

Audit & Standards Committee

17 November 2016

Agenda

The Audit and Standards Committee will meet in **Committee Room 2, Shire Hall, Warwick** on **17 November 2016** at **10.00 a.m.**

1. General

(1) Apologies

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests.

Members are required to register their disclosable pecuniary interests within 28 days of their election of appointment to the Council. A member attending a meeting where a matter arises in which s/he has a disclosable pecuniary interest must (unless s/he has a dispensation):

- Declare the interest if s/he has not already registered it
- Not participate in any discussion or vote
- Must leave the meeting room until the matter has been dealt with.
- Give written notice of any unregistered interest to the Monitoring Officer within 28 days of the meeting

Non-pecuniary interests must still be declared in accordance with the Code of Conduct. These should be declared at the commencement of the meeting.

(3) Minutes of the Audit and Standards Committee meeting held on 8th September 2016 and Matters Arising

REPORTS TO BE CONSIDERED IN PUBLIC

2. External Auditors Annual Audit Letter 2015/16
3. External Auditors Report – Audit & Standards Committee Update
4. Corporate Governance Framework
5. Whistleblowing Policy
6. Work Programme and Future Meeting Dates

To note the work programme and future meeting dates to be held in Shire Hall at 10:00 a.m. as follows:

- Wednesday 1st February 2017
- Thursday 1st June 2017
- Wednesday 6th September 2017

7. Any Other Business
8. Reports Containing Confidential or Exempt Information

To consider passing the following resolution:

‘That members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972’.

EXEMPT ITEMS FOR DISCUSSION IN PRIVATE (PURPLE PAPERS).

9. Consideration of the Exempt Minutes of the Audit and Standards Committee meeting held on 8th September 2016
10. Internal Audit Progress Report

Membership of the Audit and Standards Committee

Councillors: John Beaumont, Bill Gifford, John Horner, Chris Saint, Bob Stevens and June Tandy.

Independent Members: John Bridgeman CBE (Chair) and Bob Meacham OBE

For queries regarding this agenda, please contact:
Ben Patel-Sadler, Democratic Services Officer
Tel: 01926 736 118, e-mail: benpatelsadler@warwickshire.gov.uk

Jim Graham
Chief Executive
Warwickshire County Council
November 2016

The public reports referred to are available on the Warwickshire Web
www.warwickshire.gov.uk/cmis

**Minutes of the meeting of the Audit and Standards Committee
held on 8 September 2016**

Present

Members:

Councillors John Appleton (substituting for Councillor Bob Stevens), John Beaumont, Mike Brain (substituting for Councillor Chris Saint), Bill Gifford and June Tandy

Independent Members:

John Bridgeman CBE (Chair) and Bob Meacham OBE

Officers:

John Betts, Head of Finance

David Carter, Strategic Director, Resources Group

Sarah Duxbury, Head of Law and Governance

Virginia Rennie, Strategic Finance Manager

Garry Rollason, Chief Risk and Assurance Manager

Ben Patel-Sadler, Democratic Services Officer

David Soley, Service Manager, Adult Social Care Practice

Mike Wood, Service Manager, Service Development and Assurance (Adults)

External Representatives:

Helen Lillington, Grant Thornton – Auditors

Grant Patterson, Grant Thornton – Auditors

Andrew Reid, Grant Thornton – Auditors

1. General

(1) Apologies

Apologies were received from Councillors John Horner, Chris Saint and Bob Stevens.

(2) Members' Disclosures of Pecuniary and Non-Pecuniary Interests

Councillor Brain declared a non-pecuniary interest; the nature of the interest being that he was a governor of Quinton School.

Councillor Tandy declared a non-pecuniary interest; the nature of the interest being that she was a member of Nuneaton and Bedworth Borough Council.

(3) Minutes of the meeting of the Audit and Standards Committee held on 23 June 2016

It was agreed that the minutes be signed by the Chair as a true and accurate record.

REPORTS CONSIDERED IN PUBLIC

2. External Auditors Audit Findings Report 2015/16

Grant Patterson, Grant Thornton – Auditors introduced the report and informed the Committee that it summarised all of the External Auditor's audit findings for the year 2015/16.

Members noted that the External Auditors had not had to alter or change their audit approach which had been communicated to the Committee in the Audit Plan dated February 2016.

Grant Patterson informed the Committee that the majority of audit work had now been completed – the External Auditors anticipated that they would be providing an unqualified audit opinion in respect of the financial statements.

Members noted that the External Auditors had not identified any issues in relation to the Council's internal controls – the Council was securing value for money in relation to its overall effectiveness and efficiency.

Andrew Reid, Grant Thornton – Auditors informed the Committee that no significant issues had been identified during the External Audit process.

Members noted that during the testing of receivables, one manual debtor amount had been incorrectly included as 31 March 2016. The value of the debtor incorrectly included was £386k – this figure was below the External Auditors 'trivial' threshold and so it was recommended that adjustments to the accounts were not required.

Members noted that further testing undertaken by the External Auditors had not resulted in any additional issues being identified.

Members noted that it was a requirement for External Auditors to work under the presumption that fraud may have taken place if any accounting irregularities were identified during the audit process (even if it eventually transpired that no fraud had taken place).

The Committee noted that the Council had undertaken a review of its asset registers during the year which had led to the reclassification of some assets between categories.

Members noted that reclassification between community schools land and buildings as at 31 March 2016 had no impact on the total schools valuation or on other elements of the financial statements.

John Betts, Head of Finance informed the Committee that this was a positive report which was the result of a great deal of hard work from finance staff and was helped by the positive working relationship between the Council and the External Auditors. In relation to the External Auditors' Value for Money conclusion, the Committee noted that they would be providing an unqualified opinion. Members noted that the External Auditors were satisfied across all areas in relation to the significant risks outlined in the appendix to the report and the actions the Council was proposing to mitigate these risks.

Members noted that the final opinion could not be officially given until it had been approved by full Council – this would take place in September 2016.

One significant risk identified by the External Auditors related to working with partners and other third parties. However, members noted that the External Auditors had determined that the Council was undertaking a reasonable approach and had processes in place to manage partnership working effectively.

The Committee noted that adequate arrangements were in place with regards to the management of the Better Care Fund.

The External Auditors informed the Committee that an objection to the accounts had been received by a member of the public. The objection would be considered

and appropriate action would be taken, if deemed appropriate. Members noted that this objection would not have a material impact on the final financial statements. Members discussed how future objections could be dealt with in a way which would not delay the final External Audit opinion being given. The External Auditors were duty-bound to investigate any objections, with appropriate decisions then being taken as to how to best deal with them.

The Committee noted that the final External Audit fee had not changed – the fees for other services provided to the Council were also outlined in the appendix to the report.

Members noted that there had been no significant changes to the letter of representation.

Resolved:

The Audit and Standards Committee agreed to endorse the Annual Governance Report of the External Auditors and approve the wording of the Letter of Representation.

3. Statement of Accounts 2015-16

John Betts, Head of Finance introduced the report and informed the Committee that the presentation of the Statement Accounts had been amended slightly in an attempt to make them as readable as possible.

Members noted that some cash had been transferred to the Council's reserves due to underspends in some service areas. However, due to a cut in the government grant and the increased financial pressures on Council services, officers had earmarked reserves in order to maintain services going forwards. John Betts informed the Committee that it was likely that the levels of useable reserves would decrease in future years due to service demands and a decrease in government grants.

Virginia Rennie, Strategic Finance Manager informed the Committee that one of the three largest outstanding capital commitments related to Kenilworth station. Although this was shown in the accounts as a Council financial commitment, the project was being jointly funded with the Department for Transport – therefore the actual financial commitment from the Council was less than that shown in the Statement of Accounts.

Members noted that there had been an increase in the overall number of Council staff earning over £50,000.

The Committee expressed a view that the Statement of Accounts were well presented and were easy to follow and understand. Members wished to place on record their thanks to John Betts, Virginia Rennie and their respective colleagues who had worked to ensure that the Statements of Accounts were complete.

Members noted that the Statement of Accounts would be submitted to the September 2016 meeting of Council for approval.

Resolved:

The Audit and Standards Committee agreed to recommend the 2015/16 Statement of Accounts to Council for approval.

4. Annual Governance Statement 2015/16

Sarah Duxbury, Head of Law and Governance introduced the report and informed members that this was the second occasion where the Audit and Standards Committee had considered the detail of the Annual Governance Statement. The Committee expressed a view that it was pleased that the whistleblowing policy featured in the 2015/16 document. Members also discussed the issue of Brexit and whether or not this should be included in the document. Sarah Duxbury confirmed that the statement was effectively looking backwards over the 2015/16 year and this issue would be considered when the new statement was prepared. The External Auditors informed the Committee that the topics to be covered in the AGS were outlined in guidance issued by Cipfa and Warwickshire's statement was consistent with that guidance. The External Auditors were also satisfied that the document was consistent with their understanding of the organisation and noted that the updated statement included a comment on limited opinion audit reports. Sarah Duxbury informed the Committee that it was important for the Council to ensure that the general public could access information they required quickly and easily – including the Annual Governance Statement. Members noted that they had a role to play as elected representatives to ensure that their electorate were provided with any requested information in the easiest and quickest way possible. The Council had to make significant financial savings and for this reason, the most efficient and effective way of communicating with the public was to make information available digitally.

Resolved:

The Audit and Standards Committee agreed to endorse the Annual Governance Statement for 2015/16 prior to submission to Cabinet and Council.

5. Statement of Accounts 2015/16 - Pension Fund

Helen Lillington, Grant Thornton – Auditors introduced the report and informed the Committee that the External Auditors were required to issue a separate opinion on the Pension Fund Accounts – the External Auditors proposed to offer an unqualified opinion on the 2015/16 Pension Fund Statement of Accounts.

Members noted that the investments made in relation to Pension Funds could be complex. The External Auditors had identified issues which were not material in relation to the valuations placed on investments associated with the management of the Pension Fund (this was due to slightly different estimation techniques being adopted).

The Committee was assured by Helen Lillington that the issues highlighted by the External Auditors did not result in any material changes needing to be made to the accounts.

Some issues arising from the External Audit included:

- Three late journals that had been posted to amend an investment classification - these had not been formally approved in line with the Fund's normal procedures. However, the External Auditors had gained sufficient assurance that these journals were an appropriate year end adjustment.

- The fund manager confirmation from SL Capital was £0.9 million higher than the value recorded by the custodian and therefore, included in the accounts. The difference related to unrealised gains not recorded by the custodian.
- Testing of level 2 investments had identified that two cash balances had been included in the analysis which should not have been included. The value of the items was £3.8 million and officers had agreed to amend for this.

The External Auditors informed the Committee that they were satisfied that the correct procedures were in place in relation to the management and operation of the Pension Fund.

The Committee noted that the cessation payment of £2.7 million which was due to the Fund in respect of pension liabilities owed by one employer was likely to be paid at a future date. Members noted that the Letter of Representation would be amended to reflect this.

Members noted that some internal audit work had been completed in relation to the processes involved in the operation of the Pension Fund, but this had been undertaken around two years ago. Officers would be determining when it would be appropriate for internal audit to complete further work in relation to the Pension Fund.

The Committee noted the unadjusted misstatements identified by the External Auditors and approved management's proposed treatment of all items recorded in the appendix to the report.

The Committee was advised by the External Auditors that there was scope to improve the way in which the accounts were presented in future years.

The Committee expressed a view that it would be helpful if a clearer explanation was included in future Pension Fund statement of accounts in terms of the liabilities of the fund and the how current investments were likely to address any deficits.

John Betts, Head of Finance informed members that the Council's Pension Fund Investment Sub-Committee undertook a great deal of work in relation to the liabilities and deficits of the Pension Fund – the Sub-Committee also received regular updates with regards to current investments and their potential returns.

Members noted that employee contributions to the Pension Fund would help to cover any deficits caused by underperforming investments. The Committee noted that the entering of the Pension Fund into the Border to Coast Pool would help to reduce future fund management fees.

The External Auditors informed the Committee that current investments in relation to the Pension Fund were healthy.

In relation to the Pension Fund accounts themselves, John Betts informed the Committee that the final accounts would be approved by Council. Any comments made by members of the Audit and Standards Committee in relation to the Pension Fund could be shared with the Local Pension Board. Members noted that the Audit and Standards Committee were charged with the governance of these financial statements.

The Committee expressed a view that this was a well written report and thanked all of the officers who had been involved in the production of the Pension Fund Statement of Accounts.

Resolved:

The Audit and Standards Committee agreed to:

- 1.) Recommend the Pension Fund Statement of Accounts to Council for approval and;
- 2.) Endorse the Annual Governance Report of the External Auditors for the Warwickshire Pension Fund and;
- 3.) Approve the final wording of the Letter of Representation.

