of guidance.

4.6 The Constitution sets out clear protocols and codes of conduct to ensure that the implications of supporting community political leadership for the whole Council are acknowledged and resolved, including:

- Members' Code of Conduct
- Standards Procedures
- Pre-election Protocol
- Flintshire Planning Code of Best Practice
- Protocols for Overview and Scrutiny Committees including:-
  - Attendance of Members and Officers at Overview and Scrutiny Committee meetings
  - Dealing with minority reports within Overview and Scrutiny
  - Cabinet Members attending meetings of Overview and Scrutiny Committees
  - Members placing items on an agenda of an Overview and Scrutiny Committee
- Local Member/Officer Protocol

Deleted: Code of Conduct on Planning Matters

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4.7 In addition, the Council's Infonet site has guidance on, for example:-

- Equalities
- Harassment
- Speaking up about wrongdoing (Whistle Blowing)
- Violence at Work
- Health and Safety at Work
- IT Code of Practice
- Data Protection

Deleted: Employee Induction Handbook contains policy statements and guidance on

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4.8 The Council has an Audit Committee consisting of 7 politically balanced Members and a lay member. The Chair and Vice Chair are chosen by the Committee itself from amongst the opposition group(s), non-aligned

Councillors, or lay member. It meets on a regular basis and is advised by the Council's Internal Audit Manager, and is normally attended by representatives of the Council's external auditors. All Members receive training and it is a requirement that only named and trained substitutes are allowed.

**Deleted:** , politically balanced with a Chairman and Vice-Chairman from the main opposition group.

The Committee's terms of reference are prescribed by the Local Government (Wales) Measure 2011 and were agreed by the Council. They give the committee the following functions:-

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**Inserted:** include:-¶

**Deleted:** The Committee's role and functions are to:¶

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- Review, scrutinise and issue reports and recommendations in relation to the authority's financial affairs
- Review, scrutinise and issue reports and recommendations on the appropriateness of the authority's risk management, internal control and corporate governance arrangements
- Oversee the authority's audit arrangements and review its financial statements

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4.9 The Audit Committee is further supported in the discharge of its functions by:-

- Having appropriate arrangements in place for delivery of an adequate and effective Internal Audit function and ensuring adequate reporting arrangements to safeguard its independence.
- An up to date risk based Internal Audit Plan.
- Systematic Risk Assessments in all areas of the Council's activities.
- Clear Terms of Reference.
- External Auditors who annually consider the Council's approach to legality, its response to major legislation and any matter of legality relevant to the Audit of financial transactions and the outcome is considered by the Audit Committee.
- Appropriate training for Members of the Audit Committee.

**Deleted:** <#>Reviewing the effectiveness of the Council's systems of internal control and risk management.¶  
<#>Overseeing the financial reporting process to ensure the balance, transparency and integrity of published financial information.¶  
<#>Monitoring the performance and effectiveness of the internal and external audit functions within the wider regulatory context.¶

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**Inserted:** <#>ing

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4.10 The Council has identified and evaluated its Strategic Risks in a risk register entitled Strategic Assessment of Risks and Challenges. This document provides the foundations for both the Council Plan and the Regulatory Plan. It defines and details the risks around the Council's priorities for change and improvement and is supported by our business planning processes and disciplines of service planning, risk management and financial monitoring and review.

The Strategic Assessment of Risk and Challenges comprises three categories:

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1. **Community Leadership** – critical local issues which cannot be solely delivered by the Council (e.g. affordable housing, Community Strategy review, public health and primary health care).

2. **Council Delivery** – public service issues which are largely within the control and responsibility of the Council (e.g. housing, school buildings, waste management).
3. **Council Governance** – issues of organisational governance and management (e.g. finance, human resources, information and communications technology).

4.11 The Council has developed a resilient approach to Business Continuity including:

- The development of a Corporate Business Continuity Plan which provides the overall framework within which the Business Continuity Plans operate and identifies the actions to be taken to aid recovery during a major business interruption e.g. loss of IT or accommodation.
- The identification of Mission Critical Services and development of Plans for those services which must be maintained or recovered as a priority should a business interruption occur e.g. severe weather.

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Both the above are periodically tested through training and scenarios.

4.12 The Council has a Whistle Blowing Policy which is reviewed and updated periodically. All members of staff have access to the policy which aims to:-

- Encourage staff, contractors and suppliers and partners to feel confident in raising serious concerns and to question and act upon concerns.
- Provide avenues for people to raise those concerns and receive feedback on any action taken.
- Ensure that people receive a response to their concerns and that they are aware of how to pursue them if they are not satisfied.
- Reassure those raising concerns that they will be protected from possible reprisals or victimisation if they have a reasonable belief that they have raised any concern in good faith.

4.13 The Council actively recognises the limits of lawful activity placed upon them whilst also striving to utilise powers to the full benefit of their communities through:-

- Legal advice in the preparation of Council, Committee and Cabinet reports.
- The availability of legal advice at meetings of the Council, the Cabinet and various Committees.
- The pro-active work of the Council's Legal Service and its close working relationship with service managers.
- Professional development and training (including multi-agency training for Children's Services staff in particular).
- The Council's policies and protocols set out the processes.

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4.14 The Overview & Scrutiny function has developed as a critical friend, providing constructive challenge in order to contribute to continuous service improvement. This role is discharged both through consultation by the Cabinet and Directors and also through the 'calling in' of Cabinet decisions by the 6 functional Overview & Scrutiny Committees. Each of those Committees engages in performance monitoring and management through the consideration of appropriate items such as performance indicators and out turns and risk issues. The work programmes of Overview & Scrutiny are updated and published on a regular basis and there is a dedicated team of Officers to support the function.

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4.15 Other Committees will take decisions based upon detailed reports with any late information being referred to in the minutes. Overview and Scrutiny Committees when undertaking work requested by Council or the Cabinet or when undertaking their own investigations will agree reports containing the evidence which was considered to be material.

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**Deleted:** Executive

4.16 The Cabinet and County Council reports will contain all the information, evidence and comments needed to take decisions. The decisions made by Officers under delegated powers will be documented on files or where of a significant nature be incorporated in Delegated Action Forms which will be reported to the Cabinet for information purposes.

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4.17 The Monitoring Officer and Deputy Monitoring Officer are available to give advice to Members and staff on conflicts of interest that might arise from time to time. Guidance is also available on the Council's Infonet.

4.18 We have a set of customer care standards supported by a complaints procedure supported by a central database system which aims:-

- To make it easy for anyone to make a comment, complaint or a compliment.
- To solve problems as close to where they occur as possible, and pass back compliments to the right people.
- To prevent problems happening again and also encourage good practice.

4.19 Monitoring of the arrangements set out above is carried out in a number of ways, particularly:-

- Through the Corporate Complaints Officer in the case of compliments, comments and complaints.
- Through the Standards Committee, in the case of the Members' Code of Conduct.
- Through the Monitoring Officer, in respect of the Whistle Blowing Policy.

- By Internal Audit, in the case of the Anti-Fraud and Corruption Strategy.

4.20 Member Services provide a support service to Members in relation to their ward issues.

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4.21 The Council has developed a separate complaints handling system for social services matters with three stages. The final stage involves an appeal to an Independent Panel.

**Deleted:** who seek information concerning ward issues.¶

4.22 There are statutory appeal processes involving independent panels for school exclusions and admissions.

## 5. Developing capacity and capability of Members and Officers to be effective

5.1 Generic one day induction sessions are provided for all new employees in groups. Those induction sessions include modules comprising equalities and diversity awareness, customer care and corporate governance.

5.2 After County Council elections a Member induction programme is devised and delivered. The Council ensures that both Members and Officers have the skills required to undertake their roles and that those skills are developed on a continuing basis to improve performance through:-

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- The development of a new recruitment and selection process for the appointment of Officers.
- Staff appraisal which should identify training and development needs.
- Induction training for officers
- The development of management/behavioural competencies
- Development and training programmes, including those provided by professional organisations for both Members and Officers

- Management Development Programme for Officers

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- Member induction training.
- A mentoring system for Members
- An annual Member Development Programme
- The Council's Member Development Strategy
- Training on the Members' Code of Conduct
- Specific training for Members on planning, licensing, audit and risk management.

5.3 The Council benefits from its membership of the Welsh Local Government Association which provides support and assistance over the whole range of Council functions, partnership working, policy development and liaison with the Welsh Government. CIPFA/SOLACE, ACSES and other professional associations also assist and support statutory and other service officers in performing their roles.

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5.4 A People Strategy Framework which aims to ensure that employees deliver services that meet existing and future demands has been developed and

there is an Officer in each department responsible for co-ordinating the Plan and monitoring progress in relation to annual staff appraisals and half yearly updates.

