

<b>DECISION MAKER:</b>	<b>EXECUTIVE COUNCILLOR NAME:</b>
	Councillor Martin Hill
<b>DATE OF MEETING:</b>	<b>1/12/2009</b>
<b>SUBJECT:</b>	Request to Approve the placing of Internal Audit Service staff at the disposal of West Lindsey District Council.
<b>DECISION REFERENCE:</b>	01622
<b>REPORT BY:</b>	Pete Moore (Executive Director – Resources and Community Safety)
<b>NAME OF CONTACT OFFICER:</b>	Lucy Pledge – Head of Corporate Audit & Risk Management
<b>CONTACT OFFICER TEL NO:</b>	01522 553692
<b>CONTACT OFFICER EMAIL ADDRESS:</b>	<a href="mailto:Lucy.pledge@lincolnshire.gov.uk">Lucy.pledge@lincolnshire.gov.uk</a>
<b>IS THE REPORT EXEMPT?</b>	No
<b>IS REPORT CONFIDENTIAL?</b>	No

<b>IS IT A KEY DECISION?</b>	No
<b>DIVISION(S) AFFECTED</b>	Those in West Lindsey

<b>SUMMARY</b>
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Since July 2005 we have been supporting West Lindsey in the delivery of their Internal Audit Service. These arrangements were on an interim basis whilst West Lindsey decided on how they wished the service to be delivered in the long term.

This has proved so successful, with West Lindsey being pleased with the cost and quality of our service that they chose to continue with our services up to 2009/10.

Lincolnshire Procurement has now advised West Lindsey that they need to put this arrangement on a more formal footing. Lincolnshire Procurement suggested they use a secondment arrangement under which the County Council places its audit staff at the disposal of West Lindsey under section 113 of the Local Government Act 1972.

An agreement has been drawn up in consultation with legal and they have advised that, under the County Council's Constitution, to enter into such an agreement Executive Councillor approval is required.

Executive Director – Pete Moore supports these arrangements.

<b>DISCUSSION &amp; OPTIONS</b>
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**Introduction/Discussion**

The County Council is placing Internal Audit Staff at the disposal of West Lindsey. No change of employer is involved and the seconded staff retain all the terms and conditions of County Council.

The County Council and West Lindsey will agree a base number of audit days on an annual basis to be undertaken by the seconded staff. The current plan is 220 days. This generates approximately £58,000 income for the County and is delivered within existing resources and budgets.

The County Council will have discretion to choose which auditor or auditors are seconded to work at West Lindsey for each assignment.

The County Council will be responsible for all remuneration of the seconded staff and charge West Lindsey an agreed daily rate.

An Agreement under section 113 of the Local Government Act 1972 will be entered into. The Agreement will commence on the 1<sup>st</sup> October 2009 for a period to 31<sup>st</sup> March 2012. Should an extension to the Agreement be required, this will be agreed with all parties and confirmed in writing to The Head of Service, Corporate Audit & Risk Management.

All staff affected have been consulted in accordance with the requirements of section 113.

<b>Option A –</b>	To agree staff secondment to deliver West Lindsey District Council Internal Audit Service.
<b>Advantages</b>	Generate income for the Council which supports our internal audit service  Continue to support one of our Districts

By pooling resources across the organisations we will make savings through streamlining our audit plans to audit / research specific areas of common interest.

Continuing with the arrangements offers West Lindsey a proven high quality service at a competitive cost.

**Disadvantages** Fewer resources will be available to deliver work for Lincolnshire Audit Plan

**Option B –** Not to agree staff secondment to deliver West Lindsey District Council Internal Audit Service

**Advantages** More resources will be available to deliver work for Lincolnshire Audit Plan

**Disadvantages** Income Loss which will reduce funding for our Internal Audit Service and impact on staffing levels.

May impact on our relationship with West Lindsey.

Undermines our long term strategy to work more collaboratively with East Lindsey and the City of Lincoln Internal Audit services.

#### **WHAT CONSULTATION UNDERTAKEN ON THE MATTERS FOR DECISION**

We have consulted with both Procurement Lincolnshire and Legal.