6. External Auditors Progress and Update Report

Andrew Reid, Grant Thornton – Auditors introduced the report and informed the Committee that the 2015/16 audit was substantially complete.

Items included within the update report in relation to items for the Committee to consider going forwards were Brexit, the building of successful joint venture companies, the financial sustainability of local authorities and the changing face of corporate reporting. John Betts, Head of Finance assured the Committee that officers were considering all of these emerging areas as part of their day to day work.

Resolved:

The Audit and Standards Committee agreed to note the External Auditors Progress and Update Report.

7. Appointment of External Auditors

Virginia Rennie, Strategic Finance Manager introduced the report and informed the Committee that the Council was required to take a decision in December 2017 on who would be their next external auditors.

Members were presented with three options for the Committee to consider which were outlined in the report.

Discussions took place around the three options presented, with the Committee expressing a view that its preferred option was to opt in to a sector-led body. The sector-led body would have the ability to tender for contracts with the accountancy firms nationally, maximising the opportunities for the most economic and efficient approach to the procurement of external audit on behalf of the whole sector.

Resolved:

The Audit and Standards Committee agreed to recommend to Council that Warwickshire County Council opt-in to the approved sector-led body for the appointment of the authority's external auditors from April 2018.

8. Adult Social Care Update

The Committee considered the update report which was provided by David Soley, Service Manager, Adult Social Care Practice and Mike Wood, Service Manager, Service Development and Assurance (Adults).

Members noted that the March 2014 Supreme Court ruling had lowered the threshold as to the circumstances which constituted a deprivation of liberties and as a consequence led to a substantial increase in the number of Deprivation of Liberty Safeguard (DoLS) applications received by Councils, including Warwickshire.

The Committee was assured that despite the increase in demand for referrals into the DoLS service for assessment and authorisation of a deprivation in a care home or hospital, a process was in place to review and prioritise applications and a budget had been implemented to support this area of business.

In relation to the MOSAIC system, the Committee noted that the system would help to effectively manage records – around 16 other local authorities were currently using the MOSAIC system.

Members noted that in relation to Case File Audits, the process was facilitated via a mix of peer-to-peer and supervisory audit – the process was an internal one. Any learning points identified were entered into the MOSAIC system so that improvements could be made to the service.

The Committee thanked David Soley and Mike Wood for the Adult Social Care Update.

Resolved:

The Audit and Standards Committee noted the Adult Social Care Update.

9. Work Programme and Future Meeting Dates

The Audit and Standards Committee noted the Work Programme and future meeting dates.

10. Any Other Business

None

11. Reports Containing Confidential or Exempt Information

It was resolved that members of the public be excluded from the meeting for the items mentioned below on the grounds that their presence would involve the disclosure of exempt information as defined in paragraph 3 of Schedule 12A of Part 1 of the Local Government Act 1972.

EXEMPT ITEMS FOR DISCUSSION IN PRIVATE (PURPLE PAPERS)

12. Consideration of the Exempt Minutes of the Audit and Standards Committee meeting held on 23 June 2016

The Exempt Minutes of the previous meeting were approved.

13. Internal Audit Progress Report

The Committee rose at 13.00 pm.

.....
Chair

Audit and Standards Committee

17 November 2016

External Auditors Annual Audit Letter 2015/16

Recommendation

The Committee is asked to consider the Annual Audit Letter of the External Auditors, attached at Appendix A, including whether any executive action is required.

1. Purpose of the Report

- 1.1. The Audit Commission's Code of Audit Practice requires auditors to prepare an annual audit letter and issue it to each audited body.
- 1.2. The purpose of preparing and issuing annual audit letters is to communicate to the audited body and key external stakeholders, including members of the public, the key issues arising from auditors' work, which auditors consider should be brought to the attention of the audited body. The annual audit letter covers the work carried out by auditors since the previous annual audit letter was issued.
- 1.3. This letter, for 2015/16, is attached at **Appendix A**. It summarises all of the work completed as part of the 2015/16 annual audit and reported to this Committee in previous reports and provides a brief update on any issues since the last report to the Committee in September.
- 1.4. The Engagement Lead and the Audit Manager will attend the meeting to present the report.

2. Background Papers

- 2.1. None.

	Name	Contact Information
Report Author	Virginia Rennie	vrennie@warwickshire.gov.uk Tel: 01926 41 (2239)
Head of Service	John Betts	johnbetts@warwickshire.gov.uk
Strategic Director	David Carter	davidcarter@warwickshire.gov.uk
Portfolio Holder	Alan Cockburn	alancockburn@warwickshire.gov.uk

Local Members consulted

Not applicable

Other Members consulted

None

The Annual Audit Letter for Warwickshire County Council

DRAFT

This version of the report is a draft. Its contents and subject matter remain under review and its contents may change and be expanded as part of the finalisation of the report.

Year ended 31 March 2016

October 2016

Grant Patterson

Director

T 0121 232 5296

E grant.b.patterson@uk.gt.com

Andrew Reid

Senior Manager

T 0121 232 5289

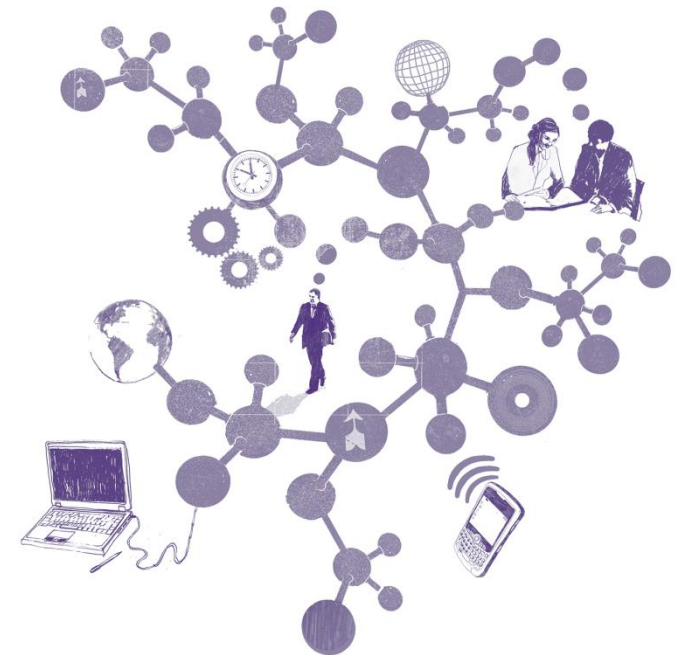
E andrew.s.reid@uk.gt.com

Helen Lillington

Manager

T +44 (0)121 232 5312

E helen.m.lillington@uk.gt.com



Contents

Section	Page
1. Executive summary	3
2. Audit of the accounts	5
3. Value for Money conclusion	9
4. Working with the Council	12
Appendices	
A Reports issued and fees	

Executive summary

Purpose of this letter

Our Annual Audit Letter (Letter) summarises the key findings arising from the work that we have carried out at Warwickshire County Council (the Council) for the year ended 31 March 2016.

This Letter is intended to provide a commentary on the results of our work to the Council and its external stakeholders, and to highlight issues that we wish to draw to the attention of the public. In preparing this letter, we have followed the National Audit Office (NAO)'s Code of Audit Practice (the Code) and Auditor Guidance Note (AGN) 07 – 'Auditor Reporting'.

We reported the detailed findings from our audit work to the Council's Audit and Standards Committee as those charged with governance in our Audit Findings Report on 8 September 2016.

Our responsibilities

We have carried out our audit in accordance with the NAO's Code of Audit Practice, which reflects the requirements of the Local Audit and Accountability Act 2014 (the Act). Our key responsibilities are to:

- give an opinion on the Council's financial statements (section two)
- assess the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources (the value for money conclusion) (section three).

In our audit of the Council's financial statements, we comply with International Standards on Auditing (UK and Ireland) (ISAs) and other guidance issued by the NAO.

Our work

Financial statements opinion

We gave unqualified opinions on the Council's financial statements, which include the Pension Fund financial statements, on 23 September 2016. We issued our report confirming the pension fund financial statements were consistent with those in the Pension Fund Annual Report on 6 October 2016.

Value for Money Conclusion

We were satisfied that the Council put in place proper arrangements to ensure economy, efficiency and effectiveness in its use of resources during the year ended 31 March 2016. We reflected this in our audit opinion on 23 September 2016.

Whole of Government Accounts

We completed work on the Council's consolidation return following guidance issued by the NAO and issued an unqualified report on 13 October 2016.

Other Statutory Powers

We have not identified any issues that have required us to apply our statutory powers and duties under the Act in 2015/16.

Certificate

We are currently unable to certify that we have completed the audit of the accounts of Warwickshire County Council as we have not yet completed the work in respect of objections received.

Other work completed

During 2015/16 we have continued to support the Council in a number of other areas, including certification of the Teachers Pension return and provision of our CFO Insights service.

Working with the Council

During 2015/16 we have worked with the Council in a number of areas:

An efficient audit – in partnership with the Council's finance team the bulk of our audit work was completed by the end of July 2016 as the Council moves towards the earlier closedown requirements for 2017/18. We will look to make further progress in 2016/17 and work with the Audit and Standards Committee to look at opportunities for bringing forward the date of reporting our audit findings.

Understanding your operational health – through the value for money conclusion we provided you with assurance on your operational effectiveness. We are aware that the final confirmation of the Council's settlement announced in the 2015 autumn statement has required the Council to identify around a further £67 million worth of savings over the next 3 years. In September 2016 the Council began a consultation on possible options which it aims to conclude in February 2017. The Council has a track record of sound financial management and working together to identify the best solutions for the people of Warwickshire, even where this means difficult decisions need to be made. However, you have recognised that the scale of reductions now needed will require you to look for further innovative solutions and that the shape and size of the Council and service provision could look significantly different by 2020. We will continue to independently review and report upon the Council's arrangements and progress in this period and provide both support and challenge where required.

Sharing our insight – through regular updates to officers and the Audit and Standards Committee. For 2016/17 one of the key areas we will provide support on is the new accounting requirements for Highways Network Assets.

Supporting development – sharing publications on areas such as Building a Successful Joint Venture

Providing information – with access to CFO insights, our online analysis tool providing you with access to insight on the financial performance, socio-economy context and service outcomes of councils across the country.

Further details are set out on page 12

We would like to record our appreciation for the assistance and co-operation provided to us during our audit by the Council's staff.

Grant Thornton UK LLP
October 2016

Audit of the accounts

Our audit approach

Materiality

In our audit of the Council's accounts, we use the concept of materiality to determine the nature, timing and extent of our work, and in evaluating the results of our work. We define materiality as the size of the misstatement in the financial statements that would lead a reasonably knowledgeable person to change or influence their economic decisions.

We determined materiality for our audit of the Council accounts to be £13,907,000, which is 1.8% of the Council's gross revenue expenditure. We used this benchmark, as in our view, users of the Council's accounts are most interested in how it has spent the income it has raised from taxation and grants during the year.

We also set a lower level of specific materiality for certain areas such as cash, senior officer remuneration and external audit fees.

We set a lower threshold of £695,000, above which we reported errors to the Audit and Standards Committee in our Audit Findings Report.

Pension Fund

For the audit of the Warwickshire Pension Fund accounts, we determined materiality to be £16,381,000, which is 1% of the Fund's net assets. We used this benchmark, as in our view, users of the Pension Fund accounts are most interested in the value of assets available to fund pension benefits.

We set a lower level of specific materiality for certain areas such as management expenses and related party transactions. We set a threshold of £818,000 above which we reported errors to the Audit and Standards Committee.

The scope of our audit

Our audit involves obtaining enough evidence about the amounts and disclosures in the financial statements to give reasonable assurance that they are free from material misstatement, whether caused by fraud or error.

This includes assessing whether:

- the Council's accounting policies are appropriate, have been consistently applied and adequately disclosed;
- significant accounting estimates made by management are reasonable; and
- the overall presentation of the financial statements gives a true and fair view.

We also read the narrative report and annual governance statement to check they are consistent with our understanding of the Council and with the accounts on which we give our opinion.

We carry out our audit in line with ISAs (UK and Ireland) and the NAO Code of Audit Practice. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our audit approach was based on a thorough understanding of the Council's business and is risk based.

We identified key risks and set out overleaf the work we performed in response to these risks and the results of this work.

Audit of the accounts – Warwickshire County Council

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work.