5.5 The Council wishes to encourage individuals from all sections of the community to engage with and contribute to and participate in the work of the Authority and seeks to achieve this aim through:-

- It's Community Strategy and its review through extensive consultation.
- Supporting Communities First programmes to enable people to participate effectively in their own communities.
- The development and implementation of a consultation and engagement framework and guidelines/policy document.
- The adoption of a set of core consultation and engagement principles.

**Deleted:** Undertaking biennial resident surveys

5.6 The Council ensures that career structures are in place for all staff and encourages participation and development through:-

- development of a Corporate Performance Management framework
- development of a People Strategy
- periodic restructuring of the Council's senior management
- continuous professional development

## 6. **Engaging with local people and other stakeholders to ensure robust public accountabilities**

6.1 The Council will enhance arrangements to demonstrate the levels of accountability in the provision of services through:-

- The Community Strategy
- The Council's Improvement Plan
- Directorate and Service Plans
- Clear statements of roles and accountabilities in job descriptions of staff
- Clear statements of the roles of Members in their various offices
- Unambiguous provisions in partnership and service level agreements
- Terms of reference of committees

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6.2 The vast majority of reports are considered in public and in the rare cases where this is not the case, the Legal Officer advising the Committee follows a process in which he/she is required to demonstrate that appropriate criteria have been taken into account in considering the public interest test and the Committee has resolved to exclude the press and public.

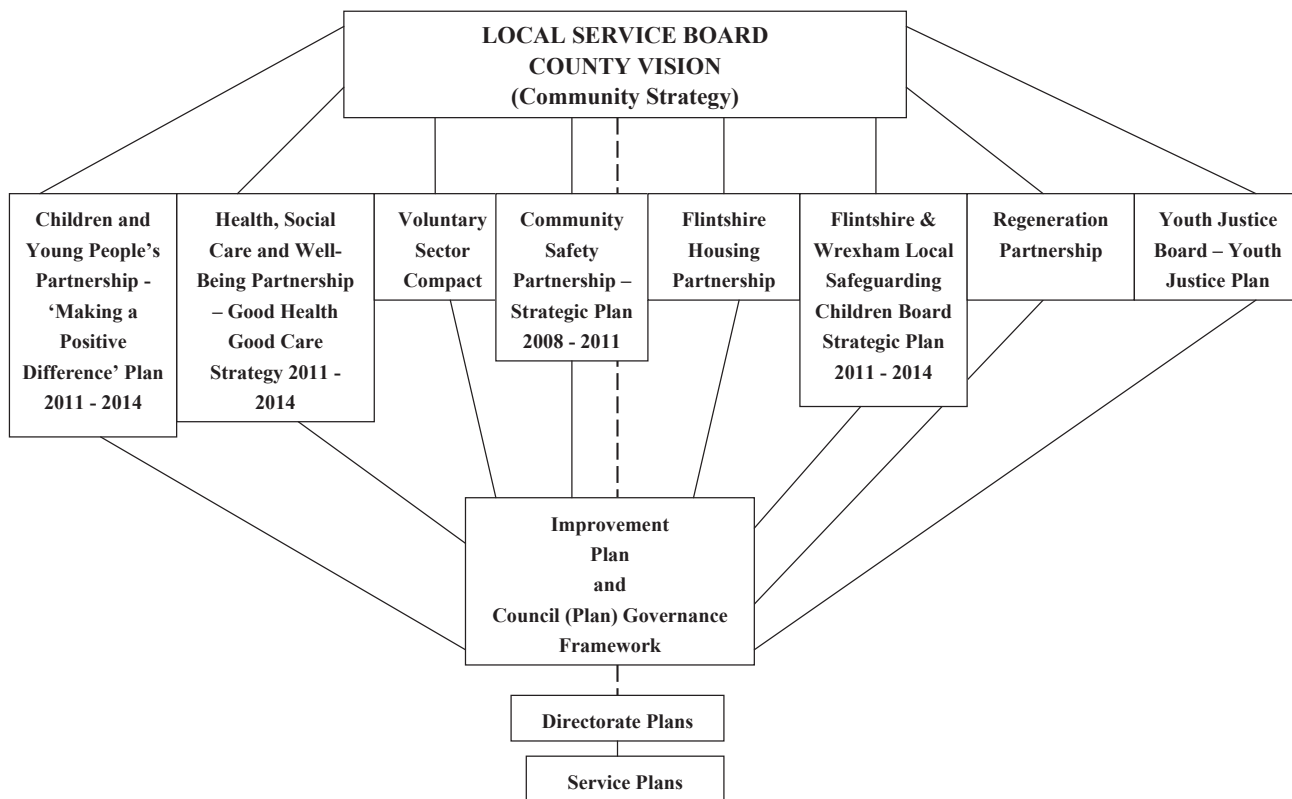
**Deleted:** <#>Directorate and Service Plans¶

6.3 The Council's Overview and Scrutiny Committees produce an annual report on their work which is considered by the Council.

6.4 The Council has established clear channels of communication with all sections of the community and other stakeholders and put in place proper monitoring arrangements to ensure they operate effectively.

- We have many ways of communicating with our citizens and stakeholders and the Corporate Communications Team has developed a Communication Strategy, including:
  - Publications and leaflets
  - Website
  - Flintshire Focus
  - Your Community, Your Council – household newsletter
  - Established links and regular meetings with local interest groups/forums such as Older Peoples Forum, Schools Forum
  - Public Question Time
  - Invitation to members of the public to submit issues they consider should be considered by Overview and Scrutiny Committees
  - The Overview and Scrutiny Team has in recent years given presentations about Overview and Scrutiny to local schools and Town and Community Councils.
  
- Recognising the value of media as a method of communicating information to the public and using news releases, statements and media briefings to do this.
  
- Consultation on the budget process with local stakeholders (residents and businesses) to help shape its budget proposals.

6.5 The Council continues to focus on five key areas of internal and external communication, namely workforce communication, media relations, public information and promotion, consultation and corporate identity.





## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **AUDIT COMMITTEE**

**DATE:**               **WEDNESDAY, 12 DECEMBER 2012**

**REPORT BY:**       **HEAD OF FINANCE**

**SUBJECT:**           **CERTIFICATION OF GRANT CLAIMS**

### **1.00   PURPOSE OF REPORT**

1.01   To provide members with an update in relation to 2011/12 grant claims submitted to Wales Audit Office.

### **2.00   BACKGROUND**

2.01   The Council's external auditors, the Wales Audit Office (WAO) are required to report annually on the certification of grant claims and returns.

2.02   The annual report for 2010/11 was presented to Audit Committee on 25<sup>th</sup> June 2012. At this meeting it was agreed that an update report be brought to Audit Committee at the first available meeting after September.

### **3.00   CONSIDERATIONS**

3.01   The submission of grant claims to the grant provider and subsequently Wales Audit Office varies depending on the type of grant and the terms and conditions of the grant. This update advises members of the grants submitted to date for the financial year 2011/12.

3.02   At the meeting on the 25<sup>th</sup> June 2012 concerns were raised that many of the 2010/11 grant claim submissions were not supported by a grant completion checklist which had been a recommendation made by the WAO the previous year.

3.03   To address these concerns the issue was discussed at the Corporate Finance Management Team where it was agreed that all grant claim submissions were required to be supported by a grant completion checklist and signed off by an Accountant.

3.04   The Head of Finance and Corporate Finance Manager also advised that no grant claim would be authorised unless accompanied by the checklist.

- 3.05 For 2011/12 grant claims to date, Directorate Finance Teams have advised of the following:-

<b>Grant Title</b>	<b>Submission Date</b>
Schools Effectiveness Grant	30.09.12
Transitional SBIG.	30.09.12
Learning Pathway's.	30.09.12
Flying Start	02.10.12
Cymorth	02.10.12
Free Concessionary Travel	05.10.12
Regional Transport Consortia Grant	04.10.12
Transport Grant Outturn Statement	31.08.12
Communities First	27.07.12
Sustainable Waste Management	31.08.12
Substance Misuse	27.09.12
Social Care Workforce Dev Programme	01.09.12
Learning Disability Settlement	28.08.12
HRA Subsidy	06.09.12

- 3.06 It has been confirmed that a grant checklist was completed in all cases in respect of these grants.
- 3.07 The annual grant claim 2011/12 report from Wales Audit Office will be presented to Audit Committee in early summer 2013.

#### **4.00 RECOMMENDATIONS**

- 4.01 Members are requested to note the report.

#### **5.00 FINANCIAL IMPLICATIONS**

- 5.01 There are none directly arising from the report although compliance with the completion of the checklist will help to minimise audit fees.

