

**Report to:** Audit, Governance and Improvement Review Committee

**Date:** 31<sup>st</sup> January 2008

**Subject:** CPA Use of Resources Action Plan

**Report of:** Executive Director – Business Support Services

**Contact officer:** David Smith 2232

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**Purpose / summary:** To seek approval for the council's Action Plan in respect of the CPA Use of Resources assessment 2007.

**Alternative options considered and reason for selecting the one recommended:** No alternatives, an appropriate Action Plan to identify and monitor improvement action is an essential requirement within the Audit Commission CPA Framework.

**Recommendation / decision:** To agree the Use of Resources Action Plan and further reporting requirements and associated timetable.

**Key Decision:** This report does not involve a key decision

**Risks / Implications:**

Financial:	None
Staffing:	None
Policy:	Assists in demonstrating performance and ongoing improvement.
Equal Opportunities - Has a Diversity Impact Assessment been conducted?	n/a
Wards affected:	All

**Property Implications– Does the proposal involve a reduction, addition or change to the Council’s asset base or its occupation?**

No

**If yes have the property implications been agreed with the Corporate Property officer?**

**Does this proposal have significant implications for the Council and the local population?**

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

**Does this proposal involve a new policy or procedure or significant changes to an existing policy or procedure?**

A diversity impact assessment is not necessary at this stage, however, equality and diversity implications have been considered when producing this report.

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:	<b>X</b>		<b>X</b>
Discussion leading to a decision	<b>X</b>	Discussion	
Monitoring		Decision	
Sharing for corporate understanding		Information	

**Tracking/Process:**

	Consultation	Ward Members	Partners
Panel	Overview & Scrutiny	Cabinet	Council

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

Proper Officer David Smith, Executive Director – Business Support Services

Date 24<sup>th</sup> January 2008

## **1. Background**

As part of the CPA framework the Audit Commission undertake an annual assessment of the Council's Use of Resources to determine how well the Council manages and utilises its financial resources. The assessment covers five separate themes (financial reporting, financial management, financial standing, internal control, and value for money and is scored on a numerical one (inadequate performance) to four (performing strongly) basis.

The Audit Commissions report in respect of the 2007 review was submitted to the Audit, Governance, and Improvement Review Committee on 6<sup>th</sup> December 2007. The report established that the Council had retained an overall score of four, i.e. the highest level – “performing strongly” (scoring matrix included at Appendix A). When individual scoring components are assessed this result demonstrates a further year on year improvement with the key area of Financial Reporting now scoring a 4.

The Audit Commission is scheduled to publish its composite annual assessment of the 150 single tier and county councils authorities' Use of Resources by the end of January which will allow inter Authority performance to be established. If the information is available a verbal update will be presented to Members at the meeting.

## **2. Further Action**

The Audit Commission report identified a number of “improvement opportunities” for the Council to further develop its performance against the current Key Lines of Enquiry. An appropriate Action Plan has been developed to cover the “improvement opportunities” and is attached at Appendix B for Members assessment and approval.

In addition there have been a number of changes/additions to the KLOE in respect of 2008 and their requirements and an initial Authority compliance assessment are detailed at Appendix C.

It should also be noted that the Audit Commission are currently consulting on the 2009 Use of Resources KLOE to be used in the initial CAA Inspection year and further information on this issue will be reported to Members in due course.

It should be noted that any improvement action for the 2008 assessment needs to be embedded within the council's evidenced procedures by 31<sup>st</sup> March 2008 to count towards the 2007 Use of Resources assessment. It is proposed that a further report is brought to this Committee on 20<sup>th</sup> March 2008 to confirm that all appropriate actions have been taken and are evidenced as such.

### **3. Recommendations**

Members are asked to:-

- Approve the action plan detailed at Appendix B.
- Schedule a further report within the March cycle to approve an updated position statement.

