

STATEMENT OF RESPONSIBILITIES FOR THE STATEMENT OF ACCOUNTS

The Council's Responsibilities

The Council is required:

- to make arrangements for the proper administration of its financial affairs and to secure that one of its officers has the responsibility for the administration of those affairs. In this Council, that officer is the Service Director of Corporate Services;
- to manage its affairs to secure economic, efficient and effective use of resources and safeguard its assets;
- to consider and if agreeable approve the Statement of Accounts.

In accordance with the decision of the Audit, Governance and Improvement Review Committee held on 24 June 2010, I hereby approve the accounts for Wigan Council for the year ended 31 March 2010.

Councillor
24 June 2010

The Service Director - Corporate Services Responsibilities

The Service Director - Corporate Services is responsible for the preparation of the Council's statement of accounts in accordance with proper practices as set out in the CIPFA/LASAAC Code of Practice on Local Authority Accounting in the United Kingdom.

In preparing this statement of accounts, the Service Director - Corporate Services has:

- selected suitable accounting policies and then applied them consistently;
- made judgements and estimates that were reasonable and prudent;
- complied with the Code of Practice;
- kept proper up to date accounting records;
- taken reasonable steps for the prevention and detection of fraud and other irregularities;
- certified and dated the Statement of Accounts, to the effect that it presents fairly the financial position of the authority at the accounting date and its income and expenditure for the year ended 31 March 2010.

I certify that the Responsibilities for the Statement present fairly the financial position of Wigan.

P McKevitt BA(Hons) ACMA, Service Director Corporate Services – Business Support Services
24 June 2010

Annual Governance Statement for the year ended 31st March 2010

1. Introduction/Background to the Annual Governance Statement

The preparation of the Annual Governance Statement to support the Annual Statement of Accounts is a statutory requirement for local authorities. Its purpose is to demonstrate and evidence that there is a continuous review of the effectiveness of the Council's internal control, performance, and risk management systems. This allows an assurance on their effectiveness to be provided so that users of the accounts can be satisfied that proper arrangements are in place to govern spending and safeguard assets. The process also enables the production of a corporate action plan to address any identified weaknesses.

CIPFA have confirmed that "proper practice" in relation to internal control is as detailed in the *Delivering Good Governance in Local Government* (CIPFA/SOLACE 2007) and this has statutory backing.

Wigan has always complied with the appropriate legislation and "proper practice" guidance resulting in a corporate disclosure statement that always met the current "proper practices" criteria and as such, the format of this years statement is not significantly different than the wider governance statement produced in previous financial years.

A description of the key elements of the Councils assurance and internal control environment is detailed at Appendix 1.

2. Council Purpose

The Council's corporate strategy is a three-year rolling plan, driven by the Community Strategy priorities for Wigan viz.:-

Ambitious Communities
Living Longer and Healthier
Realising Aspirations
Strong Community

3. Scope of Responsibility

The governance framework comprises the systems and processes, the culture and values, by which the Council is directed and controlled and its activities through which it accounts to, engages with, and leads its community. It enables the Council to monitor the achievement of its strategic objectives and to consider whether these objectives have led to the delivery of appropriate, cost effective services.

Wigan Council, through its elected Members and Officers, is responsible for ensuring that its business is conducted in accordance with the law and proper standards, that public money is safeguarded and properly accounted for, and used economically, efficiently, and effectively. In discharging this accountability, members and senior officers are responsible for putting in place proper arrangements for the governance of Wigan Council's affairs and the stewardship of the resources at its disposal. To this end Wigan Council has approved and adopted a Constitution and a Code of Corporate Governance, which is consistent with the principles and reflects the requirements of the CIPFA/SOLACE Framework *Delivering Good Governance in Local Government*. Copies of the policy documents are available on our website (www.wigan.gov.uk) under the "Council, Standards, and Codes Of Practice" sections.

This statement explains how Wigan Council has complied with the CIPFA/SOLACE Framework, identifying areas in which our governance arrangements can be strengthened. This statement also meets the requirements of regulation 4 (2) of the Accounts and Audit Regulations 2003 as amended by the Accounts and Audit (Amendment) (England) Regulations 2006 in relation to the publication of a statement on internal control.

The Council is committed to fulfilling its responsibilities in accordance with the highest standards of good governance, underpinned by the ethical behaviour of officers and Members.

The governance framework has been in place at the Council for the year ended 31st March 2010 and up to the date of the approval of the annual report and statement of accounts.

4. Purpose of the Assurance Framework and System of Internal Control

The Council sets the overall strategy and policy (via its Constitution), and has put in place a well-defined organisational structure, with clearly understood lines of responsibility and delegation of authority to help ensure that strategies and policies are effectively implemented and adhered to.

