

# Agenda

## Audit and Governance Committee

**Friday, 18 September 2015, 10.00 am**  
**County Hall, Worcester**

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كوردی سۆزانی. ننگر ناتوانی تیئگی له نامۆرۆکی ندم بێلگهیه و دستت به هیچ کس ناگات که و بیهێگریتوه بۆت، تکایه تهلغۆن بکه بۆ ژماره 01905 765765 و داوا ی رهنۆینی بکه. (Kurdish)

ਪੰਜਾਬੀ। ਜੇ ਤੁਸੀਂ ਇਸ ਦਸਤਾਵੇਜ਼ ਦਾ ਮਸ਼ਹੂਰ ਸਮਝ ਨਹੀਂ ਸਕਦੇ ਅਤੇ ਕਿਸੇ ਅਜਿਹੇ ਵਿਅਕਤੀ ਤੱਕ ਪਹੁੰਚ ਨਹੀਂ ਹੈ, ਜੋ ਇਸਦਾ ਤੁਹਾਡੇ ਲਈ ਅਨੁਵਾਦ ਕਰ ਸਕੇ, ਤਾਂ ਕਿਰਪਾ ਕਰਕੇ ਮਦਦ ਲਈ 01905 765765 'ਤੇ ਫ਼ੋਨ ਕਰੋ। (Punjabi)

# DISCLOSING INTERESTS

There are now 2 types of interests:  
**'Disclosable pecuniary interests'** and **'other disclosable interests'**

## WHAT IS A 'DISCLOSABLE PECUNIARY INTEREST' (DPI)?

- Any **employment**, office, trade or vocation carried on for profit or gain
- **Sponsorship** by a 3<sup>rd</sup> party of your member or election expenses
- Any **contract** for goods, services or works between the Council and you, a firm where you are a partner/director, or company in which you hold shares
- Interests in **land** in Worcestershire (including licence to occupy for a month or longer)
- **Shares** etc (with either a total nominal value above £25,000 or 1% of the total issued share capital) in companies with a place of business or land in Worcestershire.

**NB Your DPIs include the interests of your spouse/partner as well as you**

## WHAT MUST I DO WITH A DPI?

- **Register** it within 28 days and
- **Declare** it where you have a DPI in a matter at a particular meeting
  - you must **not participate** and you **must withdraw**.

**NB It is a criminal offence to participate in matters in which you have a DPI**

## WHAT ABOUT 'OTHER DISCLOSABLE INTERESTS'?

- No need to register them but
- You must **declare** them at a particular meeting where:  
You/your family/person or body with whom you are associated have a **pecuniary interest** in or **close connection** with the matter under discussion.

## WHAT ABOUT MEMBERSHIP OF ANOTHER AUTHORITY OR PUBLIC BODY?

You will not normally even need to declare this as an interest. The only exception is where the conflict of interest is so significant it is seen as likely to prejudice your judgement of the public interest.

## DO I HAVE TO WITHDRAW IF I HAVE A DISCLOSABLE INTEREST WHICH ISN'T A DPI?

Not normally. You must withdraw only if it:

- affects your **pecuniary interests OR** relates to a **planning or regulatory** matter
- **AND** it is seen as likely to **prejudice your judgement** of the public interest.

## DON'T FORGET

- If you have a disclosable interest at a meeting you must **disclose both its existence and nature** – 'as noted/recorded' is insufficient
- **Declarations must relate to specific business** on the agenda
  - General scattergun declarations are not needed and achieve little
- Breaches of most of the **DPI provisions** are now **criminal offences** which may be referred to the police which can on conviction by a court lead to fines up to £5,000 and disqualification up to 5 years
- Formal **dispensation** in respect of interests can be sought in appropriate cases.

**Audit and Governance Committee**  
**Friday, 18 September 2015, 10.00 am, County Hall, Worcester**

**Membership:** Mr W P Gretton (Chairman), Mrs S Askin, Mr S J M Clee,  
Mr N Desmond, Mr L C R Mallett (Vice Chairman), Mr R J Sutton and  
Mr P A Tuthill

**Agenda**

<b>Item No</b>	<b>Subject</b>	<b>Page No</b>
1	<b>Named Substitutes</b>	
2	<b>Apologies/Declarations of Interest</b>	
3	<b>Public Participation</b> <i>Members of the public wishing to take part should notify the Director of Resources in writing or by e-mail indicating the nature and content of their proposed participation no later than 9.00am on the working day before the meeting (in this case 17 September). Further details are available on the Council's website. Enquiries can be made through the telephone number/e-mail address below.</i>	
4	<b>Confirmation of Minutes</b> To confirm the Minutes of the meeting held on 26 June 2015. (previously circulated – pink pages)	
5	<b>Retention and Disposal of Records</b>	1 - 14
6	<b>Internal Audit Progress Report - 1 April to 31 July 2015</b>	15 - 28
7	<b>Work programme</b>	29 - 30

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Agenda produced and published by Simon Mallinson, Head of Legal and Democratic Services, County Hall, Spetchley Road, Worcester WR5 2NP

To obtain further information or a copy of this agenda contact Simon Lewis, Committee Officer on 01905 766621, slewis@worcestershire.gov.uk

All the above reports and supporting information can be accessed via the Council's website

Date of Issue: Wednesday, 9 September 2015

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**Audit and Governance Committee**  
**18 September 2015****5. RETENTION AND DISPOSAL OF RECORDS****Recommendation**

1. The Committee is asked to note:

- a) the new Information and Records Management Policy;
- b) the progress of physical destruction of records and impact of the Independent Inquiry into Child Sexual Abuse on the destruction of records; and
- c) the forward plan for reviewing the contents of the Disposal Schedule.