**Use of Resources Key Lines of Enquiry Scores 2007**

<b>KLOE Elements</b>	<b>2006 AC Score</b>	<b>2007 AC Score</b>
<b>1. Financial Reporting</b> <b>How good are the Council's financial accounting and reporting arrangements?</b>	<b>3</b>	<b>4</b>
1.1. The Council produces annual accounts in accordance with relevant standards and timetables, supported by comprehensive working papers.	3	4
1.2. The Council promotes external accountability.	3	4
<b>2. Financial Management</b> <b>How well does the Council plan and manage its finances?</b>	<b>4</b>	<b>4</b>
2.1. The Council's Medium Term Financial Strategy, budgets and Capital Programme are soundly based and designed to deliver its strategic priorities.	4	4
2.2. The Council manages performance against budgets.	4	4
2.3. The Council manages its asset base.	3	3
<b>3. Financial Standing</b> <b>How well does the Council safeguard its financial standing?</b>	<b>3</b>	<b>3</b>
3.1. The Council manages its spending within the available resources.	3	3
<b>4. Internal Control</b> <b>How well does the Council's internal control environment enable it to manage its significant business risks?</b>	<b>4</b>	<b>4</b>
4.1. The Council manages its significant business risks.	4	4
4.2. The Council has arrangements in place to maintain a sound system of internal control.	3	4
4.3. The Council has arrangements in place that are designed to promote and ensure probity and propriety in the conduct of its business.	4	3
<b>5. Value for Money</b>	<b>3</b>	<b>3</b>
5.1. The Council currently achieves good value for money.	3	3
5.2. The Council manages and improves value for money.	3	3

**2007 Judgements - Agreed Areas for Improvement.****Key Findings and Conclusion-Financial Reporting**

*Wigan Council continues to produce high quality financial statements which accurately reflect relevant accounting standards and require few amendments at audit. This continues to be a key strength.*

*The Council has further improved its arrangements with the introduction of electronic web based working papers and also with the publication of an annual report which has been widely consulted on to reflect base practice and the views of users. These areas have been submitted to the Audit Commission as notable practices and as such are likely to be shared with other authorities.*

<b>KLOE</b>	<b>Audit Commission Comment</b>	<b>Initial Comments</b>	<b>Responsible Officer</b>	<b>Date</b>
1.1	Continue to develop final accounts preparation processes and supporting working papers to ensure these remain of a high quality.	Processes and working papers have been assessed as "exemplary". Therefore, there are no specific issues to address. However, processes are under constant assessment and updating to ensure that best practice is attained.	Assistant Director of Finance and IT-Financial Services	Continual

**Key Findings and Conclusion-Financial Management**

*The Council continues to show key strengths in its approach to medium term financial planning and managing its performance against budgets. There are clear links between medium term financial planning, resources and Council priorities and budget monitoring arrangements continue to be further embedded throughout the organisation.*

<b>KLOE</b>	<b>Audit Commission Comment</b>	<b>Initial Comments</b>	<b>Responsible Officer</b>	<b>Date</b>
2.3	Ensure that: <ul style="list-style-type: none"><li>▪ there is communication with stakeholders on the results of performance measurement and benchmarking; and</li><li>▪ progress is made on the proposed integrated planning approach to co-ordinate asset management information with relevant financial information.</li></ul>	<p>Property performance is measured and reported periodically to a number of stakeholders as relevant, e.g. Members, Senior Officers, Departments. The annual property performance report will be reported shortly.</p> <p>This particular KLOE has been deleted for 2007/08 and replaced with a Level 4 KLOE regarding integrating asset management planning with business planning. See below for action required.</p> <p>This will now be done quarterly.</p>	Principal Asset Management Planning Officer	31 <sup>st</sup> March 2008

**Key Findings and Conclusion-Financial Standing**

*The Council's financial reserves are sound and in line with its policy agreed by members. Spending is consistently maintained within budget.*