#### **6.00 ANTI POVERTY IMPACT**

- 6.01 None

#### **7.00 ENVIRONMENTAL IMPACT**

- 7.01 None

#### **8.00 EQUALITIES IMPACT**

- 8.01 None

#### **9.00 PERSONNEL IMPLICATIONS**

- 9.01 None



**10.00 CONSULTATION REQUIRED**

10.01 None

**11.00 CONSULTATION UNDERTAKEN**

11.01 None

**12.00 APPENDICES**

12.01 None

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **AUDIT COMMITTEE**

**DATE:**               **WEDNESDAY 12 DECEMBER 2012**

**REPORT BY:**       **HEAD OF FINANCE**

**SUBJECT:**           **INTERNAL AUDIT PROGRESS REPORT**

### **1.00   PURPOSE OF REPORT**

1.01   To present to members an update on the progress of the internal audit department.

### **2.00   BACKGROUND**

2.01   The status of all projects as at 1<sup>st</sup> November is shown in Appendix A. The Appendix shows the agreed timing for the individual projects where it is known, and the actual number of days spent on each project.

2.02   The details of the outcomes of all reports finalised since the last Audit Committee are shown in Appendix B.

2.03   Tracking results.  
Appendix C gives a summary of all recommendations tracked since the last committee.

2.04   Performance Indicators for the department and for the responses to reports are given in Appendix D.

2.05   An overview of current Investigations is given in Appendix E.

### **3.00   CONSIDERATIONS**

#### **3.01   Audit Plan and Resources**

As outlined at the last Audit Committee The department is currently undertaking a major investigation which has already taken up more than the total days allocated to investigations in the plan and has had an effect on planned audits. The investigation is ongoing, however it has now reached the stage where management time is needed rather than the time of the rest of the department.

As a result of the Audit Committee resolution at the last meeting that additional resources should be sought the plan has not been reduced at this time. However, it will be kept under review during the remainder

of the year. A number of audit projects scheduled to start in the first half of the year have been delayed. They have been rescheduled and will be prioritised to ensure that the end of year audit opinion can be reached.

3.02 Funding for the additional resources has been agreed by Cabinet and it is being actively sought through the provision of a short term contract, from agency staff and from RSM Tenon.

3.03 The audit plan needs to be of sufficient size so that the work completed means the Audit Manager is able to give an opinion at the year end on the adequacy and effectiveness of the system of control, corporate governance and risk management within the Council. The current actions are aimed at ensuring that this remains the case.

3.04 Since the last committee meeting two projects have been deferred (Data Protection and Fleet Management) and two have been added to the plan (Housing Benefit Return and North Wales Residual Waste Programme). These are the normal type of amendments made during the year as circumstances change.

### 3.05 **Final Reports**

All reports finalised since the last committee meeting are shown in Appendix B. The Appendix also includes details of the limited assurance reports issued in that time, as follows:

3.06 **Final Report – School Funds**  
This review was undertaken as a result of problems that had arisen previously in one school. The funds held in these accounts are not assets belonging to FCC. A sample of schools was visited and overall recommendations made to improve controls.

3.07 **Final Report – Payments to Foster Carers**  
Foster carers receive a number of payments based on various criteria. The audit reviewed the application of the processes to provide those funds.

3.08 **Final Report – Asset Management**  
The review looked at the application of the Asset Management Plan and the way it is being developed.

3.09 Copies of all final reports are available for members if they wish to see them.

### 3.10 **Recommendation Tracking**

Appendix C shows the responses that have been received from recommendation tracking. Only 35% of recommendations that were due to be implemented at this time have actually been completed –

which is in line with previous checks. The non-implemented recommendations will be tracked again at their new due date.

Since the last meeting we have changed the method of tracking so that recommendations have been tracked as they fell due. The responses have been followed up with management to identify whether there are any causes for concern, particularly those where the recommendations had not been implemented or had been carried forward for a long period.

For Consultants (six recommendations not implemented) – these relate to Contract Procedure Rules, which are currently being produced. These have been delayed because further amendments will need to be incorporated to them in order to be consistent with the principles of a national common set of Contract Procedure Rules.

For the Capital Programme – the recommendations are being considered along with the development of the Council's Capital Strategy.

Further discussions were also held regarding Business Enterprise Units, Children's Services Taxis which resulted in the recommendations being cleared.

Discussions are ongoing regarding the Street Cleansing review to confirm whether the recommendations have been superceded by the developments in Streetscene.

Overall, action is being taken on the recommendations.

### 3.11 **Performance Indicators**

Appendix D shows the new range of performance indicators for the department. All those for the IA department are now green.

The average number of days taken to return draft reports has improved but is still outside the target time.

## 4.00 **RECOMMENDATIONS**

4.01 The committee is requested to consider the report.

## 5.00 **FINANCIAL IMPLICATIONS**

5.01 None as a direct result of this report.

## 6.00 **ANTI POVERTY IMPACT**

6.01 None as a direct result of this report.

## 7.00 **ENVIRONMENTAL IMPACT**

7.01 None as a direct result of this report.

**8.00 EQUALITIES IMPACT**

8.01 None as a direct result of this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None as a direct result of this report.

**10.00 CONSULTATION REQUIRED**

10.01 None as a direct result of this report.

**11.00 CONSULTATION UNDERTAKEN**

11.01 None as a direct result of this report.

**12.00 APPENDICES**

- 12.01 A Operational Plan  
B Reports Issued  
C Recommendation Tracking  
D Performance Indicators  
E Investigations

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

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**Telephone: 01352 702248**  
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## Operational Plan 2012/13

<b>CORPORATE</b>					
<b>Type</b>	<b>Audit</b>	<b>Plan Days</b>	<b>Revised Plan Days</b>	<b>Actual Days used</b>	<b>Proposed start date / Status</b>
Risk	Risk Management.	10			JAN
Risk	Procurement	20		2	WIP
Reg	Performance Indicators	20			DEC
Advisory	Corporate Governance	10			DEC
Advisory	Collaborations	10			ONGOING
Advisory	Partnerships	10			DEC
Advisory	Theatre Clwyd	20			DEC
Advisory	Business Continuity	10		8	WIP
Consult	Flintshire Futures	30	15		ONGOING
Consult	Lean Team	30	15	8	JUL AND ONGOING
Addition	Consultants		10		MAR
Addition	NWRWP		10		FEB
		170	160	18	
<b>FINANCE</b>					
Risk	Medium Term Financial Strategy and Plan	20			MAR
Reg	Main Accounting	50			JAN
Reg	Housing Benefit	20		1	WIP
Reg	Council Tax and NNDR	20			JAN
Advisory	Housing Benefit Subsidy	15	0		CANCELLED SEE NOTE
Advisory	Corporate Grants	15		16	DRAFT
Advisory	Taxation	20		1	WIP
Advisory	Flintshire Connects	10			FEB
Addition	Housing Benefits Overpayments		2		
Addition	Housing Benefit Return		3	3	DRAFT
		170	157	21	

Type	Audit	Plan Days	Revised Plan Days	Actual Days used	Proposed Start Date / Status
<b>PENSION FUND</b>					
Reg	Pensions Administration and Contributions	40			JAN
Addition	Pensions Contributions		5		
		40	45		
<b>LEGAL AND DEMOCRATIC SERVICES</b>					
Advisory	Commons Register	10			DEC
Advisory	Data protection	10			DEFERRED
Advisory	Members Allowances	10		10	DRAFT
		30		10	
<b>HUMAN RESOURCES AND ORGANISATIONAL DEVELOPMENT</b>					
Reg	Payroll & HR System	50		1	FEB
Advisory	Agency /Temporary Staff	10			FEB
Advisory	Disciplinary Policy	15		13	DRAFT
Advisory	Payroll / pensions	10			JAN
Advisory	Single status – costing of pay model	15	40	38	WIP
Consult	Service Review	10	5		ONGOING
Consult	Midland Trent: Phase 2	15	5		ONGOING
Addition	I Trent – Private vehicles		10		
		125	145	52	
<b>INFORMATION AND COMMUNICATIONS TECHNOLOGY</b>					
Risk	Information Governance	30		6	WIP
Advisory	IT Procurement	10			DEC
Advisory	Electronic document management	15			DEC



