

Audit Committee – 8 December 2009

Submission of Internal Audit Reports For Scrutiny

Summary of report:

This report presents the two reports selected for scrutiny at the Audit Committee meeting on the 27 October 2009.

Background papers:

Internal audit reports/files/working papers.

Recommendation:

1. To note the contents of the report.



Rory Borealis – Executive Director (Resources)
27 November 2009

SUMMARY OF REPORTS SELECTED FOR SCRUTINY

Regional Housing Pot

An audit review of regional housing pot including regeneration, health through warmth scheme, Willenhall Lane travellers site, repair assistance (Black Country housing group care and repair and Birchills group repair scheme) and the kick start programme was undertaken as part of the 2008/9 annual audit plan. The council has been allocated regional housing pot grant of £3,328,000 by Government Office for the West Midlands for 2008/9. West Midlands Regional Assembly has allocated £971,000 to the council for the kick start programme for 2008/9.

The objectives of the audit were to assess the adequacy of controls governing financial and management arrangements, to assess the implementation of previously agreed actions and to seek assurance that:

- officers are aware of grant conditions/instructions in respect of the regional housing pot;
- procedures/guidelines are documented, regularly reviewed and available to all appropriate staff;
- robust systems are in place to monitor receipt of regional housing pot funding and once received, funding is allocated in accordance with grant conditions/instructions;

- all expenditure in relation to the regional housing pot is adequately controlled; administered in compliance with relevant grant conditions/instructions and the authority's financial and contract rules;
- systems are in place to monitor performance/targets; and
- budget monitoring is of a good standard.

The conclusions detailed within the final report attached at **Appendix 1** were that:

Internal audit is able to give an overall limited assurance opinion on the system of internal control operating within the regional housing pot, as described below.

Some good practices were noted during the audit, including, an up to date housing renewal assistance policy available on the council's website and an affordable warmth strategy 2007-2010 exists, setting out the council's commitment to provide affordable warmth. A number of areas for improvement have, however, been identified including ensuring that office procedures in respect of certain elements of the housing pot have been documented and issued to relevant staff; and that controls regarding grant expenditure are significantly tightened; particularly regarding the selection of contractors, use of agency agreements and maintenance of audit trail.

A total of 17 actions for improvement were identified as part of the review with 12 being at high priority,

In receiving an email response to an internal audit follow up memo, the manager for housing standards and improvements confirmed that 12 of the 17 agreed actions have now been fully implemented. The remainder will be implemented by 1 February 2010.

Scrutiny

An audit review of Scrutiny was undertaken during March 2009 as part of the annual audit plan. The Local Government act 2000 places a duty on local authorities to put into place an effective scrutiny function as part of its wider decision making and accountability arrangements. Walsall Council has a well established scrutiny function which in turn is supported by its performance & scrutiny team. Currently the scrutiny function comprises five service based "panels" and an unconstituted scrutiny working group.

The objectives of the audit were to:

- "map" the current corporate scrutiny framework to ensure that the reporting and accountability lines are effective insofar as scrutiny forms part of the wider democratic structures and are appropriately constituted and fit for purpose;
- ensure that formal terms of references are in place for the corporate scrutiny panels and that these are subject to periodic review and update;
- ascertain and assess the current arrangements within the council to review the effectiveness of the respective scrutiny panels, including how the council's approach embodies the 4 principles of effective public scrutiny as set out in the Centre for Public Scrutiny's Good Scrutiny Guide; and
- review the work programme of one scrutiny panel to ensure that the programme of work is informed by appropriate consultation mechanisms and that a performance management framework is in place to assess progress against the programme of work

The conclusions detailed within the final report attached at **Appendix 2** were that internal audit is able to give a limited assurance opinion on the system of internal control operating within scrutiny as described below:

A number of good practices were noted during the audit, including; a clearly defined scrutiny structure, comprising formally constituted and politically proportionate scrutiny panels which in turn are underpinned by formal terms of reference; regular scrutiny panel meetings; a well regarded member support team; intervention by scrutiny into corporate processes such as budget setting; the establishment of a member development steering group to oversee member training; and the use of the Cabinet forward plan to inform scrutiny work programmes.

A number of areas for improvement have been identified, including: establishment of a formally constituted overarching scrutiny body with responsibility for scrutinising corporate issues such as overall council progress against headline targets; review and reinforce the working relationship between portfolio and scrutiny members; introducing formal protocols to ensure that reactive issues arising during the year are conveyed to scrutiny members in a timely manner; and ensuring that consultation mechanisms with members of the public are strengthened so that scrutiny work is informed by service user views.

A total of 14 actions for improvement were identified as part of the review with 7 being at high priority,

In receiving an email response to a follow up memo on 13 November 2009, the acting head of corporate performance management confirmed that 1 of the 3 agreed actions due for implementation to date had been completed and the remaining 2 will be completed by January 2010 and March 2010 respectively. The remaining 11 agreed actions are due for implementation by March 2010.

Resource and legal considerations:

The cost of providing internal audit is charged to services based on audit activity. These projects were included within the annual risk assessed audit programme discussed with managers before the start of the respective financial year.

Citizen impact:

Report scrutiny assists in demonstrating that the council and its officers are protected and provides an assurance to stakeholders about the security of the council's operations.

Performance and risk management issues:

Many Audit Committee activities are an important and integral part of the council's performance/risk management and corporate governance frameworks. In selecting specific reports for detailed scrutiny the committee is able to ensure that operational and control issues are being dealt with appropriately and that managers' agreed actions are being implemented. The committee may seek explanation from managers failing to progress agreed actions.

Equality Implications:

None arising from this report.

Consultation:

The annual audit work programme was discussed with relevant senior managers before the start of the year. Following completion of each audit review, the auditee's agreement to implement the agreed actions was sought before issuing the final report. Shortly afterwards, the relevant manager was asked to formally confirm that the agreed actions had been implemented.

