

PRESENT: COUNCILLOR B YOUNG (CHAIRMAN)

Councillors W J Aron, Mrs C M H Farquharson, N I Jackson and Mrs P A Mathers.

Mr D Finch (Added Independent Person).

Officers in attendance: Dominic Barnes-Browne (Head of IT), Peter Duxbury (Executive Director of Adults and Children), David Forbes (Assistant Director of Finance and Resources), Alina Hackney (Procurement Manager), Mark Haynes (Head of Customer Service Centre), Derek McKim (Business Continuity Manager), Pete Moore (Executive Director of Resources and Community Safety), David O'Connor (Executive Director of Performance and Governance), Lucy Pledge (Head of Corporate Audit and Risk Management), Keith Sands (Mouchel Partnership Director), Sarah Tennant (Strategic Risk Manager), Mike Wood (District Auditor), Salina West (Democratic Services Officer) and Richard Wills (Executive Director of Communities).

53. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor Mrs S Rawlins and Mr T Cawley (District Audit).

54. DECLARATIONS OF MEMBERS' INTERESTS

There were no declarations of interest at this point of the meeting,

55. MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 13 DECEMBER 2010

RESOLVED

That subject to amending the following declaration of interest to state that: Mr D Finch declared a personal interest in item 9 – Adult Services Transformation Programme, as a non Executive Director of the Lincolnshire Partnership NHS Foundation Trust, the minutes of the previous meeting held on 13 December 2010 be confirmed and signed by the Chairman as a correct record.

56. UPDATE ON CR7: FAILURE TO ADAPT TO CLIMATE CHANGE

RESOLVED

That the item be withdrawn and submitted to a future meeting of this Committee.

**AUDIT COMMITTEE
31 JANUARY 2011**

57. MOUCHEL CONTRACT UPDATE

A report by the Executive Director of Resources and Community Safety was submitted which provided Members with an update on the Mouchel contract, together with assurance on the contractual arrangements currently in place should they fail to deliver a contracted service.

It was noted that in the event of a catastrophic or sustained failure by Mouchel, the clause in the contract allowed the Council to take over delivery of the service on a temporary basis. The Council could also undertake delivery by using its own staff or through another contractor, with re-charges made to Mouchel in respect of expenses incurred.

The report concluded that as part of the development of any new contract, similar clauses were already included to protect the council. The inclusion of such a clause in the Mouchel contract provided assurance on the continuity of service delivery.

RESOLVED

That the report be noted.

58. INTERNAL AUDIT REPORT – STRATEGIC RISK MANAGEMENT

Consideration was given to a report by Sarah Tennant, Strategic Risk Manager, which informed the Committee of recent findings from the internal audit of the Council's systems and processes that were in place for strategic risk management.

It was reported that the audit which had been completed by an external consultant, had given an opinion of substantial assurance, and concluded that the outcome provided a true reflection of where the organisation was currently at in terms of the maturity of its processes and systems for managing risk.

A full detailed copy of the audit report was attached to the report presented.

RESOLVED

That the findings from the audit of Strategic Risk Management, together with the positive assurance opinion given, be noted.

59. EXCEPTIONS TO THE NORMAL PROCUREMENT PROCEDURES

A report was submitted by Alina Hackney, Procurement Manager, regarding the number of exceptions to the normal procurement procedures as defined in the Council's Contract Regulations. The report also identified exceptions that had occurred during the period December 2009 to December 2010 following the development and implementation of the Contract and Procurement Procedure Rules issued in December 2009.

**AUDIT COMMITTEE
31 JANUARY 2011**

It was highlighted that the use of exceptions needed to demonstrate how they had helped to improve value for money. It was also reported that concerns had been raised with regard to exceptions being used inconsistently across the Council, and whether their use were being recorded and reported robustly.

Following a review of current practice across the Directorates by Procurement Lincolnshire, a number of areas for improvement were identified, which were highlighted in the report.

Details relating to actions required to improve the level of compliance with the Contract Regulations were presented at Appendix B attached to the report.