Type	Audit	Plan Days	Revised Plan Days	Actual Days used	Proposed Start Date / Status
Advisory	Mobile working, mobile phone security, smart phones	20			JAN
		75		5	
<b>LIFELONG LEARNING</b>					
Reg	Grants	20		6	JUL AND ONGOING
Advisory	Leisure Centres - operation	20		7	WIP
Advisory	Youth & Community	10			JAN
Advisory	Facilities Services – Cleaning Services	10			WIP
Advisory	Pupil Referral Unit	10			FEB
Advisory	CCTV	10			JAN
Advisory	Student Services	15			JAN
Advisory	Free School Meals	10		6	FINAL
Advisory	Payments processing	10		18	FINAL
Advisory	Music Service	5		7	FINAL
Advisory	Funding Formula	15			MAR
Consult	Control Awareness Sessions New Heads and Governors	10	5		ONGOING
Consult	Develop audit presence on schools infonet	5	0		ONGOING
Schools	Central reviews	30			ONGOING
Schools	Risk based thematic reviews	30		20	ONGOING
Schools	Control and Risk Self Assessment	10		12	WIP
Addition	Cheque book schools		6	13	FINAL
		220	216	89	
<b>COMMUNITY SERVICES</b>					
Risk	Sheltered Housing	10			DEC
Advisory	Mobile working and work ticket validation	25	0		DEFERRED SEE NOTE

Type	Audit	Plan Days	Revised Plan Days	Actual Days used	Proposed Start Date / Status
Advisory	Allocations	10			DRAFT
Advisory	Gas Servicing	15		6	WIP
Advisory	Rent Arrears	15		3	DRAFT
Advisory	Vehicle Tracking Follow Up	15			FEB
Advisory	Care Homes	10		16	WIP
Advisory	Disabled Facilities Grants	20		14	DRAFT
Advisory	Section 33	10		12	WIP
Advisory	Fostering	20		27	FINAL
Advisory	Performance information	20		4	WIP
		170	145	71	
<b>ENVIRONMENT</b>					
Risk	County Town Network Regeneration and Protection	20			AUG
Risk	Highways Infrastructure	20			JAN
Risk	Waste Management	20			DEC
Advisory	Licensing	10		10	DRAFT
Advisory	Pollution Control	15			FEB
Advisory	Fleet Management	20			DEFERRED
		105		10	

<b>INVESTIGATIONS, PROVISIONS AND DEVELOPMENT</b>					
<b>Type</b>	<b>Audit</b>	<b>Plan Days</b>	<b>Revised Plan Days</b>	<b>Actual Days used</b>	
	Pro-active fraud work and NFI	50		17	
	Provision for investigations	200		347	
	Provision for ad-hoc requests from Directorates	100	42		
	Follow up reviews	30			WIP
	Audit Development - IDEA	30			
	Regional Collaboration	50	25		
		460	377	364	
	Overall Total	1565	1455	632	

## **Definitions**

### **Regulatory work**

Work based on the need to satisfy statutory and other requirements, and to demonstrate to external audit that they can rely on the work of internal audit as part of the annual accounts process.

### **Risk based audits**

Work based on strategic and operational risks identified by the organisation in the SARC and Service Plans. Risks are linked to the organisation's objectives and represent the possibility that the objectives will not be achieved.

### **Advisory**

Work based on discussions with management when the audit plan is being produced.

### **Consultancy**

Participation in various projects and developments in order to ensure that controls are in place.

## **Changes to the Plan since the last meeting**

### **Audits added to the plan**

#### **Corporate**

NWRWP – As Flintshire is the lead Authority, there is a requirement for IA review and report.

#### **Finance**

Housing Benefit Return – review of the preparation of the return

### **Audits deferred**

#### **Legal and Democratic Services**

Data Protection – working with Information Commissioners Office. Their review scheduled for April 2013.

#### **Environment**

Fleet Management – consulting with other Authorities on a possible joint approach.

## **Changes reported to previous committees**

### **Audits added to the plan**

#### **Corporate**

Consultants – AC request, review of the constraints for the appointment and on the remit and monitoring of consultants to help give assurance that proper procedures are in place.

#### **Finance**

Housing Benefits Overpayments – review of how performance is reported.

#### **HR**

I Trent – compliance testing on Private Vehicles and Driving check after introduction of new procedure

#### **Lifelong Learning**

Cheque Book Schools - three schools have moved to having their own bank account. Review of procedures and controls.

#### **Pensions**

Pensions Contributions – reconciliation of payments from other Authorities between the Pensions system and Flintshire Accounting system.

### **Audits deferred**

#### **Finance**

Housing Benefit Subsidy. Audited by WAO.

#### **Community Services**

Mobile working and ticket validation – management request, new system to be given time to become fully operational.

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## Appendix B

The following reports have been finalised since the last Audit Committee. Action plans are in place to address the weaknesses identified. For reviews which received limited or little assurance a summary of the findings and the Action Plan is attached.

Project Reference	Project Description	Level of Assurance	Recommendations		
			F	S	MA
CD0020R1	Risk Maturity	N/A	0	5	4
HR0160R1	Agency Staff	Adequate	0	4	4
IT0400R1	IT Operations Management	Substantial	0	0	1
LL0100S1	Music Service	N/A	0	9	3
LL0120R1	School Funds	Limited	0	9	1
LL8000S1	Cheque Book Schools	N/A	0	1	0
LL8005R1	Lifelong Learning – Accounts Payable	N/A	0	1	10
CS0110S1	Fostering	Limited	0	7	4
EN0155R1	Asset Management	Limited	0	8	2

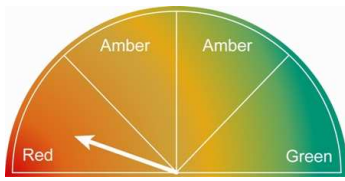
### Levels of Assurance – standard reports.

**Substantial** – A robust framework of controls ensures objectives are likely to be achieved. In addition, controls are applied continuously or with minor lapses.

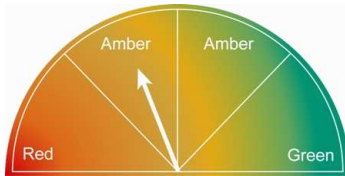
**Adequate** – A sufficient framework of key controls for the object to be achieved, but the control framework could be stronger. Or, controls are applied but with some lapses.

**Limited** – There is a risk of objectives not being achieved due to the absence of key controls. Or, there is significant breakdown in the application of controls.

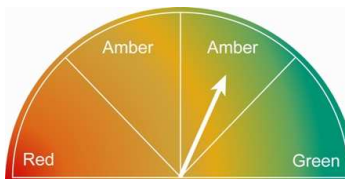
### New levels of Assurance – standard reports.



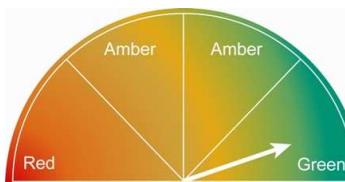
Taking account of the issues identified, the organisation cannot take assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied or effective. Action needs to be taken to ensure this risk is managed.



Taking account of the issues identified, whilst the organisation can take some assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied and effective, action needs to be taken to ensure this risk is managed.



Taking account of the issues identified, the organisation can take reasonable assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied and effective. However we have identified issues that, if not addressed, increase the likelihood of the risk materialising.



Taking account of the issues identified, the organisation can take substantial assurance that the controls upon which they rely to manage this risk are suitably designed, consistently applied and effective.

### Levels of Assurance – follow up reports.

Good. 80%+ of recommendations have been implemented. All fundamental recommendations have been implemented.

Reasonable. 50-80% of recommendations have been implemented. Any outstanding fundamental recommendations are in the process of being implemented.

Little. Less than 50% of recommendations have been implemented. Unsatisfactory progress has been made on the implementation of fundamental recommendations.

### Categorisation of Recommendations

- F - Fundamental
- S - Significant
- MA - Merits Attention

Fundamental – action is imperative to ensure that the objectives for the area under review are met.

Significant – requires action to avoid exposure to significant risks in achieving the objectives for the area under review.

Merits Attention – action advised to enhance control or improve operational efficiency.



