

County Offices
Newland
Lincoln
LN1 1YL

19 January 2018

Audit Committee

A meeting of the Audit Committee will be held on **Monday, 29 January 2018 at 10.00am in Committee Room One, County Offices, Newland, Lincoln LN1 1YL** for the transaction of the business set out on the attached Agenda.

Yours sincerely



Tony McArdle
Chief Executive

Membership of the Audit Committee
(7 Members of the Council + 1 Voting Added Member)

Councillors Mrs S Rawlins (Chairman), A J Spencer (Vice-Chairman), P E Coupland, A P Maughan, R B Parker, P A Skinner and A N Stokes

Voting Added Member

Mr P D Finch, Independent Added Person

**AUDIT COMMITTEE AGENDA
MONDAY, 29 JANUARY 2018**

Item	Title	Pages
1	Apologies for Absence	
2	Declaration of Members' Interests	
3	Minutes of the meeting held on 27 November 2017	5 - 12
4	Combined Assurance Status Reports <i>(To receive a report which provides the Committee with insight on the assurances across all of the Councils critical services, key risk, partnerships and projects. The Corporate Management Team will be in attendance to update on their combined assurance reports for each directorate)</i>	13 - 170
5	External Audit Progress Report <i>(To receive a progress report from KPMG, the Council's external auditors)</i>	To Follow
6	Internal Audit Progress Report <i>(To receive a report from Lucy Pledge, Audit and Risk Manager, which provides the Committee with details of the audit work during the period 1 September to 31 December 2017 and advises on progress with the 2017/18 plan)</i>	171 - 222
7	Work Plan <i>(To receive a report from Lucy Pledge, Audit and Risk Manager, which provides the Committee with information on the core assurance activities currently scheduled for the 2018/19 work plan)</i>	223 - 228

Democratic Services Officer Contact Details

Name: **Rachel Wilson**

Direct Dial **01522 552107**

E Mail Address rachel.wilson@lincolnshire.gov.uk

Please note: for more information about any of the following please contact the Democratic Services Officer responsible for servicing this meeting

- Business of the meeting
- Any special arrangements
- Copies of reports

Contact details set out above.

All papers for council meetings are available on:
www.lincolnshire.gov.uk/committeerecords



AUDIT COMMITTEE 27 NOVEMBER 2017

PRESENT: COUNCILLOR MRS S RAWLINS (CHAIRMAN)

Councillors A J Spencer (Vice-Chairman), A P Maughan, R B Parker and A N Stokes

Officers in attendance:-

Rachel Abbott (Audit Team Leader), David Forbes (County Finance Officer), Lucy Pledge (Audit and Risk Manager) and Rachel Wilson (Democratic Services Officer)

29 APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillors P E Coupland and P A Skinner.

An apology for absence was also received from Mr P D Finch, Independent Added Person.

30 DECLARATION OF MEMBERS' INTERESTS

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

31 MINUTES OF THE MEETING HELD ON 25 SEPTEMBER 2017

RESOLVED

That the minutes of the meeting held on 25 September 2017 be signed by the Chairman as a correct record.

32 PAYROLL UPDATE

Consideration was given to a report which sought to provide the Audit Committee with an up to date briefing on the payroll position and the steps being taken to address any risk of an inaccurate payroll.

Members were advised that it was a disappointing report that there was no change in the current low assurance levels and there was some significant work still required to improve the payroll control environment. It was reported that Internal Audit would support the implementation of control environment improvements.

The report set out some of the rationale for why work had been focused in a particular direction. It was highlighted that one of the key considerations had been the number of high priority issues and risks pulling on the same resources. So some

pragmatic risk based decisions were made by the Corporate Management Board to focus on those areas of most.

In relation to the overall control environment, it was reported that there were still issues around people, processes and the system that needed to be addressed. The focus of Corporate Management Board and the Assurance Board was the Agresso upgrade, as it was important that this was successful. It was noted that the upgrade would involve a 'lift and shift' from the old version to the new version. This upgrade would ensure that the essential updates would be in place for year-end payroll processing for 2017/18 and that budget changes would be in place (e.g. tax and NI uplifts) would be in place ready for the new financial year.

It was reported that the Head of Internal Audit opinion would once again be caveated this year around the payroll environment which was disappointing. It was noted that progress had been slow and work was unlikely to be completed by the end of March 2018.

It was acknowledged that this was a disappointing picture to report to the Audit Committee, the Council was doing all it could to monitor progress and delivery. However, this was difficult when there were some fundamental issues around resources and systems. It was planned that once the upgrade had successfully occurred, the focus would be on moving forward with the other projects.

The Committee was provided with the opportunity to ask questions to the officers present in relation to the information contained within the report and some of the points raised during discussion included the following:

- It was accepted that this report was about the control environment, and that it was an issue of capacity in relation to people and systems and there was some effective monitoring, but it was queried what the underlying reason for these issues was. It was noted that there had been some very tight timescales, and it was queried how the council had allowed itself to get into such tight timescales. It was noted that Serco did not have a reputation for being able to work to 'just in time' deadlines.
- It was reported that a scrutiny panel had been established to look at the role of IT in taking the Council forward and the added value which could be brought by having up to date technology.
- It was emphasised that the County Council, Serco and the supplier all had a part to play. It was also noted that one of the issues raised by Capgemini (who provided independent delivery assurance) was that some of the processes could be quite convoluted as sign off on projects could take a long time, for example deciding what should be included in the upgrade. However, there were a lot of interdependencies which made things quite protracted.
- Within the process of the upgrade, it was noted that the Council was in a commercial dispute about who should pay for the upgrade. A 50/50 split had been agreed pending the arbitration process.
- It was queried why the discussions over payment had become a delaying factor. Members were advised that this had occurred as Serco would not start the project until they were satisfied with the outcome. It was acknowledged

that one of the issues identified had been the way that commercial discussion had affected progress. It was also noted that the same people had been involved in the implementing the upgrade as the day to day operations.

- It was noted that recruitment plans had been requested by the assurance boards, but there was also difficulty in retaining staff when they were recruited.
- It was noted that the existing IT infrastructure was not a major cause of these problems although it did impact on the effectiveness and efficiency of the system.
- Members were advised that Phase 2 would be to look at improving the customer experience and the control environment, and it was noted that that latest upgrade would have features which would make the customer experience more modern.
- It was commented that many of the issues seemed to be due to people, either not having the right people in post or not having the right number of people. It was queried whether officers were confident that the upgrade would be successful. Members were advised that officers were very confident that the upgrade would work, as it would not be adding much new functionality. Two payroll parallel runs had been carried out successfully. It was also noted that there was also a contingency plan to retro-fit the payroll system to enable it to run into the new year if necessary. However, it was commented that it was unlikely that the contingency would be required.
- It was important to ensure that people were held to account for their decisions.
- It was queried whether, if it was felt that the upgrade would be successful and would iron out most of the problems which had been identified in the control environment, would an improvement be seen in a years' time. Members were advised that this assurance could not be given, but it was thought that some improvements would be seen however it could not be determined at this stage how the assurance opinion would be changed, as past delivery did not provide that confidence.
- The Councils' client for Payroll had received advice from Audit on the need to challenge Serco more robustly on progress when implementing improvements.
- A rigorous action plan was expected at the March 2018 Committee meeting, and it was suggested that that would be the more appropriate time to challenge to seek confidence, or escalate to Corporate Management Board. It was noted that the Committee did have the choice to escalate the issue at this time.
- There was a suggestion that this issue should be escalated immediately, however, it was countered that as the delays were due to a contractual dispute the system upgrade should be allowed to be rolled out and then give a set time scale to see progress. It was thought that Serco should be given to opportunity to implement the system upgrade before further action was escalated.
- It was reported that the Council was not happy with the situation it was in. It was noted that the authority was now halfway through the initial Serco contract and a decision would need to be taken on whether to go ahead with the extension. If the extension did not go ahead, then there would be a need to start the procurement process in spring 2018.

**AUDIT COMMITTEE
27 NOVEMBER 2017**

- It was noted that one of the things which was being looked at in more detail was whether Agresso was fit for purpose as an HR and payroll system.
- The scheduled go live date for the upgrade was 19 January 2018. Therefore, by the January meeting of the Committee, it would be known whether the upgrade had successfully gone live.
- A definitive action plan should be in place in January of how improvements were to be put in place. The Committee should be able to get a feel for how changes were being implemented by the meeting in March 2018.

RESOLVED

1. That the Audit Committee noted the report with great concern and would continue to monitor the situation closely.
2. That the Chairman would meet with the Leader and Chief Executive to highlight the concerns of the Audit Committee.

33 ANNUAL REPORT ON CORPORATE COMPLAINTS AND COMPLIMENTS

Consideration was given to a report which provided an update on actions derived from the October 2015 Corporate Complaints and Compliments Review recommendations which were later presented to the Audit Committee in July 2016. It was noted that overall, there had been a significant improvement, with further improvements anticipated once the LAGAN system was implemented.

It was queried what happened to unsubstantiated complaints, and members were advised that officers would respond to the complainant to explain that it was unsubstantiated and then the complaint would be considered as closed. It was confirmed that unsubstantiated complaints would be passed onto the appropriate service area. If repeat issues were being identified then this would be taken to the service area DMT meeting.

It was requested local councillors could be informed when complaints related to their areas, as they were not always made aware of the issue by residents. It was agreed that this could be included within the process.

Members were advised that the delays experienced with the LAGAN system were related to the wider IT issues experienced by the authority. It was requested that further information be provided to the Committee in relation to these delays as well as the process for dealing with unsubstantiated complaints.

RESOLVED

1. That the data presented be noted.
2. That further information be provided to the Committee in relation to the delays in reporting data as well as the process for dealing with unsubstantiated complaints.

34 COUNTER FRAUD PROGRESS REPORT TO 30 SEPTEMBER 2017

Consideration was given to a report which provided an update on fraud investigation activities and information on progress made against the Counter Fraud Work Plan 2017/18.

It was reported that good progress was being made against the Counter Fraud Work Plan and a fraud awareness e-learning course had been developed. Officers were pleased with the level of participation with this course. Awareness work was also being delivered within schools, which had been well received so far.

Members were provided with the opportunity to ask questions to the officers present in relation to the information contained within the report and some of the points raised during discussion included the following:

- It was queried what proportion of officers had completed the e-learning course. However, the proportion of staff who had completed this was not available, the team which monitored Lincs 2 Learn had provided feedback, stating that it had been a successful course.
- In relation to school fraud, it was noted that the October briefing had taken place. Members were advised that this had been arranged by the finance teams and had received a very positive response, with many school business managers attending.
- It was commented that it was important that those staff who worked in areas dealing with contracts and finance should have this training, but it was not deemed mandatory for all staff.
- It was queried what the difference was between referrals and anomalies in the system, and how the technology detected anomalies.
- Cyber fraud was the biggest emerging risk for local authorities and it was queried what Lincolnshire was doing to combat this type of fraud. Members were advised that national courses were being released regularly as the situation was changing so rapidly in relation to this type of fraud. The authority was in the initial stages of a response around raising awareness with employees and stakeholders. It was noted that guidance from the National Audit Office around cyber fraud had been circulated with the agenda at item 9, for members' information.
- It was highlighted that cyber fraud was also being considered by the Council's Risk and Safety group as it was a strategic risk.
- It was queried whether the system could detect fraud or whether there was a reliance on referrals. Members were advised that fraud was identified through a mixture of intelligence from officers and also anomalies which would be identified through data analysis. However, these anomalies would not be identified by the system itself, but from the data taken from the system and then analysed.

RESOLVED

That the outcomes of the counter fraud work be noted.

35 WHISTLEBLOWING ANNUAL REPORT 2016-17

Consideration was given to a report which provided an overview of the Council's whistleblowing arrangements throughout the year 2016/17.

Members were provided with the opportunity to ask questions to the officers present in relation to the information contained within the report and some of the points raised during discussion included the following:

- It was queried whether the spike in disclosures indicated that there was a particular issue in one area, however, members were advised that the amount of counter fraud activity had increased, as well as the promotion of this activity. It was believed that this reflected the continued effectiveness of the Council's whistleblowing arrangements.
- It was commented that this report was positive, and it was queried how Lincolnshire compared to other authorities. Officers advised that benchmarking had not carried out in a while, but Matt Drury (Principal Investigator) did represent Lincolnshire on a regional networking group, and activity in Lincolnshire was very much in line with that of other authorities.
- Members were advised that some benchmarking with other Midlands councils could be carried out and a briefing paper could be produced for either the January or March 2018 meeting.

RESOLVED

1. That the whistleblowing activity for 2016-17 be noted.
2. That the ongoing work to raise awareness and provide assurance on the effectiveness of the Council's arrangements for whistleblowing be noted.
3. That officers carry out benchmarking with other Midlands councils and a briefing paper be brought to a meeting of the Audit Committee early in 2018.

36 WORK PLAN

Consideration was given to a report which provided the Committee with information on the core assurance activities currently scheduled for the 2017/18 work plan.

Members were advised that the January meeting was one of the key meetings for the Committee as all members of the Corporate Management Board would be attending to present their individual combined assurance reports for their directorates. It was also noted that the Chief Executive would be in attendance at this meeting. It was reported that between 1 hour and 1 hour 30 minutes would be allocated for this discussion.

It was reported that there would be a separate report relating to IMT, and it was requested that the Chief Digital Officer be asked to attend a future meeting.

Members were advised that the next meeting of the Committee would be taking place on 29 January 2018.

RESOLVED

That the work plan as presented be accepted.

37 AUDIT COMMITTEE UPDATES

The Committee received a copy of the National Audit Office Cyber security and information risk guidance for Audit Committees. A copy of the Leaders' Statement from Council on 15 September 2017 was also attached as it included and update on the External Audit Appointment. These items were attached for information only and no discussion took place.

The meeting closed at 11.30 am

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Open Report on behalf of Pete Moore, Executive Director for Finance and Public Protection

Report to:	Audit Committee
Date:	29 January 2018
Subject:	Combined Assurance Reports

Summary:

The aim of this report is to provide the Audit Committee with insight on the assurances across all the Council's critical services, key risks, partnerships and projects

Recommendation(s):

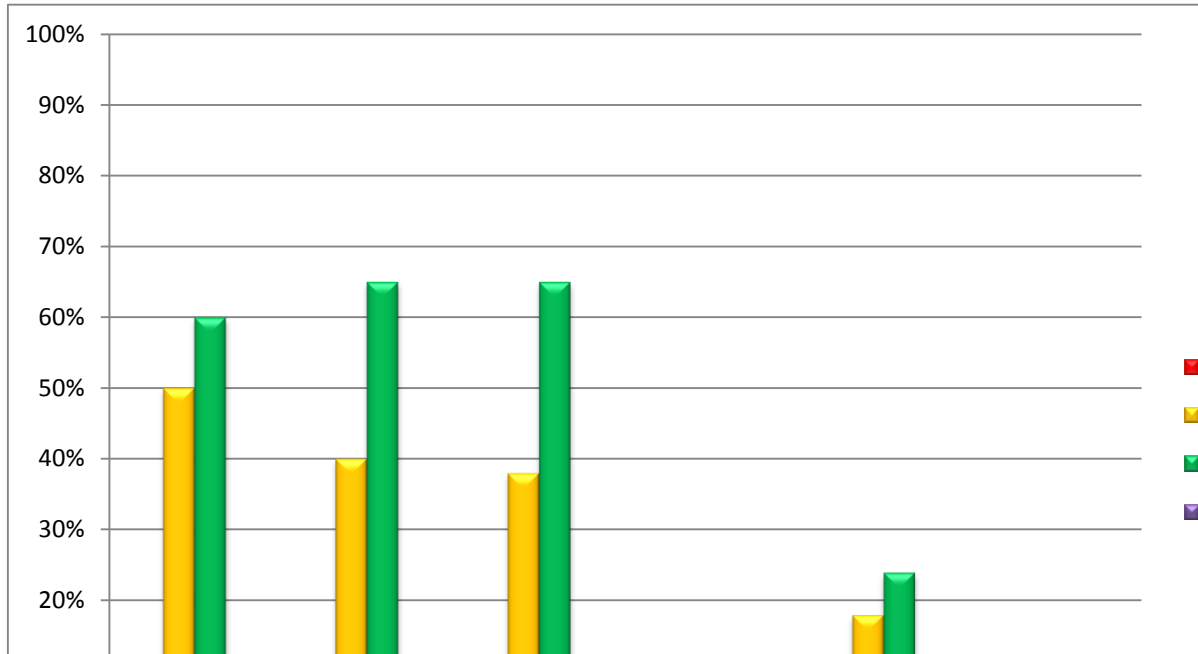
That the Committee review the combined assurance reports seeking assurance over the adequacy of the Council's governance, risk and control environment and makes recommendations on any further scrutiny requirements or actions.

Background

1. With the help of Internal Audit, each Director has produced a Combined Assurance Report that has co-ordinated assurance information across:
 - Critical service delivery activities
 - Key risks
 - Key projects
 - Key partnerships
2. Internal Audit have co-ordinated the overall assurance information to help ensure that it 'stacks up' and applied some constructive challenge on the assurance opinions being given **but** as accountability rests with management, it is the senior management's views that has determined the overall assurance status. This is in line with a control environment that promotes a culture where we:
 - take what we have been told on trust
 - encourage accountability with those responsible for managing the service and associated risks
 - provide some independent challenge / oversight where it matters most.

3. Overall there continues to be a high level of positive assurance – see **Figure 1**.

Figure 1 – Overall Assurance Levels 2017/18



4. There are a number of areas where there is a low level of assurance shown on critical activities - these relate to:

Children's Services (Appendix C)

- Supported accommodation
- Recruitment Processes
- Agresso Re-engagement
- SERCO HR / Payroll Transactional Service Delivery

Finance & Public Protection (Appendix D)

- Delivery of Financial Savings by Business Support
- Brexit – Potential Impact on Pension Fund Investment

Environment & Economy (Appendix E)

The following areas show a low level of assurance:-

- Total Transport Project

5. Executive Directors will be present to respond to any questions the Committee may have on their respective Combined Assurance Status Reports and the associated assurance framework.

Conclusion

6. The reports confirm that all key areas and risks have been subject to assurance procedures. Overall there continues to be a high level of assurance, with slightly less areas of low assurance than last year.
7. There are 'no surprises' and the assurance framework remains strong demonstrating appropriate management oversight and monitoring.
8. The combined assurance reports provide the Committee with a good level of understanding about the level of assurances in place – supporting its 'watchdog' role and remit. In reviewing the Combined Assurance Status Reports the Committee may wish to consider:
 - whether the assurances given are reliable and adequately evidence
 - seeking direct assurance from the Corporate Management Board on how they consider the results of the assurances given
 - if any specific issue / risk should be referred to the Governance Group for consideration in the Council's annual governance statement
 - whether the reports 'realistically' reflect the Audit Committee's knowledge and understanding of the Council's governance, risk and assurance arrangements.
9. The information obtained from the combined assurance model will:
 - streamline and avoid duplication of effort where assurance can be drawn from a third party or other sources
 - inform the Internal Annual Audit Plan 2018/19 by identifying where more independent assurance is required based on significance and risk.
 - Help inform the Head of Audit annual audit opinion 2018.
 - Help inform the development of the Council's Annual Governance Statement 2018.

Consultation

a) Have Risks and Impact Analysis been carried out??

No

b) Risks and Impact Analysis

N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Combined Assurance Status Report - Commercial
Appendix B	Combined Assurance Status Report - Adult Care and Community Wellbeing
Appendix C	Combined Assurance Status Report - Children's Services
Appendix D	Combined Assurance Status Report - Finance and Public Protection
Appendix E	Combined Assurance Status Report - Economy and Environment

Background Papers

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

This report was written by Lucy Pledge, who can be contacted on 01522 553692 or lucy.pledge@lincolnshire.gov.uk.

Combined Assurance Status Report

Page 17



What we do best...

Innovative assurance services

Specialists at internal audit

Comprehensive risk management

Experts in countering fraud

...and what sets us apart

Unrivalled best value to our customers

Existing strong regional public sector partnership

Auditors with the knowledge and expertise to get the job done

Already working extensively with the not-for-profit and third sector



Combined Assurance Status Report

Introduction	1
Key Messages	3
Critical Systems	5
Key Projects	7
Key Partnerships	8
Key Risks	9

Contact details – Sophie Reeve - Chief Commercial Officer

Sophie.reeve@lincolnshire.gov.uk





Introduction

This is the sixth combined assurance report for the Commercial Team within the Council.

By grouping the different sources of assurance in a single model we provide the basis for Senior Management and Audit Committees to gain a better understanding of their organisations assurance status and needs.

We do this by coordinating assurance arrangements – providing some structure – this is our Assurance Map.

We have well established Assurance Maps that help us to focus our work plans on the make or break risks that affect the successful delivery of services and strategic objectives. The Maps also recognise the importance of critical business systems that support successful delivery and ‘protect the business’ – the due diligence activities.

The Maps give an overview of assurance provided across the whole organisation – not just those from Internal Audit – making it possible to identify where assurances are present, their source, and where there are potential assurance ‘unknowns or gaps’.

The Maps are an invaluable tool for senior managers, providing a snapshot of assurance at any point of time. This report explores those assurances in more detail.

We gathered and analysed assurance information in a control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing the service.

Scope

We gathered information on our:

- **Critical systems** – those areas identified by senior management as having a significant impact on the successful delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people.
- **Due diligence activities** – those that support the running of the Council and ensure compliance with policies.
- **Key risks** – found on our strategic risk register, operational risk registers or associated with major new business strategy / change.
- **Key projects** – supporting corporate priorities / activities.
- **Key partnerships** – partnerships that play a key role in successful delivery of services



Combined Assurance Status Report

Methodology

To ensure our combined assurance model shows assurances across the entire Council, not just those from Internal Audit, we leverage assurance information from your 'business as usual' operations. Using the '3 lines of assurance' concept:



Our approach includes a critical review or assessment on the level of confidence the Board can have on its service delivery arrangements, management of risks, operation of controls and performance.

We did this by:

- Speaking to senior and operational managers who have the day to day responsibility for managing and controlling their service activities.
- Working with corporate functions and using other third party inspections to provide information on performance, successful delivery and organisational learning.
- Using the outcome of Internal Audit work to provide independent insight and assurance opinions.
- Considering other information and business intelligence that feed into and has potential to impact on assurance.

We used a Red (low), Amber (medium) and Green (high) rating to help us assess the level of assurance confidence in place.

The overall assurance opinion is based on the assessment and judgement of senior management. Internal audit has helped co-ordinate these and provided some challenge **but** as accountability rests with the Senior Manager we used their overall assurance opinion.



Combined Assurance Status Report

Key Messages

The Commercial Team operates two teams delivering contract management, procurement and commercial activity and a Projects and Performance Team principally delivering project management.

The Commercial Team has continued to deliver and support a host of new procurements a number of which have been recommissioned to ensure that services meet the specified outcomes in a way that delivers best value. In excess of 60 procurements are delivered or supported at any one time including projects for the shared procurement service, ranging in scope from the Wellbeing Service, Residential Rate Review, flood defence work, multi-functional devices, mobile phones and dead body removals.

The team continues to build on the Council's strong relationship with the Health sector and is currently leading on a potential joint commissioning programme with health partners, with expertise and commercial services from the team being made available to CCG's for the delivery of community services

Public Health contracts are now embedded with the contract management framework and the team's risk management tool is being developed to include all primary care contracts, which include 170 contracts with GP practices and 30 pharmacy contacts covering nearly 100 pharmacies across the county.

To complement the existing contract management framework an in-depth 'poor practice concerns' process has been developed for use with Audit Care contracts. The 'serious incident' reporting process has been refreshed and launched with providers of Public Health services.

The team is responsible for the contract management of Serco and we do this robustly to ensure that Serco does what it said it would within the contract price. Work continues on the outstanding transformational work, particularly in relation to IMT.

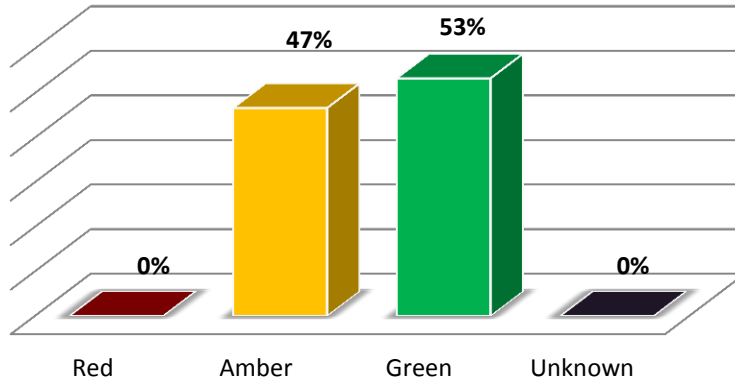
The project managers within the Team were fully deployed on Council priority projects including Blue Light collaboration, Children's 0-19 Health Services and Fairer Funding.

The recently established Commissioning and Commercial Board, which the Team manages, provides additional governance to help ensure effective commissioning throughout the Council.

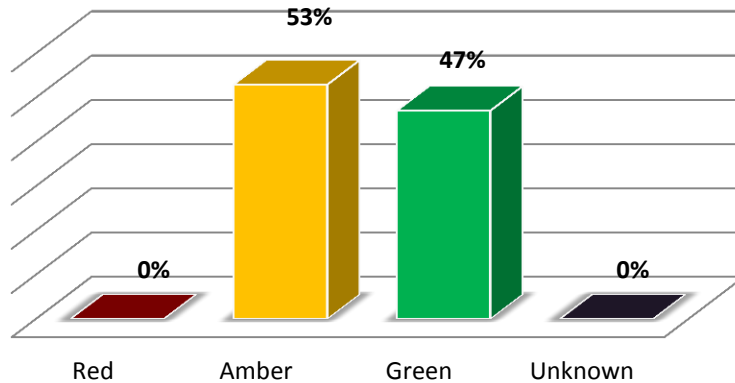


Combined Assurance Status Report

Overall Assurance Status 2017/18



Overall Assurance Status 2016/17



Suggested next steps.....

