



**Wigan
Council**

This is an open report

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REPORT TO: Audit, Governance and Improvement Review Committee
Cabinet

DATE: 7th June 2007
14th June 2007

SUBJECT: Statement on Internal Control

REPORT OF: Director of Finance & IT

CONTACT OFFICER: Martyn Kenyon 01942 - 827550

PURPOSE/SUMMARY: To ask Members to approve the Authority's Statement on Internal Control for the year ended 31st March 2007.

ALTERNATIVE OPTIONS CONSIDERED AND REASON FOR SELECTING THE ONE RECOMMENDED: The requirement to produce a Statement on Internal Control is a statutory responsibility (Accounts and Audit Regulations 2003). The Statement on Internal Control has been produced in accordance with legislation and formatted to accord with current CIPFA and Audit Commission guidance.

RECOMMENDATION/DECISION: Members are asked to approve the Statement on Internal Control included at the report's appendix.

KEY DECISION This report does not involve a key decision.

RISKS / IMPLICATIONS:

Financial:	None
Staffing:	None
Policy:	Enhancement of current practice.
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	N/A
Wards Affected:	All
Special Interest Members – Which have been consulted	None

Has the Director of Legal and Property Services confirmed that the recommendations within this report are lawful and comply with the Council's Constitution? Yes *

Has the Director of Finance and IT confirmed that any expenditure referred to within this report is consistent with the Council's budget? Yes *

Are any of the recommendations within this report contrary to the Policy Framework of the Council? No *

* delete which applicable

For Cabinet reports only :

Categorisation of the report:	x		
Discussion leading to a decision	x	Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

Tracking/Process:

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council
		14 th June 2006	

There are no Background Papers to this Report within the meaning of Section 100D of the Local Government Act 1972.

Proper Officer Dr.D.Smith

Date 25th May 2007

1. Background/Legislative Requirements

The issues faced by local authorities in recent years reflecting social, economic, and legislative change have led to new, diverse ways of working as opposed to traditional roles. The common theme running through all Government initiatives is the need for local authorities to review the various systems and processes they have in place for managing both their own internal affairs and also, more increasingly, their relationships with their expanding number of key stakeholders. Together these systems comprise **corporate governance**.

Following Internal Audit review, a Local Code of Corporate Governance supported by an Annual Statement of Assurance was developed and approved by Council on 6th August 2003 (based on the CIPFA/Solace Framework). The document allowed the Authority to measure its arrangements against the Local Code and identify areas where improvements were necessary as detailed in the Annual Statement of Assurance. This approach clearly demonstrated the current Authority position and proposed further remedial action to attain full compliance with the Local Code.

Subsequent to approval by Council, the initial Statement of Assurance was certified by the Leader and Chief Executive and was published with the Council's Statement of Accounts.

The Accounts and Audit Regulations 2003 introduced a new regulation (effective from 1st April 2003) in relation to bodies' responsibility for financial management.

- Regulation 4 (1) states that *"The relevant body shall be responsible for ensuring that the financial management of the body is adequate and effective and that the body has a sound system of internal control which facilitates the effective exercise of that body's functions and which includes arrangements for the management of risk."*
- Regulation 4 (2) goes on to state that *"The relevant body shall conduct a review at least once a year of the effectiveness of its systems of internal control and shall include a statement on internal control, prepared in accordance with proper practices' with any relevant financial statements the body is required to publish."*

The "proper practices" referred to above, required the Statement of Internal Financial Control and the Local Code of Corporate Governance Annual Statement of Assurance to be amalgamated and approved by the Authority, subsequently signed by the Leader and Chief Executive on behalf of the Authority, and published within the Annual Statement of Accounts.

2. Current Position

During the last five financial years Internal Audit have continued to review appropriate management and reporting arrangements to ensure that the Authority's approach to corporate governance is both adequate and effective in practice. Key reviews completed or supported by Internal Audit in 2006/2007 include :-

- Local Code of Corporate Governance compliance assessment.
- Further development of the Authority's risk management strategy and processes.
- Comprehensive Performance Assessment (Corporate Assessment support and Use of Resources including Value for Money submission).
- Performance Indicators pre-publication assessment and in-year support.
- Fraud and/or irregularity investigations.
- Business Continuity Management processes.
- Material systems assessment (by key controls quality assurance verification, system development support, and detailed system reviews).
- Governance arrangements of partner organisations whose activities have a material impact upon the Council's spending and/or services.

During 2006/2007, reports on Internal Audit Activities have been presented to Members of the Audit, Governance and Improvement Review Committee on 7th December 2006 and 7th June 2007) with the latter report containing an "assurance opinion" as follows :-

"..... assurance can be gained that the Council is committed not only to properly managing its affairs but to striving to improve on its "four star" CPA categorisation. This is particularly evident in the key areas of risk management, service planning, and corporate governance. In conclusion it is the opinion of the Head of Internal Audit that the Council operates an effective overall internal control environment."

However, the work performed by Internal Audit also highlights areas where improvements may be made so it is essential that the Council does not become complacent as a result of its continued "excellent" CPA categorisation or as a result of this Statement of Assurance.

The control framework by which the Statement on Internal Control is prepared, outlining how the various assurance and control streams dovetail together, is presented in diagrammatic format at Appendix 1. This framework is based on guidance issued by the CIPFA Financial Advisory Network and has been amended only to reflect local organisational variations.

3. Proposals

A draft Statement on Internal Control is attached to this report. The Statement has been structured to :-

- Satisfy the requirements of the Accounts and Audit Regulations 2003.
- Comply with the stipulations of the Code of Practice for Local Authority Accounting (SORP 2006). The SORP 2006 introduced an additional requirement whereby any authority who *"is in a group relationship with other entities and undertakes significant activities through the group, these activities should be encompassed within the wider-ranging statement on the system of internal control"*.
- Incorporate current CIPFA (Finance Advisory Network) and Audit Commission guidance.
- Provide Members with proposed actions to continue to develop areas where additional improvements can be made.
- Build on the already successful disclosure arrangements

4. Conclusions

The production and approval of the attached Statement on Internal Control, although now a statutory requirement, is effectively a further enhancement of disclosure arrangements introduced by the Authority in 2003.