## Summary of Findings and Action Plan of Reviews with Limited Assurance

### School Funds – LL0120R1

We have made nine significant recommendations, as follows:

- 1.1 Inadequate guidance given to schools
- 1.2 School fund certificates not received, or received late
- 1.3 Lack of monitoring of content of school fund certificates
- 1.4 Lack of a reporting mechanism for the submission of school fund certificates
- 2.1 Lack of compliance with the independent audit appointment procedure by schools
- 2.2 Lack of an independent monitoring of funds throughout the financial year
- 2.3 The lack of training of staff who manage the funds
- 2.4 Failure by schools to keep funds secure through compliance with insurance requirements
- 2.6 Lack of guidance given to schools on acceptable use of school funds

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
1.1	When the Financial Management Procedures are re-issued they should include the requirement for schools to draw up a constitution for each school fund to include what the fund will be used for and who is involved in the administration and monitoring of the fund. The guidance notes should include what the fund can and should not be used for. This would also be useful information for each independent auditor to check for	Significant	Procedures are in process of revision and this recommendation will be incorporated.	January 2013	Lucy Morris, Finance Manager

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
	<p>compliance and report back to Governors. It is suggested that independent auditors are required to issue a report on the standard of administration of the fund including any recommendations for improvement . These reports could then be required to be forwarded to the LA with the audit certificate. The issue of the significant amount that is held in some school funds should also be considered as the purpose of the fund is to provide goods and services for the benefit of the pupils rather than accumulate funds in bank accounts. There should be evidence of what the funds are to be used for.</p> <p>When reviewing the Guidance on school funds for Headteachers and Governors feedback and advice given by Internal Audit should be considered as part of any consultation exercise in order to provide more comprehensive and clear guidance to schools.</p>				
1.2	A robust system of reminders and pursuing outstanding certificates should be adopted.	Significant	Agreed. Process will be incorporated as part of procedural review.	January 2013	David Bateman, Schools Accountant
1.3	The accuracy of certificates should be verified, with basic checks carried out on signatures, brought forward figures and certificate balances. Appropriate action should be taken where schools fail to complete certificates in accordance with	Significant	Agreed. As above	January 2013	David Bateman, Schools Accountant

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
	the schools fund guidance notes.				
1.4	Failure to submit certificates in accordance with the requirements of the Scheme for Financing Schools should be reported to the Lifelong Learning Finance Manager for consideration and appropriate action.	Significant	Agreed.	January 2013	Lucy Morris, Finance Manager
2.1	All independent auditors should be formally appointed by Governing Bodies and this should be shown in the minutes of Governors meetings. The independent status of auditors should be assured.	Significant	Agreed. This has been discussed with the Heads Federation Representatives and will be written into the procedures.	January 2013	Lucy Morris, Finance Manager
2.2	Independent monitoring should be undertaken of all schools funds throughout the financial year to provide adequate control over the accounts and assets. This is also a requirement of the Guidance on school funds for Governors and Headteachers.	Significant	As above	January 2013	Lucy Morris, Finance Manager
2.3	Before a member of school staff has any involvement in the operation of the school finances ( including the administration of the school fund ) they should be fully trained in the requirements of appropriate record keeping, including the schools financial regulations, tax requirements and security and insurance requirements. This should include Headteachers who	Significant	Awareness will be raised following the reissue of procedures and any training requirements identified.	March 2013	Lucy Morris, Finance Manager

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
	are required to monitor the funds throughout the year.				
2.4	Schools should be provided with information on current insurance limits and requirements. Income should be receipted and recorded promptly to ensure that there is formal evidence of income held at any one time.	Significant	Agreed. As 1.1 above.	January 2013	Lucy Morris, Finance Manager
2.6	Further guidance should be given to schools on using the funds for legitimate purposes including examples on unacceptable practices and transactions.	Significant	Agreed. As 1.1 above.	January 2013	Lucy Morris, Finance Manager

### Payments for Foster Carers – CS0110S1

We have made seven significant recommendations, as follows:

- 3.1 The protocol for the progression of foster carers in their skill levels is not being adhered to
- 3.2 The criteria required to support the progression of foster carers has not been verified at the Foster Panel meetings
- 4.1 The protocol for the payment of additional payments to foster carers is not being followed
- 4.2 The monitoring of additional payments needs to be improved
- 5.1 The lack of appropriate authorisation of the payment reports in all cases
- 7.1 The lack of formal procedures around the engagement of external support
- 8.1 The absence of a robust reporting mechanism for foster carer vacancies

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
3.1	<p>The Authority will need to incorporate the Inductions Standards Framework and clarify the protocol that is required for carers to follow in order to progress through the skill levels and ensure that this is adhered to. The Handbook needs to be updated to reflect this as the current protocol for progression is not being followed.</p> <p>In future the Authority should only remunerate foster carers appropriate to their skills. Proof of qualifications should be obtained and retained on file prior to additional payments being authorised.</p>	Significant	<p>This is an extensive piece of work. Discussions have already taken place with Workforce Development and Deeside college as the framework needs to be integrated with the QCF Diploma in Children and Young People (level 3).</p> <p>We are currently working with the Paris team to enable the training undertaken by the foster carers to be recorded on their electronic file</p>	March 13	Liz Byrne

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
3.2	The Foster Panel should not recommend any progression to higher skill levels without verifying the appropriate evidence. The minutes of the meeting of the panel should clearly refer to the criteria and note the evidence/proof of qualification or training achieved in order for the Head of Children's Services to make an informed decision on the outcomes of the Panel.	Significant	Panel training to be arranged.	April 13	Liz Byrne
4.1	<p>The protocol for the payment of additional allowances to foster carers should be adhered to with the Social Workers supplying more evidence that they have checked the authenticity of all ad hoc payments prior to the processing of payments and obtain receipts wherever possible. There should be a clear audit trail to evidence that continuous additional payments are being monitored.</p> <p>All claim forms for additional allowances should be appropriately authorised.</p> <p>A review of the protocol for the payment of travel expenses would be beneficial to determine if the level of expenses incurred are deemed reasonable.</p>	Significant	<p>Foster carer and staff supervision forms updated to record all additional payments.</p> <p>Letter sent to foster carers to advise them of this and the need to obtain receipts.</p> <p>All additional payments will be reviewed every 3 months</p> <p>All claims for additional allowances are authorised by either the Team Manager or the Senior Practitioner, claims are not processed without authorisation.</p> <p>Meeting to be arranged and task and finish group to be set up. Review to be completed by February 2013.</p>	<p>Completed</p> <p>April 2013</p>	<p>Liz Byrne</p> <p>Peter Robson</p>

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
4.2	<p>Enhanced payments need to be more rigorously monitored to ensure they are relevant and accurate.</p> <p>The File Audits would benefit from a section where the Team Manager reviews the ongoing relevancy of enhanced payments to assist this process.</p> <p>Enhanced payments under the heading 'Tuition' need to be separated for budget monitoring purposes so that expenditure on hobbies is more clearly identified for senior managers on a monthly basis.</p>	Significant	<p>File audits updated, Review in place</p> <p>To be considered as part of the review of transport costs</p>	<p>Completed</p> <p>April 2013</p>	<p>Liz Byrne</p> <p>Peter Robson/ Liz Byrne</p>
5.1	All payment reports should be signed as authorised and approved prior to the processing of all payments.	Significant	Admin staff reminded of this requirement. Peter Robson has been added to the list of those who can approve payments prior to processing	Completed	Liz Byrne
7.1	<p>Any future appointment of external support must be procured in accordance with the Authority's Contract Procedure Rules.</p> <p>Monitoring processes should be implemented to ensure external support is providing value for money. Consideration should be given to ensure that the type of work undertaken cannot be performed by the professionals already within the Family Placement</p>	Significant	Protocol to be put in place.	January 2013	Peter Robson

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
	Team.				
8.1	The Authority needs to determine how they can improve the reporting mechanism to have an accurate picture of current vacancies in order for senior managers to make more informed decisions promptly.	Significant	Report available but inaccurate. Children not always attached to foster carer (in Paris) particularly in relation to respite care.	February 2013	Jacque Slee



### Asset Management – EN0155R1

We have made eight significant recommendations, as follows:

- 3.1 Capacity and performance indicators in the Asset management Plan need to be clear
- 4.1 Targets for the use of assets should be cascaded to service managers.
- 6.1 Cost, revenue and training requirements need to be identified for Connects projects.
- 6.2 The need for a strategy for community asset transfers
- 7.1 Whole life costing should be introduced for assets
- 8.1 The Asset Management Plan should be cover all asset management initiatives
- 8.2 Project management needs to be applied to the facilities management projects
- 8.3 The land disposal process should be improved.