2018/19 will continue with contract management, procurement, project management and commercial challenges including:

- Continuing to maximise commercial opportunities
- Continuity to ensure that Serco provide services in accordance with the commercial terms agreed and delivers all outstanding transformation work
- Supporting the Council's waste agenda and the re-procurement of the highway's contract
- Continued support and development within the care sectors, focusing on key issues such as recruitment, retention, challenges on homelessness and future direction and funding of Health and Social Care
- Supporting the recommissioning of the Housing Related Support service, which helps individual's retain their tenancies
- Developing joint commissioning opportunities with health;
- Continuing to support high profile projects

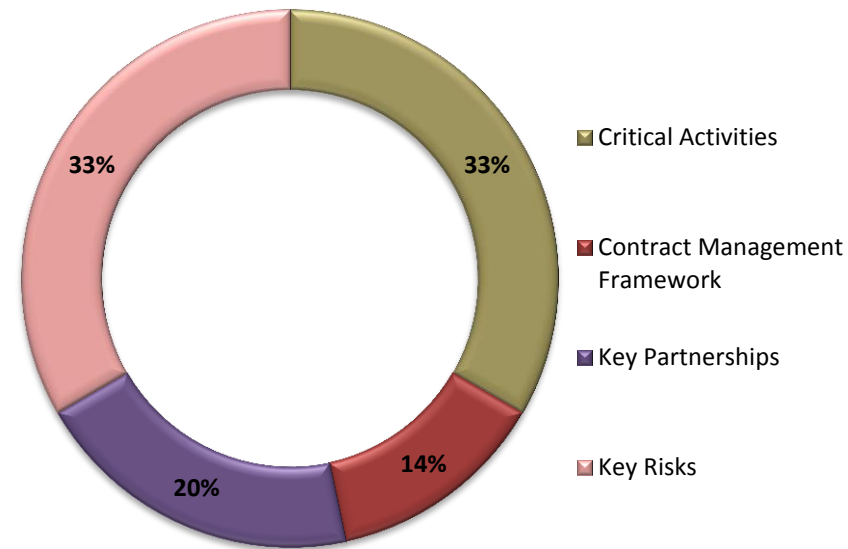


Critical Systems

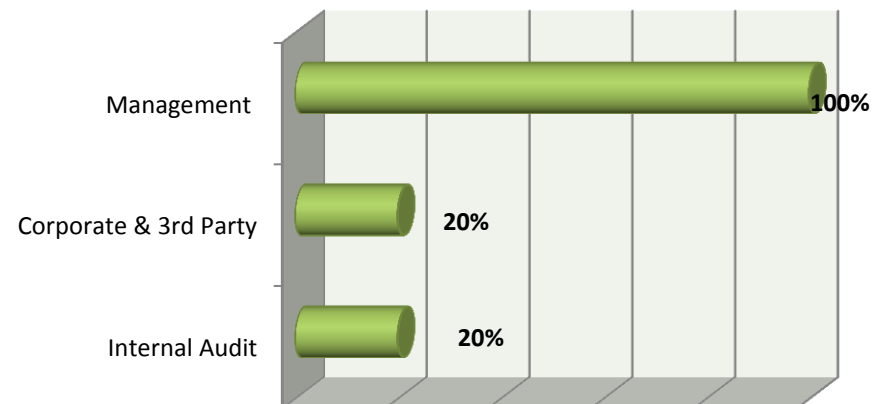
The overall assurance status for the critical activities identified is a combination of high and medium assurance. There has been audit activity of Public Health contracts that transferred to the Team in 2016. Whilst audit gave limited and substantial assurance surrounding historical issues, new governance arrangements are now in place with contracts managed through the contract management framework and risk management tool.

The Team continue to ensure procurement guidance remains up to date and provide support to ensure that such requirements are properly understood and implemented. The Team and the wider Council are supported by a comprehensive training framework in order to keep up to date with any changes in procurement requirements.

Serco's KPI performance overall has shown continued improvement in the latter quarter of 2017 and they are now consistently meeting all or most of their KPI's. However, the channel shift including IMT transformation promised by Serco still remains outstanding. Work continues with resources from the team supporting the activity with an anticipated implementation date during 2018.



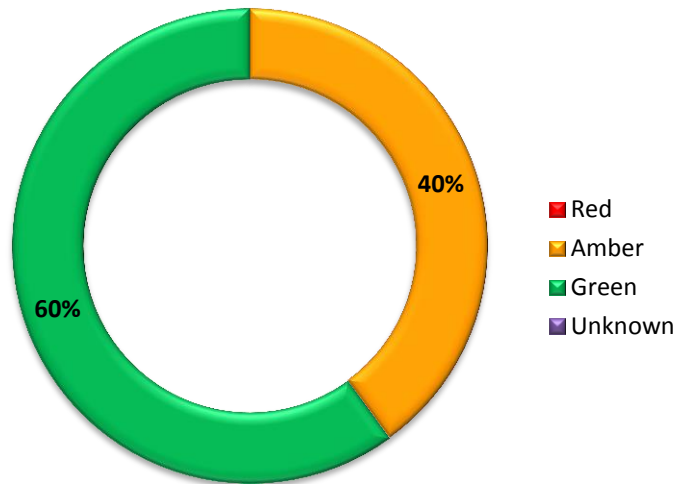
Who Provides Your Assurance





Combined Assurance Status Report

Critical Activities



Overall Comments

Demand for the Commercial Team's services remains high particularly in the areas of procurement, contract management and project management support.

Management takes responsible for assurance activity and advice given by the Team

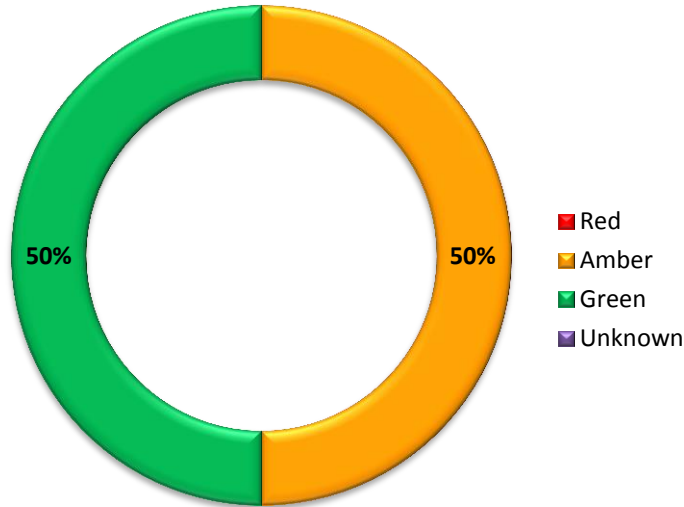
Overall Assurances

Green	Amber
Guidance on good procurement and compliance assurance activity	Contract management Serco
Contract management – Adult care	Contract management Public Health
Management of Commissioning and Commercial Board	



Combined Assurance Status Report

Key Projects



Overall Comments

The contract management framework is now implemented and provides a step change in how the team delivers contract management and provides a clear oversight for management as well as ensuring a consistent approach across the portfolio of contracts held.

The government has currently an open consultation 'Fair funding review: a review of relative needs and resources' which closes in March 2018. Work on this project will continue following the outcome of the consultation and its impact for the Council.

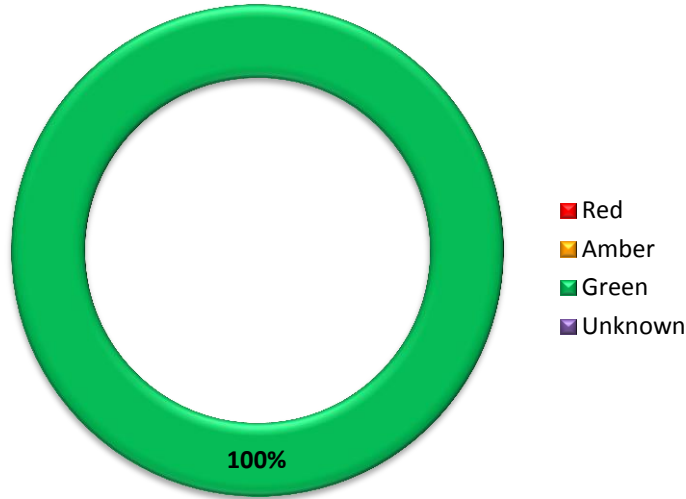
Overall Assurances

Green	Amber
Contract Management Framework	Fairer Funding



Combined Assurance Status Report

Key Partnerships



Overall Comments

Procurement Lincolnshire a shared procurement resource hosted by the Commercial Team is operating well and delivering against its performance indicators. One district partner will be leaving the shared service in March 2018, the overall work programme has not fallen as a result of this as other partners demand for services remains strong and the complexity of the work increases. Any freed up resource will be used to support the other partners.

The Council continues to be a member of ESPO and the work it carries out particularly in the creation of Frameworks complements the more bespoke activity carried out by the Commercial Team.

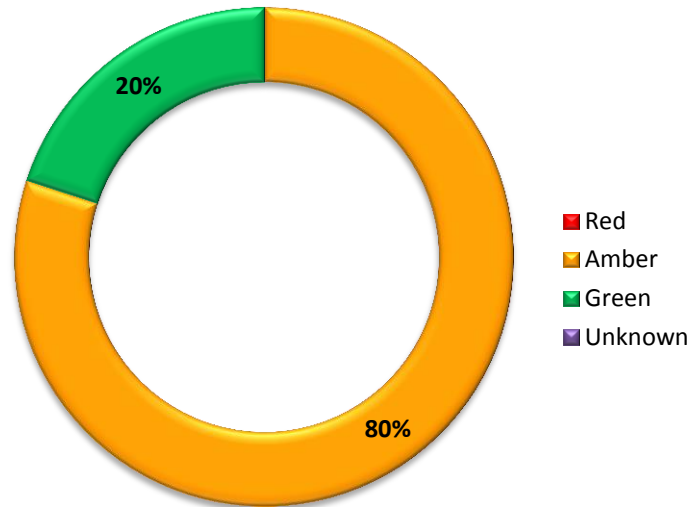
Joint working with health partners continues to develop through the successful partnership working with Lincolnshire Community Health Service

Overall Assurances

Green
Procurement Lincolnshire
Lincolnshire Community Health Service
ESPO



Key Risks



Green	Amber
Projects (S)	Strategic Contracts (S)
	Insufficient Resources to deliver work (o)
	Brexit – impact on market prices (E)
	Brexit – impact on Procurement regulations(E)

Strategic Risks

Council’s highest rated Strategic Risks for this area of the business

Projects

Strategic Contracts

As part of the agreed fundamental review of the strategic risk register the regular updating of the register is being placed on hold to ensure full consideration is given to existing strategic risks, new emerging risks and any impacts from the increase in risk appetite statements is taken into account. The current strategic risks remain in place.



Corporate Governance

Our Combined Assurance model focuses on assurance against critical systems, projects, risks and partnerships. This helps the organisation to understand corporately where it's performing well and where improvements are required. Many of the Council's critical services and systems underpin a sound corporate governance framework. In this section we set out how the Council has approached corporate governance, complied with guidance and obtained assurance on its significant governance issues.

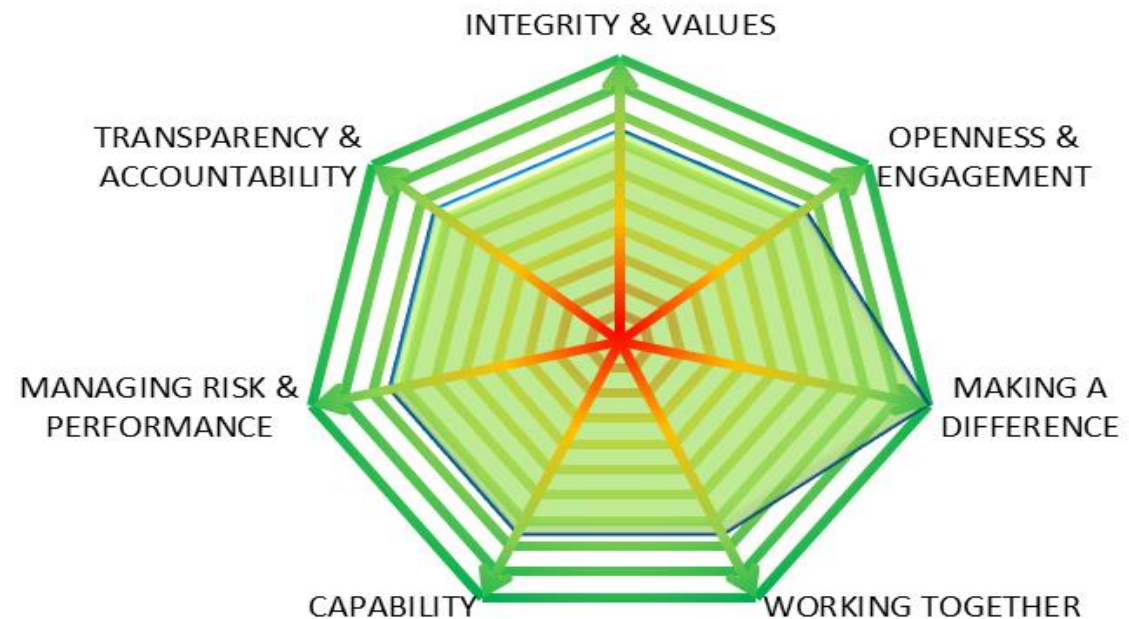
The Council must ensure that it meets the highest standards and that governance arrangements are not only sound but are seen to be sound. It is crucial that leaders and chief executives keep their governance arrangements up to date and relevant. Council's should develop a local Governance Code which reflects the "delivering good governance in local government framework (CIPFA/SOLACE 2016)" (the framework).

The framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. Whatever form of arrangements are in place, authorities should therefore test their governance structures and partnerships against the principles contained in the Framework.

At Lincolnshire County Council this was independently assessed during November 2016 and assurance given over

the evidence supporting good governance arrangements for each of the 7 Principles. All assurances were high or substantial.

Evidence demonstrating good governance



The assessment identified some areas for improvement in relation to governance arrangements for collaborative working (partnerships) and ethical governance. Audit work is underway to support improvements and provide further assurance in both of these key areas.



Combined Assurance Status Report

Annual Governance Statement

The assessment against the code, among other things, helped to inform the Council's Annual Governance Statement 2016/17. Overall this confirmed that the Council has the appropriate systems and processes in place to ensure good governance is maintained. The review did identify a number of areas for improvement.

Key Improvement Area
IT Governance
Financial Sustainability
Financial Control Environment
Market Supply (Adult Social Care)
SERCO Contract – Lessons Learnt
Delivery of Support Services and Improvement – SERCO
Collaborative Working – Governance Arrangements

During 2017/18 the Council is working to address the matters identified and is monitoring implementation and operation as part of performance management – which is reported to the Council's Corporate Management Board and the Executive. The Audit Committee are also helping with independent assurance during the year

Combined Assurance Status Report

Page 31



January 18

What we do best...

Innovative assurance services

Specialists at internal audit

Comprehensive risk management

Experts in countering fraud

...and what sets us apart

Unrivalled best value to our customers

Existing strong regional public sector partnership

Auditors with the knowledge and expertise to get the job done

Already working extensively with the not-for-profit and third sector



Combined Assurance Status Report

Introduction	1
Key Messages	3
Critical Systems	6
Key Projects	19
Key Partnerships	21
Key Risks	23
Corporate Governance	24

Contact details – Glen Garrod – Executive Director Adult
Care and Community Wellbeing
glen.garrod@lincolnshire.gov.uk





Introduction

This is the fifth combined assurance report for Adult Care and Community Wellbeing within the Council.

By grouping the different sources of assurance in a single model we provide the basis for Senior Management and Audit Committees to gain a better understanding of their organisations assurance status and needs.

We do this by coordinating assurance arrangements – providing some structure – this is our Assurance Map.

We have well established Assurance Maps that help us to focus our work plans on the make or break risks that affect the successful delivery of services and strategic objectives. The Maps also recognise the importance of critical business systems that support successful delivery and ‘protect the business’ – the due diligence activities.

The Maps give an overview of assurance provided across the whole organisation – not just those from Internal Audit – making it possible to identify where assurances are present, their source, and where there are potential assurance ‘unknowns or gaps’.

The Maps are an invaluable tool for senior managers, providing a snapshot of assurance at any point of time. This report explores those assurances in more detail.

We gathered and analysed assurance information in a control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing the service.

Scope

We gathered information on our:

- **Critical systems** – those areas identified by senior management as having a significant impact on the successful delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people.
- **Due diligence activities** – those that support the running of the Council and ensure compliance with policies.
- **Key risks** – found on our strategic risk register, operational risk registers or associated with major new business strategy / change.
- **Key projects** – supporting corporate priorities / activities.
- **Key partnerships** – partnerships that play a key role in successful delivery of services



Combined Assurance Status Report

Methodology

To ensure our combined assurance model shows assurances across the entire Council, not just those from Internal Audit, we leverage assurance information from your 'business as usual' operations. Using the '3 lines of assurance' concept:



Our approach includes a critical review or assessment on the level of confidence the Board can have on its service delivery arrangements, management of risks, operation of controls and performance.

We did this by:

- Speaking to senior and operational managers who have the day to day responsibility for managing and controlling their service activities.
- Working with corporate functions and using other third party inspections to provide information on performance, successful delivery and organisational learning.
- Using the outcome of Internal Audit work to provide independent insight and assurance opinions.
- Considering other information and business intelligence that feed into and has potential to impact on assurance.

We used a Red (low), Amber (medium) and Green (high) rating to help us assess the level of assurance confidence in place.

The overall assurance opinion is based on the assessment and judgement of senior management. Internal audit has helped co-ordinate these and provided some challenge **but** as accountability rests with the Senior Manager we used their overall assurance opinion.



Key Messages

By the end of 2017/18 the Adult Care and Community Wellbeing Directorate will have produced a balanced budget for 6 consecutive years. At the same time performance is good and in the most profiled areas such as delayed transfers of care it is upper quartile. This has been achieved by 3 primary means: first, negotiations with NHS partners surrounding the BCF has secured for adult care some £5.4m more than the minimum required; second, the operating model for adult care has outperformed expectations delivering in excess of £42m in savings over the preceding 6 years and third, the Council itself has allocated additional funds to meet growing demand. This latter had greatest impact through the 2% precept that the Council levied from 2015/16 and generated some £4m pa additional income. However, it is also the case that the Council can expect no additional resources beyond the mandated minimum given the local NHS precarious financial position.

At the same time where pressures arise is changing and it is increasingly the case that nationally and locally working age adults with profound disabilities present the greatest financial challenge and less so older people.

The quality and supply of care and support remains a high priority. Simply put nursing home provision has reduced with 7 homes de-registering in the preceding 18 months as a direct result of the inability to appoint nurses. A number of initiatives are underway but there are few easy solutions and 'quick-fixes'. Home care has a level of relative stability that most

Councils would aspire to but constant vigilance is required to ensure both the supply and quality of care is good. Quality is a worry in some areas of the County with a number of prime providers 'requiring improvement' by the Care Quality Commission. Additional resources have been allocated to help providers ensure supply and improve quality but it is too early to judge impact. Residential care is the most stable and of good quality.

Nationally, Delayed Transfers of Care (DTOCs) have a significant profile. This will remain the case until spring 2018 at the earliest. A number of Councils have responded angrily to the potential 'penalty' related to BCF funding that the Government has the power to apply should social care delays not improve as expected (an imposed target). Whilst Adult Care in Lincolnshire has good performance it is necessary to continue to resource this area and maintain that position.

The infrastructure that supports adult care – our ICT system continues to present challenges notably in consequence of failures within the SERCO contract. The inability to truly transform the service whilst 'getting the basics right' are consuming so much time and energy. MOSAIC was implemented in December 2016 and remains work in progress.

Nationally it is expected that the long awaited 'Green Paper' detailing Government plans to secure long term and sustainable funding for Adult Social Care will be published in the Summer 2018 as part of a consultation exercise. It is



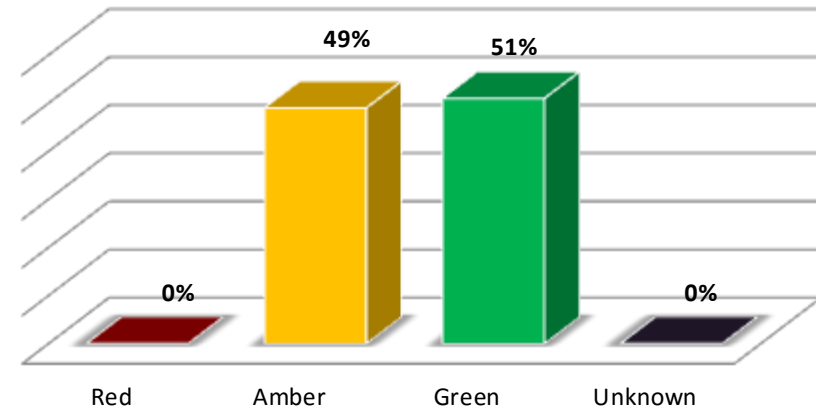
Combined Assurance Status Report

expected that this will also develop national thinking towards greater integration and, subsume what should have been a new national carers strategy.

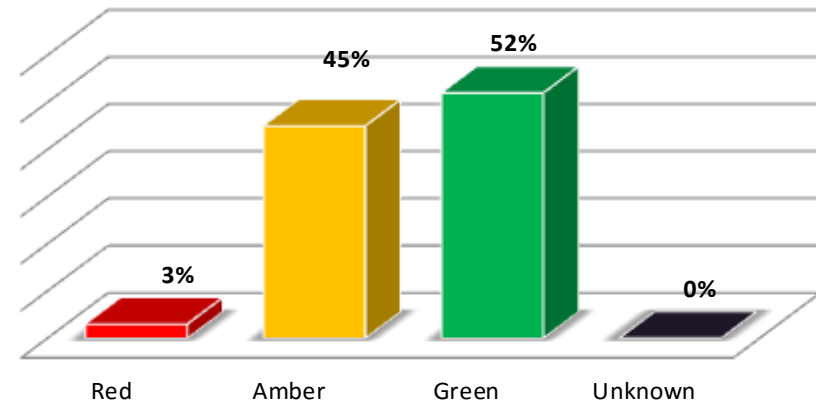
In October 2016 the Public Health Directorate was transferred into the newly formed Adult Care and Community Wellbeing Director area. Initially senior management was restructured and the procurement and contract functions previously within Public Health were transferred to the corporate Commercial Unit. Throughout the year recruitment has been ongoing to secure a substantive Director of Public Health (DPH). This was successful and the new DPH: Professor Derek Ward commences at the end of January 2018. This will herald another round of changes to better 'blend' Adult Care and Public Health; strengthening the commercial operation within Public Health and the preventative and housing 'offer'.

The Directorate is now responsible for five of the 13 Commissioning Strategies within the County Council, they are: Adult Frailty and Long Term Conditions, Specialist Services, Carers, Adult Safeguarding and Wellbeing. Each was recently reported to the Corporate Commissioning Board Chaired by the Leader. Each of these reflects the level of interdependency with a strategic partner (such as LINCA or Carers First), a joint strategy across Children's and Adult services and/or a joint strategy with the NHS. This fact alone emphasises how the Directorate now works.

Overall Assurance Status 2017/18



Overall Assurance Status 2016/17





Combined Assurance Status Report

Suggested next steps.....

The agreed investment plan related to the Lincolnshire Better Care Fund (BCF) is being used to help address a number of elements detailed earlier – not least supply and quality in care markets, support to Neighbourhood Team development, ongoing investment into MOSAIC and performance around delayed transfer of care.

This plan is regularly reported to the Health and Wellbeing Board and in various fora with NHS partners and, at Scrutiny Committee.

Further developments within the Directorate will seek to strengthen commissioning and contract management functions and present a wider corporate support offer from Public Health – notably to Children's Services and to Economy and Place as well as Community Safety – specifically Domestic Abuse services.

Two Peer Reviews (June 2016 and October 2017) have been conducted in the preceding 18 months concerning Adult Safeguarding (twice) and Adult Frailty and Long Term Conditions. These provide excellent opportunities to learn as senior colleagues from other parts of the country undertake a 'deep dive' into our services. On both counts the service was well rated with encouragement to deliver on the plans already in place. An action plan from both is in place and each are

regularly reviewed. Additionally, a regional 'challenge' day is held every year in September to compare performance and financial activity across 10 Councils in the East Midlands. This provides an excellent opportunity to learn from each other and identify further room for improvement and, where support is needed for more 'challenged systems'.

Of course the new Scrutiny Committee (June 2017) and regular meetings with two Portfolio Holders secures a high level of political oversight and scrutiny.

During 2017 two Public Interest Notices were served by the Local Government Ombudsman. Each has been or will be reported to the Authority and an action plan developed to ensure the Council complies with all the recommendations made to secure improvements where necessary.

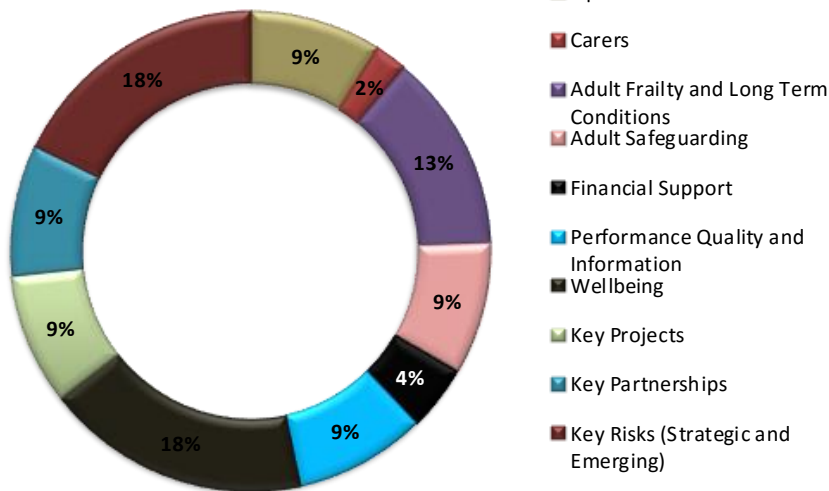
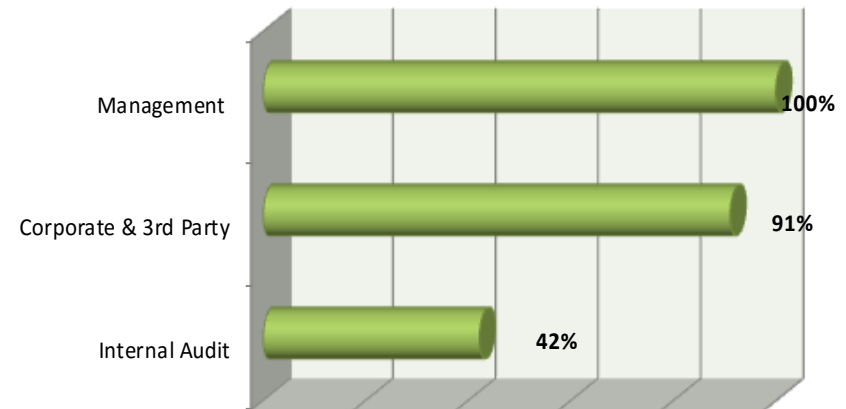
Finally, a new 'Local Account' was published in November 2017 meeting a statutory obligation to produce such a document detailing both the successes and challenges for Adult Care and Community Wellbeing.



Critical Systems

The Director area has a strong focus on quality, performance and cost (financial management) and, with a well-established relationship with the Finance Department, Commercial Unit and Audit Team provides a level of assurance on a habitual basis. The Executive Director Chairs a Quality and Safeguarding Board, a Directorate Management Team (DMT) meeting and an Executive DMT (with the two Portfolio Holders). All are regular meetings in the annual calendar and secures regular and senior oversight across the Directorate.

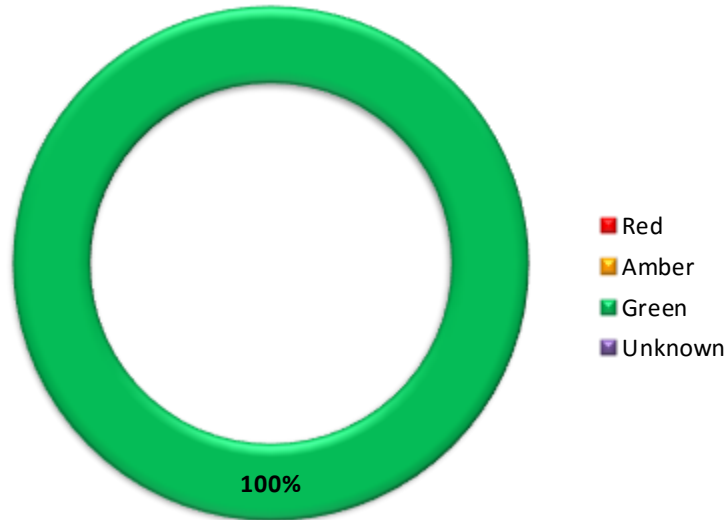
Who Provides Your Assurance





Combined Assurance Status Report

Specialist Adult Services



Overall Assurances

Green
Learning Disabilities – Assessments, Reviews and Case Management
Directly Provided Services
Adult Social care Mental Health
Adults with learning disability or autism

Overall Comments

Specialist Adult Services has been given an overall Green level of assurance meaning there are no specific areas of risk that are of concern to Adult Care and Wellbeing.