Chief Officers are ultimately responsible to the Council for the system of internal control and reviewing its effectiveness. Any system of internal control can only provide reasonable assurance, and not absolute assurance, that all significant risks will be mitigated. The key issue is that risks, their potential for occurring and possible impact are identified. A conscious decision can then be made on how to prioritise and deal with those risks.

The system, therefore, is designed to effectively manage, rather than eliminate, the risks that are attached to the fulfilment of the Authority's Vision of "*Building the future together – a place where people matter and you can afford to live the life you want*". The Council has an internal priority to keep focused on being responsive, responsible, efficient, and effective in the way it delivers public services.

5. The Assurance Framework and Internal Control Environment

The Authority's Assurance Framework (Appendix 1) is based on ongoing management and review processes developed to minimise the impact of risks to the achievement of the Authority's vision and associated objectives.

The Council has agreed a Constitution which sets out how the Authority operates, how decisions are made and the processes which are followed to ensure that these are efficient, transparent and accountable to local people. Many of these processes are required by statute, while the Authority has determined others locally. The Constitution is divided into appropriate articles that set out the basic rules governing the Authority's business.

The Council's internal control environment is fundamental to the operation of the assurance framework and is designed to manage risk to acceptable levels. It is not possible to eliminate all levels of risk of failure in respect of Council aims and actions and accordingly can only provide reasonable but not absolute assurance of effectiveness.

In summary, the Authority's Assurance Framework and Internal Control Environment includes:-

A high level vision embedded in the service planning, delivery, risk management, and performance management frameworks.

A Monitoring Officer responsible for maintaining the Authority Constitution, supporting the Standards Committee, and ensuring the legality of Authority actions.

A Standards Committee to promote and maintain high standards of conduct by the Elected Members and co-opted Members of the Authority.

An Overview and Scrutiny Co-ordinating Committee to support and challenge the work of the Executive supported by four appropriate Scrutiny Committees and two Select Scrutiny Committees.

An Audit, Governance, and Improvement Review Committee, chaired by an Opposition Leader, including 3 independent (non-elected) Members, to oversee the work of the Internal and External Audit functions and provide independent assurance of the effectiveness of:-

- The governance arrangements of the Council and its services.
- The Council's risk management framework and the associated control environment.
- The Council's financial management framework processes and the way this relates to the performance of individual services and the Council as a whole.

An Internal Audit function that consistently meets professional standards, (as assessed by the Audit Commission and validated by the Audit, Governance and Improvement Review Committee) supports the Authority in the achievement of its improvement and inspectorate agenda and has responsibility for the continual review of major financial controls and the wider internal control environment.

Comprehensive budget setting and monitoring framework with clearly defined guidelines and responsibilities with frequent reporting of performance to the Executive.

A local Code of Corporate Governance based on the CIPFA/SOLACE Framework that is reassessed annually by Internal Audit.

A risk management policy framework approved and monitored by Cabinet and the Audit, Governance and Improvement Review Committee. The framework demonstrates that risk management arrangements are robust and embedded within the service planning and decision making processes of the Authority. The Strategic Risk Register was last discussed by the Audit, Governance and Improvement Review Committee on 25th March 2010.

A consistent and clear commitment to countering fraud and corruption that is demonstrated within core policy documents and associated investigatory practices with outcomes reported annually to Members.

The ongoing development of a performance management framework, with clearly defined performance management targets, that measures financial and other performance data linked to the Authority's key objectives (golden thread).

Nationally and IIP accredited employee development needs process, dovetailed with well publicised human resource policies, associated procedures, induction processes, and Codes of Conduct designed to ensure that staff are appropriately skilled to deliver the Authority's aims and objectives and conduct themselves in a proper manner.

A system of internal control based on a detailed framework contained within the constitution and supported by an extensive range of policy documentation covering all aspects of governance, rules of procedure, codes of conduct, and operational/governance related rules. In addition, a suite of policies cover all aspects of fraud related activity/conduct. Flowing from the above, Members of the Council are regularly and fully briefed on all significant financial, operational, and strategic decisions.

A Responsible Financial Officer (S.151 Officer), supported by statute, to ensure the effective administration of the financial affairs of the Council.

The introduction of the Support Services Review in 2008 introduced a reduced number of Council departments. The Council now operates on the basis of only 5 departments each led by an Executive Director supported by a total of twelve Service Directors. The Council has a dual level leadership team structure based on a Strategic Management Team (Executive Directors) and Business Management Group (Service Directors).

The CFO role (S.151 Officer) is undertaken by the Service Director (Corporate Services) who is responsible to the Executive Director of Business Support Services. However, in terms of statutory responsibilities the CFO reports directly and independently to the Chief Executive and Leader of the Council.