<b>KLOE</b>	<b>Audit Commission Comment</b>	<b>Initial Comments</b>	<b>Responsible Officer</b>	<b>Date</b>
3.1	<p>Ensure that: There is clear evidence that members monitor key financial health indicators and set challenging targets on an improving basis.</p> <p>Where target levels for reserves and balances are exceeded members are aware of the opportunity costs of maintaining these levels.</p>	<p>Target setting information to be further exemplified, expanded, and evidenced, on an improving basis in reports on performance submitted to Members.</p> <p>Covered by Budget Setting and monitoring reports.</p>	Assistant Director Financial Services	31 <sup>st</sup> March 2008

**Key Findings and Conclusion-Internal Control**

*The Council has sound systems of internal control which have been strengthened since 2006 with the separation of the Head of Audit role from previous responsibilities over Payroll. The governance assurance framework continues to develop and is notable in its wide remit over the whole governance process. This continues to be embedded with ownership from both officers and members. Although the Council actively promotes a strong counter fraud culture and probity in the conduct of its business there have been high numbers of member referrals to the Standards Board during the period.*

<b>KLOE</b>	<b>Audit Commission Comment</b>	<b>Initial Comments</b>	<b>Responsible Officer</b>	<b>Date</b>
4.3	The Council needs to address the issues within the Standards Board Direction issued in 2007 to promote high ethical standards of its members	Following detailed review the Standards Committee has approved a number of initiatives to address the issues raised including training and mediation	Service Director and Borough Solicitor.	Continual

**Key Findings and Conclusion-Value for Money**

- *The council continue to deliver above average services for comparatively low levels of expenditure.*
- *Where spending is higher in some areas, the Council demonstrates a good understanding of the reason why.*
- *The Council can demonstrate active monitoring and benchmarking of cost and performance information, including spend per head analysis. Systems are in place, and the Corporate Management Team can show where corrective action has been taken.*
- *An increased range of services and outcomes are now monitored at township level, improving the Council's understanding of equality of access and relative performance across the Borough.*
- *The Council continues to over achieve on delivery of efficiency targets.*
- *The Council is very self-aware of the areas which it needs to address and these are well-documented in its Improvement Plan and its Service Plans.*
- *The Council's performance demonstrates that it has continued to actively improve its performance in this area and remains well above the minimum requirements.*

<b>KLOE</b>	<b>Audit Commission Comment</b>	<b>Initial Comments</b>	<b>Responsible Officer</b>	<b>Date</b>
5.1	<p>Further improve outcomes and service assessments, whilst maintaining levels of expenditure at or below comparators.</p> <p>Deliver the implementation plans to improve commissioning and VFM in Adult and Children's services.</p>	<p>VFM is the responsibility of CDT and work to achieve cost reductions/service improvements is continually ongoing. Comparative information is scrutinised by CDT and in the budget challenge process. Corporate Support Services review aimed at securing greater efficiency and redirecting to front line services being implemented.</p> <p>Appropriate Project Boards and associated Working Groups have been introduced to deliverer the agreed improvement priorities. Appropriate monitoring reports are provided to Members.</p>	SMT/CDT	Continual
5.2	<p>Complete the refresh of the capital strategy to ensure that spending is in line with new corporate priorities.</p>	<p>The refreshed Capital Strategy will be presented to Members at the end of February 2008.</p>	Assistant Director of Finance & IT (Technical and Payroll Services)	February 2008

<b>KLOE</b>	<b>Audit Commission Comment</b>	<b>Initial Comments</b>	<b>Responsible Officer</b>	<b>Date</b>
5.2 (cont)	Further develop monitoring and benchmarking of VFM at activity/township level as well as at service level. Ensure that the approach to measuring the impact of policy decisions on individuals and communities is consistently applied throughout the Council.	Procurement of a Local Information System approved in principle by SMT on 18 <sup>th</sup> December 2007.	SMT/CDT	Continual

