

Governance, Audit and Risk Management Committee AGENDA

DATE: Monday 29 November 2010

TIME: 7.30 pm

VENUE: Committee Room 5,
Harrow Civic Centre

MEMBERSHIP (Quorum 3)

Chairman: Councillor John Cowan

Councillors:

Mano Dharmarajah	Richard Romain
Thaya Idaikkadar (VC)	Yogesh Teli
Nizam Ismail	
Sachin Shah	

Reserve Members:

- | | |
|-------------------|--------------------|
| 1. Ben Wealthy | 1. Tony Ferrari |
| 2. Ajay Maru | 2. Stephen Wright |
| 3. Krishna Suresh | 3. Anthony Seymour |
| 4. Krishna James | |

Contact: Lysandra Dwyer, Acting Senior Democratic Services Officer
Tel: 020 8424 1264 E-mail: lysandra.dwyer@harrow.gov.uk

AGENDA - PART I

1. ATTENDANCE BY RESERVE MEMBERS

To note the attendance at this meeting of any duly appointed Reserve Members.

Reserve Members may attend meetings:-

- (i) to take the place of an ordinary Member for whom they are a reserve;
- (ii) where the ordinary Member will be absent for the whole of the meeting; and
- (iii) the meeting notes at the start of the meeting at the item 'Reserves' that the Reserve Member is or will be attending as a reserve;
- (iv) if a Reserve Member whose intention to attend has been noted arrives after the commencement of the meeting, then that Reserve Member can only act as a Member from the start of the next item of business on the agenda after his/her arrival.

2. DECLARATIONS OF INTEREST

To receive declarations of personal or prejudicial interests, arising from business to be transacted at this meeting, from:

- (a) all Members of the Committee, Sub Committee, Panel or Forum;
- (b) all other Members present in any part of the room or chamber.

3. MINUTES (Pages 1 - 6)

That the minutes of the meeting held on 28 September 2010 be taken as read and signed as a correct record.

4. PUBLIC QUESTIONS

To receive questions (if any) from local residents/organisations under the provisions of Committee Procedure Rule 17 (Part 4B of the Constitution).

5. PETITIONS

To receive petitions (if any) submitted by members of the public/Councillors under the provisions of Committee Procedure Rule 15 (Part 4B of the Constitution).

6. DEPUTATIONS

To receive deputations (if any) under the provisions of Committee Procedure Rule 16 (Part 4B) of the Constitution.

7. REFERENCES FROM COUNCIL AND OTHER COMMITTEES/PANELS

To receive references from Council and any other Committees or Panels (if any).

8. INFORMATION REPORT - WHISTLE-BLOWING - ANNUAL REPORT (Pages 7 - 24)

Report of the Director Legal and Governance Services Department

9. INFORMATION REPORT - ACCOUNTS AND GOVERNANCE UPDATE REPORT
(Pages 25 - 28)

Report of the Corporate Director Finance

10. INFORMATION REPORT - RISK, AUDIT & FRAUD DIVISION ACTIVITY UPDATE (Pages 29 - 36)

Report of the Corporate Director Finance

11. INFORMATION REPORT - HALF YEAR HEALTH AND SAFETY REPORT 2010/11 (Pages 37 - 72)

Report of the Corporate Director Finance

12. INFORMATION REPORT - INTERNAL AUDIT MID-YEAR REPORT 2010/11
(Pages 73 - 86)

Report of the Corporate Director Finance

13. RISK, AUDIT AND FRAUD REVIEW - UPDATE

Verbal Update of the Divisional Director Risk Audit and Fraud

14. ANY OTHER URGENT BUSINESS

Which cannot otherwise be dealt with.

AGENDA - PART II

15. EXCLUSION OF THE PRESS AND PUBLIC

To resolve that the press and public be excluded from the meeting for the following item of business, on the grounds that it involves the likely disclosure of confidential information in breach of an obligation of confidence, or of exempt information as defined in Part I of Schedule 12A to the Local Government Act 1972:

<u>Agenda Item No</u>	<u>Title</u>	<u>Description of Exempt Information</u>
16.	INFORMATION REPORT – Internal Audit Mid-Year Report 2011/11 (Appendix 3)	Information under paragraph 1 (contains information relating to any individual). Information under paragraph 7 (contains information relating to any action taken or to be taken in connection with the prevention, investigation or prosecution of crime).

- | | | |
|-----|--|--|
| 17. | INFORMATION
REPORT – Green and
Amber Internal Audit
Reports with Follow Up
Reports | Information under paragraph 3
(contains information relating to the
financial or business affairs of any
particular person (including the
authority holding that information). |
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16. INFORMATION REPORT - INTERNAL AUDIT MID-YEAR REPORT 2010/11
(Pages 87 - 88)

Appendix 3 to the Report of the Corporate Director Finance

**17. INFORMATION REPORT - GREEN AND AMBER INTERNAL AUDIT REPORTS
WITH FOLLOW UP REPORTS** (Pages 89 - 130)

Report of the Corporate Director Finance

GOVERNANCE, AUDIT AND RISK MANAGEMENT COMMITTEE MINUTES

28 SEPTEMBER 2010

Chairman: * Councillor John Cowan

Councillors: * Mano Dharmarajah * Richard Romain
* Thaya Idaikkadar * Krishna Suresh (3)
* Nizam Ismail * Yogesh Teli

In attendance: Bill Stephenson
(Councillors)

* Denotes Member present
(3) Denotes category of Reserve Members

32. Attendance by Reserve Members

RESOLVED: To note the attendance at this meeting of the following duly appointed Reserve Member:-

Ordinary Member

Reserve Member

Councillor Sachin Shah

Councillor Krishna Suresh

33. Declarations of Interest

RESOLVED: To note that there were no declarations of interests made by Members.

34. Minutes

RESOLVED: That the minutes of the meeting held on 1 September 2010, be taken as read and signed as a correct record.

35. Public Questions, Petitions and Deputations

RESOLVED: To note that no public questions were put, or petitions or deputations received at this meeting.

36. References from Council and other Committees/Panels

There were none.

RESOLVED ITEMS

37. Statement of Accounts 2009/2010

The Committee received a report that set out changes to the Statement of Accounts 2009/10 that had been made following consideration of the draft accounts at the last Governance, Audit and Risk Management (GARM) Committee meeting.

The Corporate Director of Finance and the external Auditors, Deloitte LLP advised that whilst considering the draft accounts the external auditor and the Council had identified issues relating to the management and control of the Capital Programme. As a result, the Council had initiated an investigation on capital expenditure. They added that mitigating measures had been put in place. The Leader of the Council, the Leader of the Conservative Group and the Chairman had been informed and would be updated on the progress of the investigation. Officers were unable to comment on the position at this stage as the investigation was ongoing, however, discussions between finance officers and the Auditors would continue until the investigation was completed. Nevertheless, officers and the external Auditors were confident that the results would not have an impact on the total amount of Capital expenditure reported in the accounts for 2009/10. The Auditors stated that they would confirm whether they would sign the accounts in line with the timetable after a discussion on this matter with the Corporate Director of Finance.

An outline of the Auditors reports was provided for which representatives of Deloitte LLP reported as follows:

- a number of changes to the Audit Commission and their work had been made since the start of the 2010/11 financial year. The Audit Commission would continue to operate under the existing framework until it was abolished in 2012. Local Value for Money (VFM) audit work was no longer in operation and had not been applied to the statement of accounts 2009/10. As a result, local Use of Resources scores would not be published this year. For 2010/11 a targeted better value approach had been adopted. Results of local VFM audit work would be reported in the annual audit letter;
- the auditors were independent of the Council and had completed the report on the Statement of Accounts in accordance with the government's accounts return principles. The Audit certificate for 2008/09 and 2009/10 accounts would be issued following the

resolution of an outstanding objection relating to parking charges by a local elector;

- a number of misstatements in the accounts had been identified. These included:
 - a surplus of £929,000 had been reported for net assets. As a result, further control mechanisms for the valuation of fixed assets had been introduced by officers;
 - following an actuarial valuation of the insurance fund, the insurance provision included in the 31 March 2010 statement of accounts was £5.161 million. The opinion of Auditors was that a surplus of £400,000 had been included in this estimate of future payments for insurance claims. Taking this into account, it was believed that the true figure was £4.7 million;
 - the actuary had calculated and reported on the assets of the pension fund in accordance with Financial Reporting Standard 17 (FRS17- Accounting for Retirement Benefits, such as pensions) disclosure. Due to the volatility of the markets and resulting current public sector spending pressures, the audit opinion was that the amount calculated was overstated by £6.158 million. As there was a difference in the actual and estimated amount, this had been adjusted in the Statement of Accounts;
 - the Housing Revenue Account had been misstated by £49 million. This may have been caused by an administrative error and movements in the property market between 1 April 2009 and 31 March 2010. A number of control mechanisms had been recommended for implementation by the Auditors;
 - management's methodologies and assumptions used to calculate bad debt provisions had been reviewed. Bad debt provisions for Council Tax and Housing Benefit had been overstated by £1.291 million and £748,000 respectively. As a result, the audit opinion was that this should not be adjusted as it had been arisen from a difference in estimations rather than factual misstatements;
 - a number of amendments to the reporting of Private Finance Initiative (PFI) transactions were made by 2009 Statement of Recommended Practice (SORP) to bring it in line with International Financial Reporting Standards (IFRS). The Council were now required to include on the balance sheet PFI properties and services along with any financial liability for PFI operators that were in existence from 31 March 2009. Auditors had made a number of control recommendations and proposed that the number of costs be adjusted to meet Financial Reporting Standard 15 (FRS15 – Tangible Fixed Assets) asset recognition of criteria;

- detailed guidance on accounting for local taxes in the balance sheet had been introduced by SORP 2009. Auditors were confident that accounting entries in the 31 March 2010 statement of accounts for local taxes met the requirements of SORP 2009;
- benefit fraud was a key area where the risk was significant. Auditors had tested the operational effectiveness of existing fraud detection controls that the Council had in place and no issues had been identified.

An outline of the auditors report on the Pension Fund was provided. The Committee were advised that:

- there were three key areas of audit risk in relation to:
 - the calculation of benefits as a result of changes introduced at the start of 2008 financial year. As this largely depended on how retirement benefits were paid to the individual, a general policy could not be considered for implementation;
 - the valuation of private equity investments and derivative financial instruments as these were often based on the judgement of individual fund managers;
 - the payment of pension fund contributions to the general bank account. Officers had agreed with the auditors recommendation to have a separate bank account for the Pension Fund. It was understood that this would be established and operational from 31 March 2011.
- The Statement of Investment Principles (SIP) had been revised during the current financial year. Following these revisions, auditors had recommended that the Pension Fund's SIP be updated to include control ranges. An additional recommendation was for the Pension Fund Investment Panel (PFIP) to monitor actual asset allocations against the agreed investment strategy and take appropriate action where necessary;
- it was recommended that the PFIP perform due diligence on investment manager internal control reports to monitor any deficiencies within the Fund.

In response to questions, the Committee were advised that following the auditors recommendations in relation to the Pension Fund, officers would discuss the impact of guidance issued by the Audit and Assurance Faculty of the Institute of Chartered Accountants in England and Wales (AAF 01/06) with each fund manager and prepare a report for discussion at a future PFIP meeting.

Whilst concluding both reports, the Committee were advised that the audit was near completion and that the auditors were awaiting a letter of representation from the Corporate Director of Finance. They added that, the

1 October 2010 deadline for signing off the accounts should be met subject to a satisfactorily conclusive outcome to the discussion on the capital accounting matter referred to previously.

The Chairman thanked the Auditors and Finance officers for their efforts and invaluable work in meeting the deadline for signing off the Council's accounts. The Corporate Director of Finance extended her gratitude to the work of the Treasury and the Pension Fund Business Partner, the accounting team and the Auditors for their support. In support of the comments made, the Senior Auditor for Deloitte LLP extended his appreciation to the collaborative effort of officers and the auditors.

RESOLVED: That

- (1) the changes to the Statement of Accounts 2009/10 be noted;
- (2) the report of the External Auditor for both Harrow and the Pension Fund be considered;
- (3) the accounts for 2009/10 be approved;
- (4) the Pension Fund Annual Report of 2009/10 be noted.

38. INFORMATION REPORT - Governance Audit and Risk Management Committee Annual Work Programme 2010/11

A report that set out the anticipated core annual work programme for the Committee was presented. An officer advised that:

- the report had been prepared following a request at the 29 June 2010 meeting of the Committee;
- the annual work programme had been drafted following agreement of the wider Terms of Reference at the GARM Committee meeting on 8 April 2010;
- following a Member request, an Insurance report would be added to the existing work programme for presentation at the March GARM Committee meeting each year.

RESOLVED: That the work programme report be noted.

(Note: The meeting, having commenced at 7.30 pm, closed at 8.20 pm).

(Signed) COUNCILLOR JOHN COWAN
Chairman

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**REPORT FOR: GOVERNANCE, AUDIT
AND RISK MANAGEMENT
COMMITTEE**

Date of Meeting: 29 November 2010

Subject: INFORMATION REPORT
Whistle-blowing – Annual Report

Responsible Officer: Hugh Peart, Director of Legal and
Governance Services

Exempt: No

Enclosures: Whistle-blowing Policy

Section 1 – Summary

This report sets out information on how the Council deals with Whistle-blowing complaints, in accordance with the requirements of the Public Interest Disclosure Act 1998.

FOR INFORMATION

Section 2 – Report

Background

- 2.1 The Public Interest Disclosure Act 1998 (The Act), commonly referred to as the 'Whistle-blowing Act', provides legal protection to workers against being dismissed or penalised by their employers, as a result of making a 'protected disclosure' over concerns about malpractice or wrongdoing.
- 2.2 The Act protects workers who disclose information which they reasonably believe tend to show one or more of the following matters is either happening now, took place in the past, or is likely to happen in the future:
- a criminal offence;
 - the breach of a legal obligation;
 - a miscarriage of justice;
 - a danger to the health or safety of any individual;
 - damage to the environment; or
 - deliberate covering up of information tending to show any of the above five matters.
- 2.3 The effect of the Act is to ensure that a worker who has raised such concerns is not treated less favourably as a result. For example, if an employee is dismissed because he has made a protected disclosure that will be treated as unfair dismissal. He or she will also be protected from other 'detriments', such as denial of promotion.
- 2.4 The provisions of the Act represent an exception to the normal duties of confidentiality that a worker owes to their employer as they allow concerns to be raised, in specified circumstances, to certain external authorities as well as to the employer.

Current situation

- 2.5 The Council does not limit the issue of whistle-blowing to the types of concern specifically listed in the Act. In common with most authorities, the Council's policy is broader in scope, covering any impropriety, breach of procedure or failure of the manner in which services are being provided, including suspected breach of the Council's Constitution, Contract Procedure Rules and Financial Regulations. The Policy was most recently considered and approved by the Standards Committee on 26 March 2007.

- 2.6 The Policy has been strongly recommended for adoption by school governing bodies, following consultation with their staff. Governing bodies are urged to adhere to the principles outlined in the Policy.
- 2.7 The Policy's stated aims are to:
- encourage workers to feel confident in raising serious genuine concerns and to question and act upon concerns;
 - provide avenues for workers to raise those concerns and receive feedback on any action taken;
 - encourage and enable workers to raise serious concerns within the Council rather than overlooking a problem or taking it outside of the organisation.
 - ensure that workers are aware of how to pursue concerns if they are not satisfied with the action taken;
 - reassure workers in the strongest terms that they will be protected from possible reprisals or victimisation for Whistle-blowing in good faith in accordance with this procedure.
 - ensure for consistency and fairness in dealing with Whistle-blowing across the council.
- 2.8 The Policy includes the procedure by which Council workers should raise any matter that might qualify as a protected disclosure. The policy provides that concerns should be raised in the first instance with the worker's immediate manager, or a senior council official. The person who raises the concern will receive a written acknowledgement and an explanation of the process by which the matter will be dealt.
- 2.9 The Policy seeks to ensure that the worker is kept informed throughout the process and, at the end of the matter, receives feedback on the outcome of any investigation, subject to any legal constraints. If they are dissatisfied with the outcome they have the option to refer the matter to an external regulator. The policy lists contact details for the prescribed regulators that deal with different types of disclosure.
- 2.10 The Policy makes it clear that the Council endeavours to maintain the confidentiality of a person who raises a concern, but in order for the matter to be investigated fully and fairly, complete confidentiality may not be possible. It is also stressed that concerns must be raised in good faith and appropriate action will be taken where the motives behind a complaint are otherwise.
- 2.11 The Monitoring Officer has overall responsibility for the maintenance and operation of the Whistle-blowing Policy. The Monitoring Officer maintains a register which records all Whistle-blowing complaints, which includes information such as the time taken to deal with them and the outcome.

- 2.12 The Whistle-blowing Policy is published on the intranet to allow access by staff and Members. The Policy is also available to residents, partners and the general public on the Council's website.
- 2.13 The Coalition's 'Programme for Government' indicated an intention to 'introduce new protection for whistle-blowing in the public sector'. Further to this, a Consultation is currently underway on proposals that will amend the NHS constitution in order to give greater prominence to the issue of whistle-blowing. To date, no formal proposals have been made concerning local government whistle-blowers. However, an Audit Commission report 'Protecting the Public Purse', published last month, called on Councils to better promote whistle-blowing to encourage early identification of potential abuse.
- 2.14 The independent charity, Public Concern at Work, will also be sending a model whistleblowing policy to every Local Authority in England in November 2010. The Council will analyse this document once received to ensure that its policy is in line with best practice.

The Council's Whistle-blowing Policy in Practice

- 2.15 The fact that the Whistle-blowing policy covers an extremely wide range of issues made it difficult in the past to be confident that all complaints falling within its scope of the Whistle-blowing report were being captured centrally. In order to address this, recent efforts have been made to better promote the policy including, for example, its inclusion on the Standards Committee's new webpage. Going forward, this will help the Council to monitor the use of the policy more effectively.
- 2.16 During the past twelve months, the Council received three complaints within the scope of the Whistle-blowing Policy. The first concerned allegations of illegal activities by an employee which, following investigation, were found to be unsubstantiated. The second concerned alleged threatening behaviour by a former agency worker which was upheld in part. The individual concerned no longer works for the Council. The third concerned an allegation of the inappropriate use of a contractor. The initial complaint was not upheld, but further information provided during feedback to the complainant is currently being investigated.
- 2.17 To date, all of the concerns raised have been dealt with internally.

Risk Management Implications

Risk included on Directorate risk register? No

Separate risk register in place? No

Section 3 - Financial Implications

3.1 There are no financial implications associated with this report.

Section 4 - Corporate Priorities

4.1 The report relates to the current corporate priority of Building Stronger Communities by providing information on the background to and the operation of the Council's whistleblowing policy.

Name: Myfanwy Barrett	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 17 November 2010		

Section 5 - Contact Details and Background Papers

Contact: Louise Humphreys, Legal Services and Governance Department
Ext 5414
Vishal Seegoolam, Acting Senior Professional – Democratic
Services Ext. 2883

Background Papers:

Public Interest Disclosure Act 1998

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HARROW SCHEME FOR PAY AND CONDITIONS OF SERVICE

SUBJECT:	Whistleblowing Policy and Procedure	
SECTION:	Employment Practices	REF: 3.36
SOURCE:	Approved at Standards Committee 26th March 2007	
AND DATE:	Corporate Joint Committee 7 th March 2001	
APPLICABLE TO:	All workers - see definition below (except staff managed by School Governors)	

1. Policy Statement

The Council is committed to the highest possible standards of conduct, openness, honesty and accountability and takes seriously any issues of malpractice or wrongdoing. Workers are often the first to realise there may be something seriously wrong within the workplace and the Council expects workers who have serious concerns about any aspect of the Council's work to come forward and voice those concerns and to feel supported when doing so.

The Public Interest Disclosure Act 1998 (PIDA) protects workers who 'blow the whistle' about malpractice or wrongdoing within an organisation. This Act makes provision on the kinds of disclosures which may be protected, the circumstances in which such disclosures are protected and persons who may be protected.

2. Who is covered by the Policy?

This policy and procedure applies to all Council employees, permanent and temporary, agency workers, contractors and their staff and Elected Members. It also covers suppliers and those providing services under a contract with the Council in their own premises, for example, care homes. The term "worker" within this document is used to describe any of the above.

This policy does not form part of an employee's contract of employment.

Schools

This policy and procedure is strongly recommended for adoption by School Governing bodies, following consultation with their staff. Governing bodies are urged to adhere to the principles outlined within this policy and procedure.

Where this policy and procedure makes reference to a manager, in schools this normally will be the Head Teacher.