The Council has always produced a wider-ranging assurance statement on the Council's overall governance arrangements rather than simply satisfying the minimum statutory requirements for a Statement on Internal Control. The statement clearly outlines significant issues facing the Council, which need to be effectively managed and highlights areas where protocols are being developed to improve compliance with the Local Code of Corporate Governance. The document is intended to demonstrate the Authority's commitment to maintaining the highest ethical standards, levels of governance, and its "4 star" CPA categorisation.

5. Additional Requirements

The Accounts and Audit (Amendment) Regulations 2006 enhance the current internal control reporting by requiring the Authority to conduct a specific annual review of internal audit and report its findings within the Statement on Internal Control.

In addition the CIPFA/SOLACE Framework on which the Authority's Local Code of Corporate Governance is based and assessed has been subject to consultation for enhancement, etc and is scheduled to be re-issued at the CIPFA Annual Conference on the 12th June 2007.

6. Recommendations

Members are asked to approve the Statement on Internal Control. Once approved the Statement on Internal Control is to be signed by the Leader and Chief Executive and included within the Council's Statement of Accounts for 2006/2007.

Members are asked to note the proposed enhancements to the Local Code of Corporate Governance and the assessment of Internal Audit as outlined at (5) above that will be introduced in respect of the 2006/2007 financial year.



**STATEMENT ON THE SYSTEM ON INTERNAL
CONTROL FOR THE YEAR ENDED 31ST
MARCH 2007**

Corporate Governance is the system by which the Council directs and controls its functions and relates to the community. A key aspect of corporate governance is the requirement to put into place “*effective risk management systems, including systems of internal control*”. Wigan Council is committed to the highest standards of corporate governance as outlined in this Statement on Internal Control.

Statement on the System of Internal Control for the year ended 31st March 2007

1. Introduction

The Accounts and Audit Regulations 2003 introduced a new regulation in relation to bodies' responsibility for financial management in that Authorities are required to publish a Statement on Internal Control with their Annual Statement of Accounts.

The Statement on Internal Control is required to include appropriate disclosures to detail the extent to which the Authority is carrying out its activities in accordance with proper practices, viz.:-

- Acknowledgement of the Authority's responsibility for ensuring that a sound system of internal control is maintained and reviewed (including the review process followed). From 2006 this includes all entities within a group relationship with the Council with whom significant activities are undertaken through the group.
- Confirmation that the system of internal control was in place for the duration of the financial year and remained so up until the date of approval of the annual accounts to provide reasonable assurance of effectiveness.
- Reference to an ongoing risk management process designed to identify and prioritise the risks to the achievement of the Authority's policies, aims and objectives.
- A description of the key elements of the internal control environment (see Appendix 1).
- Confirmation that the results of the review of effectiveness of internal control have been discussed by the Authority and where appropriate, details of actions taken/proposed to deal with significant control issues.

2. Performance, Vision Purpose and Values

In summer 2004 Wigan Council updated its vision and communicated it to all stakeholders. The Council's Vision for Wigan Borough is *"Building the future together – a place where people matter and you can afford to live the life you want."* The vision demonstrates how the Council:-

- helps people to reach their full potential
- builds strong communities, and
- makes sure the Borough is a place people want to live in.

The Vision is supported by the key themes of: -

Strong Community Leadership – through a network of partnerships and townships.

Effective Governance – good systems for managing the Council.

Excellent Services – making sure we're always trying to improve.

This vision and the Council's success in its achievement was assessed by the Audit Commission as part of the CPA Corporate Assessment in July 2006.

3. Scope of Responsibility

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 *Corporate Governance in Local Government: A Keystone for Community Governance*. Copies of the policy documents are available on our website (www.wigan.gov.uk) under the "Council, Standards, and Codes Of Practice" sections.

4. Purpose of the 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 mission of *securing quality services, delivered fairly, courteously, and responsibly by well informed providers who take pride in what they do*.

5. The Internal Control Environment

The Authority's system of internal control (see Appendix 1) is based on ongoing management and review processes introduced to minimise the impact of risks to the achievement of the Authority's mission, aims and objectives. This system of internal control has been in operation in respect of the financial year ended 31st March 2007 and up to the date of approval of the annual report and accounts.

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 16 articles that set out the basic rules governing the Authority's business.

The Authority's Constitution clearly details :-

- The responsibilities of the Executive, Overview and Scrutiny, Regulatory, Standards, and Advisory Committees/Panels, and Chief Officers (individually and collectively).
- Rules of procedure in respect of debate, access to information, budget and policy framework, Executive, Overview and Scrutiny, Financial, Contracting, and Officer employment matters.
- Codes and protocols governing Members conduct, officers' conduct, Member/officer relations, Call-in arrangements.

In summary the Authority's 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 Committee (including four select committees) to scrutinise and review decisions made or actions taken in connection with the discharge of any Council functions.
- An Audit, Governance, and Improvement Review Committee, 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:-
 - a. The governance arrangements of the Council and its services.
 - b. The Council's risk management framework and the associated control environment.
 - c. The Council's financial management framework processes and the way this relates to the performance of individual services and the Council as a whole.
- A Responsible Financial Officer, supported by statute, to ensure the effective administration of the financial affairs of the Council.
- Comprehensive budget setting and monitoring framework with clearly defined guidelines and responsibilities with frequent reporting of performance to Cabinet.
- An Internal Audit function that consistently meets all 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 agenda and has responsibility for the continual review of major financial controls and the wider internal control environment.