**Background Information**

2. Members will recall that at the meeting on 20 March 2015 an update report was requested following the review of the Disposal Schedule by the Corporate Information Governance Board (CIGB. (Minute no. 337 refers) The Information and Records Management Policy (appendix) outlining the Council's approach to managing records, including the retention and disposal of records was agreed by the CIGB on 27 April 2014. This policy has also been ratified by the Corporate Information Management Board (CIGB) without any significant changes.

3. The physical destruction of paper records that are no longer required by the Council continues - the equivalent of 1,439 boxes have been reviewed and destroyed in 2015 (to end July 2015). This work is allowing us to more effectively manage the space needed to retain the records that we need to keep.

4. The Independent Inquiry into Child Sexual Abuse (the Goddard Inquiry) have asked Councils to cease physical destruction of any records relating to child protection matters pending further instructions from the Inquiry. We have therefore ceased any physical destruction of any records that may be relevant to this inquiry.

5. A further consequence of this is a postponement of the review of the criteria in the Disposal Schedule, the list governing the lengths of time different type of records need to be retained, until it is clearer what the impact of the inquiry will be on record keeping and this can be factored into the review work.

4. Work to begin the review of the remainder of the Disposal

## **Supporting Information**

## **Contact Points**

## **List of Background Papers**

Schedule, the list governing the lengths of time different type of records need to be retained, is in the 2015-16 business plan of the Corporate Information Management Unit (CIMU) and is scheduled to commence in December 2015. In addition consideration will be given to the role of Elected Members and the information that they hold on an on-going basis.

Appendix – Information and Records Management Policy

### **Specific Contact Points**

Neil Anderson, Head of Community and Environment  
01905 776580 [nanderson@worcestershire.gov.uk](mailto:nanderson@worcestershire.gov.uk)

Sharon Duggan, Registration, Coroner and Corporate  
Information Services Manager  
01905 728754 [sduggan@worcestershire.gov.uk](mailto:sduggan@worcestershire.gov.uk)

In the opinion of the proper officer (in this case the Director of Business, Environment and Community) the following are background papers relating to the subject matter of this report:

Agenda papers and minutes of the Committee meeting on 20 March 2015

Worcestershire County Council  
**Information and Records  
Management Policy**

Version 1.0  
27 April 2015

## Document Control

<b>Organisation</b>	Worcestershire County Council
<b>Title</b>	Information and Records Management Policy
<b>Author</b>	Becki Staite, Corporate Information Manager
<b>Filename</b>	Information and Records Management Policy v1-0.docx
<b>Owner</b>	Becki Staite, Corporate Information Manager
<b>Subject</b>	Records management; information security; information management; information legislation
<b>Classification</b>	NOT PROTECTIVELY MARKED
<b>Review date</b>	Next review April 2017
<b>SID Location</b>	<a href="http://sid/cms/acs/culture-and-community/cimu/policies-and-strategies.aspx">http://sid/cms/acs/culture-and-community/cimu/policies-and-strategies.aspx</a>
<b>Equalities Impact Assessment</b>	Screening conducted 24/02/2015; full EIA not required
<b>Approval (by whom and date):</b>	Corporate Information Governance Board (CIGB) 27/04/2015 v1.0

## Version History

Revision Date	Reviser	Version	Description of Revision
24/02/2015	Becki Staite	v0-1	First draft
02/03/2015	Becki Staite	v0-2	Revised in line with CIGG comments
27/04/2015	Becki Staite	v1-0	Approval by CIGB

## Document Distribution

This document will be distributed to:

Name	Job Title	Email Address
All Staff		



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## 1. Introduction

- 1.1 Worcestershire County Council [the Council] recognises that its records and information are an important public and corporate asset, and are a key resource required for effective operation and accountability.
- 1.2 Changes in legislation have heightened the need for careful management of information and this policy sets out the Council's responsibilities and activities to achieve this. This will ensure the Council creates and captures authentic and reliable records to demonstrate evidence, accountability and information about its decisions and activities.

## 2. Scope

- 2.1 This policy applies to all employees and workers (both contracted and agency workers), contractual third parties and commissioned providers, volunteers, and councillors (when acting on behalf of the Council).
- 2.2 This policy applies to all information created or held by, or on behalf of, the Council, in whatever format or however it is stored. A record is any recorded information regardless of medium (including, but not limited to, paper, microform, electronic and audio-visual), which is created, collected, processed, used, stored and / or disposed of in the course of a Council activity, as well as those acting as its agents in the course of a Council activity.

## 3. Information Management Principles

- 3.1 The culture of the Council will be one that uses and promotes good information management practices:
  - Information will be managed as a corporate resource and structured to facilitate information sharing across the Council and with our partners where appropriate
  - Information will be accurate and up to date to support the Council's operations and decision making process and the needs of our partners
  - The creation, storage and use of information will conform to legal and regulatory requirements as well as any Council guidelines and policies
  - Information will be captured and stored only once and, where possible, reused as many times as is needed. Where the duplication of information is unavoidable then a single authoritative source must be identified and measures put in place to ensure consistency
  - Employees, customers, councillors and all other stakeholders will be able to access the information they require, given any security or legal restrictions. Confidentiality will be respected and restricted information suitably protected.
  - The electronic storage and transmission of information will be promoted where there is a clear business benefit in doing so to improve efficiency and consistency of information presentation across all stakeholders.
  - Information will be managed in a secure fashion, ensuring the continuity of operations and minimising the possibility of damage to service provision by limiting the impact of security threats or incidents, whether internal, external, deliberate or accidental.
  - Information will be regularly reviewed and only be retained where there is a requirement or relevance. Information will be disposed of (securely destroyed or archived) in a systematic way and in accordance with the Disposal Schedule
  - Knowledge will be captured and re-used as a matter of process and procedure so that what we know what can be shared and when - both across the Council and with others