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Walsall Council
Internal Audit Service

Regional Housing Pot

Audit Report 2008 / 2009
July 2009

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EXECUTIVE SUMMARY

A. Introduction

1. An audit review of regional housing pot including regeneration, health through warmth scheme, Willenhall Lane travellers site, repair assistance (Black Country housing group care and repair and Birchills group repair scheme) and the kick start programme was undertaken as part of the 2008/9 annual audit plan. The council has been allocated regional housing pot grant of £3,328,000 by Government Office for the West Midlands for 2008/9. West Midlands Regional Assembly has allocated £971,000 to the council for the kick start programme for 2008/9.
2. The objectives of the audit were to assess the adequacy of controls governing financial and management arrangements, to assess the implementation of previously agreed actions and to seek assurance that:
 - officers are aware of grant conditions / instructions in respect of the regional housing pot;
 - procedures / guidelines are documented, regularly reviewed and available to all appropriate staff;
 - robust systems are in place to monitor receipt of regional housing pot funding and once received, funding is allocated in accordance with grant conditions / instructions;
 - all expenditure in relation to the regional housing pot is adequately controlled; administered in compliance with relevant grant conditions / instructions and the authority's financial and contract rules;
 - systems are in place to monitor performance / targets; and
 - budget monitoring is of a good standard.
3. The scope of the audit is as set out on the contents' page. An overall opinion, points of good practice and an improvement action plan for each of the areas audited are attached. Actions for improvement, in general, are prioritised as high (***) , medium (**) or low (*).
4. Within a short period of issuing the final audit report, the head of service will be contacted to formally confirm that the action plan has been implemented as agreed. Managers should be aware that a formal response will be required in all cases and that details of these responses will be included within the internal audit quarterly monitoring report to the Audit Committee.
5. Under the council's corporate governance arrangements, the outcomes of audits are reported routinely to the Audit Committee. This includes providing an overall report opinion and details of agreed actions successfully implemented.
6. The committee has expressed concern with a failure, in a number of instances, to implement agreed actions. The committee will seek explanation from executive and assistant directors failing to ensure that appropriate action is taken.

- 7 All audit reviews undertaken include checks that previously agreed actions have been implemented. Due to the disappointing level of overall achievement in this area, executive directors have asked for regular updates on all internal audit reviews undertaken together with details of actions agreed and actually implemented. This is included as a standing item for discussion at all directorate management team meetings.

B. Overall Audit Opinion

1. Internal audit is able to give a limited assurance opinion on the system of internal control operating within the regional housing pot, as described below:

Overall Audit Opinion		
	Full assurance	Full assurance that the system of internal control is designed to meet the organisation's objectives and controls are consistently applied in all the areas reviewed.
	Significant assurance	Significant assurance that there is a generally sound system of control designed to meet the organisation's objectives. However, some weakness in the design or inconsistent application of controls put the achievement of particular objectives at risk.
➔	Limited assurance	Limited assurance as weaknesses in the design or inconsistent application of controls put the achievement of the organisation's objectives at risk in the areas reviewed.
	No assurance	No assurance as weaknesses in control, or consistent non compliance with key controls, [could result / have resulted] in failure to achieve the organisation's objectives in the areas reviewed.

2. Some good practices were noted during the audit, including, an up to date housing renewal assistance policy available on the council's website and an affordable warmth strategy 2007-2010 exists, setting out the council's commitment to provide affordable warmth.
3. A number of areas for improvement have, however, been identified including ensuring that office procedures in respect of certain elements of the housing pot have been documented and issued to relevant staff; and that controls regarding grant expenditure are significantly tightened; particularly regarding the selection of contractors, use of agency agreements and maintenance of audit trail.
4. The prompt implementation of actions contained within this audit report will further assist in enhancing procedures undertaken.
5. As this has been the first audit review of regional housing pot there were no previously agreed actions to follow up.

6. There are 12 high priority actions, as follows:-

Section	Action Plan Ref.	Agreed Action
Policies and Procedures	3.3	<p>All office procedures in respect of regional housing pot funding will be comprehensively detailed in writing.</p> <p>Once complete, procedures will be issued to relevant staff who will sign to acknowledge receipt of and confirmation of their intention to comply fully with them. Thereafter procedures will be reviewed and refreshed on a regular basis and signed and dated by the completing officer.</p>
Grant Expenditure	4.1	<p>Officers will ensure that where there is a variation between the loan amount and the cost of work carried out, the balance is promptly paid back to the ART Homes account. An updated procedure note will be written to document this.</p> <p>The difference between the loan amount and the cost of the work carried out for kick start cases WK/200712580 and WK/2006/10948 will be reviewed and paid back to the ART Homes account as appropriate.</p>
	4.2	<p>Officers will ensure that where there is a variation between the loan amount and the cost of work carried out, the balance is promptly paid back to the ART Homes account as opposed to the home owner.</p> <p>A decision as to whether the difference of £1,000.00 between the loan amount and the cost of the work carried out in the case of kick start case MVM Ref: WK/200616699 should be recovered from the homeowner and repaid to the ART Homes account will be taken and actioned.</p>

Regional Housing Pot
Audit Report 2008 / 2009

Section	Action Plan Ref.	Agreed Action
Grant Expenditure	4.4	<p>In accordance with the council's financial and contract rule 8.3, official orders are now raised for all work, materials, goods or services to be supplied to the council.</p> <p>Officers will adhere to financial and contract rules at all times and will sign to acknowledge receipt of and confirmation of their intention to comply fully with them.</p>
	4.5	<p>The documentation identified as missing from the sampled kick start files will be sourced and filed.</p> <p>Officers will ensure that kick start files are complete. The file checklist will assist in this respect.</p>
	4.6	<p>The documentation identified as missing from the sampled Black Country housing group care and repair files will be sourced and filed.</p> <p>Unauthorised / unchecked documentation will be duly authorised and checked.</p> <p>Officers will ensure that Black Country housing group care and repair files are complete, checked and authorised where appropriate. Any specific circumstance relating to a property e.g. such as 'park home' will be clearly sign posted on the file.</p> <p>The file checklist will assist in this respect.</p>
	4.8	<p>The documentation identified as missing from the sampled Birchills group repair scheme files will be sourced and filed.</p> <p>Officers will ensure that Birchills group repair scheme files are complete. The file checklist will assist in this respect.</p>

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Section	Action Plan Ref.	Agreed Action
Grant Expenditure	4.9	Health through warmth jobs works are to be included within a tendering exercise being undertaken in 2009/10 with property services.
	4.11	A comprehensive review of all tender / procurement processes in place within housing standards and improvement will be undertaken with consultation from property services, procurement, internal audit and finance.
	4.12	An agency agreement system has now been implemented for health through warmth schemes. Applicants are asked to sign up to an agency agreement, before authorising the council to act on their behalf when engaging contractors / supervising work in respect of the schemes. This will be put in place for other schemes.
Management Information and Budgetary Control	6.1	Monthly oracle reports are now provided to housing standards and improvement team officers.
	6.2	Expenditure and income records maintained by housing standards and improvement officers will be regularly reconciled to oracle reports to ensure accuracy and completeness.