- A local Code of Corporate Governance that is reassessed annually by Internal Audit.
- A risk management policy framework and Strategic Risk Register 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 updated by the Audit, Governance and Improvement Review Committee on 22nd March 2007.
- Published Anti-Fraud and Corruption Strategy, Whistleblowing Policy, and Fraud Prosecution Policy (subject to periodic review by Internal Audit) to ensure correct reporting and investigation of suspected fraudulent activities.
- 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).
- An Improvement Programme and monitoring framework to reflect the Authority's vision and strategic priorities to ensure that proper arrangements operate to deliver agreed improvements within established timescales.
- Nationally and IIP accredited employee development needs process, dovetailed with well publicised human resources 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.

The Authority's system of internal control is based on a detailed framework contained within the Constitution, and supported by associated policy documentation, as outlined below :-

Assignment of Responsibilities/Rules of Procedures/Codes and Protocols

- | | |
|--|---|
| <ul style="list-style-type: none"> ▪ Executive functions ▪ Non-Executive Functions ▪ Local Choice Functions ▪ Delegations to Officers ▪ Budget and Policy Framework Rules ▪ Executive Procedure Rules ▪ Overview and Scrutiny Procedure Rules ▪ Financial Procedures Rules ▪ Contracts Procedures Rules | <ul style="list-style-type: none"> ▪ Officer Employment Procedure Rules ▪ Member/Employee Protocol ▪ Chief Officers Management Team ▪ Call-In Protocol ▪ Internal Audit Remit and Protocols ▪ Managed Audit Protocol ▪ Members and Officers Codes of Conduct ▪ Local Code of Corporate Governance |
|--|---|

Policy Documentation

- Anti-Fraud and Corruption Policy Statement and Strategy
- Whistleblowing Policy and Guidance for Managers
- Fraud Prosecution Policy
- Risk Management Policy and Framework
- Service Planning Protocol (Departmental Plans Standards)
- IT Security Policy
- Misuse of the Internet Policy
- E-Mail Protocol
- Corporate Health & Safety Policy
- Vision Purpose, and Values Statement
- Communications Strategy
- Local Code of Corporate Governance
- Statement on Internal Control
- Financial and Accounting Manual
- Revenue Budget Manual
- VAT Manual
- Corporate Complaints Procedure

Members of the Council are regularly and fully briefed on all significant financial, operational, and strategic decisions. This includes such matters as :-

- External Inspectorates
- Fundamental budget reviews
- Principles of budget preparation
- Longer term budget forecasts
- Revenue monitoring and Revised forecasts
- Growth proposals
- Savings reports
- RSG settlement implications
- Tax base calculations
- Treasury management reports
- Impact and progress of major capital schemes
- Capital forecasts and out-turn reports
- Insurance fund performance
- Major system acquisitions
- Improvement and Performance
- Collection statistics
- Use of delegated powers
- Service Planning
- Revision of fees and charges
- Internal Audit activities

In addition, authors of reports to Members have been given advice on the assessment and management of risk.

6. Review of Effectiveness

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
- Strategic Planning (Risk Management) Group
- Financial Management reporting
- Performance Management reporting (including the formal review of Risk Registers)

- Cabinet, Audit, Governance, and Improvement Review Committee, Committee and Panel reporting
- Overview and Scrutiny function
- Statutory Officers (Head of Paid Service, Monitoring Officer, S151 Officer)
- 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
- CPA refreshment

The Directors of Finance & IT and Legal and Property Services 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 detailed remit of Internal Audit is revised as necessary through Cabinet and the Audit, Governance and Improvement Review Committee (from June 2006) who approve all Internal Audit Plans and receive reports on Internal Audit Activities (reports 7th December 2006, 7th June 2007).

As previously reported to Members the remit of Internal Audit is no longer restricted to financial systems and associated controls. A significant proportion of the Annual Audit Plan is focused on providing assurance that operational and strategic risks are effectively managed to ensure the Authority's vision is achieved and quality services provided to the Borough's residents.

Internal Audit has continued to review appropriate management and reporting arrangements to ensure that the approach to corporate governance and internal control is both adequate and effective in practice. Specifically the Authority's risk management strategy has been further developed by the Strategic Planning Group and approved by the Senior Management Team prior to formal approval by the Audit, Governance and Improvement Review Committee on 25th September 2006.

The Strategic Risk Register continues to be further refined by the Strategic Planning Group to clarify the links between the Register and the Council's Vision, placing further emphasis on the opportunities (positive risks) to improve the Council services and outcomes for the residents of Wigan. The latest update to the Strategic Risk Register was approved by the Audit, Governance, and Improvement Review Committee on 22nd March 2007. Although risk management is the responsibility of each Chief Officer, the Director of Finance & IT as the Council's Section 151 officer undertakes this responsibility at a corporate level.

In addition the Assistant Director of Finance & IT (Audit and Risk Management Services) is responsible to review independently and report to Members annually, to provide assurance on the adequacy and effectiveness of the Code in practice and the extent of management compliance with it. This report was reported to the Audit, Governance and Improvement Review Committee on 7th June 2006 as part of the Internal Audit Summary Activities Report.

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 all these areas the Authority has shown significant improvement in accordance with agreed action plans (CPA, Local Code of Corporate Governance, Best Value Inspection reports, Audit Commission reports.) Without exception, good working relations exist with all Chief Officers so audit recommendations to improve control procedures are implemented promptly.

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 attains the required competence in all Internal Auditing Professional Standards.

The most recently completed Audit Commission review of Internal Audit (December 2006) recognises that the section has responded appropriately to legislative and Code of Practice changes and revised its remit and governance arrangements accordingly. The review confirms that Internal Audit review the whole system of internal controls and do not confine their coverage to financial controls and therefore accords with the requirements of the Accounts and Audit Regulations 2003 and the CIPFA Code of Practice.