Performance against National, Corporate and Directorate Key Performance Indicators remains good and the services provide Value for Money and operate within budgets available.

Feedback from stakeholders including service users, health colleagues and other professionals continues to be positive.

Management of Risk

In addition to Peer Reviews and Corporate Audits there are also regular Quality Assurance activities completed within the Service areas that provide additional assurance to DMT colleagues and also inform continuous improvement.

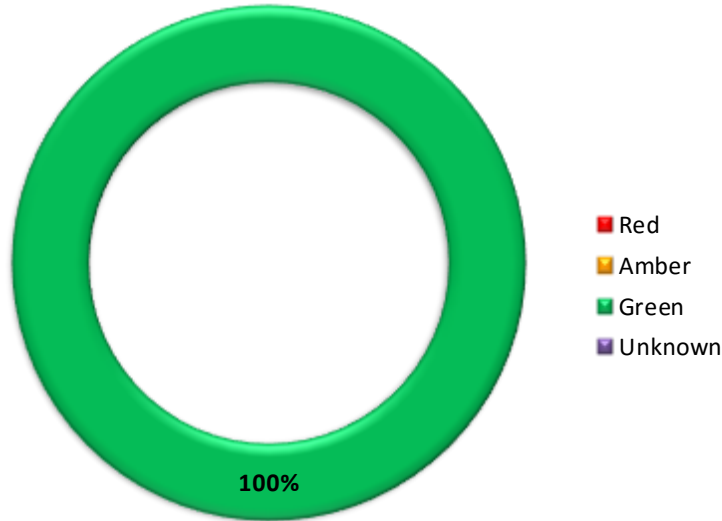
Lower Assurances

No areas of lower assurance.



Combined Assurance Status Report

Carers



contract in June 2016 telephone hubs and community and acute hospital based services have been established. Quality assurance activity is embedded and has been a successful vehicle for joint working and service developments.

Management of Risk

The commissioning strategy is delivered and monitored using:

- Regular contract monitoring meetings
- Quality assurance of case activity and practice
- Governance steering group to oversee performance and an annual delivery action plan
- Performance reporting
- Annual service review
- Corporate audit of workforce learning & development

The availability of reliable data to report performance, trends and themes has been restricted by the capabilities of the council's case management system. Countering this risk is the database used by Carers FIRST, a bespoke system to record and report data on demographics, needs and outcomes. As their presence in Lincolnshire has become established over the first year of the contract the quality and range of data has also developed. This will contribute to the JSNA and refresh of the Lincolnshire Joint Carers Strategy 2014-18.

The recent first annual service review of Carers FIRST has been positive with no significant problems or issues emerging.

Overall Assurances

Green
Carers

Overall Comments

The approach of commissioners working alongside Serco and Carers FIRST has had positive results and established a unified carers service. Since the start of Carers FIRST

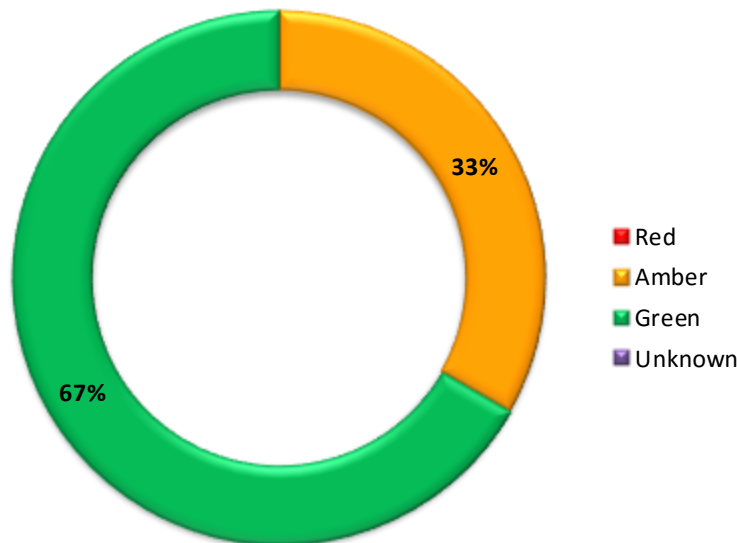


Combined Assurance Status Report

Areas identified for consideration are within the range of service developments rather than issues and improvements.

The service review of Serco CSC Carers service in 2016 resulted in an action plan and content has been addressed through contract monitoring. This has resulted in a positive outcome and all issues are resolved.

Adult Frailty and Long Term Conditions



Overall Assurances

Green	Amber
Brokerage	Adult frailty and LT conditions – assessment, reviews and case management
Commissioning – Adult Frailty	Customer service centre
Workforce development	
Hospitals	

Overall Comments

Overall all the level of green assurance has improved on last year which supports the significant levels of work which have been undertaken to continuously develop services and performance within this department. The strategy remains unchanged since last year in its focus and we continue to offer long terms support 12,000 Lincolnshire residents.

The purpose of this strategy area is to ensure that eligible individuals, who are over the age of 18 and have a predominant physical disability, receive appropriate care and support to enable them to feel safe and live independently. In delivering these services the expected outcomes are that we will enhance the quality of life for people with care and support needs, delay or reduce their need for assistance and ensure that people have a positive experience of the support they receive. The services that we commission to deliver these



Combined Assurance Status Report

outcomes include; reablement, domiciliary care, community support, residential care, dementia support services, assessment & care management and a social work and occupational therapy service.

Hospital services continue to perform well with Adult Care contributing to a significant decrease in Delayed Transfers of Care within Acute, Community and Mental Health settings.

Management of Risk

A governance and reporting structure is in place to oversee and manage performance across the Department. There are monthly performance meetings at all levels of the leadership team including team, area, department and directorate level. The Quality and Safeguarding Board meets on a regular basis to provide high level oversight and reporting of system concerns and strategic risks.

Lower Assurances

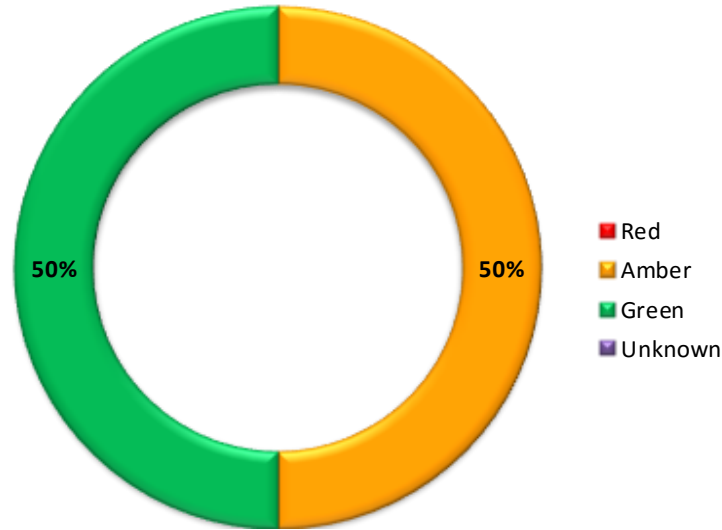
Adult frailty and LT conditions – assessment, reviews and case management -Mosaic was implemented in December 2016 which has provided greater visibility of the case management workflow. This has given managers and system leader's greater access and oversight to the status of their individual areas of responsibility enabling targeted deployment of resource.

Customer Service Centre – Senior Managers from within the Directorate have regular review meetings with Serco colleagues responsible for the management of performance of this function. This includes tracking and monitoring of key performance indicators to ensure sustained and improved progress against critical deliverables.



Combined Assurance Status Report

Adult Safeguarding



there are no specific areas of risk that are of concern to Adult Care and Wellbeing. The Emergency Duty Team (Adults and Deprivation of Liberty team) have been identified as amber as there is ongoing work to address particular areas of corporate risk but these risks are being managed effectively.

Performance against National, Corporate and Directorate Key Performance Indicators remains good and the services provide Value For Money and operate within budgets available.

Feedback from stakeholders including service users, Peer Review and other professionals continues to be positive

Management of Risk

In addition to Peer Reviews and Corporate Audits there are also regular Quality Assurance activities completed within the Service areas that provide additional assurance to DMT colleagues and also inform continuous improvement.

A peer review was completed of safeguarding arrangements in 2017 and the feedback from the review was positive.

Lower Assurances

DOLS has been identified as a Corporate Risk linked to a local and National Backlog of Authorisations for Deprivation of Liberty Safeguards. For this reason additional funding and

Overall Assurances

Green	Amber
Lincolnshire Safeguarding Adults Board	Emergency Duty Team (Adults)
Safeguarding Adults Team	Deprivation of Liberty Team

Overall Comments

The Lincolnshire Safeguarding Adult's Board and Adult Safeguarding Team have been given a green rating meaning

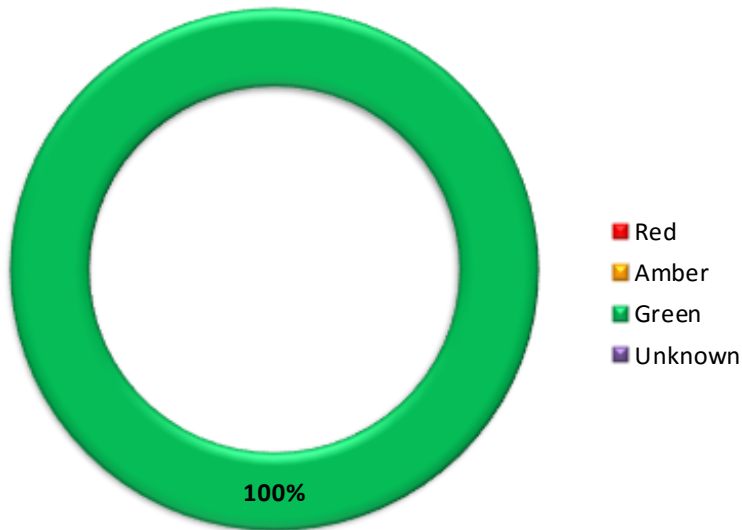


Combined Assurance Status Report

resources have been invested to seek to reduce the backlog and corporate risk.

EDT has been identified as an area that needs to be reviewed as Adult Care and Wellbeing have identified a number of external pressures on the service and which to explore opportunities for addressing these pressures and consider other areas of best practice that may be incorporated into the service.

Financial Support



Overall Assurances

Green
Court of Protection and Appointee ship
Budget and Financial Management

Overall Comments

Adult Care and Community Wellbeing is responsible for in excess of £216m representing 48% of the Councils overall budget and so it is vitally important that the finances are well managed. We are also responsible for hosting the Lincolnshire BCF and a pooled budget (NHS/LCC) of £226M in 2017/18.

Management of Risk

As previously mentioned the Directorate has significant internal and external financial responsibilities and, to date has a good track record. This is being developed further within Public Health and with NHS partners.

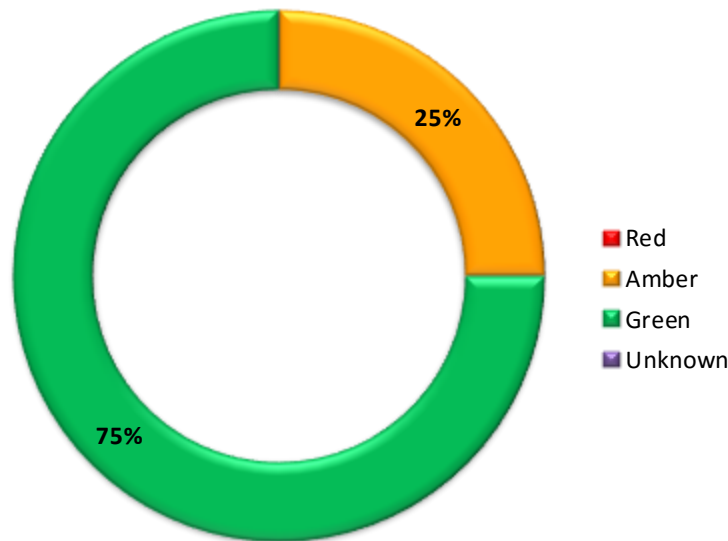
The Directorate led the development and adoption of a robust clinical governance framework during 2017/18 which includes the Children's Directorate and implementation is now underway. This provides additional assurance around the clinical practice of Council staff and services and enhances existing risk management systems. The implementation of the new Clinical Governance Framework will add a layer of



Combined Assurance Status Report

assurance for more complex clinical risks that has not previously been in place.

Performance Quality and Information



Overall Assurances

Green	Amber
Performance management	Adult care Finance
Quality Assurance	
Information systems team	

Overall Comments

This area covers Performance management, Quality Assurance, Information and systems support for adult care commissioning and care management functions. The County manager for this area also acts as LCC service lead for the adult care finance functions undertaken by Serco as part of the Corporate Support Services contract.

Performance Management

Data and performance reporting needs for adult care are met by the performance team. Strategic and operational reports are provided for internal use to manage team workloads, resources and to assist with commissioning of services. The team co-ordinates the submission of all Adult Care activity and survey statutory returns to NHS digital. This team also undertakes the performance management function of the Better Care Fund in Lincolnshire on behalf of the local Health and care commissioners in the county. This is a £200m+ annual programme of integration and improvement work.

Performance output is assured through internal (DMT, Executive, Scrutiny) and external (NHS partners, NHS digital, ADASS) sources. Reporting processes and Performance data is benchmarked with other local authorities in national and regional comparisons. An external peer review in 2016 highlighted the quality of the performance reporting offer to internal and external audiences. There is a remaining risk to



Combined Assurance Status Report

the continuation of the reporting offer – following the transition from AIS to MOSAIC case management systems. Restoring the ability to report fully from the system is a priority for the team and is being assisted by the contracting of a consultancy to develop 'searchlight' reporting facility.

Information and Systems

The Information and Systems Team is responsible for ensuring that the adult care case management system is effective and efficient in managing adult care activity and managing adult cares Information and Advice offer. The delivery of a new case management system for adults, public health and children's is a corporate project and a significant number of this team's officers have been seconded to this programme. This has meant that system development and training has been governed as part of the MOSAIC programme.

The team also manage the authority's information and advice offer for adult care. This is through the provision of web based information, online training manual for internal and commissioned service staff, implementation of the accessible information standard and publication of public documents such as the Local account. This offer is assessed annually through the ADASS Sector-Led improvement assessment programme. The external offer was also judged as second best nationally by an Independent Age review of care act compliance.

The work of the team is managed through the Mosaic programme, Personalisation Board and for some elements – STP Self care board.

Quality assurance

The work of this team is largely governed through the bimonthly Quality and Safeguarding Board - chaired by the Executive Director. This group oversees the quality of internal processes and practice in addition to externally commissioned services. There is a work programme in place for assuring the quality internally and externally across the four commissioning strategies in Adult care.

The team's work is managed through a detailed work plan and arranged around the three principles of Safe Services, Effective services and people's experience of care and Support. This includes the development and undertaking of ongoing customer feedback surveys and undertaking bespoke 'deep dive' assessments of quality. The work feeds back to the Quality and Safeguarding board and is used to influence commissioning activity or social work practice.

Adult Care Finance

This function is provided by Serco and covers the financial assessment of adults receiving social care, the payment of individuals and care providers and the management of individual's own monies through a court of protection or appointeeship / guardianship arrangement.



Combined Assurance Status Report

The contract specification for the corporate services contract sets out the services to be delivered and the measures by which performance is to be monitored. The service lead has monthly 121s with the service manager in Serco and monthly formal service review meetings with Serco and commercial team representatives. The monthly meetings utilise a risk log which allows issues and mitigating actions to be discussed in a formal way and progress to be monitored. The monthly performance is recorded in a 'performance book' which is signed off by all service leads and used to inform the operations board, chaired by the Chief executive.

Care and Community Wellbeing Directorate management team.

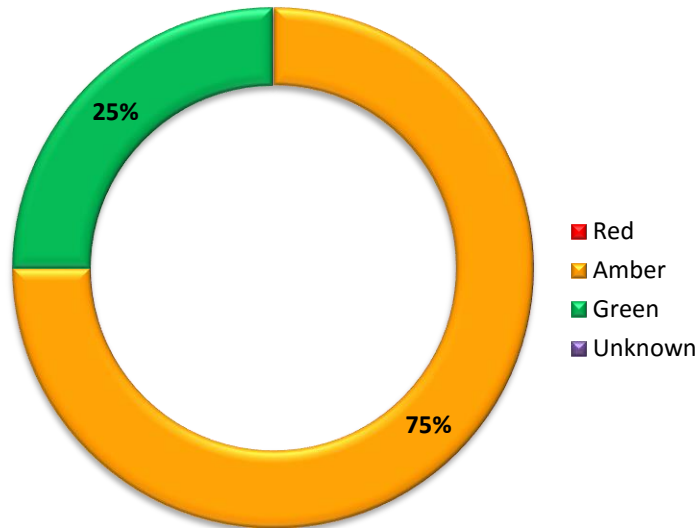
Lower Assurances

There is an issue with the timeliness of financial assessments which are undertaken by Serco under the Corporate Support Services contract. The process is complex due to the introduction of new case management system Mosaic and the intention to integrate case management and finance systems. Mitigation is in place for the KPIs for this service, however some clients are experiencing long delays, which can lead to financial risk for the council and for the individual. A jointly agreed action plan has been put in place to resolve the situation, including agreed additional capacity for the team. This is monitored through monthly service meetings and 121's the approval of the improvement plan has been through Adult



Combined Assurance Status Report

Wellbeing



Overall Assurances

Green	Amber
Support to CCG's	Health Improvement, Prevention and Self-Management
Health Protection	Sexual Health Services
	Specialist Equipment and Integrated Community Equipment Scheme
	Housing Related Support
	Wellbeing service
	Substance Misuse

Overall Comments

The combined level of assurance across all service areas masks a range of positions within the public health division and within the combined area of Health Improvement, Prevention and Self- Management, although there are no areas rated below amber.

A number of service areas have recently been recommissioned or are programmed for recommissioning over the coming months.

This cyclical activity reduces assurance overall as new models or providers of services require a period of time to bed their services in and deal with the business continuity risks inherent in service transition. An example of this might be substance misuse services, whose recent recommissioning was audited as having 'substantial assurance' but we have rated the overall assurance as amber here as the new provider has seen a dip in performance during transition.

Services due for recommissioning present risks to business continuity as incumbent providers decide whether to retender and staff begin to look around to protect their livelihoods and working environment. An example would be the NHS Health checks Service, which is high performing and would attract a green rating if it were not planned to be retendered,



Combined Assurance Status Report

The most assured of the service areas are those which have the most stability, the professional services the Council provides to the NHS and the Health Protection Service.

Management of Risk

The management of risk in commissioned services is primarily through good procurement and effective contract management. In October 2016 the management of procurement and contract management transferred out of public health into Commercial Services. Not all of public health providers have undertaken contract management through this new system yet, but the gradual implementation of this is, and inclusion of all public health services in established quality and safety systems in Adult Care is increasing management assurance.

An additional layer of assurance has been introduced in this period for services with a clinical component, with the introduction of a Council Wide Clinical Governance Framework.

An internal assurance group exists to apply this rigour to the delivery of services which are provided by the public health team.

Lower Assurances

Smoking Cessation

For Smoking Cessation the quality level rates dropped this year – the numbers quitting dropped to 43%. As a result of this and other service data issues related to pharmacotherapy provision it has been decided to re-procure this service. The current provider is losing money on the current contract.

NHS Health Checks

The NHS Health Check programme is performing well in Lincolnshire and it is considered to be one of the best schemes in the country. This current cycle concludes in 2018 and the new cycle is for 2018-2023. There is currently as procurement exercise and GP support for the service is uncertain at present. We are currently in a period of engagement as part of the re-procurement process and LMC/GP initial feedback has been predominantly financial based. As there is a set budget for this service cost increases are not an option.

Specialist Equipment and Integrated Community Equipment Scheme

This service was audited in November 2016 and assessed as limited assurance. Some of the main areas of concern such as lack of ongoing commitment from Partners (impacts on attendance at Partnership Board) are still problematic. Other



Combined Assurance Status Report

concerns over satellite stores problems and ongoing problems in recruiting to vacant OT posts are now close to resolution.

Significant management effort and resource is deployed in resolving a new risk associated with the strategically correct transfer of telecare services into this provider's contract.

Housing Related Support

This service is currently being audited and an amber rating has been given as audit cannot see evidence of the commercial team's new contract management framework working successfully as it is too early in its delivery.

The changes over the past few years to statute, benefit reforms and an increase in homelessness have identified a risk that the HRS model, as commissioned, may no longer be delivering to meet the current need. These risks are being managed through the opportunities afforded by the Homelessness Social Impact Bond and by the new contract management role of Commercial Services.

Wellbeing Service

The service is currently being re-procured and service mobilisation group is now developed including key operational staff across Public Health, Adult Care and Commercial services to manage the implementation of the new service and reduce risk. Commercial services are currently drafting a mobilisation plan to drive this work and reduce associated

risks. A risk register will sit alongside this work to assess, identify, and manage risks.

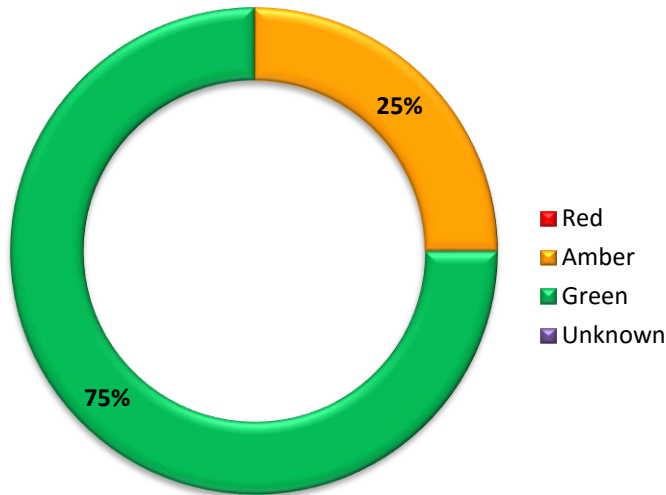
Sexual Health Services

The service has been re-procured relatively recently. A more structured and prioritised approach to the outstanding actions from mobilisation of this contract is now in place



Combined Assurance Status Report

Key Projects



Overall Assurances

Green	Amber
Deprivation of Liberty Safeguards	Mosaic
Care Act Implementation	
Better Care Fund	

Better Care Fund

Lincolnshire's Better Care Fund for 2017/18 totals £226m making it one of the largest pooled budgets across the health and social care community in England.

Current plans have been discussed and approved by a number of different governance groups including the Lincolnshire Health and Wellbeing Board, Lincolnshire Joint Commissioning Board and the Lincolnshire Strategic Executive Team

The plan has also been shared with and is supported by the Lincolnshire Care Association (LinCA) which is a strategic partner representing the interests of Social Care and many housing providers within the independent and voluntary sector in Lincolnshire.

The resulting BCF "Narrative Plan" was submitted to NHS England in September and was approved without conditions meaning that:

- Plans have met all national conditions;
- There is an agreed a spending plan for the IBCF grant
- That we have set out a vision and progress towards fuller integration of health and social care by 2020
- Our plan have been judged as a robust approach to managing risk to plan delivery, including adequate financial



Combined Assurance Status Report

risk management arrangements, proportionate to the level of risk in the system.

MOSAIC

Mosaic went live on 12th December 2016 with the case management element for children and adult services and some elements of public health (telecare and wellbeing). The provider, customer and 3rd party portal remain undelivered, albeit, alternative provision has been made for partner agencies to use Mosaic. The number of services and users of the system has grown significantly. This has begun to deliver the vision of understanding and managing information about individuals in one place; however, there remains significant development activity to deliver the Council's vision of a multi-agency fully integrated case management and finance system, and in satisfying national policy

A clear governance structure is in place to manage all outstanding activity and a clear change management approach is operated.

At the point of go-live, there remained significant remedial activity to secure and stabilise the system, an action plan is agreed between key partners and is monitored through a Remediation Board. The Remediation Action Plan is now substantially finished with 21 out of 25 actions completed. A Mosaic Governance Board now meets weekly to track and

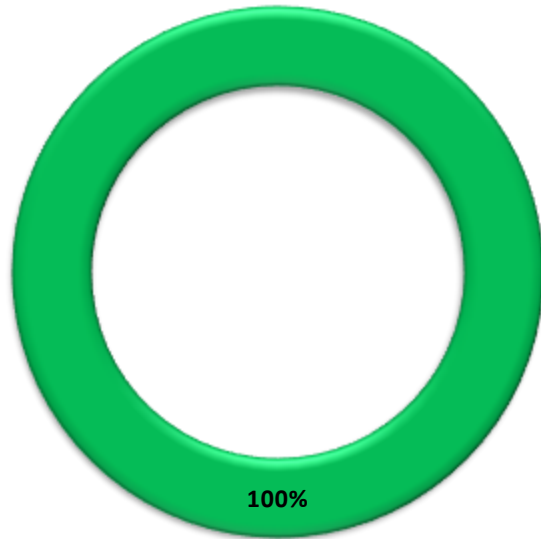
manage all change activity within Mosaic. The next steps in the Mosaic Development Programme include:

- Development of a customer portal (allows customers and carers to access records online and self-refer)
- Development of practitioner portal (allows practitioners to access live customers records via the internet)
- Development of provider portal (allows commissioned services to send and receive information via Mosaic)
- Care Portal for Adult Care (linking up to NHS information systems)
- Implementation of Mosaic financial modules and decommissioning existing finance systems (dependent on Agresso 6 upgrade)
- 'On boarding' of external services e.g. Sensory Impairment Service, , further work with Fire and Rescue
- Future development of public health service, further integration of adult care and public health service, reprocurement and of Wellbeing Service, potential use of Mosaic for District Councils to record Disabled Facilities Grants, potential replacement of existing Housing Related Support system (The Avenue)
- Ongoing review of all existing workflows within Mosaic to ensure that they are optimised and delivering efficient pathways for customers and practitioners
 - Identifying and delivering new functionality within Mosaic
 - Upgrade to system twice per annum, with one major and one minor upgrade



Combined Assurance Status Report

Key Partnerships



- Red
- Amber
- Green
- Unknown

Overall Comments

As indicated through this document the Directorate is now almost entirely interdependent upon strategic partnerships and it is these that have largely secured robust financial management with good performance. The amount of time dedicated to maintaining these either through soft-systems or commercial approaches remains high.

Management of Risk

At a strategic level there remain two primary risks that have been identified that remain the responsibility of the Directorate to influence and oversee. The first of these is the availability and quality of social care services to meet eligible needs as identified by the Care Act 2014.

The second is the backlog of Deprivation of Liberty (DOLS) cases that have been generated following the 'Cheshire West' judgement in 2014. This created a ten-fold increase in demand for DOLS assessments both here and across the Country. Mitigations are in place with cases being prioritised and additional funds secured to increase capacity and, over time, reduce the backlog.