C. Summary of Findings

	Full Assurance	Significant Assurance	Limited Assurance	No Assurance
Grant Conditions /Instructions	✓			
Grant Income	✓			
Policies and Procedures		✓		
Grant Expenditure			✓	
Performance Management	✓			
Management Information and Budgetary Control			✓	

D. Acknowledgements

1. Please thank the housing standards and improvements team, for their help and co-operation during the audit, particularly for making records available.

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

1. Grant Conditions/Instructions

AUDIT OPINION

Full assurance can be given that controls are in place to meet objectives in this area.

Good practice includes:

- Relevant officers are aware of the sustainable communities in the West Midlands - building for the future plan, which introduced the regional housing pot.
- The regional housing executive has recommended that grant funding should be allocated, based on priorities identified in the West Midlands Regional Housing Strategy and the West Midlands Regional Allocations Strategy 2008-11.
- While there are no detailed grant conditions / instructions for the regional housing pot, the Department for Communities and Local Government (DCLG) has confirmed that resources provided in respect of the regional housing pot are non ring fenced and may be spent on any of the council's legitimate purposes. The council is expected to monitor outcomes rather than spend.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
		None.			

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

2. Grant Income

AUDIT OPINION

Full assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- Government Office West Midlands allocated £3,328,000 to the council in respect of regional housing pot for 2008/09. This was notified to the council in a letter from GOWM to the chief executive dated 7 April 2008; received on 16 April 2008 and allocated to the appropriate ledger code on 21 April 2008.
- West Midlands Regional Assembly (WMRA) allocated £971,690 for Walsall Council, in respect of the kick start programme, for which Birmingham City Council is the accountable body for the funds.
- The award of regional housing pot grant and kick start funding for 2008/09 was reported to cabinet on 16 April 2008.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
		None.			

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

3. Policies and Procedures

AUDIT OPINION

Significant assurance can be given that controls are in place to meet objectives in this area.

Good practice includes:

- There is an up to date housing renewal assistance policy available on the council's website. A summary of the policy entitled "how to repair your home" is available from the housing standards and improvement team.
- Office procedure notes have been compiled for the kick start programme.
- There is an affordable warmth strategy 2007-2010, available on the website, setting out the council's commitment and framework to provide affordable warmth within vulnerable households by 2010 and all households in the borough by 2016.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
3.1	**	While the affordable warmth strategy 2007-2010 includes a foreword by the interim executive director and cabinet portfolio holder, social care and inclusion, it is unclear whether the strategy has been subject to formal approval in accordance with the council's constitution for documents of this type.	In the event of query / challenge, inability to evidence formal approval in accordance with the council's constitution for such documents.	Advice has been sought from constitutional services confirming that the affordable warmth strategy 2007-10 has been formally approved in accordance with the council's constitution for such documents. The affordable warmth strategy is a sub strategy of the council's housing strategy which has been formally approved by cabinet.	Implemented
3.2	**	The housing standards and improvement manager was in the process of reviewing office procedure notes in respect of repairs assistance, but has now left the authority.	Procedure notes may not be up to date / reflective of current practice. In the absence of key staff, other officers may not be aware of their roles and responsibilities in respect of repairs assistance.	Office procedure notes in respect of repairs assistance will be reviewed and refreshed. Once complete, procedures will be issued to relevant staff who will sign to acknowledge receipt of and confirmation of their intention to comply fully with them. Thereafter procedures will be reviewed and refreshed on a regular basis and signed and dated by the completing officer.	Housing Standards & Improvement Manager 1 December 2009

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
3.3	***	Office procedures in respect of Black Country housing group (BCHG) care and repair, Birchills group repair scheme and health through warmth have yet to be documented.	<p>In the absence of key staff, other officers may not be aware of their roles and responsibilities in respect of repairs assistance.</p> <p>In the absence of procedural guidelines, inconsistent / erroneous practices may evolve.</p>	<p>All office procedures in respect of regional housing pot funding will be comprehensively detailed in writing.</p> <p>Once complete, procedures will be issued to relevant staff who will sign to acknowledge receipt of and confirmation of their intention to comply fully with them.</p> <p>Thereafter procedures will be reviewed and refreshed on a regular basis and signed and dated by the completing officer.</p>	<p>Housing Standards & Improvement Manager</p> <p>1 December 2009</p>

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

4. Grant Expenditure

AUDIT OPINION

Limited assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- Standard file checklists are used.
- Proof of ownership of the property was confirmed in all kick start, BCHG care and repair and Birchills group repair cases examined.
- Documentation held on health through warmth files was found to be consistent.
- The applicant had signed a financial agreement in all kick start cases examined.
- All cases examined in the sample were included on the MVM system.

Kick Start Programme

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
4.1	***	<p>ART Homes provide financial advice and arrange for loans to applicants referred to them by the council in respect of the kick start programme. For successful applications, ART draw the loan value from Birmingham City Council (the accountable body for kick start funds) and pay the amount to the council, who arrange with the contractor for work to be carried out.</p> <p>Of a sample of 4 files examined in respect of the kick start programme, 2 cases were identified where the difference between the loan amount and the cost of the work carried out, had not been paid back to the ART Homes account. (Ref: WK/200712580)</p>	<p>Failure to adequately account for and balance kick start funds.</p>	<p>Officers will ensure that where there is a variation between the loan amount and the cost of work carried out, the balance is promptly paid back to the ART Homes account. An updated procedure note will be written to document this.</p> <p>The difference between the loan amount and the cost of the work carried out for kick start cases WK/200712580 and WK/2006/10948 will be reviewed and paid back to the ART Homes account as appropriate.</p>	<p>Housing Standards & Improvement Manager</p> <p>1 August 2009</p>

