

### SHARED SERVICES – SERVICE LEVEL AGREEMENT

#### SHARED ASSURANCE SERVICES

##### 1. The Services

- 1.1 The Host Authority (South Ribble Borough Council) shall provide the Services to the Delegating Authority (Chorley Borough Council) as described herein with reasonable skill and care and in accordance with this Agreement. For the avoidance of doubt, all services and provisions listed shall be deemed to apply equally to the Host Authority under the terms of the Shared Service Agreement, save where specific mention is made of a service or provision that applies to one authority only.
- 1.2 The Host Authority warrants that all staff assigned to the provision of the Services on its behalf shall possess and exercise such skill, knowledge and experience as are necessary for the proper performance of the Services.
- 1.3 If required by either Party, liaison meetings shall take place between representatives of the Host Authority and the Delegating Authority, at intervals agreed between the Councils.
- 1.4 The Services shall at all times fully support the external inspection requirements of the partner authorities and in particular;
  - 1.4.1 The Use of Resources (UoR) Value for Money Judgement from 2008-2009 onwards ensuring that it contributes to an overall score at level 4 for each authority demonstrating strong performance that is well above minimum requirements.
  - 1.4.2 The Comprehensive Area Assessment (CAA) from April 2009 ensuring that it contributes to maintaining an Excellent rating for each authority.
- 1.5 **Shared Internal Audit Service**
  - 1.5.1 The Host Authority shall undertake the Internal Audit Service function for the Delegating Authority.
  - 1.5.2 The Host Authority shall provide the following reports/plans to the Section 151 Officers of the Delegating Authority:
    - 1.5.2.1 an Annual Audit Plan by January in each year for the following financial year;
    - 1.5.2.2 quarterly updates against the work in the Annual Audit Plan, identifying significant changes;

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1.5.2.3 for 2009/10 an Audit Strategy/Charter to be reviewed on an annual basis thereafter;

1.5.2.4 an Annual Report on the standards of internal control within two months following the year end, to inform the Authorities' own Annual Governance Statements, other governance documents and external inspection;

and shall report on them to the relevant Committee which will initially be The Audit Committee at Chorley and The Policy and Service Review Scrutiny Committee at South Ribble.

1.5.3 The Services shall be delivered in accordance with the CIPFA Code of Practice for Internal Audit in Local Government in the United Kingdom, guidance from the Institute of Internal Auditors, the requirements of the Accounts and Audit Regulations 2003, the Accounts and Audit (Amendment) (England) Regulations 2006, the requirements of CIPFA/SOLACE – Delivering Good Governance in Local Government 2007 and best audit practice from time to time.

1.5.4 ISO 9001 (2000), or other internal standard, shall be maintained as the standard for operational performance.

1.5.5 The Services shall be delivered in accordance with the following key controls:

1.5.5.1 the Head of Shared Assurance Services having direct access to the Head of Paid Service, all levels of management, full Council and the Members and relevant Committees of the Authorities;

1.5.5.2 independence in planning and operation;

1.5.5.3 maintenance of strict confidentiality between the authorities when handling data and information;

1.5.5.4 compliance with any applicable regulations and codes of practice;

1.5.5.5 the Head Shared Assurance Services shall be authorised to:

(a) access the Authorities' premises at reasonable times;

(b) access all assets, records, documents, correspondence, electronic file, software and control systems;

- (c) receive any information and explanation considered necessary concerning any matter under consideration;
- (d) require any employee of an Authority to account for cash, stores or any other Authority asset under his or her control; and
- (e) access records belonging to third parties when required.

1.5.5.6 If the Head of Shared Assurance Services intends to contact an employee of another Authority or a third party with records relating to another Authority, the Head of Shared Assurance Services shall first inform the relevant service manager and the Section 151 Officer of the other Authority. Provided that nothing in this sub-clause shall prevent the Head of Shared Assurance Services from contacting an external auditor, or any law enforcement agency without informing the relevant service manager and the Section 151 Officer, as appropriate.

### 1.5.6 **Annual Audit Plan**

1.5.6.1 Each year the Host Authority shall prepare an Annual Audit Plan and present this to the The Audit Committee at Chorley and The Policy and Service Review Scrutiny Committee at South Ribble for approval before the start of each financial year with details finalised for the forthcoming financial year. The relevant Committee shall not unreasonably withhold or delay agreement to the draft Annual Audit Plan. Any dispute over the draft Annual Audit Plan shall be dealt with in accordance with the provisions of clause [Insert] (Dispute Resolution Procedure).

1.5.6.2 The scope of the Annual Audit Plan should be based on a risk assessment and shall depend upon the wishes of the relevant partner Authority including, but not limited to:

- (a) Corporate governance including policies & procedures, assurance statements, external inspection, the External Audit Plan and data quality;
- (b) Anti-Fraud and Corruption including the National Fraud Initiative, the Fraud & Corruption Risk Assessment Register and systems interrogations;

- (c) Proposed reviews of key business systems;
- (d) Proposed reviews of financial systems; and
- (e) Proposed reviews of key operations.