In addition the CFO is considered to be a key member of both SMT (pre-programmed and adhoc meetings) and BMG and provides a pivotal link along with the Monitoring Officers between the two management groups on all financial and governance related matters. This approach has been crucial to ensuring that Executive Directors accept financial responsibility for their budgets, present their own associated Cabinet reports, and are held accountable for their departmental performance.

The CFO is at the core of the organisation leading, challenging, and holding to account SMT (collectively) and the CEO and individual Executive Directors. The CFO (and Monitoring Officer) roles were deliberately determined at Service Director level to ensure the appropriate level of professional expertise and also clarity within the roles with no significant additional internal or external responsibilities.

It is considered that this approach does meet best practice as determined by CIPFA guidance in that the CFO is a key member of the leadership team (although not in the traditional sense) to develop financial strategy via SMT and resource, implement and monitor financial strategy via BMG. The CFO has direct and independent access to the CEO and the Leader of the Council on all financial and governance related matters.

6. Review of Effectiveness

The Authority has a statutory responsibility to conduct, at least annually, a review of the effectiveness of its governance framework including the system of internal control. The review of effectiveness is informed by the work of Committees and management with responsibility for the development and maintenance of the governance environment, the Head of Internal Audit's Annual Report and also work completed by external inspectorates.

The effectiveness of the Authority's system of internal control is demonstrated by a range of independent procedures and protocols, including :-

- Strategic/Corporate Management Teams procedures and associated management action
- Financial Management reporting
- Performance Management reporting (including the formal review of Risk Registers)
- Cabinet, Audit, Governance, and Improvement Review Committee, and Committee reporting
- Overview and Scrutiny and Standards function
- Statutory Officers (Head of Paid Service, Monitoring Officer, S151 Officer and authorised deputies)
- Internal Audit

Collectively, these form the basis of the Council's governance arrangements and are further validated by independent assessments from various external agencies, viz.:-

- External Inspectorate
- External Audit
- CAA refreshment

The Executive Director of Business Support Services and Service Director – Borough Solicitor have been formally given the responsibility for overseeing the implementation and monitoring the operation of the Local Code of Corporate Governance, reviewing the operation of the Local Code in practice, and reporting annually to Cabinet on compliance with the Local Code and any changes that may be necessary to maintain it and ensure its effectiveness in practice. This is supported by the continuous review work performed by Internal Audit.

The Internal Audit remit is under continual review to reflect and support the legislative requirements of the Section 151 Officer, the required professional standards, the revisions to the responsibilities of external audit, and the key priorities of the Authority. The effectiveness and detailed remit of Internal Audit are reviewed through the Audit, Governance and Improvement Review Committee who approve all Internal Audit Plans and receive reports on Internal Audit Activities (reports 26th November 2009, 10th June 2010). The latter report is contained within the Annual Report for the Section which, in accord with the Accounts and Audit Regulations, provides an annual review of the Service and demonstrates that a high quality and effective Internal Audit service is provided.

The Authority's current risk management policy was approved by the Senior Management Team prior to formal approval by Council on 6th January 2010.

The Strategic Risk Register continues to be further refined by the Strategic Management Team and Members to clarify the links between the Register and the Council's Corporate Strategy, placing further emphasis on the opportunities (positive risks) to improve the Council services and outcomes for the residents of Wigan. The latest refresh process incorporated comments from the Audit, Governance, and Improvement Review Committee on 25th March 2010.

Since all of the Strategic Risks and opportunities detailed within the Strategic Risk Register relate to the achievement of the Council's Vision, they are monitored via the Corporate Strategy. Other risks are managed through corporate projects (such as Business Continuity Management), through departmental Service Plans and may also be subject to review by Internal Audit to ensure the controls in place are operating effectively. Progress reports, as identified within the Register, are presented to the respective Member Panels so that there is a constant level of Member involvement in ensuring potential risks are effectively managed.

Although risk management is the responsibility of each Chief Officer, the Council's Section 151 Officer undertakes this responsibility at a corporate level.

Significant Internal Audit reviews on governance arrangements, internal control validation, risk management/service planning, and system development/implementation have been completed during the financial year and reported accordingly.

In addition, the Head of Audit and Risk Management has the responsibility to review independently and report to Members annually, to provide assurance on the adequacy and effectiveness of the Code of Corporate Governance in practice and the extent of management compliance with it. This report was reported to the Audit, Governance and Improvement Review Committee on 10th June 2010.

The Audit Commission complete detailed reviews of all aspects of Internal Audit work (as required under their Code of Practice) to ensure that the section satisfies statutory requirements and maintains the required competence in all Internal Auditing Professional Standards.