#### **HAS AN EQUALITY IMPACT ASSESSMENT BEEN CARRIED OUT ?**

Not applicable

#### **MONITORING OFFICER COMMENTS**

The County Council has the power to enter into the proposed Agreement under section 113 of the Local Government Act 1972. Affected staff must be consulted.

The decision to enter into the Agreement is an executive function. The decision is consistent with the Policy Framework and within the remit of the Leader as the member of the Executive with responsibility for Resources.

#### **DIRECTOR OF RESOURCES & COMMUNITY SAFETY COMMENTS**

The service plan and budget for Corporate Audit and Risk Management team of the Council includes income from the West Lindsey Service provision. If a decision is taken not to

implement this agreement that income will be lost and a budget pressure will arise within Corporate Audit.

**CORPORATE DIRECTOR COMMENTS**

As Above.

**SCRUTINY OPINION**

This matter has not been referred to Scrutiny.

**RECOMMENDATIONS**

To approve the secondment arrangements for the placing of Internal Audit Services staff at the disposal of West Lindsey District Council

**REASONS FOR RECOMMENDATIONS**

Will assist in enhancing Internal Audit Services within Lincolnshire local authorities, support West Lindsey and generate income for the Council.

**APPENDICES (If applicable) - these are listed below and attached at the back of the report.**

APPENDIX A

Secondment Agreement

**BACKGROUND PAPERS**

No Background Papers within Section 100D of the Local Government Act 1972 were used in the preparation of this report.

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## **Terms of Arrangements between West Lindsey District Council & Lincolnshire County Council for the delivery of the audit plan**

The District Council has chosen to enter into an arrangement with the County Council for the secondment of internal audit staff to undertake internal audit services.

The County Council will be responsible for all remuneration of the seconded staff. The County Council will charge a daily rate of £263 in the first year (2009/2010) to cover these costs. In future years the daily rate will be increased to:

- reflect the national local government pay awards
- NJC car allowance increases and
- Increases in the Retail Price Index for any other areas

No change of employer is involved and the seconded staff retain all conditions of Lincolnshire County Council employment.

The County Council and the District Council will agree the base number of audit days on an annual basis to be undertaken by the seconded staff.

The County Council will have discretion to choose which auditor or auditors are seconded to work at the District Council for each assignment.

### **The Parties**

The Parties to the Agreement will be:

- [1] Lincolnshire County Council (Seconding Organisation)
- [2] West Lindsey District Council (Host)
- [3] Corporate Audit & Risk Management Staff [Secondees]

### **Duration**

The Seconded staff will be seconded to the Host employer for the number of days included in the agreed audit plan commencing 1<sup>st</sup> April 2009 for a period to 31<sup>st</sup> March 2012. Should an extension to the secondment be required, this will be agreed with all parties and confirmed in writing to The Head of Service, Corporate Audit & Risk Management.

### **Place of Work**

The Host shall provide any necessary accommodation for the seconded staff to enable them to provide the service. The seconded staff may also work at the offices of the seconding organisation.

### **Supervision and Performance**

The Secondee will be professionally supervised and managed by Lincolnshire County Council. Full management i.e. overall responsibility of the Secondee remains with Lincolnshire County Council throughout the secondment period.

Performance measures will be agreed by the parties and will be reported quarterly to the host.

### **Duties and Obligations of Secondee**

The seconded staff will provide a comprehensive internal audit service ('the service') in accordance with a detailed audit plan and operating protocol to be agreed between the parties. The audit plan and operating protocol shall be documented and agreed prior to the start of each new year on the 1<sup>st</sup> April.

Any additional audit work that may be required by the District Council for the duration of this agreement that falls outside the audit plan shall be offered to and provided by the seconded staff at the agreed daily rate.

The secondees will work to the job description of the post and under the direction of the Lincolnshire County Council Head of Service and Audit Manager.

### **Hours of Employment**

The Secondees will work in accordance with Lincolnshire County Council Terms and Conditions of employment. It is agreed that a day means 7.4 hours and this includes any travelling time required.