### 1.6 Shared Risk Management Service

- 1.6.1 The Host Authority shall undertake the Risk Management Service function for the Delegating Authority.
- 1.6.2 The Host Authority shall provide, or facilitate the provision of, the following reports/plans to the Delegating Authority:
  - 1.6.2.1 an Annual Risk Management Strategy, and where required Risk Management Policy update, to The Audit Committee at Chorley and The Policy and Service Review Scrutiny Committee at South Ribble;
  - 1.6.2.2 as part of the annual corporate planning and budgeting process the following key Risk Management documents:
    - (a) a corporate/strategic risk register agreed at the Senior Management Team of each authority;
    - (b) operational and service risk registers incorporated into the relevant service plans and key projects; and
    - (c) a Risk Management Action Plan for all high priority risk areas and key projects as appropriate;
- 1.6.3 The Host Authority shall ensure that effective Risk Management is embedded in all key processes including, but not limited to:
  - 1.6.3.1 procurement;
  - 1.6.3.2 the Project Management methodology; and
  - 1.6.3.3 all Partnership Arrangements including the development of Joint Risk Registers for the Local Strategic Partnerships and other key Partnerships (as defined by the relevant authorities).
- 1.6.4 The Services shall be delivered in accordance with prevailing best practice and standards which are currently the ALARM/ AIRMIC/ IRM Risk Management Standard 2002, the Accounts & Audit Regulations 2003, Use of Resources Key Lines of Enquiry and CIPFA/ SOLACE Delivering Good Governance in Local Government 2007.

### 1.7 **Business Continuity**

- 1.7.1 A Business Continuity Service shall be provided for The Host Authority only.
- 1.7.2 The service shall include the following reports/plans:
  - 1.7.2.1 an Annual Business Continuity Strategy;
  - 1.7.2.2 an Annual Business Continuity Action Plan (reviewed half yearly) setting out the critical service areas and the actions required:
- 1.7.3 The Host Authority shall ensure that Business Continuity is fully integrated within the day to day operations of the Authority and with the relevant Emergency Planning and Disaster Recovery plans.
- 1.7.4 The Host authority shall have the responsibility for the regular testing of the Business Continuity Plan.
- 1.7.5 The Services shall be delivered in accordance with the Civil Contingencies Act which provides the framework for Civil Protection in the UK. In Particular Section 2 (1) (c) of the Act which places a duty on all Category 1 responders (which includes Local Authorities and other front line responders) to develop and maintain plans that will ensure they can continue to deliver their functions in an emergency.

### 1.8 **Insurance Services**

- 1.8.1 The Host Authority shall arrange and client manage all Insurance Services for the Delegating Authority including;
  - 1.8.1.1 procurement;
  - 1.8.1.2 annual renewals; and
  - 1.8.1.3 administration, advice and support.

### 1.9 **Service Development**

The Host Authority will ensure that all Assurance Services continue to be operated and developed in accordance with legislative requirements and guidelines in these areas.

### 1.10 **Training and Awareness Raising**

- 1.10.1 The service will commit to training/promotional work across the partner authorities for both officers and members including:

- 1.10.1.1 holding training events;
- 1.10.1.2 facilitating workshops;
- 1.10.1.3 attending member and officer meetings to provide guidance and support; and
- 1.10.1.4 where appropriate, providing up to date guidance notes and manuals;

### 1.11 **Call Handling**

All 'initial contact' incoming calls will be directed to dedicated phone lines at the Host and Delegating Authority's offices.

All 'initial contact' incoming emails will be directed to dedicated email addresses at the Host and Delegating Authority's offices.

### 1.12 **Post Handling**

Any post received with respect to functions covered under this Service Level Agreement will, where appropriate, be forwarded to the Host Authority by first class post. Any item considered urgent in nature will be faxed to the Host Authority's offices as soon as possible.

### 1.13 **Press Releases**

Press enquiries and press releases in respect of the services or premises of the Delegating Authority will be managed by the Delegating Authority's Communications Officer in conjunction with the Host Authority's Communications Officer.

## 2. **Development Of Service Plans**

The Host Authority will undertake the completion of the Annual Shared Assurance Service Plan as required under the Administrative Collaboration Agreement for the Financial Shared Service Arrangement (FSSA). This work will be completed in accordance with agreed timescales each year and in line with the relevant committee cycles including those of the FSSA Joint Committee.

## 3. **Performance Management And Targets**

- 3.1 Each year, and in conjunction with the development of the Annual Shared Assurance Service Plan, a number of performance targets will be set. These targets will be reported on a quarterly basis. The performance targets for 2008-2009, which will remain in force until a change is agreed, are contained in Appendix 1.

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- 3.2 The Head of Shared Assurance Services will be responsible for providing any necessary performance information to include in the Performance Management System operated by the Delegating Authority.
- 3.3 In addition, the Head of Shared Assurance Services will produce a monthly work report for the Chief Finance Officers and lead Executive Member of each Council outlining the performance of that month.
- 3.4 Where any major issues arise that could have direct implications on the delivery of the service requirements or could have negative impact on performance targets then these shall be communicated to the Delegating Authority as soon as they are identified. Where necessary these should be referred to the Joint Committee in accordance with paragraph 3.5.
- 3.5 The FSSA Joint Committee will meet as a minimum, on a quarterly basis. Part of the normal business at these meetings will be to discuss progress, problems, achievements and to consider all performance monitoring data.