Risks identified in our audit plan	How we responded to the risk
<p>Valuation of surplus assets and investment property and fair value disclosures under IFRS 13</p> <p>The Council changed the basis on which it valued surplus assets and investment property in 2015/16 because of the introduction of a new international financial reporting standard (IFRS 13). Investment properties represent 2.5% of the Council total assets and their value is estimated by property valuation experts.</p> <p>The Council also needed to make changes to the disclosures for items valued at fair value under the new financial reporting standard.</p>	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> • Reviewed whether the experts used by the Council were sufficiently knowledgeable and independent for us to rely on their work • Reviewed the Council's instructions to its valuer and the information on the assets it gave to them • Reviewed the valuer's report to understand the valuation method used and any key assumptions.. • Tested revaluations made during the year to ensure they were input correctly into the Council's asset register • Reviewed the disclosures made by the Council in its accounts to ensure they met the requirements of IFRS13 and of the CIPFA Code of Practice. <p>We did not identify any material issues to report in relation to this risk.</p>
<p>Valuation of property plant and equipment</p> <p>The Council's property, plant and equipment, including its housing stock, represents 81% of its total assets. Their value is estimated by property valuation experts.</p> <p>The Council revalues these assets on a rolling basis.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> • Reviewed whether the experts used by the Council were sufficiently knowledgeable and independent for us to rely on their work • Reviewed the Council's instructions to its valuer and the information on the assets it gave to them • Reviewed the valuer's report to understand the valuation method used and any key assumptions. • Discussed with management the key assumptions they made about the basis of valuation, including asset lives, to ensure these were appropriate. • Checked that the valuation had been correctly reflected in the Council's asset register. <p>We did not identify any material issues to report in relation to this risk.</p>
<p>Valuation of pension fund net liability</p> <p>The Council's pension fund asset and liability, as reflected in its balance sheet, represents a significant estimate in the accounts and comprises 58% of its total liabilities.</p> <p>The values of the pension fund net liability is estimated by specialist actuaries.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> • Documented and walked through the key controls put in place by the Council to ensure they were designed as expected. • Reviewed whether the experts used by the Council were sufficiently knowledgeable and independent for us to rely on their work • Reviewed the Council instructions to its actuary and tested the information on staff and pensioners it gave them to calculate the pension fund liability. • Reviewed the key assumptions made by the actuary using the work of an actuarial expert and tested whether any assumptions specific to the Council were appropriate. • Checked that the Council had correctly made entries in its accounts following the report from the actuary. <p>We did not identify any material issues to report in relation to this risk.</p>

Audit of the accounts – Pension Fund

These are the risks which had the greatest impact on our overall strategy and where we focused more of our work on the audit of the pension fund.

Risks identified in our audit plan	How we responded to the risk
<p>Valuation of level 3 investments Level 3 investments are those where there is no existing market and the valuation depends on matters that are more subjective. These represent 9% of the value of the Pension Fund's total investments and their value is estimated by specialist valuers.</p>	<p>As part of our audit work we:</p> <ul style="list-style-type: none"> • Documented the controls in place to ensure that transactions were correctly recorded. • Tested a sample of investments to fund manager reports and gained an understanding of the method used by the fund manager to value these investments. • Reviewed whether the experts used by the Council were sufficiently knowledgeable and independent for us to rely on their work <p>We did not identify any material issues to report in relation to this risk.</p>
<p>Disinvestment from assets managed by Blackrock Investment Management. The pension fund is in the process of moving all the assets it currently holds with Blackrock to Legal and General Investment Management (LGIM), as part of a pooling of passive mandates with other local government pension funds. LGIM already acts as a fund manager for the pension fund. The value of the holding with Blackrock represented 17% of the fund's net assets as at 31 March 2015 and as such we consider this disinvestment to represent a significant non-routine transaction.</p>	<p>As part of our audit work we have:</p> <ul style="list-style-type: none"> • Gained an understanding of the transaction including a review of supporting documentation • Reviewed the reconciliation of information provided by the fund managers, the custodian and the pension fund's own records and sought explanations for variances • Reviewed the accounting entries in the financial statements to ensure that they are consistent with our understanding of the supporting documentation and with the requirements of the CIPFA Code of Practice. <p>We did not identify any material issues to report in relation to this risk.</p>

Audit of the accounts

Audit opinion

We gave an unqualified opinion on the Council's accounts, including the pension fund financial statements, on 23 September 2016, in advance of the 30 September 2016 national deadline.

The Council made the accounts available for audit in line with the agreed timetable, and provided a good set of working papers to support them. The finance team responded promptly and efficiently to our queries during the course of the audit.

In preparation for the earlier sign off deadline of 31 July which will apply for the sign off of your 2017/18 accounts, we sought to complete most of our audit work and issue our draft Audit Findings Report by the end of July 2016. We are pleased to report that, by working closely with the Council's finance staff throughout the year, we were able to achieve this.

Issues arising from the audit of the accounts

We reported the key issues from our audit of the accounts of the Council to the Audit and Standards Committee on 8 September 2016. We identified no adjustments affecting the Council's reported financial position as a result of the audit process and agreed a number of presentational amendments to the draft accounts which were actioned by the Council.

Pension fund accounts

We also reported the key issues from our audit of accounts of the Pension Fund hosted by the Council to the Audit and Standards Committee on 8 September 2016. In addition to the key audit risks reported above, we made a number of recommendations for future action in relation to review of the format and content of the accounts in line with CIPFA guidance, assurance from Internal Audit on the activities of the Pension Fund and validation and challenge on information provided by experts used external experts when producing the financial statements.

Annual Governance Statement and Narrative Report

We are also required to review the Council's Annual Governance Statement and Narrative Report. It published them on its website with the draft accounts in line with the national deadlines.

Both documents were prepared in line with the relevant guidance and were consistent with the supporting evidence provided by the Council and with our knowledge of the Council.

Whole of Government Accounts (WGA)

We carried out work on the Council's consolidation schedule in line with instructions provided by the NAO. We issued a group assurance certificate which did not identify any issues for the group auditor to consider on 13 October 2016.

Pension Fund Annual Report

We carried out work in order that we could state to you that the pension fund financial statements in the pension fund annual report were consistent with the pension fund financial statements in the Council's Statement of Accounts in accordance with International Standard on Auditing 810, Engagements to Report on Summary Financial Statements. We issued our unqualified opinion on 6 October 2016.

Other statutory duties

We also have additional powers and duties under the Act, including powers to issue a public interest report, make written recommendations, apply to the Court for a declaration that an item of account is contrary to law, and to give electors the opportunity to raise questions about the Council's accounts and to raise objections received in relation to the accounts.

At the time of issue of this letter we were considering our response to objections received in relation to the 2015/16 financial statements, but had not yet determined whether any exercise of formal statutory duties would be necessary.

Value for Money conclusion

Background

We carried out our review in accordance with the NAO Code of Audit Practice (the Code), following the guidance issued by the NAO in November 2015 which specified the criterion for auditors to evaluate:

In all significant respects, the audited body takes properly informed decisions and deploys resources to achieve planned and sustainable outcomes for taxpayers and local people.

Key findings

Our first step in carrying out our work was to perform a risk assessment and identify the key risks where we concentrated our work. The key risks we identified and the work we performed are set out on pages 10 and 11.

Overall VfM conclusion

We are satisfied that in all significant respects the Council put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources for the year ending 31 March 2016.

Value for Money

Risk identified	Work carried out	Findings and conclusions
<p>Sustainable resource deployment</p> <p>The Council has a "One Organisation plan 2014-2018" in place which identified the need to make significant savings (£92m). Our assessment in 2014/15 was that it was on track to deliver. However, the spending review announcement in December 2015 has led to further reductions in funding which has led the Council to identify the need to revisit this plan and reassess levels of savings required for 2016/17 and beyond.</p>	<p>Discuss key strategic challenges and the Council's proposed response</p> <p>Review of reports to members on:</p> <ul style="list-style-type: none"> the outturn position for 2015/16 and the budget plans for 2016/17 and 2017/18 the Council's progress in updating its medium term financial strategy . 	<p>The Council underspent against controllable budgets by £1.831m in 2015/16 and as at the end of 2015/16 remained on track to deliver the required savings as set out in the "One Organisational Plan 2014-18".</p> <p>In response to the December 2015 spending review the Council has launched a new 3 year "One Organisational Plan 2017-2020" aimed at identifying further savings by 2020 to enable continued delivery of a balanced financial position. A further update on progress was presented to the Council in September 2016 and consultation started on identifying an additional £67m of savings required by 2020.</p> <p>The Council approved a 2016/17 budget in February 2016 which includes:</p> <ul style="list-style-type: none"> Savings requirements of £16.062m in 2016/17 and £20.236m in 2017/18 Use of reserves and contingencies in 2016/17 of £21.546m.
<p>Working with partners and other third parties</p> <p>The West Midland Combined Authority (WMCA) has been set up within the region in order to help rebalance the West Midlands economy, closing the £16bn output gap and leading the Midlands Engine. In order to do this the WMCA needs to work together across geographic boundaries and sectors.</p> <p>In May 2016 the Council have taken the decision to join WMCA as a non-constituent member with a view to negotiating the basis of an acceptable deal on which Warwickshire could become a constituent member.</p>	<p>Discussion with officers and review of reports to members to assess progress made in development its membership of the West Midland Combined Authority and the extent to which it has been able to assess that this will support delivery of its strategic priorities.</p>	<p>WMCA was formally established as a new Authority on 17 June 2016. It has established a Leaders Board, which includes representation from Warwickshire County Council, and held its first AGM on 29 June 2016.</p> <p>The Leader of Warwickshire County Council is the Finance & Property Portfolio holder for the WMCA.</p> <p>The Council has started discussions on the terms of an agreement which could allow it become a constituent member and the role that it would play in the next phase of devolution negotiations.</p>

Value for Money

Risk identified	Work carried out	Findings and conclusions
<p>Working with partners and other third parties</p> <p>In March 2016, NHS England announced plans for area-based Sustainability and Transformation Plans (STPs) aimed at driving improvements in health and care outcomes between 2016 and 2021. One of the areas announced for these plans covers Coventry and Warwickshire.</p> <p>The Council will need to engage with other health and local government bodies within the Coventry and Warwickshire STP area to ensure robust plans are developed and delivered.</p>	<p>Discussion with officers and review of reports to members to assess progress on:</p> <ul style="list-style-type: none"> development and delivery of Sustainability and Transformation Plans for Coventry and Warwickshire <p>Discussion with officers and review of reports to members to assess progress on:</p> <ul style="list-style-type: none"> Implementation of the Better Care Fund 	<p>The Council's Interim Strategic Director, People Group is a member of the Sustainability and Transformation Board of the Coventry and Warwickshire STP, which has been formally meeting on a fortnightly basis since April 2016 and is also attended on a regular basis by the Council's Chief Executive. There is also a Programme Board which is attended by the Director of Public Health and the Head of Strategic Commissioning.</p> <p>The Coventry and Warwickshire Health and Well Being Boards agreed a joint concordat in June 2016 setting out how they will work together on common goals for the population.</p> <p>The STP have set out formal ambitions and plans in a June 2016 submission to NHS England, in line with the national timescales. These plans address all required areas set out in the national framework for STPs. Along with other areas nationally there is further work to be done during the autumn on the delivery plans.</p> <p>The Council has clear plans in place for the Better Care Fund:</p> <ul style="list-style-type: none"> total annual spend covered by agreed schemes - £36.1m Warwickshire County Council agreed contribution - £3.7m. <p>Detailed specifications have been agreed for all schemes included within the fund, setting out the purpose, aims, spending plans, commissioning and contracting arrangements for each scheme. Actual spend by scheme is monitored throughout the year.</p> <p>The Council has reviewed governance arrangements around the Better Care Fund and has taken action in 2015/16 to strengthen the support to the Health and Well Being Board through the establishment of a HWB Executive Team which includes chief officer representation from health and social care bodies across Warwickshire and allows strategic oversight of both the BCF and the STP.</p> <p>The Health and Well Being Board has agreed a range of metrics to monitor performance on health outcomes, including:</p> <ul style="list-style-type: none"> Non elective admissions Delayed transfers of care Residential admissions Reablement Carer reported quality of life Management of long term conditions. <p>Whilst targets set for 2015/16 in 4 of these 6 areas were not met, their use provides a clear focus on the outcomes which the Health and Well Being Board is seeking to achieve through the work of the Better Care Fund.</p>

Working with the Council

Our work with you in 2015/16

We are really pleased to have worked with you over the past year. We have established a positive and constructive relationship. Together we have delivered some great outcomes.

An efficient audit – we worked with you to complete the bulk of our 2015/16 audit work and issue our draft Audit Findings Report by the end of July 2016. Our audit team are knowledgeable and experienced in your financial accounts and systems. Our relationship with your team provides you with a financial statements audit that continues to finish ahead of schedule releasing your finance team for other important work.

Understanding your operational health – through the value for money conclusion we provided you with assurance on your operational effectiveness. We highlighted key risks in relation to the final challenges faced by the Council and effectiveness of partnership working, and discussed our assessment on these risks with your officers and the Audit and Standards Committee.