Overall Assurances

Green
Joint Commissioning Board
Health and Wellbeing Board
Joint Public Health and Clinical Governance Assurance Board
Lincolnshire Safeguarding Adults Board



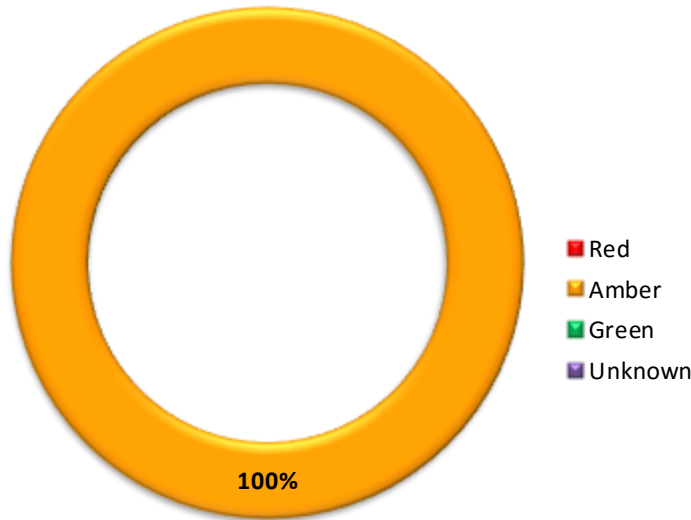
Combined Assurance Status Report

Lower Assurances

Whilst not a matter best described as 'low assurance' it is important to highlight the very real and evident difficulties faced by NHS partners in Lincolnshire. Whilst the County Council is not responsible for these services it is a strategic partner and, in a number of areas heavily interdependent. As such it is prudent to remain close to NHS partners and support where appropriate to ensure Lincolnshire citizens are not unduly, and negatively, impacted.



Key Risks



Overall Assurances

Amber
Safeguarding Adults (Strategic risk)
Adequacy of Market Supply to meet eligible needs for adults (Strategic risk)
Mosaic Implementation / reliability (operational Risk)
Sustainability of Better Care Fund (Emerging Risk)
Mobilisation of new Wellbeing service (Emerging risk)

Strategic Risks

Council's highest rated Strategic Risks for this area of the business

Safeguarding adults

Adequacy of market supply

As part of the agreed fundamental review of the strategic risk register the regular updating of the register is being placed on hold to ensure full consideration is given to existing strategic risks, new emerging risks and any impacts from the increase in risk appetite statements is taken into account. The current strategic risks remain in place



Corporate Governance

Our Combined Assurance model focuses on assurance against critical systems, projects, risks and partnerships. This helps the organisation to understand corporately where it's performing well and where improvements are required. Many of the Council's critical services and systems underpin a sound corporate governance framework. In this section we set out how the Council has approached corporate governance, complied with guidance and obtained assurance on its significant governance issues.

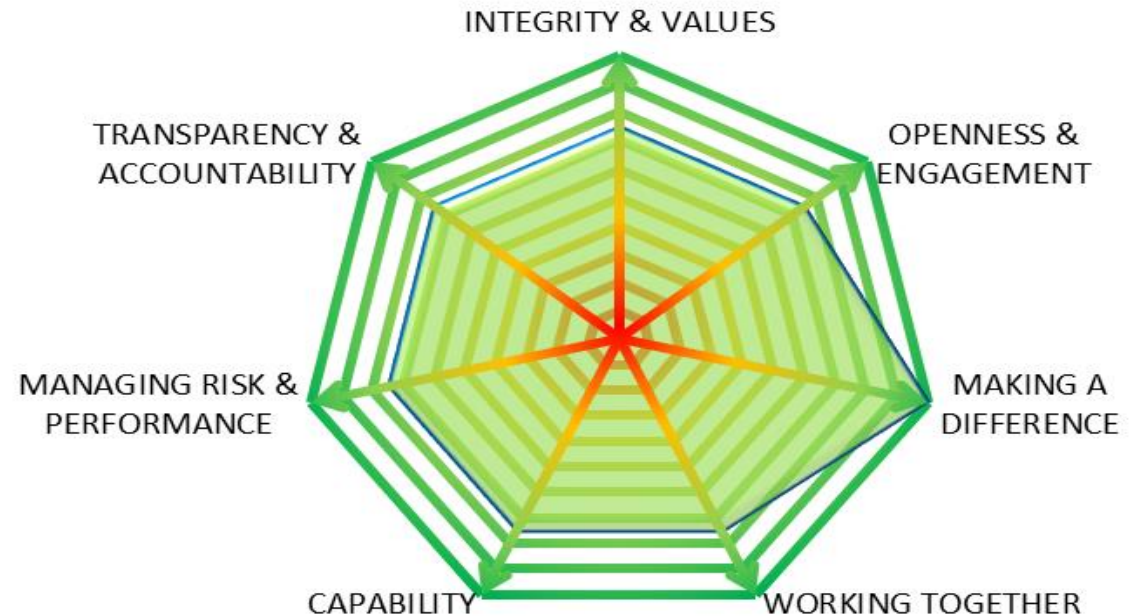
The Council must ensure that it meets the highest standards and that governance arrangements are not only sound but are seen to be sound. It is crucial that leaders and chief executives keep their governance arrangements up to date and relevant. Council's should develop a local Governance Code which reflects the "delivering good governance in local government framework (CIPFA/SOLACE 2016)" (the framework).

The framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. Whatever form of arrangements are in place, authorities should therefore test their governance structures and partnerships against the principles contained in the Framework.

At Lincolnshire County Council this was independently assessed during November 2016 and assurance given over

the evidence supporting good governance arrangements for each of the 7 Principles. All assurances were high or substantial.

Evidence demonstrating good governance



The assessment identified some areas for improvement in relation to governance arrangements for collaborative working (partnerships) and ethical governance. Audit work is underway to support improvements and provide further assurance in both of these key areas.



Combined Assurance Status Report

Annual Governance Statement

The Audit Committee are also helping with independent assurance during the year.

The assessment against the code, among other things, helped to inform the Council's Annual Governance Statement 2016/17. Overall this confirmed that the Council has the appropriate systems and processes in place to ensure good governance is maintained. The review did identify a number of areas for improvement.

Key Improvement Area
IT Governance
Financial Sustainability
Financial Control Environment
Market Supply (Adult Social Care)
SERCO Contract – Lessons Learnt
Delivery of Support Services and Improvement – SERCO
Collaborative Working – Governance Arrangements

During 2017/18 the Council is working to address the matters identified and is monitoring implementation and operation as part of performance management – which is reported to the Council's Corporate Management Board and the Executive.

Combined Assurance Status Report

Page 59



What we do best...

Innovative assurance services

Specialists at internal audit

Comprehensive risk management

Experts in countering fraud

...and what sets us apart

Unrivalled best value to our customers

Existing strong regional public sector partnership

Auditors with the knowledge and expertise to get the job done

Already working extensively with the not-for-profit and third sector



Combined Assurance Status Report

Introduction	1
Key Messages	3
Critical Systems	7
Key Projects	35
Key Partnerships	37
Key Risks	39

Contact details – Debbie Barnes
Executive Director, Children's Services
Debbie.barnes@lincolnshire.gov.uk





Introduction

This is the sixth combined assurance report for Children's Services within the Council.

By grouping the different sources of assurance in a single model we provide the basis for Senior Management and Audit Committees to gain a better understanding of their organisations assurance status and needs.

We do this by coordinating assurance arrangements – providing some structure – this is our Assurance Map.

We have well established Assurance Maps that help us to focus our work plans on the make or break risks that affect the successful delivery of services and strategic objectives. The Maps also recognise the importance of critical business systems that support successful delivery and 'protect the business' – the due diligence activities.

The Maps give an overview of assurance provided across the whole organisation – not just those from Internal Audit – making it possible to identify where assurances are present, their source, and where there are potential assurance 'unknowns or gaps'.

The Maps are an invaluable tool for senior managers, providing a snapshot of assurance at any point of time. This report explores those assurances in more detail.

We gathered and analysed assurance information in a control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing the service.

Scope

We gathered information on our:

- **Critical systems** – those areas identified by senior management as having a significant impact on the successful delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people.
- **Due diligence activities** – those that support the running of the Council and ensure compliance with policies.
- **Key risks** – found on our strategic risk register, operational risk registers or associated with major new business strategy / change.
- **Key projects** – supporting corporate priorities / activities.
- **Key partnerships** – partnerships that play a key role in successful delivery of services



Combined Assurance Status Report

Methodology

To ensure our combined assurance model shows assurances across the entire Council, not just those from Internal Audit, we leverage assurance information from your 'business as usual' operations. Using the '3 lines of assurance' concept:



Our approach includes a critical review or assessment on the level of confidence the Board can have on its service delivery arrangements, management of risks, operation of controls and performance.

We did this by:

- Speaking to senior and operational managers who have the day to day responsibility for managing and controlling their service activities.
- Working with corporate functions and using other third party inspections to provide information on performance, successful delivery and organisational learning.
- Using the outcome of Internal Audit work to provide independent insight and assurance opinions.
- Considering other information and business intelligence that feed into and has potential to impact on assurance.

We used a Red (low), Amber (medium) and Green (high) rating to help us assess the level of assurance confidence in place.

The overall assurance opinion is based on the assessment and judgement of senior management. Internal audit has helped co-ordinate these and provided some challenge **but** as accountability rests with the Senior Manager we used their overall assurance opinion.



Key Messages

As a service area, we have high aspirations and a clear, shared vision for all of our children and young people. We are committed to Putting Children First: Working with families to enable them to enhance the current and future lives of their children.

There is strong political and managerial leadership of Children's Services with a stable, highly competent, and visible Leadership Team. Leaders have excellent relationships with partners and LCC staff as well as with schools, including academies. Integration best summarises our approach to the commissioning and delivery of good and outstanding services. We demonstrate true integration and focus on needs not silo working so families access joined up services.

The summary position is that the service continues to effectively identify, manage and mitigate risk through robust leadership and management, a strong performance led culture of accountability and the application of effective systems and processes across the whole service. This year has seen the transfer of 0-19 years public health nursing into the service which offers significant opportunity to integrate all services for children and young people.

The service has a good understanding of its strengths and weaknesses and works proactively to be a learning

organisation. There is a significant focus on quality assurance processes which enables the service to assess the impact of practice on outcomes for children, young people, families and the Council's workforce. This has been challenged this year due to the implementation of Mosaic which has resulted in a lack of quality data so reporting of performance is not as robust as needed.

Partnership arrangements are robust and the local arrangements ensure a clear and collective determination and drive to engage agencies in delivering a coherent approach to safeguard children, promote their welfare and ensure that they reach their potential with a strong focus on educational aspirations. Strategic action plans are well considered and comprehensive, and are underpinned by a strong shared vision and ambition with clear governance across all partnership arrangements. Partnership working with Serco is improving.

The service constantly seeks new, innovative and most cost effective arrangements to improve practice across Children's Services and People Management. As a Partner in Practice, we are transforming our business processes, placing Signs of Safety at the heart of how we work with families. In addition, we continue to support other Local Authorities who are in need of improvement. Whilst this is an exciting opportunity, capacity is being carefully balanced through a peripatetic team of staff. Our sector led approach to school improvement has reduced costs and is recognised as best practice nationally.



Combined Assurance Status Report

However it must be highlighted that the AGRESSO system as an enabler continues to impact negatively on service performance/ staff management. Significant staff time has been diverted from direct service delivery to address the ongoing challenges and there has been a lack of performance monitoring so managers don't have access to the tools they need to enable them to be highly effective. ICT as an enabler continues to be a challenge as staff do not have access to equipment which supports them to work flexibly.

In addition to the challenges outlined above, there remain some critical issues for the service: demand on resources continues to increase in line with other Local Authorities so budgets remain under pressure. A bid for additional resources in response to increased demand has been submitted. Recruitment of skilled qualified staff especially social workers is a key challenge with the service continuing to provide a focus on recruitment opportunities with significant success. This work will now be used as a model to apply to the ongoing recruitment and retention of qualified public health nurses.

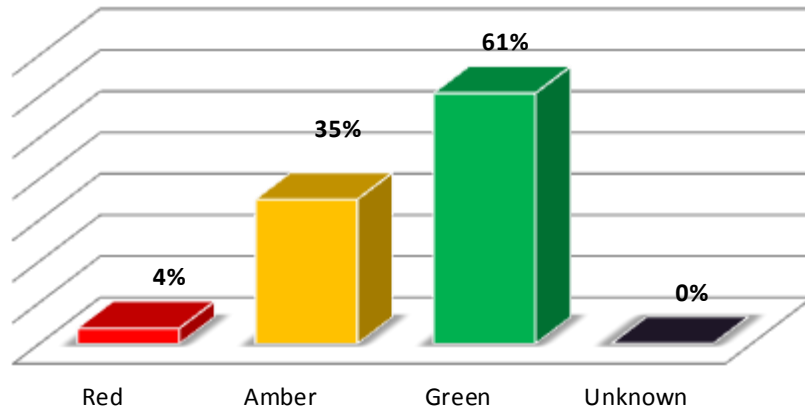
As the Executive Director with responsibility for the People Management function, (which supports all Director Areas of the Council), there has continued to be significant client side resources assigned to the governance of the Serco contract and in particular to the remediation of the HR and Payroll aspects of the Agresso system. This also includes oversight of transformation projects designed to improve the delivery of the

People Management service. The priority area has been to address the historical payroll errors, to plan for the Agresso upgrade and modernise and improve the Recruitment Service. Unfortunately progress on these matters has not materialised as quick as planned. This places additional risks on the Council.

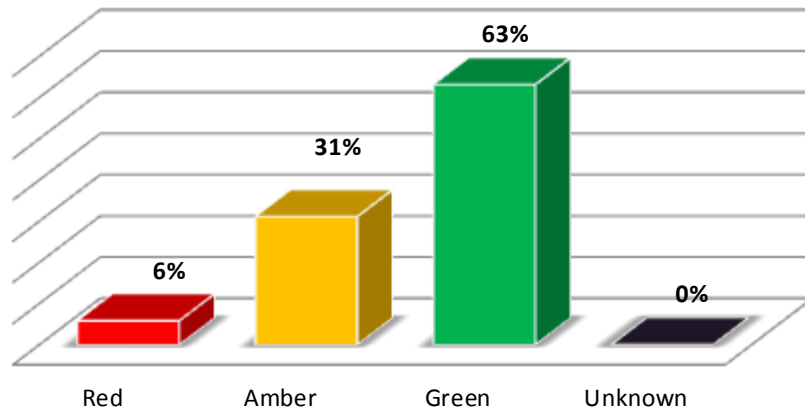


Combined Assurance Status Report

Overall Assurance Status 2017/18



Overall Assurance Status 2016/17



Suggested next steps.....

Over the past 12 months we have worked hard to deliver the key projects outlined in last years' report. We have successfully insourced the 0-19 years public health nursing teams, transforming our school nursing offer. We have worked with Head Teachers of our special schools to develop a new strategy for the provision of specialist education and are consulting on the strategy. This will offer more opportunities for inclusion so that children in need of an alternative curriculum can have their needs met closer to home. This will reduce long travel distances and ensure children can have access to a curriculum which meets their needs within their locality.

The partners in practice programme is moving from design to delivery. The service also planned to review housing options for our looked after children/ care leavers who are preparing for independence and adulthood and have plans to invest in alternative supported accommodation options to ensure we can meet their needs within Lincolnshire. This project remains in design stage due to a changing national picture with the Government's aspiration to extend the LA's role with care leavers. This project will be revised to accommodate this national expectation. Finally, we have responded to the national requirement for expanding apprenticeships into the workforce although this is challenging due to the delay in



Combined Assurance Status Report

producing apprenticeship standards at a national level. However locally, we have undertaken significant procurements so we have a market for delivery and have apprenticeships across the council and in schools.

The next 12 months will see many of these projects fully implemented to enable us to realise the significant transformational opportunities:

- As a partner in practice we will implement the planned changes to our business processes for safeguarding children:
- We will fully integrate the 0-19 years public health nursing service, which will further integrate health and social care services for families. The model of public health nursing for children and young people will be modernised to more appropriately reflect the way children live their lives and the associated challenges.
- We will consult and subject to formal decisions, we will implement our strategy for ensuring a localised system for specialist education provision
- Meeting the needs of our looked after children who are preparing for independence and adulthood can be challenging for some of our most vulnerable. We will realise our ambitions for alternative supported

accommodation options to ensure we can meet their needs within Lincolnshire

- We will work with Health to enhance our joint approach to commissioning for pupils with special educational needs / disability ensuring we have a clearly defined and integrated offer for families,
- We will continue to respond to the national requirement for expanding apprenticeships into the workforce and continue to find new and creative ways to recruit into hard to recruit posts

We will build on our successful commissioning of services to improve young people's emotional health and wellbeing to ensure that all young people, especially those who are most vulnerable, can quickly access services which meet their needs.



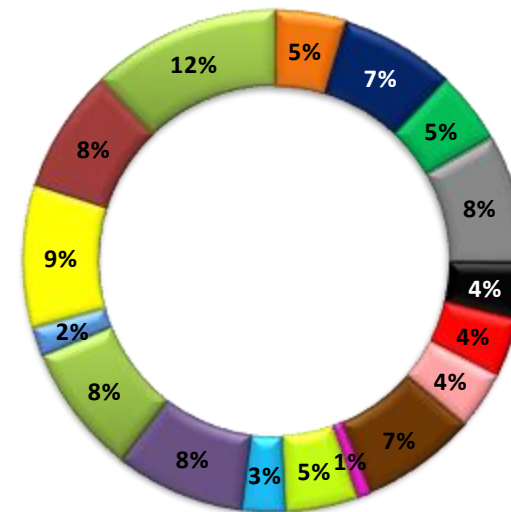
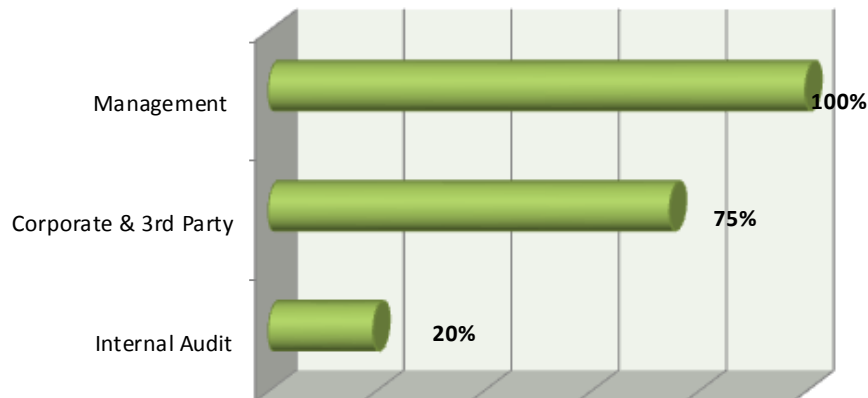
Combined Assurance Status Report

Critical Systems

Children Services is heavily regulated through our inspectorate Ofsted so third party assurance on the vast majority of our services are provided through this arrangement. In addition, the service has a comprehensive and robust quality assurance framework which works collaboratively with the Council's audit department to offer complimentary audit arrangements. Collectively these systems provide assurance on the quality of provision.

There is significant governance regarding the contract management of Serco and we envisage that this will continue to be needed in 2018

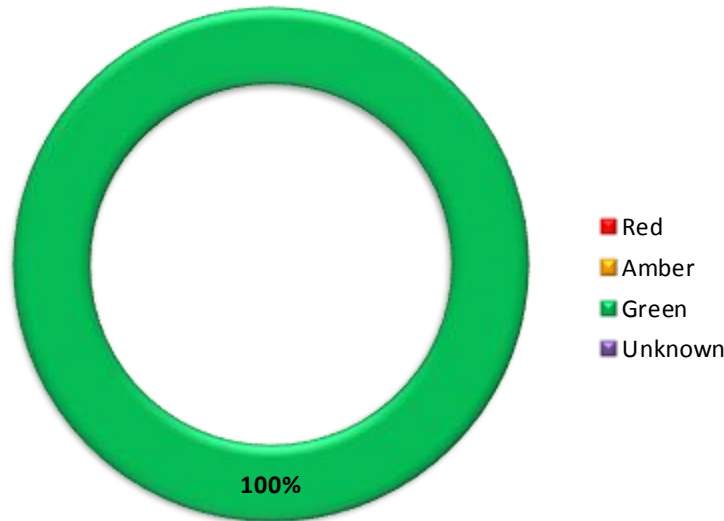
Who Provides Your Assurance



- Safeguarding Localities
- Safeguarding Regulated
- Early Help Localities
- Early Years
- Quality and Standards
- Education of Children Looked After
- Youth Offending
- Commissioning and Performance
- Inclusion
- Education Support
- School Improvement Service
- SEND
- People Management
- Schools Finance
- Key Projects
- Key Partnerships
- Key Risks



Safeguarding Locality



Overall Comments

All areas are closely monitored and regulated. Significant management oversight is in place. No major changes since last year. Further assurance can be gained from the JTAI which did not highlight any concerns about safeguarding in localities. Further embedding in signs of safety has seen the voice of the child captured and implemented in safety planning. Recent independent scrutiny from an ex-Ofsted inspector has found that services remain of a good standard.

Management of Risk

Risks are managed through a high level of management oversight and regulation. Senior managers are involved in assessing risk on individual cases though support panel. Children subject to a child protection plan are managed through the independent child protection process. Agreements for children to be placed in the care of the Local authority are made at senior management level.

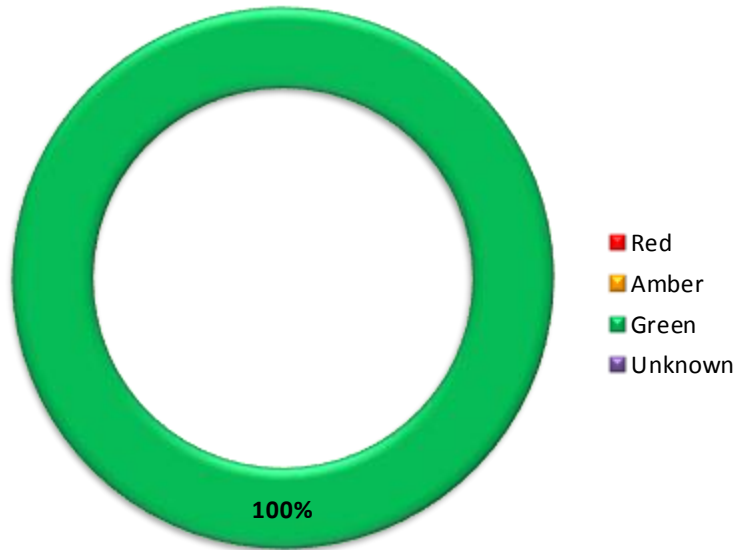
Overall Assurances

Green
<ul style="list-style-type: none"> • Children's EDT • Children In Need • Child Protection • Care Proceedings • Support Panels



Combined Assurance Status Report

Safeguarding Regulated



Overall Assurances

Green
<ul style="list-style-type: none"> • Adoptions (Including Special Guardianship Orders) • Fostering • Private Fostering • Looked After Children (including Out Of County) • Children's Homes • Secure Unit • Care Leavers • Short Break Homes

Overall Comments

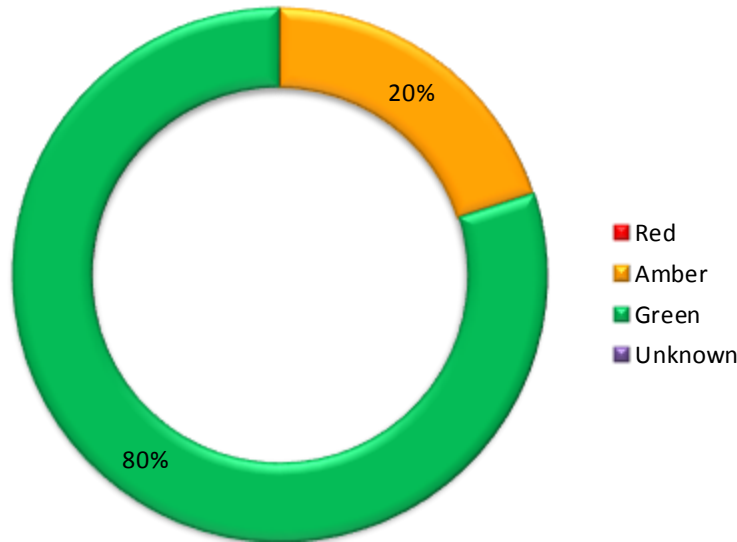
Regulated Services has continued to meet all targets in respect of key performance indicators, demonstrating that the services it delivers remain strong and ensures good outcomes for children and young people. The Corporate Parenting Panel, Safeguarding assurance days, rigorous auditing process and the Independent Reviewing Officers provide internal scrutiny of the activity and performance of the services provided to Looked After Children. The introduction of Social Pedagogy and scrutiny through the Regulation 44 officer and Ofsted has ensured that outcomes for Children Looked After within children's homes remain good or outstanding. Regulated Services continually monitors and evaluates its service at every stage of the child's journey through care to ensure quality and effectiveness.

As is evidenced through the Adoption Scorecard, performance remains strong compared to the National average. The progression of a child's plan for adoption is robustly tracked throughout the adoption process from commencement of the adoption plan through to the adoption order being made. This ensures that every stage of the child's journey is effectively managed to ensure the best outcome with minimal delay. The numbers of children waiting for an adoptive family continues to remain low. Performance of Regulated Services is also monitored externally, through Ofsted, with all services being judged as Good or Outstanding.



Combined Assurance Status Report

Early Help Locality



Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Family Information Service Early Help Contact Service Safeguarding 	<ul style="list-style-type: none"> Troubled Families Programme

Overall comments

Locality Early Help teams have been in place since November 2015. As part of our Partner in Practice work the service is being reviewed to ensure that it is in line with all our strategic priorities and to ensure that intervening early with the right children young people and their families ensures they do not need to access statutory services.

Further work is planned through Partners in Practice to strengthen the response to adolescents who come into contact with Early Help as a result of their challenging behaviour at home. Building on the positive work already completed it is hoped a multi -agency response will prevent young people having to access statutory services, having their needs met at the earliest opportunity.

Early Help consultants continue to provide supervision, support and guidance to schools and other professionals and training, workshops and development sessions continue to be offered. The response to the National Troubled Families Programme remains strong and whole family working is fully integrated into the locality teams. There remains a strong focus on ensuring young people attend school and adults are supported to gain employment. The payment by results element of the programme is challenging however very recent changes to this at a National Level should enable our performance to improve.



Combined Assurance Status Report

Management of Risk

There is a need to review the capacity of the team, the priorities and to ensure families are able to access the right support from the right person and the right time. The review of Early Help will also ensure that staff are developing positive relationships with families to work with them restoratively, using interventions that work so families are able to sustain the changes in the future and not have a need for statutory services. Demand for services across all of Early Help requires us to continually review priorities ensuring our focus in on supporting families to find their own sustainable solutions.

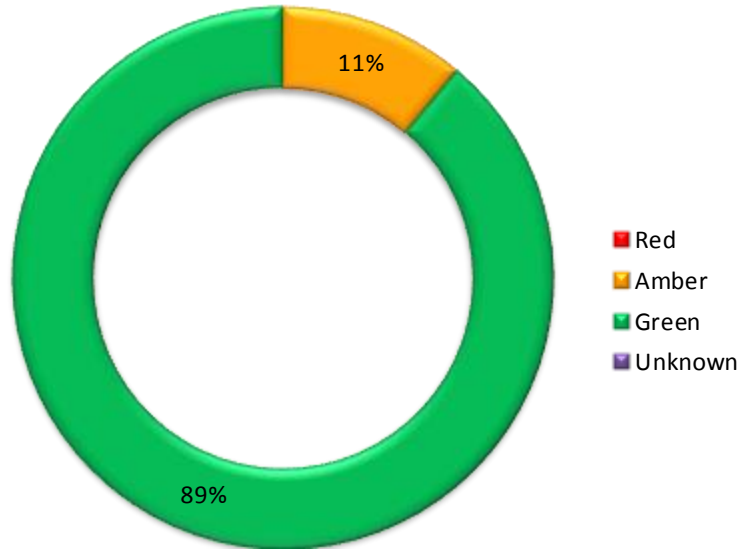
Lower assurance

The payment by result element of the Troubled Families Programme has presented a number of challenges. The change over from ICS to Mosaic had an impact on the ability to collect information. There has however been a change to the framework at a National Level which allows some local flexibility in the way progress in educational attendance is measured which should place us in a stronger position in the future to make the required number of claims and therefore maximise the income potential for Lincolnshire Children's Services.