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

		and WK/2006/10948).			
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**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
4.2	***	In 1 of the 4 kick start cases examined, the difference between the loan amount and the cost of the work carried out was £1,000.00. This amount had been paid to the home owner rather than being paid back to the ART Homes account (MVM Ref: WK/200616699).	<p>Failure to adequately account for and balance kick start funds.</p> <p>Ineligible use of loan amounts in respect of the kick start programme may be made.</p>	<p>Officers will ensure that where there is a variation between the loan amount and the cost of work carried out, the balance is promptly paid back to the ART Homes account as opposed to the home owner.</p> <p>A decision as to whether the difference of £1,000.00 between the loan amount and the cost of the work carried out in the case of kick start case MVM Ref: WK/200616699 should be recovered from the homeowner and repaid to the ART Homes account will be taken and actioned.</p>	<p>Housing Standards & Improvement Manager</p> <p>1 August 2009</p>
4.3	**	Kick start expenditure has been coded to the renovation private grants oracle code (9105000) rather than the new regional housing pot kick start code (9604500).	<p>Inaccurate accounting information.</p> <p>Budget monitoring may be impaired.</p>	<p>During the year end reconciliation procedure miscoding issues were resolved.</p> <p>Officers now receive and review monthly Oracle monitoring report which enables them to identify and resolve any future miscodings.</p>	Implemented

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
4.4	***	In the case of the 4 kick start cases examined, none had a purchase order raised on the I-Proc system for work undertaken.	Breach of financial and contract rule 8.3. Unauthorised expenditure may occur.	In accordance with the council's financial and contract rule 8.3, official orders are now raised for all work, materials, goods or services to be supplied to the council. Officers will adhere to financial and contract rules at all times and will sign to acknowledge receipt of and confirmation of their intention to comply fully with them.	Housing Standards & Improvement Manager 1 August 2009
4.5	***	On walkthrough of 4 kick start files, while file checklists are utilised, the following exceptions were noted at the time of the audit:- <ul style="list-style-type: none"> • 1 case where a kick start application form was not held on file (WK 200712580). • 1 case where an ART referral form was not on file (WK200616699). • 3 cases where a copy of the decent homes survey was not on file (WK200610948). • 1 case where a repair assistance referral checklist was not on file (WK 200616699). 	Lack of audit trail in the event of query / challenge.	The documentation identified as missing from the sampled kick start files will be sourced and filed. Officers will ensure that kick start files are complete. The file checklist will assist in this respect.	Housing Standards & Improvement Manager 1 September 2009

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

Black Country Housing Group Care and Repair

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
4.6	***	<p>On walkthrough of 4 Black Country housing group care and repair files, the following exceptions were noted at the time of the audit:</p> <ul style="list-style-type: none"> • 2 cases where no proof of land register search was evident on file (WK200114328; WK200702832). It was later identified that 1 of these cases related to a 'park home' where owners do not necessarily own the land, however, there was no signpost on file indicating this. • 2 cases where the decent homes survey was not held on file (WK200702832; WK200719650). • 3 cases where a Black Country care and repair pre-works risk awareness form was not on file (WK200114328; WK200702832; WK200719650). • 1 case where a costing sheet had not been signed as checked (WK200719650). • 1 case where a home repair assistance file checklist was 	<p>Lack of audit trail in the event of query / challenge.</p> <p>Lack of evidence of senior / independent review increases the risk of errors / omissions going unnoticed.</p>	<p>The documentation identified as missing from the sampled Black Country housing group care and repair files will be sourced and filed.</p> <p>Unauthorised / unchecked documentation will be duly authorised and checked.</p> <p>Officers will ensure that Black Country housing group care and repair files are complete, checked and authorised where appropriate. Any specific circumstance relating to a property e.g. such as 'park home' will be clearly sign posted on the file.</p> <p>The file checklist will assist in this respect.</p>	<p>Housing Standards & Improvement Manager</p> <p>1 September 2009</p>

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

		<p>not signed as checked (WK200719650).</p> <ul style="list-style-type: none"> • 1 case where a care and repair completion certificate was not on file (WK200702832). • 1 case where a grants payment certificate was not on file (WK200719650). • 2 cases where an MVM print was not on file. (WK200702832; WK200719650) • 1 case where a HRA file checklist was not on file (WK200702832). • 1 case where a certificate of completion signed by the housing standards and improvement manager was not on file (WK200719650). 			
4.7	* *	BCHG care and repair expenditure has been coded to the private grants oracle code (9105300) rather than the new regional housing pot repairs assistance programme code (9604200).	<p>Inaccurate accounting information.</p> <p>Budget monitoring may be impaired.</p>	<p>BCHG care and repair expenditure is now allocated to the correct oracle codes.</p> <p>As 4.3.</p>	Implemented.

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

Birchills Group Repair Scheme

ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
4.8	***	<p>On walkthrough of 4 Birchills group repair scheme (Pargeter Street) files, the following exceptions were noted at the time of the audit:-</p> <ul style="list-style-type: none"> • 2 cases where an application form was not held on file (House numbers 51, 55). • 2 cases where a declaration was not signed by the applicant (House numbers 51, 55). • 2 cases where the fraud declaration was not signed by the applicant (House numbers 51, 55). • 3 cases where the schedule of works declaration (including details of owner contribution) was not on file (House numbers 1, 51, 55). • 2 cases where an authority to make a grant was not on file (House numbers 1, 14). 	Lack of audit trail in the event of query / challenge.	<p>The documentation identified as missing from the sampled Birchills group repair scheme files will be sourced and filed.</p> <p>Officers will ensure that Birchills group repair scheme files are complete. The file checklist will assist in this respect.</p>	<p>Housing Standards & Improvement Manager</p> <p>1 August 2009</p>

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

Health Through Warmth

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
4.9	***	<p>While a tendered schedule of rates was in place for works including renovations; aids and adaptations and kick start, from 1 August 2008, this was not applied to health through warmth jobs. Instead, necessary quotations were sought.</p> <p>For all health through warmth jobs examined in the sample, central heating work was carried out by F J Jones Heating.</p>	<p>Inconsistent practices.</p> <p>Potential that best value may not be being achieved.</p> <p>Potential lack of protection for officers against allegations regarding chosen suppliers / possible circumvention of financial and contract rules by falsely splitting a contract.</p>	<p>Health through warmth jobs works are to be included within a tendering exercise being undertaken in 2009/10 with property services.</p>	<p>Housing Standards & Improvement Manager</p> <p>1 October 2009</p>
4.10	**	<p>Ownership of property is not determined for applications in respect of the health through warmth scheme.</p>	<p>Inappropriate grants may be awarded.</p> <p>In the event of query / challenge, the council's position regarding award of grants may be challenged.</p>	<p>The ownership of properties is not a prerequisite of the grant.</p> <p>Consideration will however be given to including this as a council requirement as an additional level of control.</p>	<p>Housing Standards & Improvement Manager</p> <p>1 August 2009</p>