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
3.1	<p>Appropriate capacity should be established to progress the Asset Management Plan action to establish a performance management framework to link PI's to asset objectives and individual assets.</p> <p>A clear timetable and accountability should be established for implementation the framework.</p> <p>The Corporate AMP should include clarification to ensure a user reading the strategy clearly understands which asset management PI's actually disclose 2008/09 data.</p>	Significant	<p>The Council's Asset Management Plans (AMPs) have had action plans attached to them in previous years. Naturally given the change in emphasis on work in this area not all action points can either be met or indeed remain relevant.</p> <p>A new medium term Property Strategy is planned which will, along with a new AMP and Action Plan and other policy documents, give an updated framework to deal with the</p>	<p>Quarter 4 2012-13 Property Strategy and Asset Management Plan</p> <p>Ongoing- The authority has previously published the Welsh CLAW (Consortium of Local Authorities</p>	Corporate Valuer

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
	<p>Up to date PI data should be secured for all CLAW PI's where 2008/09 data is presented in the Corporate AMP, if these are still being measured annually by CLAW.</p> <p>Strategic asset management covers the short/medium and long term. As such the key PI's that measure council wide asset performance should show at least medium term step change improvement targets, aiming to reach the level of the best.</p> <p>When outturn data is available the forward targets should be revisited to ensure continual improvement is aimed for. Key PI's should never set a target for deterioration in performance of asset management.</p> <p>Ffynnon should be updated with PI outturn data for asset management on a timely basis – i.e. in accordance with the annual timescales required by the Policy and Performance Section.</p>		<p>issue which are priorities following the election of the new administration in May 2012.</p> <p>Note that these are also reviewed corporately with members on an annual basis (challenge review) and through the Scrutiny process</p>	<p>in Wales) performance indicators and continues to use this framework.</p>	
4.1	<p>When the asset management performance framework has been developed, Corporate Asset Management Group should cascade targets for efficient and economic use of assets to all service managers to enable them to incorporate targets and action within service plans.</p>	Significant	<p>Where services wish to review assets either through them leading or the asset management side leading then a balanced score card to achieve effective outcomes for the service concerned would be reviewed and agreed prior to</p>	October 2012	Corporate Valuer

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
			any review process.		
6.1	<p>The Connects project is a leading edge collaboration proposal which also supports delivery of other key council initiatives such as 'agile' and channel shift. However to ensure outcomes of the project are optimised :</p> <p>1.) clear ownership by Directorates of services to be transferred needs to be secured</p> <p>2.) comprehensive and robust financial analysis needs to be completed to show detailed revenue projections for Connects centres when presenting proposals to Executive for approval. This will also enable more accurate projections to be included in the medium term financial plan</p> <p>3.) the substantive training requirements for customer service advisers need to be proactively addressed and any potential costs included in the overall 'Connects' cost projections</p> <p>4.) a projection of the cost impact of potentially increased use of services by bringing them to the community interface should be carried out.</p>	Significant	Identification has taken place of respective programme and project boards which will lead on these initiatives using programme and project frameworks.		

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
6.2	<p>The in-house design service should deliver a service centred around client requirements with regard to cost effective solutions. Introducing a Service Level Agreement from the outset would clarify requirements.</p> <p>The council should develop a strategy for community asset transfers as the entire approach should not depend only on the Community Asset Transfer Fund and the concept is a key Welsh Government objective for community empowerment. Numerous councils in the UK have already transferred or are in the process of transferring certain categories of assets (or management of assets) to the voluntary sector and first tier of local government and they have not relied on a CATF to achieve this.</p>	Significant	Strategies and policies to manage assets are in place or being developed further to identify and pursue these opportunities and this includes policies around Corporate Asset Transfers.	<p>Autumn 2012</p> <p>Community Asset policy</p> <p>New Property Strategy and Policies Quarter 4 2012-13</p>	Corporate Valuer
7.1	<p>Whole Life Costing (WLC) should be implemented as a priority as the substantial asset programmes relating to Flintshire Futures, Flintshire Connects, Schools Modernisation and other asset related programmes may fail to optimise financial savings in the medium to long term if this approach is not used from the outset as part of the development of business cases/tenders.</p> <p>Specific benefits to implementation of WLC at FCC are material and would include:</p> <ol style="list-style-type: none"> <li>1. Significant cost savings in the medium to</li> </ol>	Significant	<p>Whole Life costing is the main financial measure of identifying the most efficient life time use of a property. Evidence shows that the design- build- use / life costs are proportionately 1:50: 200.</p> <p>Therefore in theory a pound used most effectively at the design stage can be worth £200 over the building life.</p> <p>The most useful aim of this</p>	Immediate	Head of Assets and transportation / Corporate Valuer

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
	<p>long term by optimising the total cost of ownership / occupation by balancing initial capital and running costs</p> <ol style="list-style-type: none"> <li>2. Promoting realistic budgeting for operation, maintenance and repair</li> <li>3. Encouraging discussion and recording of decisions about the durability of materials and components at the outset of the project</li> <li>4. Providing data on actual performance and operation compared with predicted performance for use in future planning and benchmarking</li> <li>5. More informed decision making by ensuring all options are considered on an equal basis</li> <li>6. A standardised way of developing bids internally</li> </ol>		<p>approach is to achieve ongoing revenue budget reduction in future years as newer assets come on stream replacing less efficient examples.</p> <p>Whole life costing work will be undertaken as part of option appraisal and project business case planning initially and will be proportionate to the size of the projects concerned.</p>		
8.1	<p>The next refresh of the Corporate AMP should ensure the AMP action plan covers all key asset management initiatives in all directorates including for example schools modernisation and community services co-location plans. This will ensure the AMP is therefore truly corporate, with clear linkage to the other asset plans sitting beneath this overarching plan e.g. education, highways, community services (when completed).</p> <p>Community Services should identify resources to complete the directorate Asset Management Plan as required by</p>	Significant	Work in these areas has already been earmarked and will be included proportionately in the asset management plan and part of internal monitoring.	Quarter 4 2012-13	Corporate Valuer

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
	the directorate plan.				
8.2	<p>The overall business case for the hard and soft Facilities Management project is sound and the project should be revived through Project Definition Workshop discussions with Wrexham and Denbighshire and establishment of a robust project structure with a project board, and sufficiently skilled project team.</p> <p>An overarching GANTT chart plan is urgently needed to identify the links and interdependencies of the significant number of projects that fall under Asset Management in Flintshire Futures.</p> <p>In addition, robust project management needs to be applied to the projects to remove any duplication, and ensure that the large number of workstreams is managed in a coordinated way to deliver all the required phases and milestones when actually required by the overall programme.</p> <p>Training is required in the completion of Benefits Realisation project forms.</p> <p>Usage of the corporate suite of project management forms, including the benefits realisation form, should be mandatory</p>	Significant	The project has a sponsor and project manager and appropriate activity lines and other aspects of managing the project developed in principle. Key stakeholder buy in meetings and communication processes have also been developed.		Head of Assets

Ref	Recommendation	Categorisation	Management Comment	Implementation Date	Manager Responsible
8.3	<p>The business case and fully costed options appraisal for county hall needs to be developed and communicated to members.</p> <p>The land disposal process should be re-engineered with the 'LEAN' section with a view to streamlining the number of stages, and establishing procedures to ensure each stage of the process is dealt with more efficiently. After the disposal process has been redesigned and streamlined a land disposal policy should be published.</p> <p>The Council should review capacity in the legal section to deliver their requirements with regard to the asset disposal programme.</p> <p>Consideration should be given to using the N Wales legal framework agreement where there is insufficient capacity in-house</p> <p>Consideration should be given to setting a delegated threshold for the designated officer to negotiate asset sale prices</p>	Significant	<p>This is recognised and the project proposals to achieve this continue to be developed. The situation also has linkage to overall campus development linked to the Theatre refurbishment.</p> <p>This is also recognised and the method of Member forums in the authority is being reviewed.</p> <p>The ability of the service to deal with a wide variety of support is being addressed by respective managers.</p> <p>This is accepted and established.</p>	Summer 2012	<p>Head of Assets / Corporate Valuer</p> <p>Legal and Democratic Services Officer</p>

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**Summary of Findings and Action Plan of Reviews with Limited Assurance**

Appendix C








**Recommendation Tracking**

**Status of Recommendations that have reached their Implementation Dates.**

Title	Reference	Date Issued	Response Received	Recommendations		
				Due	Implemented	Not Implemented
<b>CORPORATE</b>						
Risk Management	CD0020P1	July 2011	Yes	1	1	0
Procurement	CD0070R1	Mar 2012	Yes	5	2	3
Procurement	CD0070P1	Nov 2010	Yes	1	0	1
Performance Indicators	CD0200R1	Jul 2012	Part	2	1	
Use of Consultants	CD0500P1	Jan 2011	Yes	6	0	6
			Total	15	4	10
<b>FINANCE</b>						
Procurement	FL0070M1	Sep 2009	Yes	1	0	1
Financial Systems	FD0080R1	June 2012	Yes	1	0	1
Capital Programme	FD0090P1	Jan 2012	Yes	8	0	8
Housing Benefits	FD6150P1	Aug-11	Yes	6	4	2
			Total	16	4	12
<b>LEGAL AND DEMOCRATIC</b>						
Employment Practices Code	LD0220N1	Mar 2010	Yes	1	1	0
			Total	1	1	0
<b>HUMAN RESOURCES</b>						
			Total	0	0	0
<b>ICT</b>						
			Total	0	0	0