Combined Assurance Status Report

Early Years



Green	Amber
<ul style="list-style-type: none"> EY Educational Entitlement Funding (2 YO) Early Years Foundation Stage Profile Scores, Data Collection and Monitoring Early Intervention - Area Senco/Inclusion, advice and support Supported Childcare Allocations and Inclusion Funding Early Intervention Family Group Conferencing Children's Centres 	

Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Support, challenge and advice is available to all Early Years/Out of school providers and childminders (inc reception classes and EY/OOS provision in schools) 	<ul style="list-style-type: none"> EY Educational Entitlement Funding (3-4 YO)

Overall comments

There is an increase in the number of early years providers with an Ofsted rating of good or outstanding to 96%. The take up of Educational Entitlement Funding for 2 year olds is in line with the national average and a range of strategies have been put in place to increase the numbers of eligible families accessing this free entitlement.



Combined Assurance Status Report

Early Years Foundation Stage outcomes for Lincolnshire remain broadly in line with National averages and above the East Midlands performance. Lincolnshire allocate a named Early Years Specialist Teacher to support each setting that has a child with an inclusion need to offer support and advice from within the Early Help Locality Teams. Funding is allocated to support vulnerable children and children with special needs to support improving outcomes.

Management of risk

All risks are continually monitored by the team, with regular updates and reports to DMT and Children's Scrutiny.

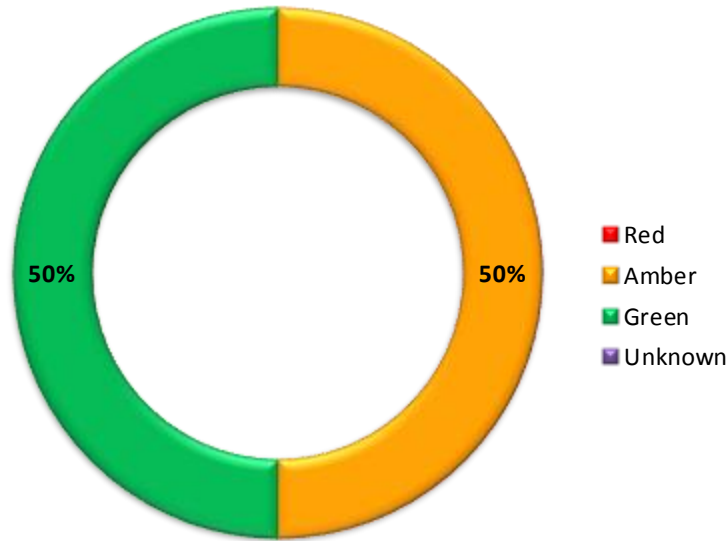
Lower Assurance

As anticipated the move in September 2017 to an increase to 30 hours entitlement for all 3 and 4 years olds presented some challenges for the Service. Currently 97% of all 3 and 4 year olds are accessing Early Education places. Take up of this will be closely monitored during the first year of implementation.



Combined Assurance Status Report

Quality and Standards



Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Independent Chairs and Independent Reviewing Officers Learning and Development 	<ul style="list-style-type: none"> Parent Partnership Liaise Service, advice and support service Quality Assurance

Overall comments

The Independent Chairs and Reviewing Service has seen some changes of staffing over the last year. The team is expected to be fully staffed with permanent workers by February 2018. Additional changes which have taken place have been focused on improving the quality of service which is offered to children and young people with a higher level of direct engagement from workers. Two additional permanent posts have recently been recruited to in order to manage capacity and maintain the quality of service. There has been a renewed focus on escalations and challenge.

The independent advice and support service (Liaise) was subject to a restructuring which was completed in August 2016. As a consequence a new workforce has been recruited and all staff members have recently completed comprehensive inductions. The service specification has been reviewed and updated and plans are in place to increase the numbers of families supported by the service, but also to increase direct engagement with young people who are at the centre of the SEND process.

There have been some staffing changes to the Team Manager and Practice Supervisor roles in Learning and Development from last year. The service continues to be responsive to the training needs of workers within Children's Services.



Combined Assurance Status Report

Quality and Assurance underwent a restructuring in 2016 which was completed in August 2016. The Practice Supervisor recruited in January 2017 has recently left the post, along with a Project Officer. An additional qualified Social Work post has been agreed to strengthen the audit team and all three posts are currently being recruited to. A new Quality Assurance framework has been developed, with analysis and outcomes of themed monthly audits being reported to DMT and recommendations being tracked more robustly.

The LADO service was reviewed last year and additional posts created. The Team comprises of two qualified LADOs and one Business Support post. All work is recorded on Mosaic and the backlog has been cleared. Cases are tracked more robustly. Performance reports and quality assurance process are being developed

Management of Risks

All risks are effectively managed within the service areas. Mosaic has caused some issues around reporting for the Independent Chair's Service but these are in the process of being resolved. The current vacancies in the Audit Team are being covered by two consultants who are experienced in auditing. This will remain in place until the vacancies are filled.

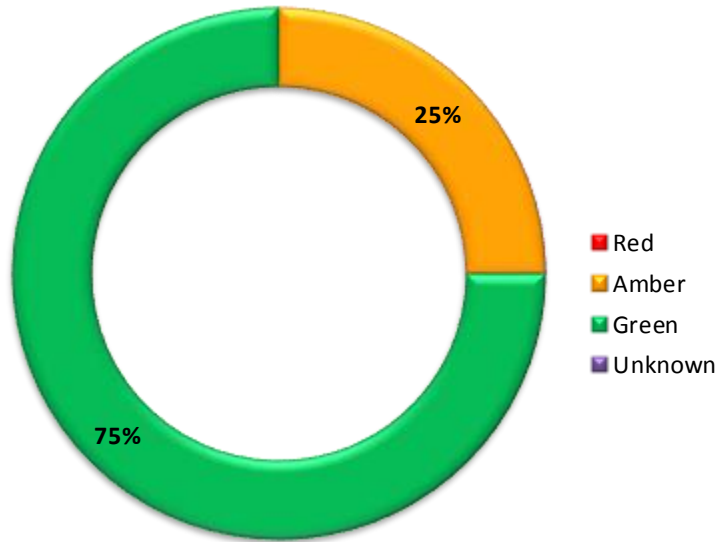
Lower Assurance

The increase in children looked after this year has contributed to a backlog of Chairs reports from LAC reviews but this is being addressed within the service.



Combined Assurance Status Report

Education of Children Looked After



Green	Amber
<ul style="list-style-type: none"> Allocation of pupil premium to support education plan Supporting admission and inclusion of LAC into mainstream schools 	

Overall Comments

The PEP system has been upgraded and this has expanded to include early years and post 16. The target is currently 100% competition with current performance at 98.5%. Pupil premium allocations are linked to EPEP progress targets with a coordinator in place to ensure funding is allocated to schools in line with this. Support is in place to ensure schools, social workers and teachers are best placed to support the needs of Looked After Children and exclusions are significantly below those for children who are not looked after by the local authority.

Through Partners in Practice a Caring to Learn work stream will offer opportunities to ensure schools are focused on the care needs of this particular cohort and foster carers are supported to focus on the learning needs of the children and young people in their care.

Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Challenging and supporting schools and academies to improve educational progress of LAC 	<ul style="list-style-type: none"> Monitoring the education performance of looked after children through review of EPEP



Combined Assurance Status Report

Management of risk

Pupil progress is regularly reviewed and challenge and support is in place to address any concerns with schools. Performance and risks are regularly monitored by the team with regular updates and reports to DMT, Corporate Parenting Board and Children's Scrutiny

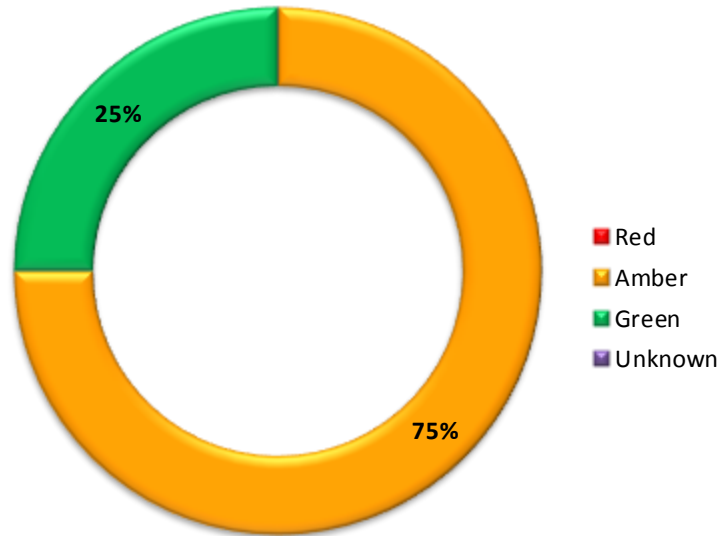
Lower Assurance

Monitoring the education performance of looked after children has moved to amber. This is as a result of a national consultation which proposes to increase the role of the Virtual School to a much larger and currently unknown group of former looked after children. This currently presents some risks and uncertainty around the increased resource requirements that would be needed to meet this additional need.



Combined Assurance Status Report

Youth Offending



Overall Comments

The Youth Offending Service has since its move into Children's Service become integrated into the work of the Children's Locality Teams, with increased opportunities for joint work in relation with Early Help and Social Care colleagues. Feedback from internal and independent audits remain positive and recent safeguarding assurance and separate show casing practice days demonstrated evidence of strong case management and joined up working. Integration is being further strengthened through Partners in Practice which presents an opportunity for a more streamlined assessment process in line with Signs of Safety and work focusing on managing the risk presented by the most challenging group of adolescents who present both to the Youth Offending Service and Early Help for assistance with behaviour displayed at home.

There remain challenges in respect of both core funding through the uncertainty around secondments from partner agencies and remand management due to the unpredictability in managing this year on year against the small grant the local authority receives from the Youth Justice Board. This will be closely monitored as part of the budget monitoring and any issues highlighted through Children's DMT and Corporate Finance.

A Joint Diversion Panel has recently been established and early indications suggest this will have a positive impact on

Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Youth Offending Service Delivery 	<ul style="list-style-type: none"> YOS Funding Remand Management YOS Prevention



Combined Assurance Status Report

First Time Entrant performance as it is successfully diverting young people away from both cautions, conditional cautions and court. Not only is this improving the life chances of a significant number of young people is it ensuring that young people are receiving the right help from the right person at the right time, accessing Early Help Services when appropriate and having the opportunity to be part of a restorative intervention.

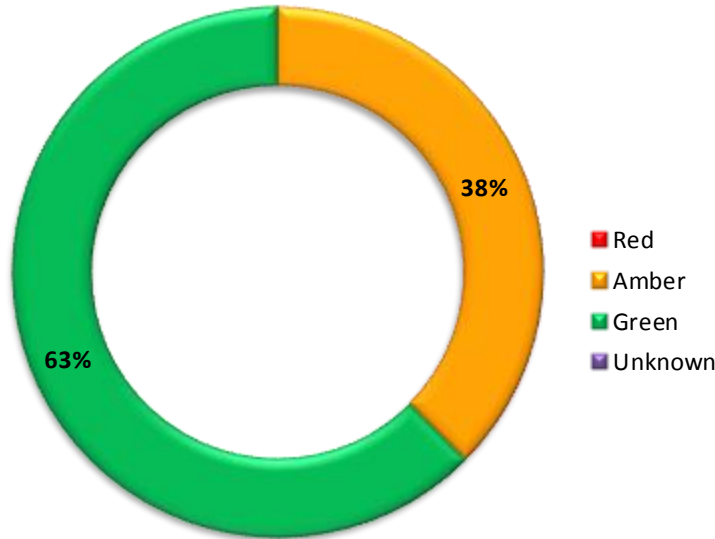
Management of risk

All performance will be closely monitored by the team. The Joint Diversion Panel is in its infancy and its impact will be evaluated and monitored via DMT, the YOS Management Board and Children's Scrutiny.



Combined Assurance Status Report

Commissioning and Performance



Green	Amber
<ul style="list-style-type: none"> Commissioning of Health Services 	

Overall Comments

Commissioning and performance provide highly effective support to the range of teams within Children's Services and also with a number of partners and colleagues in the wider Council. Through robust systems for reviewing, commissioning and performance managing services they provide assurance and identify areas for improvement and opportunities for improving outcomes. Joint work with colleagues working within children's services results in regular recommendations to DMT on how contracts can be reviewed to improve outcomes.

Working as part of a single team has allowed performance colleagues to become more integrated into the wider team, enhancing their ability to provide a high level of support. The team can demonstrate effective joint commissioning with health and other partners for example the commissioning of child and adolescent mental health services which have been judged by the CQC as outstanding. The review work and the development of a robust commissioning strategy has underpinned the successful insourcing of the 0 – 19 public health nursing service.

Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Procurement/Contract Provision Management of Grants Contract Management Decommissioning of Services 	<ul style="list-style-type: none"> Home to School/College Transport Performance 0-19 Services



Combined Assurance Status Report

The unpredictable nature of demand provides a challenge to effective budget management particularly with regard to home to school transport, but improved joint working with services and the corporate transport team has reduced the potential impact.

Management of Risk

Robust processes for monitoring and reporting on contracts assist with the early identification of risks and allows for timely mitigation of any risks. Regular reporting of key performance indicators allows staff in the department at both an operational and strategic level to make decisions based on timely and accurate data. Any significant concerns are appropriately escalated through to DMT and Scrutiny as appropriate.

The recruitment and retention of skilled and experienced staff is a constant challenge in what is a very competitive local market for these specialist skills especially in relation to managing commissioning risks tend to relate to those areas of service where demand is unpredictable or where there is a limited range of suppliers e.g. transport, meeting intensive needs.

Lower Assurances

Providing home to school transport within budget remains a challenge. The service constantly reviews provision to try and achieve as cost effective solutions as possible within policy

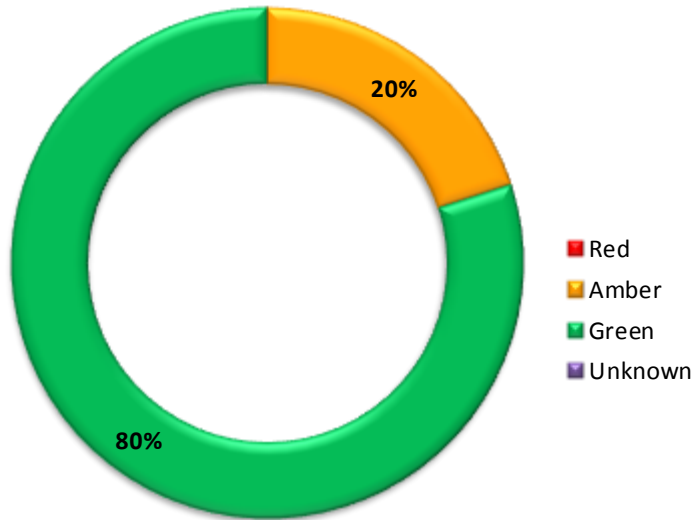
and statutory requirements. Joint reviews are regularly undertaken with the service area where demand is generated for example special educational needs. It is anticipated that the development of a more localised system for specialist education provision will have a positive impact on this budget.

Unresolved issues with Agresso and Mosaic impacts negatively on workload and hence morale and has provided some challenges to delivering effective management reporting.



Combined Assurance Status Report

Education Support



Overall Assurances

Green	Amber
<ul style="list-style-type: none"> School Admissions Attendance Children Missing Education Tracking Status of 16-17 year olds in Education, Employment or Training 	<ul style="list-style-type: none"> 2-18 Sufficiency

Overall Comments

Many of the functions within the education support service are statutory and regulated by either legislation or statutory guidance. Compliance with current legislation/guidance will change depending upon when new guidance is issued: an example of this is the new children missing education guidance published in September 2016. Working with schools over the last academic year resulted in a new set of processes that were audited and judged as 'Substantial Assurance' in April 2017.

The majority of families continue to enjoy high preference rates for their first choice of primary or secondary school when applying for a school place.

Schools with low rates of pupil attendance are challenged over the actions they are taking to improve and are monitored, a revised process of support for schools was introduced in Autumn term 2017.

Management of risk

The service now produces an annual report on the situation of children that are not at school which is presented and scrutinised by children's directorate management team. The key risk facing the service is the software used to process the parental applications, this is no longer supported by the provider. The service has commissioned a new software



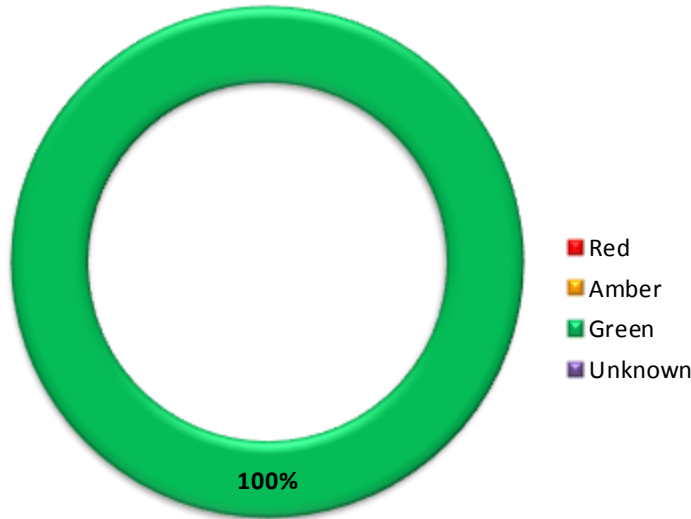
Combined Assurance Status Report

provider and is in the process of implementing the new solution for September 2018.



Combined Assurance Status Report

Inclusion



monitoring by Children and Young People’s Scrutiny Committee, Children’s Service’s Directorate Management Team and Children’s commissioning.

The Inclusive Lincolnshire Strategy was introduced to address the problem of a rising and unsustainable rate of permanent exclusion from Lincolnshire schools. Over the last year the Lincolnshire Ladder of Behavioural Intervention has supported schools in focussing on the underlying drivers of challenging behaviour, rather than merely its outward presentation. Permanent Exclusions in Lincolnshire have seen a 15% reduction in 2016/17 and a 26% reduction since the Ladder was launched. This progress is against a national picture of increased exclusion.

Management of Risk

Robust processes for monitoring and reporting on the BOSS contract allows early identification of risks and timely mitigation. Any significant concerns are appropriately escalated through to DMT or Scrutiny. The Department for Education has indicted that exclusions will be an area of focus over the next year and the Local Authority will seek to influence this in the interests of children and young people. It will also be necessary to respond to changes in legislation and ensure schools are supported to meet any new expectations placed on them.

Overall Assurances

Green
• Inclusion

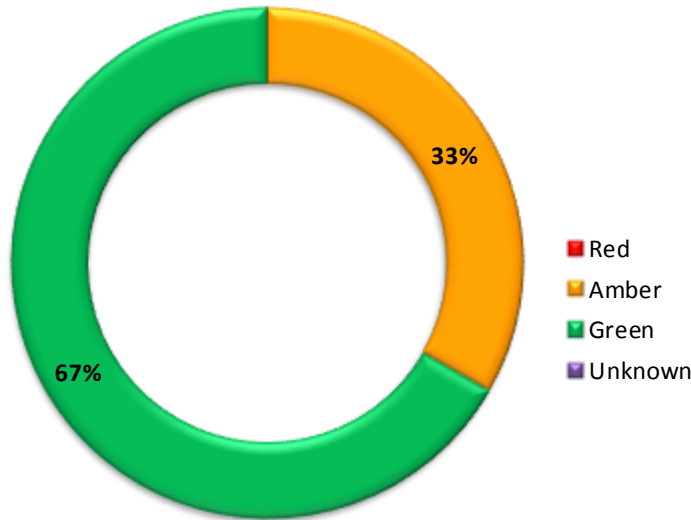
Overall Comments

Inclusion data and the performance of the Behaviour Outreach Support Service (BOSS) are subject to close scrutiny and



Combined Assurance Status Report

School Improvement Service



Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Monitoring Performance of Schools and Academies Local Authority Arrangements for Supporting School Improvements 	<ul style="list-style-type: none"> Closing the Attainment Gap

Overall Comments

At the 30th November 2017, 87.3% of Lincolnshire schools and academies were graded "Good or Outstanding" by Ofsted compared with 85.2% nationally and 83.8% across our statistical neighbours. This means that 86% of pupils in Lincolnshire are educated in Good or Outstanding provision with only 3% of Lincolnshire's schools graded as Inadequate.

Schools are increasingly connected with Teaching Schools, partnership arrangements and engaging with local and national initiatives to make use of funding opportunities and implement evidenced based practice. As a Local Authority, we are seeing increase in contact with all schools and academies, with greater number of leaders and governors attending briefing opportunities.

The Lincolnshire Learning Partnership has, and continues, to develop an adaptive strategic approach to working across the sector within the County and there have been examples across the system of supporting one another, peer review and school improvement activity. The Sector-Led School Improvement model is established in Lincolnshire and evolving in response to the changing national educational context. The Lincolnshire Learning Partnership has used data to inform the focus of commissioned offers of support to impact on vulnerable groups. This will become more refined in partnership with the Teaching Schools and Local Authority plans for supporting focused groups. Multi-academy trusts,



Combined Assurance Status Report

standalone academies, and maintained schools are utilising opportunities to connect and developing a variety of partnerships, formally and informally, to support what they would like to sustain themselves and their school improvement journey.

Management of Risk

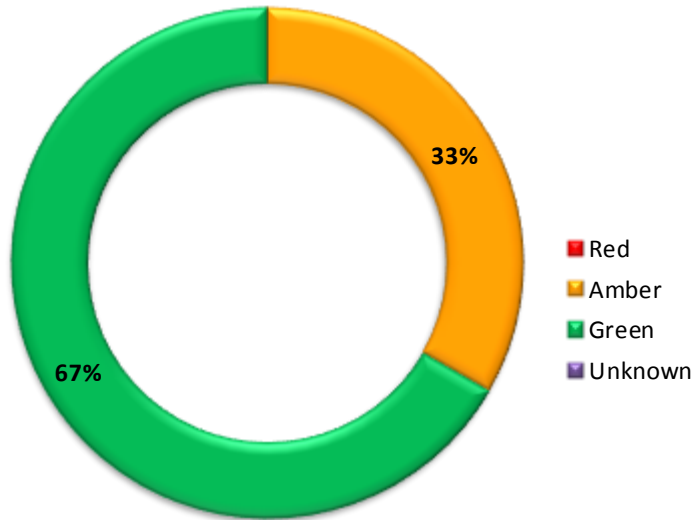
The key mechanism for monitoring the effectiveness of the service is Ofsted ratings. The percentage of Good or outstanding schools and the percentage of children in good or outstanding schools are key indicators used to monitor effectiveness. These are also benchmarked against the national average, statistical neighbours and our statistical neighbours. At a Local level, all Schools (maintained and academies) are risk assessed by Education Locality Leads around a variety of performance indicators as per the Strategy for School Improvement and engagement directly then occurs regularly – escalating the remit of work where appropriate.

'Closing the Attainment Gap' is rated at amber and requires a multi-disciplinary approach from all agencies that impact on the ability to engage to learn, school readiness and supporting disadvantaged learning. The Local Authority endeavours to work cohesively with Teaching Schools, Multi-Academy trusts, clusters of schools, the Lincolnshire Learning Partnership as well as the DfE, Regional Schools Commissioner and Ofsted to mitigate risks to school performance and improve outcomes for children and young people at a local and national level.



Combined Assurance Status Report

SEND



Green	Amber
<ul style="list-style-type: none"> Occupational Therapy Team Young People's Learning Partnership Specialist Teaching Team and Eclips Team 	<ul style="list-style-type: none">

Overall Comments

The Joint Ofsted and CQC Framework for the Inspection of Local Areas (SEND) was implemented in May 2016. Processes and procedures to manage the legal requirements introduced in September 2014 are now well embedded and the service met timescales in 92% of cases in 2016/17. The service is on track to complete all transfers of Statements of SEN to Education, Health and Care (EHC) Plans by the 31.03.2018.

85% of schools in Lincolnshire buy back the support provided by the Specialist Teaching Team and the Sensory Education Support Team is successfully trading its service to two other Local Authorities. The YPLP Team was subject to Ofsted inspection in 2016 and graded Good, and the Children with Disabilities Team continues to perform within best practice standards. From September 2017 the service has provided Home Tuition to pupils with SEND that are out of school; to date young people are making positive transitions back into education.

Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Sensory Education Support Service Early Support and Co-ordination Services Children With Disabilities Social Care Team 	<ul style="list-style-type: none"> Special Education Needs and Disabilities Applied Psychology Service SEND Home Tuition



Combined Assurance Status Report

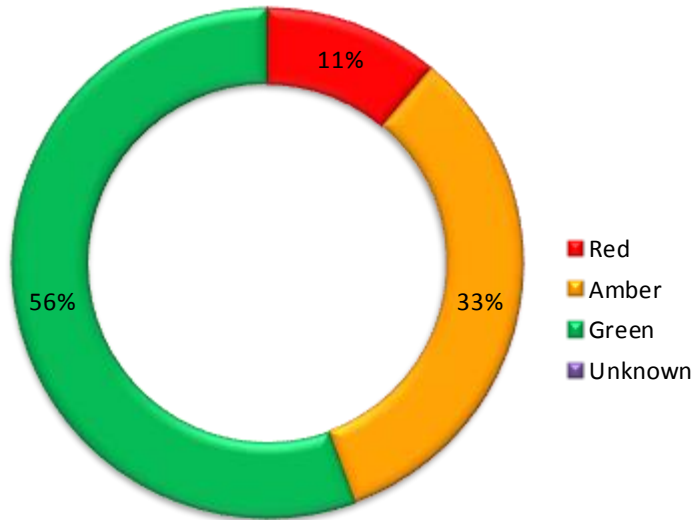
Management of Risk:

The SEND Service continues to provide regular progress reports to DMT, Children's Scrutiny and the Schools' Forum. There is also detailed weekly performance monitoring by the service.



Combined Assurance Status Report

People Management



Green	Amber	Red
<ul style="list-style-type: none"> Pay and Performance Culture Serco People Management - OD and L&D 	<ul style="list-style-type: none"> Strategic Workforce Planning - Apprenticeships 	

Overall Comments

The Council's Workforce Plan 2016 and beyond, identifies the Council's people management commitments to support delivery of the Council Business Plan and is overseen by the LCC People Management Service, working in partnership with the Serco People Management Service, the Workforce Planning and Development leads in Director Areas, and Director Area Management Teams (DMTs)

The ability to recruit and retain staff in high risk areas remains a corporate strategic risk and the impact of the controls, which are predominantly the Workforce Plan Projects and solutions, are also monitored through the Strategic Risk Register assurance process.

The effective use of HR metrics and other organisational information is important for ensuring that we can assess whether the Workforce Plan projects are supporting business objectives. Progress has been made, over the last 12 months,

Overall Assurances

Green	Amber	Red
<ul style="list-style-type: none"> Corporate Workforce Plan Leadership Employee relations cases and settlement agreements 	<ul style="list-style-type: none"> Serco HR - Service Delivery Strategic Workforce Planning – General 	<ul style="list-style-type: none"> Serco HR, Admin and Payroll Transactional Services



Combined Assurance Status Report

including defining and mapping the benefits that the Workforce Plan projects should deliver, when, and how success will be measured. The benefits are measured throughout the lifecycle of the Workforce Plan. It will be possible to measure some benefits through the year, whilst others require more long term monitoring and will not be fully realised until 2018/19. All Workforce Projects link directly or indirectly to the 4 strategic performance indicators:

- effective targeting of our resources to benefit communities;
- council commitment to be a good employer;
- sickness absence;
- employee turnover.