Information and Records Management Policy

**4. Roles and Responsibilities**

- 4.1 The Council has a corporate responsibility to maintain its records and record-keeping systems in accordance with legislative requirements.
- 4.2 The Senior Information Risk Owner (SIRO) has responsibility for setting strategic direction and approving a framework for managing and overseeing duties in relation to records management as set out in this policy. The SIRO is supported in this role by the CIGB and CIGG.
- 4.3 The Corporate Information Governance Board (CIGB), chaired by the SIRO, shall provide overall direction for information and records management and ensure policies and processes are in place for its safe management.
- 4.4 The Corporate Information Governance Group (CIGG) shall support the work of the SIRO and the CIGB.
- 4.5 The Corporate Information Manager will co-ordinate the activities of the Corporate Information Management Unit (CIMU), such as maintaining the corporate Disposal Schedule, managing the physical records storage areas and advising best practice for electronic recordkeeping.
- 4.6 Worcestershire Archives and Archaeology Service, the Place of Deposit for Public Records in Worcestershire, will take custody of those records deemed worthy of permanent preservation.
- 4.7 Directors are responsible for the management of their Directorate records in accordance with this policy, and ensuring that all staff are aware of their record keeping responsibilities.
- 4.8 Commissioning Managers and Heads of Service are responsible for considering information management implications when planning to commission services to external providers, work with partners, commission new technologies or major structural changes.
- 4.9 Information Asset Owners (IAOs) are responsible for ensuring appropriate information management practices are in place for their information assets (electronic and paper). The role is further defined in [section 5](#).
- 4.10 Data Owners (DOs) are the business managers who support the Information Asset Owners and operationally own the information and records contained in their systems (paper and/or electronic). Their role is to understand what information and records are held, how they are used and transferred, and who has access to them and why, in order for business to be transacted within an acceptable level of risk. The role is further defined in [section 6](#).
- 4.11 Records Management Liaison Officers (RMLOs) are staff who support the Data Owner in the practical management of their business unit and have specific responsibilities for records management in their business units and this responsibility will be clearly defined in their job descriptions. See also [section 7](#).
- 4.12 All Council employees, elected members, contractors, consultants and agents are responsible for creating and maintaining records in relation to their work that are authentic, reliable and for documenting their decisions and actions; managing information in accordance with this policy and any related procedures; and ensuring that the key records they are responsible for remain accessible.

**5. Information Asset Owner Responsibilities**

- 5.1 The Information Asset Owner role, in order for business to be transacted within an acceptable level of risk, includes, but is not limited, to:

## Information and Records Management Policy

- understanding what information is held and how it is used;
  - determining the business requirements for the use of the information and signing them off;
  - determining who has access to it and why, and signing off the access privileges;
  - ensuring information and systems are prioritised in line with their importance to the organisation;
  - defining information sharing agreements and data interchange agreements ensuring adherence to the provisions in appendix 3 of the [Information Classification Policy](#);
  - developing service level agreements in relation to the information;
  - assigning the information classification to the asset (based on the content and impact of disclosure, see appendix 2 of the Information Classification Policy for criteria);
  - authorising disclosure of information from the systems to third parties;
  - identifying and authorising amendments to the Disposal Schedule;
  - authorising new or significant changes to the system;
  - being involved in security audits and reviews;
  - ensuring users are aware of their responsibilities and can fulfil them.
- 5.2 When a nominated Information Asset Owner leaves the council, the role will be transferred to their successor – either the next person appointed to the post, or the person who takes on responsibility for the business processes dependent on the information and systems. In the event of an interim period, the responsibility will lie with the original Information Asset Owner's line manager.
- 5.3 The Information Asset Register must be updated with any changes, updates or amendments to Information Asset Owners.

## 6. Data Owner Responsibilities

- 6.1 Information Asset Owners may delegate day-to-day maintenance of information assets to Data Owners to ensure they are managed appropriately, but they remain accountable for the actions taken.
- 6.2 When a nominated Data Owner leaves the council, the role will be transferred to their successor – either the next person appointed to the post, or the person who takes on responsibility for the business processes dependent on the information and systems. In the event of an interim period, the responsibility will lie with the original data owner's line manager. CIMU must be notified of any changes, updates or amendments to nominated data owners.

## 7. Records Management Liaison Officers (RMLOs)

- 7.1 RMLOs provide a formal link between business units, teams and CIMU through which the implementation of records management best practice and procedures can be disseminated. Areas of responsibility include:
- Monitoring use of the Corporate File Plan
  - Receipt and allocation of duplication reports and ensuring follow-up action is taken
  - Adherence to the Disposal Schedule
  - Induction for new starters into records management principles and procedures
  - Housekeeping and maintenance of records management practices
  - Liaison with CIMU in regard to local management of records

Information and Records Management Policy

## 8. Records Management Principles

- 8.1 Maintaining appropriate and effective records management practices will help us to deliver our priorities and fulfil our statutory duties. The adoption of this policy will ensure our records, whatever format they are in, are accurate, reliable, ordered, complete, useful, up to date and accessible whenever they are needed.
- 8.2 The underlying principle of records management is to ensure that a record is managed through its life cycle from creation or receipt, through maintenance and use to disposal.
- 8.3 Good records management relies on the following:
- the creation of appropriate records
  - the capture of records (received or created) in record keeping systems
  - the appropriate maintenance and upkeep of these records
  - the regular review of information
  - controlled retention and disposal of information
- 8.4 Through adhering to these principles we will benefit from:
- records being easily and efficiently located, accessed and retrieved
  - information being better protected and securely stored
  - records being disposed of safely and at the right time

## 9. Creation of records and information

- 9.1 Records will be created which document the Council's principal activities and which are required to evidence business, regulatory, legal and accountability purposes.
- 9.2 Records will be created with meaningful titles and indexes/metadata so that they can be retrieved quickly and efficiently.
- 9.3 All record creators will ensure such records are authentic, reliable, have integrity and remain usable. This includes making appropriate arrangements for ensuring the continuity and availability of information when staff leave, or during major organisational or technological change.