Sharing our insight – we provided regular updates to your officers and Audit and Standards Committee covering best practice. Areas we covered included Innovation in public financial management, Knowing the Ropes – Audit Committee Effectiveness Review, Making devolution work, and Reforging local government. We have also shared with you our insights on advanced closure of local authority accounts, in our publication "Transforming the financial reporting of local authority accounts" and will continue to provide you with our insights as you bring forward your production of your year-end accounts.

Supporting development – We have shared with you our publication on Building a Successful Joint Venture and are able to continue to support you as you consider greater use of alternative delivery models for your services.

Providing information – We provided you with access to CFO insights, our online analysis tool providing you with access to insight on the financial performance, socio-economy context and service outcomes of councils across the country.

Working with you in 2016/17 - Highways Network Asset

The Code of Practice on Local Authority Accounting (the Code) requires authorities to account for Highways Network Asset (HNA) at depreciated replacement cost (DRC) from 1 April 2016. The Code sets out the key principles but also requires compliance with the requirements of the recently published Code of Practice on the Highways Network Asset (the HNA Code), which defines the assets or components that will comprise the HNA. This includes roads, footways, structures such as bridges, street lighting, street furniture and associated land. These assets should always have been recognised within Infrastructure Assets.

The Code includes transitional arrangements for the change in asset classification and the basis of measurement from depreciated historic cost (DHC) to DRC under which these assets will be separated from other infrastructure assets, which will continue to be measured at DHC.

This is expected to have a significant impact on the Council's 2016/17 accounts, both in values and levels of disclosure, and may require considerable work to establish the opening inventory and condition of the HNA as at 1 April 2016.

Working with the Council continued

Under the current basis of accounting values will only have been recorded against individual assets or components acquired after the inception of capital accounting for infrastructure assets by local authorities. Authorities may therefore have to develop new accounting records to support the change in classification and valuation of the HNA.

The nature of these changes means that Finance officers will need to work closely with colleagues in the highways department and potentially also to engage other specialists to support this work.

Some of the calculations are likely to be complex and will involve the use of external models, a combination of national and locally generated rates and a number of significant estimates and assumptions.

We have been working with the Council on the accounting, financial reporting and audit assurance implications arising from these changes. We have issued two Client Briefings which we have shared with your finance officers. We will issue further briefings during the coming year to update the Council on key developments and emerging issues.

This significant accounting development is likely to be a significant risk for our 2016/17 audit, so we have already had some preliminary discussions with the Council to assess the progress it is making in this respect.

We have agreed that we will undertake early work with you in 2016/17 to review your progress and arrangements for dealing with the accounting for the HNA in your financial statements and provide early audit feedback.

We will continue to liaise closely with the senior finance team during 2016/17 on this important accounting development, with timely feedback on any emerging issues.

The audit risks associated with this new development and the work we plan to carry out to address them will be reflected in our 2016/17 audit plan.

We will also continue to work with you and support you over the next financial year. Locally our focus will be on:

- An efficient audit – continuing to deliver an efficient audit
- Understanding your operational health – we will focus our value for money conclusion work on your continued implementation of savings, and development of partnership arrangements.

Appendix A: Reports issued and fees

We confirm below our final fees charged for the audit and provision of non-audit services.

Fees

	2015/16 Planned fees £	2015/16 Actual fees £	2014/15 Actual fees £
Statutory audit of Council	94,539	94,539	126,052
Statutory audit of Pension Fund	23,892	23,892	23,892
Agreed fee variation - Pension Fund	1,328	1,328	1,328
Total fees (excluding VAT)	119,759	119,759	151,272

Fees for other services

Service	Fees £
Audit related services:	
• Certification of Teachers' Pension return	4,200
Non-audit services	
• CFO insights	30,000 (payment covers 3 year contract @ £10,000 per year)

Reports issued

Report	Date issued
Audit Plan – County Council	February 2016
Audit Plan – Pension Fund	February 2016
Audit Findings Report – County Council	August 2016
Audit Findings Report – Pension Fund	August 2016
Annual Audit Letter	October 2016



© 2016 Grant Thornton UKLLP. All rights served.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UKLLP is a member firm of Grant Thornton International LTD (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL, and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

grant-thornton.co.uk

Audit and Standards Committee

17 November 2016

External Auditors Progress and Update Report

Recommendation

The Audit and Standards Committee is asked to consider and make any comments on the attached External Auditors Progress and Update Report.

1. Purpose of the Report

- 1.1. The purpose of this report is for our external auditors to provide a report to inform the Council's Audit and Standards Committee of their progress in delivering our responsibilities as our external auditors. The report also includes a summary of emerging national issues and developments which the Committee may wish to consider.

2. Background Papers

- 2.1. None

	Name	Contact Information
Report Author	Virginia Rennie	vrennie@warwickshire.gov.uk Tel: 01926 41 (2239)
Head of Service	John Betts	johnbetts@warwickshire.gov.uk
Strategic Director	David Carter	davidcarter@warwickshire.gov.uk
Portfolio Holder	Alan Cockburn	alancockburn@warwickshire.gov.uk

Local Members consulted

Not applicable

Other Members consulted

None

Audit Committee
Warwickshire County Council
Progress Report and Update
Year ended 31 March 2016

November 2016

Grant Patterson

Engagement Lead

T 0121 232 5296

E grant.b.patterson@uk.gt.com

Andrew Reid

Senior Manager

T 0121 232 5289

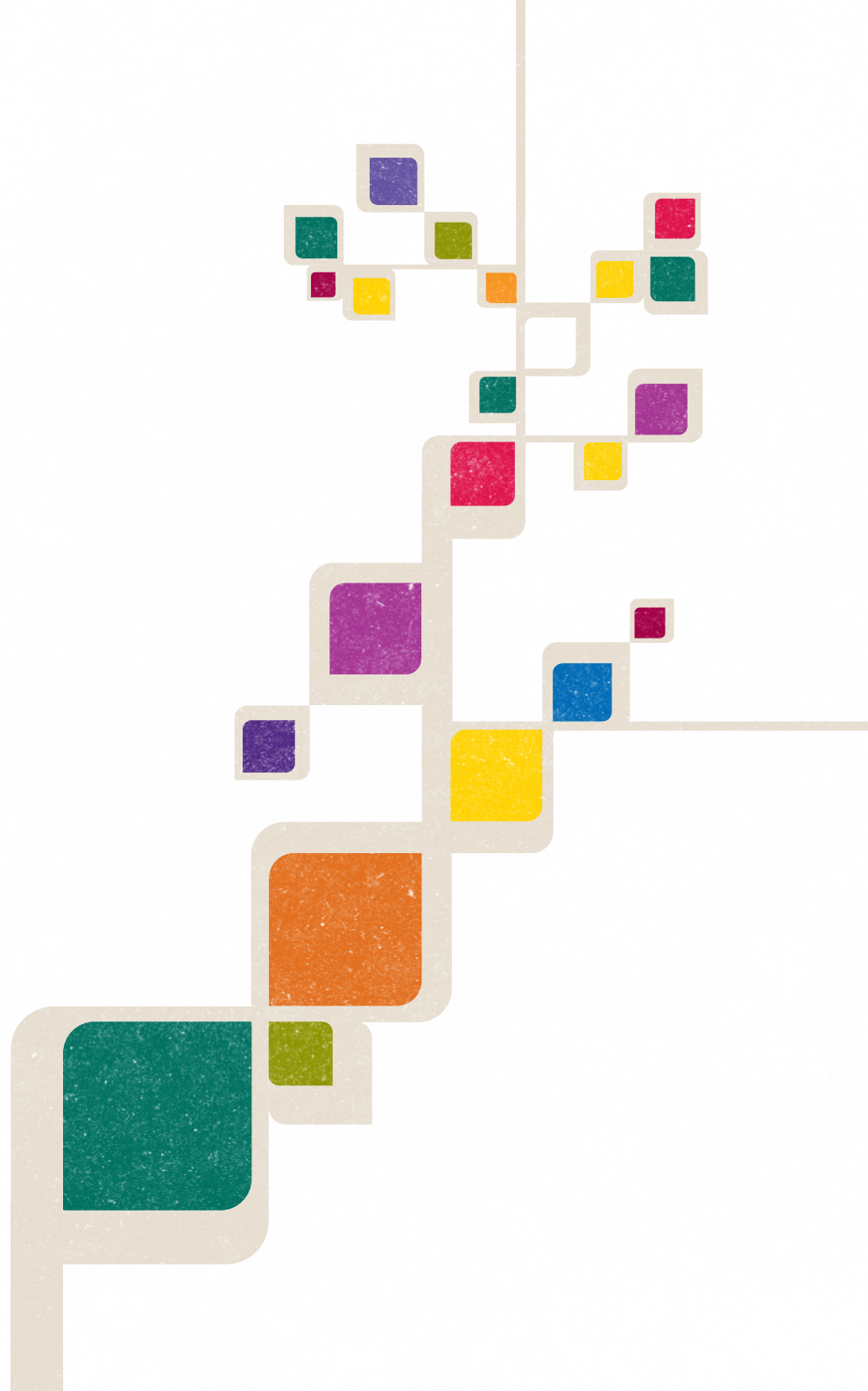
E andrew.s.reid@uk.gt.com

Lena Grant-Pearce

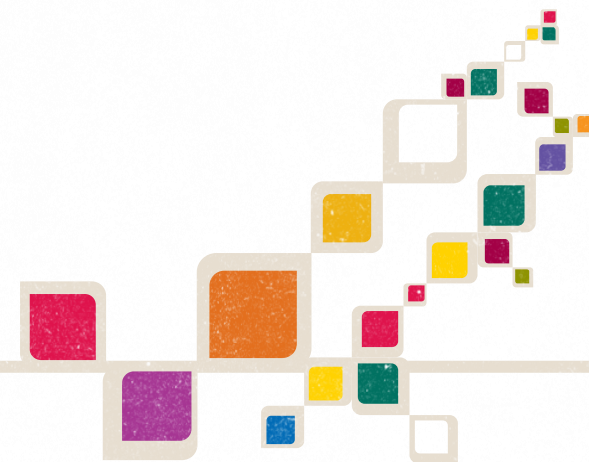
Executive

T 0121 232 5397

E ellena.grant-pearce@uk.gt.com



The contents of this report relate only to the matters which have come to our attention, which we believe need to be reported to you as part of our audit process. It is not a comprehensive record of all the relevant matters, which may be subject to change, and in particular we cannot be held responsible to you for reporting all of the risks which may affect your business or any weaknesses in your internal controls. This report has been prepared solely for your benefit and should not be quoted in whole or in part without our prior written consent. We do not accept any responsibility for any loss occasioned to any third party acting, or refraining from acting on the basis of the content of this report, as this report was not prepared for, nor intended for, any other purpose.

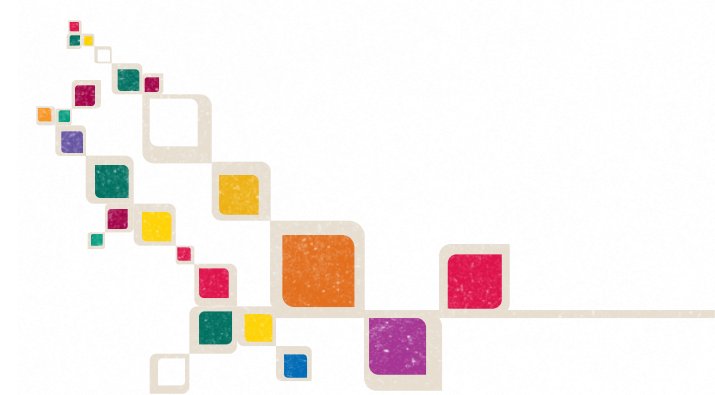


Introduction

This paper provides the Audit Committee with a report on progress in delivering our responsibilities as your external auditors.

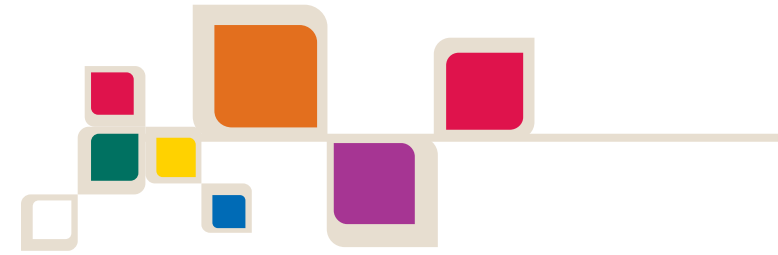
Members of the Audit Committee can find further useful material on our website www.grant-thornton.co.uk, where we have a section dedicated to our work in the public sector.

If you would like further information on any items in this briefing, or would like to register with Grant Thornton to receive regular email updates on issues that are of interest to you, please contact either your Engagement Lead or Engagement Manager.