3. Why do we need a Policy?

This policy and procedure is intended to encourage and enable workers to raise serious concerns within the Council rather than overlooking a problem or feeling the need to "blow the whistle" outside.

This policy and procedure aims to:

- encourage workers to feel confident in raising serious genuine concerns and to question and act upon concerns;
- provide avenues for workers to raise those concerns and receive feedback on any action taken;
- encourage and enable workers to raise serious concerns within the Council rather than overlooking a problem or taking it outside of the organisation.
- ensure that workers are aware of how to pursue concerns if they are not satisfied with the action taken;
- reassure workers in the strongest terms that they will be protected from possible reprisals or victimisation for Whistleblowing in good faith in accordance with this procedure.
- ensure for consistency and fairness in dealing with Whistleblowing across the council.

It is recognised that cases may have to proceed on a confidential basis.

4. What is covered by this Policy?

Disclosing a concern which the worker honestly and reasonably believes suggests that malpractice or wrongdoing has happened, is in the process of being committed or is likely to be committed, would qualify for protection under PIDA. Malpractice or wrongdoing include:

- a criminal offence;
- the breach of a legal obligation;
- a miscarriage of justice;
- a danger to the health and safety of any individual;
- damage to the environment; or
- deliberate covering up of information tending to show any of the above.

Although not covered by PIDA, it should be noted that Council employees have a duty to report to the authority any impropriety, breach of procedure or failure of the manner in which services are being provided without fear of recrimination (see Code of Conduct 2.3).

For the avoidance of doubt, this includes a duty to report a suspected breach of the Council's Constitution (including Contract Procedure Rules and Financial Regulations) eg under Section 2 para 28 of the Financial Regulations, Council employees have an obligation to report financial impropriety to Internal Audit/Corporate Anti Fraud Team.

Issues not covered in the above list will be dealt with in one of the ways outlined in Section 8.5 below.

Council employees can seek guidance and advice on how to pursue matters of concern from Human Resources.

5. Safeguards against Harassment or Victimisation

The Council will not tolerate any harassment or victimisation (including informal pressures) and will take appropriate action, within its power, to protect workers when a concern is raised. Workers who suffer harassment or victimisation should inform the individual with whom they raised their initial concern.

Workers raising an issue referred to in Section 4 in good faith and in accordance with the PIDA, are protected from harassment, victimisation or any other detrimental treatment, even if their disclosure of any wrongdoing or malpractice is not substantiated after investigation.

PROCEDURE FOR RAISING A CONCERN

See Appendix 1

6. How to Raise a Concern

- Concerns may be raised orally or in writing.
- The worker needs to ensure that the person with whom they raise the concern is fully aware that they are using this procedure.
- Harrow employees may wish to discuss their concern in confidence with their Trade Union representative or work colleague and/or invite their trade union representative or work colleague to be present during any meetings or interviews in connection with the concerns raised.
- Harrow employees can seek guidance or advice on how to pursue matters of concern may be obtained from the Human Resources and advice/support may also be sought from a Trade Union Representative.
- The earlier the concern is raised the easier it is to take action.
- It will be helpful to provide the background and history of the concern (giving relevant dates, names & locations), the reasons for the particular concern about the situation and details of evidence / witnesses.
- Harrow employees may seek assistance with preparing this information from an HR Adviser or Trade Union representative.
- The earlier the concern is raised the easier it is to take action.

7. To whom do I Report my concerns?

Concerns should normally be raised with a Senior Council Officer, for employees this would normally be their immediate manager.

Council employees

Council employees who do not wish to raise the issue with their manager because of the nature, seriousness or sensitivity of the issues involved, can raise their concerns with their Director, or go direct to the Director of Finance (151 Officer), Director of Legal and Governance Services (Monitoring Officer) or the Chief Executive.

Schools

In the case of schools if the concern relates to the Headteacher, this should be referred to the Chair of the Governing Body.

Council Members

Where Council Members have concerns they may wish to first discuss matters with their Group Leader, but this does not discharge the responsibility to report serious matters urgently to either to the relevant Director or the Director of Legal and Governance Services.

For guidance on raising concerns outside the Council, see Section 9 below.

8. How the Council will Respond

- 8.1 Within 5 working days, the person with whom the concern was raised will acknowledge its receipt in writing, irrespective of how the concern was raised.
- 8.2 Where the concern has been raised with a manager, (s)he together with an HR Adviser (or other relevant representative eg from Audit or Child Protection Unit) will decide whether the matter needs to be referred to a more senior officer e.g. Director, Director of Finance (151 Officer), Director of Legal and Governance Services (Monitoring Officer), Chief Executive, Head Teacher, Chair of Governors.
- 8.3 Investigation does not imply either acceptance or rejection of an individual's concerns
- 8.4 The initial enquiry will be undertaken, wherever possible within 10 working days, by the most appropriate Officer(s). This will not involve a detailed investigation, however, sufficient information will need to be gathered in order that a decision can be made as to whether further investigation will take place.
- 8.5 Where appropriate, the matters raised may:
 - be investigated by management, internal audit, or through the disciplinary process
 - be referred to the police
 - be referred to the external auditor or other external investigation
 - form the subject of an independent inquiry
 - be investigated under another procedure e.g. child/adult protection
 - be investigated under other forms of prosecution and inspection e.g. to protect public health and safety
- 8.6 In order to protect individuals and those accused of misdeeds or possible malpractice or wrongdoing, initial enquiries will be made to decide whether an investigation is appropriate and, if so, what form it should take. The overriding principle which the Council will have in mind is the public interest. Concerns or allegations which fall within the scope of specific procedures (for example, child protection or discrimination issues) will normally be referred for consideration under those procedures.
- 8.7 Within fifteen working days of a concern being raised, the person with whom the concern has been raised will write to the individual who raised the matter:
 - indicating how they propose to deal with the matter
 - giving an estimate of how long it will take to provide a final response
 - informing them whether any initial enquiries have been made

- supplying them with information on staff support mechanisms, and
 - informing them whether further investigations will take place and who will conduct that investigation, or
 - explaining the reasons why no investigation is to be carried out.
- 8.8 It may be necessary, as part of the investigation, to obtain additional information from the individual who raised the concern.
- 8.9 The investigation may need to be carried out under the terms of strict confidentiality i.e. by not informing the subject of the concern until (or if) it becomes necessary to do so. This may be appropriate in cases of suspected fraud.
- 8.10 The Council accepts that individuals who raise a concern need to know that the matter has been properly addressed. Thus, subject to legal constraints, the worker will be given feedback on any action taken. However, it will not include information relating to specific individuals, which will remain confidential.

9. How the Matter can be taken Further

This policy and procedure is intended to provide workers with an avenue within the Council to raise concerns. The Council hopes workers will be satisfied with any action taken. If not, and they feel it is right to take the matter outside the Council, the matter can be raised with the relevant organisation(s) as listed in Appendix 2.

There may be circumstances where a worker considers that (s)he needs to raise the matter externally. This may be because, for example, there is a need to involve the appropriate external regulatory body, or the worker considers that the matter has not been properly addressed, or that a worker reasonably believes that the matter will be covered up.

If a worker is unsure whether or how to raise a concern or wants confidential advice, contact can be made with the independent charity Public Concern at Work on 020 7404 6609 or at helpline@pcaw.co.uk. Their lawyers can provide free confidential advice on how to raise a concern about serious malpractice or wrongdoing at work.

Further information can also be obtained from the website of the employment service, ACAS (the Advisory, Conciliation and Arbitration Service) at www.acas.org.uk.

In circumstances where a worker decides to raise the matter externally, (s)he will only be protected under this procedure, and under employment law, where the disclosure is made in accordance with the PIDA. This means that the disclosure must fall under one of the categories listed in paragraph 4 above and must be made in one of the following ways:

- a) in the course of obtaining legal advice
- b) to a prescribed regulatory body (listed in Appendix 2) provided the disclosure is made in good faith and the worker reasonably believes the prescribed body is responsible for the matter of concern and that the allegations are substantially true;
- c) to other third parties where the worker makes the disclosure;
 - in good faith, with reasonable belief that the information and allegations are substantially true, and
 - does not make the disclosure for personal gain, and
 - has already raised the matter with the Council or prescribed regulator, unless the worker reasonably believes that (s)he will suffer a detriment, or there is not

- prescribed regulator and (s)he reasonable believes that evidence will be concealed or destroyed if (s)he makes the initial disclosure to the Council, and
- in all of the circumstances it is reasonable to make the disclosure.

d) The disclosure is of an exceptionally serious nature and the whistleblower makes the disclosure:

- In good faith, with reasonable belief that the information and allegations are substantially true, and
- Does not make the disclosure for personal gain, and
- In all of the circumstances it is reasonable to make the disclosure.

Council employees who wish to take the matter outside the Council should check with their Trade Union representative or Human Resources that they are not in breach of the Council's Code of Conduct.

Council employees should not, in any circumstances, approach the media/press.

10. Support for Workers raising a Concern and others affected by the Raising of a concern

- The Council is committed to good practice and high standards and wants to be supportive of individuals who raise concerns.
- The Council will also support individuals affected by the raising of a concern as appropriate.
- Council employees experiencing stress as a result of their involvement in this process can seek counselling and support from the Council's Occupation Health Service or Employee Assistance Programme.
- Council employees can also approach their Trade Union for advice/support throughout the procedure.
- Council employees may also approach their Employee Support Group for support throughout the procedure.
- The employee may find it helpful to involve his or her manager, particularly if they can identify specific support that would be helpful and which the manager feels are reasonable.
- The Council will take steps to minimise any difficulties which individuals may experience as a result of raising a concern, eg if they are required to give evidence in criminal or disciplinary proceedings the Council will arrange for them to receive advice about the procedure and, if necessary, be fully prepared for a Court appearance.
- Where the raising of a concern affects a group of staff, the relevant manager will, having made an assessment, take appropriate action to support the workgroup.

11. Confidentiality

If a worker raises an issue, every effort will be made not to reveal their identity. It must be recognised, however, that in order to investigate the matter, information must be obtained and/or other workers questioned, therefore total confidentiality cannot be guaranteed. If criminal proceedings require that information is passed on it may become necessary to reveal the worker's identity. In such situations the worker will be consulted before this action is taken, however, the Council will endeavour to maintain confidentiality whenever possible.

12. Anonymous Allegations

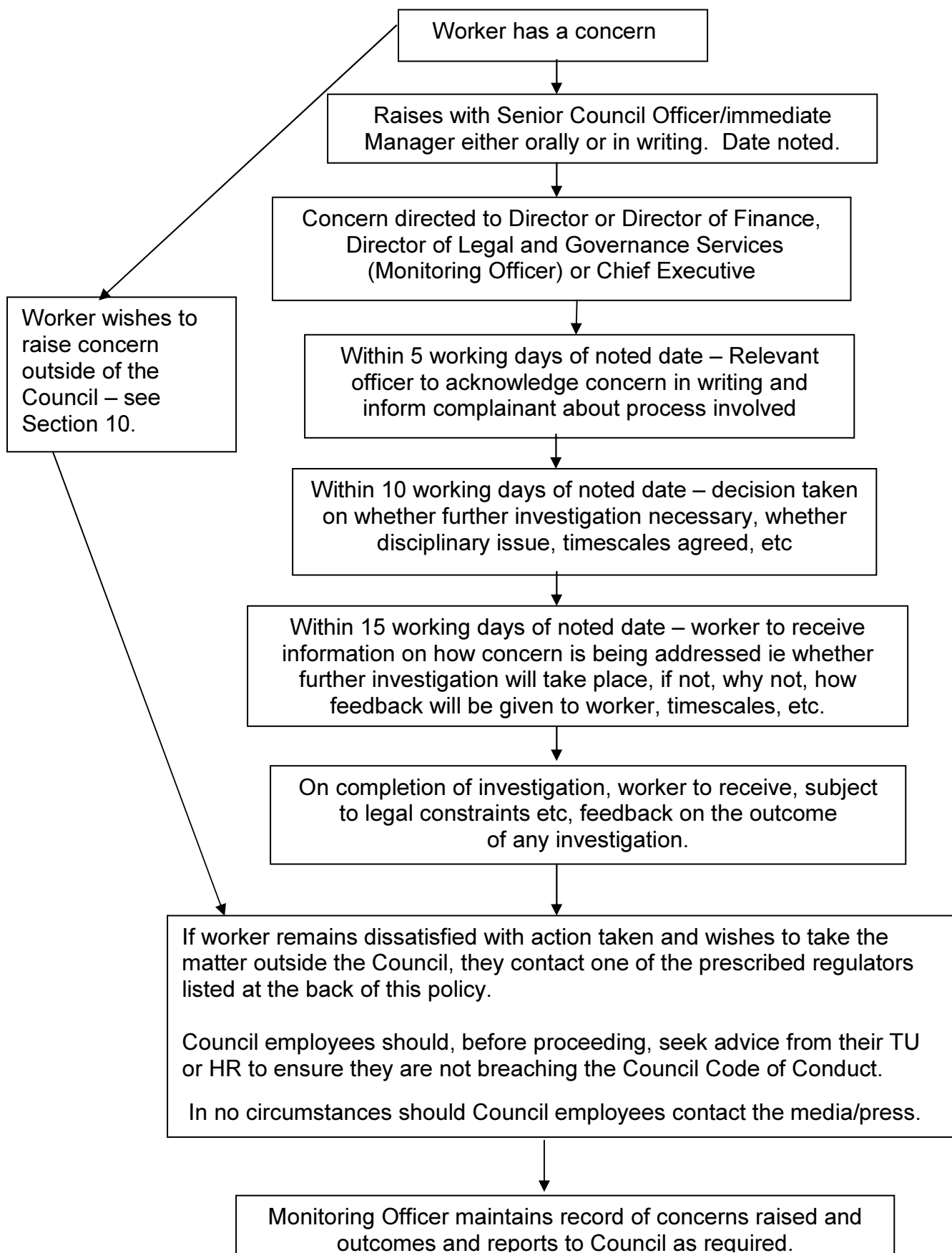
Where a concern is raised anonymously, these will be considered at the discretion of the Council taking into account the seriousness of the issues raised; the credibility of the concern; and the likelihood of confirming the allegation from attributable sources.

13. Untrue Allegations

The Council expects that whistleblowing will be made in "good faith" and will treat abuse of the Whistleblowing procedure extremely seriously. The Council reserves the right to take appropriate action against the whistleblower if they are found not to be acting in good faith.

14. The Responsible Officer

The Director of Legal and Governance Services who is the Council's Monitoring Officer, has overall responsibility for the maintenance and operation of this policy and procedure. This officer maintains a record of concerns raised and the outcomes and will report as necessary to the Council (but in a form which does not endanger confidentiality). All concerns raised through this policy and procedure should be reported to the Monitoring Officer by the manager with whom the concern was originally raised.



APPENDIX 2

This is an edited list of the Prescribed Regulators for England, Scotland and Wales - a copy of the full list is available on the Public Concern at Work website: www.pcaw.co.uk

Prescribed Regulator	Matters in respect of which regulator is prescribed
<p>The Charity Commissioners for England & Wales Liverpool Head of Operations 2nd Floor, 20 Kings Parade Queens Dock Liverpool L3 4DQ Tel: 0870 3330123 Fax: 0151 703 1556 www.charity-commission.gov.uk</p>	<p>The proper administration of charities and of funds given or held for charitable purposes.</p>
<p>Independent Police Complaints Commission 90 High Holborn London WC1V 6BH Tel: 020 7166 3000 www.ipcc.gov.uk</p>	<p>Matters relating to the conduct of a person serving with the police (as defined in section 12(7) of the Police reform Act 2002) or of any other person in relation to whose conduct the Independent Police Complaints Commission exercises functions in or under any legislation.</p>
<p>The competent authority under Part IV of the Financial Services and Markets Act 2000 Head of Listing Department London Stock Exchange Old Broad Street London, EC2N 1HP Tel: 020 7797 3884 Fax: 020 7334 8976</p>	<p>The listing of securities on a stock exchange; prospectuses on offers of transferable securities to the public</p>
<p>The Commission for Healthcare Audit and Inspection Finsbury Tower 103-105 Bunhill Row London EC1Y 8TG Tel: 020 7448 9200 www.healthcarecommission.org.uk</p>	<p>Matters connected with (a) the provision of health care for the purposes of the National Health Service (where "health care" has the same meaning as in section 45(2) of the Health and Social Care (Community Health and Standards) Act 2003), (b) the provision of independent health care services within the meaning of section 5A(8) of the Care Standards Act 2000, or (c) any activities not covered by (a) and (b) in relation to which the Commission exercises its functions.</p>
<p>The Commission for Social Care Inspection 33 Greycoat Street London SW1P 2QF Tel: 020 7979 2000 Fax: 020 7979 2111</p>	<p>Matters relating to the provision of regulated social care services as defined in the Care Standards Act 2000, and the inspection and performance assessment of English local authority social services as defined in section 148 of the Health and Social Care (Community Health and Standards) Act 2003.</p>

www.csci.org.uk	
<p>The Commissioners for Her Majesty's Revenue and Customs Cross Cutting Policy Room 1E/04 1 Parliament Street London SW1A 2BQ Freephone: 0900 595 000 Free fax: 0800 523 0506 E-mail: customs.confidential@hmrc.gov.uk</p>	<p>Value added tax, insurance premium tax, excise duties and landfill tax. The import and export of prohibited or restricted goods. Income tax, corporation tax, capital gains tax, petroleum revenue tax, inheritance tax, stamp duties, national insurance contributions, statutory maternity pay, statutory sick pay, tax credits, child benefits, collection of student loans and the enforcement of the national minimum wage.</p>
<p>Comptroller and Auditor General of the National Audit Office 157-197 Buckingham Palace Road Victoria London SW1W 9SP Tel: 020 7798 7999 www.nao.gov.uk</p>	<p>The proper conduct of public business, value for money, fraud and corruption in relation to the provision of centrally funded public services.</p>
<p>Director General of Water Services Office of Water Services Centre City Tower 7 Hill Street Birmingham B5 4UA Tel: 0121 625 1300 Fax: 0121 625 1400 www.ofwat.gov.uk</p>	<p>The supply of water and the provision of sewerage services.</p>
<p>The Director of the Serious Fraud Office Elm House 10- 16 Elm Street London WC1X 0BJ Tel: 020 7239 7272 Fax: 020 7837 1689 www.sfo.gov.uk</p>	<p>Serious or complex fraud.</p>
<p>The Environment Agency Rio House Waterside Drive Aztec West Almondsbury Bristol BS12 4UD Tel: 0800 807060 (24 hour line) or enquiries 01454 624400 Fax: 01454 624409 www.environment-agency.gov.uk</p>	<p>Acts or omissions which have an actual or potential effect on the environment or the management or regulation of the environment including those relating to pollution, abstraction of water, flooding, the flow of rivers, inland fisheries and migratory salmon or trout.</p>
<p>Food Standards Agency Personnel and Establishments Division Food Standards Agency Room 111C, Aviation House 125 Kingsway, London WC2B 6NH Tel: 020 7276 8120</p>	<p>Matters which may affect the health of any member of the public in relation to the consumption of food and other matters concerning the protection of the interests of consumers in relation to food.</p>

<p>Fax: 020 7276 8132 www.food.gov.uk</p>	
<p>General Social Care Council Goldings House 2 Hays Lane London SE1 2HB Tel: 020 7397 5100 Fax: 020 7397 5145 www.gscc.org.uk</p>	<p>Matters relating to the registration of social care workers under the Care Standards Act 2000.</p>
<p>Health and Safety Executive Caerphilly Business Park Caerphilly South Wales CF83 3GG Tel: 0845 345 0055 Fax: 0845 408 9566 www.hse.gov.uk/workers/whistleblowing</p>	<p>Matters which may affect the health or safety of any individual at work; matters which may affect the health and safety of any member of the public arising out of, or in connection with, the activities of persons at work.</p>
<p>Housing Corporation Assistant Director Supervision Housing Corporation 149 Tottenham Court Road London W1T 7BN Tel: 020 7393 2000</p>	<p>The registration and operation of registered social landlords, including their administration of public and private funds and management of their housing stock.</p>
<p>Local Authorities (The local authority which under section 18 of the Health and Safety at Work etc Act 1974 is responsible for the enforcement of the relevant statutory provisions)</p>	<p>Matters which may affect the health or safety of any individual at work; matters which may affect the health and safety of any member of the public arising out of, or in connection with, the activities of persons at work.</p>
<p>Information Commissioner The Office of the Information Commissioner Wycliffe House Water Lane Wilmslow Cheshire SK9 5AF Tel: 01625 545700 Fax: 01625 524510 E-mail: mail@ico.gsi.gov.uk www.informationcommissioner.gov.uk</p>	<p>Compliance with the requirements of legislation relating to data protection and to freedom of information*. (*Data protection legislation regulates the processing of information relating to individuals, including the obtaining, holding, use or disclosure of such information) (*Freedom of information legislation provides for the disclosure by public authorities of the information that they hold).</p>
<p>National Care Standards Commission St Nicholas Building St Nicholas Street Newcastle NE1 1NB Tel: 0191 233 3556 Email: enquiries@ncsc.gsi.gov.uk</p>	<p>Matters relating to the provision of regulated care services, as defined in the Care Standards Act 2000.</p>
<p>The Pensions Regulator Napier House</p>	<p>Matters relating to occupational pension schemes and other private pension</p>

<p>Trafalgar Place Brighton BN1 4DW Tel: 0870 6063 636 Textphone: 0870 2433 123 Fax: 0870 2411144 www.thepensionsregulator.gov.uk</p>	<p>arrangements.</p>
<p>Standards Board for England 1st Floor Cottons Centre Cottons Lane London SE1 2QL Tel: 0845 078 8181 www.standardsboard.co.uk</p>	<p>Breaches by a member or co-opted member of a relevant authority (as defined in section 49(6) of the Local Government Act 2000) of that authority's code of conduct.</p>
<p>HM Treasury Insurance Directorate Parliament Street London SW1P 3AG Tel: 020 7270 1720 Fax: 020 7270 4694</p>	<p>The carrying on of insurance business.</p>
<p>Secretary of State for Trade and Industry Vetting Section Companies Investigation Branch Department of Trade and Industry 10 Victoria Street London SW1H 0NN Tel: 020 7215 3120 Fax: 020 7215 3112 Consumer Affairs Directorate V418 Department of Trade and Industry 1 Victoria Street London SW1H 0ET Tel: 020 7215 5496 Fax: 020 7215 0339</p>	<p>Fraud and other misconduct in relation to companies, investment business, insurance business, or multi-level marketing schemes (and similar trading schemes); insider dealing.</p>
<p>LOCAL AUTHORITIES WHICH HAVE RESPONSIBILITY FOR ENFORCEMENT OF CONSUMER PROTECTION LEGISLATION</p>	<p>Compliance with the requirements of consumer protection legislation.</p>
<p>Local authorities which are responsible for the enforcement of food standards</p>	<p>Compliance with the requirements of food safety legislation.</p>

**REPORT FOR: GOVERNANCE, AUDIT
AND RISK
MANAGEMENT
COMMITTEE**

Date of Meeting: 29 November 2010

Subject: INFORMATION REPORT – Accounts
and Governance Update Report

Responsible Officer: Myfanwy Barrett, Corporate Director of
Finance

Exempt: No

Enclosures: None

Section 1 – Summary

This report provides an update on signing the 2009-10 accounts and governance for Harrow Council required to meet the requirements of CIPFA/SOLACE guidance and good corporate governance.