The Audit Commission were satisfied that Internal Audit met most of the required internal auditing professional standards and concluded that they could rely on the work of Internal Audit wherever possible

As reported to the Audit, Governance, and Improvement Review Committee on 7th June 2007, the Internal Audit assurance opinion on the Authority's overall control environment is based on the reviews completed (and Management actions taken) as part of the Internal Audit Plan in respect of 2006/2007. Significant reviews covered key systems implementation, core financial systems, the continued embedding of risk management into the Council's service delivery and performance management frameworks, Best Value Performance Indicators verification, and a continuing assessment of corporate governance measures.

Particular relevance is placed on an external assessment of this work as undertaken by the Audit Commission in support of their statutory reviews (see comments below). The Internal Audit Section also continued to facilitate the completion of the "use of resources" component of the CPA reassessment which was again validated by the Audit Commission.

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 “excellent” CPA 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 Director of Finance and IT that the Authority operates an effective overall internal control environment.**

This opinion is supported by the independent review work performed by external agencies as outlined below :-

Audit Commission

As reported to the Audit, Governance, and Improvement Committee on 3rd August 2006 the Audit Commission introduced several key changes in the way in which they reported their work to the Council, viz:-

- The introduction of an annual governance report to present a draft audit opinion and also a VFM conclusion, and
- A change in style of the Annual Audit Letter to present only the high level results of the audit and inspection programme and the associated direction of travel assessment.

Appropriate External Audit reports in respect of 2006/2007 were presented as follows:-

- Audit, Governance, and Improvement Review Committee 25th September 2006 (Annual Governance Report),
- Audit, Governance, and Improvement Review Committee 7th December 2006 (Regularity Report, Review of Internal Audit, Online IT Risk Assessment, Use of Resources Auditor Judgements, Procurement).
- Cabinet 14th December 2006 (Corporate Assessment).
- Audit, Governance, and Improvement Review Committee 22nd March 2007 (Data Quality, Annual Audit and Inspection Letter).

The reports commented positively on the Authority’s internal control and performance frameworks as follows: -

Regularity Report

“Our overall conclusion is that there are adequate processes and controls in place to ensure that the financial statements are free from financial misstatement.”

“The Council has well established key controls that are operating effectively. No major issues arose from our review and testing of the material systems.”

“We issued an unqualified opinion on the 2005/2006 financial statements on 26th September 2006. Our review confirms that the financial statements are compiled to a good standard.”

“The audit did not identify any material weaknesses in systems of accounting and financial control.”

Procurement

“There is good leadership of procurement through the Deputy Chief Executive. The Corporate Delivery Team provides the vehicle for raising the profile of procurement across the Council and is supported by specific action to improve procurement systems and processes.”

Data Quality

The approach taken by the Audit Commission in respect of BVPI data changed fundamentally in 2006/2007 and was structured as a 3 stage review encompassing management arrangements, data completeness checks, and data quality spot checks.

Positive comments in respect of governance and leadership included:-

- *“The Council’s commitment to data quality is clear. This is evident in the clear roles and responsibilities that have been established, and is demonstrated further by the consideration of data quality issues by senior officers and members. The Council, both corporately and at a departmental level, allocates resources to improve data quality.”*
- *“The Council has worked hard to develop its approach to data quality, and has improved its processes. A clear drive for further improvement is evident, based on effective collaboration between departments and the corporate centre.”*
- *“The Council has improved its approach to the monitoring and review of data quality, in response to internal and external reviews. There are arrangements in place for the systematic review of data quality, which include in-year and year-end checks by Internal Audit, and the PPI Team. Reviews of data quality lead to reports that are considered by corporate and department management teams, as well as members, and to action being taken to address the issues raised.”*

Review of Internal Audit

“Internal Audit delivers a generally good standard of service and most of the practices contained in the CIPFA code are in place at Wigan. Internal Audit provides assurance to the Director of Finance and IT that internal controls are maintained and wherever possible we rely on its work.”

“Strengths of Internal Audit’s work include:-

- *effective risk based audit planning process*
- *good working relationships with senior managers in client departments*
- *the continuous training and development of its staff*
- *use of auditor briefs and matrix, and*
- *file reviews as part of the quality assurance process”*

“In February 2006 the Council refined its governance reporting arrangements by establishing an Audit, Governance, and Improvement Review Committee. The Committee’ structure and terms of reference fully accord with CIPFA guidance and also provide a forum for the debate and approval of all governance and assurance issues.”

Comprehensive Performance Assessment (and Direction of Travel)

The Authority underwent a Comprehensive Performance Assessment (CPA) corporate assessment by the Audit Commission in July 2006 and received a 4 star rating, maintaining its overall “excellent” categorisation. The Council were the joint first in the country to be awarded 4 stars under the new Audit Commission “Harder Test” methodology which places more emphasis on outcomes for local people and value for money. The Council were subsequently awarded an “improving well” Direction of Travel Judgement to demonstrate it’s pace of improvement.

Corporate Assessment

“Wigan Borough Council is performing strongly. It has a clear record of delivering cost effective services to local people.”

“The Council’s ambitions for the borough are well understood and shared by staff, partners, and the public. There is strong approval from a wide range of stakeholders of the work that the Council is doing.”

“Through the Local Strategic Partnership the Council and partners are successfully tackling areas which reflect local and national priorities. The long-term vision for the community is clear. Councillors and officers provide impressive, visible and effective community leadership. The Council has used its well-developed understanding of local needs, and its aspiration to be an “outstanding council” to formulate its priorities for improvement. This understanding has been translated into robust strategies and action plans which focus on addressing the issues of the most excluded and deprived communities. This focus has in turn resulted in appropriate increased investment in priority areas.”

“ The Council is delivering good value for money and is continually working hard to improve on this. Overall, the Council’s costs are lower than those of other similar councils. Performance is generally good and improving. The Council has clear arrangements in place to assess and review service performance, and make sure staff are aware of their responsibilities in this area.”

“The Council has a track record of a strong performance-driven culture. Well established systems monitor and manage its own and partners’ performance. The Council is proactive in learning effectively from others and is enthusiastic about sharing its expertise with partners.”