<b>LIFELONG LEARNING</b>						
ICT Unit Security of Mobile Devices	LL1065P1	Dec 11	Yes	1	0	1
			Total	1	0	1
<b>COMMUNITY SERVICES</b>						
Children's Services Taxis	CS0070P1	Mar 2011	Yes	1	1	0
			Total	1	1	0
<b>ENVIRONMENT</b>						
Streetscene - Cleanliness	EN0010R1	Feb 2012	Yes	5	2	3
Business Enterprise Units	EN0010N1	May 2010	Yes	3	3	0
Street Cleansing	ER0060K1	Oct 2006	Yes	3	0	3
Data Management Public Protection	EN0080N1	Mar 2010	Yes	3	2	1
			Total	14	7	7
			Total	48	17	30

## Internal Audit Performance Indicators

Performance Measure	Q2	Target	RAG Rating
<b>Internal Audit Departmental Targets</b>			
Audits completed within planned time	89%	80%	 ↑
Average number of days from closure meeting to issue of draft report	13	20	 ↑
Average number of days from response to issue of final report	3	5	 →
Return of client satisfaction questionnaires	100%	70%	 ↑
Client questionnaires responses as satisfied	100%	95%	 →
Productive audit days	82%	75%	 →
<b>Other Targets</b>			
Days to return draft reports	24.5	20	 ↑

Key  Target not achieved  Within 10% of target  Target Achieved

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**Investigations**

1. The following investigations have been reported to previous committees and are still being investigated:

1.1. An investigation is ongoing into alleged operational and financial irregularities within Streetscene, four employees are still suspended.

1.2. Information was received regarding alleged collusion between employees and a supplier. Disciplinary action is being carried out.

2. The following investigations have been completed:

2.1 Internal audit assisted a school in gathering evidence of a case where invoices had been paid for services that were not required by the school. A disciplinary investigation was carried out which resulted in a member of staff being dismissed.

2.2. Information was received regarding a potential fraudulent benefit claim by a member of the public. The subject is also in receipt of allowances from the Council under the Direct Payment scheme. Counsel advice was sought which has resulted in the legal case not being pursued, however the claimant is to be billed for the overpayment and the level of benefits paid has been considerably reduced.

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **AUDIT COMMITTEE**

**DATE:**               **WEDNESDAY, 12 DECEMBER 2012**

**REPORT BY:**       **HEAD OF FINANCE**

**SUBJECT:**           **AUDIT COMMITTEE SELF ASSESSMENT AGAINST  
CIPFA REQUIREMENTS**

### **1.00   PURPOSE OF REPORT**

1.01   To inform members of the results of the Audit Committee self assessment which will feed into the preparation for the Annual Governance Statement 2012/13. It will also form the basis for the provision of any further training required by the committee.

### **2.00   BACKGROUND**

- 2.01   The Chartered Institute of Public Finance and Accountancy (CIPFA) published 'Audit Committees – Practical Guidance for Local Authorities' in 2006, followed by 'A Toolkit for Local Authority Audit Committees', with the aim of providing a set of advice and suggestions on good practice in the operation of Audit Committees. The toolkit included a self assessment questionnaire. However this is not prescriptive and local arrangements may be implemented which provide the same level of assurance. The questionnaire is completed annually by the members of the Audit Committee. It has been amended slightly this year to take into account questions identified in previous years as not being applicable to Flintshire Audit Committee.
- 2.02   The Audit Committee itself is part of the governance framework of the Authority. It is therefore appropriate for the self assessment questionnaire to be completed as part of the preparation for the Annual Governance Statement for 2012/13, which reports on overall governance within the Authority and will be published with the annual accounts.
- 2.03   In addition the results will be used to inform the provision of training to Audit Committee members. The Wales Audit Office identified in a report in June 2012 that training had not always take place in the past. They recommended that Internal Audit should 'Review and analyse the self-assessment results to identify knowledge gaps and training needs to further develop the committee.'

2.04 The current committee received Induction Training in June 2012. It has met three times since then, and this is an opportune time to implement that recommendation so that any further training can be scheduled for early in 2013.

### **3.00 CONSIDERATIONS**

3.01 The questionnaire and supporting information are shown in Appendix A. The results have been analysed to show the number of 'yes' and 'no' answers to each question.

3.02 The results show

### **4.00 RECOMMENDATIONS**

4.01 That the committee considers the results and reaches a decision on any further training required.

### **5.00 FINANCIAL IMPLICATIONS**

5.01 None as a direct result of this report.

### **6.00 ANTI POVERTY IMPACT**

6.01 None as a direct result of this report.

### **7.00 ENVIRONMENTAL IMPACT**

7.01 None as a direct result of this report.

### **8.00 EQUALITIES IMPACT**

8.01 None as a direct result of this report.

### **9.00 PERSONNEL IMPLICATIONS**

9.01 None as a direct result of this report.

### **10.00 CONSULTATION REQUIRED**

10.01 None as a direct result of this report.

### **11.00 CONSULTATION UNDERTAKEN**

11.01 None as a direct result of this report.

### **12.00 APPENDICES**

12.01 Audit Committee self assessment checklist.



**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985**  
**BACKGROUND DOCUMENTS**

None

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## AUDIT COMMITTEE SELF-ASSESSMENT CHECKLIST

### SUMMARY

<b>ESTABLISHMENT, OPERATION AND DUTIES</b>					
<b>Role and Remit</b>					
<b>Priority</b>	<b>Issue</b>	<b>Yes</b>	<b>No</b>	<b>N/A</b>	<b>Comment/Action</b>
1.	Does the Audit Committee have written terms of reference?	8			
1.	Do the terms of reference cover the core functions of an Audit Committee as identified in the CIPFA guidance? (See list on previous page).	8			
1.	Are the terms of reference approved by the Council and reviewed periodically?	8			
1.	Has the Audit Committee been provided with sufficient membership, authority and resources to perform its role effectively and independently?	7	1		
1.	Can the Audit Committee access other committees and full Council as necessary?	8			
1.	Does the Authority's Annual Governance Statement include a description of the Audit Committee's establishment and activities?	7	1		
1.	Does the Audit Committee periodically assess its own effectiveness?	6	1		1 blank
<b>Membership, Induction and Training</b>					
1.	Has the membership of the Audit Committee been formally agreed and a quorum set?	8			
1.	Is the Chair independent of the Executive function?	8			

Priority	Issue	Yes	No	N/A	Comment/Action
1.	Has the Audit Committee Chair either previous knowledge of, or received appropriate training on, financial and risk management, accounting concepts and standards, and the regulatory regime?	7			1 blank
1.	Are new Audit Committee Members provided with an appropriate induction?	6	1		1 blank
1.	Have all Members' skills and experiences been assessed and training given for identified gaps?	4	4		
1.	Has each Member declared his or her business interests?	5	1	1	1 blank
2.	Are Members sufficiently independent of the other key committees of the Council?	6			2 blank
<b>Meetings</b>					
1.	Does the Audit Committee meet regularly?	8			
1.	Do the terms of reference set out the frequency of meetings?	6	2		
1.	Does the Audit Committee calendar meet the Authority's business needs, governance needs and the financial calendar?	8			
1.	Are Members attending meetings on a regular basis and, if not, is appropriate action taken?	7			1 blank
1.	Are meetings free and open without political influences being displayed?	7			1 blank
1.	Does the Authority's S.151 Officer or Deputy attend all meetings?	7			1 blank
1.	Does the Audit Committee have the benefit of attendance of appropriate Officers at its meetings?	8			

Priority	Issue	Yes	No	N/A	Comment/Action
<b>INTERNAL CONTROL</b>					
1.	Does the Audit Committee have responsibility for review and approval of the Annual Governance Statement (AGS) and does it consider it separately from the accounts?	7	1		
1.	Does the Audit Committee consider how meaningful the AGS is?	7	1		
1.	Does the Audit Committee satisfy itself that the system of internal control has operated effectively throughout the reporting period?	7	1		
1.	Has the Audit Committee considered how it integrates with other committees that may have responsibility for risk management?	5	2	1	
1.	Has the Audit Committee considered the Anti-Fraud and Corruption Strategy, the Fraud Response Plan and the Whistle blowing policy?	6	1		1 blank
1.	Does the Audit Committee ensure that the above policies are being implemented?	6	1		1 blank
2.	Is the Audit Committee made aware of the role of risk management in the preparation of the internal audit plan?	7			1 blank
2.	Does the Audit Committee review the Authority's strategic risk register at least annually?	5	1		2 blank
2.	Does the Audit Committee monitor how the Authority assesses its risk?	7			1 blank
2.	Does the Audit Committee's terms of reference include oversight of the risk management process?	7			1 blank