FOR INFORMATION

Section 2 – Report

- 2.1 At the GARMC meeting on Tuesday 28 September the final accounts for both the Council and the Pension Fund were approved, and the Council's external auditor confirmed that, subject to finalising one or two minor points, he was ready to sign.
- 2.2 During the meeting reference was made to an investigation in relation to the management and control of certain capital projects.
- 2.3 After the meeting the Auditor decided to defer signing the Council's accounts due to uncertainty as to whether the investigation had any bearing on the 2009-10 statements. The Pension Fund accounts were signed off as planned.
- 2.4 Throughout October, whilst the investigation progressed, there was ongoing debate with the auditor and information was provided as and when it became available. As the accounting issues were clarified, the debate increasingly focused on the internal control environment.
- 2.5 Arising from this debate, an adjustment was made to the Annual Governance Statement as follows:

“The management assurance exercise identified a weakness in relation to project management and this was factored into the detailed action plans. However, since the exercise was completed it has become clear that there is a more serious weakness in relation to the management and control of certain capital projects. In order to address this situation a management investigation has been commissioned and corrective measures are being put in place in the meantime. The investigation will result in a number of recommendations to improve project management, internal control and monitoring in relation to the capital programme. These recommendations will be added to the AGS Action Plan and progress will be monitored by the Corporate Governance Group and the Corporate Strategic Board.”
- 2.6 Towards the end of October, the auditor concluded that the investigation had no material impact on the 2009-10 accounts and that the financial statements were correct. No changes were made to the figures in the accounts. The Auditor did, however, qualify his value for money conclusion on internal control in relation to this specific matter.
- 2.7 The 2009-10 Accounts, including the Annual Governance Statement, were duly signed on Thursday 28 October. This exceeded the statutory deadline, however, there will be no formal action as a result of the delay.
- 2.8 A detailed note, with a copy of the final accounts, was circulated to all members of the Committee by email on 9 November.

- 2.9 A report on the outcome of the capital investigation will be submitted to Cabinet in December and subsequently to GARMC.
- 2.10 At its meeting in June 2010 the GARMC approved the 2010/11 Internal Audit annual audit plan developed from the review of the Corporate Strategic Risk/Opportunities Register, the Corporate Operational Risk Register, the governance framework, taking into account cumulative audit knowledge and input from managers. The plan included a review of the Capital Programme (linked to Strategic Risk 2) to cover the adequacy/robustness of policy and procedures, in particular management and control, in place and compliance with the Prudential Code. This review was due to start in September 2010 but has been delayed due to the on-going investigation.

Section 3 – Further Information

2.2 None.

Section 4 – Financial Implications

2.5 None.

Section 5 – Corporate Priorities

2.6 Good governance impacts on and is imperative for the success of all corporate priorities:

- Deliver cleaner and safer streets
- Improve support for vulnerable people
- Build stronger communities

Name: Myfanwy Barrett



Chief Financial Officer

Date: 18 November 2010

Section 6 - Contact Details and Background Papers

Contact: Susan Dixson, Service Manager, Internal Audit
Tel: 020 8424 1420

Background Papers: None

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**REPORT FOR: GOVERNANCE, AUDIT
AND RISK
MANAGEMENT
COMMITTEE**

Date of Meeting: 29 November 2010

Subject: INFORMATION REPORT - Risk,
Audit & Fraud Division Activity Update

Responsible Officer: Myfanwy Barrett, Corporate Director of
Finance

Exempt: No

Enclosures: None

Section 1 – Summary and Recommendations

This report outlines the current work streams of the Risk, Audit and Fraud group of services.

The Committee is requested to note the current work progress across the division.

FOR INFORMATION

Section 2 – Report

Background

- 2.1 This report sets out the progress made and future work planned in respect of the Risk, Audit and Fraud group of services, which the GARMC is responsible for monitoring as part of its terms of reference.
- 2.2 The focus of this monitoring is quarter 2 in 2010/11.
- 2.3 The Risk, Audit and Fraud Division is a collection of risk-based services, which provide support to all other Council departments and schools. The work is based around the management of the Council's corporate risks and there are strong links between the work of each of the teams.
- 2.4 The role of each of the teams was explained in detail at the GARMC Member training event held on 1st September and lead Members are in place to support officers within each of these service areas.
- 2.5 Separate reports are provided for this GARMC meeting in respect of health and safety and internal audit (half year reviews), therefore to avoid duplication these services have been excluded from this activity update.

Emergency Planning and Business Continuity Planning

- 2.6 The key work achieved during the quarter was as follows:
 - The team took part in the London Regional Resilience Forum multi-agency flood plan exercise.
 - Continued monitoring the influenza pandemic situation and attending the Influenza Pandemic Committee hosted by NHS Harrow
 - Hosted the Civic Centre emergency evacuation table top exercise with Metropolitan Police Service, London Fire Brigade and London Ambulance Service
 - Drafted the report on the amendments to the London Gold resolution and mutual aid arrangements for Cabinet, which was approved
 - The corporate Business Continuity plan was approved and signed off by the Chief Executive
 - Took part in the West London communications test for emergency planners and responders

- Took part in the Watford & Three Rivers major incident exercise
- Conducted the annual review of departmental BC plans across the council

2.7 During quarter three the main tasks scheduled are as follows:

- Host Exercise Canberra to test the council's response to a CBR (Chemical, Biological and Radiological) incident with multi-agency partners
- Jointly host Exercise Edenhope to test the council and NHS response to dealing with vulnerable people during a major incident
- Take part in Exercise Preparer, a London-wide training exercise for all 33 borough emergency planning officers organised by London Fire Brigade
- Assist Facilities Management to hold a Depot evacuation exercise with Metropolitan Police Service, London Fire Brigade and London Ambulance Service
- Attend Humanitarian Assistance Centre training for emergency planners and responders in London
- Hold the annual Business Continuity phone cascade test in November involving all managers and staff

Business Risk Management

2.8 The key work achieved during the quarter was as follows:

- Developed new 'Managing Risk' staff induction e-learning module available through the Learning Pool.
- Assisted in the development of the Agency Staff Contract Framework joint commercial partnership risk register.
- Assisted Directorates in the development of their Information Asset Registers and Information Risk Action Plans - this function has now been handed back to Information Management.
- New revised Risk Management Strategy approved by Cabinet in October.
- Provided secretariat functions to CRSG meeting 28 October 2010.

- Assisted Directorates in the quarterly update of their Directorate risk registers.
 - Attended and reported to the quarterly CSB Performance meeting.
 - Developed a new 'Risk Management' Brochure.
 - Developed a new 'Risk Management Toolkit for Council Officers'.
 - Developed a new 'Assessing Your Risk Register Checklist'.
 - Assisted the Policy & Performance team in developed a new standard Service Level Agreement for LAA funding.
 - Assisted HSP Management Groups in the quarterly updates of their risk registers.
- 2.9 The interim risk management officer left the council on 5th November 2010 therefore a selection process is underway to secure a replacement.
- 2.10 The key task for the next quarter is therefore to embed the new post holder and pick up the outstanding tasks from the extensive handover notes.

Information Management

- 2.11 The key work achieved during the quarter was as follows:
- Assisting all directorates to develop their Information Asset Register and Information Risk Action Plan, which are now almost complete.
 - Commenced a project to evaluate a combined Data Protection Act / Freedom of Information tracking system across Council
 - Started information gathering on information classification across the Council.
 - A new Information Architect took up position during the quarter which brings the team up to full strength.
 - Discussions are underway to determine whether the information management function should be included within the in-house client team of the IT service.
- 2.12 During quarter three the main tasks are:
- To develop the council's corporate information asset register from the directorate registers

- Pursue a software solution for staff to acknowledge acceptance of the council's information policies at login (dependant on resources).
- Implement the Data Protection Act / Freedom of Information Act tracking system across Council
- Develop the council records management policy and document retention schedules. (2011/12)

Insurance

2.13 The key work achieved during the quarter was as follows:

- The efficiency review of the Insurance Service is ongoing and the Council's Lean Team have now been invited to participate in the project. The review is expected to be completed by the end of December 2010.
- Together with the seven other boroughs forming the Insurance London Consortium (ILC), Harrow has signed a Section 101 Agreement to formalise its commitment to the ILC.
- Work has commenced on the ILC tender for insurance for Motor, Fidelity Guarantee, Engineering, Terrorism, and Personal Accident & Travel. The ILC is also tendering for external claims handlers. All new contracts are to commence on 1 April 2011.
- In conjunction with the Corporate Procurement team the Tenant's Home Contents Insurance scheme is being re-tendered. A notice was sent to the Official Journal of the European Union on 27 August 2010. The closing date for completed tenders is 18 October 2010 and the new contract is to commence on 1 April 2011.
- A guide to the Council's insurance arrangements has been produced and is now available on the Intranet.
- Further work around the London Authorities Mutual Limited (LAML) Supreme Court case was carried out and a verbal update on this can be provided under part II of the meeting if required.

2.14 During quarter three the main tasks scheduled are as follows:

- Conclusion of the Lean review of the Insurance Service and implementation of the recommendations.
- A programme of risk management initiatives is scheduled to commence in conjunction with insurers and the other ILC members. The programme started in October with a Motor Risk Management Standards Review.

- In conjunction with external solicitors a mock trial is to be staged on 18th January to provide witness training for Highways Officers and other Council staff who may be involved in litigated insurance claims.
- Continuation of the ILC tender for insurance and claims handling, and evaluation of the tender submissions for Tenant's Home Contents insurance.
- Supporting the LAML supreme Court Trial (Scheduled to start on 6th December 2010)

Corporate Anti Fraud Team

2.15 Key work achieved during the quarter was as follows:

Housing Benefit/Council Tax Benefit Fraud

- 1 formal caution
- 11 administrative penalties (generating £9,000 in penalties)
- 4 successful prosecutions (1 involving an employee)
- HB/CTB overpayments in the above cases total just under £100,000

Corporate Fraud

- 1 tenancy repossessed
- 'Operation Daffodil' successfully delivered, resulting in the confiscation of 16 blue badges for misuse
- 14 cautions in total administered for blue badge misuse, 5 awaiting customer acceptance for caution, 1 successful prosecution and 1 pending prosecution

2.16 The team currently has a full capacity of 302 live cases and quarter 3 will be dedicated to progressing these. In addition, recruitment is underway for a (1 year) housing fraud position which is a joint initiative between the Corporate Anti-Fraud Team and Housing colleagues to identify and tackle sub-letting fraud and other related matters.

2.17 On 11 November, the Department for Work and Pensions published its response to the consultation on reforms to the Benefits and Tax Credit system and published a white paper "Universal Credit: welfare that works". This may have significant implications on the work of the anti-fraud team and developments will be followed closely.

Section 3 - Financial Implications

2.18 The work of the Risk, Audit and Fraud division is carried out within the budget available and supports the achievement of financial objectives across the council.

Risk Management Implications

2.19 Risk Management is the core subject matter of this report and the Risk, Audit and Fraud group of services exists specifically to support a wide range of risks affecting the council's services.

Section 4 – Financial Implications

None

Section 5 - Corporate Priorities

2.20 Collectively the Division supports the delivery of all the corporate priorities through supporting the council as a whole to achieve their targets and objectives.

Name: Myfanwy Barrett	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 12 November 2010		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 12 November 2010		

Section 6 - Contact Details and Background Papers

Contact: David Ward Tel: 020 8424 1781 /
Email: david.ward@harrow.gov.uk

Background Papers: None

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**REPORT FOR: GOVERNANCE, AUDIT
AND RISK
MANAGEMENT
COMMITTEE**

Date of Meeting:	29 November 2010
Subject:	INFORMATION REPORT – Half Year Health and Safety Report 2010/11
Responsible Officer:	Myfanwy Barrett, Corporate Director of Finance
Exempt:	No
Enclosures:	Appendix 1 – Analysis Report for Accidents and Incidents Quarter 1 (1 st April – 30 th June 2010) Appendix 2 – Analysis Report for Accidents Quarter 2 (1 st July – 30 th September 2010)

Section 1 – Summary

This report summarises the Council's health and safety performance for the period from 1st April 2010 to 30th September 2010, providing an update of activities and giving information on outcome measures – training, audits and accidents.

FOR INFORMATION

Section 2 – Report

Executive Summary

2.1 The key work streams during the period from 1st April 2010 to 30th September 2010.

- Three Improvement Notices served by the Health and Safety Executive relating to the management of asbestos in Schools. At the time of writing two of the notices have now been complied with and the actions required for the third notice have been completed.
- Instruction from the Health and Safety Executive to further develop a system for auditing and monitoring management arrangements for Health and Safety.
- Continuing development of health and safety codes of practice to meet identified needs i.e. stress policy, lone working, asbestos, fire, display screen equipment, first aid, educational school visits.
- Continued provision of the health and safety training programme.
- Support and development of the Health at Work Group, employee assistance programme and the shared provision of the Occupational Health Service with Brent Council.
- Revitalisation of health and safety groups and focus on improvements in health and safety governance arrangements.

Background

2.2 In line with statutory requirements and in order to allow the Council to monitor and measure health and safety performance and prioritise areas of health and safety risk, a safety review is performed bi-annually

2.3 Effective health and safety management enables the Council to meet its legal, moral and economic obligation, thus benefiting all stakeholders.

External Assurance

2.4 The Council is a large employer and subject to a large number of statutory regulations. Therefore it is not uncommon for the Council to be the subject of visits and inspections by a number of enforcement agencies.

2.5 The Health and Safety Executive (HSE) served three notices on the Council in June 2010, following an incident at Norbury First and Middle School. Prior to the notices being served, the Inspector had been working with the Council over the previous twelve months with a programme of visits across the Council.

2.6 The improvement notice served on Norbury First and Middle School related to assessing, monitoring and the condition of any Asbestos containing materials. The two notices served on Vaughan First & Middle School relate to the provision of adequate

information, instruction and training and the adequacy of the Asbestos Management Plan at the school. Further detail is provided in paragraphs 2.31, 2.32 & 2.33.

Health and Safety Policy and Guidance

2.7 As part of our continuous improvement the Service has taken the opportunity of using the re-launching of the Harrow Hub to review policy, guidance & advice notes before loading these documents onto the hub for general accessibility. The following documents have been reviewed and uploaded.

- HSCOP 01 - Risk Assessment
- HSCOP 11 - Accident Reporting Procedure
-

2.8 The following documents are currently being consulted upon with Council management and our Trade Union partners prior to being approved and uploaded onto the Harrow Hub. The date for completion will be November 2010.

- HSP 05 - Asbestos Policy
- HSCOP 13 - Asbestos Code of Practice
- HSCOP 14 - Lone and Out of Hours Working
- HSCOP 08 - Display Screen Equipment
- HSP F01 - Fire Safety Policy
- HSCOP F02 - Fire Safety Risk Assessment.
- HSCOP 05 - Stress Risk Assessment

2.9 The review of key documents is planned to continue in the second half of this year addressing issues such as first-aid, permit to work systems, driving at work, educational school visits, training, home working, violence at work, pregnant workers and legionella.

Health and Safety Groups

2.10 The arrangements for effective consultation, communication and co-operation, with respect to health and safety, between management, employees and trade unions continue to be through Health and Safety Groups.

2.11 The Corporate Health and Safety Group continues to meet every quarter and is presently chaired by the Assistant Chief Executive. Following recent high profile incidents, governance arrangements are currently under review. This will include revised terms of reference, meeting frequencies, auditing arrangements, key performance indicators and improved representation from schools.

2.12 Each Directorate has a Health and Safety Group which meets every quarter. These Groups deal with Directorate health and safety and provide employees, health and safety representatives and managers with an opportunity to discuss and resolve health and safety related issues. Directorate Health and Safety Groups have been rejuvenated during this period, with the emphasis on ensuring that these meetings are held, scorecards are reviewed, training needs are identified and progress with risk assessments is monitored. Governance arrangements are again under review to determine the adequacy of the current arrangements and the effectiveness in escalating key risks to senior management.

Health and Safety Visits Inspections and Audits

- 2.13 Due to the transitions within the service an audit programme has not been followed during this period. However the service has continued to respond to the needs of the organisation, providing support to management and staff, including conducting over 70 site visits and providing site-specific training courses and workshops.
- 2.14 The HSE have indicated that Harrow Council requires a robust system for auditing management arrangements for Health and Safety and that it is their intention to review the systems implemented in July 2011. The Health and Safety Service are therefore developing auditing arrangements with the intention of introducing these arrangements in the second half of this financial year.

Health and Safety Training

- 2.15 The Health and Safety Service has continued to deliver health and safety training during this period, training approximately 300 employees. The service is also currently reviewing the training procedure and training matrix to ensure it reflects the needs of the organisation.
- 2.16 The health and safety induction and the premises manager's course are the two most attended courses, providing both essential information to new starters and key information on premises safety to managers and Headteachers.

Educational Outside the Classroom

- 2.17 Educational visits and journeys for school children are assessed by the Service. The assessments for over 100 school visits have been reviewed during this period. The Health and Safety Service continues to provide training for Educational Visits Co-ordinators and is currently looking to streamline the process through the development of an on-line system.

Occupational Health

- 2.18 The Occupational Health Service has continued to meet the organisation's requirements for dealing and promoting health at work issues. The service is provided by Connaught Compliance Limited which, although a subsidiary of Connaught plc, has not been placed into administration and continues to trade normally. The Occupational Health team perform health screen pre-employment health screening, process management and self-referrals and are currently introducing online systems. The service is now provided jointly with Brent Council, with the service based on the Middlesex Floor in the main Civic complex in Harrow.

Promotion of Health, Safety and Well Being

- 2.19 Health promotion has not taken place during this period due to the number of transitions taking place including the relocation of the service and the management of the joint service. Promotions are planned for the second half of this year including a Health fair in March.

Employee Assistance Programme

2.20 The Employee Assistance Programme continues to be provided by First Assist. The service includes independent telephone advice and where indicated face-to-face counselling support for a range of problems. The programme has recently been promoted during National Stress Awareness day.