“The Council has worked hard to ensure it has appropriate plans in place to continue with its improvement agenda. Plans are generally shaped around and reflect the various needs and preferences of many of the diverse communities and interest groups that the Council serves.”

Use of Resources Auditor Judgements

The Council's internal control and performance management frameworks were assessed under the Use of Resources assessment which focuses on financial management and control but explores the key linkages with the Council's strategic management framework. The annual Use of Resources assessment evaluates how well Councils manage and use their financial resources. The assessment focuses on the importance of having sound and strategic financial management to ensure that resources are available to support the Council's priorities and improve services covering five themes.

Key Positive Comments from the Audit Commission include :-

"Financial Reporting (theme score 3) – Wigan has maintained a good record of producing its financial statements within tighter deadlines without any reduction in quality. A key strength is the overall quality of the accounts presented for audit with only minor errors arising. The Council has strengthened its arrangements towards promoting external accountability and reporting and members have demonstrated an awareness and interest in accounting issues."

"Financial Management (theme score 4) – The Council has clearly demonstrated a sound basis for its medium-term financial strategy, budgets and capital programme which are designed to deliver its strategic priorities. This area of strength has been submitted to the Audit Commission as a notable practice. Performance is actively managed against budgets and the Council manages its asset base."

"Financial Standing (theme score 3) – The Council's policy for reserves and balances is based on a thorough understanding of its needs and risks and these are clearly reported to members. Spending is consistently maintained within budget."

"Internal Control (theme score 4) – The council actively promotes probity and propriety in the conduct of its business and can demonstrate a strong counter fraud culture and high ethical standards. Improvements in risk management have continued to be embedded throughout the organisation. These areas of strength have been submitted to the Audit Commission as notable practices. Systems of internal control are sound.....Other improvements since 2005 include the setting up of a new Audit, Governance, and Improvement Review Committee which has been constituted in line with CIPFA guidelines."

"VFM (theme score 3) – Wigan Council achieves good value for money. It is a relatively low spending Council and delivers generally good outcomes The Council has clear information on its costs and how these compare to others, and recognises where it needs to improve outcomes to provide VFM. Processes to review cost and performance information together have improved. Information is regularly reported to officers/members and challenged, and there is evidence of better outcomes as a result."

Annual Governance Report

“Subject to the satisfactory conclusion of the work outstanding, we expect to issue an unqualified opinion by 30th September 2006.”

“Value for Money Conclusion – We are therefore satisfied that having regard to the criteria specified by the Audit Commission, in all significant respects, the Authority has made proper arrangements to secure economy, efficiency, and effectiveness in its use of resources for the year ending 31st March 2006.”

Annual Audit and Inspection Letter

“This report provides an overall summary of the Audit Commission’s assessment of the Council. It draws on the findings and conclusions from the audit of the Council, the Corporate Assessment undertaken in the last year and from a wider analysis of the Council’s performance and its improvement over the last year, as measured through the Comprehensive Performance Assessment framework.

“The main messages for the Council included in this report are :-

- *Wigan is a well-run Council, performing strongly and generally improving well in priority areas.*
- *The Council shows a high degree of self-awareness and realism about both its successes and challenges, assisted by a strong performance and improvement culture.*
- *The management of finance and people is a strength, and the Council continues to deliver good value for money.”*

Areas where the Council recognises Audit Commission concerns and is seeking to make improvements included:-

Corporate Assessment

- Develop a neighbourhood management model.
- Make improvements to waste management.
- Ensure effective access to local services.

Joint Area Review (Children & Young Peoples Services)

- Identify priorities and align budgets.
- Continue work to reduce teenage pregnancies.
- Fully implement the local participation strategy.
- Implement fully the 14-19 strategy.
- Improving access and participation for Children and Young People and their parents.

Adult Services

- Providing timely, convenient and responsive arrangements for referral, care planning and review.
- Making sure quality assurance checks are in place and service quality is consistent.
- Providing a range of services to support and encourage all carers.
- Providing services that are broad and varied to meet needs, offering choices to any, and taking account of individual preferences.
- Demonstrating improved efficiency across all aspects of social services operations.

Use of Resources

- Improve standard of working papers to achieve exemplary standard.
- Publish annual report or similar document.
- Demonstrate that the results of performance measurement and benchmarking are communicated to stakeholders.
- Demonstrate that Members monitor key financial health indicators and set challenging targets.
- Strengthen the internal control arrangements by separating the Head of Audit role from Payroll Management responsibilities.

Other Inspectors and Regulators

Local authorities generally achieve assurance from other external inspectorates, however, because the Authority continues to be classified as “excellent” within the comprehensive performance assessment (CPA) framework it is exempt from most inspections. Inspection activity for 2006/2007 was restricted to:-

Benefit Fraud Inspectorate

The September 2006 Benefit Fraud Inspectorate report confirmed that the Council had maintained its overall performance level at “Good” or CPA “3”. The BFI assess current performance primarily on the basis of performance standards which are divided into four themes. The Council’s performance was assessed as :-

Claims Administration	Good
Security	Excellent
User Focus	Fair
Resource Management	Excellent

The overall assessment remained at the same high level as 2005/2006. However, the detailed analysis demonstrated further year on year improvement in key aspects of Benefits administration.

Commission for Social Care Inspection

Adult Services

The 2006 annual assessment by the CSCI confirmed that the Council attained two star status, serves most people well and has promising prospects for improvement. This converts to a CPA score for the Adult Services service block of “3”.

The performance review report considered that :-

- *“Over the last twelve months the Council has been developing its vision for future service delivery. The Council’s strategic vision is for a preventative approach with early intervention to assist people and reduce demand for intensive care managed services. This approach is consistent with the White Paper “Our Health, Our Care, Our Say” in that it offers a range of support beyond the traditional care managed services under the Council’s Fair Access to Care policy.”*
- *“The Council has already developed a good range of non care-managed services to support adults in need of low level social care support.”*

Joint Area Review (Children and Young People Services)

The 2006 assessment was undertaken during September by a multi-inspectorate team representing from OFSTED, CSCI, the Healthcare Commission, and the Audit Commission and reported an overall assessment that “the outcomes for children and young people in Wigan are good (3) and that service management for the Council’s services is good (3) with outstanding prospects for its capacity to further improve (4).” The overall score made a significant contribution (40% weighting) to the Council’s overall CPA Corporate Assessment judgement.