Realisation of the benefits once a project has been implemented are also evaluated through audits including those carried out by the Internal Audit Team, of people management practices across all Director Areas.

Additionally, there have been minor improvements of the inputting of data on Agresso by managers as well as an increase in managers running HR Management information reports direct from Agresso so they can monitor people related performance, for example, sickness absence and appraisal completion. However some managers' reports from Agresso continue to have issues which relate to either

incorrect data being input by users or known shortcomings in the build of the existing structure. The structure and inputting issues are being addressed as a priority, so that managers can be better supported. However there is assurance that the reporting capability within the Agresso system itself is accurate.

Management of Risk

The PM Service generally has a good reputation for supporting the business to manage its 'people' risks working closely in partnership with colleagues in Legal Services Lincolnshire. There are also well established governance arrangements in place for all the critical people management processes. Strategic oversight of risk management activity is achieved through quarterly monitoring and review of the delivery of the People Management Service Plan against Service Objectives by the Service Manager - People. (The Service Plan also incorporates the delivery programme for the Council Workforce Plan.)

The established governance arrangements cover both operational and strategic risks which are reported to the Service Manager – People on a monthly basis, ensuring management oversight. In turn the high risks are reported monthly on an exception basis to the Director for People Management as part of the Service Plan review. There are risk owners in the People Management Team assigned to each of the 9 critical processes in the table above.



Combined Assurance Status Report

A key priority is to further develop the appropriate metrics so that not only can the PM function ensure that the implementation of the Workforce Plan supports the business, but at the same time, the metrics should enable the PM function to measure its own effectiveness and demonstrate its value to the business.

Lower Assurance

The delivery of the Serco HR Administration and Payroll Transactional Service has low assurance (red), although monthly payroll administration performance continues to be improved compared with the previous year with a generally reduced number of reported errors. Performance is monitored through the KPIs for People Management at the monthly Serco/LCC Operations Board.

There are however a number of Agresso configuration and system improvement issues which still need to be addressed. The Council have agreed to prioritise Serco resources onto the Agresso Upgrade Project; therefore there are delays to the Agresso system improvement phases until completion of the Upgrade at the end February 2018. This means that manual workarounds for a number of payroll processes remain in place which will require resolution and changes to the way the system is configured so these processes can be automated.

Additionally the Pay Statements Project, which aims to identify payment errors since April 2015 and to provide assurance that

these have been corrected, is behind schedule. This is a complex project and it is anticipated that the validation work will be completed by March 2018.

There remains significant work to do to improve the control environment of the payroll system and validate the completeness and accuracy of the historic payroll payments. In light of this, it has been necessary to establish more stringent LCC governance by LCC Finance, People Management, Internal Audit and the LCC Commercial Team with additional professional expert resources allocated to and accountable for governing that these risks are being managed effectively by Serco. The Audit Committee is updated regularly on how these risks are being managed with the next report due in March 2018. A follow up Payroll Audit by LCC Internal Audit Team is being planned.

As previously mentioned, the recruitment and retention of hard to recruit staff areas is a corporate strategic risk. Progress continues to be made, in terms of improved access to workforce information, the use of recruitment and retention initiatives and improvements in the recruitment and resourcing service. Progress has been hampered by high demands on Serco's resourcing team as well as high turnover within the team itself. Some improvements are still to be implemented including the launch of self-service for Managers. Managers self-serving will release capacity in the Serco resourcing team



Combined Assurance Status Report

to continue focussing and delivering the service improvements required.

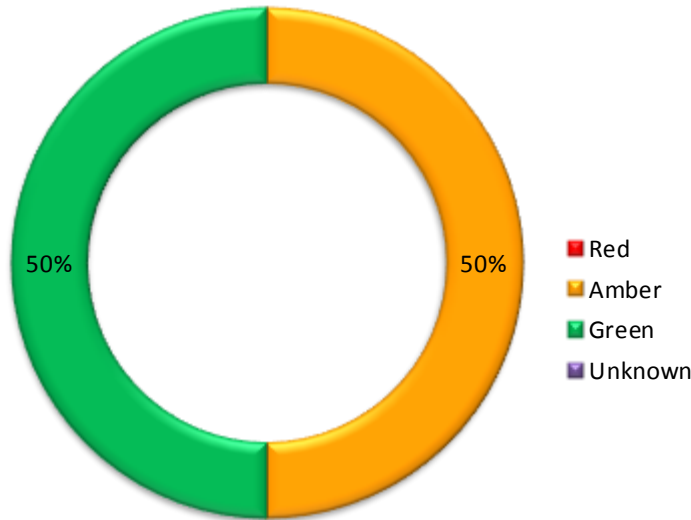
The Apprenticeship Project has been extended until March 2019. Issues are affecting progress for many public and private sector organisations around certain elements including lack of provider market readiness and Apprenticeship standards not yet being available.

The PM Service is actively working with Serco colleagues to manage risks associated with Serco HR- Service Delivery issues and improvements are being made. First line assurances are in place to monitor and manage risks.



Combined Assurance Status Report

Schools Finance



Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Budget Share Calculation 	<ul style="list-style-type: none"> School Budget Monitoring

Overall Comments

The Local Authority's role in determining schools funding and the monitoring of maintained schools budget are crucial to the effective financial management of the schools sector. Skilled staff within the Finance team and associated teams enable key functions to be carried out effectively and on time. Where resourcing capacity is stretched unexpectedly, the team has had to prioritise, and the work targeted, particularly in respect of monitoring of schools budgets, with the greatest focus being on those schools that require the intervention in the short term. Overall, effective assurance levels are maintained with the position being monitored continually to manage any emerging risks.

Management of Risks

The schools budget share process involves a number of areas and staff, therefore processes and systems are required to ensure that all information published is accurately and timely, and that the affordability of the £531m Dedicated Schools Grant (DSG) is achieved, particularly in light of the national funding formula changes across the 4 blocks of the DSG. The detailed timetable, staff training and support with clear lines of accountability and sign off at each stage in the process allow the complex process to be managed and the risks controlled. Timescales and accuracy of calculating and publishing of schools budgets have been fulfilled in all prior years.



Combined Assurance Status Report

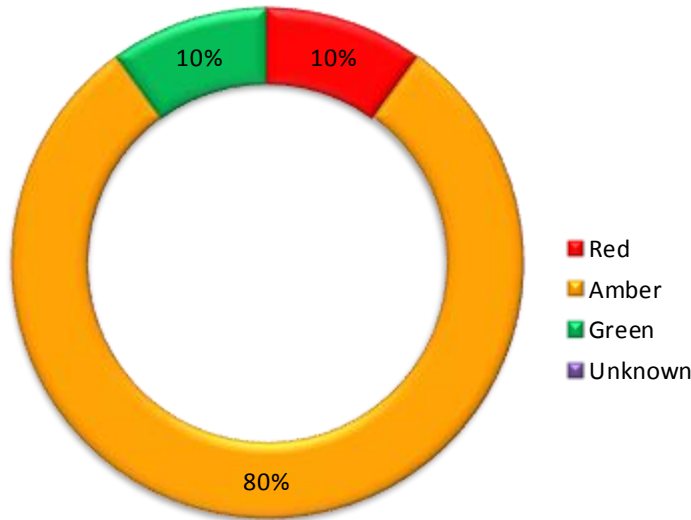
Lower Assurances

The schools budget monitoring process has been determined as an amber rating due to the Finance team being stretched to fulfil its proactive role in targeting schools before they go into financial difficulties in all cases. Caused by the legacy issues of Agresso, it has led the team to be partly re-active in the approach to supporting schools with financial challenges. Efforts have been made in 2017/18 to carry out the monitoring and intervention tasks, and the team will continue its work on providing targeted support for those schools meeting the intervention criteria, and provide guidance and advice to schools, with a view of becoming more proactive in the coming years. The Local Authority's role in monitoring maintained schools budgets is important to securing sustainable budgets and aid schools financial planning. The policy has been reviewed and is in operation.



Combined Assurance Status Report

Key Projects



Green	Amber	Red
	<ul style="list-style-type: none"> • Adolescent Risk Taking Behaviour • Joint Commissioning of SEND • Asset Plus • Inclusion for all: Review of special educational needs offer • Special Schools Project 	

Overall Comments

We continue our change programme through a number of aspirational projects which have and will continue to require significant resources. However these projects will transform provision to ensure that we reduce spend, but continue to deliver high quality effective services. Robust governance arrangements of these projects is in place and we must ensure that we have adequate capacity to effectively manage them, that we can provide effective decision making and escalation routes, as well as detailed transition plans to ensure the new arrangements can be implemented with minimal adverse impact

Overall Assurances

Green	Amber	Red
<ul style="list-style-type: none"> • Signs of Safety 	<ul style="list-style-type: none"> • Partners in Practice • Transfer of 0-19 Public Health Nurses • Integrated Health and Social Care 	<ul style="list-style-type: none"> • Supported Accommodation



Combined Assurance Status Report

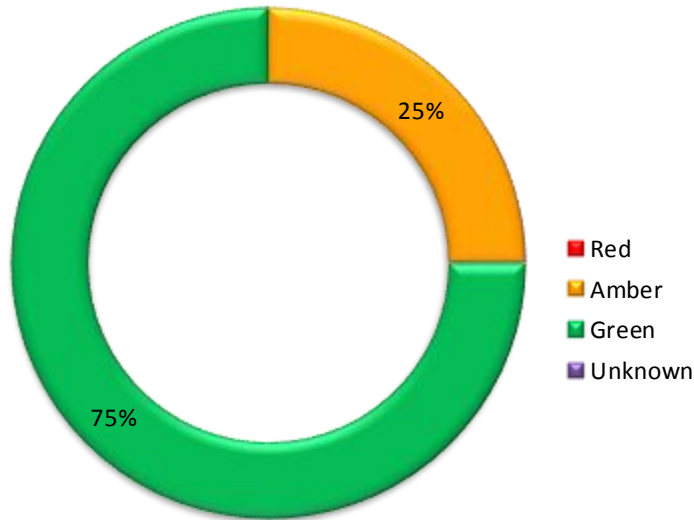
Management of Risk

Most of the key projects have moved into delivery from design (accommodation project is expected to move into delivery imminently). Governance arrangements are in place and resources to enable effective management of the projects secured. Some projects require commitment from partners and due to partner's competing priorities, this commitment has not been secured in all instances.



Combined Assurance Status Report

Key Partnerships



Green	Amber
<ul style="list-style-type: none"> Court User Group YOS Management Board 	

Partnership arrangements are robust and the local arrangements ensure a clear and collective determination and drive to engage agencies in delivering a coherent approach to safeguard children, promote their welfare and ensure that they reach their potential with a strong focus on educational aspirations, Strategic action plans are well considered and comprehensive, and are underpinned by a strong shared vision and ambition with clear governance across all partnership arrangements.

Partnership working with Serco is improving, although there remains significant risk especially with regard to payroll management. Through the Lincolnshire Learning partnership, relationships with schools and academies including Multi Academy Trusts are effective and improved. We have agreed to establish a joint commissioning team with the Clinical Commissioning Groups help deliver a more integrated approach to meeting needs of children and families.

Partnership working can always improve and although we have strong foundations, we believe that reviewing our partnership arrangements to safeguard young people engaging in high risk taking behaviours will result in improved outcomes and greater integration. We must review the

Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Youth Justice Board Lincolnshire Learning Partnership Lincolnshire Teaching Schools Together Regional Framework Commissioning Groups 	<ul style="list-style-type: none"> Lincolnshire Safeguarding Children's Board SAFE Team

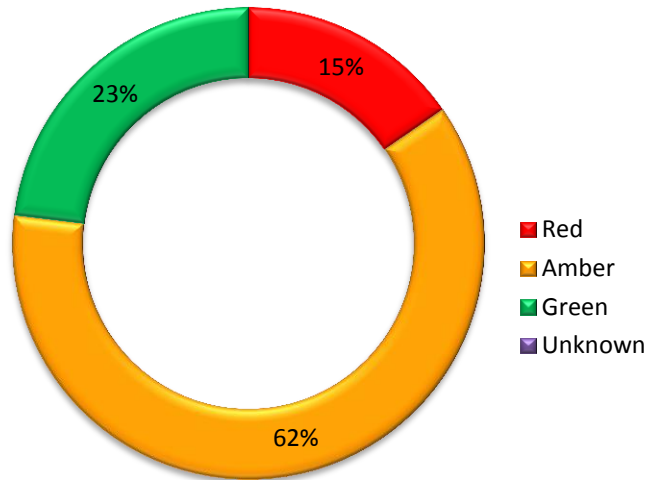


Combined Assurance Status Report

governance of the Local Safeguarding Children Board in response to the Wood review and will confirm these by April 2018.



Key Risks



Strategic Risks

Council's highest rated Strategic Risks for this area of the business

Safeguarding Children

Recruitment/Staffing

Operational Risks

- Agresso Re-engagement
- Recruitment process



Combined Assurance Status Report

A key strategic risk for service continues to be any potential failure to safeguard children. Linked to this is a strategic risk regarding recruitment of staff especially qualified Social Workers. These risks are related as without qualified, capable, well trained Social Workers are employed and retained, then safeguarding quality will be affected.

Work is ongoing to ensure that these risks are mitigated and children in Lincolnshire continue to have a good and effective support services.

Examples of mitigating actions include:

- Audit of Section 11 (being conducted by People Management - Induction, Recruitment, Contract)
- Audit & Performance information to DMT for scrutiny
- Safeguarding Assurance days
- Independent Chairs - and Independent Reviewing Officers who quality assure the care plans of looked after children and children subject to child protection plans
- Team Manager Audits
- Lincolnshire Safeguarding Children Board Serious Case Reviews and Significant Incident Reviews
- Practitioner Supervision & Appraisal

- Additional recruitment strategies above and beyond business as usual whilst reviewing and improving existing arrangements to create recruitment centre of excellence.

Another key risk is that our systems do not act as effective enablers to support the business. This risk relates mainly to Agresso/ Mosaic / ICT.

Examples of mitigating actions include:

- Upgrade of the agresso system
- Adapting the people management service delivery model
- Continued staff training on all systems
- Retaining capacity in support for Mosaic to enable system change
- Roll out new ICT hardware for front line staff

The other key risk is managing the increasing demand on services, especially early help, child protection and services to support pupils with special educational needs

Examples of mitigating actions include:

- Review customer services centre to ensure appropriate signposting to other services



Combined Assurance Status Report

- Request for additional investment for additional staff to manage demand
- Implement the partners in practice transformation including establishing a dedicated service for young people who are engaging in high risk behaviours.
- Develop increased self- help tools



Corporate Governance

Our Combined Assurance model focuses on assurance against critical systems, projects, risks and partnerships. This helps the organisation to understand corporately where it's performing well and where improvements are required. Many of the Council's critical services and systems underpin a sound corporate governance framework. In this section we set out how the Council has approached corporate governance, complied with guidance and obtained assurance on its significant governance issues.

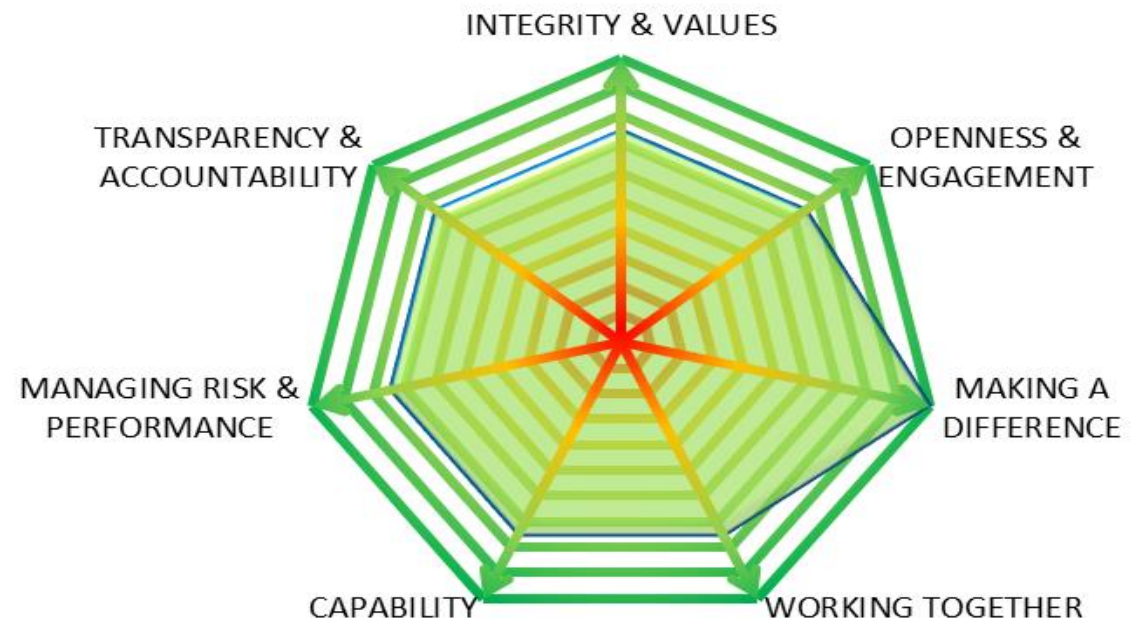
The Council must ensure that it meets the highest standards and that governance arrangements are not only sound but are seen to be sound. It is crucial that leaders and chief executives keep their governance arrangements up to date and relevant. Council's should develop a local Governance Code which reflects the "delivering good governance in local government framework (CIPFA/SOLACE 2016)" (the framework).

The framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. Whatever form of arrangements are in place, authorities should therefore test their governance structures and partnerships against the principles contained in the Framework.

At Lincolnshire County Council this was independently assessed during November 2016 and assurance given over

the evidence supporting good governance arrangements for each of the 7 Principles. All assurances were high or substantial.

Evidence demonstrating good governance



The assessment identified some areas for improvement in relation to governance arrangements for collaborative working (partnerships) and ethical governance. Audit work is underway to support improvements and provide further assurance in both of these key areas.



Combined Assurance Status Report

Annual Governance Statement

The assessment against the code, among other things, helped to inform the Council's Annual Governance Statement 2016/17. Overall this confirmed that the Council has the appropriate systems and processes in place to ensure good governance is maintained. The review did identify a number of areas for improvement.

Council's Corporate Management Board and the Executive. The Audit Committee are also helping with independent assurance during the year.

Key Improvement Area
IT Governance
Financial Sustainability
Financial Control Environment
Market Supply (Adult Social Care)
SERCO Contract – Lessons Learnt
Delivery of Support Services and Improvement – SERCO
Collaborative Working – Governance Arrangements

During 2017/18 the Council is working to address the matters identified and is monitoring implementation and operation as part of performance management – which is reported to the

Combined Assurance Status Report

Page 105



What we do best...

Innovative assurance services

Specialists at internal audit

Comprehensive risk management

Experts in countering fraud

...and what sets us apart

Unrivalled best value to our customers

Existing strong regional public sector partnership

Auditors with the knowledge and expertise to get the job done

Already working extensively with the not-for-profit and third sector



Combined Assurance Status Report

Introduction	1
Key Messages	3
Critical Systems	5
Key Projects	25
Key Partnerships	26
Key Risks	28
Corporate Governance	30

**Contact details – Pete Moore, Executive Director -
Finance & Public Protection**
Pete.moore@lincolnshire.gov.uk





Combined Assurance Status Report

Introduction

This is the sixth combined assurance report for Finance & Public Protection within the Council.

By grouping the different sources of assurance in a single model we provide the basis for Senior Management and Audit Committees to gain a better understanding of their organisations assurance status and needs.

We do this by coordinating assurance arrangements – providing some structure – this is our Assurance Map.

We have well established Assurance Maps that help us to focus our work plans on the make or break risks that affect the successful delivery of services and strategic objectives. The Maps also recognise the importance of critical business systems that support successful delivery and ‘protect the business’ – the due diligence activities.

The Maps give an overview of assurance provided across the whole organisation – not just those from Internal Audit – making it possible to identify where assurances are present, their source, and where there are potential assurance ‘unknowns or gaps’.

The Maps are an invaluable tool for senior managers, providing a snapshot of assurance at any point of time. This report explores those assurances in more detail.

We gathered and analysed assurance information in a control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing the service.

Scope

We gathered information on our:

- **Critical systems** – those areas identified by senior management as having a significant impact on the successful delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people.
- **Due diligence activities** – those that support the running of the Council and ensure compliance with policies.
- **Key risks** – found on our strategic risk register, operational risk registers or associated with major new business strategy / change.
- **Key projects** – supporting corporate priorities / activities.



Combined Assurance Status Report

- **Key partnerships** – partnerships that play a key role in successful delivery of services

Methodology

To ensure our combined assurance model shows assurances across the entire Council, not just those from Internal Audit, we leverage assurance information from your 'business as usual' operations. Using the '3 lines of assurance' concept:



Our approach includes a critical review or assessment on the level of confidence the Board can have on its service delivery

arrangements, management of risks, operation of controls and performance.

We did this by:

- Speaking to senior and operational managers who have the day to day responsibility for managing and controlling their service activities.
- Working with corporate functions and using other third party inspections to provide information on performance, successful delivery and organisational learning.
- Using the outcome of Internal Audit work to provide independent insight and assurance opinions.
- Considering other information and business intelligence that feed into and has potential to impact on assurance.

We used a Red (low), Amber (medium) and Green (high) rating to help us assess the level of assurance confidence in place.

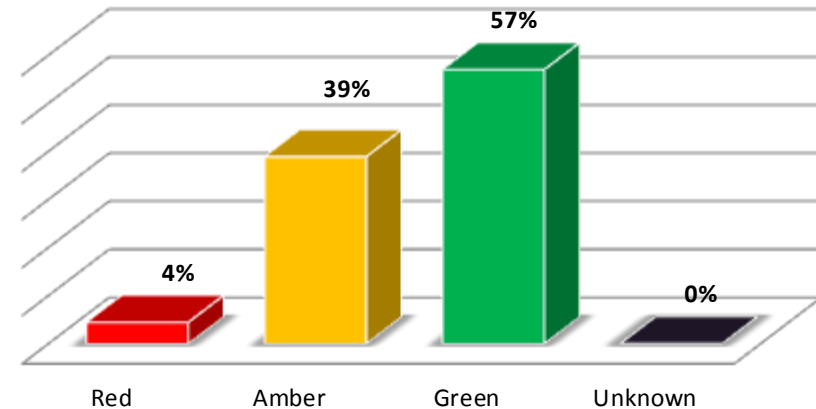
The overall assurance opinion is based on the assessment and judgement of senior management. Internal audit has helped co-ordinate these and provided some challenge **but** as accountability rests with the Senior Manager we used their overall assurance opinion.



Key Messages

The Directorate follows the Council's corporate methodologies in providing assurance on services and managing key risks. Service management provide an assessment and overview and ensure control checks on key services and processes and further assurance is provided through corporate checks, the Council's Internal Audit service and independent, third party inspections or reviews, including by KPMG, the Council's External Auditors. Over the last 12 months there has been a continued reduction in the few areas that are still ranked as red risks, down to 2% from 4% over the year.

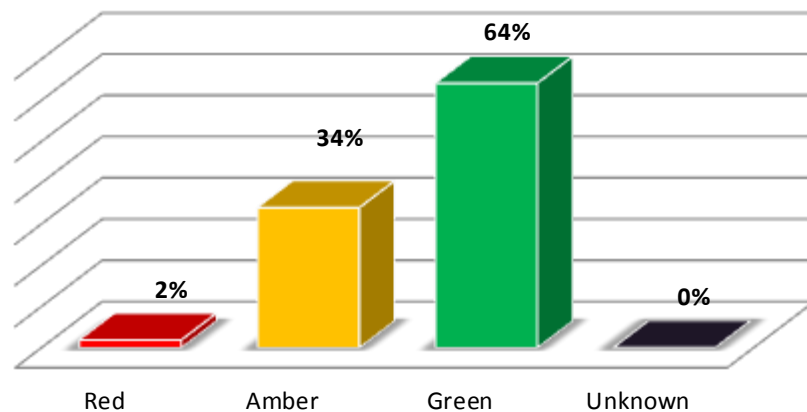
Overall Assurance Status 2016/17



Suggested next steps.....

Further work is continuing in finalising the Council's budget for the next two financial years and in taking forward the final stages of the Agresso roadmap of improvements to financial and other systems. The review of business continuity has been partially delayed by the need to respond to a number of unplanned events (checks required from the Grenfell Tower incident, dealing with IT outages and a governance review of the LRF requested by the Chief Constable). The review and agreeing any action plans will be completed in 2018. Following a positive Peer review of the Fire and Rescue service in 2017 we will need to prepare for the expected first

Overall Assurance Status 2017/18





Combined Assurance Status Report

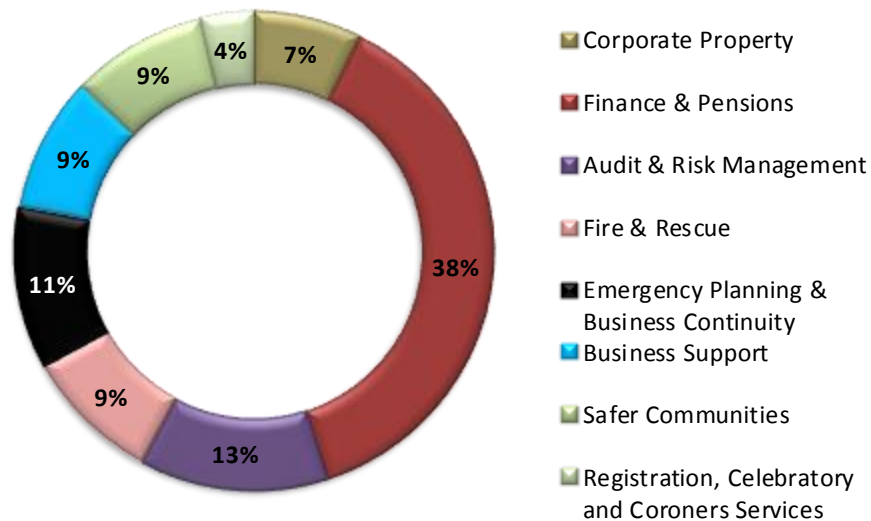
ever statutory inspection of the service by the Home Office in summer 2018.



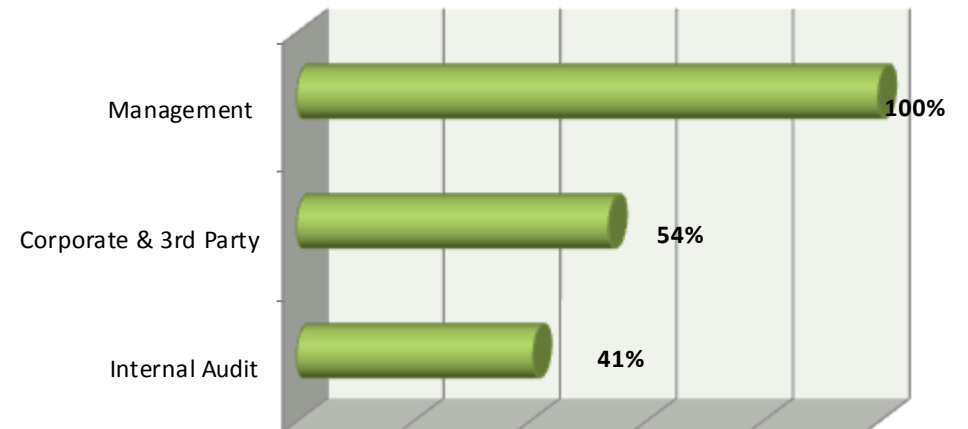
Critical Systems

The sections below show the levels of assurance within the directorate and a similar but improving situation compared to the last year.