## 10. Maintenance and Storage of records and information

- 10.1 Electronic and paper systems containing records must be maintained so that the records are properly stored and protected, and can easily be located and retrieved. There must be procedures to ensure the systems contain accurate information. The systems must also take into account the legal and regulatory environment specific to their area of work.
- 10.2 The Corporate Information Management Unit (CIMU) provide a [secure storage facility](#) that must be used to store physical records which are not being actively worked on, but do need to be retained for business, regulatory, legal and accountability purposes (semi-current physical records).
- 10.3 The [Corporate File Plan](#) must be used to store electronic records that are not held in corporate databases or systems (examples of such systems include Frameworki and SAP).

## 11. Disposal

- 11.1 With increasing public access to our records, it is important that [disposal](#) of records happens as part of a managed process and is adequately documented. Information Asset Owners must have in place clearly defined arrangements for the identification and selection of records for disposal, and for documenting this work.

## Information and Records Management Policy

- 11.2 The [Disposal Schedule](#) is the principal authority on the retention of records in all formats in Worcestershire County Council and was ratified as such by the Chief Officers' Management Board (COMB) in June 2001. Amendments to the Disposal Schedule are coordinated by CIMU following advice from the relevant service areas.
- 11.3 Electronic records must be managed in accordance with the [Disposal Schedule](#). All new computer systems must include the functionality to delete single records or groups of records at the end their retention period. It is recommended that an intended disposal or review date is captured when creating electronic records.
- 11.4 Any records or information subject to a current Data Protection, Freedom of Information, or Environmental Information Regulations request should not be destroyed and the disposal process should be put on hold until the completion of the request(s).

## 12. Access and Security

- 12.1 All Council records will be subject to appropriate security measures as set out in the Council's Information Security Policy. The Council needs to ensure that decisions regarding access to the records are documented so that they are consistent, and can be explained and referred to.
- 12.2 Data Owners must ensure that:
- All staff are aware of the arrangements for allowing access to certain types of information.
  - Procedures are in place to document decisions concerning access.
- 12.3 By default, no user should have access to systems containing personal information. Users should only access systems and records containing personal information that are relevant to their work/duties. Where access is deemed necessary, the level of access should be determined using the 'need to know' principle ie. to the smallest possible subset of records.

## 13. Training and Awareness

- 13.1 All Council employees are involved in creating, maintaining and using records and it is important that everyone understands their information management responsibilities. Managers will ensure that staff responsible for managing records are appropriately trained or experienced and that all staff understand the need for records management.
- 13.2 Training and guidance is available for staff to provide them with the knowledge and tools to effectively and appropriately manage their records.
- [Information Governance Training](#)
  - [Guidance - Managing Your Records](#)
- 13.3 A mandatory training programme is in place for all staff to ensure they are aware of their obligations under information legislation (Data Protection, Freedom of Information and so on).

## 14. Breaches

- 14.1 Non-compliance with this policy may leave the Council vulnerable to legal action and / or reputational damage.
- 14.2 Any breaches of this policy will be dealt with in accordance with the County Council's procedure for dealing with poor performance and misconduct. Managers will need to decide what action is appropriate based on the circumstances and may wish to seek advice from their HR Manager, and the [Corporate Information Management Unit](#).

Information and Records Management Policy

**15. Performance Management**

- 15.1 The Corporate Information Management Unit will monitor performance with regard to the storage, retention and retrieval of physical records held in its custody.
- 15.2 Internal Audit will monitor compliance with this policy across the Council.

**16. Policy Review and Revision**

- 16.1 This policy will be reviewed as it is deemed appropriate, but no less frequently than every 2 years.
- 16.2 Policy review will be undertaken by the Corporate Information Manager in consultation with the Corporate Information Governance Group, and relevant directorate representatives.

**17. Related Legislation, Standards, and Corporate Policies**

- 17.1 The Council have a legal obligation to comply with the following relevant legislation:

- Public Records Act 1958
- Public Records Act 1967
- Local Government Act 1972 s.224
- Local Government (Access to Information) Act 1985
- Local Government (Inspection of Documents) Order 1986
- Freedom of Information Act 2000
- Data Protection Act 1998
- Environmental Information Regulations 2004
- Computer Misuse Act 1990
- Freedom of Information Act 2000  
(This list is not exhaustive.)

- 17.2 Relevant Standards

- Lord Chancellor's Code of Practice on the Management of Records under Section 46 FoIA
- ISO 15489 Information and Documentation - Records Management
- BS 10008:2008 Evidential weight and legal admissibility of electronic information
- BIP 0008 Code of practice for legal admissibility and evidential weight of information stored on electronic document management systems
- Data Handling Guidelines for Local Government

- 17.3 The following Council policy and strategy documents are directly relevant to this policy:

- [Information Governance Strategy 2014-2017](#)
- [Digital Strategy 2013-2017](#)
- [Information Security Policy](#)
- [Information Classification Policy](#)
- [Freedom of Information and Environmental Information Policy](#)
- [Data Protection Policy](#)
- [WAAS Acquisition and Collection Policy](#)