Health and Safety Scorecard

2.21 The health and safety scorecards are still required to be completed by each service to indicate health and safety performance and are reviewed at the quarterly Directorate health and safety group meetings.

2.22 In line with the Health and Safety Executive Inspector's feedback the service is looking at key performance indicators as part of its review of the audit process. The service is therefore expecting to introduce new systems in the second half of this year to indicate health and safety performance.

Accidents at Work

2.23 The Council meets its statutory requirements to record and maintain accident records and compiles quarterly analysis reports for scrutiny by the Health and Safety Groups (see Appendices 1 & 2).

2.24 The new Accident / Incident / Near Miss Database Form and Accident Reporting Procedure have been launched on the Council's new Intranet System for use throughout the Borough. This has given a consistent and accurate approach for data collection and allowed Directorates and Services to fill the form in on-line and then email the form to the Corporate Health and Safety Service. This will allow the service to receive the necessary data in order to more accurately scrutinise trends and identify areas for improvement, as demonstrated in Appendix2.

2.25 The data continues to indicate that the majority of both reportable and non reportable incidents occur in Schools. In depth analysis (see Appendix2) has revealed that over 50% of the top 4 employee accidents by occupation and type involve physical assault. Of these physical assaults, over 50% relate to the managing of children in special needs schools.

2.26 There has been a 24% increase in reported employee accidents from quarter 1, 2010 to quarter 2, 2010. With the introduction of the new accident reporting form and database, this has led to a heightened level of awareness of what should be reported and the likely increase in reporting.

Health and Safety Training data

2.27 The service has followed a training programme during this period and delivered training to approximately 300 employees. In addition to this, bespoke health and safety training, such as Educational Visits Co-ordinators training and DSEasy Assessor training have been delivered locally in individual Directorates.

2.28 The two highest attended courses were the induction and premises manager's courses. The high number of attendees on the premises manager's course is in response to gaps in training highlighted by the Health and Safety Inspector's visit

with respect to schools and asbestos management. This training will continue in the second half of the year until the required training has been completed and incorporate gaps identified in Corporate Properties.

2.29 The training data, when considered against the accident data, highlights the following points:

- There is very little difference in the number of training courses that have been delivered in 2008 (624 persons trained) and 2009 (585 persons trained). The training already delivered for 2010 (295 persons trained), is on target to once again fall within the 2008 and 2009 figures.
- Considering the level of training delivered year on year, there is no evidence to support or explain the increase in accidents from 2008 (367 employee accidents reported) to 2009 (476 employee accidents reported). The figure for the first 6 months of 2010 (208 employee accidents reported), indicates a similar trend.
- The training data in Table 1 does not include that some employees have completed the new on-line DSEasy training. This training is for users of display screen equipment and the on-line assessments are being used in various Directorates including Finance, Housing and Legal and Governance. Over 600 employees have undertaken these assessments and related training and more Services are signing up to DSEasy in the coming weeks.
- The number of incidents does not appear to be related to a lack of training. Schools receive accredited training in dealing with risk incidents related to behaviour and the Special Schools are all on ongoing programmes, including refresher training.

Table 1: The Main Health and Safety Training Courses Attendances 1/4/2010- 30/9/2010

Directorates Courses /	Corporate Finance	Strategy and Business Support	Children's Services	Adults and Housing	Environment and Community	Total
Health and Safety Induction for staff	4	1	7	5	68	85
Health and Safety Induction for managers	7	1	4	5	2	19
Health and Safety Risk Assessment	4	1	12	1	5	23
Health and Safety for Premises managers	0	0	58	7	4	69
Stress Awareness	0	0	0	0	0	0
Fire Marshals	5	0	9	7	0	21
Fire Risk Assessment	0	0	0	0	0	0
Lone working	1	0	0	5	0	6
Personal safety	0	0	0	0	0	0
DSE users	0	0	1	3	0	4
DSE assessors	4	0	4	3	0	11
Stress awareness/risk assessment	0	0	0	0	0	0
COSHH update	0	0	5	3	4	12
Evac chair training	1	1	1	0	4	7
Educational Visits coordinators	N/A	0	21	0	N/A	21
Manual Handling	0	2	9	6	0	17

Legislation Update

2.30 There have not been any regulations that came into force in October 2010 and there are at present no regulations being introduced in April 2011 that will impact upon Harrow Council's activities.

Health and Safety Enforcing Authority

2.31 The HSE as the Council's enforcing authority have served three improvement notices on Harrow Council in June 2010 relating to the management of asbestos in schools.

2.32 The improvement notice (SERIAL No 302693137) served on Norbury First and Middle school on the 30th June 2010 states that, in relation to Norbury First and Middle school, Harrow Council has failed to:

- Carry out a suitable and sufficient assessment of the presence of Asbestos containing materials in the premises.
- Monitor the condition of any Asbestos containing materials.
- Ensure that Asbestos containing materials are properly maintained or where necessary safely removed.

The deadline for completion of the required improvements is the 19th November 2010.

2.33 Two notices were served on Vaughan First & Middle school (Serial Numbers 302693082 & 302693121). The notices state that Harrow Council has failed to:

- a) Provide adequate information, instruction and training about the risks and precautions associated with working with asbestos-containing materials
- b) Ensure that the plan to manage asbestos includes suitable measures to ensure that information about the location and condition of any asbestos-containing material is provided to every person liable to disturb them.

The initial date for the required improvements to be implemented was the 17th September 2010, but an extension was granted in relation to training until the 5th October 2010.

2.34 The requirements of above two improvements notices have now been satisfied and the Corporate Director for Community and Environment has been asked by the Chief Executive to coordinate action across the authority. This will include all actions needed to discharge our present enforcement notices, further "informal" requests and a review of governance, function and structure.

Plans for Quarters 3 & 4 in 2010 / 2011

2.35 Harrow Council will continue to develop its arrangements for the management of health and safety within the organisation, including the following:

- The conclusion of the Corporate Health & Safety Service efficiency review.
- Continued promotion of health, safety and well being with a health and well being fair in March.
- The continued review of key documents addressing issues such as first- aid, permit to work systems, driving at work, educational school visits, training, home working, violence at work, pregnant workers and legionella.
- Development of a system for auditing and monitoring management arrangements for Health and Safety.
- Continued monitoring of the Occupational Health Service and the Employee Assistance Programme.
- Further development of the Health and Safety and Occupational Health intranet portal.
- Continued support to services throughout Harrow Council through advice and training.
- Continue to implement best practise with the issuing across the Council of on-line tools to record and report incidents, assess school visits and assess display screen equipment.
- Continue to improve the collection of incident data and provide appropriate statistics and reports for Health and Safety Groups and forums.
- Continue to provide and to assess health and safety training against the requirements of the organisation.
- Further work with the Community & Environment and Adults & Housing Directorates to ensure comprehensive improvement in the management of asbestos.

Section 3 – Further Information

3.1 None

Section 4 – Financial Implications

4.1 There are no growth items in the proposed plans for 1st April 2010 – 31st March 2011. All items should be contained within the existing budgets.

Section 5 – Corporate Priorities

N/A

Name: Myfanwy Barrett	<input checked="" type="checkbox"/>	Chief Financial Officer
Date: 12 November 2010		
Name: Jessica Farmer	<input checked="" type="checkbox"/>	on behalf of the Monitoring Officer
Date: 12 November 2010		

Section 6 - Contact Details and Background Papers

Contact: Mark Riordan, Interim Health & Safety Lead, 0208 424 1521

Background Papers: None

Appendix 1

**ANALYSIS REPORT
FOR ACCIDENTS AND INCIDENTS
QUARTER 1 (1st April – 30th June 2010)**

1. BACKGROUND

- 1.1 The statistics have been formulated from the Accident Forms that have been returned to the Corporate Health and Safety Service at Harrow Borough Council and relate to Quarter 1, (1st April – 30th June 2010). All statistical data provided is specific to Council Employees.
- 1.2 These statistics have been formulated using the Council’s new Accident Data Base. This database moving forward will allow greater analysis of data, together with the production of charts and graphs.

2. DETAIL

- 2.1 The breakdown of data below will assist Council Departmental Management and Staff in identifying trends, highlighting possible breaches of safe working practice and any additional training requirements.

Chief Executives

Directorate	Division	Type	Occupation	Not RIDDOR reportable	Grand Total
Chief Executive's	CE Partnership	Accident	Office Based	1	1
		Accident Total		1	1
	CE Partnership Total				1
Chief Executive's Total				1	1
Grand Total				1	1

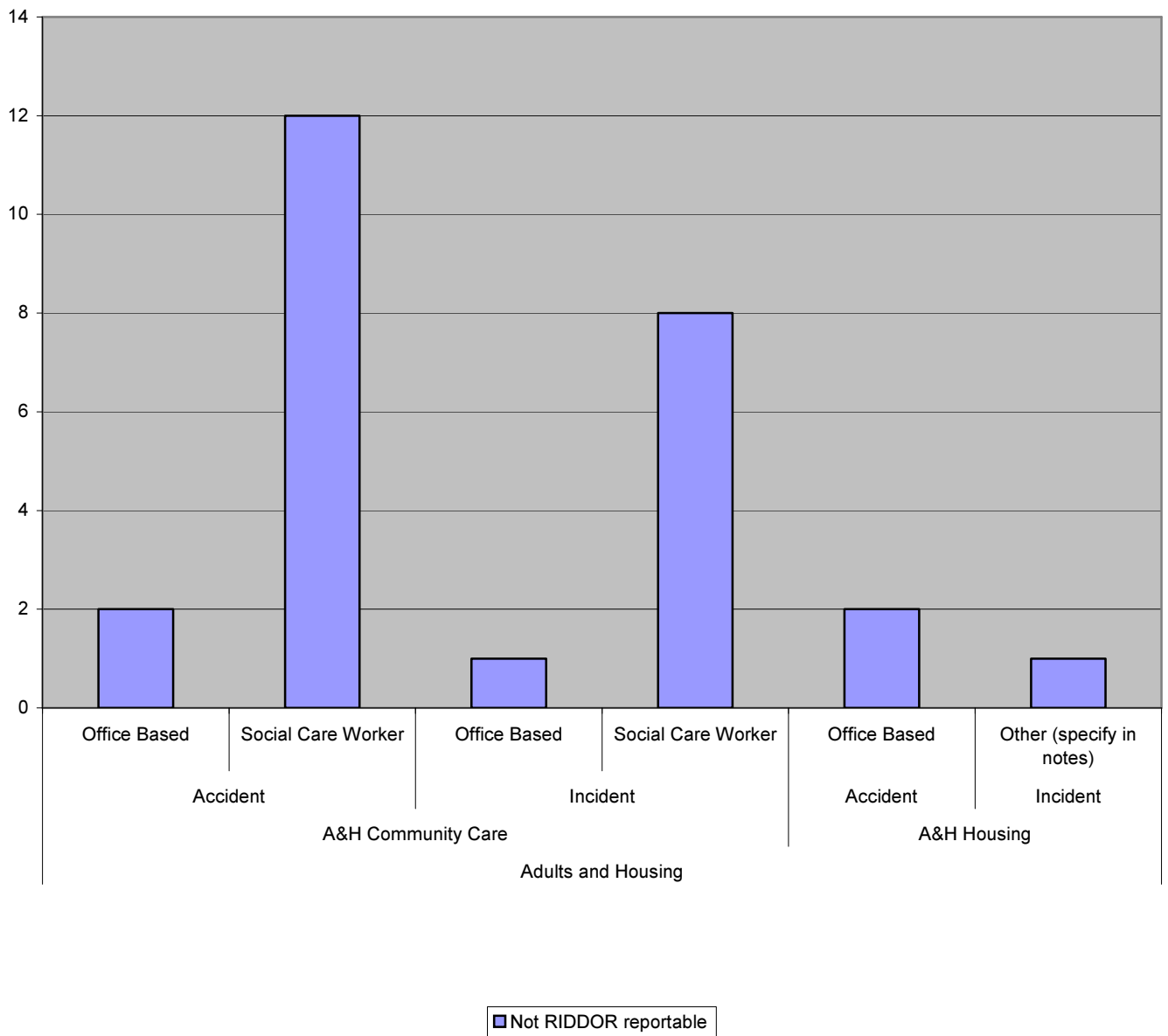
Q 1 Chief Executives 2010



Adult's & Housing

Directorate	Division	Type	Occupation	Not RIDDOR reportable	Grand Total
Adults and Housing	A&H Community Care	Accident	Office Based	2	2
			Social Care Worker	12	12
		Accident Total		14	14
		Incident	Office Based	1	1
		Social Care Worker	8	8	
	Incident Total		9	9	
	A&H Community Care Total			23	23
	A&H Housing	Accident	Office Based	2	2
		Accident Total		2	2
		Incident	Other (specify in notes)	1	1
Incident Total		1	1		
A&H Housing Total			3	3	
Adults and Housing Total				26	26
Grand Total				26	26

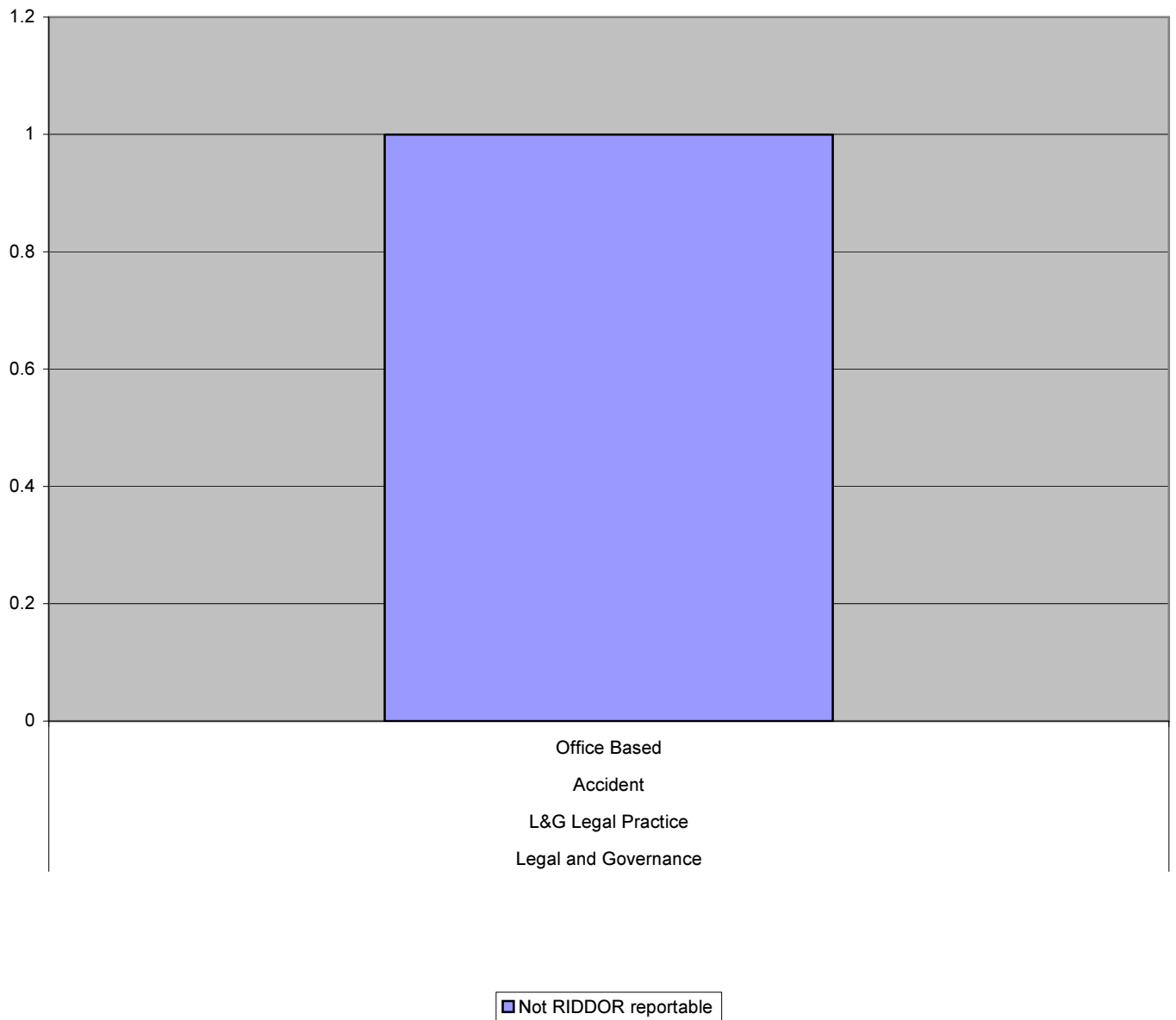
Q 1 Adults & Housing 2010



Legal & Governance

Directorate	Division	Type	Occupation	Not RIDDOR reportable	Grand Total
Legal and Governance	L&G Legal Practice	Accident	Office Based	1	1
		Accident Total		1	1
	L&G Legal Practice Total			1	1
Legal and Governance Total				1	1
Grand Total				1	1

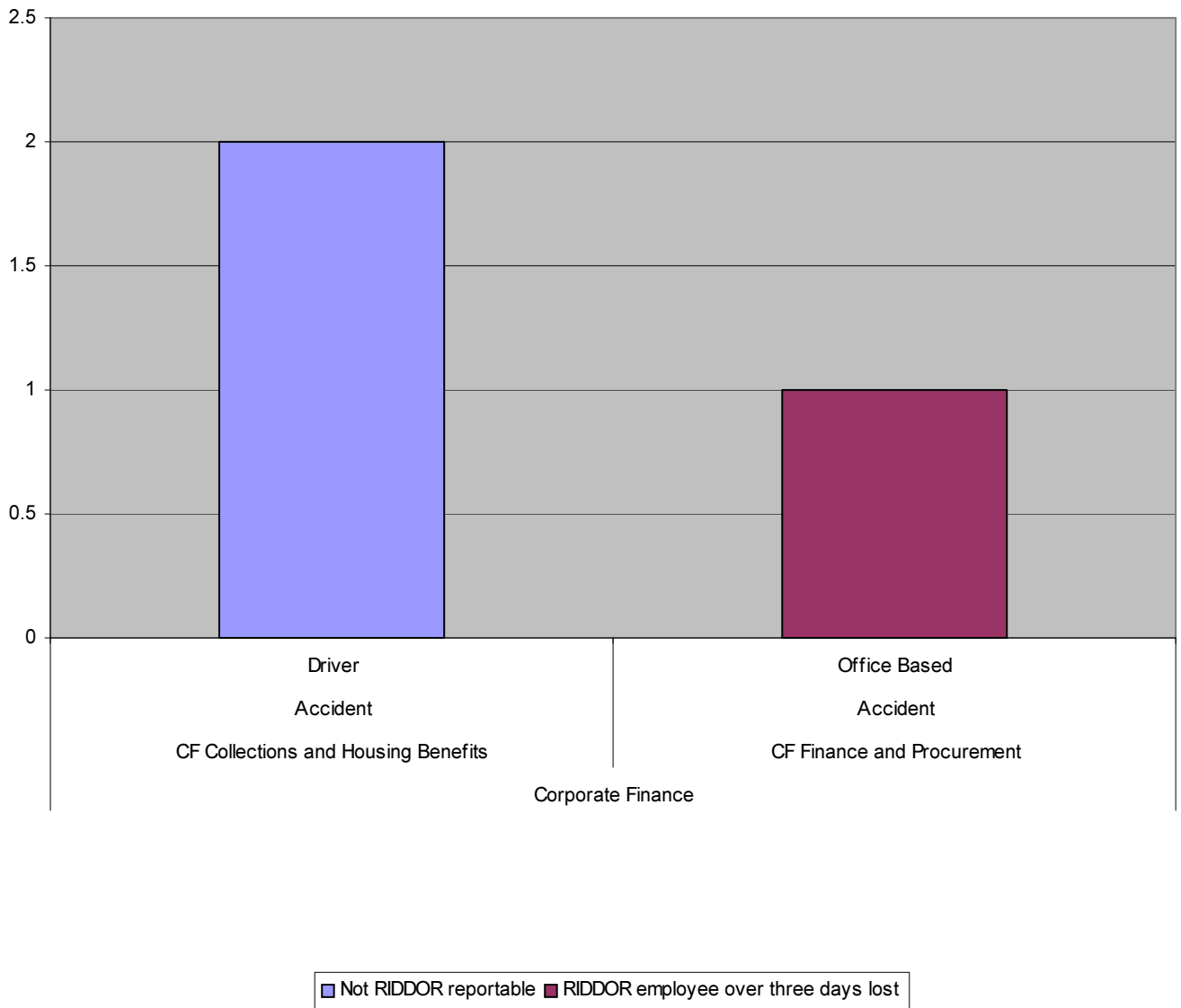
Q 1 Legal & Governance 2010



Corporate Finance

Directorate	Division	Type	Occupation	Not RIDDOR reportable	RIDDOR employee over three days lost	Grand Total	
Corporate Finance	CF Collections	Accident	Driver	2		2	
	Housing Benefits	Accident Total		2		2	
	CF Collections and H B Total			2		2	
	CF Finance and Procurement	Accident	Office Based			1	1
		Accident Total				1	1
	CF Finance & Procure Total					1	1
Corporate Fin Total				2	1	3	
Grand Total				2	1	3	