On the basis of the above, assurance can be gained that the Authority is committed not only to properly managing its affairs but to striving to improve on its current CAA categorisation. This is particularly evident in the key areas of risk management, performance management, service planning, and corporate governance. In conclusion, it is the opinion of the Executive Director-Business Support Services that the Authority operates an effective overall internal control environment.

The Council is subject to an annual programme of independent external audits and statutory inspections. The above assurance opinion is supported by the independent review work performed by external agencies allowing the Council to draw assurance on its governance arrangements from additional external sources, viz.:-

Audit Commission

The Audit Commission report on the Council's governance, performance, and accounting arrangements. From 2009/2010, the Audit Commission's inspection regime was revised from the existing Comprehensive Performance Assessment to a Comprehensive Area Assessment to provide an independent overview of the quality of life in geographical areas by reviewing the performance of local partners in delivering better outcomes for local people. Within this revised inspection regime, each organisational body (Local Authority, PCT, Police Authority, Fire Authority, etc) undergoes a scored Organisational Assessment which comprises a "managing performance" assessment dovetailed with an assessment of how the organisation is utilising its resources.

The Audit Commission awarded the Council overall scores of 3 out of 4 for both the Managing Performance and Use of Resources assessments in respect of 2008/2009 (reported in September and December 2009 respectively) meaning that the Council is performing well. A range of reports are issued by the Audit Commission leading to the One Place Organisational Assessment report, viz:-

- Annual Governance Report, Opinion Statement and VFM Conclusion
- Regularity Report
- Annual Audit Letter
- Use of Resources Assessment

Key consistent governance related messages from these reports are that the Council:-

"is performing well in terms of managing its finances and managing resources"

"is performing well in the areas of governance, risk management, and internal control, and adequately with respect to data quality and commissioning and procurement"

"has some good arrangements for governing the business; its governance framework is strong and the risk management approach is effective"

“is performing well in the way it manages its finances, has a strong medium term financial plan and a good understanding of costs”

“has established good arrangements for ensuring that sustainability is at the heart of its service design and provision”

“has strengthened its governance arrangements this year, and new Committee structures support effective decision making”

Other Inspectorates

As reported within the Comprehensive Area Assessment inspection regime Wigan has been assessed as 3 out of 4 by both Office For Standards in Education, Children’s Services and Skills-OFSTED (children’s services) and Care Quality Commission (adult social care services) in respect of 2008/2009 (reported in December and October 2009 respectively) meaning that the Council is performing well and delivering good outcomes.

Key consistent governance related messages from these reports are that the Council:-

“can demonstrate it has a clear strategic direction with an alignment of corporate and service priorities to inform commissioning decisions that are understood outside as well as within the organisation”

“has an improved performance management culture and a robust performance management framework is in place”

“has new governance arrangements for programme and project management that help to ensure that the actions taken by the Council are in line with borough-wide priorities and are effectively monitored”

Ongoing Improvements

Outline areas where the Council recognises Audit Commission and other inspectorate/regulator concerns and is seeking to make improvements include :-

“Develop the commissioning strategy further to ensure it supports fully the arrangements that the Council has established to deliver effective services.”

“Extend data sharing arrangements to all partner organisations.”

“Strengthen quality assurance arrangements for compilation of Housing Benefit PIs.”

7. Significant Partnerships Assurances

The Statement on Recommended Practice (SORP) 2006 placed an additional responsibility on Councils in that their Statement on Internal Control should embrace controls over group activities where an Authority undertakes significant activities through a group. The “proper practices” guidance has extended this responsibility to controls over partnerships considered by the Authority to be significant i.e. have a detrimental effect on the Authority if the partnership failed.

For this purpose the Council considers that the bodies involved are:-

- Wigan and Leigh Housing Company
- Wigan Development Company
- Leigh Sports Village
- Wigan, Leisure, and Culture Trust
- Ashton, Leigh, and Wigan Primary Care Trust (SCA)
- Norfolk Property Services
- Building Schools For The Future

Assurance on the control environment of the individual bodies has been assessed as follows:-

Wigan and Leigh Housing Company

On 20th May 2010 an annual assurance opinion was presented to the Company’s Governance, Standards, and Audit Committee by the Head of Audit and Risk Management within the Draft Governance Report viz.:-

“From the Internal Audit work undertaken in 2009/2010 it is the opinion of the Head of Audit and Risk Management Services that Wigan and Leigh Housing operates an effective overall control environment.”

Wigan and Leigh Housing produce their own Annual Governance Statement, which is to be presented to the same committee which concluded that *“on the basis of our own knowledge of the Company’s structure, performance and operations and from the opinion of the Head of Audit & Risk Management, we are satisfied that Wigan & Leigh Housing’s internal control/corporate governance arrangements are adequate and operating effectively.”*

Wigan Metropolitan Development Company

Wigan Metropolitan Development Company provides good quality office space, industrial units and workshops to over 250 businesses throughout the Wigan Borough all located in prime sites. The company has a property portfolio with a current market value in the region of £10m, with the potential (if all 130 units and offices were let) to generate rental income in the region of £1m per annum .

