

PRESENT: COUNCILLOR B YOUNG (CHAIRMAN)

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

Mr D Finch (Added Independent Person).

Officers in attendance: Ian Anderson, Jill Buchanan-Huck, David Forbes, Derek McKim, Lucy Pledge, John Sketchley, Helen Storr, Sarah Tennant, Mike Wood and Richard Wills

12. APOLOGIES FOR ABSENCE / REPLACEMENT MEMBERS

There were no apologies received for the meeting.

13. DECLARATIONS OF MEMBERS' INTERESTS

There were no declarations of interest at this point in the meeting.

14. MINUTES OF THE MEETING OF THE AUDIT COMMITTEE HELD ON 14 JUNE 2010

RESOLVED

That the Minutes of the previous meeting of the Audit Committee held on 14 June 2010 be confirmed and signed by the Chairman as a correct record subject to the following amendments:

(1) Minute 2 – that the word ‘member’ be replaced with the word ‘Chairman’ and the word ‘Board’ be removed completely from Councillor B Young’s declaration of interest.

(2) Minute 2 – that the word ‘member’ be replaced with the word ‘Director’ in relation to Mr D Finch’s declaration of interest.

(3) Minute 4 – that the word ‘draft’ be inserted in the resolution before ‘Statement of Accounts’.

15. BUSINESS CONTINUITY - UPDATE

Consideration was given to a report presented by the Business Continuity Manager which highlighted the key aspects of the Council’s internal response to the swine flu outbreak. The lessons learnt about the response were fed back into improving future planning arrangements. The report informed the Committee of the key issues and messages from the ‘walkthrough’ exercise of the Council’s Corporate Business Continuity plan which was held as part of the ongoing Business Continuity exercise programme. The key findings from the de-brief of the swine flu outbreak were summarised, with the following being highlighted to the Committee:

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- That overall the corporate response was effective, measured and proportionate
- The internal Strategic Planning Group had formed quickly and adapted to change as required
- There had been good commitment from staff and managers when they had been asked to support or participate with key tasks or groups.

It was also noted that the de-brief had highlighted that there had been instances where key information had not been kept up to date and had not circulated internally quickly enough. It was thought this was due to the vast amount of information which was received from central government regarding the outbreak, and there were sometimes difficulties getting this to all members of staff, particularly those who weren't office based with regular access to a computer. However, the Committee was informed that there were a lot of good lessons learned and the way forward would be to promote ownership of the Corporate Business Continuity plan with the Council's Incident Management team.

It was reported that when the requests went out for volunteers for the anti viral collection points, over one hundred staff responded that they would give up their time, which included evening and weekend shifts, to undertake a number of roles supporting NHS colleagues within the Anti-viral collection points. It was suggested that there may have been initial hesitation from staff to volunteer as they were unsure about the duties they would undertake if they volunteered.

The key findings following the Corporate Business Continuity Plan walkthrough exercise were highlighted to the Committee and in particular it was noted that not all directorates had been fully represented, as there had only been a Schools representative from Children's Services.

A summary was provided of the state of development of the Council's critical services Business Continuity Plans (BCP). The Children's Services BCP, covering 7 service areas, was highlighted as being behind plan. This was due in part to the restructuring of the services provided. A strategy for Business Continuity within Children's Services had yet to be agreed with the Directorate.

It was noted that if the outbreak had been more sustained, more volunteers would have been needed and it would have had more impact on the Council. There were concerns about what contingency was in place if there was an incident over the weekend and volunteers were needed, for example was there a directory of volunteers that could be used. Members were reassured that there was a register of staff who were available as volunteers if needed.

The Committee was informed that overall, the response to the swine flu outbreak had been handled well, even though it was a significant challenge to Lincolnshire County Council and its partners.

RESOLVED

- (1) That the positive response from the Council's managers and staff to the swine flu outbreak be noted.
- (2) That the action plan for incorporating improvements to the corporate plan and the incident management process be noted following the Corporate Business Continuity Plan walkthrough exercise.
- (3) That the state of development of the Council's Critical Services Business Continuity plans be noted. The 2010/11 audit plan included an audit of Business Continuity Management, which would be carried out in Quarter 2. An update from this work would be provided at the October meeting.