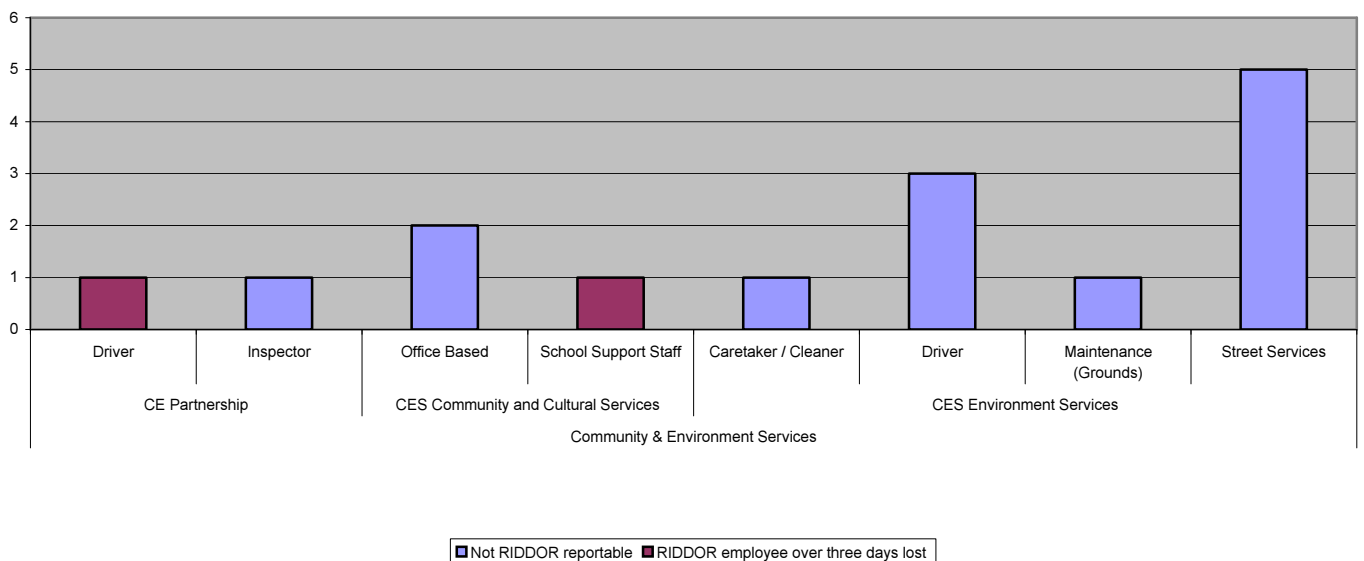
Q 1 Corporate Finance 2010



Community & Environment

Directorate	Division	Occupation	Not RIDDOR reportable	RIDDOR employee over three days lost	Grand Total
Community & Environment Services	CE Partnership	Driver		1	1
		Inspector	1		1
	CE Partnership Total		1	1	2
	CES Community and Cultural Services	Office Based	2		2
		School Support Staff		1	1
	CES Community and Cultural Services Total		2	1	3
	CES Environment Services	Caretaker / Cleaner	1		1
		Driver	3		3
		Maintenance (Grounds)	1		1
		Street Services	5		5
CES Environment Services Total		10		10	
Community & Environment Services Total			13	2	15
Grand Total			13	2	15

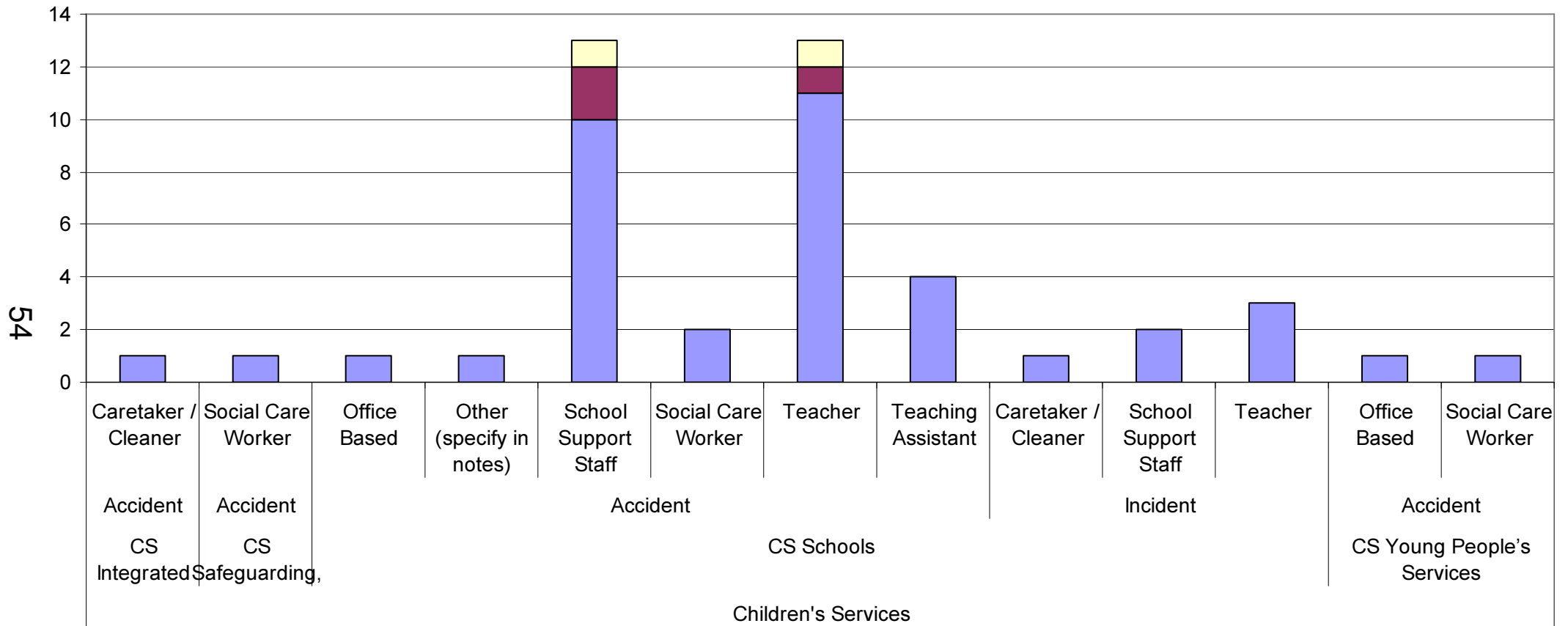
Q 1 Community & Environment Services 2010



Children's Services

Directorate	Division	Type	Occupation	Not RIDDOR reportable	RIDDOR employee major injury	RIDDOR employee over three days lost	Grand Total		
Children's Services	CS Integrated Early Years and Community Services	Accident	Caretaker / Cleaner	1			1		
		Accident Total		1			1		
	CS Integrated Early Years & Community Services Total			1			1		
	CS Safeguarding, Family Placement and Support	Accident	Social Care Worker	1			1		
		Accident Total		1			1		
	CS Safeguarding, Family Placement & Support Total			1			1		
	CS Schools	Accident	Office Based		1			1	
			Other (specify in notes)		1			1	
			School Support Staff		10	2	1	13	
			Social Care Worker		2			2	
			Teacher		11	1	1	13	
			Teaching Assistant		4			4	
			Accident Total		29	3	2	34	
			Incident	Caretaker / Cleaner		1			1
				School Support Staff		2			2
				Teacher		3			3
	Incident Total			6			6		
	CS Schools Total			35	3	2	40		
	CS Young People's Services	Accident	Office Based		1			1	
			Social Care Worker		1			1	
Accident Total			2			2			
CS Young People's Services Total			2			2			
Children's Services Total			39	3	2	44			
Grand Total			39	3	2	44			

Q 1 2010 Childrens Services



■ Not RIDDOR reportable
 ■ RIDDOR employee major injury
 ■ RIDDOR employee over three days lost

3. OBSERVATIONS/RECOMMENDATIONS

- 3.1 The new Accident / Incident / Near Miss Form and Accident Reporting Procedure has been launched on the Council's new Intranet System for use throughout the Borough. This will give a consistent and accurate approach for data collection and will allow Directorates and Services to fill the form in on-line and then email the form to the Corporate Health and Safety Service.
- 3.2 With the introduction of the Council's new Accident Data Base, this gives the scope for greater analysis and breakdown of data. We are now able to give each Directorate and Service more useful information, if there is additional information that a Directorate or Service requires, please contact the Corporate Health and Safety Service.

The content of Accident Forms varies and sometimes not all sections on the forms are completed, as discussed in 3.2 above, we can now give each Directorate and Service more information, but the information that we can give, is only as good as the information that you supply to the Corporate Health and Safety Service. Responsible persons need to ensure accuracy of information and full completion prior to submitting i.e. the section on Divisions within Directorates is sometimes left blank, the rule of thumb is, if it asks for it on the form, then we need to know it.

- 3.3 In some cases, we are still experiencing delays in receiving the completed Accident / Incident / Near Miss Form within the Corporate Health and Safety Service. This can impact on the internal follow-up investigation process, the quality of the data we can give you within each quarters reporting time frame and on occasions, our legal duty to report an accident to the Health and Safety Executive. The completed forms must be submitted as soon as possible following the event.
- 3.4 Reportable incidents or RIDDOR reportable incidents are work related incidents or ill health that are required by law to be recorded and reported by the quickest means possible to the Health and Safety Executive (HSE).

4. OTHER

- 4.1 If any further information is required, please do not hesitate to contact the Corporate Health and Safety Service.

Appendix 2

ANALYSIS REPORT FOR ACCIDENTS QUARTER 2 (1st July – 30th September 2010)

2. BACKGROUND

- 1.1 The statistics have been formulated from the Accident Forms that have been returned to the Corporate Health and Safety Service at Harrow Council and relate to Quarter 2, (1st July – 30th September 2010). All statistical data provided is specific to any accident to Council employees and accidents to non-employees where the accident was reportable to the Health and Safety Executive.
- 1.2 These statistics have been formulated using the Council's new Accident Data Base. This database moving forward will allow greater analysis of data, together with the production of more detailed charts and graphs.
- 1.3 A new Excel Accident Reporting Form has been introduced during this quarter. In the coming months this new form will reduce the completion time for Directorates to report an accident. The new form will also automatically complete the HSE F2508 reportable notification should it be required, so that Directorates will no longer need to complete this.

2. DETAIL

- 2.1 The breakdown of data below will assist Council Departmental Management and Staff in identifying trends, highlighting possible breaches of safe working practice and any additional training requirements.
- 2.2.1 The accident analysis charts give individual Directorate and Division breakdowns of accidents, including details of reportable accidents where applicable and employee occupations and types of accident. The number of types of accidents reported varies in each Directorate, depending upon the number of accidents reported.
- 2.3 Reportable incidents or RIDDOR reportable incidents are work related incidents or ill health that are required by law to be recorded and reported by the quickest means possible to the Health and Safety Executive (HSE).

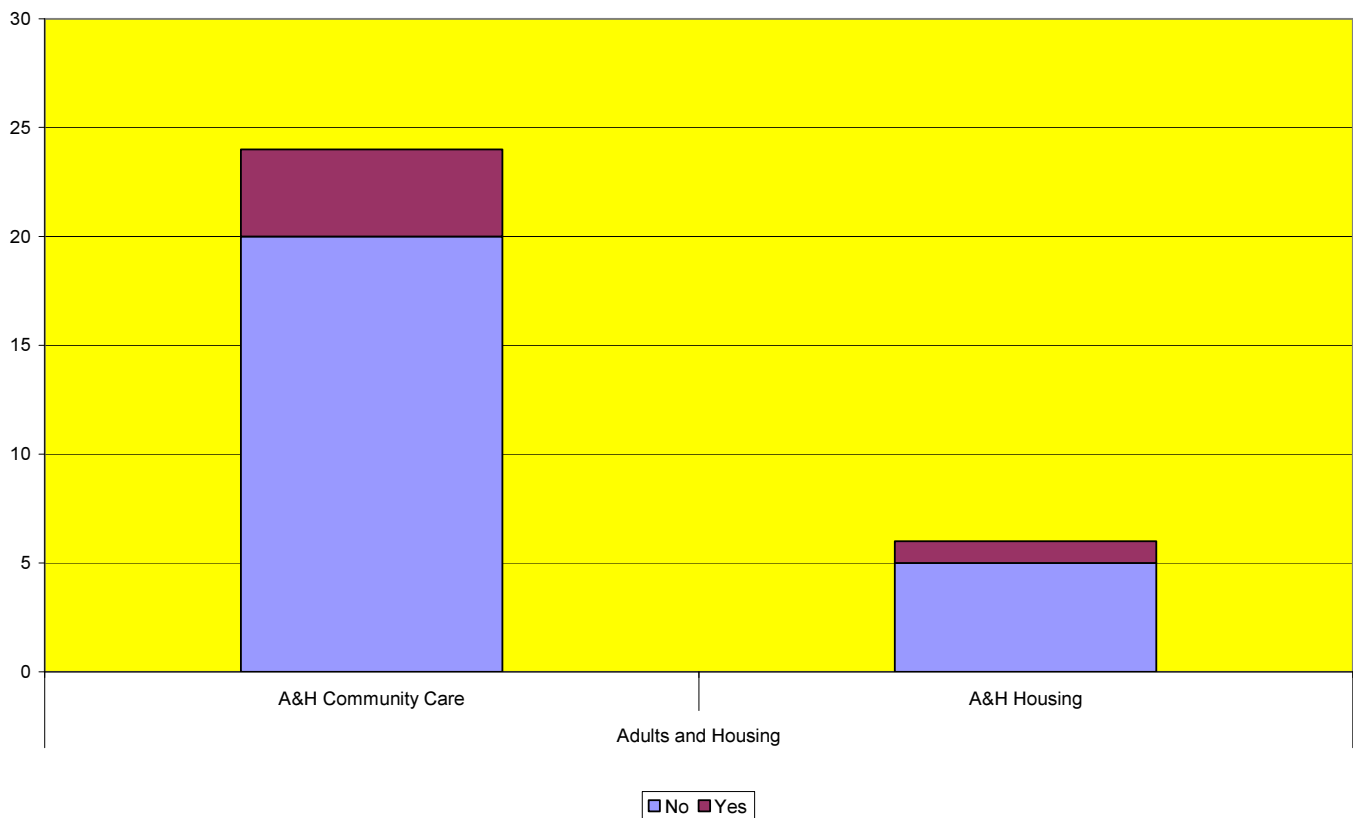
Chief Executives

There were no accidents reported in Quarter 2 (0), compared to Quarter 1 (1).

Adult's & Housing

Total Employee Non-Reportable Accidents & Reportable Accidents

Directorate	Division	F2508 Required		Grand Total
		No	Yes	
Adults and Housing	A&H Community Care	20	4	24
	A&H Housing	5	1	6
Adults and Housing Total		25	5	30
Grand Total		25	5	30



The number of non-reportable accidents in A & H Community Care has fallen slightly in Quarter 2 (20), compared to Quarter 1 (23). However reportable accidents has risen in Quarter 2 (4) compared to Quarter 1 (0)

The number of non-reportable accidents in A & H Housing has risen in Quarter 2 (5), compared to Quarter 1 (3). Again there is an increase in reportable accidents for Quarter 2 (1), compared to Quarter 1 (0).

Breakdown of the Adults & Housing 5 reportable accidents:

Female employee – suffered a physical assault after being attacked by a tenant. The tenant pushed her over and then attempted to hit her with a chair; fortunately she managed to get away from the area before the tenant could hit her with the chair. The employee suffered pain to the side of her body.

Tenant – was using his walking frame to walk along the footpath from the housing scheme to his wife’s car on the car park. The tenant tripped off the end of the kerb and fell to the ground, breaking his patella. The disabled car parking space was being occupied by a car at the time, this car did not belong to a disabled person, if this space had been free, the tenant would have been able to use the drop down kerb.

Tenant – fell in the garden on the warden scheme and fractured their right arm.

Tenant – whilst in his own flat was smoking in bed, he fell asleep and the bed caught fire. He suffered smoke inhalation and was taken to hospital.

Visitor – a young boy was visiting a sheltered housing scheme with his mother, the entrance door to the scheme closed quickly, hitting the boy very hard on the head, knocking him to the ground, the boy went to hospital to be checked over.

A & H Community Care - Top 2 Accidents by Occupation & Type

Division	Driver		Total	Social Care Worker		Total	Grand Total
	Handling / lifting / carrying	Physical assault		Handling / lifting / carrying	Physical assault		
A&H Community Care	1	1	2	5	7	12	14

Physical Assault

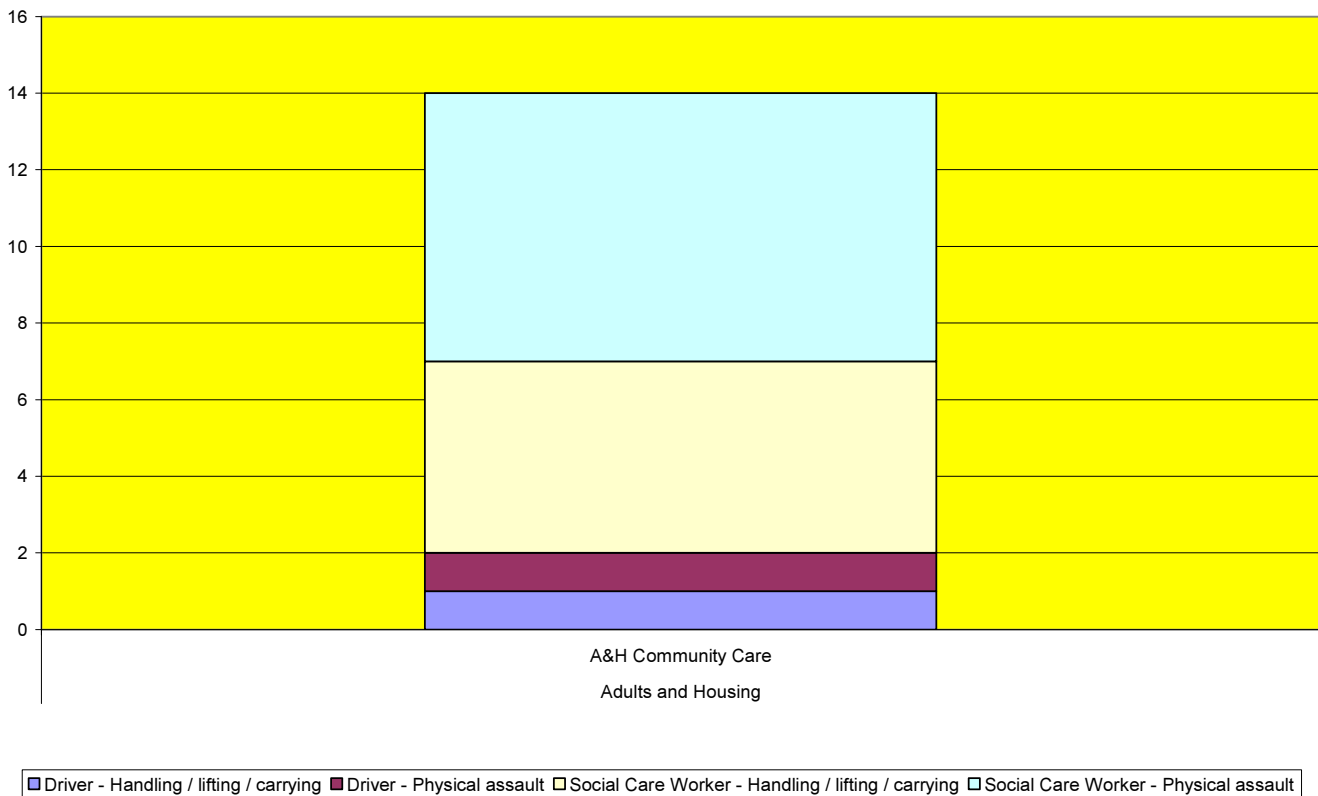
The physical assaults follow a general trend of occurring at Neighbourhood Resource Centres and relate to the managing of persons with special needs.

Handling / Lifting / Carrying

The majority of handling accidents involve employees or agency staff moving students and either being caught by the student whilst moving them or coming close to falling whilst moving them having lost their balance.