An Assurance Statement has been provided by the Executive Director of Business Support Servicers in his Council role as Company Secretary of Wigan Metropolitan Development Company that he is satisfied that the company demonstrates “satisfactory” governance arrangements across all aspects of the governance framework.

Leigh Sports Village

Leigh Sports Village is a partnership venture valued at approximately £83m. Wigan Council have made financial and land asset contributions to the scheme. The major partners are Greenbank Partnerships Ltd, Wigan Council, Wigan Leisure and Culture Trust, Wigan and Leigh College, Leigh Sports Village Company, Sports Council, and a number of local sports clubs.

All the sporting partners previously agreed and signed a Memorandum of Association which sets out terms of proposed working arrangements. The structure is that the majority voting interests in the company will be held by the Council with minority interests in the company held by the various clubs operating on the site once lease agreements are in place. Currently the Council retains all shares, some partners having completed agreements, others remaining in discussions with the Council and are in occupation under licence. Pending completion of the agreement the Council has appointed the Chairman, Company Secretary, and two non-Executive Directors of the company.

The Stadium and the majority of the sporting facilities are owned by the Council. This is and remains the most efficient arrangement as recommended by PricewaterhouseCoopers based on company tax and securement of public funds perspectives.

Short and medium term governance options were discussed by the Council's SMT on 5th January 2010 and Cabinet on the 5th February, Cabinet recommended moving forward with a governance model that places emphasis on partnership working and a strategic commissioning approach. Longer term it was recommended that the governance structure is kept under review to ensure that it continues to be the right one to meet the agreed performance framework.

Wigan Leisure and Culture Trust (WLCT)

An Assurance Statement has been provided by the Finance Director of Wigan Leisure and Culture Trust that he is satisfied that the company demonstrates "good" governance arrangements across all aspects of the governance framework.

Norfolk Property Services

In 2005 the Council entered into a partnership agreement with Norfolk Property Services (NPS) for the delivery of a range of property related services. A client function was retained by the Council to manage the contractual relationship including performance and governance issues.

It is recognised that the partnership has delivered improvement in the areas of :-

- Performance management
- Effective systems and processes
- Communication
- Responsibility and Governance
- Partnership culture

The partnership agreement facilitates opportunities for review and accordingly the Council and NPS are currently evaluating joint venture opportunities to develop further service improvements and enhanced value for money.

All options are currently being considered by the Executive Director Business Support Services and the Service Director (Corporate Services) on behalf of Council's Senior Management Team before determining an appropriate course of action to enhance the existing arrangements.

Ashton, Leigh, and Wigan Primary Care Trust (SCA)

On 10th March 2010 Council approved a Single Commissioning Agency governance and funding proposal that included an Agreement with Ashton, Leigh and Wigan NHS Trust under S.75 of the National Health Services Act 2006n namely to:

- share resources (pooling of budgets and staff)
- establish the SCA Board
- delegate to the SCA Board authority to act in a commissioning, supervisory, monitoring, directional role under statutory functions which are to be retained by the Council and the PCT
- delegate to each other under the relevant statutes the provision of services to the extent required to carry out the agreed joint provision/commissioning

In carrying out the services there is a requirement for both the Council and the PCT to apply agreed financial policies and practices and performance monitoring and reporting arrangements as directed by the SCA Board.

Liaison arrangements have commenced with the PCT Internal Audit Section to ensure that appropriate governance arrangements are in place to safeguard the interests of both the Council and the PCT.

Building Schools For The Future

On 22nd October 2009 Cabinet considered and approved a report that established the future governance and contractual arrangements in respect of the Council's Building Schools for the Future Programme. This report built on earlier reports that approved the development of the Local Education Partnership in consultation with Salford City Council and the appointment of the Transformational Learning Partnership (TLP) Consortium as the selected bidder to deliver the Wigan and Salford programmes.

Governance arrangements are being developed at three distinct levels to ensure that the Wigan and Salford Programmes are successfully delivered, viz.:-

Formal contractual arrangements with the TLP Consortium and the Local Education Partnership established to deliver the Programmes. The governance arrangements flow from the provisions within the Strategic Partnership Agreement and a Shareholders Agreement that establish a joint venture company (Local Education Partnership) that includes the Council's Deputy Chief Executive as a Director.

A Co-operation Agreement between Wigan Council and Salford City Council to determine the relationship of the two Councils within the LEP and how we operate the processes and engage with each other.

The Council's internal assurance arrangements to control all associated Agreements.