### **Financial Responsibility**

Lincolnshire County Council will retain financial responsibility for the secondees and will continue to pay the salary and associated costs for the duration of the secondment.

Lincolnshire County Council (LCC) will invoice West Lindsey District Council a quarter of the annual prices on the 1<sup>st</sup> April, 1<sup>st</sup> July, 1<sup>st</sup> October and 1<sup>st</sup> January each year.

### **Effect on Salary and Pension**

Lincolnshire County Council will remain the employer; there will be no effect on salary or pension.

### **Remuneration**

Lincolnshire County Council will remain the employer; there will be no effect on salary or pension for the period of secondment.

All other terms and conditions remain unchanged.

### **Reimbursement of Expenditure**

The Secondee's will be entitled to claim business travel expenses incurred in accordance with Lincolnshire County Council's provisions during the period of secondment. The employee will be required to submit their claim to Lincolnshire County Council for authorisation and payment.

### **Holidays**

The Secondee will be entitled to annual leave and other public/statutory days off from work in accordance with Lincolnshire County Council's terms and conditions.

### **Illness**

The Secondee's entitlement to sick pay will be in accordance with Lincolnshire County Council's terms and conditions of employment. The County Council will manage all attendance issues. The host will be notified of any extended sickness and alternative arrangements will be made to provide seconded staff to deliver the audit plan.

### **Confidentiality**

The Secondees agree not to disclose or make public any confidential or sensitive information about West Lindsey District Council.

### **Disciplinary**

The Parties to this Agreement agree that any disciplinary or capability issue in respect of the Secondees will be immediately communicated to Lincolnshire County Council and the matter will be dealt with in accordance with Lincolnshire County Council's procedures. This will be done in conjunction with the host if the matter is relevant. Any allegation of serious or gross misconduct will become the responsibility of Lincolnshire County Council and any decision to dismiss for reason of conduct or capability will rest with Lincolnshire County Council.

### **Grievance**

The Secondee's have the right to raise a grievance, as normal, at any time. The matter will be dealt with in accordance with Lincolnshire County Council procedures. This will be dealt with in conjunction with the host if the matter is relevant.

## **Health and Safety**

The Secondees will be informed of West Lindsey's relevant health and safety policies. It is the responsibility of Lincolnshire County Council to ensure that the Secondee's health, safety and wellbeing is maintained to a high standard at all times. The Host should ensure that the same "duty of care" is given to the seconded staff as to their own staff when on the hosts' premises.

## **Commencement, Duration and Termination**

This agreement shall commence on 1 April 2009 and continue until the 31 March 2012 and thereafter from year to year unless or until terminated.

The secondment will be reviewed prior to the cessation of the main term.

If either the host or seconding organisation wishes to terminate the secondment a minimum of six months prior written notice must be given.

## **Dispute Resolution**

If any dispute arises between the host and seconding organisation the key contacts shall be expected to resolve the matter. The key contacts are:

- District Council Financial Services Manager
- County Council head of Corporate Audit and Risk Management

In the case of either of the contacts being involved in the dispute the matter shall be referred to the respective Chief Officer of the parties for resolution.

## **Indemnity and Insurance**

Liability arising from the actions of a secondee's will be covered by that secondee's employing organisation.

Liability arising from the ownership or occupation of property will be covered by the owner or occupier of the property.

The County Council shall throughout the term of this secondment take out and maintain with reputable insurers policies of insurance in respect of the following risks for not less than the following amounts in respect of any one incident or series of connected incidents:

- Employer's Liability: £10m
- Public Liability: £5m
- Professional Indemnity Insurance: £5m



Upon termination of this agreement the District Council agrees to a “Hold Harmless Agreement” in respect of professional services.

**Assignment**

This secondment agreement is not capable of assignment

**Good Faith**

All parties shall act towards each other in good faith in a manner wholly consistent with the observance and performance of their respective obligations to each other

**FINAL AGREEMENT TO BE SIGNED BY ALL PARTIES**

**Signed on Behalf of:**

.....Date .....  
**Lincolnshire County Council**

.....Date .....  
**West Lindsey District Council**

.....Date .....  
**Head of Corporate Audit & Risk Management**