One handling accident involved 2 employees team lifting boxes from a vehicle, one employee lost his grip and the box fell onto the other employee’s foot.

A & H Community Care - Top 2 Accidents by Occupation and Type



Legal & Governance

There were no accidents reported in Quarter 2 (0), compared to Quarter 1 (1).

Corporate Finance

Total Employee Reportable Accidents & Non-Reportable Accidents

Directorate	Division	Kind of accident		
		Near miss	Slipped, tripped or fell on the same level	Total
Corporate Finance	CF Finance and Procurement	1		1
	CF Shared Services		1	1
Corporate Finance Total		1	1	2

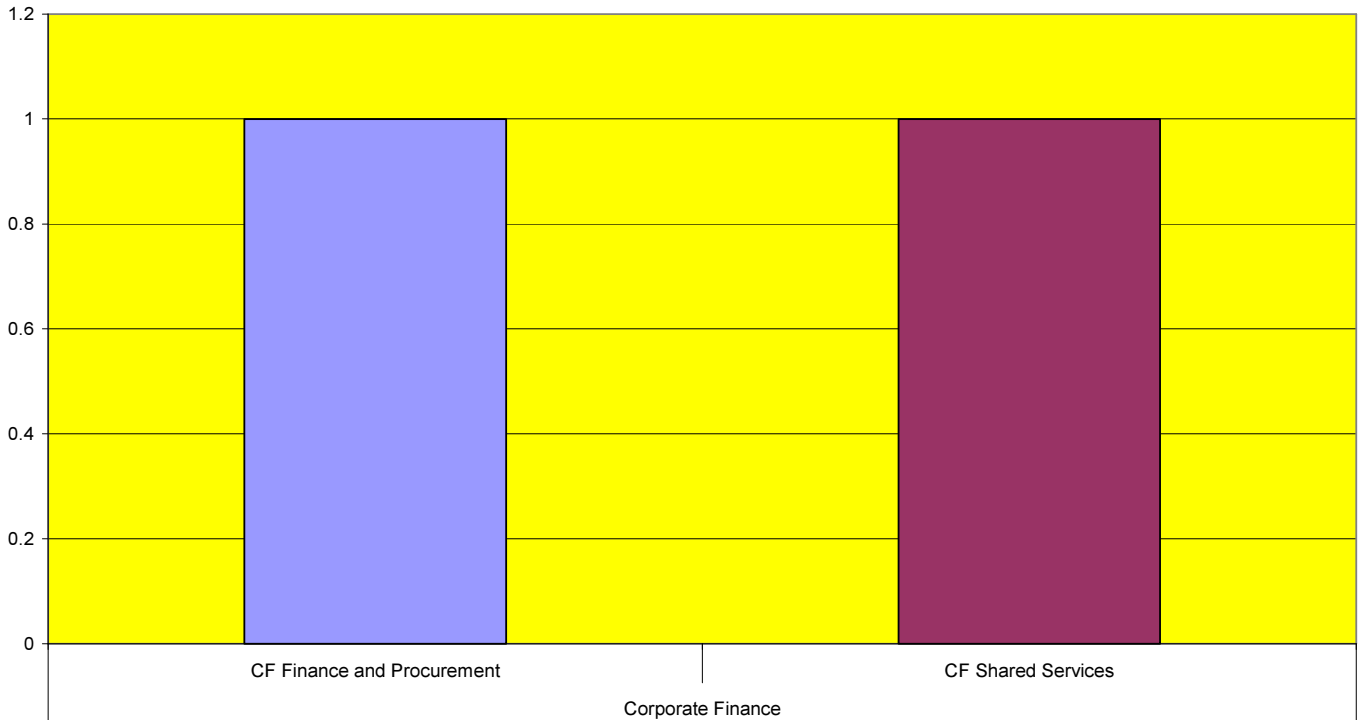
Breakdown of Accidents:

Employee – Slipped on a slope and fell on their left arm, scratching their arm.

Employee – Felt faint when arrived at work, went to GP.

The number of non-reportable accidents remains the same for Quarter 1 and Quarter 2. (2)
Reportable accidents has fallen from Quarter 1 (1) to Quarter 2 (0).

Corporate Finance Total Accidents

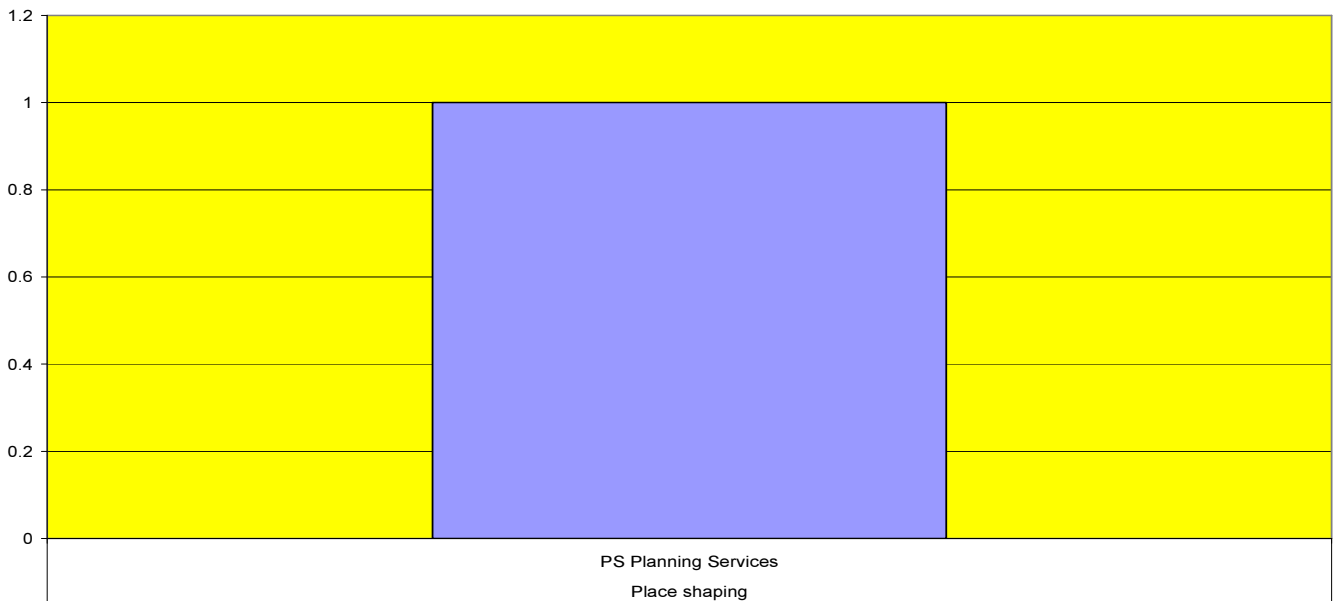


■ Office Based - Near miss
 ■ Office Based - Slipped, tripped or fell on the same level

Place Shaping

		Office Based	Grand Total
Directorate	Division	Fell from a height	
Place shaping	PS Planning Services	1	1
Place shaping Total		1	1

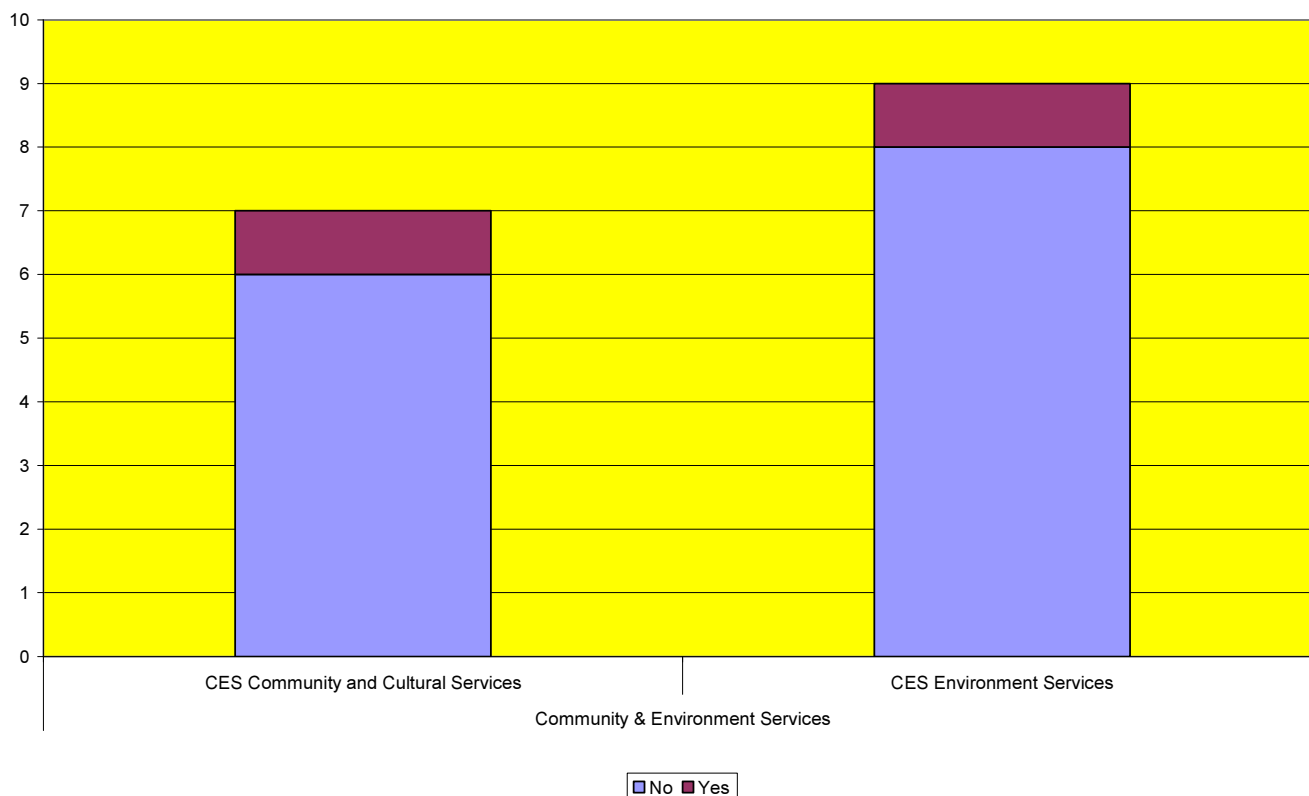
The accident involved an agency worker, who whilst walking down a flight of stairs, turned round when someone called them, lost their footing and fell down the stairs, suffering a swollen ankle.



■ Office Based - Fell from a height (state height in notes)

Community & Environment

		F2508 Required		
Directorate	Division	No	Yes	Grand Total
Community & Environment Services	CES Community and Cultural Services	6	1	7
	CES Environment Services	8	1	9
Services Total		14	2	16



, c The number of non-reportable accidents in Community and Environment shows a slight increase in Quarter 2 (16) compared to Quarter 1 (15). Reportable accidents remain the same for Quarter 1 and Quarter 2 (2).

Breakdown of the 2 reportable accidents:

Employee – Fell over in the library office, no obvious reason, causing a strain of the wrist.

Employee – Almost fell off their motorbike after hitting a pothole, whilst carrying out their warden duties. The employee suffered a fractured wrist.

Breakdown of the top 3 accidents by occupation and type

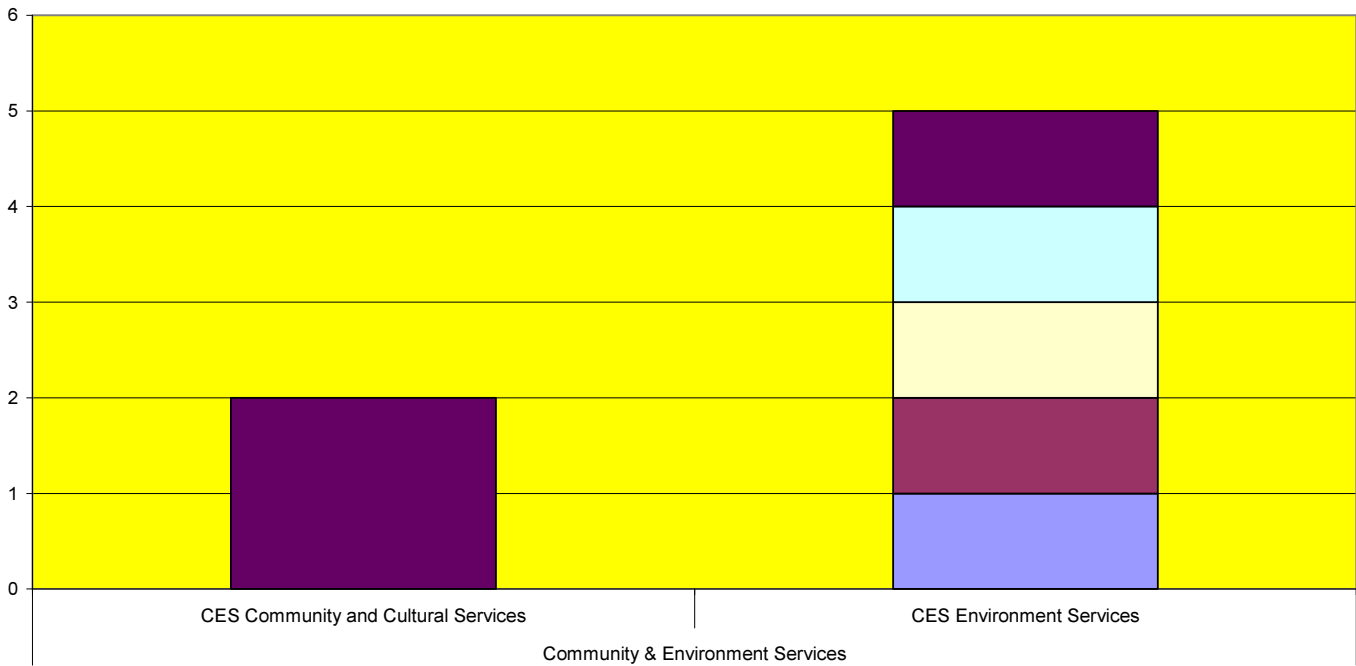
Handling / Lifting / Carrying – An agency worker spilt a hot drink on their hand and chest causing a burn. An employee was lifting a bin up a kerb and felt a sharp pain in their left hip.

Incidents Involving Vehicles – As above, an employee hit a pothole and suffered a fractured wrist. An employees fingers got caught near the vehicle bin lift.

Slip / Trip / Fall – An employee slipped on a drainage cover and hurt their foot. An employee fell whilst replacing a bell, grazing their head, hands and knees. As above, an employee fell in the library and strained their wrist.

Community & Environment - Top 3 Accidents by Occupation & Type

Directorate	Division	Handling / lifting / carrying		Handling / lifting / carrying Total	Incident involving vehicle		Incident involving vehicle Total	Slipped, tripped or fell on the same level	Slipped, tripped or fell on the same level Total	Grand Total
		Driver	Office Based		Inspector	Street Services				
Community & Environment Services	CES Community and Cultural Services							2	2	2
	CES Environment Services	1	1	2	1	1	2	1	1	5
Community & Environment Services Total		1	1	2	1	1	2	3	3	7

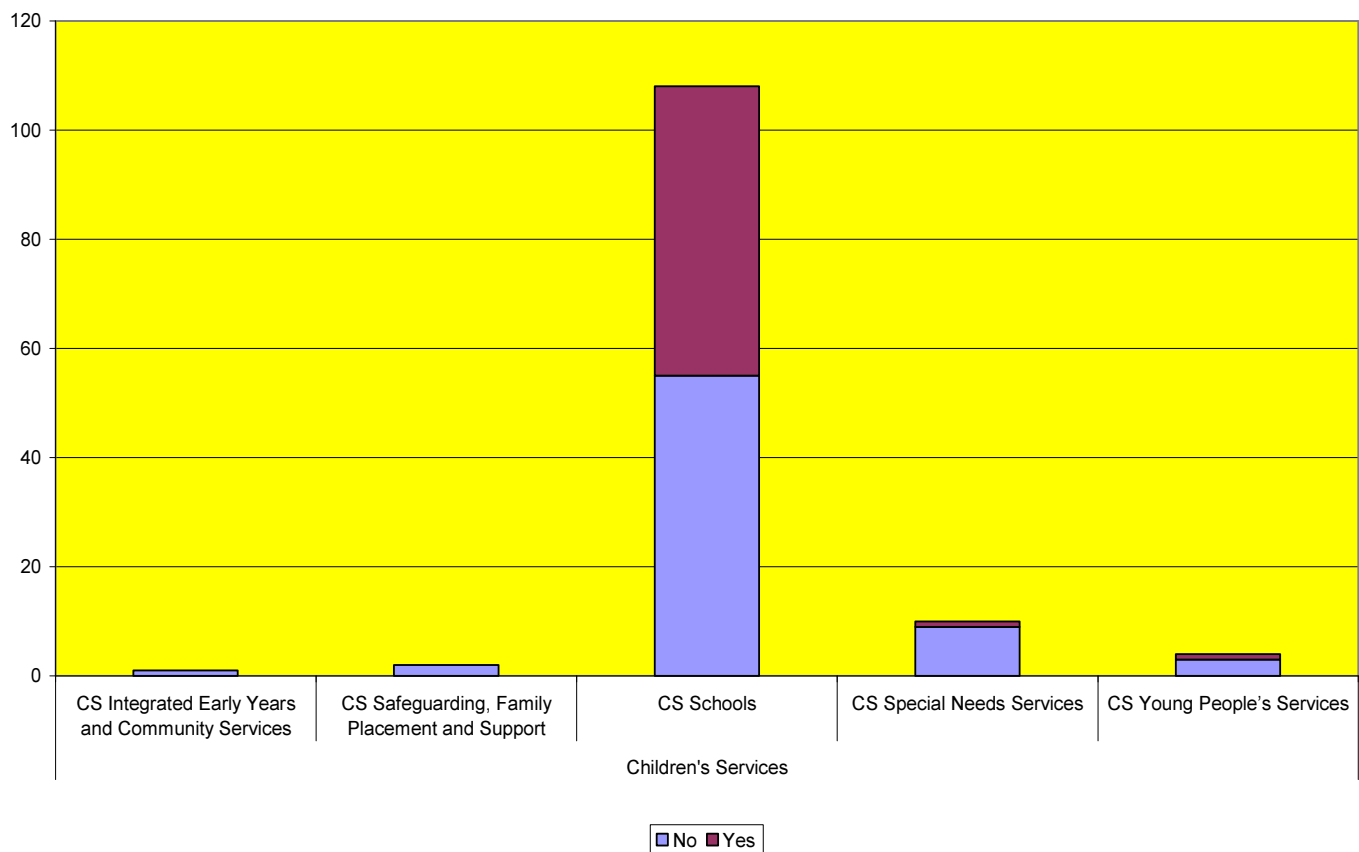


■ Handling / lifting / carrying - Driver	■ Handling / lifting / carrying - Office Based
■ Incident involving vehicle - Inspector	■ Incident involving vehicle - Street Services
■ Slipped, tripped or fell on the same level - Office Based	

Children's Services

All Employee Accidents and Non-Employee Reportable Accidents

		F2508 Required		
Directorate	Division	No	Yes	Grand Total
Children's Services	CS Integrated Early Years and Community Services	1		1
	CS Safeguarding, Family Placement and Support	2		2
	CS Schools	55	53	108
	CS Special Needs Services	9	1	10
	CS Young People's Services	3	1	4
Children's Services Total		70	55	125



Children's Services Employee Reportable & Non-Reportable Accidents

		F2508 Required	Occupation														
Directorate	Division	No								No Total	Yes			Yes Total	Grand Total		
		Caretaker / Cleaner	Catering Staff	Driver	Office Based	School Support Staff	Social Care Worker	Teacher	Teaching Assistant		Office Based	Teacher	Teaching Assistant				
Children's Services	CS Integrated Early Years and Community Services									1				1			1
	CS Safeguarding, Family Placement and Support									2				2			2
	CS Schools	1	2		4	5	1	18	24	55		1	1	2			57
	CS Special Needs Services			3			5		1	9	1			1			10
	CS Young People's Services				2		1			3	1			1			4
Children's Services Total		1	2	3	6	5	10	18	25	70	2	1	1	4			74

There is an increase in the total number of employee accidents reported in Quarter 2 (74), compared to Quarter 1 (44). Reportable accidents has fallen from Quarter 1 (5), compared to Quarter 2 (4).