Positive comments from the report covering the impact of local services included :-

- “Services work effectively together to bring about sustained improvements in the outcomes for children and young people across all services.”
- “In social care, education and economic well being, local services have been highly focused in identifying how good outcomes may be strengthened even further.”
- “Educational attainment remains generally above that of similar areas. There are some notable successes in moving forward particularly in GCSE results, and in the improvement of learning opportunities for children and young people with learning difficulties and/or disabilities.”
- “The capacity of Council; children’s services to improve further is excellent. It has a strong corporate and directorate leadership and a record of delivering major initiatives well to the benefit of children and young people.”

7. Group Accounting Assurances

The Statement on Recommended Practice (SORP) 2006 places 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.

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

- Wigan and Leigh Housing Company
- Wigan Development Company
- Leigh Sports Village

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

Wigan and Leigh Housing Company

On 15th May 2007 an annual assurance opinion was presented to the Company's Governance, Standards, and Audit Committee by the Director of Finance and IT viz.:-

"From the Internal Audit work undertaken in 2006/2007 its is the opinion of the Assistant Director of Finance & IT (Audit and Risk Management Services) that Wigan and Leigh Housing operates an effective overall control environment." This assurance recognises that the Company has recently revised its strategic management structure and governance arrangements and revised processes are currently embedding within the company.

Wigan Metropolitan Development Company

In August 2006 a review was completed by Internal Audit (Wigan MBC) to assess the governance arrangements of the Company and its subsidiaries. In particular the following arrangements were examined:-

- compliance with the statutory requirements of a limited company
- the effective managerial structures and processes to govern decision making, and ensuring accountability
- ensuring corporate governance arrangements are effective and embedded within the Company
- monitoring Performance Management
- identifying and managing strategic and operational risks
- defining standards of conduct

Although the review determined that a satisfactory level of assurance could be placed on the governance arrangements of the Company a number of areas where improvements could be made to strengthen controls currently in place, and address a number of weaknesses identified during this audit were established, viz.:-

- There are currently no systems in place to identify and assess significant risks, which may effect the Company.
- A Scheme of Delegated Powers has not been established, nor financial procedures documented.
- The Company does not have an Internal Audit function.
- A Register of Directors' Interests is not maintained.

Follow-up action is currently ongoing by Internal Audit to determine the current position on remedial action agreed with the Company.

Leigh Sports Village

The Council has entered into an agreement with developers Greenbank Partnership and other parties to provide a 10,000 seat Stadium, football and rugby pitches, a Club house for Leigh East Amateur Rugby League Football Club, an athletics track and training facility, sports hall, swimming pool, and sixth form college for Wigan and Leigh College. The swimming pool and sports hall will be managed by Wigan Leisure and Cultural Trust. The remaining public facilities will be leased by the Council to a controlled local authority company - Leigh Sports Village - as they are completed over 2007 and 2008. The majority voting interests in the company are held by the Council with minority interests in the company will be held by the various clubs operating on the site.

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) 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 their Local Code Of Corporate Governance is still considered to be excellent and has further developed in key areas. However, there are still areas where further detailed work is required or is being carried out to ensure full compliance with the code."* This review determined that appropriate work is being carried out to address the outstanding areas within an agreed timescale and continued year on year improvement with the detailed requirements of the local code."

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 commitment to effective governance.

On the basis of the opinion of the Director of Finance & IT 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:

Corporate Governance Annual Statement of Assurance

Areas where improvement work is ongoing include:-

Community Focus

An updated Corporate Communications Strategy (to include communications, consultation, and engagement) is being developed by the Corporate Communications Group with a September 2007 completion deadline.

Service Delivery Arrangements

The initial Annual Procurement Report is scheduled for submission to the Corporate Delivery Team in May 2007. In addition the development of a Corporate Procurement Strategy is scheduled to be concluded in June 2007.

Progress has been made with business continuity planning. One of the next stages is to work at the corporate level through Strategic Management team prioritising functions in a Corporate Business Continuity Plan. To facilitate this, a bespoke Management Information System is being built which will sift and sort data and prioritise functions which will need to be included in the plan. This has been delayed due to the need to reflect changes brought about by the Councils restructuring. Once the restructuring is fully embedded in the organization this process can be completed.

Risk Management and Internal Control

Several procedural recommendations made by the Audit Commission following their detailed review of Internal Audit have been embraced.

Further developments in respect of Risk Management and Internal Audit Management are ongoing by the introduction of an integrated risk management and internal audit management system. The system is in the final stages of configuration and will be rolled-out on an incremental basis during the financial year.

More frequent and structured reporting to Members now takes place through the new Audit, Governance and Improvement Review Committee.

Standards of Conduct

Several key policy documents are scheduled for review/updating as follows :-

- The Officer Code of Conduct is scheduled for review/updating within the 2007/2008 Internal Audit Plan. This work will be completed in consultation with the Head of Personnel.

- The Council are introducing a revised Code of Conduct for Members with particular emphasis on Members interests and day to day conduct. The revised Code has been agreed by the Standards Committee and is scheduled for approval by Cabinet in May 2007.
- The Council's Fraud Prosecution Policy is scheduled to be reviewed and updated by Internal Audit
- The Contract Procedure Rules were being reviewed and updated by a Corporate Working Group that forms part of the lead procurement officers group, who have not met since last year. However, the Group had reached consensus and the North West Centre of Excellence Standards Group are in the final stages of recommending the adoption of standard Contract Procedure Rules. These are to go to the Lead Procurement Officers Group for consultation and then to CDT, SMT, Cabinet and Council for approval.