More than half of the critical activities identified continue to be supported by corporate or third party assurance and in many cases this is provided through regular reports submitted to the Executive or the Council's Committees or external reporting and audit requirements. Key management actions are also reported through the Audit Committee.



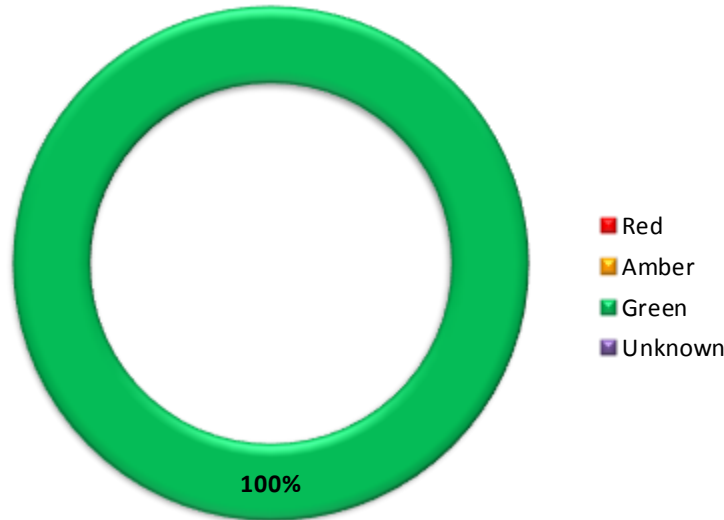
Who Provides Your Assurance





Combined Assurance Status Report

Corporate Property



Overall Comments

There are high levels of assurance in the four key areas of the service. The Property Services contract with VFPL is performing well with the first annual extension due to be awarded on 1st April 2018, there are some areas that will require closer monitoring primarily with planned and preventive maintenance and work is in progress to put this in place. Similarly the Farms management contract with Savills is working well with the contract extension also due to be awarded on 1st April 2018.

Newer initiatives being led by Corporate Property include the Greater Lincolnshire One Public Estate programme which is working well with a strong coalition of public sector partners now established and supported by clear governance and programme resources. The current Asset challenge project is identifying significant collaboration opportunities with partners across Greater Lincolnshire.

The property company business case is under development supported by the LCC Commercialisation strategy which was completed in November; this strategy provides a clear corporate steer on the purposes of the property company. The company business case is due to be reported to the Executive in early 2018

The blue light programme is a significant programme for the 3 blue light partners, there have been challenges in agreeing

Overall Assurances

Green	Amber	Red
Property Management		
Property Strategy		
County Farms Contract Management		



Combined Assurance Status Report

terms between partners on the building specification, collaboration agreement, land transactions and heads of terms, these are now on track and will be signed in January 2018 to enable construction of South Park to commence to enable Home Office PIF funding to be spent on profile.

Management of Risk

Both the VFPL and Savills contract have clear contract governance enabling the management of risk. The VFPL contract uses the NEC form of contract which includes an early warning process requiring risk to be reported and mitigation plans discussed in clearly defined timescale. The Executive and Management Boards review risk on a regular basis

Key projects such as the blue light programme have risk registers and these are monitored through project and programme governance

Lower Assurances

An emerging area of risk is day to day reactive repairs where a number of factors have led to increasing costs, mitigation measures are being developed to be put in place from 2018/19

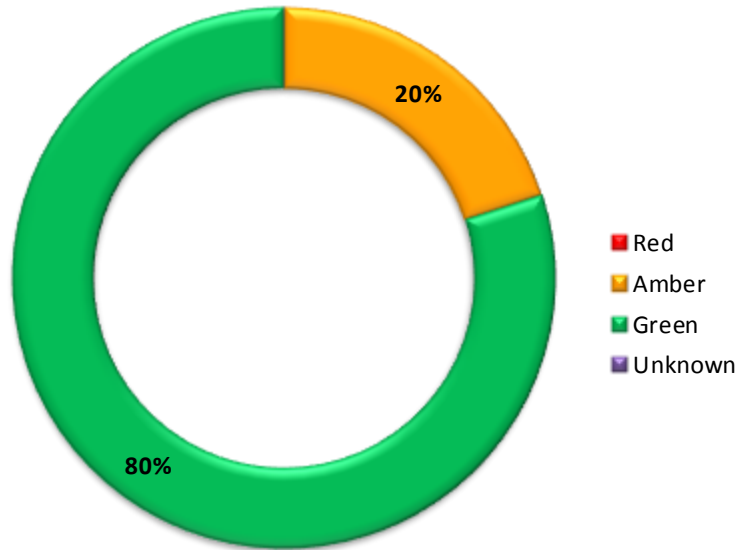
The Blue light south park project will remain Amber until April 2018 until all agreements have been signed and PIF targets delivered. Appropriate mitigation measures are in place through the programme governance

The Property Company Amber risk is due to the challenging timescale to complete the business case by early 2018. If approved by the Executive in early 2018, the company will establish its own governance and risk management



Combined Assurance Status Report

Finance & Pensions



- Pension Fund
- Bank Reconciliation
- Treasury Management
- General Ledger
- Accountancy
- Capital Programme
- Serco Finance Contract Management
- Accountancy Closedown
- Agresso System Support

Overall Comments

The assurance regime has again improved materially over the year from the low base position exhibited two years ago. On balance it still has scope for further improvement with the majority of the weaknesses linked directly to the Agresso stabilisation and rectification and associated changes to business processes. This is certainly the case in respect of all activities such as tax compliance, grant claims and ledger postings assessed as amber within the finance and pensions service area. Considerable activity has, and will continue, to be undertaken to reinstate the assurance regime to an appropriate standard. It is likely to take into the forthcoming financial year to achieve that objective as material further improvement requires the delivery of the work incorporated into the Agresso roadmap.

Overall Assurances

Green

- Financial Strategy
- Budget Preparation
- Budget Management
- Creditor Payments
- Debtors
- Income
- Pension Administration

Amber

- Payroll – ledger postings
- VAT
- Grant Income / Claims
- Tax Compliance

Red



Combined Assurance Status Report

Management of Risk

The key resources of the service are its skilled workforce and the IT systems used in delivery of the services. In terms of the workforce, well developed training plans are in place and a hierarchy of appraisals, appraisal reviews and one to one meetings are in place. These form part of the service plan for the function which includes activity related to succession planning. The service has business continuity plans in place for both its human and system related dependencies. The service is reliant on the skills and experience of particular individuals at all levels within the organisational hierarchy and will be vulnerable to the loss of those key individuals should they leave the organisation. Whilst succession planning is undertaken this does not wholly mitigate such risks in the short term. Resilience of the corporate ICT framework remains a risk to the efficient and effective delivery of the service.

Lower Assurances

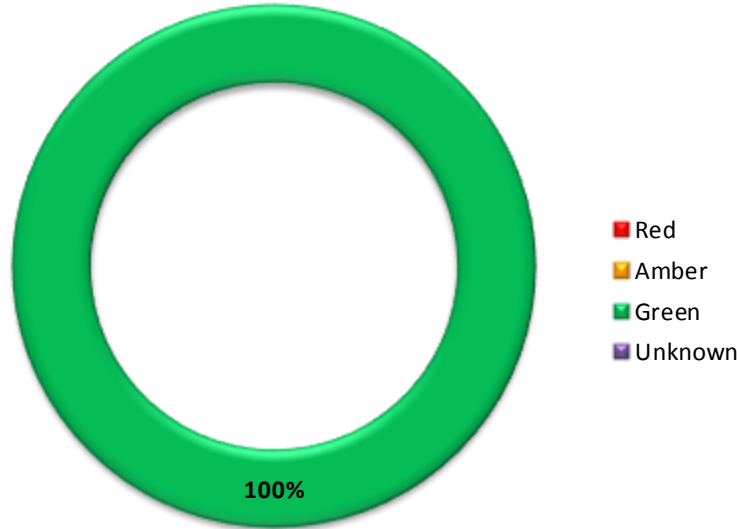
The amber assurance areas arise both directly from problems with Agresso in the case of payroll ledger entries and grant claim concerns and indirectly from Agresso issues in the case of VAT/tax compliance problems. Work is planned through the Agresso upgrade and the subsequent improvement roadmap for the system that will mitigate the direct concerns. The indirect concerns have been dealt with by assigning additional resources to the VAT function to minimise the risk of future

errors in our monthly returns. Liaison is being undertaken directly with HMRC on these matters.



Combined Assurance Status Report

Audit & Risk Management



Overall Assurances

Green	Amber	Red
Risk Management		
Insurance		
Health & Safety		
Counter Fraud		
Investigations		
Whistleblowing		
Internal Audit		

Overall

The Audit and Risk Service continues to provide effective support and assurance to the Council. Our audit and risk delivery plans for 2017/18 are on track.

Feedback from Senior Management and the Audit Committee shows how we continue to provide insight and added value to the Council – protecting the business and giving an independent opinion on the Council's governance, risk and control environment. We play a key role in co-ordinating the Council's Annual Governance Statement – which was well received and approved by both the Corporate Management Board and the Audit Committee.

We have implemented the actions arising from the External Quality reviews undertaken in 2016 on the Audit and Risk Teams – demonstrating continuous improvement and compliance with our professional practice standards. We are piloting some key developments which will improve service delivery and be submitted for innovation awards during 2018/19.

During 2017/18 we have built capacity and capability through our workforce development plan. This includes:

- Supporting professional development



Combined Assurance Status Report

- Working with Lincoln University to support work experience placements and a professional practice year
- Recruiting appropriately skilled staff
- Implementing our Quality Assurance Framework for the Service

Our Health and Safety team resources have been under pressure during the first half of the year due to long term absences – temporary resources will be engaged to ensure key priorities in the Health and Safety work plan will be delivered.

The Public Sector insurance market remains volatile. The Council's claims experience is challenging, with a number of high value claims (both historic and current). That said, we have strong arrangements in place to handle and defend claims. We continue to deliver an effective service but we need to implement a new IT system to be more effective and efficient – progress in delivering this project has been slow. Better arrangements also need to be put in place to improve our internal insurance premium charging arrangements – ensuring that the fund is sustainable long term and minimising volatility in charges to service areas. The Council's Insurance Strategy will be reviewed late 2017/18.

We delivered our saving target and operate within our approved budget. The insurance fund remains in a healthy position and is solvent.

Looking ahead to 2018/19 - we will be seeking some external assurance on the effectiveness of our Counter Fraud, Insurance and Health & Safety Teams.

Management of Risks

We regularly review our risk register and work within the Council's risk appetite of 'creative and aware'. We have no high red risks.

Our key issues that impact the management of our risks and the successful achievement of our business plan objectives are:

- **People** - ability recruit suitably qualified and experienced staff. We will be seeking to 'grow our own talent' through apprenticeships and career grades. Funding has been secured but progress has been slow to recruit as no apprenticeship framework is in place for our professional practice. Succession planning and career development remains a key priority for us.
- **Money** - the ability to deliver growth / income generation targets whilst operating within existing resources. The recruitment of a Business Development Manager continues – getting a person with the required skills and



Combined Assurance Status Report

experience has proved problematic. We are currently reviewing our options.

- **IT** - poor quality of IT infrastructure and support. We have contingency arrangements in place but this issue continues to impact on staff morale, performance and their ability to deliver.

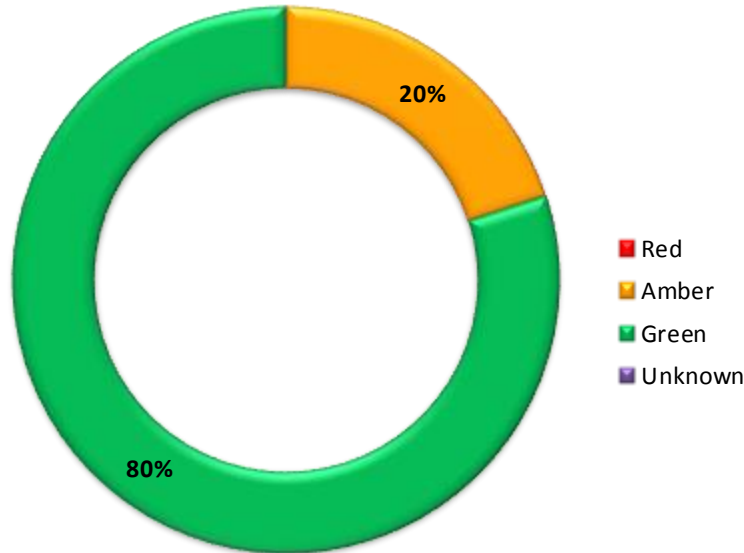
Lower Assurance

None



Combined Assurance Status Report

Fire & Rescue



Overall Assurances

Green
 Planning
 Prevention
 Protection
 Response

Amber
 Resources

Red

Overall Comments

Lincolnshire Fire and Rescue’s mission is ‘to make our communities safer, healthier and more resilient’ in order to improve wellbeing. It does this through a framework of 5 key strategies covering: planning, prevention, protection, response and resourcing. All are assessed as green, apart from resourcing, which is assessed as amber. Notwithstanding the overall ratings, each area has been impacted by the significant savings that have had to be made over the last 7 years resulting in limited capacity and resilience levels across the Service. Within this context, the ongoing changes resulting from the Blue Light Collaboration project, the fallout from the Grenfell fire inquiry and the challenges associated with maintaining a predominantly Retained Duty System workforce will need careful management.

Management of Risk

The Service’s Integrated Risk Management Planning (IRMP) process is the method by which it undertakes risk analysis, develops strategies and delivery mechanisms and provides assurance of activities in support of its mission. Two key planning documents form part of the IRMP process: the IRMP Baseline Document and the annual Service Plan. The former is a strategic document covering a period of at least 3 years. It identifies key community and corporate risks and outlines the strategies, as described above, for mitigating those risks. The Service Plan provides detail on how the Service delivers



Combined Assurance Status Report

these strategies. A number of objectives are described within the Service Plan, as are the subordinate tasks and activities which the Service is required to undertake. Progress against each of the objectives is reported on a quarterly basis to the Performance Management Board.

Additional management assurance is undertaken through monthly Service Management Board meetings. These focus on strategic direction, implementation of policy and Service change and management of organisational performance.

The Service has an integrated Quality Assurance framework which provides a continual, systematic review of operational response capability. All fire stations are inspected annually as part of the Chief Fire Officer's inspection programme. Performance at incidents is regularly reviewed with key findings and learning points fed back to inform training and development priorities.

In accordance with the Fire and Rescue National Framework for England the Service produces an annual Statement of Assurance covering financial, governance and operational matters. The Statement of Assurance 2016-17 was published in November 2017 following submission to the Public Protection and Communities Scrutiny Committee.

Third party assurance is drawn from a range of sources including:

- the Local Government Association and Chief Fire Officers Association Peer Challenge. The most recent Peer Challenge was conducted in September 2017.
- assessment of the Service's national resilience capabilities including reclassification of the UK International Search and Rescue team in May 16 and assurance of our Urban Search and Rescue team in October 2016.

Lower Assurances

Areas of risk for the Service include: the ongoing payroll issues associated with Agresso and the potential impact this has on the workforce; reduced capacity from both the centre and within the Service; the potential for further budget reductions and the development of Information Communications Technology to meet the needs of the Service.

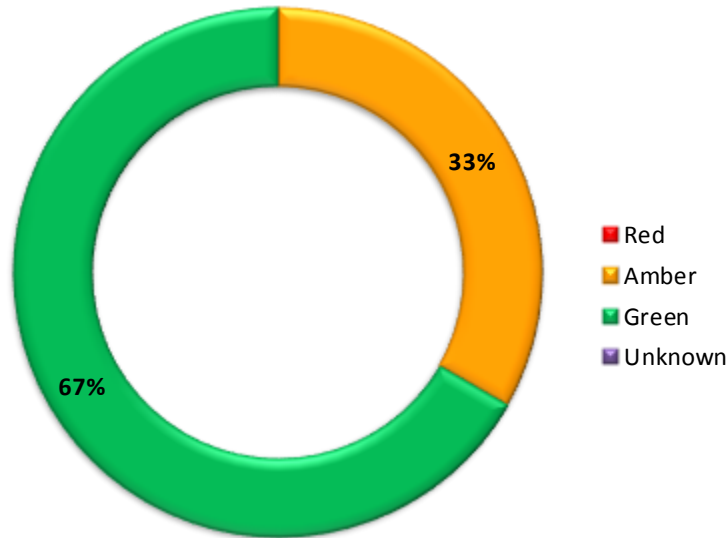


Combined Assurance Status Report

Emergency Planning & Business Continuity

Lincolnshire Resilience Forum

Business Continuity promotion to voluntary sector and SMEs



Overall Assurances

Green

Duties relating to the Civil Contingencies Act

Emergency Planning & Business Continuity provision to Districts

Amber

Emergency Response

Business Continuity

Red

Overall Comments

Over the last twelve months, the service has dealt with an unprecedented amount of emergencies with fewer resources due to restructure and staff long term sickness. This has had an impact on both core business and the ability to respond to prolonged emergencies.

The County Council must be able to maintain its own critical functions during any disruption to business, and has a number of lead roles and responsibilities in any civil emergency under the Civil Contingencies Act 2004. These include the welfare of victims and evacuees, provision of emergency shelter, coordination of the voluntary sector and also a community leadership role. The council would also lead on all recovery efforts.

We must also have plans in place to restore impacted critical services in the event of disruptive or emergency events; these have been successfully utilised on a number of occasions during the past year in response to emergencies and business continuity challenges. The council continues to build resilience



Combined Assurance Status Report

and capacity to meet its duties, including arrangements for mutual aid from neighboring counties and district & borough authorities, and further strengthening of our command, control and coordination', through the strategic and tactical rotas, delivery of bespoke training and implementation of recommendations from the LRF's command & control review. The Service will produce portfolios for all LCC commanders and will explore options for job descriptions as highlighted in our recent internal audit report. The service was pleased to receive an overall rating of high assurance.

We have continued to work with both the organised voluntary sector and communities to strengthen local responses that can complement the council's roles and responsibilities which have resulted in an MOU and Capabilities document and a policy for dealing with spontaneous volunteers which is regarded as good practice nationally and has been shared with many other local authorities.

We continue to be a key contributor to the design and delivery of multi-agency training & exercising which is essential to testing plans, rehearsing people in key roles and enhancing arrangements for multi-agency coordination in the county. The service is currently part of a multi-agency team reviewing all areas of LRF Command and Control training packages.

The service continues to have an influence on national resilience planning and policy. This includes its ongoing work with lead Government departments, flood risk agencies and

other coastal counties to coordinate responses to Tidal Surge, and develop good practice in relation to the coordination of the voluntary sector (including 'spontaneous volunteers') on behalf of all partners.

The council remains the driving force behind the Local Resilience Forum (LRF), a partnership held in high regard nationally. This partnership continues to be well led by the Chief Constable assisted by Chief Fire Officer, Executive Director. There remains excellent commitment at senior and political level (including scrutiny) within the council for the resilience agenda.

The service was invited to visit the Grenfell Tower in the aftermath of the fire as guests of Ealing Borough Council. Many lessons were learned from the visit and a report written containing nine recommendations for the council to consider, these were later accepted by both Corporate Management Board and Informal Executive.

Business Continuity incidents earlier this year highlighted several new areas of both criticality and vulnerability. Many lessons were learned that required incorporation into future business continuity planning arrangements. LCC now has an Executive Director in the role of BC Champion and a corporate BC group has been established as part of the EP & BC Service ongoing review of BC arrangement across the organisation, this group were used to great effect during the co-ordination of the last BC incident.



Combined Assurance Status Report

The volume, type and diverse nature of emergencies affecting the UK and the county over the past twelve months have resulted in some core business activities highlighted in the service plan not being completed. The service will ensure that these are carried forward into the next plan and that mutual aid opportunities regarding LRF partnership working and support from neighbouring counties are continually explored going forward.

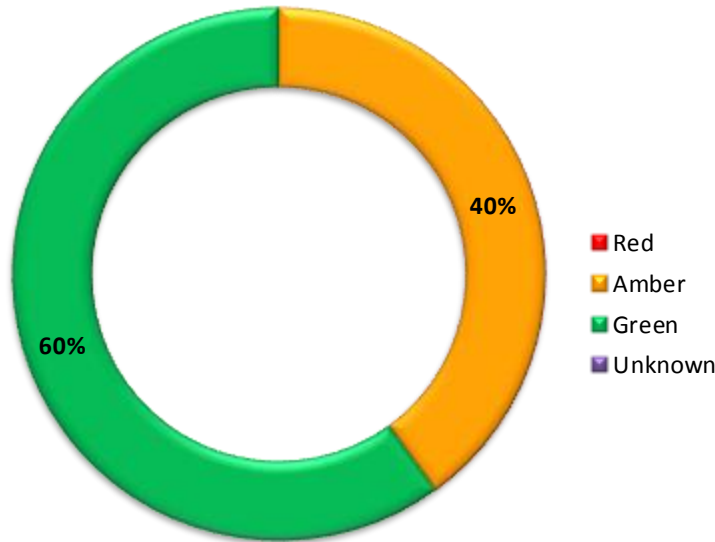
Priorities going forward include:

- Strengthening the resilience and preparedness of the County Council.
- Determining roles and responsibilities for IT disaster recovery, and exercising those arrangements at an early opportunity
- Identification of further joint working and collaboration opportunities with partners within the county.
- Implement a new Business Continuity Management System for the County Council.
- Include all critical services and key critical contractors and suppliers in future Business Continuity Planning.
- Identify and map key departmental interdependencies through Business continuity planning



Combined Assurance Status Report

Safer Communities



Overall Comments

Safer Communities is involved in two core areas of business Trading Standards and Community Safety. It is pleasing to report that for the first time since the resource reductions were made in 2011, the Trading Standards Service now has a green rating. This has been achieved by adopting a prioritization process both to reactive and planned work. This process was subject to an internal audit and was in general found to be working well. The areas of reduced assurance that have been identified, are around new areas of work primarily the recommissioning of Domestic Abuse victim services, work with victims of scams and some fundamental changes to the Community Safety Partnership following a review. A number of staffing issues have been experienced over the last 12 months; being a small service of around 36 fte this has had a significant impact.

Management of Risk

A comprehensive risk register for the Safer Communities service is maintained and reviewed at regular intervals by the management team. Individual projects will have specific risk registers; this has been particularly important for the recommissioning of Domestic Abuse Victim services as this is a pooled budget approach across adults, children and safer communities. Guidance is always sought from relevant specialists including people management, commercial procurement, legal and information governance.

Overall Assurances

Green	Amber	Red
Trading Standards	Commissioning & Contract Management	
Safeguarding / Partnerships Community Safety	Domestic Homicide Reviews	



Combined Assurance Status Report

The risks involved in the enforcement and prosecution process are managed through a sign off procedure and working closely with legal services and where necessary counsel opinion is sought, this is relevant to a large fraud case that is currently ongoing.

Lower Assurances

There are always inherent risks when working in partnership, change processes and starting a new project due to the control factors around the unknowns. The areas of lower assurance all fall into these categories.

Domestic Abuse Victims Services-this process has both a project group and Programme Board made up of officers from across the relevant areas of LCC and for the latter elected member involvement.

Domestic Homicide-this process managed by LCC on behalf of the Community Safety Partnership is currently managing 9 open reviews only one new one was instigated in 2017.

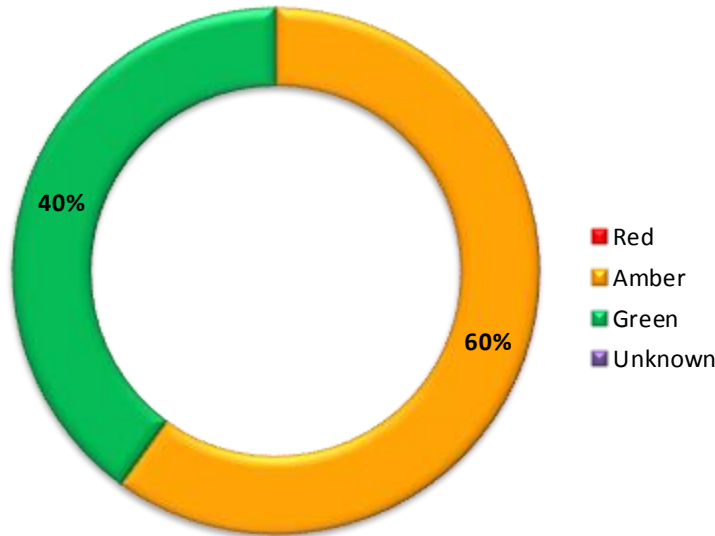
Trading Standards Scams Project-involves identifying vulnerable victims of fraud and then working with other agencies to support and help them recover. The project is reliant on good cooperation with a number of agencies but particularly the police and adult social care. Governance arrangements are still to be developed for this.

Avian Flu- this disease is now endemic in wild bird populations in our European neighbours. Migrating birds can cause the spread of the disease into commercial flocks of chickens, ducks and geese. Lincolnshire has one of the highest proportions of this type of business in the country. Animal disease control is led by the Animal and Plant Health Agency (APHA) but local support is requested from Trading Standards to manage outbreaks such as the one near Louth in the winter of 2016. This risk will be ongoing.



Combined Assurance Status Report

Business Support



Overall Comments

Business Support provides a multi-disciplinary support services providing both front line customer facing services as well as back office activities. The service is provided across the majority of Council business areas. The service focuses on cross skilling staff to promote excellent service provision whilst building resilience and improving processes to develop a more efficient authority.

Management of Risk

There are no high risk (Red) areas across Business Support.

From October 2017, following the transfer of 0-19 Children's Health services into the Council, Business Support took responsibility of providing the Single Point of Access (SPA) for services users and professionals to contact the authority for new referrals, advice and support. A number of staff from Health working in the SPA resigned before transferring over resulting in a loss of knowledge and skills. These posts have now been filled however it will take some time to train and gain experience in this area. Processes are being reviewed and ongoing actions have been identified to improve service which is being managed through a Transitions Board with oversight from Children's Services.

Support provision to Child Protection and Adult Safeguarding is a core function of Business Support. Extensive work has

Overall Assurances

Green	Amber	Red
Child & Adult Safeguarding Conferences	Single Point of Access	
Audit of Customer Finances	Purchasing & Requisitioning	
	Income Management	



Combined Assurance Status Report

been completed with both Adult Care and Children's Services and specialist teams are now in place to support regulated conferences and meetings to ensure core performance targets are achieved. Workflow is regularly monitored and reported on to service to provide third party assurance. Improvements are continuously made to ensure production of quality case reports and to improve statutory reporting. The resourcing of the team has been increased to meet growing demands, with new staff supported through a comprehensive training programme which operates across Business Support to ensure appropriate skills are in place.

Business Support provides local financial support functions including requisitioning, recoding of invoices and payment requests all processed within Agresso. All staff undertake specific training prior to access being granted to the system. Agresso reports provide regular data to managers highlighting where peaks in transactions exist within the system, or where transactions are outside of LCC performance timescales. Managers use these reports to address performance, compliance issues or to instigate reallocation of tasks in order to meet the deadlines. It is not anticipated there will a significant impact on financial support compliance through the impending Agresso upgrade to Business World On!

In terms of Imprest and cash handling, all staff complete extensive training to ensure they are fully compliant with the Agresso processes. The Business Support management team

continue to work closely with finance and audit to ensure that this income collection is compliant, in particular within areas of high income collection. Income audits are undertaken by managers and reported. In addition, Team Leaders are required to complete monthly audit returns to confirm Imprest accounts have been reconciled.