Breakdown of the 4 Employee Reportable Accidents

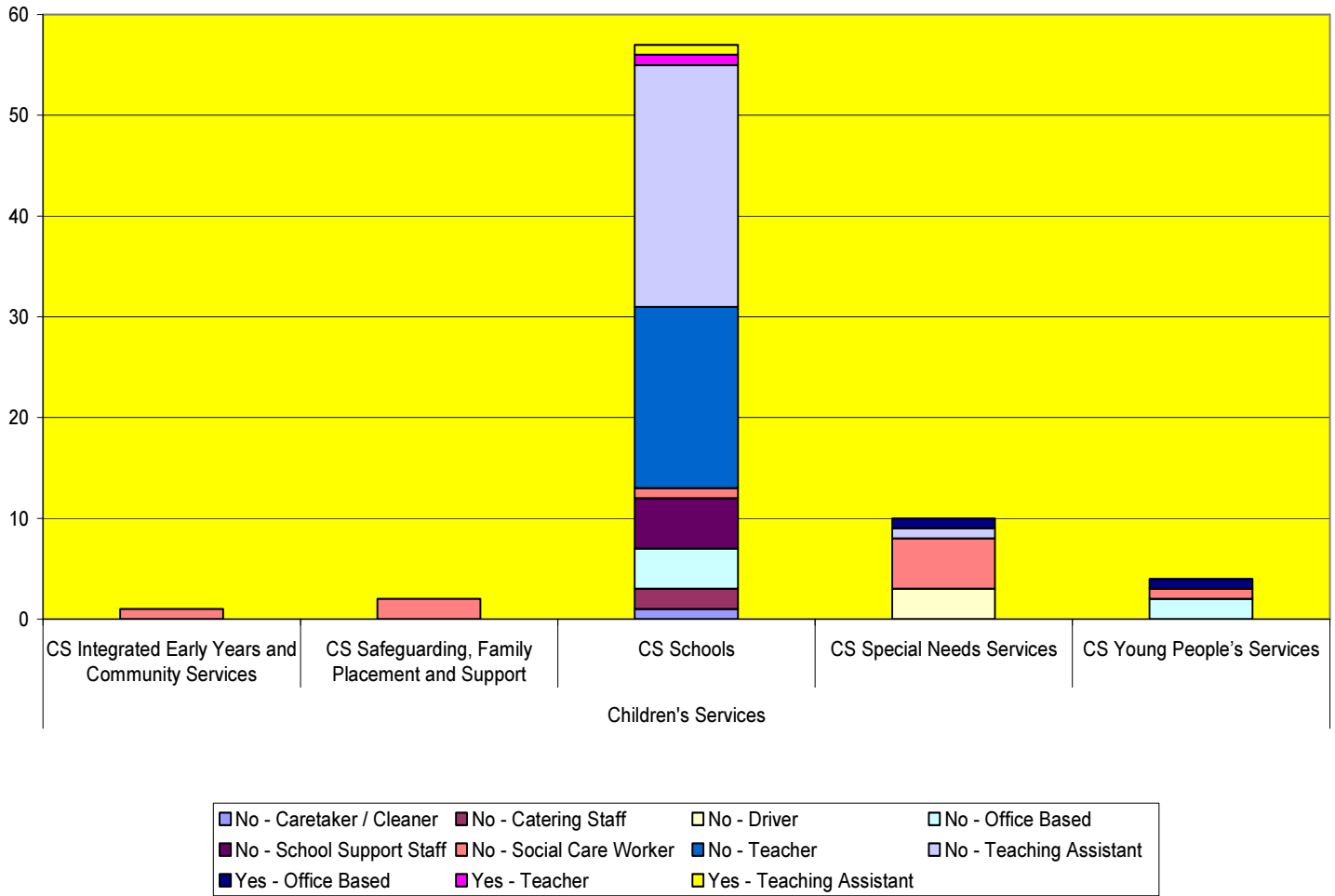
Employee – Was feeding a pupil, another pupil came up behind her and grabbed her jumper, pulling her off her chair. The employee fell on her right hand and wrist and shoulder and neck.

Employee – Whilst stood on a foot stool, the employee was stretching to reach a file from the top of the cabinets and experienced a pain in her back.

Employee – Was walking in the hallway of the school. The floor was wet, it was raining outside, and water was being brought into the school on people's feet. The employee slipped on the wet floor, resulting in swelling to the shin, ankle and knee cap.

Employee, Agency Worker – The security window shutter was being lowered at the end of the day. The shutter got wedged on a letter stand, the injured person moved the letter stand, the shutter came down quickly onto the thumb, causing a suspected hairline fracture to the thumb.

Children's Services Employee Reportable and Non-Reportable Accidents



Children's Services Top 4 Employee Accidents by Occupation and Type

Physical Assault

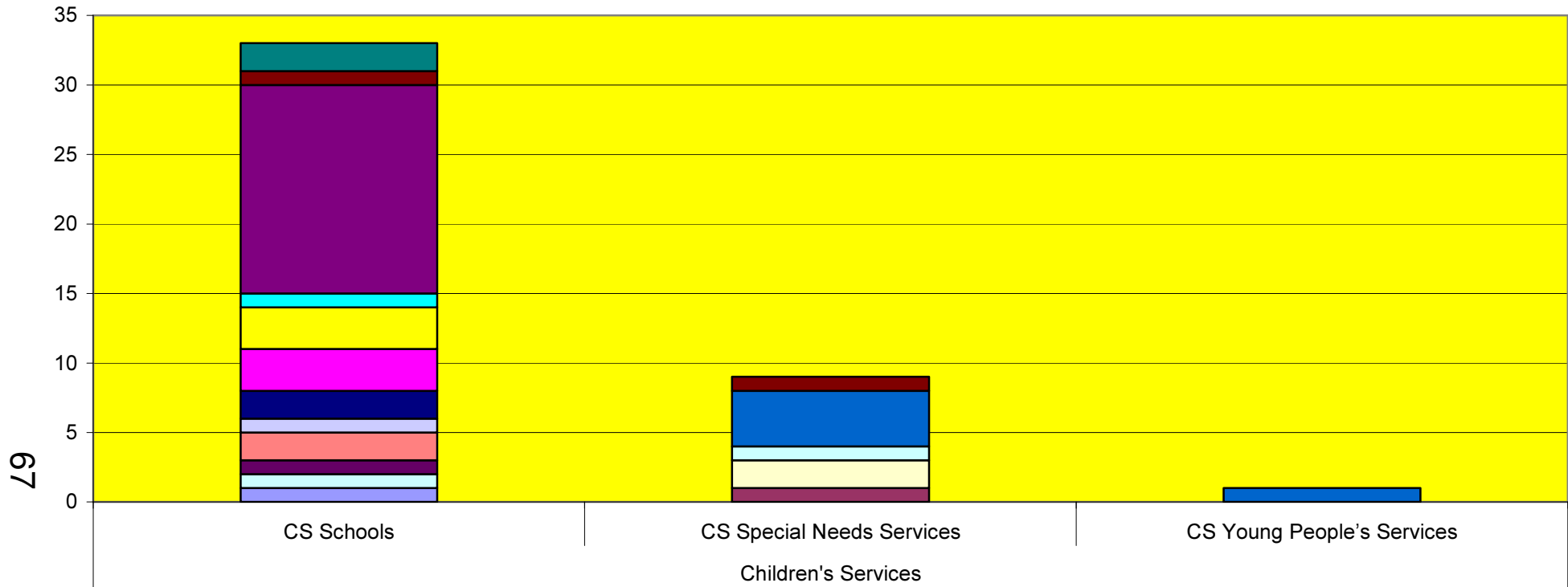
Over 50% of the top 4 employee accidents by occupation and type involve physical assault. Of these physical assaults, over 50% relate to the managing of children in special needs schools.

Several physical assaults have occurred to employees when they have been trying to break-up fights between pupils.

Children's Services Top 4 Employee Accidents by Occupation and Type

Directorate	Division	Handling / lifting / carrying	Kind of accident																					
			Catering Staff Total	Driver	Driver Total	Office Based	Office Based Total	School Support Staff	School Support Staff Total	Social Care Worker	Social Care Worker Total	Teacher	Teacher Total	Teaching Assistant	Teaching Assistant Total	Grand Total								
Children's Services	CS Schools	1	1			1	1	2	2	2			1	2	3	3	9	1	15	1	2	19	33	
	CS Special Needs Services			1	2	3	1	1				4	4							1		1	9	
	CS Young People's Services											1	1										1	
Children's Services Total		1	1	1	2	3	2	1	3	2	2	5	5	1	2	3	3	9	1	15	2	2	20	43

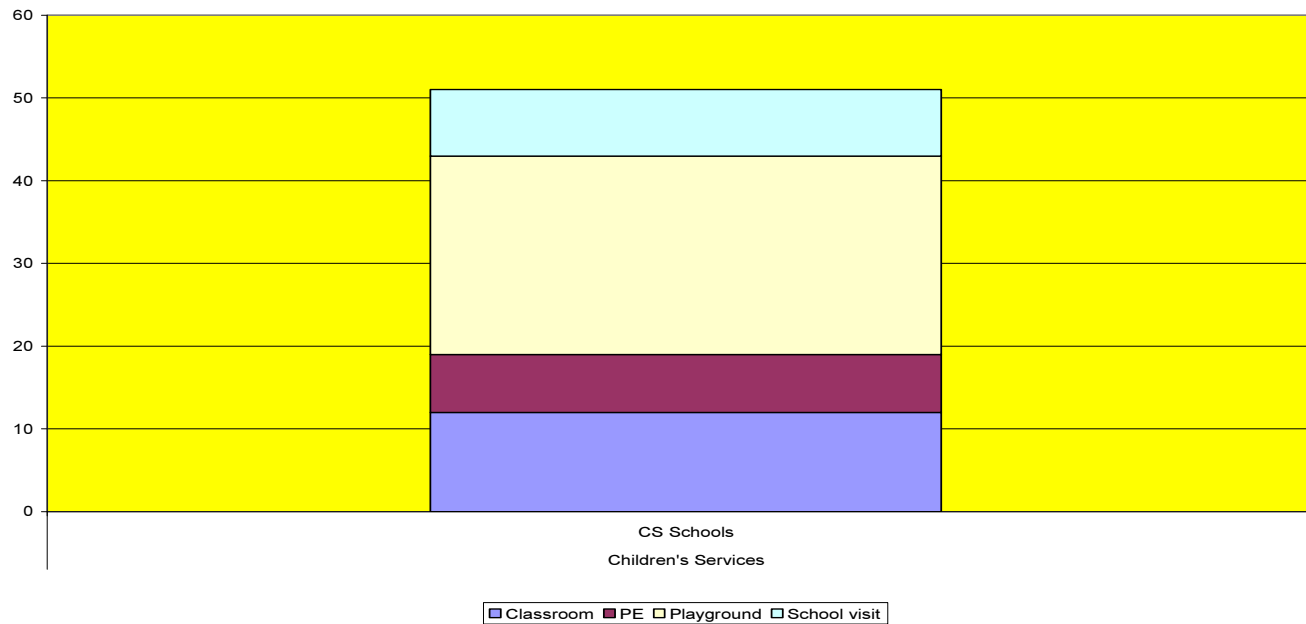
Children's Services Top 4 Employee Accidents by Occupation and Type



- | | |
|---|---|
| <ul style="list-style-type: none"> ■ Catering Staff - Handling / lifting / carrying ■ Driver - Physical contact (not assault) ■ Office Based - Slipped, tripped or fell on the same level ■ Social Care Worker - Physical assault ■ Teacher - Physical assault ■ Teacher - Slipped, tripped or fell on the same level ■ Teaching Assistant - Physical assault ■ Teaching Assistant - Slipped, tripped or fell on the same level | <ul style="list-style-type: none"> ■ Driver - Handling / lifting / carrying ■ Office Based - Handling / lifting / carrying ■ School Support Staff - Slipped, tripped or fell on the same level ■ Teacher - Handling / lifting / carrying ■ Teacher - Physical contact (not assault) ■ Teaching Assistant - Handling / lifting / carrying ■ Teaching Assistant - Physical contact (not assault) |
|---|---|

Children's Services School Pupil Accidents by Location

		School activity				
Directorate	Division	Classroom	PE	Playground	School Visit	Grand Total
Children's Services	CS Schools	12	7	24	8	51



Where possible, we are trying to determine at which location accidents have occurred to school pupils. This quarter's analysis indicates the largest accident location to be on the playground.

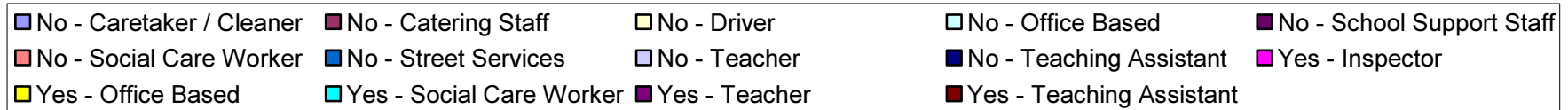
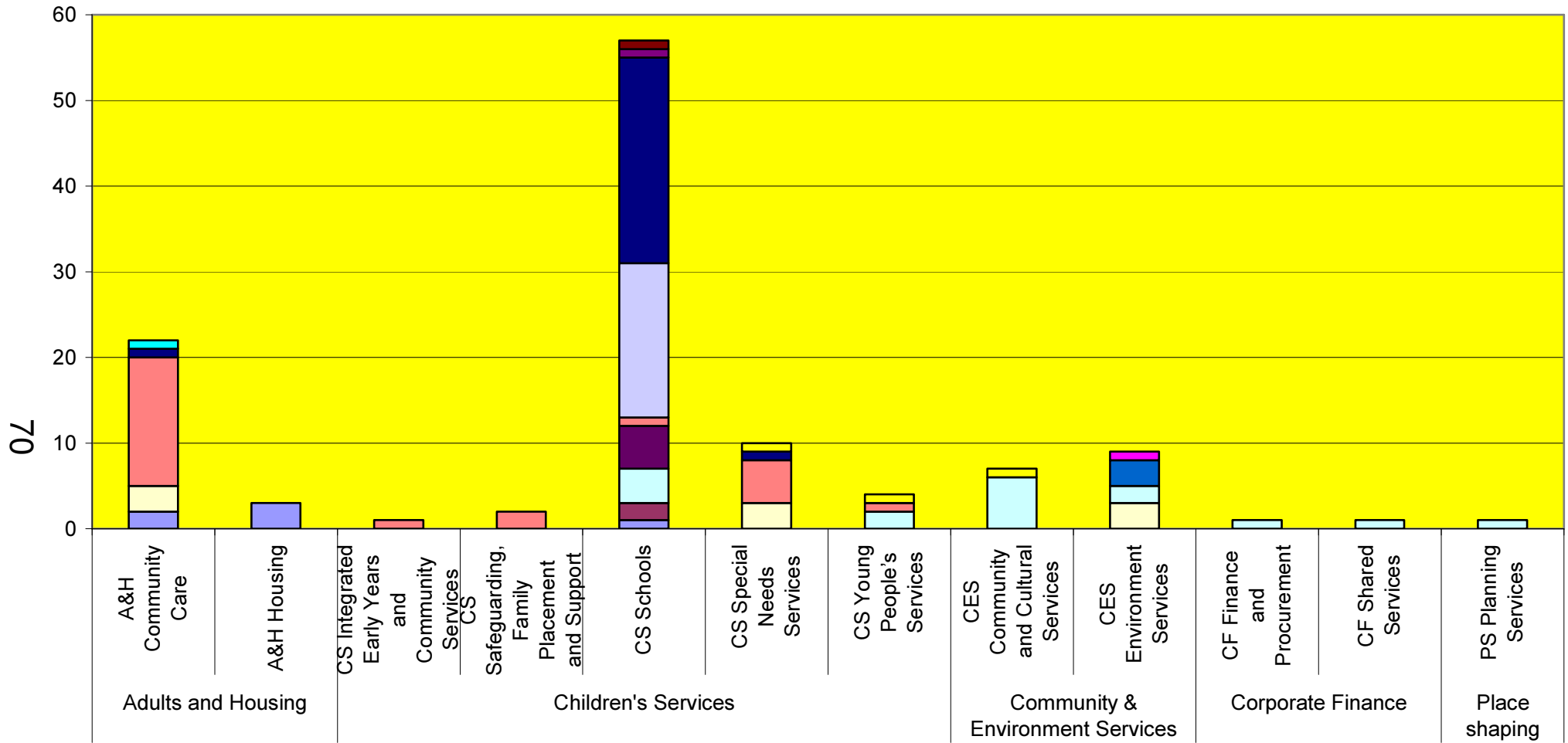
Further analysis of this location data will take place in the Quarter 3 accident analysis report.

Total Employee Reportable and Non-Reportable Accidents Quarter 2 - 2010

Directorate	Division	No										No Total	Yes					Yes Total	Grand Total
		Caretaker / Cleaner	Catering Staff	Driver	Office Based	School Support Staff	Social Care Worker	Street Services	Teacher	Teaching Assistant	Inspector	Office Based	Social Care Worker	Teacher	Teaching Assistant				
Adults and Housing	A&H Community Care	2		3			15			1	21			1			1	22	
	A&H Housing	3									3							3	
Adults and Housing Total		5		3			15			1	24			1			1	25	
Children's Services	CS Integrated Early Years and Community Services						1				1							1	
	CS Safeguarding, Family Placement and Support						2				2							2	
	CS Schools	1	2		4	5	1		18	24	55			1	1		2	57	
	CS Special Needs Services			3			5			1	9		1				1	10	
	CS Young People's Services				2		1				3		1				1	4	
Children's Services Total		1	2	3	6	5	10		18	25	70		2		1	1	4	74	
Community & Environment Services	CES Community and Cultural Services				6						6		1				1	7	
	CES Environment Services			3	2			3			8	1					1	9	
C & E Services Total				3	8			3			14	1	1				2	16	
Corporate Finance	CF Finance and Procurement				1						1							1	
	CF Shared Services				1						1							1	
Corporate Finance Total					2						2							2	
Place shaping	PS Planning Services				1						1							1	
Place shaping Total					1						1							1	
Grand Total		6	2	9	17	5	25	3	18	26	111	1	3	1	1	1	7	118	

The overall figure for Quarter 2 – 2010 (118) is 24% higher than Quarter 1 - 2010 (90). With the introduction of the new accident reporting form and database, this has led to a heightened level of awareness of what should be reported and the likely increase in reporting.

Total Employee Reportable and Non-Reportable Accidents Quarter 2 - 2010



3. OBSERVATIONS/RECOMMENDATIONS

- 3.1 The new database Accident / Incident / Near Miss Form and Accident Reporting Procedure has been launched on the Council's new Intranet System for use throughout the Borough. This has given a more consistent and accurate approach for data collection.

With the introduction of the database Accident / Incident / Near Miss Form and Accident Reporting Procedure, the Corporate Health and Safety Service expects the number of accidents reported to remain high in Quarters 3 and 4 in 2010, due to a heightened awareness of what needs to be reported.

- 3.2 The introduction of the Council's new Accident Data Base has given the scope for greater analysis and breakdown of data, as demonstrated in this report for Quarter 2 2010. If there is additional information that a Directorate or Service requires, please contact the Corporate Health and Safety Service.

The completed content of Accident Forms varies and sometimes not all sections on the forms are completed. Responsible persons need to ensure the accuracy of information and full completion of the accident form prior to submitting it to the Corporate Health and Safety Service.

- 3.3 In some cases, we are still experiencing delays in receiving the completed Accident / Incident / Near Miss Form within the Corporate Health and Safety Service. This can impact on the internal follow-up investigation process, the quality of the data we can give you within each quarters reporting time frame and on occasions, our legal duty to report an accident to the Health and Safety Executive. The completed forms must be submitted as soon as possible following the event.
- 3.4 The majority of accidents occurred in Children's Services. Approximately 30% of all accidents relate to school pupils, with approximately 15% of these accidents submitted occurring in the playground.

4. OTHER

- 4.1 If any further information is required, please do not hesitate to contact the Corporate Health and Safety Service.

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**REPORT FOR: GOVERNANCE, AUDIT
AND RISK
MANAGEMENT
COMMITTEE**

- Date of Meeting:** 29 November 2010
- Subject:** INFORMATION REPORT – Internal Audit Mid-Year Report 2010/11
- Responsible Officer:** Myfanwy Barrett, Corporate Director of Finance
- Exempt:** No. However - Appendix 3 to the report is an exempt report. This report has been excluded from public inspection under paragraphs 1 and 7 of part 1 of schedule 12A to the Local Government Act 1972 (as amended) as it contains information relating to individuals and information relating to actions taken in connection with the prevention, investigation and prosecution of crime).
- Enclosures:** Appendix 1 – Internal Audit Mid-Year Report 2010/11
Appendix 2 – Core Financial Systems Report
Appendix 3 – Suspected Financial Irregularities (Exempt)

Section 1 – Summary

This report sets out mid-year progress against the 2010/11 Internal Audit plan and key issues arising from work undertaken

FOR INFORMATION

Section 2 – Report

Background

- 2.1. Annually the GARM Committee considers a mid and full year Internal Audit Report covering progress against the internal audit plan. This is the mid year report for 2010/11(Appendix 1) and also includes a report on suspected Financial Irregularities investigated (Appendix 2) and a report of the review of the authority's Core Financial Systems (Appendix 3).