Progress at November 2016

– 2015/16 audit



2015/16 work

Completed

Comments

Overall position on the 2015/16 audit

As at November 2016 we have completed all work in relation to our 2015/16 audit with the exception of:

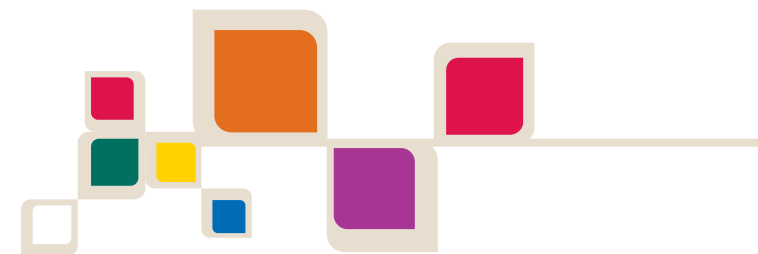
- Objection to the 2015/16 financial statements – consideration currently in underway.

October 2016

We issued unqualified opinions on the Council's financial statements and Value for Money Conclusion on 23 September 2016 following the Council's approval of the financial statements on 22 September 2016.

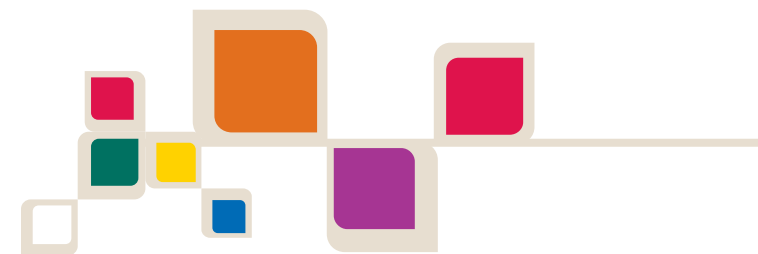
We issued our Annual Audit Letter summarising key messages from our 2015/16 audit in October 2016. The Letter is due to be presented to the Audit and Standards Committee in November 2016.

Planned timings – 2016/17 audit



2016/17 work	Planned Date	Comments
<p>Fee Letter</p> <p>We are required to issue a 'Planned fee letter for 2016/17' by the end of April 2016</p>	March 2017	The 2016/17 fee letter will be presented to the Audit and Standards Committee in March 2017.
<p>Accounts Audit Plan</p> <p>We are required to issue a detailed accounts audit plan to the Council setting out our proposed approach in order to give an opinion on the Council's 2016/17 financial statements.</p>	March 2017	-
<p>Interim accounts audit</p> <p>Our interim fieldwork visit plan will include:</p> <ul style="list-style-type: none"> • updated review of the Council's control environment • updated understanding of financial systems • review of Internal Audit reports on core financial systems • early work on emerging accounting issues • early substantive testing • Value for Money conclusion risk assessment. 	March 2017	-
<p>Final accounts audit</p> <p>Including:</p> <ul style="list-style-type: none"> • audit of the 2015-16 financial statements • proposed opinion on the Council's accounts • proposed Value for Money conclusion • review of the Council's disclosures in the consolidated accounts against the Code of Practice on Local Authority Accounting in the United Kingdom 2015/16 	July 2017	We plan to complete our 2016/17 audit fieldwork by the end of July 2017.

Planned timings – 2016/17 audit



2016/17 work	Planned Date	Comments
<p>Value for Money (VfM) conclusion</p> <p>The National Audit Office Code of Audit Practice requires auditors to satisfy themselves that; "the Council has made proper arrangements for securing economy, efficiency and effectiveness in its use of resources".</p> <p>The overall criterion applied is that; "in all significant respects, the audited body had proper arrangements to ensure it took properly informed decisions and deployed resources to achieve planned and sustainable outcomes for taxpayers and local people".</p> <p>The three sub criteria for assessment to be able to give a conclusion overall are:</p> <ul style="list-style-type: none"> • Informed decision making • Sustainable resource deployment • Working with partners and other third parties 	<p>July 2017</p>	<p>We plan to complete our 2016/17 assessment fieldwork by the end of July 2017.</p>
<p>Other areas of work</p>	<p>Tbc</p>	<p>To be agreed based on areas of work undertaken.</p>

Grant Thornton Technical update





Accounting and audit issues

Code of Practice on Local Authority Accounting in the United Kingdom 2016/17

CIPFA/LASAAC has issued the Local Authority Accounting Code for 2016/17. The main changes to the Code include:

- the new measurement requirements at depreciated replacement cost for the Highways Network Asset (HNA) and
- the requirement for local authorities to report in the Comprehensive Income and Expenditure Statement on the same basis as they are organised and report in the year (ie. no longer following SERCOP). This is accompanied by the introduction of a new Expenditure and Funding Analysis which provides a reconciliation between the way local authorities budget and report during the year and the Comprehensive Income and Expenditure Statement.

In respect of HNA, the Accounting Code requires local authorities to comply with the CIPFA Code of Practice on Transport Infrastructure Assets issued in 2013. The Transport Infrastructure Code is currently being revised and will be reissued as the Highways Network Asset Code (HNA Code) over the summer of 2016. Whilst no major changes are expected to the basis of the accounting set out in the previous Code of Practice on Transport Infrastructure Assets, the detailed accounting requirements will not be finalised until the updated HNA Code is formally issued.

The key challenge for local authorities is around the accuracy and completeness of supporting records for HNA inventory and condition at 1 April 2016 and effective arrangements for recording expenditure and other movements on HNA from that date.

We are preparing a series of briefings to support clients in implementing this change, copies of which are available from your Engagement Manager or Engagement Lead

We have also agreed to undertake early work in 2016/17 to assess Warwickshire County Council's systems and processes for compiling information which will be used in the calculation of the value of the HNA asset in the 2016/17 financial statements. This work is currently ongoing.

Grant Thornton Publications and events



Website Relaunch

We have recently launched our new-look website. Our new homepage has been optimised for viewing across mobile devices, reflecting the increasing trend for how people choose to access information online. We wanted to make it easier to learn about us and the services we offer.

You can access the page using the link below – <http://www.grantthornton.co.uk/industries/public-sector/>



Advancing closure: the benefits to local authorities

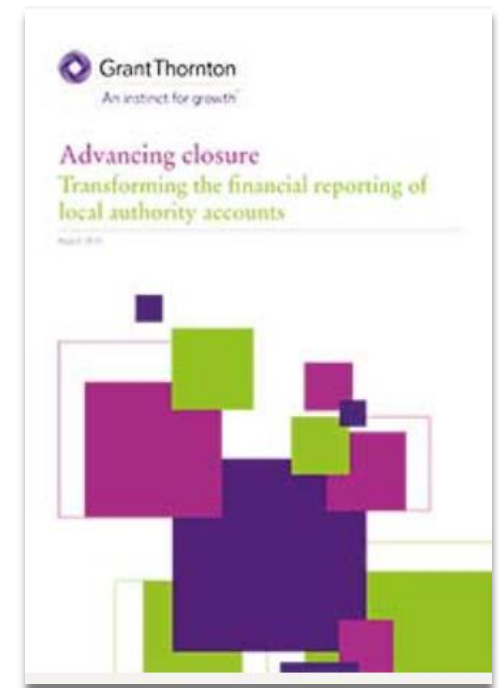
With new regulation bringing forward the required publishing date for accounts local authorities must consider the areas needed to accelerate financial reporting.

In February 2015, regulations were laid before parliament confirming proposals to bring forward the date by which local authority accounts must be published in England. From 2017-18, authorities will need to publish their audited financial statements by 31 July, with Wales seeking to follow a similar approach over the next few years.

Many local government bodies are already experiencing the benefits of advancing their financial reporting processes and preparing their accounts early, including:

- raising the profile of the finance function within the organisation and transforming its role from a back office function to a key enabler of change and improvement across the organisation;
 - high quality financial statements as a result of improved quality assurance arrangements;
 - greater certainty over in-year monitoring arrangements and financial outturn position for the year, supporting members to make more informed financial decisions for the future;
 - improved financial controls and accounting systems, resulting from more efficient and refined financial processes; and
 - allowing finance officers more time to focus on forward looking medium term financial planning and transformational projects, to address future financial challenges.
- While there is no standard set of actions to achieve faster close there are a number of consistent key factors across the organisations successfully delivering accelerated closedown of their accounts, which our report explores in further details:
- Enabling sustainable change requires committed leadership underpinned by a culture for success
 - Efficient and effective systems and processes are essential
 - Auditors and other external parties need to be on board and kept informed throughout

Grant Thornton reports



<http://www.grantthornton.co.uk/en/insights/advancing-closure-the-benefits-to-local-authorities/>

Partnership working in mental health

Joining up the dots, not picking up the pieces

Mental ill health costs the economy over £100 billion each year and affects one in four people. However, responding to issues related to an underlying mental illness does not solely sit within the remit of health professionals. With many parts of the public sector needing to respond, and each facing significant financial pressures, collaboration around this issue is essential if savings are to be found and the best care provided.

This paper draws together examples of successful collaboration between public services and feedback from a Midlands round table discussion – where the West Midlands Combined Authority has set up a mental health commission – to look at how different services have overcome some of the traditional barriers and demarcation lines between organisations

There are four key messages:

The unpredictable nature of mental health symptoms can mean that the first point of contact is via emergency services, with ambulance, fire and rescue or police officers being present. The cost of services not being available at the right place at the right time can be huge, in terms of the personal suffering of individuals and costs to the wider system.

Often relatively modest amounts of money targeted at specific initiatives such as street triage or community cafes can make a huge difference in improving the availability of important services.

An impact can be made without the need for expensive structural change. Most importantly, it requires a genuine approach to collaboration and a culture of putting the patient first.

Investing in collaborative initiatives that focus on the needs of mental health patients were undoubtedly resulting in savings elsewhere to the public purse. Examples include:

- 92% reduction in detentions under section 136 of the Mental Health Act in Cheshire and Wirral; 50% reduction in Birmingham and Solihull; 39% in Nottinghamshire; 30% in Kent
- 647 A&E attendances avoided by one street triage team in one year in Birmingham and Solihull
- 80% remission in psychosis through early intervention in Derbyshire
- 25% of unemployed users of the café run by the Manchester Mind Young Adults Services and Projects team have gone on to find employment.

A set of recommendations on how to move this approach forward is also provided.



<http://www.grantthornton.co.uk/en/insights/partnership-working-in-mental-health/>



© 2016 Grant Thornton UK LLP. All rights reserved.

'Grant Thornton' refers to the brand under which the Grant Thornton member firms provide assurance, tax and advisory services to their clients and/or refers to one or more member firms, as the context requires.

Grant Thornton UK LLP is a member firm of Grant Thornton International Ltd (GTIL). GTIL and the member firms are not a worldwide partnership. GTIL and each member firm is a separate legal entity. Services are delivered by the member firms. GTIL does not provide services to clients. GTIL and its member firms are not agents of, and do not obligate, one another and are not liable for one another's acts or omissions.

grantthornton.co.uk

GRT102468

Audit and Standards Committee

17 November 2016

Corporate Governance Framework

Recommendation

That the Committee endorses the revised Corporate Governance Framework set out in Appendices B and C for onward submission to Cabinet.

1.0 Key Issues

- 1.1 The current code of Corporate Governance was adopted by the Council in 2012. This was consistent with the framework and guidance published by CIPFA (Chartered Institute of Public Finance and Accountancy) at that time.
- 1.2 This year CIPFA have revised their framework and guidance (Delivering Good Governance in Local Government) and therefore the opportunity has been taken to review the Council's code and align it with the new guidance.

2.0 Proposal

- 2.1 As one would expect in a framework dealing with 'good governance' there is a lot of correlation between the content of the old CIPFA framework and the new framework. The main changes are the positioning of sustainable, social and environmental outcomes as a key focus of governance processes and structures. CIPFA consider the focus on sustainability and the links between governance and public financial management are crucial in these times of austerity and underpin the need for local authorities to focus on long term solutions. The framework is guidance to local authorities which they may adapt as they consider fit.
- 2.2 Under the new framework there are seven core principles (A-G) each with a number of sub-principles. Although the wording of the principles has been revised there is a lot of commonality between the sub-principles. Therefore the approach has been to assess our current Code and identify what changes if any are necessary.
- 2.3 A comparison of our six core principles compared to the principles (A-G) in the new guidance is set out in Appendix A. This shows how the old and new principles are aligned. Our new revised framework is composed of two documents an 'At A Glance Guide to Corporate Governance' in Appendix B supported by a fuller revised Corporate Governance Code in Appendix C. Significant changes in the Code are shown in italics.