**Changes for 2007/2008**

**Bold** text determine “must have” requirements, *italic* text determines new/revised requirements.

KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
1.2 (level 2)	<b>The agenda, reports and minutes for meetings of full council, committees and scrutiny panels are made available to the public on a timely basis and <i>in accessible formats appropriate to comply with duties under the equalities legislation. (revised)</i></b>	Fully Compliant	n/a	n/a
1.2 (level 3)	<b>The most recent published accounts, in either full or summary format, annual audit letter, <i>agenda, reports and minutes for meetings of council, committees and scrutiny panels are made available to the public on the council’s website on a timely basis and in accessible formats appropriate to comply with duties under the equalities legislation. (revised)</i></b>	Fully Compliant	n/a	n/a
1.2 (level 4)	The council publishes <i>in accessible formats</i> an annual report or similar document which includes summary accounts and an explanation of key financial information/technical terms designed to be understandable by members of the public. <i>(revised)</i>	Fully Compliant	Assistant Director of Finance & IT – Financial Services.	n/a
1.2 (level 4)	<i>The annual report or similar document includes information and analysis about the council’s environmental footprint (new)</i>	Consultation with the Strategic Asset Manager is being undertaken on the detailed inclusion requirements.	Assistant Director of Finance & IT – Financial Services/Internal Audit.	31 <sup>st</sup> March 2008

KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
2.1 (level 2)	<b><i>The council is undertaking equalities impact assessments of its strategies and understands the effect and impact these will have on its diverse population. (new)</i></b>	A programme is in place to determine and produce a prioritised schedule of required impact assessments.  All policies classified as “high” will have assessments completed by the end of the financial year.	Departmental Equality Champions	31 <sup>st</sup> March 2008
2.1 (level 2)	<b>The medium-term financial strategy models income and expenditure <i>and resource requirements</i> over a minimum of three years and is reviewed and updated at least annually.<i>(revised)</i></b>	Fully Compliant	Assistant Director of Finance & IT – Financial Services.	n/a
2.1 (level 2)	<b>An affordable capital programme <i>designed to deliver the council’s strategic priorities</i> has been agreed and the current and future funding of this is built into revenue planning.<i>(revised)</i></b>	Fully Compliant	Assistant Director of Finance & IT – Technical and Payroll Services.	n/a
2.1 (level 3)	<b>Budgets are linked to :</b> <ul style="list-style-type: none"> <li>▪ the medium-term financial strategy and high level budgets for future years within this</li> <li>▪ business and activity plans</li> <li>▪ <i>operational activity indicators that are lead indicators of spend</i></li> <li>▪ risk assessments of material items of revenue and capital income and expenditure, incorporating lessons learned from previous years <i>(revised)</i></li> </ul>	Fully Compliant with monitoring linkages to indicators applicable from November 2007.	Assistant Director of Finance & IT – Financial Services.	n/a

KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
2.1 (level 4)	The medium-term financial strategy models balances, resource requirements, <i>and revenue items using different planning scenarios (for example best and worst case and most likely) and links this to its risk management and financial reports. over a minimum of three years (revised)</i>	The Revenue Budget report currently being considered will need to be expanded using whatever information is available from the budget process to date and repackaged into the appropriate scenarios demanded by the U of R. Specific linkages will need to be made to the risk management and service plans and financial reports	Assistant Director of Finance & IT – Technical and Payroll Services.	31 <sup>st</sup> March 2008
2.2 (level 2)	<b>Action plans are developed <i>and monitored</i> when a material variance arises or a deficit is forecast. (revised)</b>	Fully Compliant.	Assistant Director of Finance & IT – Financial Services.	n/a
2.2 (level 3)	<b>Informative profiled financial monitoring reports are received by all budget holders <i>soon after the month end</i> enabling managers to respond to issues in a timely way (revised).</b>	Fully Compliant.	Assistant Director of Finance & IT – Financial Services.	n/a

KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
2.3 (level 3)	<b><i>The council's asset management plan provides clear forward looking strategic goals for its property assets that shows how the council's land and buildings will be used and developed to help deliver corporate priorities and service delivery needs, now and in the future. The plan shows how property assets will be maintained, modernised and rationalised to ensure that they are fit for purpose. (new)</i></b>	<p>The 2007/08 AMP has emphasized that the Corporate Property Objectives provide the strategic goals for property assets, and the Corporate Property Strategy ('traffic light' schedule) gives a general indication of future plans for each asset.</p> <p>We will continue to build upon our existing approach in order to develop our medium/long term property strategy. This will tie in with our emerging integrated resource planning process.</p> <p>However, no additional action is particularly required during 2007/08.</p>	Principal Asset Management Planning Officer	Mar-09
2.3 (level 3)	<b><i>The council maintains a record of all of its land and buildings that contains accurate data on its efficiency, effectiveness, asset value and running costs which can be used to support decision making on investment and disinvestment in property. (new)</i></b>	<p>We have a lot of property data across our land and buildings that can be used to support property decisions.</p> <p>We will continue to seek to develop our property data systems when I.T. development time permits and to improve the use of running cost information held on Agresso.</p> <p>We will also seek to improve the use of property data in decision making.</p> <p>However, no additional action is particularly required during 2007/08.</p>	Principal Asset Management Planning Officer  Corporate Property Manager	Mar-09



KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
2.3 (level 4)	<i>The council uses its property portfolio as an enabler of change. It understands the opportunity cost of its property and exploits this to deliver better value for money and benefits for the local community. (new)</i>	<p>Fully Compliant.</p> <p>We have long used our property assets as an enabler of change, eg Robin Park, LSV, Grand Arcade, Wigan Pier Quarter, Westwood Park etc.</p> <p>The Adult Services &amp; Non Op Land property reviews are identifying the opportunity cost of our assets. Implementation of action plans will help deliver better vfm &amp; community benefits.</p> <p>No additional action is required during 2007/08.</p>	Principal Asset Management Planning Officer	n/a
2.3 (level 4)	<i>The council integrates the management of its asset base with others for example, third sector and local public agencies to identify opportunities for shared use of property and to deliver seamless cross-sector, cross-agency and community based services to users. (new)</i>	<p>Fully Compliant.</p> <p>We have many eggs of shared use with partner agencies/3<sup>rd</sup> sector which we will put forward as evidence.</p> <p>The Office Accommodation Strategy which is currently being developed is to identify opportunities for co-location etc which we can add as further evidence.</p>	Principal Asset Management Planning Officer	31 <sup>st</sup> March 2008

KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
2.3 (level 4)	<i>The council challenges whether all its assets are required, are fit for purpose and provide value for money to meet current and future needs by monitoring property performance and undertaking periodic property reviews. The council rationalises or disposes of under-performing or surplus assets.(new)</i>	<p>Fully Compliant.</p> <p>Our existing asset management processes should enable us to meet this KLOE:</p> <ol style="list-style-type: none"> <li>1. We challenge the need for both operational and non operational assets. (The Corporate Landlord role and property reviews will strengthen this challenge process.)</li> <li>2. The suitability assessment programme identifies whether assets are fit for purpose.</li> <li>3. Vfm is considered within the property review process. (This will be enhanced through the development of local PIs.)</li> <li>4. We do monitor property performance &amp; undertake property review.</li> <li>5. We do dispose of surplus or underperforming assets.</li> </ol>	Principal Asset Management Planning Officer	n/a

KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
3.1 (level 2)	<b>The council has a <i>soundly based</i> policy on the level and nature of reserves and balances its needs that has been approved by members and reflected in the budget and medium-term financial strategy. (revised)</b>	Fully Compliant.	Executive Director – Business Support Services	continual
3.1 (level 2)	<b>The council <i>keeps its</i> treasury management strategy under review and monitors performance against it. The strategy reflects the requirements of the CIPFA Code of Practice for Treasury Management in the Public Services. (revised)</b>	Fully Compliant.	Assistant Director of Finance & IT – Technical and Payroll Services.	n/a
3.1 (level 3)	<b>The council’s policy for reserves and balances is based on a thorough understanding of its needs and risks, which is properly and clearly reported to and agreed by members. The approved level of balances is adhered to and ensures the council’s financial standing is sound and supports the council in the achievement of its long term objectives.(revised)</b>	Fully Compliant	Executive Director – Business Support Services	continual
3.1 (level 3)	<b>The council’s targets for income collection and recovery of arrears stretch performance and their achievement is monitored with appropriate corrective action taken during the year to achieve the targets (new).</b>	The existing targets will be collated and then stretched after discussion and agreement with the responsible officers. The intention would be for these stretched targets to be monitored and reported as appropriate to Members during the year.	Assistant Director of Finance & IT – Financial Services.	31 <sup>st</sup> March 2008

KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
4.1 (level 2)	<p><b>The risk management strategy/policy requires the council to:</b></p> <ul style="list-style-type: none"> <li>▪ <b>identify corporate and operational risks</b></li> <li>▪ <b>assess the risks for likelihood and impact</b></li> <li>▪ <b>identify mitigating controls</b></li> <li>▪ <b>allocate responsibility for the mitigating controls.</b></li> <li>▪ <b><i>and is complied with. (revised)</i></b></li> </ul>	Fully compliant.	Assistant Director of Finance & IT - Audit and Risk Management Services	n/a
4.1 (level 2)	<p><b>The council maintains and reviews a register of its corporate business risks linking them to strategic business objectives and <i>assigns named individuals to lead on the actions identified to mitigate each risk(revised)</i></b></p>	Fully compliant.	Assistant Director of Finance & IT - Audit and Risk Management Services	n/a
4.1 (level 4)	<p>The council considers the opportunity side of risk management in the successful delivery of major innovative and challenging projects. <i>(revised)</i></p>	<p>The Council's Strategic Risk Register considers positive risks at a corporate level.</p> <p>The Project Initiation Document for each major project provides a focus on the positive outcomes (opportunities) expected to arise, along with identifying potential problems and the ways in which they will e managed.</p> <p>A 'One Council' approach to project and programme management is currently being developed which will require the consideration of risks.</p>	Assistant Director of Finance & IT - Audit and Risk Management Services	31 <sup>st</sup> March 2008
4.1 (level 4)	<p><i>Reports to support strategic policy decisions, and initiation documents for all major projects, require a risk assessment including a sustainability impact appraisal. (new)</i></p>	<p>Work is ongoing by the new Sustainability Team within Environmental Services to address this detailed requirements of this issue.</p>	Sustainability Team Manager	31 <sup>st</sup> March 2008

KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
4.2 (level 3)	<b><i>The council has an effective scrutiny function to ensure constructive challenge and enhance performance overall. (new)</i></b>	Fully Compliant The Council has an active Overview and Scrutiny Committee with selection committees and also a range of advisory sub-committees/panels to ensure a wide basis of challenge	Service Director and Borough Solicitor.	n/a
4.2 (level 4)	<i>The council obtains assurance on a risk basis of the viability of its significant contractors' / partners business continuity plans. (new)</i>	Significant Partners, ALMO, Leisure, NPS all part of BCM Group.  Major contractors via tendering and adjudication processes, especially service contracts.  Internal Audit review in this area ongoing.	Assistant Director of Finance & IT – Audit and Risk Management Services.	31 <sup>st</sup> March 2008
4.3 (level 2)	<b>The council has put in place arrangements for monitoring compliance with standards of conduct across the council including:</b> <ul style="list-style-type: none"> <li>• <b><i>codes of conduct</i></b></li> <li>• <b><i>register of interests</i></b></li> <li>• <b><i>register of gifts and hospitality</i></b></li> <li>• <b><i>complaints procedure</i></b></li> <li>• <b><i>use of IT resources (1st and 5th bullets new)</i></b></li> </ul>	Fully compliant, however all appropriate codes/policies will be reissued by LANCONSENT and reissued on an annual basis.	Assistant Director of Finance & IT – Audit and Risk Management Services.	31 <sup>st</sup> March 2008
4.3 (level 2)	<b><i>The council can demonstrate that members of the standards committee are preparing for their role in local investigations and determination and there are arrangements in place to support effective local investigations and determinations. (new)</i></b>	The Standards Committee has approved appropriate arrangements subject of final regulations being issued. Arrangements to support local investigations and determinations are in force and will be reviewed for adequacy	Service Director and Borough Solicitor.	31 <sup>st</sup> March 2008

KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
4.3 (level 2)	<b>The council has provided the required data for the National Fraud Initiative (NFI), has notified data subjects of this use of data, and has established a <i>comprehensive process to follow-up NFI data matches that covers all match types and all levels of report (i.e. high, medium and same address) (revised)</i></b>	The Authority committed to the use of datamatching to prevent and detect fraud prior to the introduction of the NFI.  Appropriate processes are in place that have been subject to Audit Commission review on a number of occasions..	Assistant Director of Finance & IT – Audit and Risk Management Services.	n/a
4.3 (level 3)	<b><i>The work of the standards committee is communicated openly to a wider public. Where appropriate, the council has taken effective action, learning from issues arising from local investigations and determinations. (new)</i></b>	The Standards Committee has approved appropriate arrangements subject of final regulations being issued. Arrangements to support local investigations and determinations are in force and will be reviewed for adequacy	Service Director and Borough Solicitor.	31 <sup>st</sup> March 2008
4.3 (level 3)	<b>*The council has made effective use of the NFI application functionality to identify data matches for review from all levels of reports (high, medium and low). These were investigated promptly to prevent prolonged exposure. (revised and now bold)</b>	Fully Compliant  Recommended filters utilised for high risk matched. Other category risks are assessed using Internal risk assessment methodology.  Authority investigation methodology previously commended by Audit Commission.	Assistant Director of Finance & IT – Audit and Risk Management Services.	n/a

KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
4.3 (level 3)	<b>The council works with other bodies such as DWP when following-up data matches from NFI. <i>Details of proven frauds relating to public sector employees are shared with other bodies as per the NFI Information Exchange Protocol. (revised and now bold)</i></b>	Fully compliant  Evidenced by Audit Commission assessment.	Assistant Director of Finance & IT – Audit and Risk Management Services.	n/a
4.3 (level 3)	<b>Weaknesses revealed by instances of proven fraud and corruption, including NFI data matches, or data quality issues (due to capture or extraction) are reviewed to ensure that appropriate action is taken to strengthen internal control arrangements. (revised and now bold)</b>	Fully Compliant  All cases of Fraud referred via and reported back to Internal Audit appropriate remedial action taken if required.  No significant problems experienced on data extraction or capture.	Assistant Director of Finance & IT – Audit and Risk Management Services.	n/a
4.3 (level 4)	<i>The council can demonstrate its staff, and staff within contracting organisations, have confidence in the whistleblowing arrangements and feel safe to make a disclosure. (new)</i>	Fully Compliant  Whistleblowing Policy to be issued to all employees via LANCONSENT and reissued on an annual basis.  Council Whistleblowing Policy to be circulated to all contractors.  All staff and Members to be circulated with anonymised schedule of misdoings investigated pointing out actions the Authority has taken and the associated consequences on perpetrators.	Assistant Director of Finance & IT – Audit and Risk Management Services.	31 <sup>st</sup> March 2008

KLOE	Detailed Requirement	Initial Comments	Responsible Officer	Date
4.3 (level 4)	<i>All application forms for services and benefits have an appropriate fair processing notification permitting data sharing for prevention and detection of fraud and corruption (both acting as a deterrent to fraudsters and facilitating the extension of NFI into new areas). (new)</i>	Fully Compliant.  The Authority committed to the use of datamatching to prevent and detect fraud prior to the introduction of the NFI. Accordingly All documentation used for this purpose contains a suitable usage endorsement. As new areas are introduced appropriate consultation is undertaken.	Assistant Director of Finance & IT – Audit and Risk Management Services.	Continual.