16. PUTTING PEOPLE FIRST UPDATE

Consideration was given to a report presented by the Audit Manager (Adult Services) which informed the Committee of the Internal Audit review of how risks were being managed within the Putting People First Programme, a key transformational programme for the Council. The Executive Director (Adult Services Group) and the Head of Service for Access & Personalisation were also in attendance to provide the Committee with an update on progress.

The Executive Director reported that the decision had been taken to merge Putting People First with the Value for Money programme, this was to ensure one joined up system of governance and monitoring performance. It was also noted that assurance would be required about who would replace the Executive Director after he left the authority in August 2010, as it was the Executive Director who was the programme sponsor, but as yet it had not been determined who would take over this role.

During discussion of the report, attention was drawn to particular programme risks as follows:

- Programme Risk 13 – Failure to deliver putting people first and personalisation due to the current economic climate and need for identification of efficiencies.
- Programme Risk 1 & 2 – Failure to maintain governance arrangements/lack of robust programme management
- Programme Risk 5 – ICT systems and business processes will not be implemented & utilised by operational staff
- Programme Risk 6 – Failure to deliver ICT systems to end users within agreed timescales

Concerns were raised regarding the upcoming departure of the Executive Director (Adult Services Group) on the 6 August 2010, and who would be taking over delivery of the Putting People First programme, but the Committee was assured that there would be no noticeable change in the delivery of the programme as all Assistant Directors were currently involved in the programme and they would be carrying on this role in the interim. It was noted that it was absolutely critical that governance arrangements would be in place, and the committee was informed that a list of all roles and responsibilities had been created which would be passed to the other Assistant Directors and Executive Directors, and all of the roles and responsibilities would be covered. It was also noted that a close working relationship had been established from the start with internal audit.

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The Committee also discussed the delivery of the new ICT system in more detail, and it was acknowledged that the risk around the new system had been recognised, and concerns were raised about the move to staff solely using an electronic system, and whether it would be robust enough to cope if there was a problem. It was noted that officers were looking a system which would be compatible with the Swift and Northgate systems which were currently in use in order to provide an integrated system.

RESOLVED

- (1) That the content of the report be noted
- (2) That any further assurance the Committee required be identified
- (3) That the Audit Manger (Adult Services) would bring back a highlight report to the September meeting with regard to the progress of the ICT system.

17. REVIEW OF THE SYSTEM OF INTERNAL AUDIT

Consideration was given to a report presented by the Assistant Director, Finance and Asset Management which reported the findings of work undertaken by a joint officer/councillor working group. Whilst it identified a few areas for ongoing monitoring and improvement, the group concluded that the Council did have an effective system of internal audit in place.

During discussion it was commented that it was good that a business case was being made to highlight the work of the Counter Fraud Team, and that they had a high work load with only 3 people in the team, and an update report would be brought to a future meeting.

It was suggested that an item would need to be built into the work plan to look at how the authority was coping with the reduction in resources. The Head of Corporate Audit and Risk Management informed the Committee that she would be working with the Management Team to update the Corporate Risk Register and will also look at what levels of assurance there should be. The Head of Corporate Audit and Risk Management and the Assistant Director for Finance and Asset Management would make an assessment of what assurances were needed. It was noted that officers were looking to future-proof the service, and also that the Council would have to adapt to working with higher levels of risk.

RESOLVED

- 1) That the Committee endorse the opinion of the Review Group that the County Council maintained an effective system of internal audit
- 2) That a self assessment of the effectiveness of the Audit Committee be undertaken during the latter half of 2010/11.
- 3) That a meeting would take place with the External Auditor

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18. CORPORATE AUDIT PROGRESS REPORT TO 31 MAY 2010

Consideration was given to a report presented by the Head of Corporate Audit and Risk Management which provided the Committee with an update on progress against the Audit Plan 2010/11 as agreed by the Committee on 22 March 2010. It was also reported that a separate report outlining all the outstanding assurance would be brought to the Committee at a later date.

During discussion of the report, particular attention was drawn to the audit carried out into Safeguarding in the Adult Services Directorate, which was assessed as having limited assurance, meaning that some of the objectives of the activity were not being met.

With regard to the actions which were identified as being of high priority, it was reported that interim guidance was now in place, and the draft policy had been agreed in principle and the policy was on track to be presented to the Strategic Board in September 2010. It was noted that officers would confirm at the next meeting of the Audit Committee, whether the policy was approved.