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

General

ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
4.11	***	<p>While a tendered schedule of rates was in place for works including renovations; aids and adaptations and kick start, from 1 August 2008, in the sample of kick start jobs examined, all work had been awarded to R Jackson Builders.</p> <p>It is understood that the technical officer aims to allocate work to contractors on a rota basis.</p>	<p>Lack of protection for officers in the event of query / challenge regarding use of supplier.</p> <p>Potential for fraud and corruption.</p>	<p>A comprehensive review of all tender / procurement processes in place within housing standards and improvement will be undertaken with consultation from property services, procurement, internal audit and finance.</p>	<p>Housing Standards & Improvement Manager</p> <p>1 October 2009</p>
4.12	***	<p>Walsall Council acts as an agent when engaging contractors to carry out repair work for kick start, Birchills group repair scheme and health through warmth. There was no evidence on file to show that the applicant had signed an 'agency' agreement allowing the council to act on their behalf.</p>	<p>In the event of query / challenge the council's roles and responsibilities in acting as an agent may not be clear / open to legal / financial challenge.</p>	<p>An agency agreement system has now been implemented for health through warmth schemes. Applicants are asked to sign up to an agency agreement, before authorising the council to act on their behalf when engaging contractors / supervising work in respect of the schemes.</p> <p>This will be put in place for other schemes.</p>	<p>Housing Standards & Improvement Manager</p> <p>1 September 2009</p>

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

5. Performance Management

AUDIT OPINION

Full assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- The housing standards and improvement service plan 2008/9 sets out service priorities, as well as documenting performance and achievements in 2007/8.
- The housing standards and improvement team complete quarterly monitoring reports.
- A strategic housing scorecard 2008/9 is completed quarterly and submitted to the Health, Social Care and Inclusion Panel.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
		None			

**Regional Housing Pot
AUDIT OPINION & ACTION PLAN**

6. Management Information and Budgetary Control

AUDIT OPINION

Limited assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- Cash flow projection and capital reconciliation statements are produced monthly.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
6.1	***	Although the housing standards and improvement team has regular discussions with their accountant regarding the budget, monthly oracle reports had not yet been provided to them on a regular basis.	Lack of timely and accurate management information compromises managers' ability to exercise sound budgetary control decisions.	Monthly oracle reports are now provided to housing standards and improvement team officers.	Implemented
6.2	***	Expenditure and income records maintained by housing standards and improvement officers are not reconciled to oracle reports.	Errors and mis-codings may not be identified. Information based on non ledger information may be inaccurate / out of date.	Expenditure and income records maintained by housing standards and improvement officers will be regularly reconciled to oracle reports to ensure accuracy and completeness.	Housing Standards & Improvement Manager 1 August 2009

Walsall Council
Internal Audit Service

Scrutiny

Audit Report 2008 / 2009
July 2009

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EXECUTIVE SUMMARY

A. Introduction

1. An audit review of Scrutiny was undertaken during March 2009 as part of the annual audit plan. The Local Government act 2000 places a duty on local authorities to put into place an effective scrutiny function as part of its wider decision making and accountability arrangements. Walsall Council (the “council”) has a well established scrutiny function which in turn is supported by its performance & scrutiny team. Currently the scrutiny function comprises five service based “panels” and an unconstituted scrutiny working group.
2. The objectives of the audit were to:
 - “map” the current corporate scrutiny framework to ensure that the reporting and accountability lines are effective insofar as scrutiny forms part of the wider democratic structures and are appropriately constituted and fit for purpose;
 - ensure that formal terms of references are in place for the corporate scrutiny panels and that these are subject to periodic review and update;
 - ascertain and assess the current arrangements within the council to review the effectiveness of the respective scrutiny panels, including how the council’s approach embodies the 4 principles of effective public scrutiny as set out in the Centre for Public Scrutiny’s Good Scrutiny Guide; and
 - review the work programme of one scrutiny panel to ensure that the programme of work is informed by appropriate consultation mechanisms and that a performance management framework is in place to assess progress against the programme of work
3. The scope of the audit is as set out on the contents’ page. An overall opinion, points of good practice and an improvement action plan for each of the areas audited are attached. Actions for improvement, in general, are prioritised as high (***) , medium (**) or low (*).
4. Within a short period of issuing the final audit report, the head of service will be contacted to formally confirm that the action plan has been implemented as agreed. Managers should be aware that a formal response will be required in all cases and that details of these responses will be included within the internal audit quarterly monitoring report to the Audit Committee.
5. Under the council’s corporate governance arrangements, the outcomes of audits are reported routinely to the Audit Committee. This includes providing an overall report opinion and details of agreed actions successfully implemented.
6. The committee has expressed concern with a failure, in a number of instances, to implement agreed actions. The committee will seek explanation from executive and assistant directors failing to ensure that appropriate action is taken.

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7. All audit reviews undertaken include checks that previously agreed actions have been implemented. Due to the disappointing level of overall achievement in this area, executive directors have asked for regular updates on all internal audit reviews undertaken together with details of actions agreed and actually implemented. This is included as a standing item for discussion at all directorate management team meetings.

B. Overall Audit Opinion

1. Internal audit is able to give a limited assurance opinion on the system of internal control operating within scrutiny as described below:

Overall Audit Opinion		
	Full assurance	Full assurance that the system of internal control is designed to meet the organisation's objectives and controls are consistently applied in all the areas reviewed.
	Significant assurance	Significant assurance that there is a generally sound system of control designed to meet the organisation's objectives. However, some weakness in the design or inconsistent application of controls put the achievement of particular objectives at risk.
→	Limited assurance	Limited assurance as weaknesses in the design or inconsistent application of controls put the achievement of the organisation's objectives at risk in the areas reviewed.
	No assurance	No assurance as weaknesses in control, or consistent non compliance with key controls, [could result / have resulted] in failure to achieve the organisation's objectives in the areas reviewed.