Overview of Progress

- 2.2 Overall, the Internal Audit team have started work on 29 projects (48%) of the annual audit plan for 2010/11 as at the mid-year point of 30/09/09. 100% of the planned key control reviews relied upon by the council's External Auditors have been completed along with the work on the 09/10 Management Assurance and the annual review of governance and the Annual Governance Statement. Of the 29 reviews started 8 (28%) have been completed to at least draft report stage, 6 (20%) are contributions to projects/groups that will run throughout the year e.g. working groups and a further 15 (52%) projects are in progress. See detailed report Appendix 1.
- 2.3 In the first quarter of every financial year the work of the Internal Audit team concentrates on the authority's core financial systems. The 7 systems are reviewed on a 3 year risk based cycle. 2 of the 7 systems were reviewed in the first quarter of 2010/11. In addition, to satisfy the requirements of the External Auditors, managers were asked to review and update systems documentation, Internal Audit undertook walkthrough tests to confirm the actual system in operation for all core financial systems and control self-assessments were obtained for the 5 systems not reviewed. Out of a total of 21 key controls reviewed, 17 (81%) were operating satisfactorily and 1 (5%) was substantially operating and 3 (14%) were partially operating. See detailed report Appendix 2.
- 2.4 The mid-year position shows that overall the team have achieved 488.77 productive days which exceeds the target of 421.25 days by 67.52 days.
- 2.5 86% of performance targets were met or exceeded including the key indicator of achievement against plan.

Financial Implications

- 2.6 None.

Performance Issues

2.7 86% of performance targets were met or exceeded including the key indicator of achievement against plan.

Risk Management Implications

2.8 Support for managing risks across the council is the core business of the Internal Audit. The delivery planning process in Internal Audit manages and reflects the key risks facing the service.

Section 3 – Further Information

2.9 The next report on the performance of the Internal Audit team will be the 2010/11 Year-End Report to be submitted to GARM in June 2011.

Section 4 – Financial Implications

2.10 There are no financial implications to this report.

Section 5 – Corporate Priorities

2.11 Internal Audit contributes to all the corporate priorities by enhancing the robustness of the control environment and governance mechanisms that directly or indirectly support these priorities:

- Deliver cleaner and safer streets
- Improve support for vulnerable people
- Build stronger communities

Name: Myfanwy Barrett



on behalf of the
Chief Financial Officer

Date: 16/11/10

Section 6 - Contact Details and Background Papers

Contact: Susan Dixon, Service Manager, Internal Audit,
Tel:0208 424 1420

Background Papers: None

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INTERNAL AUDIT 2010/11 MID-YEAR REPORT**Progress against the 2010/11 plan**

1. Overall, the Internal Audit team have started work on 29 projects (48%) of the annual audit plan for 2010/11 as at the mid-year point of 30/09/09. 100% of the planned key control reviews relied upon by the council's External Auditors have been completed along with the work on the 09/10 Management Assurance and the annual review of governance and the Annual Governance Statement. Of the 29 reviews started 8 (28%) have been completed to at least draft report stage, 6 (20%) are contributions to projects/groups that will run throughout the year e.g. working groups and a further 15 (52%) projects are in progress.
2. In addition to this 141 days have been spent on projects carried forward from 2009/10 (representing 29% of the teams total productive time for the first half of the year), 57 days have been spent on investigating suspected financial irregularities (57% of the annual allocation), 33 days have been spent on providing professional advice on internal control and risk mitigation (51% of the annual allocation) and 12 days have been spent on the follow-up of audit recommendations (59% of the annual allocation).

Emerging Risks

3. Emerging risks are areas of risk arising during the year that were not apparent at the time of the annual planning process but that are considered significant enough by management/internal audit to warrant audit input. A number of emerging risks have been identified in the first half of the year and work has been undertaken on these areas and has also continued on a number identified in 2009/10 which are in addition to projects identified in the annual plans for 2009/10 and 2010/11. The emerging risk areas identified so far this year are:
 - Mears Agency – a review was undertaken at an agency used by Harrow Council to provide care to clients. The agency was given a default notice by Harrow Council for service failures and a review was carried out to help support improvements to the agency.
 - Harrow College Contracts – the contract was last reviewed 15 years ago and a review was undertaken, in consultation with Procurement and Legal, and advice provided on improvements for a new contract.
 - Libraries Stock Control – following an incident at another authority where a library member applied for several memberships under false names and took a number of valuable stock items, a review was undertaken of the membership and borrowing of stock.
 - Grants to Voluntary Organisations – following the PwC review of HAVS the Overview & Scrutiny Committee requested an Internal Audit review be undertaken of Grants to Voluntary Organisations. This work is ongoing and will feed into the work of the O&S HAVS Challenge Panel.
4. In total 66.08 days have been spent on emerging risk areas in the first half of the year equating to 14% of the team's total productive time.

Work undertaken 01/04/10 – 30/09/10

5. In the first quarter of every financial year the work of the Internal Audit team concentrates on the authority's core financial systems. The 7 systems are reviewed on a 3 year risk based cycle. 2 of the 7 systems were reviewed in the first quarter of 2010/11. In addition, to satisfy the requirements of the External Auditors, managers were asked to review and update systems documentation, Internal Audit undertook walkthrough tests to confirm the actual system in operation for all core financial systems and control self-assessments were obtained for the 5 systems not reviewed. Out of a total of 21 key controls reviewed, 17 (81%) were operating satisfactorily and 1 (5%) was substantially operating and 3 (14%) were partially operating. See detailed report Appendix 2.
6. Other work undertaken annually in the first quarter includes the completion of reviews from the previous years plan, the completion of the annual Management Assurance exercise and the annual governance review feeding into the authority's Annual Governance Statement (AGS). Both of these were successfully completed with the results already reported to the GARM committee.
7. The following reviews were finalised in Q1 of 2010/11:

REPORT	ISSUE DATE	ASSURANCE RATING/CONTROLS OPERATING
Sickness Absence	07.04.10	Red/amber report. Overall 55% of the expected controls were found to be in place and operating effectively, 4% were substantially operating, 24% were partially in place with a further 17% not operating. All recommendations have been agreed for implementation.
Decent Homes Self-Referral Suspected Financial Irregularity	11.05.10	The investigation did not highlight any obvious mis-use of the 'self-referral' system and the application does not appear to have been favoured or 'fast-tracked'. However, a lack of controls/transparency was highlighted in the processes in operation which could lead to allegations of favouritism or preferential treatment. 10 of the 11 recommendations made have been agreed for implementation. The remaining recommendation is being referred to CSB.
GR/IR Account – System	14.05.10	Red report. Overall 6% of the expected controls were found to be in place and operating effectively, 47% were partially in place with a further 47% not operating. A total of 3 recommendations have been agreed for implementation. For the remaining 6 recommendations an alternative action has been agreed. For 3 of the alternative actions agreed these do not fully mitigate the risks identified by Internal Audit.
ContactPoint	22.06.10	Green report. Overall 89% of the expected controls were found to be in place and operating effectively with a further 11% partially in place. All actions were agreed for implementation.

8. The following draft reports were also issued in Q1 of 2010/11

REPORT	ISSUE DATE	ASSURANCE RATING/CONTROLS OPERATING
Leaseholders Electricity Charges (Emerging Risk 2009/10)	22.06.10	Red report. Overall 9% of the expected controls were found to be in place and operating effectively, 27% were partially in place with a further 64% not operating.
Major Works Gateway Process	23.06.10	Green report. Overall 83% of the expected controls were found to be in place and operating effectively, 11% were substantially operating, and 6% were partially in place.
Libraries Review (Emerging Risk 2009/10)	29.06.10	Red report. Overall 32% of the expected controls were found to be in place and operating effectively, 12% were substantially operating, 30% were partially in place with a further 26% not operating.
Payroll Key Control Review 09/10	30.06.10	Overall, 81% (22) of the elements of the controls were operating effectively, and 19% (5) were partially operating. Each of the 10 key controls is made up of a number of individual elements that were each tested. Therefore 8 key controls are fully in place and 2 key controls are partially in place.
Council Tax Key Control Review	30.06.10	Overall, 87% of the elements of the controls were operating effectively, with a further 13% partially operating. Each of the 11 key controls is made up of a number of individual elements that were each tested. Therefore 9 key controls are fully in place 1 key control was substantially in place and 1 key control is partially in place.

9. The following follow up report was issued in Q1 of 2010/11

REPORT	DATE OF FOLLOW-UP MEMO	CONCLUSION
Harrow Museum and Heritage Site – Follow up	03.06.10	<p>It was established that the action agreed to address 9 of the 11 recommendations has been fully implemented and evidence was obtained to support this. It was established that 2 of the remaining 11 agreed actions have been partially implemented. This relates to management seeking advice from the Taxation Officer to obtain advice and guidance on assigning VAT.</p> <p>This report was originally given an red assurance rating which after follow up was re-assessed as a green assurance rating.</p>

10. The following reviews were finalised in Quarter 2:

REPORT	ISSUE DATE	ASSURANCE RATING/CONTROLS OPERATING
Personal Budgets/Direct Payments	15.07.10	Amber report. Overall 57% of the expected controls were found to be in place and operating effectively, 10% were substantially operating, 19% were partially in place with a further 14% not operating. All recommendations have been agreed for implementation.
Major Works Gateway Process	21.07.10	As for draft (see above). All 3 recommendations have been agreed for implementation.
Income Collection and Banking – Parking	23.10.10	Green report. Overall 84% of the expected controls were found to be in place and operating effectively, 3% were substantially operating, 10% were partially in place with a further 3% not operating. 5 recommendations have been fully agreed for implementation, 1 recommendation has been agreed to be partially implemented.
Council Tax Key Control Review	29.10.10	As for draft (see above). All 3 recommendations have been agreed for implementation.

11. The following draft reports were also issued in Quarter 2

REPORT	ISSUE DATE	ASSURANCE RATING/CONTROLS OPERATING
Customer Service Standards	26.08.10	Amber report. Overall 77% of the expected controls were found to be in place and operating effectively, 3% were operating substantially, 13% were partially in place with a further 7% not operating.
Stock Control – Libraries	06.09.10	Amber report. Overall 50% of the expected controls were found to be in place and operating effectively, 19% were substantially operating, 12% were partially in place with a further 19% not operating.

12. The following follow up reports were issued in Q2 of 2010/11

REPORT	DATE OF FOLLOW-UP MEMO	CONCLUSION
Catering & Meals	09.08.10	<p>The action agreed to address 5 of the 7 recommendations has been fully implemented and evidence was obtained to support this and one of the remaining agreed actions is in progress.</p> <p>The other outstanding agreed action could not be followed up due to the relevant officer leaving the council and it would appear that it has not been passed to another officer for implementation, therefore there is still a risk to the authority. The relevant Corporate Directors/Divisional Director have been informed of this. The level of implementation made to date is acceptable although senior management should establish who will take ownership of the 1 outstanding agreed action.</p> <p>This report was originally given an amber assurance rating which after follow up was re-assessed as a green assurance rating.</p>
Income Collection & Banking – Under One Sky	20.08.10	<p>The action agreed to address 4 of the 6 recommendations has been fully implemented and evidence was obtained to support this. It was established that 1 of the remaining 2 agreed actions has been partially implemented and one recommendation has not been implemented. The relevant Corporate Director/Divisional Director have been made aware of this. The level of implementation made to date is acceptable.</p> <p>This report was originally given an amber/green assurance rating which after follow up was re-assessed as a green assurance rating.</p>
Nower Hill SFI	20.09.10	<p>The action agreed to address 7 of the 8 recommendations has been fully implemented and evidence obtained to support this, and one recommendation has been partially implemented. This report was not traffic lighted.</p>
Sickness Absence	28.09.10	<p>The action agreed to address 7 of the 20 recommendations has been fully implemented and evidence was obtained to support this. It was established that 8 of the remaining 20 agreed actions are in progress, 4 are planned for implementation with a further 1 recommendation not implemented. The level of implementation of recommendations to date is low (30%) and senior management have been made aware of this and now need to take action to ensure that the outstanding recommendations are implemented immediately to minimise the risk to the Council.</p> <p>This report was originally given an red/amber assurance rating which after follow up has not changed.</p>

13. Internal Audit are involved in the following ongoing projects/groups:

- Corporate Governance Working Group – chaired by the Service Manager Internal Audit, meets quarterly, reviews governance arrangements across the Council, undertakes the annual review of governance feeding into the Annual Governance Statement and reports to the Corporate Governance Group. There have been 2 meetings of this group during the first half of 2010/11 and 4 meetings of the Corporate Governance Group (which the Service Manager, Internal Audit also attends) considerable work has been undertaken outside of the meetings to collect and assess evidence to support the annual review of governance and to prepare a draft Annual Governance Statement for the Corporate Governance Group consideration. 27 days have been spent on this work, 67% of the annual allocation.
- Strategic Risk Group – set up to assist the Council in embedding and enhancing the risk management process to ensure that risks are actively managed so that the council can achieve it's objectives, take advantage of opportunities and serve Harrow's community better. Service Manager, Internal Audit attends quarterly meetings. There have been 2 quarterly meetings of this group and 0.5 of a day has been spent on attending these meetings equating to 20% of the total annual allocation of time.
- Information Governance Board – Internal audit attends and contributes to the Information Governance Board. There has been 1 meeting of this group and 0.5 of a day spent on attending this meeting and dealing with related issues, this equates to 20% of the total annual allocation of time.
- Corporate Independent Safeguarding Authority Group – set up to support the implementation of the ISA requirements within the council. Service Manager, Internal Audit attends meetings. This group has been disbanded following the change in government policy.

Productivity

14. The days available to implement the internal audit annual plan are based on an estimation of the team's productive time. To enable this estimation to be made, and to feed into performance indicator 3 (see section below), each auditor is required to record a breakdown of their time spent each day. Each element of productive time (i.e. every project/element of the annual plan plus any additions e.g. emerging risks) and each element of non-productive time (e.g. annual leave, training, audit management) is allocated a unique code and time is recorded against each code to the nearest 15 minutes. During 2009/10 the criteria for determining what constitutes productive time was revised to bring us inline with CIPFA guidelines and it was found that we had been recording many elements as non-productive that CIPFA's revised guidelines suggested could now be recorded as productive time e.g. annual planning and audit committee reporting.
15. The 2010/11 annual plan has been estimated to require 842.5 productive days from the internal audit team to complete. This is based on an expectation of 187 productive days per auditor and 94.5 productive days for the Service Manager. CIPFA benchmarking indicates an average (across other Councils) of 177 productive days per experienced auditor and recognises that this would be less for trainees and managers and the recent PwC review indicated that 50% of the experienced auditors productive time would be reasonable for the manager.

16. The mid-year position shows that overall the team have achieved 488.77 productive days which exceeds the target of 421.25 days by 67.52 days.

Performance Indicators

17. Table 1 below outlines the seven indicators agreed for the year, including the key indicator covering achievement of the IA annual plan and the results achieved. These indicators cover performance on projects from the 2009/10 plan and the 2010/11 plan issued in the first half of the year (i.e. up to 30/09/10)

Table 1 – Performance Indicator Results 2010/11

	Indicator	Target	Mid Year Results
1.	Recommendations agreed for implementation	95%	92%
2.	Final reports issued on/ahead of time	85%	100%
3.	Projects completed within budgeted time allowance	85%	100%
4.	Target met for issue of draft report after end of fieldwork	85%	100%
5.	Follow-up undertaken	100%	100%
6.	Plan achieved for Key Control reviews	100%	100%
7.	Plan achieved overall (Key indicator)	45%	48%

Analysis of Results

18. 4 (57%) performance targets have been exceeded, 2 (29%) have been fully met and 1 (14%) has not been met i.e overall 86% of the performance targets have been met or exceeded.
19. Performance indicator 1 shows that the internal audit team have not met the mid-year target of 95% of audit recommendations being agreed for implementation by 3%. This specifically relates to 2 recommendations not being agreed, 1 for parking relating to internal checking procedures (medium risk) and 1 for decent homes relating to recording of staff who are also council tenants (medium risk) and 3 recommendations for GR/IR where alternative actions were agreed that did not fully mitigate the risk. In all cases management have been made aware of the outstanding risks.
20. Performance Indicator 7 reflects the work undertaken against the plan in the first half of the year including some individual projects that have been started but not completed and work on particular areas e.g. suspected financial irregularities and follow-up, where more than half of the annual allocation has been used i.e. more work than expected has been undertaken. However this indicator does not fully reflect all the work undertaken by the Internal Audit Team which also includes work on projects carried forward from 2009/10 and work on emerging risks.
21. In 2009/10 the process for obtaining feedback via client questionnaires did not work well due to the lack of responses received and whilst it was intended to review this process the GARM Committee, at its meeting in June 2010, indicated that this was not necessary and

that they would be happy with this indicator to be replaced with monitoring of positive and negative feedback. No negative feedback has been received, however, below are some of the positive comments received so far this year:

- The ContactPoint team would like to take this opportunity to thank you all for your hard work and continued support throughout the project. It has been a pleasure working with you all.
- Thank you so much for being sensitive and sending it (*the audit report*) sooner than expected for it makes the beginning of term even more positive.
- Thanks for the ongoing advice and support.
- Just want to also thank you for the support you have given us recently with delegations and, generally, with a positive attitude and "can do" approach
- Thank you for this review it provides a good basis to look at procedures for the internal processes to assure the integrity of the department.

Susan Dixon
Service Manager, Internal Auditor
October 2010

AUDIT OF CORE FINANCIAL SYSTEMS 2009/2010 (Undertaken as part of the 2010/11 Audit Plan)

Introduction

- 1 A key control review was undertaken on the following systems as part of the agreed approach to the audit of the Authority's core financial systems for the financial year 2009/2010:
 - Council Tax
 - Payroll
- 2 Control self-assessments were obtain from the relevant managers for the following core financial systems:
 - Housing Benefits
 - NDR
 - Housing Rents
 - Corporate Accounts Payable
 - Corporate Accounts Receivable
- 3 In addition, to satisfy the requirements of the External Auditors, mangers were asked to review and update systems documentation, Internal Audit undertook walkthrough tests to confirm the actual system in operation for all core financial systems and control self-assessments were obtained for the 5 systems not reviewed.
- 4 The testing strategy used for the reviews was based on CIPFA Control Matrices and also agreed with the external auditors for reliance purposes. A minimum sample size of 24 (2 transactions per month) was used from 2009/2010 financial records for the full reviews to confirm the application of key controls and a minimum of 3 transactions were used for walkthrough testing.

Audit Opinion

- 5 Overall out of a total of 21 key controls reviewed, 17 (81%) were fully operating, 1 (5%) was substantially operating and 3 (14%) were partially operating. In total 5 recommendations were made, 4 were rated as high risk and 1 was rated as medium risk. 3 of the recommendations made have been agreed for implementation and 2 are being considered by management.

Full Key Control Reviews

- 6 The position for each system reviewed is shown below:

SYSTEM	NUMBER OF CONTROLS	FULLY OPERATING	SUBSTANTIALLY OPERATING	PARTIALLY OPERATING	NOT OPERATING	OVERALL RATING ¹
Payroll	10	8	0	2	0	91%
Council Tax	11	9	1	1	0	95%
Overall	21	17 (81%)	1 (5%)	3 (14%)	0 (0%)	93%

¹ Operating controls given a weighting of 2 and partially operating controls given a weighting of 1

- 7 For the Payroll system overall, 81% (22) of the elements of the controls were operating effectively, and 19% (5) were partially operating. Each of the 10 key controls is made up of a number of individual elements that were each tested. Therefore 8 key controls are fully in place and 2 key controls are partially in place. 2 recommendations have been made to address the weaknesses identified, both of which are rated as high risk. The implementation of Civica, in conjunction with SAP has further strengthened the control environment: the remaining weaknesses relate to the lack of a check on authorised signatories on timesheets which are not input via Electronic Self-Service (ESS), and managers not verifying the accuracy of their payroll bills.
- 8 For the Council Tax system overall, 87% of the elements of the controls were operating effectively, with a further 13% partially operating. Each of the 11 key controls is made up of a number of individual elements that were each tested. Therefore 9 key controls are fully in place 1 key control was substantially in place and 1 key control is partially in place. 3 recommendations have been made to address the weaknesses identified, 2 were rated as high risk and 1 was rated as medium risk.

Susan Dixon
Service Manager, Internal Audit
October 2010

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