Other "significant" Issues

A range of issues, involving the Authority, has attracted significant public interest during the financial year. All the 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.:-

Land contamination at Ince Central Estate

Heavy metal contamination was discovered on the Ince Housing Estate; being a historical problem which Wigan Council are in the process of remedying. Officers from Wigan & Leigh Housing (W&LH) and the Council have worked together with specialist surveyors and contractors, tenants' groups and their legal representatives and with Central Government to devise a safe and permanent solution.

Remedial work on site is progressing on a phased approach, appropriate Council bids for funding to covert the remediation work, etc have been made to DEFRA and granted on a phased basis.

Continued consultation takes place with affected tenants including periodic newsletters, etc

Throughout the process the approach taken by the Council in conjunction with Wigan and Leigh Housing Company was to maintain a balanced approach between keeping residents informed, avoiding panic and unnecessary disturbance but ensuring the problem is dealt with as quickly and effectively as possible and this situation continues.

Westwood Park / A5225 Link Road.

The initial scheme to connect two key development sites in Wigan, assist in the creation of up to 2000 jobs and reduce town centre congestion was commenced on the basis of additional funding provisionally allocated by the North West Development Agency. The funding commitment was subsequently rescinded as alternative schemes in the Region were given a higher priority.

Alternative transport studies have now been completed and Cabinet has agreed in principle to further development of a scheme that will deliver a section of the link road. Discussions with the NWDA and ERDF indicate that a grant funding application will be “well received”.

Further work by Officers is scheduled before any firm development decisions are taken.

Procurement

Strategic Procurement

Within its assessment of the Council's CPA assessment the Audit Commission recognised that the Council has a commitment to delivering services that represent value for money from the top of the organisation. However, there was also a recognition that there were some areas within services which had unintentionally high costs leading to pressure on the budget. Although it was recognised that progress on procurement was “generally good” certain areas were considered to be underdeveloped.

One such area of procurement that has undergone a detailed review is in respect of Adult Services where a consultant was engaged to support the ongoing process and identify *“opportunities for efficiencies and provide a suggested improvement strategy”*. In response to this and other drivers a “Commissioning Strategy for Health and Well-Being” is in its final development stages and will be submitted to Members in the near future.

The structure of Corporate Procurement also features within the Support Services agenda and is expected to figure highly in the Support Services Review Report scheduled for submission to Cabinet in June 2007.

YPO Purchasing Partnership

The Council is member Authority of the Yorkshire Purchasing Organisation (YPO) and as such undertakes significant procurement activity through the organisation. Concerns have been expressed by the YPO's Lead Authority auditors in terms of the overall control environment at the YPO. However, the main areas of improvement have been agreed and developed into an appropriate action plan.

Employment 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:-

Pay and Grading Strategy

The requirement to undertake a pay and grading review of the Council’s workforce was determined within the 2004 pay settlement. Accordingly the Council agreed to implement the National Joint Council job evaluation scheme and to undertake an equal pay audit.

The Council’s strategic objectives as detailed in the Corporate Plan are to:-

- identify and respond to inequalities in current pay arrangements
- safeguard the council from equal pay/value claims and minimise the financial/employee relations implications
- meet the national requirements of undertaking a pay and grading review across the whole council
- implement a new pay and grading scheme having regard to the major financial/employee relations implications

The above issues applied to all AGMA authorities and prompted collaborative working to maximise resources and develop a consistent approach. In addition extensive consultation has taken place with the trade unions both nationally and locally.

The equal pay audit assessed the Council’s liability for potential equal pay claims and led to a proactive approach across AGMA with the development of a compensation matrix based on hours worked and length of service. Throughout this process both Senior officers and Members were provided with appropriate reports to allow proposed actions to be authorised and monitored. Arrangements were also made for ACAS conciliation and Counsels opinion at appropriate stages of the process.

The actual calculation and physical payout process involved officers from the Chief Executives and Finance and IT departments. Throughout the calculation process appropriate controls were in operation to provide assurance on the validity of the employee data and accuracy of proposed individual payouts. ACAS provided conciliation services on each pay event and senior officers from the Council also attended.

Despite the above processes there have been issues of slippage and data integrity identified, viz.:-

- The job evaluation timetable has slipped due to the staffing resources required to maintain the ongoing equal pay event timetable, etc and also the effect of the ongoing Support Services Review.

- The data verification process did identify significant disparities between core employee details held within the Corporate Personnel, Corporate Payroll, and departmental Human Resources data systems that required manual intervention to determine the correct data values, etc. The lack of co-ordination of data on the two corporate material systems has also been identified as a cause of concern by the ongoing Support Services Review and an appropriate action plan has been proposed.

The Audit Commission have been kept informed of the processes being followed by the Council and have raised no concerns to date.

The management of potential equal pay claims and the implementation of job evaluation have been highlighted as a major risk to the Council in the Strategic Risk Register and Medium Term Financial Plan and remain so at this time.

Strategic Organisation Review

Two strategic organisational review are being undertaken by the Council to refine and enhance its service delivery structures, methodologies, and capacities, viz.:-

Environment Review

On 1st March 2006 Council considered a report on the functions of the Community Protection, Engineering Services, and Planning and Regeneration departments. It was approved that the three departments be amalgamated into one to ensure that the Council was in a position to:-

- Join up the sustainable communities agenda.
- Improve customer focus.
- Ensure value for money and that resources follow the Council's priorities.

An appropriate Implementation Plan was developed and to date the high level departmental structures have been refined with further action planned.