Priority	Issue	Yes	No	N/A	Comment/Action
<b>FINANCIAL REPORTING AND REGULATORY MATTERS</b>					
1.	Is the Audit Committee's role in the consideration and/or approval of the annual accounts clearly defined?	7			1 blank
1.	Does the Audit Committee consider specifically:				
	• the suitability of accounting policies and treatments	5	2		1 blank
	• major judgements made	5	2		1 blank
	• large write-offs	4	3		1 blank
	• changes in accounting treatment	4	2		2 blank
	• the reasonableness of accounting estimates	5	1		2 blank
	• the narrative aspects of reporting?	6	1		1 blank
1.	Is an Audit Committee meeting scheduled to receive the external auditor's report to those charged with governance including a discussion of proposed adjustments to the accounts and other issues arising from the audit?	7			1 blank
2.	Does the Audit Committee annually review the accounting policies of the Authority?	4			4 blank
2.	Does the Audit Committee gain an understanding of management's procedures for preparing the Authority's annual accounts?	7			1 blank
2.	Does the Audit Committee have a mechanism to keep it aware of topical legal and regulatory issues, for example by receiving circulars and through training?	3	3		2 blank

Priority	Issue	Yes	No	N/A	Comment/Action
<b>INTERNAL AUDIT</b>					
1.	Does the Audit Committee approve, annually and in detail, the internal audit strategic and annual plans including consideration of whether the scope of internal audit work addresses the Authority's significant risks?	7			1 blank
1.	Does internal audit have an appropriate reporting line to the Audit Committee?	7	1		
1.	Does the Audit Committee receive periodic reports from the internal audit service including an annual report from the Head of Internal Audit?	8			
1.	Are follow-up audits by internal audit monitored by the Audit Committee and does the Committee consider the adequacy of implementation of recommendations?	6			2 blank
1.	Does the Audit Committee hold periodic private discussions with the Head of Internal Audit?	4	2		2 blank
1.	Is there appropriate co-operation between the internal and external auditors?	8			
1.	Does the Audit Committee review the adequacy of internal audit staffing and other resources?	7			1 blank
1.	Has the Audit Committee evaluated whether its internal audit service complies with CIPFA's Code of Practice for Internal Audit in Local Government in the UK.	7			1 blank
2.	Are internal audit performance measures monitored by the Audit Committee.	7	1		

Priority	Issue	Yes	No	N/A	Comment/Action
2.	Has the Audit Committee considered the information it wishes to receive from Internal Audit?	7			1 blank
<b>EXTERNAL AUDIT</b>					
1.	Do the external auditors present and discuss their audit plans and strategy with the Audit Committee (recognising the statutory duties of external audit)?	6	1		1 blank
1.	Does the Audit Committee hold periodic private discussions with the external auditor?	4	2		2 blank
1.	Does the Audit Committee review the external auditor's annual report to those charged with governance?	8			
1.	Does the Audit Committee ensure that officers are monitoring action taken to implement external audit recommendations?	8			
1.	Are reports on the work of external audit and other inspection agencies presented to the Committee including the WAO annual letters?	8			
1.	Does the Audit Committee assess the performance of external audit?	5	1		2 blank
<b>ADMINISTRATION</b>					
<b>Agenda Management</b>					
1.	Does the Audit Committee have a designated secretary from Committee/ Member Services?	7			1 blank
1.	Are agenda papers circulated in advance of meetings to allow adequate preparation by Audit Committee Members?	8			
2.	Are outline agendas planned one year ahead to cover issues on a cyclical basis?	7	1		



Priority	Issue	Yes	No	N/A	Comment/Action
<b>Papers</b>					
1.	Do reports to the Audit Committee communicate relevant information at the right frequency, time, and in a format that is effective?	6	2		
2.	Does the Audit Committee issue guidelines and/or a proforma concerning the format and content of the papers to be presented?	4	3		1 blank
<b>Actions Arising</b>					
1.	Are minutes prepared and circulated promptly to the appropriate people?	6	1		1 blank
1.	Is a report on matters arising made and minuted at the Audit Committee's next meeting?	6		1	1 blank
1.	Do action points indicate who is to perform what and by when?	6		1	1 blank

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## FLINTSHIRE COUNTY COUNCIL

**REPORT TO:**           **AUDIT COMMITTEE**  
**DATE:**               **WEDNESDAY, 12 DECEMBER 2012**  
**REPORT BY:**       **HEAD OF FINANCE**  
**SUBJECT:**           **FORWARD WORK PROGRAMME**

### **1.00   PURPOSE OF REPORT**

1.01   To consider the forward work programme for the Audit Committee for the next year.

### **2.00   BACKGROUND**

2.01   Items feed into the Committee's forward work programme from a number of sources. In order to better manage the workflow for the Audit Committee, the draft programme needs to be kept under review.

### **3.00   CONSIDERATIONS**

3.01   The programme is attached, Appendix A. It has been compiled based on the work that has been done in previous years and from information received from the various contributors to the committee.

3.02   Although the programme gives the basis of the work of the committee, it will be subject to change as necessary during the year. Changes will be notified to the Committee when they become known. Members may also wish to propose subjects for future reports or discussion.

### **4.00   RECOMMENDATIONS**

4.01   That the committee considers the draft Forward Work Plan and approve / amend as necessary.

### **5.00   FINANCIAL IMPLICATIONS**

5.01   None as a result of this report.

### **6.00   ANTI POVERTY IMPACT**

6.01   None as a result of this report.

**7.00 ENVIRONMENTAL IMPACT**

7.01 None as a result of this report.

**8.00 EQUALITIES IMPACT**

8.01 None as a result of this report.

**9.00 PERSONNEL IMPLICATIONS**

9.01 None as a result of this report.

**10.00 CONSULTATION REQUIRED**

10.01 Publication of this report constitutes consultation.

**11.00 CONSULTATION UNDERTAKEN**

11.01 Publication of this report constitutes consultation.

**12.00 APPENDICES**

Appendix A – Forward Work Programme.

**LOCAL GOVERNMENT (ACCESS TO INFORMATION ACT) 1985  
BACKGROUND DOCUMENTS**

**Contact Officer: David Webster**  
**Telephone: 01352 702248**  
**Email: david.webster@flintshire.gov.uk**

**AUDIT COMMITTEE**  
**FORWARD WORK PROGRAMME 2012/13**

<b>MEETING DATE</b>	<b>AGENDA ITEM</b>	<b>AUTHOR</b>
<b>12 December 2012</b>	<ul style="list-style-type: none"> <li>• Internal Audit Progress Report</li> <li>• Annual Audit Letter (WAO)</li> <li>• Audit Committee self assessment against CIPFA requirements</li> <li>• Certification of Grant Claims</li> <li>• Code of Corporate Governance update</li> </ul>	David Webster Kerry Feather David Webster  Gary Ferguson / David Webster Peter Evans
<b>30 January 2013</b>	<ul style="list-style-type: none"> <li>• Treasury Management Update and Policy &amp; Strategy Statement 2013/14 (Op)</li> <li>• Management of Internal Audit</li> <li>• Audit Committee Terms of Reference</li> <li>• Risk Management Strategy</li> <li>• Annual Improvement Report (WAO)</li> </ul>	Liz Thomas  Kerry Feather David Webster Vicki Woolf Karen Armstrong
<b>13 March 2013</b>	<ul style="list-style-type: none"> <li>• Treasury Management Update (Op)</li> <li>• Annual Financial Audit Outline FCC &amp; CPF (WAO)</li> <li>• Certification of Grants and Returns Report (WAO)</li> <li>• Internal Audit Progress Report</li> <li>• Internal Audit Strategic Plan</li> <li>• Financial Procedure Rules</li> <li>• Role of the Audit Committee and Scrutiny in Financial Management</li> </ul>	Liz Thomas  David Webster David Webster Liz Thomas Kerry Feather

<b>12 June 2013</b>	<ul style="list-style-type: none"> <li>• Treasury Management Update and Annual Report 2012/13</li> <li>• Assessment of Internal Audit Report (WAO)</li> <li>• Regulatory Programme (WAO)</li> <li>• Internal Audit Progress Report</li> <li>• Internal Audit Annual Report</li> </ul>	Liz Thomas  David Webster David Webster
<b>17 July 2013</b>	<ul style="list-style-type: none"> <li>• Draft Statement of Accounts</li> <li>• Annual Governance Statement</li> </ul>	Liz Thomas
<b>September 2013</b>	<ul style="list-style-type: none"> <li>• Statement of Accounts 2012-13</li> <li>• Treasury Management Mid Year Updates</li> <li>• Internal Audit Progress Report</li> </ul>	Liz Thomas Liz Thomas David Webster