2. A number of good practices were noted during the audit, including; a clearly defined scrutiny structure, comprising formally constituted and politically proportionate scrutiny panels which in turn are underpinned by formal terms of reference; regular scrutiny panel meetings; a well regarded member support team; intervention by scrutiny into corporate processes such as budget setting; the establishment of a member development steering group to oversee member training; and the use of the Cabinet forward plan to inform scrutiny work programmes.
3. A number of areas for improvement have been identified, including: establishment of a formally constituted overarching scrutiny body with responsibility for scrutinising corporate issues such as overall council progress against headline targets; review and reinforce the working relationship between portfolio and scrutiny members; introducing formal protocols to ensure that reactive issues arising during the year are conveyed to scrutiny members in a timely manner; and ensuring that consultation mechanisms with members of the public are strengthened so that scrutiny work is informed by service user views.

4. The prompt implementation of actions contained within this audit report will further assist in enhancing procedures undertaken.

5. As this has been the first audit review of scrutiny there were no previously agreed actions to follow up.

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5. There are 7 high priority actions, as follows

Section	Action Plan Ref.	Agreed Action
Scrutiny framework	1.1	Whilst acknowledging the need for political support, particularly from the executive, the council's PST and Monitoring Officer will review the status and effectiveness of its overarching scrutiny arrangements with a view to considering the formation of a properly constituted body/panel/board. Such a body would be responsible for overseeing the work of individual service based panels with a view to identifying key strategic themes/issues, scrutinising the council's progress against headline corporate targets and adopting a more holistic, strategic focus in terms of reviewing and challenging partnership delivery.
Terms of references	2.2	To complement existing member job descriptions within the constitution, formal working protocols will be developed and "signed up to" by portfolio and panel members. This will be initiated by the PST with advice and input as appropriate from constitutional services
Effectiveness of scrutiny	3.1	Portfolio members will be advised that issues that arise during the year should be conveyed to the respective scrutiny panel as a matter of course. This requirement will be reinforced within working protocols underlining the working relationship between portfolio and panel members.
	3.3	Protocols underpinning the working arrangements between portfolio and panel members will articulate the need for portfolio members to participate in scrutiny panel meetings throughout the year as requested by the panel or agreed between the portfolio holder and scrutiny panel chair. It is recognised that the working relationship between executive directors and portfolio holders is pivotal to the engagement of portfolio holders in scrutiny and the development of a working protocol.

Scrutiny work	4.3	The PST and the panels will ensure that adequate
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programmes		provisions are made during the work programme development phase and the reviews themselves for eliciting the views of members of the public. The PST will investigate with the CFI team how best the prevailing communications mechanism can be effectively and efficiently utilised to harness the views of the public in shaping work programmes.
	4.6	The PST will work with executive directors to ensure that panel members are made aware of risks within the corporate risk register or directorate risk registers as part of the process for developing the work programmes and then throughout the year in relation to activity being undertaken by scrutiny.
	4.7	The PST will enhance and formalise existing actions underpinning the development of work programmes so as to set out the key steps to developing them. This will include for example, a specific consultation mechanism with the wider public, a longer period of time to allow panel members to consider ideas for review and engagement of portfolio members.

C. Summary of Findings

	Full Assurance	Significant Assurance	Limited Assurance	No Assurance
Scrutiny framework		✓		
Terms of references		✓		
Effectiveness of scrutiny			✓	
Scrutiny work programme			✓	

D. Acknowledgements

1. Please thank the performance & scrutiny officer and chairs of the scrutiny panels for their help and co-operation during the audit, particularly for making records available and providing suitable accommodation for the auditor.

Scrutiny
AUDIT OPINION & ACTION PLAN

1. Scrutiny framework

AUDIT OPINION

Significant assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- The council discharges its scrutiny role through five scrutiny panels, each one representing a strategic theme of the council's work.
- The panels are formally constituted and are politically proportionate in terms of their composition (the panels comprise nine councillors).
- A Scrutiny Working Group (an informal group) oversees the work of the individual panels. This group comprises the chairs and vice chairs of each panel, representation from the Liberal Democrat group and an independent member.
- Panels meet at regular intervals (for ordinary meetings) throughout the year in accordance with the calendar of meetings approved by the council at the Annual Council Meeting.
- Work plans for each panel are established and agreed by the respective panels themselves. The work programmes are finalised by the summer of the municipal year.
- As part of the work planning process panels are required to consider reviews that may cross cut service areas. In this case the constitution requires that a Host Panel is created.
- The performance scrutiny team (PST) provides support and advice to scrutiny members. The PST has a good profile with panel members.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
1.1	***	The council has a Scrutiny Working Group. However, this group is not a formally constituted body nor does it have clear terms of reference. Moreover attendance by members is understood to be patchy. The council has no plans to keep under formal review the constitutional standing of this group in view of, for example, impending external factors, notably the significant developments in partnership working and the additional formal responsibilities for the council arising from the local area agreement.	The absence of an effective overarching scrutiny function increases the risk of strategic issues not being fully explored –e.g. progress against key strategic/LAA objectives, medium term corporate and financial plans and oversight over the corporate risk register. This in turn could compromise the quality of the overall decision making processes.	Whilst acknowledging the need for political support, particularly from the executive, the council's PST will initiate a review of the status and effectiveness of its overarching scrutiny arrangements with a view to considering the merits of forming of a properly constituted body/panel/board. Such a body would be responsible for overseeing the work of individual service based panels with a view to identifying key strategic themes/issues, scrutinising the council's progress against headline corporate targets and adopting a more holistic, strategic focus in terms of reviewing and challenging	PST to initiate review liaising as appropriate with constitutional services and legal services as required. Recommendations of review to be presented to the executive director for resources with a view to engagement with

Scrutiny
AUDIT OPINION & ACTION PLAN

				partnership delivery.	CMT - March 2010
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ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
1.2	**	In 2007/08 the Scrutiny Working Group considered future developments in the scrutiny structure, most notably an option to move to a local strategic partnership focused model as opposed to the prevailing service based model. No formal plans to re-visit these options and/or keep under review the effectiveness of the structure of the scrutiny framework have since been devised.	The prevailing scrutiny framework may not be entirely appropriate and could therefore be ineffective. The council's decision making mechanism is therefore compromised.	The PST will ensure that members are advised accordingly with respect to following through with the 2007/08 assessment of the scrutiny framework. Notably members will be advised to ensure that a robust overarching function is in place and that the scrutiny framework is aligned to and reflective of the council's current responsibilities emanating from the sustainable community strategy and the three main themes of people, place and prosperity.	As 1.1