2.4 We hold a corporate governance week on the intranet each year and will use that for some advance publicity that changes to the framework are on the way. Once agreed the new documents will be published on the Council's intranet and website. It will be internally disseminated to staff through the Core Brief and our 'Do the Right Thing' e-learning programme will be updated and the new framework will be included in the member induction programme following the elections.

3.0 Timescales associated with the decision and next steps

3.1 None

Background papers

1. CIPFA Delivering Good Governance in local Government Framework 2016 Edition and Guidance Notes for English Authorities 2016 Edition

	Name	Contact Information
Report Author	Jane Pollard	janepollard@warwickshire.gov.uk Tel: 01926 412565
Head of Service	Sarah Duxbury	
Strategic Director	David Carter	
Portfolio Holder	Kam Kaur	

The report was circulated to the following members prior to publication:

Local Member(s): N/A

Other members:

Corporate Governance Framework Comparison

Core principles:

2012 current	2016 new
Promote the values of Warwickshire County Council and demonstrate those values by upholding high standards of conduct and behaviour	A. Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Engage with local people and other stakeholders to ensure robust public accountability	B. Ensuring openness and comprehensive stakeholder engagement G. Implementing good practices in transparency, reporting and audit to deliver effective accountability'
The Council aims to focus on the purpose of Warwickshire County Council, on implementing our vision for the local area and on outcomes for the community	C. Defining outcomes in terms of sustainable economic, social, and environmental benefits
Ensure members and officers work together, with partners, to achieve our common purpose, clearly define the functions and roles of members and officers	D. Determining the interventions necessary to optimise the achievement of the intended outcomes
Develop the capacity and capability of members and officers to be effective	E. Developing the entity's capacity, including the capability of its leadership and the individuals within it
Ensure the taking of informed and transparent decisions, which are subject to effective scrutiny and risk assessments	F. Managing risks and performance through robust internal control and strong public financial management
Added to B	G. Implementing good practices in transparency, reporting and audit to deliver effective accountability'

Do the Right Thing - WCC Corporate Governance Framework - At a Glance

Our Code of Corporate Governance applies to the council’s elected members and officers. It covers the systems, processes, cultures and behaviours that underpin the way we work. We all need to be aware of what it contains and work within the six core principles below.

Why is it important?	Outcomes	Actions	Behaviours
<p>The code is about delivering on our promises, engaging with communities, and maintaining high standards of conduct to ensure we do</p> <ul style="list-style-type: none"> • the right things • in the right way • for the right people • at the right time 	<p>We must have a clear purpose and vision for Warwickshire and ensure our desired outcomes secure sustainable benefits for our communities. We must understand the effect of our decisions on our communities to make the best use of our resources.</p>	<p>We need to understand how we can work with each other, and our partners to achieve the Council’s common purpose. We need to clearly define the roles and responsibilities of members and officers, monitor our performance against targets and work in partnership to jointly deliver sustainable services.</p>	<p>We must work in an open way, supporting and respecting others and be aware of the values and standards that apply when working in partnership. Our procedures must meet ethical standards and comply with the law. We should not be influenced by prejudice, bias or conflicts of interest.</p>
How does it affect us?	Controls	Capacity	Accountability
<p>It makes sure that we</p> <ul style="list-style-type: none"> • deliver on our promises • are accountable for what we do • do things in an open manner • behave with integrity • have the skills to do the job • have sound systems and processes • manage risk effectively • engage with our communities • act in the public interest 	<p>Decisions should be taken in an open and transparent way and subject to effective scrutiny and risk assessment. They should be based on sound evidence, have taken account of appropriate professional advice and our reasons should be documented. We should be aware of and manage any significant risks.</p>	<p>Members and officers need the right skills, support and resources to do their job. This means having induction and training programmes tailored to their needs and then opportunities in place for members and officers to update their knowledge regularly.</p>	<p>We are accountable to local people and other stakeholders. This means that we need to make sure there are clear channels of communication and that we encourage community engagement. We should ensure we implement good practices in transparency, reporting and audit to deliver effective accountability</p>
<p>Link to the full Code insert here XXXXX</p>			

Do the Right Thing - WCC Corporate Governance Framework - At a Glance

Outcomes	Actions	Behaviours	
Controls	Capacity	Accountability	
Key Documents		Contributory Processes	Key People
Anti-fraud and anti-bribery policy and strategy	Internal Audit Strategy	Access to Information procedures	Elected members
Annual Governance Statement (AGS)	Information Strategy	AGS review process	Officers
Asset Management Plans	Job descriptions	Appraisals	Partners and stakeholders
Asset Management Framework	Marketing and Communication Strategy	Business Planning	Leader
Budget	Medium Term Financial Strategy	Committee reports	Cabinet
Business Continuity Plans	Member Development Programme	Consultations	Overview and Scrutiny Chairs
Constitution	Members Allowances Scheme	Customer feedback processes	Chair of Audit and Standards
Consultation and engagement guidance	Member/Officer Protocols	Internal audit	Committee
Contract Standing Orders	Member Code of Conduct	External audit	Chief Executive
Coventry and Warwickshire Strategic	Officer Code of Conduct	Employment Procedures	Monitoring Officer
Council tax leaflets	One Organisational Plan	Inspections	Chief Finance Officer
Customer Charters	Outturn performance and finance reports	Job evaluation processes	Heads of Service
Customer Service and Access Strategy	Partnership Toolkit	Key decision regime	Corporate Governance
Economic Plan	Policy Framework	Locality arrangements/forums	Champions
Employer-employee responsibilities	Property Strategy	Member/officer training	Contract Coordinators
Equality and Diversity Policy	Risk Management Framework	Organisational Development	Financial Service Managers
Financial Regulations	Risk Registers	Peer reviews	Chief Risk and Assurance Manager
Forward Plan	Schemes of Delegation	Performance Management	External Auditor
General Complaints procedure	Service plans	Risk management	Independent Remuneration Panel
Gifts and Hospitality Registers	Statement of Accounts	Scrutiny and call-in	Third and Public Sector Partnership Group
Health and Safety policies	Succession plans	Staff Induction	
Health and Wellbeing Strategy	Treasury Management Strategy	Staff surveys	
HR & OD Workforce Strategy	Training and Development Plans		
ICT Code of Practice	Whistleblowing Code		

Do The Right Thing

The Code of Corporate Governance for Warwickshire County Council

1. What is 'governance'?

- 1.1 Governance is about how the County Council ensures it is doing the right things, in the right way, for the right people, at the right time. It is made up of all the systems, processes, culture and behaviours which direct and control the way in which we work and through which we account to, engage with and lead our communities.
- 1.2 This Code of Corporate Governance applies to the Council's elected members and officers. This Code and an 'At A Glance Guide' is accessible on the Council's intranet and internet.

2. Why we do it?

- 2.1 The way in which Warwickshire County Council is 'governed', affects our output and performance. Good governance ensures our resources are directed in accordance with our priorities and that we make the best use of those resources. It determines our ability to achieve our vision through sustainable economic, social and environmental outcomes for our customers and communities.
- 2.3 Good governance is about delivering on our promise to make a real and lasting difference to the wellbeing of people living and working in Warwickshire and it is about doing that in a timely, inclusive, open, honest and accountable manner.

3. Our Behaviours

- 3.1 We are committed to the following behaviours, which underpin all our work;

We will:

Do what we say

Help people and communities find their own solutions

Move with purpose and energy

Build strong working relationships

Focus on solutions

Be the best we can be

4. How we do it and do it right?

4.1 OUTCOMES

We will;

- Lead the way through the development, promotion and regular review of our purpose and vision in the One Organisational Plan and ensure it is communicated to and understood by all our partners
- Be clear about our priorities, objectives and targets and the sustainable economic, social and environmental benefits we are seeking for our customers and communities.
- *Manage customer expectations effectively having regard to our priorities and the need to make best use of resources.*
- Establish and maintain sound systems for the regular assessment, reporting and communication of the Council's activities, achievements, financial position and performance *which allows comparison with other organisations.*
- Ensure that we and the partnerships in which we are involved make the best use of our resources to ensure that communities and customers receive value for money.
- Respond positively to the findings and recommendations of external auditors and statutory inspectors regarding our performance and strive to implement any agreed actions

4.2 ACTIONS

We will;

- Consult with the local community and key stakeholders when developing our vision and strategic plans to optimise the potential to achieve our outcomes.
- *Ensure we have effective mechanisms to gather and consider feedback from customers and communities when making decisions about our priorities and service changes.*
- *Ensure that our medium term financial strategy integrates and balances service priorities, affordability and other resource constraints to ensure we have capacity to deliver on our priorities in a sustainable way.*
- *Ensure that our planning and delivery mechanisms are flexible enough to adapt to changing circumstances.*
- Ensure we make a commitment to openness and transparency in all our dealings, including partnerships, subject only to the need to preserve confidentiality where proper and appropriate to do so.
- Ensure that members are clear about their roles and responsibilities both individually and collectively and that when working in partnership they are clear about the extent of their authority to bind the Council to partner decisions

4.3 BEHAVIOURS

We will;

- Ensure that members and officers exercise leadership by behaving in ways that exemplify high standards of conduct and creates a climate of openness, support and respect
- Establish and maintain formal codes of conduct defining expected standards of *behaviour* for members, staff, agents and partners
- Use the Council's *behaviours* to act as a guide for decision-making and as a basis for developing positive and trusting relationships both within and outside the Council.
- Ensure that the Council's *behaviours* reflect public expectations, and are communicated to members, staff, the community and partners.
- Agree a set of *behaviours* against which decision-making and actions can be judged when working in partnership
- Regularly review our arrangements to ensure that we are not influenced by prejudice, bias or conflicts of interest in dealing with different stakeholders and that our procedures and operations conform to appropriate ethical standards.
- Actively seek to deter and prevent fraud and corruption and ensure that where an irregularity is suspected it will be thoroughly investigated and *that recommendations for corrective action are acted upon.*
- *Ensure that the Chief Executive or equivalent is made responsible for all aspects of the operational management of the Council*
- *Ensure that we appoint a Chief Finance Officer who is responsible for ensuring that appropriate advice is given on all financial matters, for keeping proper financial records and accounts, and for maintaining an effective system of internal financial control*
- *Ensure that we appoint a Monitoring Officer who is responsible for ensuring that the Council follows agreed procedures and complies with all applicable statutes, regulations and other relevant statements of good practice*

4.4 CONTROLS

We will;

- Ensure members receive appropriate professional advice and *robust information* when making decisions
- *Maintain an effective Performance Management system* which identifies and evaluates all significant risks and ensures that members and managers at all levels recognise that risk management is part of their jobs
- *Ensure we have safe and effective information management systems for the collection, storage, use and sharing of data.*
- *Ensure our financial systems support both long-term achievement of outcomes as well as short term financial and operational performance*

- Maintain an effective scrutiny function which encourages constructive challenge and enhances the Council's performance overall and engages local people and key stakeholders, in holding the Council and its partnerships to account
- Maintain open and effective mechanisms for documenting evidence for decisions and recording the criteria, rationale and considerations on which decisions are based
- Maintain an effective audit and standards committee that is independent of the executive and scrutiny functions *and internal audit service with direct access to members*
- Ensure that effective, transparent and accessible arrangements are in place for dealing with complaints including arrangements for whistle-blowing.
- Set out the terms and conditions for remuneration for members and officers and maintain an effective structure for managing the process

4.5 CAPACITY

We will;

- *Ensure we have an effective organisational development and workforce strategy that is reviewed regularly to ensure we have the operational capacity to deliver on our priorities*
- *Establish and maintain clearly documented protocols governing relationships and effective communication between members and officers*
- *Clearly define the roles and responsibilities for the executive and for other members and senior officers. Regularly review maintain and update our scheme of delegated powers*
- Provide induction and training programmes tailored to individual needs with opportunities for members and officers to update their knowledge on a regular basis
- *Assess and regularly review the skills required by members and officers to perform effectively in their roles and make a commitment to develop those skills*
- Ensure that effective arrangements are in place designed to encourage individuals from all sections of the community to engage with, contribute to and participate in the work of the Council
- Ensure that career structures are in place for members and officers to encourage participation and development

4.6 ACCOUNTABILITY

We will;

- Ensure that arrangements are in place to engage effectively with all sections of the community which include regular monitoring to ensure that they operate effectively.

- Establish a clear policy on the types of issues the Council will consult on or engage with the public and customers about, including establishing a feedback mechanism
- Ensure that all staff and the community are aware of who the Council is accountable to and for what
- Develop and maintain a clear policy on how staff and their representatives are consulted and involved in decision making
- *Ensure that published reports have sufficient information to be transparent, are written in an understandable style and are easy to access.*
- *Ensure we implement good practices in transparency, reporting and audit to deliver effective accountability.*

Allocation of Responsibilities

The Council has put in place the following arrangements to review the effectiveness of the Code of Corporate Governance.