RESOLVED

1. That the level of procurement exceptions for each Directorate be noted.
2. That the findings of current practice as detailed in the report be noted, and the following recommendations be approved:-

Action	Timescale
a. A single Contracts Register be developed and maintained by each Directorate	April 2011
b. A single point of contact for the holder of all contracts and exceptions within each Directorate be agreed	April 2011
c. Report template documentation for the use of exceptions be developed and implemented across the Council.	May 2011
d. Future exception reports to require the Executive Director of Resources comments in relation to financial and procurement implications. Procurement comments to be provided via Procurement Lincolnshire	May 2011
e. Explore management information requirements around compliance to Contract Regulations and the Contract and Procurement Procedure Rules.	June 2011
f. Commission an independent audit from LCC's Audit Team on Council's compliance to the Contract Regulations and Contract Procedure Rules.	2011/2012 (TBC)
g. Continue to roll out the training workshops on Contract Procedure Rules – Mandatory requirement for Heads of Service to attend.	2011/2012

**AUDIT COMMITTEE
31 JANUARY 2011**60. COMPLAINTS 2010/2011

Mark Haynes, Head of Customer Service Centre, submitted a report which provided Members with an understanding of the number of complaints received by the Council from 1 April 2010 to 31 December 2010. The report also detailed performance against defined targets and ongoing improvement initiatives.

The Committee noted that between the stated period, 933 complaints had been received, which represented an increase of 53 from the same period in 2009, and which was partially due to changes to library services, and to the lack of gritting and the clearing of snow. It was highlighted that with regard to Children's Services (corporate), complaints had decreased compared to 2009. It was felt that this was due to additional schools becoming academies and therefore complaints were no longer received by the Council.

Members were informed that a function (Customer Insight Team) had been established from existing resource to ensure improved complaint handling, learning and service improvement, in association with other customer feedback. The team were currently monitoring complaints daily and intervening when targets were in danger of not being met, and had already demonstrated a reduction in out of target complaints. It was also reported that the team were advising services of the learning that could be taken from complaints and customer feedback, from which positive changes had already been made.

During discussion it was considered by a Member that there was little evidence to show officers had learnt from mistakes and therefore welcomed future reports. It was highlighted however that recognition should be given for receiving a good service from the customer service centre.

RESOLVED

1. That the 2010/2011 results be noted.
2. That a verbal update on the work of the Customer Insight Team be provided at the Audit Committee meeting on 13 June 2011, and a written report be submitted to the meeting on 14 November 2011.

61. WORK PLAN

A report was presented which detailed information on progress of agreed actions, together with its work plan for the period up to July 2011.

RESOLVED

1. That with regard to the progress of agreed actions as set out in Appendix A attached to the report:-

**AUDIT COMMITTEE
31 JANUARY 2011**

- i) The Executive Director of Performance and Governance to attend a future meeting regarding ICT management and progress
 - ii) The update from Children's Services on the criminal injury compensation claims report be circulated to the Committee
2. That subject to the External Audit Progress Report and Opinion Plan Letter being submitted to the meeting on 21 March 2011, the work plan as set out in Appendix B attached to the report be approved.
 3. That the following reports be submitted to future meetings of Audit Committee:-
 - Update Report on Customer Service Centre
 - ICT Detailed Plan and Progress
 - Climate Change

62. KEY IMPACT AND RISKS FACING COUNCIL SERVICES

Verbal updates were given by each of the Executive Directors in relation to key impacts and risks for their service areas as a result of budget reductions over the next four years (2011/12 to 2014/15), following the Comprehensive Spending Review.

A Member of the Committee expressed concern with regard to the impact the budget reductions would have on charitable and voluntary organisations, and he urged against renegeing on promises previously made.

It was also felt that any job losses could have a detrimental impact on staff morale.

RESOLVED

That the verbal updates be noted.

63. EXCLUSION OF THE PUBLIC AND PRESS

RESOLVED

That under Section 100(A) of the Local Government Act 1972, the public and press be excluded from the meeting for the following items of business on the grounds they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A of the Act, as amended.

64. CORPORATE RESPONSE TO ICT OUTAGE

A report was presented by the Business Continuity Manager which informed Members of the findings from the structured debrief undertaken in respect of the ICT outage that occurred between 17 and 22 November 2010.

**AUDIT COMMITTEE
31 JANUARY 2011**

RESOLVED

That the findings detailed in the ICT outage debrief report be noted.

65. UPDATE FOLLOWING THE ICT OUTAGE

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Consideration was given to a report presented by the Executive Director of Performance and Governance which provided the Committee with an update on the ICT outage that occurred between 17 and 22 November 2010. Reference was also made of the independent report commissioned by the National Computing Centre, which had been received on 15 December 2010.

Keith Sands, Mouchel Partnership Director, and Dominic Barnes-Browne, Head of IT, were in attendance and responded to questions raised.

RESOLVED

1. That the report be noted.
2. That a progress report, together with the detailed action plan be submitted to the Audit Committee meeting on 26 April 2011.

The meeting closed at 1pm.