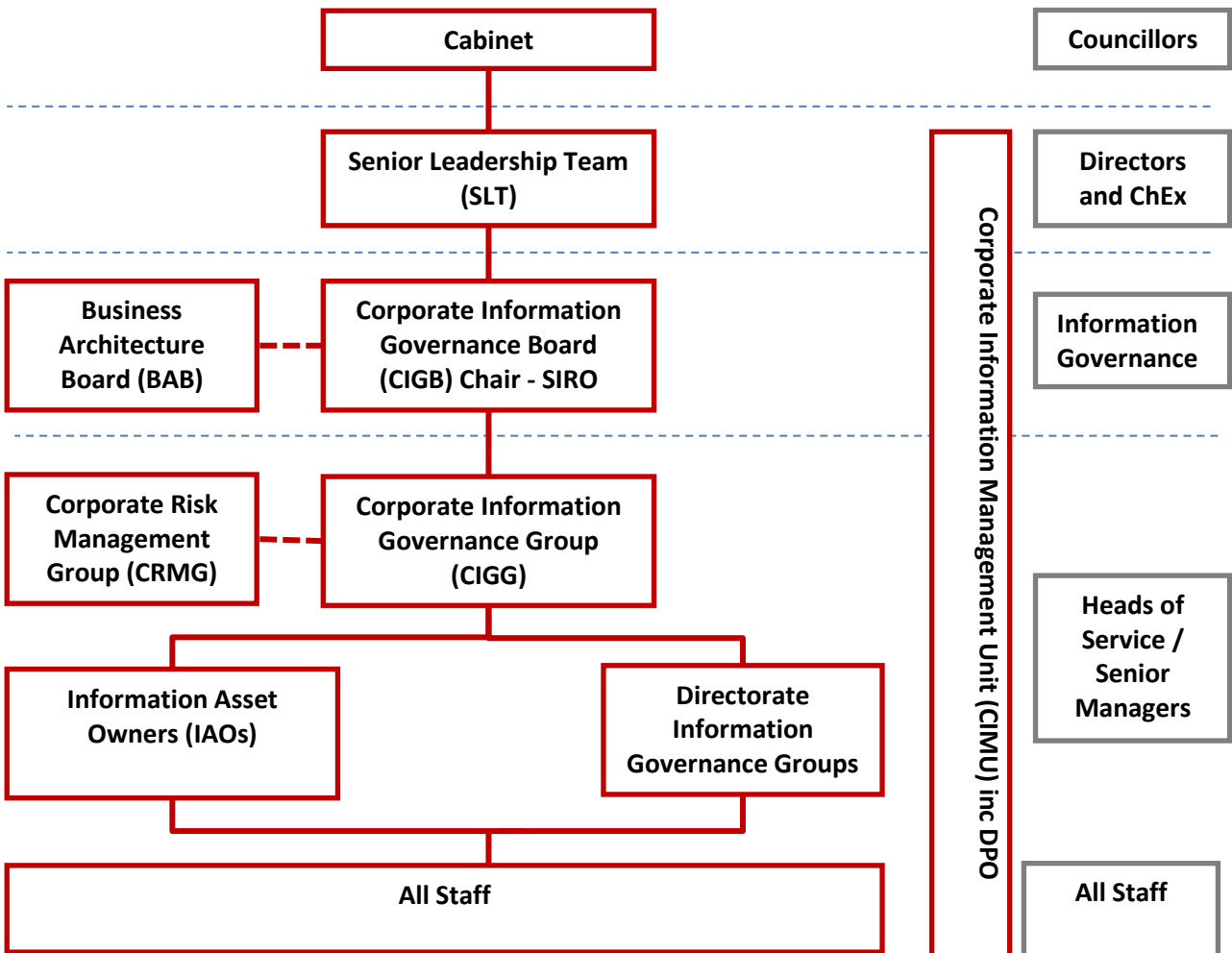
**Appendix 1 Glossary**

<b>Corporate File Plan</b>	The logical arrangement of documents or files that has been adopted by the Council to manage our records, allowing easier identification, storage and retrieval of information. Essentially it is a direction or set of pointers to help you find information/what you want
<b>Disposal</b>	Either secure destruction or permanent preservation of records at the end of their business use
<b>Record</b>	Any recorded information regardless of medium (including, but not limited to, paper, microform, electronic and audio-visual), which is created, collected, processed, used, stored and / or disposed of in the course of a Council activity
<b>Semi-current records</b>	Records which are not being actively worked on, but do need to be retained for business, regulatory, legal and accountability purposes