Appropriate steps have been taken in accordance with statutory timeframes to establish the Programme and the required partnership agreements. Reports are submitted as required on the detailed preparatory elements of the Programme via Cabinet and Scrutiny. A key report outlining the project risks was reported to Cabinet in May 2010.

The Council's Building Schools for the Future Programme will be subject to Internal Audit scrutiny for the duration of the Programme.

8. Significant Internal Control Issues

No significant internal control issues have been identified, however, with the introduction of the Authority's Local Code of Corporate Governance (Council 6th August 2003, updated September 2007) it was recognised that certain issues would be subject to ongoing improvement and incremental implementation. The recent review by Internal Audit assessed each issue and its implementation status, and again concluded that Wigan *"Council's position against the local code of corporate governance remains strong with progress made on points raised within last years report and a significant amount of development work underway to strengthen the Council's position."*

A summary of progress and further agreed action is included at Appendix 2. It also highlights some sensitive issues within the public arena that the Council is addressing and which provide practical illustrations of the Council's continued commitment to effective governance.

On the basis of the opinion of the Executive Director – Business Support Services as detailed above, we are satisfied that Wigan Council's internal control/corporate governance arrangements are adequate and are operating effectively. We are satisfied that the enhancements identified will further improve our governance and internal control arrangements. We will assess their implementation and the effectiveness of dealing with the issues outlined as part of the formal risk management process.

Signed:

Lord Smith, Leader of the Council & Joyce Redfearn, Chief Executive on behalf of the Members and Senior Officers of Wigan Council.

Date:

Appendix. 2

Corporate Governance Annual Statement of Assurance

Areas where improvement work is ongoing include:-

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

Data Quality and Reliability

A significant amount of work is currently underway within the Business Transformation team to improve the quality and reliability of data. This includes a forensic audit approach, additional training to Members, development of an analysts competency framework, ISO 9000 accreditation and, introduction of a Knowledge Transfer Partnership aimed at developing a decision making model for Wigan Borough Partnership.

Following a formal risk assessment, the Audit Commission determined that the Council would be subject to an inspection of its Housing Benefits Service . The reasoning behind the requirement relates to comparative levels of performance and repeat Subsidy Claim qualifications. The Inspectors are scheduled to be on site week commencing 10th May 2010.

Corporate Procurement Strategy

An Annual Procurement Report should be produced to monitor progress against the Corporate Procurement Strategy, however, the last report was produced in July 2008. The Corporate Procurement Manager stated that is due to resource issues within the department and will aim to produce this by June 2010.

Complaints

A new complaints database has been developed, is currently being tested in the Customer Relationship Management System (CRM) and is expected to be ready by the end of April 2010. The new complaints database will then be launched along with the corporate complaints policy (and accompanying documentation) early in May 2010.

Townships

In last years report, we noted that a Select Committee review of Townships produced a series of recommendations. The proposals included linking the Townships to the Councils Constitution to formalise the relationship and use the Townships as a major consultation and engagement vehicle for setting Council priorities resulting in a more formal accountability process. The Township Forum Terms of Reference has since been revised and was agreed by Cabinet on 21st January 2010. This will be adopted with effect from the beginning of the 2010/2011 municipal year.

Local Strategic Partnership

Detailed work is currently underway to produce an action and improvement plan following the findings of the Local Strategic Partnership Peer review. This is expected to be reported back to the LSP Board and LSMG members in May 2010. As a result of the outcomes of the Local Strategic Partnership (LSP) Peer review, the current LSP Architecture will be reviewed and updated accordingly. This is due to be discussed at the Local Strategic Management Group (LSMG) meeting in May 2010.

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

Members

The Member/Officer Protocol has recently been revised. Following a workshop with Members at the end of March, the amended Protocol will be presented to the Standards Committee on 8th June 2010 before going to Council for approval on 13th July 2010. At the request of the Audit, Governance and Improvement Review Committee, a review of the system of payment for Members allowances and expenses was carried out by Internal Audit. Following the review, further written guidance was issued to all members and in accordance with good practice, the Council will be appointing an Independent Panel to conduct a review during 2010.

Partnerships

Formal Information Sharing Protocols are in place to support activity across the Local Strategic Partnership (LSP). An overarching information sharing agreement is in development between Adult Services, Five Boroughs Partnership, Ashton, Leigh, Wigan Primary Care Trust, Warrington, Wigan, Leigh NHS Trust and CYPS. This will support the operation of the Single Commissioning Agency (SCA) and sharing of information between front line staff. This is expected to be complete by September 2010; and

A progress report was presented to the Single Commissioning Agency – Joint Shadow Board meeting 21st January 2010 on the establishment of the Single Commissioning Agency (SCA). The SCA arrangements were formalised in April 2010.