Scrutiny
AUDIT OPINION & ACTION PLAN

2. Terms of reference

AUDIT OPINION

Significant assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- Formal terms of reference and general procedure rules for the council's scrutiny function are set out in Part 4, Article 5 of the constitution.
- The *Scrutiny Annual Report*, which is a public document, sets out the role, function and structure of scrutiny.
- The remit of scrutiny panels is agreed by the council each year during its annual meeting.
- The council produces and sends out to libraries within the borough a leaflet, *Getting your voice heard in Walsall* which describes the role and function of scrutiny and how residents can engage in the scrutiny process. There is also information on the Council's website.
- Explanation of the role of the individual scrutiny panels is provided in Part 2, Article 6 of the constitution.
- Procedures are in place within the performance & scrutiny team that aids in the development of work programmes. This includes a matrix that helps plot potential review areas – this is used by one of the panel chairs.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
2.1	**	The PST seeks feedback from members on the effectiveness of the structure of scrutiny within the annual scrutiny survey. In addition, a watching brief is maintained as part of PST's service plan. However, there is no formal review of the adequacy of the terms of reference from a fit for purpose perspective that take on board prevailing and forthcoming developments and which then informs the annual council approval.	Terms of reference are not subject to adequate review. Prior year issues that could inform adaptation and adjustments to the remit of scrutiny are therefore not considered.	A formal review of the scrutiny terms of reference will be undertaken annually by PST with advice as appropriate from legal services, linking into an assessment of the effectiveness of the previous year's work and processes (see 4.5 below). This review will then form the basis of council's formal annual review and approval of scrutiny's terms of reference.	PST with advice being sought as appropriate from Legal Services. Recommendations of review will be presented to the executive director for resources with a view to engagement with CMT. March 2010

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ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
2.2	***	Discussions with members suggested a need to review the working relationship between scrutiny and cabinet members in order that ground rules underpinning this relationship are reinforced.	The effectiveness and efficiency of working arrangements are undermined. Scrutiny is unable to fulfil the duties conferred upon it by legislation and best practice.	<p>To complement existing member job descriptions within the constitution, formal working protocols will be developed and "signed up to" by portfolio and panel members. This will be initiated by the PST with advice and input as appropriate from constitutional services</p> <p>It is recognised that the working relationship between executive directors and portfolio holders is pivotal to the engagement of portfolio holders in scrutiny and the development of a working protocol.</p>	<p>PST to work with executive directors to initiate and develop a protocol with advice and input as appropriate from constitutional services and legal services.</p> <p>September 2009</p>

Scrutiny
AUDIT OPINION & ACTION PLAN

3. Effectiveness of scrutiny

AUDIT OPINION

Limited assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- The Scrutiny Working Group has, in the past, considered the range of scrutiny models at other local authorities as part of its watching brief of the future of scrutiny at Walsall.
- Scrutiny meetings are devised so that time is allowed for practical interventions into corporate processes such as budget setting and service planning.
- The council is in the process of looking into the introduction of the councillors' call for action initiative. This provides members with an additional tool to resolve outstanding/long standing issues of concern and could help prompt additional reviews to be included in the scrutiny work programme.
- Some panel members have been issued with the Centre for Public Scrutiny (CfPS) best practice guide, *the good scrutiny guide*.
- A member development steering group has been established that oversees the delivery of training to members.
- A formal programme of training events is produced twice yearly by HRD. Members are also made aware of training events throughout the year on an ad hoc basis by the performance & scrutiny team.
- The PST maintains an ongoing, albeit informal, review of potential issues for improvement in the scrutiny process throughout the course of the year.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
3.1	***	Although a mechanism is in place (constitution 4.2.7) that should ensure that scrutiny members remain aware and abreast of issues that arise during the course of the year, this mechanism is not being routinely applied and has therefore proven to be less than effective. An example of such an issue cited in meetings with two scrutiny chairs was a recent decision in relation to a local community school.	Key decisions are taken without the input of scrutiny. Due process in decision making is not adhered to. Ultimately this will reflect adversely on the council's reputation.	Portfolio members will be advised that issues that arise during the year should be conveyed to the respective scrutiny panel as a matter of course. This requirement will be reinforced within working protocols underlining the working relationship between portfolio and panel members. It is recognised that the working relationship between executive directors and portfolio holders is pivotal to scrutiny being engaged by portfolio holders prior to decisions being taken by Cabinet.	As in 2.2. PST to integrate this into development of a working protocol. Recommendations of review to be presented to the executive director for resources with a view to engagement with CMT. - March 2010

Scrutiny
AUDIT OPINION & ACTION PLAN

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
3.2	**	Concerns were expressed by two scrutiny panel chairs that awareness amongst members of the public of the role of scrutiny was low.	The failure to adequately engage members of the public is inconsistent with good scrutiny practice. The public's ability to input into local decision making is curtailed if they are unaware of the role of scrutiny.	The PST will re-visit its approach to the way it promotes the role of scrutiny using wider council communication resources. For example, consideration will be given to publicising the role more clearly on the council's website. Any efforts to raise awareness will be undertaken in line with the council-wide communications strategy.	PST in consultation with CFI. PST will promote within existing council-wide resources. October 2009
3.3	***	All panel meetings are open to cabinet/portfolio members to attend. However, discussions with members and the PST indicated that attendance is variable.	Absence of portfolio member input increases the risk of scrutiny not being fully aware of impending developments. It also undermines the working relationship between cabinet and scrutiny.	<p>Protocols underpinning the working arrangements between portfolio and panel members will articulate the need for portfolio members to participate in scrutiny panel meetings throughout the year as requested by the panel or agreed between the portfolio holder and scrutiny panel chair.</p> <p>It is recognised that the working relationship between executive directors and portfolio holders is pivotal to the engagement of portfolio holders in scrutiny and the development of a working protocol</p>	As in 2.2. PST to integrate this into development of a working protocol. Liaise with constitutional services to embed this understanding amongst portfolio members. Recommendations of review to be presented to the executive director for resources with a view to engagement with CMT.