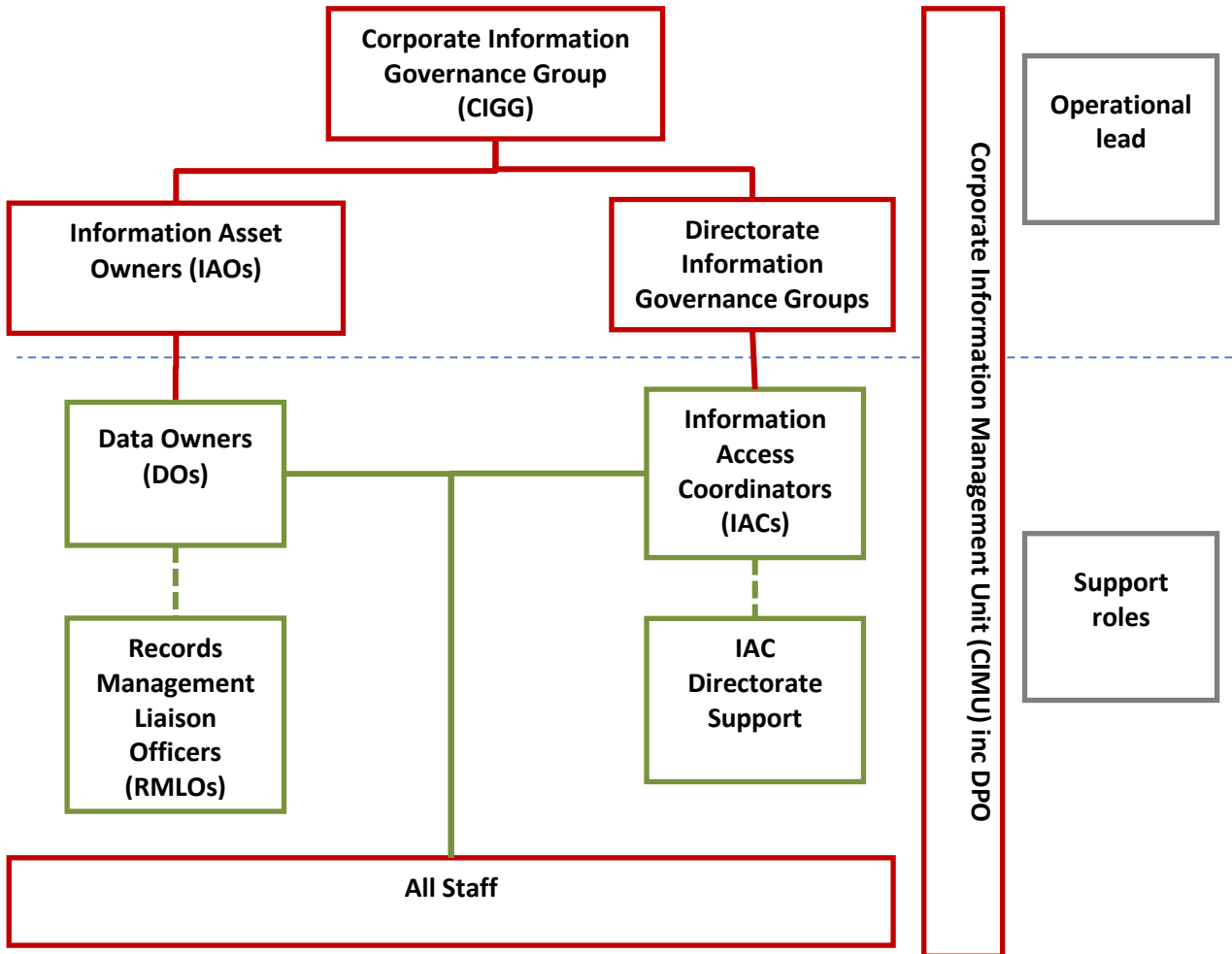


Appendix 2 IM Responsibility Structure and Operational Support Arrangements

Responsibility Structure



**Operational and Support Role Arrangements**



**Audit and Governance Committee**  
**18 September 2015****6. INTERNAL AUDIT PROGRESS REPORT**  
**1 APRIL TO 31 July 2015****Recommendation**

1. **The Chief Financial Officer recommends that the Internal Audit Progress Report attached as an appendix is noted.**

**Background Information**

2. The attached progress report summarises internal audit work undertaken 1 April 2015 to 31 July 2015 for consideration by the Committee.

**Supporting Information**

Appendix – Internal Audit Progress Report 1 April 2015 to 31 July 2015

**Contact Points****County Council Contact Points**

Sean Pearce, Chief Financial Officer  
Ext: 6268 Email: [spearce@worcestershire.gov.uk](mailto:spearce@worcestershire.gov.uk)

**List of Background Papers**

In the opinion of the proper officer (in this case the Chief Financial Officer) there are no background papers relating to the subject matter of this report:

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August 2015

**Internal Audit Progress Report  
1 April to 31 July 2015**



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## 1. Introduction

- 1.1. The Audit and Governance Committee has responsibility to review the adequacy of the County Council's internal control and risk management arrangements. Internal Audit is an independent assurance function which provides an objective opinion on the effectiveness of the control environment comprising risk management, control and governance processes.
- 1.2. This report outlines the work of the internal audit service during the period 1 April 2015 to 31 July 2015 compared to the 2015/16 Internal Audit Plan which was approved by the Audit and Governance Committee at its meeting on 26 June 2015.

## 2. Internal audit work completed 1 April to 31 July 2015

- 2.1. Since the last report to the Committee, work has continued on finalising the remaining 2014/15 audits and work has started on the 2015/16 Plan. All the work completed has been reported to management to ensure that individual recommendations are properly considered.
- 2.2. The key outcome of each audit is an overall opinion on the level of assurance provided by the controls within the area audited. Audits will be given one of four levels depending on the strength of controls and the operation of those controls. The four categories ranging from the lowest to highest are Limited, Moderate, Substantial and Full. The opinion reflects both the design of the control environment and the operation of controls.
- 2.3. Where audits have been given a limited opinion this is an indication that the Council does not have sound processes in place to manage risk and are therefore the audits which the Committee may wish to focus on. There are currently no reports in this category.
- 2.4. The assurance opinion given is at the time of the report being issued but before full implementation of the agreed management action plan. Where a report has been finalised management will have accepted the recommendations and agreed an action plan with timescales for implementation. It is essential that audit recommendations are implemented by management within the agreed timescales. All recommendations are therefore routinely followed up with senior management twice a year to obtain assurance that recommendations have been implemented. The next follow up of recommendations is due to be undertaken in October and the status of the high recommendations will be reported on to the next meeting of the Committee in December 2015.
- 2.5. Following audits a "Post Audit Questionnaire" has been issued to relevant managers asking for their views on the delivery of the audit. There are a range of questions covering audit approach, reporting and an overall assessment. It is pleasing that the results are excellent with an average score of 5 (out of a maximum of 5). In addition a number of very positive comments regarding Internal Audit work have been received.
- 2.6. Feedback from senior management would also suggest that the quality of output is high and continues to improve.