The Authority's partnership register has recently been updated and used to review the significant partnerships which feed into the Annual Governance Statement. Arrangements will now be made for the approval and maintenance of the Partnerships Register.

Third Sector Involvement

A Partnership Improvement Plan now exists and is monitored by the 3rd Sector Liaison Committee who receive regular updates to this document on a regular basis. Many actions specified within this plan are expected to be completed within 2010.

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

Employee Policies

The Employee Code of Conduct is included within a HR Policy Development Programme which will see HR related policies being reviewed and updated. The deadline for the completion of the review of the Code is mid-June 2010.

There have been a number of discussions around the content and format of the IT Acceptable Usage Policy and from this, the draft policy has been re-written. The Head of Culture, Change and Communication is now responsible for finalising the policy which is currently being circulated for comment.

A review of the procedures in respect of Personal Interests of Employees is ongoing by Internal Audit. Initial findings show that there are inconsistencies across the Council in terms of how departments collect and record employee's interests. Once the review is finalised, guidance will be issued to all departments by Internal Audit in consultation with the Borough Solicitor.

Members Interests

The publication on the Council's website of Elected Members Interests in accordance with recommendations made by the Audit Commission in support of best practice and open governance is pending.

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

Scrutiny Arrangements

The Overview and Scrutiny Co-ordinating Committee must submit an annual report to Council at the end of the municipal year detailing its activities. Our work has confirmed that the Annual Scrutiny report incorporating commentary on the individual scrutiny committees will be presented at the Overview and Scrutiny Co-ordinating Committee meeting in August 2010 and then to Council in September 2010. In future, the Annual Scrutiny report will be submitted at the end of the municipal year.

Principle 5 Delivering the capacity and capability of officers and members to be effective.

Member Training and Development

In last years report we reported that an application was to be made to achieve the Member Development Charter. The timing of the application will depend on the extent of participation in reviews by new members of the council. This year, the focus will be on including any new members in the reviews after the local elections to help to increase participation over the required 50% threshold.

Additional Member training and development support pending implementation includes:-

the introduction of a new member handbook plus intranet based support materials for members joining the Council from May 2010. These will also be offered to existing members
the production of an annual Councillor Training and Development Plan that reflects the training and development needs and priorities of Elected Members will be available after the May 2010 elections and will include any new members

Officer Training and Development

A consultation and review process of all Human Resources associated policies under the HR Policy Development and Review Programme is ongoing. This is a two year programme with high priority areas featuring in year one and this includes critical HR policies such as discipline, performance and organisational change. Regular reports will be presented to the Business Management Group to monitor progress against the programme.

Principle 6 Engaging with local people and other stakeholders to ensure robust public accountability.

Community Engagement

An area of ongoing development is that of "Routes to Involvement" which is a policy framework for community involvement, engagement, participation and consultation. "Routes to Involvement" now comes under the Neighbourhood Management umbrella which is being developed under programme management. A steering group comprising representatives from all partners was formed in January 2010 led by the Executive Director – Environmental Services. Work has continued within this area and an action plan is currently developed to monitor progress. The Steering Group will be responsible for monitoring progress of the initial phase.

To further enhance community engagement plans are in place for Cabinet to meet in the evenings within the Townships to further improve Council accessibility for residents.

An area of ongoing development is the building of the Wigan Life Centre. Once built, the centre will provide a 'One Stop Shop' for public services, an Information and Learning Zone, a Neighbourhood Zone and Wigan Tourist Information Centre. Other Life Centres have been opened during the year with Life centres in additional localities subject to development.

Other Significant Issues

A range of issues, involving the Authority, has attracted press and public interest during the financial year. Many of these issues have been recognised as major risks to the Council and are/will be included in the Strategic Risk Register which outlines the mitigating actions along with providing a high level mechanism to monitor the effectiveness of the actions being taken.

A précis of the issues with the remedial action taken/scheduled is detailed below, viz.:-

Employee Issues

Several major “employee related” issues are being faced by the Council that have appeared in the press in various guises, etc. These issues include:-

Officers Conduct-Embezzlement Fraud

From December 2007 onwards the local press have periodically reported the embezzlement of £192,000 of Council Taxpayers money by former Council employees.

The Crown Prosecution cases concluded at Liverpool Crown Court in July 2009 with one of the ex-officers being found not guilty but the other ex-officer receiving a custodial sentence of two years. The Council recovered all stolen monies from the ex-officers’ employment pension funds prior to the court cases.

The offence was identified by Council procedures and policy, was investigated and referred onwards to the Police immediately, appropriate disciplinary and financial recovery action taken and remedial controls introduced and reported in detail to Members.