A The Council;

- is responsible for approving key corporate governance documents and policies such as the Council's Constitution and its Standing Orders;
- appoints an Audit and Standards Committee which includes independent members;
- considers the Council's annual governance statement which is based on assurance statements from Heads of Service;
- receives annual reports on the effectiveness and impact of scrutiny.

B The Audit and Standards Committee;

- has an independent Chair;
- is responsible for maintaining and promoting high standards of conduct and for compliance issues
- has a terms of reference which include responsibility for monitoring the operation of Codes of Conduct, assessing the effectiveness of the Council's control environment, risk management and corporate governance arrangements
- receives regular reports on assurance work including an annual report giving an overall opinion on control environment.

C The Leader and Cabinet;

- have collective responsibilities for corporate governance and law and probity
- appoint executive portfolio holder with a governance brief
- monitors progress against the action plan through the Council's performance management arrangements;
- approve amendments to the Code of corporate governance.

D Overview and Scrutiny Committees;

- report annually to full Council on the effectiveness of scrutiny;

- monitors the performance of the Council to identify areas for improvement
- publish the outcomes of their reviews.

E Internal Audit;

- undertakes risk based reviews of internal control procedures across all Groups and across all functions of the Council;
- gives opinions on the standards of internal control as part of the review process;
- reports on the standards of the Council's internal control arrangements to the Audit and Standards Committee;
- has a Chief Risk and Assurance Manager who undertakes an annual review of the effectiveness of internal control.

Audit and Standards Committee

17 November 2016

Whistleblowing Policy

Recommendation

That the Committee endorses the revised Whistleblowing Policy (Appendix A) for onward submission to Cabinet.

1.0 Key Issues

- 1.1 The Policy also needs to be updated to reflect the changes to the law on protected disclosures and the statutory Duty of Candour which applies to the County Council as a provider of care services.

2.0 Proposal

- 2.1 The County Council's Whistleblowing Policy was last reviewed in October 2014. Although the policy extends to third party providers of services, we have taken this opportunity to strengthen this aspect of our existing policy and to include a specific reference to the Duty of Candour, which was introduced in November 2014 by the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014. This is a duty placed on registered providers of health care services and from 1 April 2015 it was extended to registered providers of other care services.
- 2.2 The Duty of Candour is intended to ensure that providers are open and transparent with people who use services, in relation to care and treatment. The law sets out specific requirements that providers must follow when things go wrong with care and treatment, including informing people about the incident, providing reasonable support, providing truthful information and an apology. The County Council's Whistleblowing Policy has been revised to take account of this legislative change so that it fulfils the County Council's obligation to encourage candour, openness and honesty in those involved in the provision of care.
- 2.3 The revised Policy continues to encourage the use of internal procedures to make disclosures and identifies a list of Whistleblowing Advisers from each Group of the County Council to whom staff can turn for advice or to make a disclosure if they do not feel able to discuss with their own managers. This list has recently been updated and is attached as Appendix B.

- 2.4 The law on protected disclosures is governed by the Employment Rights Act 1996 which affords protection to employees from victimisation by their employer or from losing their job where they have “blown the whistle.” The Policy also recognises that the Employment Rights Act 1996 provides an alternative route for disclosures by prescribing certain persons and bodies to whom disclosures may be made in certain circumstances. There have been changes to the list of prescribed persons to whom disclosures can be made. The opportunity has therefore been taken to revise the Policy to make it clearer and to more accurately reflect the law.
- 2.5 Further, the protection afforded by the law is restricted to disclosures made in a fairly narrow set of circumstances (such as where a criminal offence is likely to occur) and the policy extends the protection to disclosures of other types of wrongdoing such as serious misconduct which is in breach of the Council’s Standing Orders or Financial Regulations, provided that the disclosure is made in the public interest.

3.0 Timescales associated with the decision and next steps

- 3.1 The most efficient way of publicising and promoting the new code would be to maximise usage of existing channels. These will be chosen with advice from HR and may include the intranet, Working for Warwickshire and the Core Brief, as well as raising awareness through Heads of Service meetings.

Background papers

1. CQC Regulation 20: Duty of Candour – guidance dated March 2015
2. Department for Business, Innovation and Skills: Whistleblowing Guidance for Employers and Code of Practice – March 2015

	Name	Contact Information
Report Author	Ann Belcher	annbelcher@warwickshire.gov.uk Tel: 01926 412451
Head of Service	Sarah Duxbury	
Strategic Director	David Carter	
Portfolio Holder		

The report was circulated to the following members prior to publication:

Local Member(s): n/a

Other members: n/a

Warwickshire County Council Whistleblowing Policy

• **KEY POINTS**

- **Employees and other workers are assured of protection from victimisation or harassment by the County Council if they raise serious concerns about wrongdoing where this is in the public interest and they act in accordance with this policy**

1. About this policy

1.1 Warwickshire County Council is committed to the highest possible standards of openness, integrity and accountability. In line with that commitment we encourage employees and others with serious and reasonably held concerns about wrongdoing within the Council to come forward and voice these concerns at an early stage.

1.2 We would hope that in most cases employees and others would feel confident in raising serious concerns through their normal line management arrangements or other reporting arrangements. However we recognise that in a small number of cases there may be genuine concerns about possible reprisals or victimisation.

1.3 Although this policy is written for employees, the County Council recognises that it may also be applicable to other individuals such as consultants, contractors, volunteers, interns, casual workers, agency workers and secondees from other organisations. Whilst the County Council will endeavour to ensure that such workers are afforded a similar level of protection to that afforded by this policy, it must be recognised that in such cases the County Council will not have direct control over the actions of other employers.

1.4 This policy aims to:

- provide an opportunity for you to raise serious concerns and receive feedback on any action taken
- allow you to take the matter further if you are dissatisfied with the County Council's response,
- reassure you that you will be protected from reprisals or victimisation for whistleblowing where you have a reasonable belief in the accuracy of the allegations (and where raising them is in the public interest) and you otherwise follow this policy.
- put in place relevant support measures for you as an individual during the process

Date of issue	14 th March 2014	Next review:	September 2017	Last review:	September 2016
Last reviewed by	Ann Belcher				
Policy owner	Sarah Duxbury, Head of Law and Governance				

- 1.5 Regulation 20 of the Health and Social Care Act 2008 (Regulated Activities) Regulations 2014 introduced a Duty of Candour on providers of health and adult social care who are registered with the Care Quality Commission (CQC) to be open with patients and other service users when things go wrong. Providers must promote a culture that encourages candour, openness and honesty at all levels. Individual members of staff who are professionally registered have a separate duty of professional candour which is regulated by their respective professional regulatory bodies.
- 1.6 This policy is intended to promote a culture of openness and transparency and staff are encouraged to report concerns which might trigger obligations under Regulation 20, which include notifying service users, providing support and an apology where a safety incident occurs which causes harm to a service user.
- 1.7 This policy applies to employees disclosing information under the duty of candour who fear reprisals or victimisation in the same way as it applies to any other employees.
- 1.8 Disclosures which relate to the employee's personal circumstances or where there is a suspected breach of an employee's contract of employment do not fall within this policy and should be raised under the Council's Grievance Procedure, Dignity at Work Policy or Equalities Policies, as appropriate.
- 1.9 This policy does not form part of any employee's contract of employment and we may amend it at any time.

2. What is whistleblowing?

- 2.1 Whistleblowing is the reporting of suspected wrongdoing or dangers in relation to our activities.
- 2.2 A worker who “blows the whistle” will be entitled to the protection of the law under the Employment Rights Act 1996 (“the ERA”) where he or she makes a “qualifying disclosure.” The provisions cover employees, contractors, agency workers, homeworkers, some work experience students and police officers and apply where the worker discloses information in the reasonable belief that the disclosure is in the public interest and the information tends to show that any of the following has occurred or is likely to occur:
 - i. A criminal offence, [for example bribery or fraud];
 - ii. A breach of a legal obligation
 - iii. A miscarriage of justice
 - iv. A danger to someone's health and safety
 - v. Damage to the environment
 - vi. The covering up of wrongdoing in the above categories
- 2.3 In addition to the above, the Council has extended protection under this Policy to disclosures of serious wrongdoing that do not fall within the above categories,

Date of issue	14 th March 2014	Next review:	September 2017	Last review:	September 2016
Last reviewed by	Ann Belcher				
Policy owner	Sarah Duxbury, Head of Law and Governance				

but which the Council nevertheless accepts are in the public interest. An employee who makes such a disclosure may not be entitled to the protection of the law under the ERA but the Council will approach their disclosure as if it did. This would apply to disclosures about serious misconduct which:

- vii. Is against the Council’s Standing Orders, Policies or Financial Regulations
- viii. Is in breach of professional obligations
- ix. Amounts to improper or unethical conduct

2.4 The above list is not exhaustive but the key requirement is that the worker must reasonably believe that the disclosure is in the public interest.

2.5 Further advice can be taken from the HR Advisory Service if you are unclear as to whether the policy is appropriate for your particular circumstances.

3. How to raise a concern

3.1 You should normally raise concerns with your immediate manager or their line manager if you feel uncomfortable in discussing the issue with someone working in close proximity to you.

3.2 Additionally, a network of Whistleblowing Advisers has been established and these Advisers are listed in a separate document, available from the HR Advisory Service or on the intranet. If you do not feel able to raise your concern with your manager or their line manager, you should approach the Whistleblowing Adviser direct.

3.3 You may choose to raise the concern in writing, but it is helpful to all concerned if an initial and informal discussion can take place in the first instance. This depends, however, on the seriousness and sensitivity of the issues involved and who is thought to be involved in the wrongdoing. For example, if you believe that any county councillors or member(s) of senior management are involved, you should approach the Chief Executive or the Strategic Director of the Resources Group. In cases of financial impropriety you should approach the Head of Finance, Resources Group. If you do not feel comfortable to approach senior managers, you can approach a Whistleblowing Adviser who may escalate the matter on your behalf.

3.4 Once initial concerns have been raised, it will be important to translate these into writing. You will be invited to set out the background and history of the concern, giving names, dates and places where possible, and the reason why you are particularly concerned about the situation.

3.5 The earlier you express the concern the easier it is to take action.

Date of issue	14 th March 2014	Next review:	September 2017	Last review:	September 2016
Last reviewed by	Ann Belcher				
Policy owner	Sarah Duxbury, Head of Law and Governance				

- 3.6 Although you are not expected to prove the truth of an allegation, you will need to demonstrate to the person contacted that there are sufficient grounds for your concern.
- 3.7 You can get advice and guidance in confidence on how matters of concern may be pursued from:-
- the HR Advisory Service (if you are an employee)
<http://intranet.warwickshire.gov.uk/helpingyouwork/HR/AbouttheHRService/Pages/HRAdvisoryService.aspx>
 - the appropriate Whistleblowing Adviser (as shown at Appendix A)
 - Public Concern at work (this is an independent charity which offers a confidential helpline on 0207404 6609 www.pcaw.org.uk)
- 3.8 You may invite your trade union or professional association to raise a matter on your behalf and they can be invited to participate in any future discussions between yourself and the Investigating Officer.

4. Confidentiality

- 4.1 The Council will do its best to protect your identity when you raise a concern and do not want your name to be disclosed. However, it must be appreciated that the investigation process may reveal the source of the information and a statement by you may be required as part of the evidence, especially if the next step is a police investigation and prosecution.

5. Anonymous Allegations

- 5.1 The Council accepts that employees will raise genuine concerns that are based on factual evidence or direct observation. With this in mind you are encouraged to put your name to your allegation. Concerns expressed anonymously are much less powerful and far more difficult to investigate and prove. However, they will be considered at the discretion of the County Council.
- 5.2 In exercising the discretion, the factors to be taken into account would include:-
- the seriousness of the issues raised
 - the credibility of the concern; and
 - the likelihood of confirming the allegation from other sources in the face of a flat denial from the accused person.
 -

Date of issue	14 th March 2014	Next review:	September 2017	Last review:	September 2016
Last reviewed by	Ann Belcher				
Policy owner	Sarah Duxbury, Head of Law and Governance				

6. Untrue Allegations

- 6.1 If you make an allegation that you reasonably believe and which is based on evidence, observation or a series of unexplainable instances, but it is not confirmed by the investigation, no action will be taken against you and you will be fully supported after the event. If, however, you make malicious or vexatious allegations, disciplinary action may be taken against you.
- 6.2 Equally, if malicious or vexatious allegations are made against you, the County Council will ensure that you are fully supported and that appropriate disciplinary action is taken against the person making such allegations.