### 2014/15 Internal Audit Plan

- 2.7. Work has been completed on the 2014/15 audits which were shown as being in draft in the Annual Report to the last Audit and Governance Committee on 26 June 2015. The following final reports have now been issued:

- Local Enterprise Project (LEP)
- Payroll
- Pensions
- Bank Reconciliations
- Cost of change- Redundancy Costs
- Future Operating Model
- PFI Waste
- Freedom of Information Requests.

There is one further audit report where a response to the draft report is awaited:

- Commissioning – Learning & Achievement.

2.8. Work has been completed on the four audits which were in progress at the time of the last committee meeting:

- Archaeology
- Registrars
- Community Safety
- Growing Places Fund.

In addition, work has been concluded on an investigation into School Fund transactions.

2.9. A breakdown of these final reports can be found in Appendix 2, which summarises the risk ratings associated with each recommendation along with an overall opinion. Further information is provided in the individual reports. A list of those reports which will be considered for publication is included in Appendix 3. Published reports can be accessed by the following link:

[http://www.worcestershire.gov.uk/info/20003/council\\_democracy\\_and\\_councillor\\_information/1076/internal\\_audit](http://www.worcestershire.gov.uk/info/20003/council_democracy_and_councillor_information/1076/internal_audit)

### **2015/16 Internal Audit Plan**

2.10. Work is in progress on the 2015/16 plan, a detailed statement showing assignments and actual activity for the year is shown in Appendix 1. Progress against the plan is in line with our projected profile and we anticipate substantially completing the remaining work by the year end.

## **3. Other significant work**

3.1. Internal Audit has also carried out work in a number of other areas during the period ending 31 July 2015 and this is set out below.

### **National Fraud Initiative**

3.2. The National Fraud Initiative (NFI), the Audit Commission's data matching exercise helps the Council fight against fraud. Internal Audit continues to act as the lead co-ordinator. The data matches have all been received and allocated to individual officers for investigation.



### Grant claims

3.3. A total of 6 grant claims have been reviewed to ensure accuracy and compliance with relevant grant conditions:

- Bus Services Operators Grant;
- Community Capacity Grant
- Transforming Care (Capital ) Grant Fund
- Autism Innovation (Capital ) Grant
- Regional Growth Fund
- Digital Essentials Grant.

These were all satisfactory.

3.4. Further work was also carried out on the Kidderminster Trust Fund. Whilst the value of transactions is relatively low, Internal Audit was able to provide independent assurance regarding this fund.

### Advice

3.5. The Council will face major changes in systems and procedures over the coming years and we are able to provide advice on the control implications of these changes.

3.6. Internal Audit meets regularly with Directors and other senior staff to identify areas where such advice or input is required. This is an important part of Internal Audit's work to ensure that appropriate controls are considered at an early stage. This work reduces the issues that will be raised in future audits, contributes to a stronger control environment and allows the audit team to keep up to date with current and future challenges facing the directorates. We wish to expand this pro-active work as it is a particularly effective use of our limited resources.

3.7. During the first four months, Internal Audit has advised on a number of areas including:

- **Superfast broadband project** - internal Audit has continued to support this project over the last four months, providing advice regarding the process for checking the information provided by the contractor so that invoices can be paid.
- **Risk Management** - Internal Audit attends regular meetings of the Corporate Risk Management Group and provides advice and guidance as required.
- **Renewal of School Catering Contract** - advice regarding the correct procedures to be followed on renewal of the Catering Contract.
- **School Fund Audit Requirements** – advice regarding the required arrangements for auditing of School Funds.
- **Declarations of Interest** - advice was sought from Internal Audit around the governance arrangements in relation to declarations of Interest.
- **E-Bay** – advice was provided regarding the sale of items on E-bay.
- **Improvement and Efficiency West Midlands** – advice regarding paying for quality checks on projects.
- **Cash Handling** – advice provided on revised procedures for cash handling.

#### 4. Appendix 1: Summary of progress against the agreed Audit Plan 2015/16

Area/system	Date final report issued	Status/assurance level given
<b>OP1 – fundamental assurance</b>		
Core Financial Systems		
Capital Forecasting		Terms of Reference agreed. Fieldwork in Progress.
Medium Term Financial Plan		Planned for quarter 3.
Controls around Purchase Order/Payments		Planned for quarter 4.
Self Service for Finance		Planned for quarter 3.
Adherence to Capital Accounting Practice		In progress.
Feeder systems		Terms of Reference agreed. Fieldwork in Progress.
National Fraud Initiative		Ongoing.
Grant certification		Ongoing.
Grant Assurance <ul style="list-style-type: none"> <li>• Community Capacity Grant</li> <li>• Department of Health Transforming Care Fund</li> <li>• Care Bill implementation grant for 2014/15</li> </ul>		<ul style="list-style-type: none"> <li>• Complete.</li> <li>• Complete.</li> <li>• In progress.</li> </ul>

Area/system	Date final report issued	Status/assurance level given
<b>OP2 – cross cutting audits</b>		
Directorate Risks:		
Investigative work		Ongoing work.
<ul style="list-style-type: none"> <li>➤ School Fund Income</li> <li>➤ Overtime Claims</li> <li>➤ Cash Handling</li> </ul>	June 2015	<ul style="list-style-type: none"> <li>➤ Final Report issued. N/A</li> <li>➤ Work in progress.</li> <li>➤ Work in progress.</li> </ul>
Intelligence led pro-active fraud investigations		Ongoing. Currently at the planning stage of using Fiscal software to analyse key financial data.
Advice		Ongoing.
IT Security audit		This work is going to be covered by IT specialists as part of the Internal Audit Framework agreement.
IT Asset Configuration audit		This work is going to be covered by IT specialists as part of the Internal Audit Framework agreement.
IT Policy Framework		This work is going to be covered by IT specialists as part of the Internal Audit Framework agreement.
Use of Consultants		In progress.
Performance Management		
Commissioning		In progress.
Job evaluation/ Grading of posts		Planned for quarter 3.