Social Worker

In December 2009, a Social Worker who had been employed (in a temporary capacity) to complete work on behalf of the Council was found guilty of burglary in respect of a Service Users property and sentenced to a custodial sentence of four years. Although the Social Worker worked with Council Service Users he was actually appointed and funded by the Five Boroughs Trust and was under their managerial control. Additional working practice concerns were identified that have been the subject of Internal Audit review.

Leaked Files

Several articles appeared in the media following the dismissal of a Council employee for the “alleged leaking” of confidential information. Following an appeal hearing the Council re-engaged the employee subject to a Final Warning.

Members Issues

Members Conduct

Several issues involving the conduct of Members have received significant media coverage culminating within the period of the statement, viz.:-

Expenses

Several media articles detailed that a Member of the Council had claimed expenses that were reported to be inappropriate and had repaid the sums involved. Complaints have been made to the Council’s Standards Committee in relation to these issues and are to be the subject of further investigation.

Voting

Concerns were raised in the media that there had been potential irregularities in relation to the use of the electronic voting system at a Council meeting. The Council's Standards Committee considered a complaint and determined that breaches of the code of conduct that warranted further investigation had not occurred but instructed the Monitoring Officer to advise all Members of the correct protocols involved

Other Issues

Data Security

Following two separate significant data security issues involving sensitive Council data during 2008/2009, both of which necessitated the involvement of the Information Commissioner (ICO), the Council signed a Voluntary Undertaking (September 2009) confirming the remedial action to be taken to improve data security.

The Council developed an appropriate Action Plan to comply with the requirements of the ICO and all necessary action was taken.

In January 2010 a further Council data loss occurred when a pendrive containing personal data was lost by a member of staff who was transferring the data to an external contractor. The use of this technology to transfer personal data was specifically against Council policy as communicated extensively to all staff following the previous incidents.

Prompt actions were taken to:-

- identify and communicate directly with data subjects
- inform Senior Officers and Members
- liaise with the media
- inform the ICO
- determine what additional security measures are viable
- take appropriate disciplinary action against the officers involved

The ICO was notified of the incident on 29th January 2010 and replied seeking assurances on a wide range of issues on 17th March 2010. Responses to the ICO were issued on 20th April and 7th May 2010.

On 2nd June the ICO confirmed that the remedial action taken by the Council appear to be *"proportionate to the detriment that may be caused to the data subjects, and to address the security issues in this case."* The ICO stated that formal regulatory action against the Council would not be taken but confirmed that an ICO audit would be scheduled.

The ICO did warn of the seriousness of any *"further recurrence of a similar incident"*. Unfortunately a further loss has occurred that was reported by the local press (Wigan Observer 1st June 2010) in respect of personal Council Tax information being found in the waste paper recycling skip at the Civic Centre. This incident is currently under investigation but it appears to be not as significant as reported in the media.

A senior officer working group is reviewing all aspects of the Council's data handling and security protocols and will report to the Senior Management Team in the near future.

Economic Downturn

A range of articles have been reported in the media stemming from the overall economic/fiscal downturn and the Council budget position, viz.:-

October 2009 – *“collapse of plans for both a Wigan performance venue and arts and heritage venue”*. The Council confirmed that the economic climate had dictated the necessity for a range of “very tough” decisions and the need to prioritise capital spend.

December 2009 – *“almost £7m will have to be found in “efficiency savings” simply to avoid Council Tax being put up by more than 1.5% for the next three years”*. The Council stressed that it had plans to maintain low Council Tax rises and concentrate funding to maintaining front line services.

January 2010 – *“Fears over Life Centre expense”*. Concerns were expressed at the cost of the project and the annual contributions that the Council must make to the scheme. The Council reiterated its ability to resource the financing and running of the project and also the need for the project in terms of wider outcomes for the borough.

Emergency Planning

A range of media articles throughout December 2009 and January 2010 detailed the position within the Borough in respect of road conditions and associated gritting. The extensive, extreme weather conditions necessitated the Council directing resources to main roads and pedestrian areas. An additional impact was the temporary cessation of refuse collection associated with the conditions of residential roads. Due to the severity and extent of the situation, AGMA authorities worked collectively to pressurise government and suppliers to ensure an appropriate salt supply for gritting. Actions taken by the Council during this crisis will be utilised within the forward planning process.

In all of the above instances, appropriate and prompt action was taken within a controlled framework to mitigate any potential financial and/or reputational loss to the Council.

The Council's governance and risk management arrangements enable it to deal openly and effectively with situations such as those highlighted above. The nature of the organisation means that there will always be difficult situations to deal with, but its internal control mechanisms ensure that actions are taken appropriately and promptly, and it is openly accountable for those actions. This is a major strength of the Council and a significant factor in its continued external assessment categorisation.