7. Protection and Support for Whistle blowers

- 7.1 The Council recognises that the decision to report a concern can be a difficult one to make, not least because of fear of reprisal from those responsible for the wrongdoing. The Council will not tolerate harassment or victimisation in any form and will take action and put in place support measures to protect you when you raise a concern. Disciplinary procedures are already in place to address any potential attempts at harassment or victimisation.
- 7.2 It is accepted by the Council that staff may feel concerned that by raising areas of concern, their future careers may be detrimentally affected. This is **not** the case, and those raising genuine and reasonably held concerns may be assured that concerns will be treated with the utmost respect and play no part in future decisions related to progress or promotion.
- 7.3 If you are personally already the subject of disciplinary or redundancy procedures for other reasons, whistleblowing will not usually halt these procedures but the investigating officer will take steps to satisfy themselves that the issues are not inter-related or connected in any way.

8. How the Council will respond

- 8.1 The action taken by the Council will depend on the nature of the concern. Initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take.
- 8.2 Some concerns may be resolved by agreed action without the need for investigation.
- 8.3 Concerns or allegations which fall within the scope of specific procedures (for example, child protection or discrimination issues, or concerns which trigger the County Council's obligations towards service users under the Duty of Candour) will normally be referred for consideration under those procedures.
- 8.4 Other matters raised may :-

Date of issue	14 th March 2014	Next review:	September 2017	Last review:	September 2016
Last reviewed by	Ann Belcher				
Policy owner	Sarah Duxbury, Head of Law and Governance				

- be referred to the Internal Auditor (in the cases of financial impropriety)
- be referred to the Police immediately where allegations of criminal conduct such as fraud are apparent
- be referred to the External Auditor
- form the subject of an independent inquiry by a nominated body outside of the County Council

8.5 The County Council will aim to write to you within ten working days of a concern being formalised in writing:

- acknowledging that the concern has been received
- indicating how it proposes to deal with the matter and where possible who the investigating officer(s) will be
- giving an estimate of how long it will take to provide a final response
- telling you whether any initial enquiries have been made; and
- telling you whether further investigations will take place and, if not, why not.

8.6 The amount of contact between the officers considering the issues and you will depend on the nature of the matters raised, the potential difficulties involved and the clarity of the information provided. If necessary, further information will be sought from you.

8.7 When any meeting is arranged with you, you have the right if you so wish to be accompanied by a representative from your trade union or professional association, or a workplace colleague. Your companion must respect the confidentiality of your disclosure and any subsequent investigation.

8.8 The Council will take steps to minimise any difficulties which you may experience as a result of raising a reasonably held concern. For instance, if you are required to give evidence in criminal or disciplinary proceedings, the Council will advise you about the procedure to be followed and make arrangements for you to be released from your normal duties.

8.9 The Council accepts that you need to be assured that the matter has been properly addressed. Thus, subject to legal constraints, you will receive feedback and information about the progress and outcomes of any investigations. You should recognise, however, that during the course of an

Date of issue	14 th March 2014	Next review:	September 2017	Last review:	September 2016
Last reviewed by	Ann Belcher				
Policy owner	Sarah Duxbury, Head of Law and Governance				

investigation the Council may have a duty of confidentiality which will override your legitimate interest in knowing how matters are progressing.

9. How the Matter can be taken Further

9.1 This policy is intended to provide you with an opportunity to raise concerns within the Council. The Council hopes you will have confidence in using the internal procedure and do not find it necessary to approach anyone externally. If you are not satisfied, and if you feel it is right to take the matter outside the Council, then provided you reasonably believe that your allegations are true, you can make a disclosure to prescribed persons without losing your rights under whistleblowing law or this policy. The relevant prescribed person depends on the subject matter of the disclosure and the following is not an exhaustive list:

- Auditors appointed under the Local Audit and Accountability Act 2014 to audit the County Council's accounts - the proper conduct of public business, value for money, fraud and corruption. Details of the Council's auditors can be found on the County Council website at <http://www.warwickshire.gov.uk/accounts>
- Care Quality Commission - matters relating to the registration and provision of regulated health and social care services as defined in the Health and Social Care Act 2008.
- The Children's Commissioner – matters relating to the rights, welfare and interests of children
- Comptroller and Auditor General - The proper conduct of public business; value for money, fraud and corruption in relation to the provision of public services
- Environment Agency – matters affecting the environment or the management or regulation of the environment, including pollution and flooding.
- Health and Safety Executive or local authorities which are responsible for the enforcement of health and safety legislation - matters which may affect the health of safety of any individual at work or member of the public in connection with the activities of persons at work.
- Information Commissioner's Office - compliance with the requirements of legislation relating to data protection, freedom of information and environmental information law.
- Ofsted – matters relating to the registration of children's homes and care homes and the inspection of education and children's services

Date of issue	14 th March 2014	Next review:	September 2017	Last review:	September 2016
Last reviewed by	Ann Belcher				
Policy owner	Sarah Duxbury, Head of Law and Governance				

- A Member of Parliament

A complete list of prescribed persons under the ERA and the types of matters which may be disclosed to them can be found at <https://www.gov.uk/government/publications/blowing-the-whistle-list-of-prescribed-people-and-bodies--2>

9.2 If you choose to disclose to an external contact (other than a prescribed person) without first having raised your concerns internally, you will lose your right to protection under the law or under this Policy unless you can meet the following conditions:-

- o You reasonably believe the information or allegation is true
- o You are not motivated by personal gain
- o In all the circumstances, it is reasonable for you to make the disclosure and either:
 - a. You reasonably believe that if you disclose the information to the Council you will be subject to victimisation; OR
 - b. You reasonably believe that if you disclose the information to the Council, it will be covered up and there is no internal person to whom you can make the disclosure; OR
 - c. The relevant failure is of an exceptionally serious nature.

9.3 If you do take the matter outside the Council, you need to ensure that you do not disclose information which is either confidential or exempt from disclosure. This means that you must not, for example, disclose confidential committee reports, other confidential documents or confidential information that relates to clients and customers. If you are not sure whether information is considered to be confidential, you should check with one of the contact points listed at 3.7.

9.4 The Council will have regard to the identity of the person to whom you make the disclosure in determining whether it is reasonable for you to take the matter outside the Council. A disclosure to the media is unlikely to be regarded as reasonable.

10. The Responsible Officer

10.1 The Strategic Director (Resources Group) has overall responsibility for the maintenance and operation of this policy and will report as necessary to the County Council. A record of concerns raised and the outcomes (in a form which does not endanger your confidentiality) is being created as a single register incorporating whistleblowing complaints made to Whistleblowing Advisers and managers in accordance with this policy and it will be maintained within Law and Governance.

Date of issue	14 th March 2014	Next review:	September 2017	Last review:	September 2016
Last reviewed by	Ann Belcher				
Policy owner	Sarah Duxbury, Head of Law and Governance				

Warwickshire County Council

**WHISTLEBLOWING POLICY - LIST OF WHISTLEBLOWING
ADVISERS**

Please note that you can speak to a whistleblowing advisor who is not in your Group:

Communities Group

Mark Ryder, Head of Transport and Economy
Tel : 01926 412811
e-mail: markryder@warwickshire.gov.uk

Fire and Rescue

Rob Moyney, Deputy Chief Fire Officer

Tel : 01926 423231
(75 3201 if dialling from Shire Hall)
e-mail: robmoyney@warwickshire.gov.uk

People Group

Marie Seaton, Interim Head of Professional Practice and Governance

Tel: Internal 58 2123 External 01926 742123
e-mail: marieseaton@warwickshire.gov.uk

Jenny Butlin-Moran, Service Development and Assurance (Children's) PPA Business Unit

Tel: Internal 58 2514 External 01926 7421514
e-mail: jennybutlinmoran@warwickshire.gov.uk

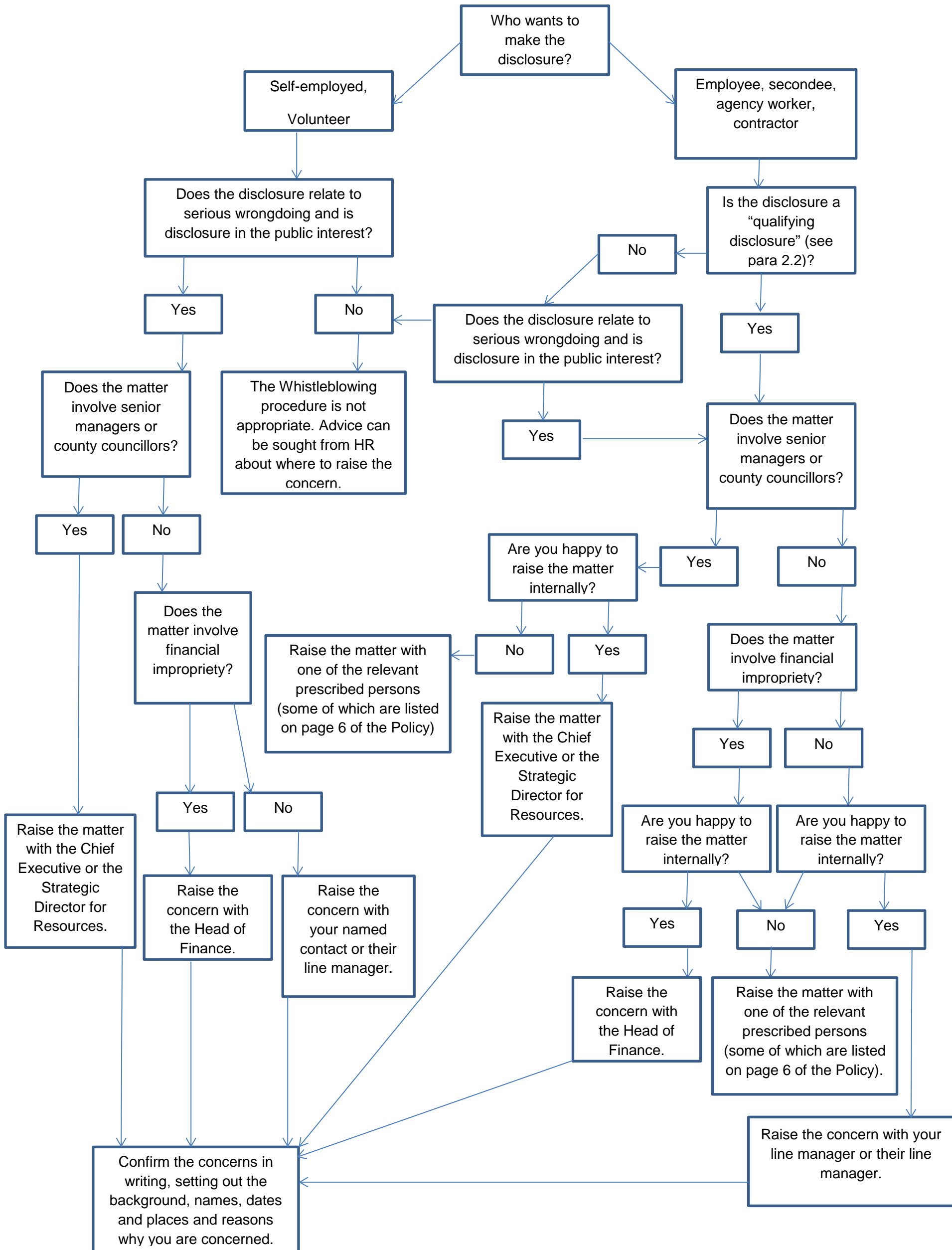
Mike J Wood, Service Development and Assurance (Adults) PPA Business Unit

Tel: Internal 58 2177 External 01926 742177
e-mail: mikejwood@warwickshire.gov.uk

Resources Group

Steve M. Smith,
Head of Physical Assets
Tel: 01926 412352
Internal Email: Steve M Smith/Project Manager/PS/WarksCC
External Email: stevesmithps@warwickshire.gov.uk

Whistleblowing Flowchart



**Audit and Standards Committee
Work Programme 2016/17**

Item	Lead Officer	Date of next report
Internal Audit Progress Report (EXEMPT)	Garry Rollason	November 2016
Annual Audit Letter	Virginia Rennie	November 2016
Code of Corporate Governance	Jane Pollard	November 2016
Whistleblowing Code	Ann Belcher	November 2016
External Auditors Report – Audit & Standards Committee Update	Virginia Rennie	November 2016
Complaints Handling in the new Contact Us System	Karen Smith	February 2017
Self-Assessment Report	Virginia Rennie	February 2017
Internal Audit Progress Report (EXEMPT)	Garry Rollason	June 2017
Annual Governance Statement 2016/17	Garry Rollason	June 2017
Internal Audit Annual Report 2016/17	Garry Rollason	June 2017
Internal Audit Plan 2017/18	Garry Rollason	June 2017
Internal Audit Progress Report (EXEMPT)	Garry Rollason	September 2017
Annual Governance Statement 2016/17	Garry Rollason	September 2017