Area/system	Date final report issued	Status/assurance level given
Procurement		In progress.
Joint Property Vehicle (JPV)		Planned for quarter 3.
Legal – Looked after children		Discussions have taken place with the Principal Solicitor (Child Care) that indicates that the audit will add little value as much work has been undertaken in this area and therefore it is proposed to delete this audit from the plan.
Risk Management		Advice provided through regular attendance at Corporate Risk Management Group.
Transfer of Assets		In progress.
Business ownership of systems		In progress.
Training and Development		Planned for quarter 3.
<b>OP3 - Open for Business</b>		
Local Enterprise Projects		Planned for quarter 4.
Broadband project		Ongoing advice regarding the process for checking the information provided by the contractor so that invoices can be paid.
Improvement & Efficiency West Midlands (IEWM)		Planned for quarter 4.
<b>OP4 – Children and Families</b>		
SEN(D) Transport		Terms of Reference drafted.

Area/system	Date final report issued	Status/assurance level given
Local Offer 2014 Children's Families Act		Planned for quarter 3.
Child Academic Improvements in Care Homes		Terms of Reference agreed.
Foster Payments		Terms of Reference drafted.
Foster Carers - the Foster Carer Journey		Discussions have taken place to inform the terms of reference.
School Themed Audits		Terms of Reference drafted. Visits booked.
Stronger Families programme		Following discussions with the Head of Service about priorities it is proposed to replace with a review of Direct Payments – Children with Disabilities.
Business Support Service		Planned for quarter 4.
Early Help Commissioning		Planned for quarter 4.
Safeguarding		Discussions have taken place to inform the terms of reference.
<b>OP5 – The Environment</b>		
Highways Customer and Community		Planned for quarter 3.
Transport		Discussions have taken place to inform the terms of reference.
Flood Management		Terms of Reference drafted.
Evesham Abbey Bridge		Discussions with the Director of BEC indicate that specialists in forensic delays have been appointed. This audit may therefore need to be deleted or the focus changed.

Area/system	Date final report issued	Status/assurance level given
Highways Maintenance Contract		Planned for quarter 4.
Malvern Link and Worcester Foregate Street Enhancement contract		Discussions have taken place to inform the terms of reference.
<b>OP6 – Health and Wellbeing</b>		
Direct Payments		Planned for quarter 4.
E Market Place		Planned for quarter 3.
Commissioning		Planned for quarter 3.
Adult and Social Care Annual Review Process		Advisory work planned. Meetings conducted to inform the Terms of Reference.
Deferred Payments Scheme		Planned for quarter 3.
Post Implementation - Care Act		Planned for quarter 4.

## 5. Appendix 2: Summary of Recommendations (final reports only)

Assignment	High	Medium	Low	Total	Overall opinion
<b>Work relating to 2014/15</b>					
Registrars	2	8	0	10	Substantial
Community Safety	N/A	N/A	N/A	N/A	RAG rating
Growing Places Fund	0	1	0	1	Substantial
Archaeology	0	3	3	3	Substantial
<b>Work Relating to 2015/16</b>					
School Fund Income	7	3	1	11	N/A
<b>Total for period ending 31 July 2015</b>					

## 6. Appendix 3: List of Internal Audits to be considered for Publication

6.1. The following reports will be published following consideration of whether any data in a report would require redaction prior to publishing. It should be noted to date that only Internal Audit reports where an opinion has been given have been published.

- Local Enterprise Project
- Payroll
- Pensions
- Bank Reconciliations
- Cost of Change - Redundancy Costs
- Future Operating Model
- PFI Waste
- Registrars
- Community Safety
- Growing Places Fund
- Archaeology
- Freedom of information

6.2 Published reports can be accessed by the following link:

[http://www.worcestershire.gov.uk/info/20003/council\\_democracy\\_and\\_councillor\\_information/1076/internal\\_audit](http://www.worcestershire.gov.uk/info/20003/council_democracy_and_councillor_information/1076/internal_audit)



**Audit and Governance Committee**  
**18 September 2015****7. WORK PROGRAMME****Recommendation**

- 1. The Committee is asked to note its future work programme and consider whether there are any matters it would wish to be incorporated.**

**Work Programme****11 December 2015**

Internal Audit Progress Report 2015/16  
External Audit Letter 2014/15  
Corporate and Transformation Risk Report  
Use of Consultants

**18 March 2016**

Internal Audit Progress Report 2015/16  
External Audit Plan 2015/16  
External Auditor's Report  
Counter Fraud Report 2015/16

**30 June 2016**

Annual Statutory Financial Statements for the year ending 31 March 2016  
Annual Governance Statement  
Internal Audit Annual Report 2015/16  
Internal Audit Risk Assessment and Plan 2016/17  
Internal Audit - Delegated Service – Annual Report  
Corporate and Transformation Risk Report

**9 September 2016**

Internal Audit Progress Report 2016/17

**Contact Points****Specific Contact Points**

Simon Lewis, Committee Officer Ext 6621  
email: [slewis@worcestershire.gov.uk](mailto:slewis@worcestershire.gov.uk)

**List of Background Papers**

In the opinion of the proper officer (in this case the Director of Commercial and Change) the following are the background papers relating to the subject matter of this report:

Agenda and Minutes of this Committee from December 2005 onwards

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