Scrutiny
AUDIT OPINION & ACTION PLAN

					March 2010
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Scrutiny
AUDIT OPINION & ACTION PLAN

4. Scrutiny work programmes

AUDIT OPINION

Limited assurance can be given that controls are in place to meet objectives in this area

Good practice includes:

- The cabinet's forward plan is used by scrutiny members as the basis for developing the programme of scrutiny reviews.
- The performance scrutiny team (PST) will initiate the development of annual work programmes by seeking the views and ideas for potential areas for review from executive directors and sending out a scrutiny survey for panel members to complete.
- The PST has recently developed and introduced a scrutiny working group toolkit. This provides guidance and assistance to members of scrutiny work groups.
- Working groups, usually comprising no more than four panel members, are established by panels to undertake specific scrutiny reviews. These groups can include co-opted members to ensure that the working group contains the appropriate level of expertise
- The Health Panel's component within the Scrutiny Annual report (2007/08) clearly sets out issues, findings and recommendations for each review undertaken.

ACTION PLAN

Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
4.1	**	There are inconsistencies across the scrutiny panels as to the level of engagement and involvement of respective cabinet/portfolio members in compiling the work programmes. This is notwithstanding the provision in the constitution that requires executive's priorities for the current year and its performance in the previous year to be reported to the scrutiny and performance panels at the panels' first meetings of the year.	Inadequate engagement by cabinet members in forming the scrutiny work programmes may result in relevant current or impending issues not being highlighted to scrutiny in a timely manner. Scrutiny work may therefore not be as focused as it could be.	Protocols underpinning the working arrangements between portfolio and panel members will incorporate the requirement that portfolio members proactively engage in the formation of work programmes. In addition the scrutiny working group toolkit will be updated to incorporate the input, as required, of portfolio members in informing areas for review.	As in 2.2. PST to integrate this into development of a working protocol. Liaise with constitutional services to embed this understanding amongst portfolio members. Recommendations of review to be presented to the executive director for Resources with a view to engagement with CMT. March 2010

Scrutiny
AUDIT OPINION & ACTION PLAN

ACTION PLAN					
Ref	Priority	Finding	Risk Exposure	Agreed Action	Responsibility & Timescale
4.2	**	Discussions with the performance scrutiny team, two panel chairs and review of one work programme indicated that reviews need to be further embedded to comply with the scrutiny working group toolkit and structured further so that they clearly follow the key steps of sound project management – e.g., pre-agreed timeframes, milestones, reporting deadlines, interim reporting.	Scrutiny reviews may not be conducted in a consistent manner. Reviews may therefore vary in terms of quality, rigour and timeliness.	The toolkit will continue to be developed to ensure that the key steps of sound project management are integrated and then complied with by scrutiny work groups.	PST to review methodologies to ensure that toolkit and project management principles are consistently adhered to. March 2010
4.3	***	Discussions with the PST, scrutiny panel chairs and a review of one work programme confirmed that there is a lack of formal and concerted engagement with members of the public both in shaping the work programme and subsequently in terms of their input into individual scrutiny reviews. The PST maintains that this lack of engagement has been due to inadequate capacity.	Scrutiny reviews may not be as focused as they ought to be and recommendations may be viewed as detached and not fully meeting the needs of service users. The credibility of the scrutiny process will be therefore compromised.	The PST and the panels will ensure that adequate provisions are made during the work programme development phase and the reviews themselves for eliciting the views of members of the public. The PST will investigate with the CFI team how best the prevailing communications mechanism can be effectively and efficiently utilised to harness the views of the public in shaping work programmes.	PST in consultation with CFI. March 2010 September 2009 – review initial work programme setting and then produce ‘lessons learnt’ and future development plan
4.4	*	There are inconsistencies in the way the outcomes of reviews are reported in the Scrutiny Annual Report. Only the Health Panel component clearly articulated the outcomes according to “issues”, “findings” and “recommendations”.	The outcomes and recommendations arising from scrutiny reviews are not clear. It will therefore be difficult the public to adjudge how scrutiny has helped to shape policy across the service areas.	The PST will ensure that the Scrutiny Annual Report sets out the outcome of scrutiny reviews in a consistent manner across all the panels.	PST March 2010
4.5	**	It is unclear how any follow up work to	Recommendations are not	As part of the development of work	PST to highlight

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AUDIT OPINION & ACTION PLAN

		assess progress against scrutiny recommendations are built into the following year's work programmes. For example a review of the Corporate Scrutiny and Children's and Young People's Scrutiny panels' work programmes for 2008/09 did not explicitly set out any provision for follow up work.	actioned in a timely manner. Decisions taken without incorporating scrutiny recommendations are not identified and addressed.	programmes, the PST will advise panel members accordingly to ensure that appropriate provisions are made in the work programme to follow up progress against prior year recommendations at panel level.	with members. March 2010
4.6	***	Discussions with one scrutiny chair suggested that an awareness of risks within corporate and directorate risk registers would enhance the process of identifying and selecting suitable and relevant scrutiny topics. Currently, there is no explicit inclusion of identified risks as set out in these registers in the process for developing work programmes	Panel members are not furnished with complete information about all potential issues facing the council. This will adversely affect the relevance and quality of work programmes.	The PST will work with executive directors to ensure that panel members are made aware of risks within the corporate risk register or directorate risk registers as part of the process for developing the work programmes and then throughout the year in relation to activity being undertaken by scrutiny.	PST September 2009
4.7	***	The scrutiny survey is one of several methods aimed at eliciting the views of panel members on potential areas for review. Discussions with the PST indicated that members were given two and a half weeks to provide responses and the response rate of members was approximately 25%. Moreover, and on a wider note, there is no formal timetable that underpins the development of the work programmes.	The work programmes may not be developed in an effective and efficient manner. Members feel disengaged from the outset and this can only serve to undermine the quality of the scrutiny function throughout the year.	The PST will enhance and formalise existing actions underpinning the development of work programmes so as to set out the key steps to developing them. This will include for example, a specific consultation mechanism with the wider public, a longer period of time to allow panel members to consider ideas for review and engagement of portfolio members.	PST to review and evaluate process used in 2009/10 to inform development of process for 2010/11. March 2010.