Support Services Review

The Council is in the final stages of a review of its support services to achieve its vision *"To utilise the resources available to us in the most effective way so that we can provide value for money front line services that meet our customer's needs now and in the future."*

The review considered a number of strategic priorities for support services within three key themes from the Council's Corporate Plan, viz.:-

- Customer Focus
- Joining up of Services
- Efficiency and Value for Money

The review considered opportunities for improvement in a systematic way under the following aspects:-

- Place Shaping and Strategic Commissioning
- Unification – Organisational Framework
- Business Process Reengineering and Performance Management
- Developing the “One Council” approach
- Assets, Facilities, and Estates Management

The review has produced a series of recommendations and a detailed implementation plan that will enable the Council to deliver a wide ranging change programme over the next 3 years. It includes proposals for structural and organisational cultural change. It is projected that the full implementation of the recommendations will lead to efficiency savings.

The review was presented to SMT on 8th May 2007, was considered and challenged at an informal meeting of Cabinet on 21st May 2007 and is to be formally presented to Cabinet on 14th June 2007 and Overview and Scrutiny Committee on 18th June 2007.

Reviews of this strategic nature obviously present implementation challenges for the Council in terms of organisational change, staff consultation and deployment, implementation/operational costs, working practices, etc that will be encountered in the forthcoming financial year and beyond.

Joint Service Centre

Following the production of the “Our Vision for Customer Relationships” report in 2006 the Council determined to introduce a Joint Service Centre to facilitate ease of access, ease of use, clear leads, the ability to influence services, and demonstrate value for Money.

The Council have submitted a bid for PFI credits to create the Joint Service Centre in Wigan Town Centre and also the work required to progress the scheme.

The Joint Service Centre PFI Project is composed of three elements all of which must succeed if better access to public services is to be achieved, viz :-

- The public services project
- Customer Relationship Management/JCT project
- The Joint Service Centre

Draft Projection Initiation Documents have recently been presented to the Strategic Management Team and appropriate project staff are currently being determined.

As with the Support Services Review above, reviews of this strategic nature obviously present implementation challenges for the Council in terms of organisational change, staff consultation and deployment, implementation/operational costs, working practices, etc that will be encountered in the forthcoming financial year and beyond.

Members Conduct

On 21st November 2006 the Standards Committee considered a report from its Chairman that outlined that the Council had significantly higher than average referrals to the Standards Board for England than comparable authorities.

The analysis raised issues under the following headings:-

- Resources
- Trivialising the objective of raising standards of conduct
- Applying local solutions
- CPA rating
- Reputation
- Cost

The report suggested criteria by which Members could assess whether a formal complaint should be laid to demonstrate a more mature approach in the operation of the Code Of Conduct.

Additional reports have been submitted resulting in a scheduled workshop (25th May 2007) for new and existing Members to be trained on the new code of conduct, consider how referrals should be dealt with and to be aware of the possibilities of mediation.

The new Code of Conduct is scheduled for approval by Council on 16th May 2007.

Officers Conduct

In February 2007 the local press reported that a Council employee (Convenor/Trade Union Side Secretary) had appeared at the Magistrates Court charged with fraudulently receiving approximately £28,000 in incapacity benefit while working.

Clearly, such issues have a serious reputational impact on the Council and need to be addressed accordingly. The employee has been interviewed by Management and a Disciplinary Hearing scheduled at which she will answer allegations that will constitute gross misconduct. Due to the serious nature of the offence the employee has been committed to Liverpool Crown Court for trial.

Although appropriate management action has now been taken this case has raised issues about interpretation and completeness of the Council's Code of Conduct for Officers. Accordingly the Internal Audit Section in consultation with the Head of Personnel will review the Code of Conduct for Officers in the near future.

In all instances, appropriate action has been taken or is scheduled to be taken within a controlled framework to mitigate potential financial and 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 promptly and it is accountable for those actions. This is a major strength of the Council and a significant factor in its continued "4 star" CPA categorisation.

STATEMENT ON INTERNAL CONTROL FRAMEWORK

- INTERNAL CONTROL FRAMEWORK**
- Constitution and Rules of Procedures (Standing Orders and Financial Regulations)
 - Local code of corporate governance
 - Statutory Officers
 - Business strategy and service planning framework.
 - Performance Management.
 - Annual budget and budgetary control.
 - Project management system.
 - Risk Management Policy and Framework.
 - Anti Fraud and Corruption Policy and Framework.
 - Codes of conduct (Members/Officers).
 - Whistle blowing policy.

STATEMENT ON INTERNAL CONTROL
(Broader Governance Statement) approved by Cabinet, signed by Leader and Chief Executive and (published with the statement of accounts).

Independent reviews by SMT and the Audit Governance and Improvement Review Committee to examine draft SIC and supporting evidence and recommend approval via Cabinet.

Departmental Management Teams and Strategic Planning Group, Cabinet, and individual service panels

Authority Service Planning and Risk Management Frameworks.

IA Team with responsibility for reviewing controls, drafting SIC, evaluating assurances and supporting evidence.

- Monitors residual risk and management.
- Monitors risk profiles.
- Considers risk relating to new projects and initiatives.
- Receives risk monitoring reports.



Performance Management

- Embedded system throughout organisation (pplus).
- Internal & external reviews.
- Action orientated.
- Nat./local KPI's
- Periodic progress reports (SMT, service panels, AG&IRC, Cabinet).

Internal Audit

- Head of Internal Audit opinion expressed in annual reports to Cabinet/AG&IRC
- Operates under terms of reference.
- Strategic & annual plans, Cabinet /AG&IRC approved
- Risk-based plan.
- Managed audit process

External Audit

- Annual plan.
- Annual Audit letter.
- Audit opinion (Governance Report).
- CPA/BVPI.
- Departmental governance

Assurance By Managers

- Annual management assurance (SMT).
- Periodic reports.
- Cascaded through all employees.

Risk Management

- Embedded in policies & planning
- Effectiveness evaluated
- Annual approval of Risk Registers via Members
- Cascaded through all employees.
- Results analysed by IA and support Strategic Risk Register.

Other Sources Of Assurance

- Fraud reports and investigations.
- Reports by inspectors.
- Post implementation reviews of projects.
- Working party reports.
- Ombudsman reports.
- IIP Accreditation