The audit report also recognised the need for details of all cases to be transferred to the Adult Integrated Solution (AIS) system, and it was reported that this was already operational with 1800 cases already transferred, and all cases had been logged into the AIS system. The Committee was also informed that there was a risk register in place for Safeguarding and this was in the process of being reviewed by the Heads of Service.

The schools which were assessed as no or limited assurance were also discussed, and it was queried how many had achieved or were achieving the Financial Management Standard in Schools (FMSiS), and members commented they would like to see the figures for FMSiS compliance. The Committee was informed that schools all had their own governance arrangements, and the Authority was responding to those schools which had requested to become academies, as it was not yet known who would be auditing academies. It was noted that if schools became an academy, if they requested an audit, they would need to pay for the service.

It was also suggested that what training school governors received should be examined and also whether there was a need for any further training, and it was suggested whether it should not be possible for someone to be on a governing body unless they had received some sort of financial training.

It was suggested that a head teacher or a governor should be asked to attend a future meeting of the Committee to inform them of how they have adapted to the changes.

It was also noted that the right hand column of Appendix D of the report needed to be populated in places, and Members were assured that this would be completed for the next meeting.

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RESOLVED

That the outcomes of the Corporate Audit Work be noted and the Committee identifies any actions it may require.

19. ANALYSIS OF HIGH PRIORITY RECOMMENDATIONS OUTSTANDING AT 31 MARCH 2010

The Committee considered a report written by the Head of Corporate Audit and Risk Management which provided the Committee with an analysis of the high priority audit recommendations outstanding as at 31 March 2010, and suggestions on how they would be managed.

It was reported that the Audit Annual Report presented to the Committee in June 2010 had identified 130 outstanding recommendations and of those, 40 were high priority, and the Committee was updated on the status of these recommendations as well as actions which had taken place and also suggested actions. In particular, the audit of Data Protection and Children Looked After were discussed. It was noted that the Information Management audit was scheduled for later in the year.

If an update for Looked After Children had not been received by the date of the next Audit Committee in September, a manager would be asked to attend the meeting to provide an update on progress.

RESOLVED

That the contents of the report be noted and suggested actions approved.

20. WOLDS COLLEGE

Consideration was given to a report written by the Executive Director (Development Services) which informed the committee about progress on the actions arising from the previous audit of the Wolds College building and was written in the context of the subsequent audit of Development Management within the Spatial Planning Service.

The Executive Director (Development Services) informed the Committee that he was reasonably confident that all issues had been addressed which were outlined in the report considered by the Audit Committee in March 2009. However, the specific issues of Wolds College had required a wider review of the whole service and the report now before the committee did that.

The Executive Director noted councillors' comments that enforcement of planning conditions was important, and reported that the enforcement authority for the Wolds College was East Lindsey District Council.

RESOLVED

- (1) That the investigation by the Internal Audit Team be noted
- (2) That the management actions indicated in the Internal Audit Report, as updated, be endorsed.

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21. WORK PLAN

Consideration was given to a report which provided the Committee with information on progress on the agreed actions and its work plan up to December 2010.

It was reported that a training session would be held on the morning of 6 September 2010 for members of the Audit Committee, and suggested topics to cover included the role of the Head of Internal Audit, the role of Internal Audit and its relationship with the Audit Committee and looking ahead.

RESOLVED

- (1) That the progress of agreed actions set out in Appendix A be noted
- (2) That the work plan set out in Appendix B be noted.

22. EXCLUSION OF PUBLIC AND PRESS

RESOLVED

It was agreed that the following report would be considered in open session.

23. AUDIT INVESTIGATION – GAINSBOROUGH LEARNING DISABILITY SERVICE

Consideration was given to a report which provided an update following the report which was brought before the Committee on 7 December 2009, which detailed the staff and management concerns which had been raised by staff at Gainsborough Adult Learning Disability Services. This update report had been provided by the Assistant Director of Adult Social Care Operations at the request of the Audit Committee.

It was suggested that another update be brought back to this Committee in 6 months time, as a lot of the actions had already been completed. It was reported that the Audit Manager (Development/Communities) would liaise with the Assistant Director of Adult Social Care Operations to produce this update.

It was commented that it would be interesting to receive feedback from the staff on how things had changed since the original report was produced, but that it was important that the Audit Committee kept a close on things, and that members would like assurance that the changes which had been implemented had made a difference to the team.

RESOLVED

That the content of the update report and action plan be noted and that the Audit Committee would continue to monitor progress.

Meeting closed at 12.50pm