The Business Support Customer Finance Team focuses on the audit and verification of financial assessments, personal budgets and direct payments in recovering overpaid or unused monies from service users. The team has been strengthened through increased resource which has been funded by Adult Care. Ongoing skills development and management of performance means this team now consistently exceeds key performance indicators, which is reported to Adult Care and Community Safety DMT.

An emerging risk has been identified around the corporate review of the current recruitment service jointly provided through LCC and Serco. This review may lead to decisions being made as to where recruitment work-tasks sit which may place additional pressures on Business Support if sufficient resource is not funded to enable possible increased workloads to be managed.

Lower Assurances

The impact of the final year of the Fundamental Budget Review and the requirement to make further significant



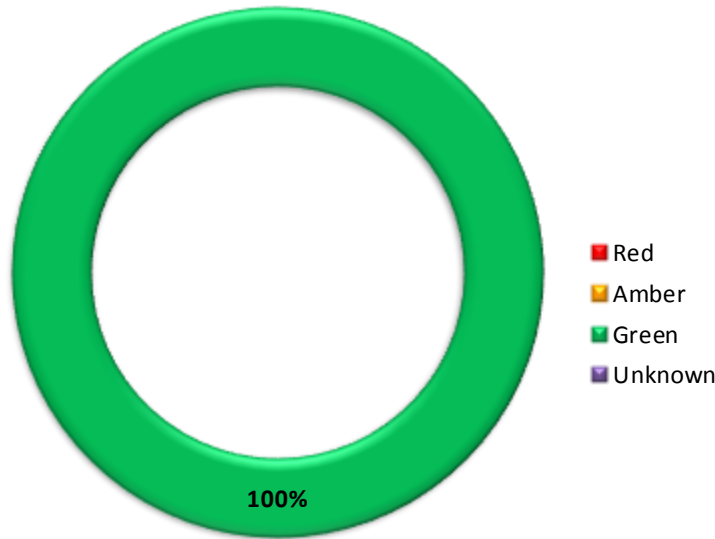
Combined Assurance Status Report

savings to the service is an ongoing risk. The savings predicted to be achieved through the implementation of Agresso and Mosaic have not materialised, and in some areas have created greater and longer workloads. Savings can now only be achieved through reducing headcount which would cause significant disruption impacting on staff morale during a period of intense change at a time when workloads continue to increase. This could ultimately lead to higher levels of absence and turnover, increased errors rates in work, reduced flexibility to meet service needs and inability to achieve core service indicators. This is being managed by close working with service areas to understand and define their support needs, changing how work is completed and challenging historic arrangements. These changes are intrinsically linked to the corporate property strategy by rationalising sites and creating opportunities to co-locate support staff to enable efficiencies to be realised.



Combined Assurance Status Report

Registrars, Celebratory & Coroner's Services



Overall Assurances

Green	Amber	Red
Registrar & Celebratory Services		
Coroner's Service		

Overall Comments

Customer satisfaction within the Registration Service continues to be very high as highlighted in the annual customer survey with the responses rated as Excellent, Very Good and Satisfactory at 100% for the second year running. 96.2% rating the service as Very Good or Excellent. In addition the service attained the Government's standards in Customer Service Excellence noting only one partial compliance in relation to the lack of credit/debit card payment facility. The service has met its statutory responsibilities evidenced by the submission of the Annual Performance Report to the General Register Office.

The Coroner's Service has developed significantly over the last 12 month on its route to transformation with significant developments anticipated in 2018. 2015, 2016 and 2017 have seen a significantly higher caseload than 2014 and this provides some challenges in terms of capacity and financial resources for a demand led service.

Management of Risk

A comprehensive Risk Register and Business Continuity Plan are maintained for both service areas. Individual risk registers are prepared for new projects as appropriate seeking guidance from subject specialists e.g. data protection colleagues and procurement colleagues. Within the Coroner's Service changes to process and procedure continue to be



Combined Assurance Status Report

adopted which have improved timescales for bereaved families.

The increasing complexity of the law in relation to interpretation of existing historic legislation to meet the needs of an ever diverse society will continue to provide potential challenge to both the Registration Service and Coroners. There is the increasing threat of judicial review recognising the status and decision making of Coroner as an independent judicial office holder and registration officers as statutory officers in law.

Effective and comprehensive training for all involved in the service will be essential.

Lower Assurances

Coroner's Service – Since August 2017 the merger of the two existing Coroner Areas into one combined area has provided greater opportunities to improve service provision, streamline processes and reduce costs. This will be monitored continually to evidence and document improvements and financial savings and will be supported by a new IT platform and case management system in 2018.

Financial risk management in relation to Long Inquest payments have reduced significantly and will be alleviated with the appointment of the Area Coroner.



Combined Assurance Status Report

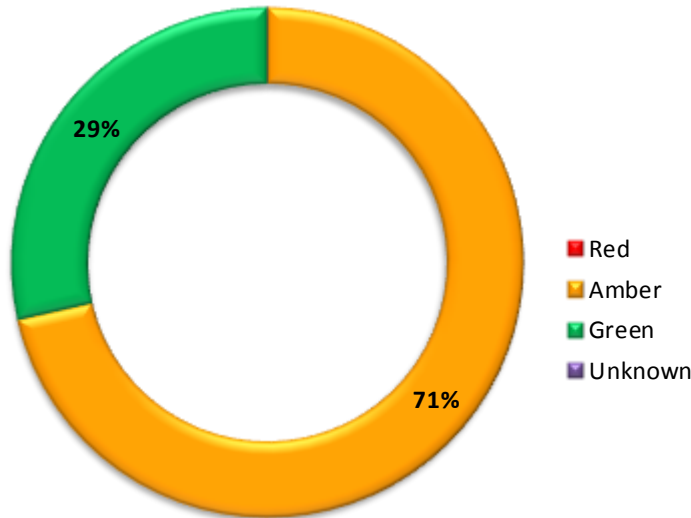
Key Projects

Coroners Case Management system

Upgrade to MIMS system

Review of Health & Safety Inspection processes
Blue Light South Park Campus
Future Control Project

Trading Standards Scams Project
Recommissioning of DA support service to standard & medium risk victims & for IDVA
Income Gateway (Zipporah replacement & website improvements)



Overall Assurances

Green

Upgrade of IT and Communication equipment at County Emergency Centre
Fire Appliance Replacement
Introduction of Medical Examiners

Amber

Property Company
Pension Fund Asset Pooling
Upgrade of Agresso to Business World On!

Red

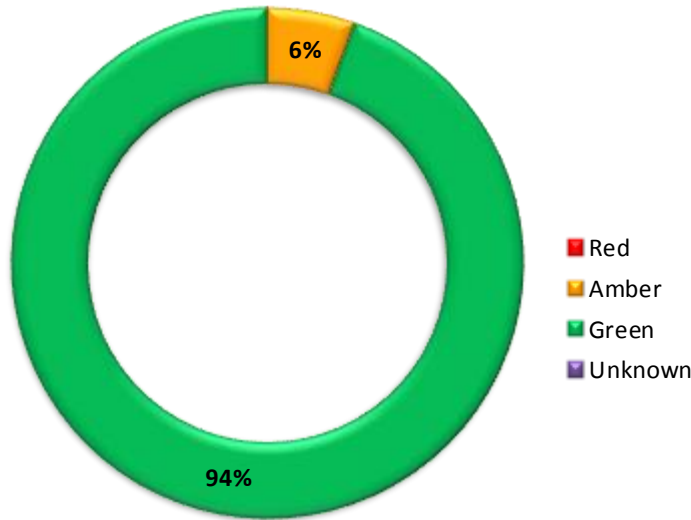
Overall Comments and Management of Risk

All key projects affecting the Directorate services or which we are managing or being progressed on behalf of the wider Council have been identified above. Depending on the scale and complexity appropriate resources have been engaged to progress and manage these projects and all are progressing satisfactory with no critical issues that need highlighting at this stage.



Combined Assurance Status Report

Key Partnerships



Ambulance Conveyance
Lincolnshire Road Safety
Partnership
Arson Task Force

Primary Authority
Schemes
Blue Light Collaboration

Community Safety
Partnership
Lincolnshire District
Councils
Lincolnshire Police

Trading Standards East
Midlands
Office of the Police &
Crime Commissioner
GRO

UK Visa & Immigration
Service
DWP

Overall Assurances

Green

Greater Lincolnshire One
Public Estate
City of Bradford
Metropolitan Council
(WYPF)
Assurance Lincolnshire
Lincolnshire Resilience
Forum
EMAS & LIVES: Co-
Responders / Joint

Amber

Border to Coast
Pension Partnership

Red

Overall Comments and Management of Risks

All partnerships are working effectively. The establishment of the Border to the Coast Pension Pooling Partnership is

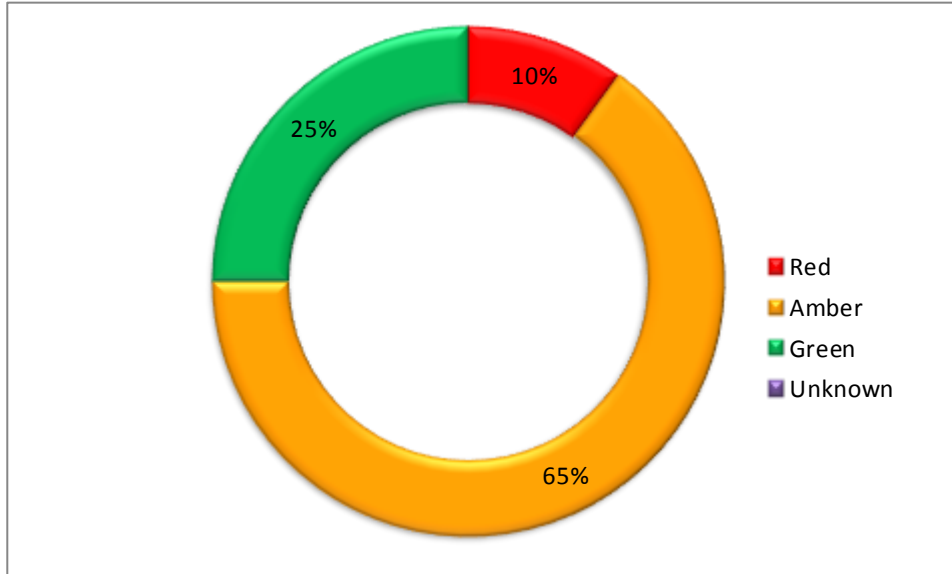


Combined Assurance Status Report

working to tight timescales but satisfactory progress is being made and additional resources have now been recruited.



Key Risks



Governance

Governance - Agresso

Budget - LCC

Strategic Risks

Council's highest rated Strategic Risks for this area of the business

Resilience (Business Continuity)

As part of the agreed fundamental review of the strategic risk register the regular updating of the register is being placed on hold to ensure full consideration is given to existing strategic risks, new emerging risks and any impacts from the increase in risk appetite statements from 4 to 5 is taken into account. The current strategic risks remain in place.



Combined Assurance Status Report

Operational & Emerging Risks

As indicated above further work will continue in 2018 to complete the business continuity review and continued improvements through the Agresso Roadmap.

The Council has updated its financial strategy and is in the process of setting a two year budget through to the end of the March 2020, which is the end of the Government's current four year spending review period. Whilst the Council is planning beyond March 2020 there are a number of critical national reviews that affect local government finance and that need to conclude before then. These include the Fair Funding review on needs and resources, the localisation of business rate income, the next spending review and the Green Paper review of adult social care funding (including the existing Better Care Fund). These all mean that the future funding support for our services from the Government will continue to be uncertain and it is likely that budgets will continue to be under pressure.



Corporate Governance

Our Combined Assurance model focuses on assurance against critical systems, projects, risks and partnerships. This helps the organisation to understand corporately where it's performing well and where improvements are required. Many of the Council's critical services and systems underpin a sound corporate governance framework. In this section we set out how the Council has approached corporate governance, complied with guidance and obtained assurance on its significant governance issues.

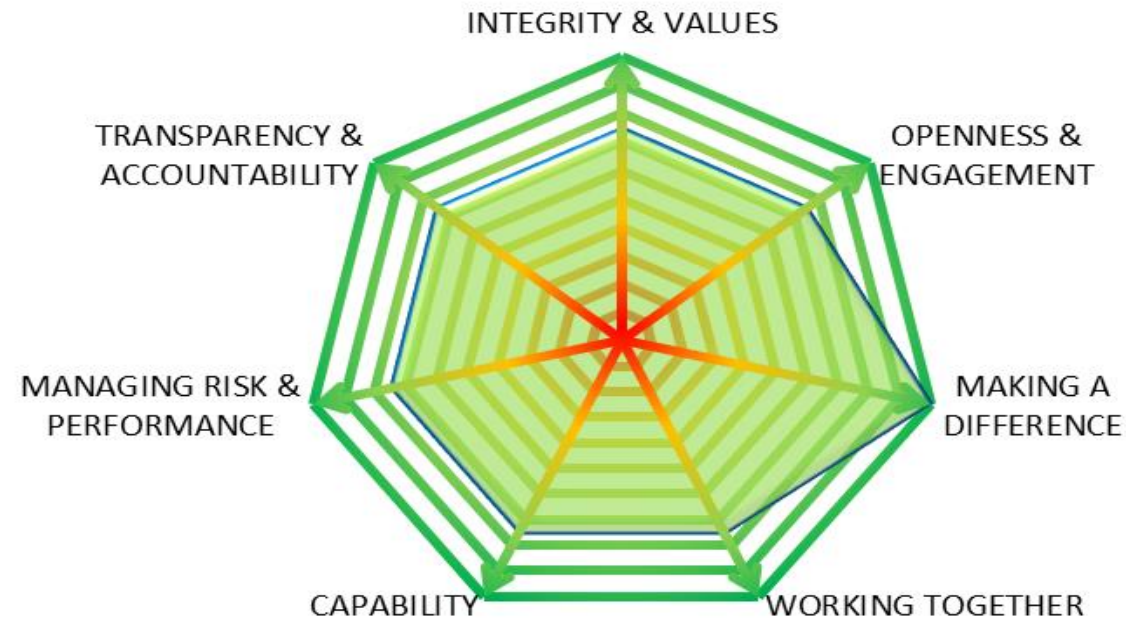
The Council must ensure that it meets the highest standards and that governance arrangements are not only sound but are seen to be sound. It is crucial that leaders and chief executives keep their governance arrangements up to date and relevant. Councils should develop a local Governance Code which reflects the "delivering good governance in local government framework (CIPFA/SOLACE 2016)" (the framework).

The framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. Whatever form of arrangements are in place, authorities should therefore test their governance

structures and partnerships against the principles contained in the Framework.

At Lincolnshire County Council this was independently assessed during November 2016 and assurance given over the evidence supporting good governance arrangements for each of the 7 Principles. All assurances were high or substantial.

Evidence Supporting Good Governance



The assessment identified some areas for improvement in relation to governance arrangements for collaborative working



Combined Assurance Status Report

(partnerships) and ethical governance. Audit work is underway to support improvements and provide further assurance in both of these key areas.

During 2017/18 the Council is working to address the matters identified and is monitoring implementation and operation as part of performance management – which is reported to the Council's Corporate Management Board and to the Executive. The Audit Committee are also helping with independent assurance during the year.

Annual Governance Statement

The assessment against the code, among other things, helped to inform the Council's Annual Governance Statement 2016/17. Overall this confirmed that the Council has the appropriate systems and processes in place to ensure good governance is maintained. The review did identify a number of areas for improvement.

Key Improvement Area
IT Governance
Financial Sustainability
Financial Control Environment
Market Supply (Adult Social Care)
SERCO Contract – Lessons Learnt
Delivery of Support Services and Improvement – SERCO
Collaborative Working – Governance Arrangements



Combined Assurance Status Report

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Combined Assurance Status Report

Page 141



What we do best...

Innovative assurance services

Specialists at internal audit

Comprehensive risk management

Experts in countering fraud

...and what sets us apart

Unrivalled best value to our customers

Existing strong regional public sector partnership

Auditors with the knowledge and expertise to get the job done

Already working extensively with the not-for-profit and third sector



Combined Assurance Status Report

Introduction	1
Key Messages	3
Critical Systems	5
Key Projects	21
Key Partnerships	23
Key Risks	25

Contact details – Richard Wills

Executive Director, Environment and Economy

richard.wills@lincolnshire.gov.uk





Introduction

This is the sixth combined assurance report for Environment and Economy within the Council.

By grouping the different sources of assurance in a single model we provide the basis for Senior Management and Audit Committees to gain a better understanding of their organisations assurance status and needs.

We do this by coordinating assurance arrangements – providing some structure – this is our Assurance Map.

We have well established Assurance Maps that help us to focus our work plans on the make or break risks that affect the successful delivery of services and strategic objectives. The Maps also recognise the importance of critical business systems that support successful delivery and ‘protect the business’ – the due diligence activities.

The Maps give an overview of assurance provided across the whole organisation – not just those from Internal Audit – making it possible to identify where assurances are present, their source, and where there are potential assurance ‘unknowns or gaps’.

The Maps are an invaluable tool for senior managers, providing a snapshot of assurance at any point of time. This report explores those assurances in more detail.

We gathered and analysed assurance information in a control environment that:

- takes what we have been told on trust, and
- encourages accountability with those responsible for managing the service.

Scope

We gathered information on our:

- **Critical systems** – those areas identified by senior management as having a significant impact on the successful delivery of our priorities or whose failure could result in significant damage to our reputation, financial loss or impact on people.
- **Due diligence activities** – those that support the running of the Council and ensure compliance with policies.
- **Key risks** – found on our strategic risk register, operational risk registers or associated with major new business strategy / change.
- **Key projects** – supporting corporate priorities / activities.
- **Key partnerships** – partnerships that play a key role in successful delivery of services



Combined Assurance Status Report

Methodology

To ensure our combined assurance model shows assurances across the entire Council, not just those from Internal Audit, we leverage assurance information from your 'business as usual' operations. Using the '3 lines of assurance' concept:



Our approach includes a critical review or assessment on the level of confidence the Board can have on its service delivery arrangements, management of risks, operation of controls and performance.

We did this by:

- Speaking to senior and operational managers who have the day to day responsibility for managing and controlling their service activities.
- Working with corporate functions and using other third party inspections to provide information on performance, successful delivery and organisational learning.
- Using the outcome of Internal Audit work to provide independent insight and assurance opinions.
- Considering other information and business intelligence that feed into and has potential to impact on assurance.

We used a Red (low), Amber (medium) and Green (high) rating to help us assess the level of assurance confidence in place.

The overall assurance opinion is based on the assessment and judgement of senior management. Internal audit has helped co-ordinate these and provided some challenge **but** as accountability rests with the Senior Manager we used their overall assurance opinion.



Combined Assurance Status Report

Key Messages

Management of risk is about assessing the probability of something occurring and the impact that the occurrence will have. The beauty of probability is that the event will occur at some time to someone if you repeat the risk operation often enough! We can do things to reduce the chance of it happening. We consider too whether we can reduce the effects of the risk when it occurs.

The rise in Amber rated risks reflects uncertainty and the implementation of changes to complete the savings that were necessary across services. This continues a trend from 2015-16. That said, there has been a drop in Red rated risk, which is encouraging.

Running at Amber is not necessarily an inherently bad thing if it is planned, understood and is stable. The Council's approach to its savings has been to examine the fundamental need for services and rather than cut slices off every service. There has been a considered approach that results in some services changing dramatically while others are sustained closer to desirable levels of quality through improved techniques and efficiencies.

Many risks that are at Amber are influenced by factors that are beyond the immediate control of the service involved. Increasingly, the Council is working in collaboration or partnership and some of our activities are highly influenced by central government and their funding streams and processes. This is normal and becomes a context for County Council

activities that we are able to manage through a sound understanding of risk management.

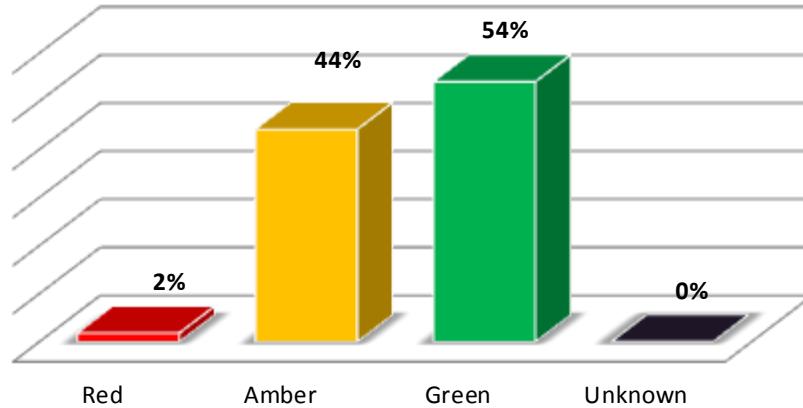
Collaboration with other organisation will remain a feature of the way in which we do business.

There are uncertainties in the economy. These result in difficult trading conditions for some of our suppliers and on larger projects this can leave the Council vulnerable to business failure. However on a positive note, we have had good responses from the business community to the advice and investment support that we do alongside the Greater Lincolnshire Local Enterprise Partnership and other organisations

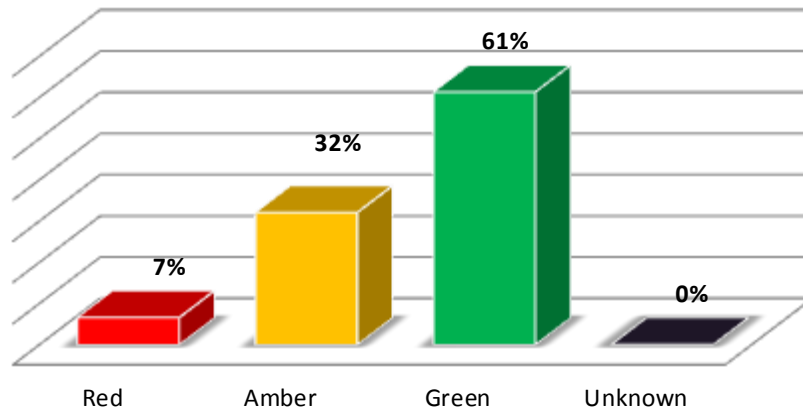


Combined Assurance Status Report

Overall Assurance Status 2017/18



Overall Assurance Status 2016/17



Suggested next steps.....

We will continue to examine services running at Green to ensure that there are not more efficiencies to be gained.

Most of my accountabilities are for services that affect many if not all people in Lincolnshire – so called "universal" services, rather than ones tailored to an individual. This can lead to services that can feel impersonal and uncaring of the impacts on individuals. Our aim will be to provide opportunities for people to have a positive experience when they engage with the Council.

We still need to work hard to give good value for money with less cash than we had a few years' ago. That will mean a cycle of continuous review and improvement, making the most of new technology as it becomes available.



Critical Systems

I manage my accountabilities under the umbrella of my Executive Director's Leadership Team through three Director's Management Teams (DMT):

- Environment & Economy (the various "place functions")
- Community Engagement
- Council & Information Governance (which will include my Monitoring Officer accountabilities)

The Council's information technology is a matter for concern and is being addressed. This is taking longer than expected but 2018-19 will see replacement systems coming on line. One of the aims is to be less reliant on locally-based storage and move to cloud-based storage with Windows 365. This will require larger revenue budgets and less reliance on capital expenditure. This is reflected in the proposed budget for 2019-21.

Information Governance is an important responsibility for the Council, as people are increasingly concerned about the amount of data held on them. The value placed on personal data is such that fines are increasing for those that default through poor systems, which is why we are taking it seriously. The General Data Protection Regulations come into force in

May 2018 and the Council is putting in place the new arrangements that will be required.

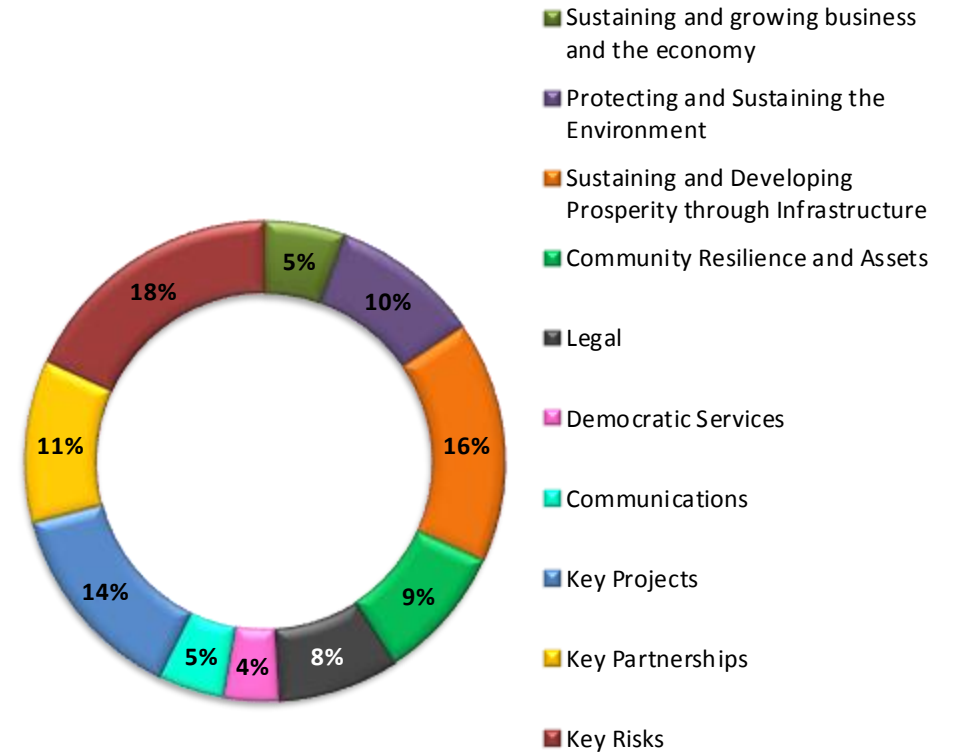
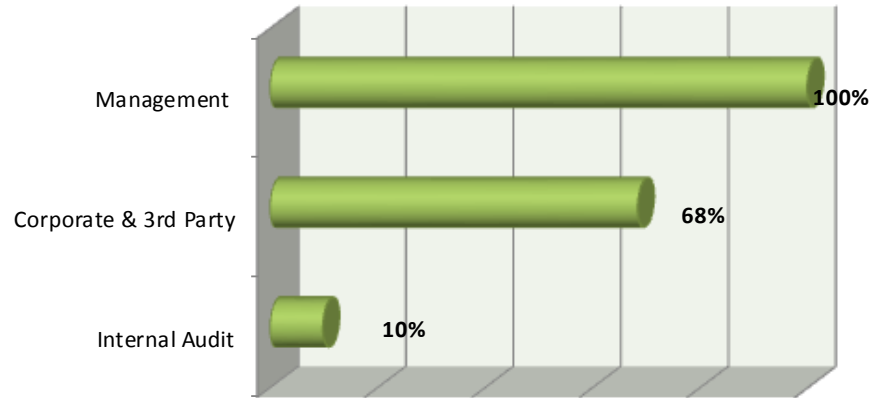
The Council is also aware of the need to maintain high levels of cyber security. Cyber security is concerned with data protection, the disruption of service through attack and the integrity of data. We have in place systems that protect us from such problems but we must be continuously vigilant. However, there will be a need for more investment in replacement servers to ensure that we are protected in future.

We also recognise that engagement with citizens and stakeholders is important. It can also be expensive. Complaints that are unresolved are not only harmful to our reputation but also take staff time. So we are increasing our digital engagement facilities and we expect these channels to improve further, with less reliance on face to face and telephone communications.



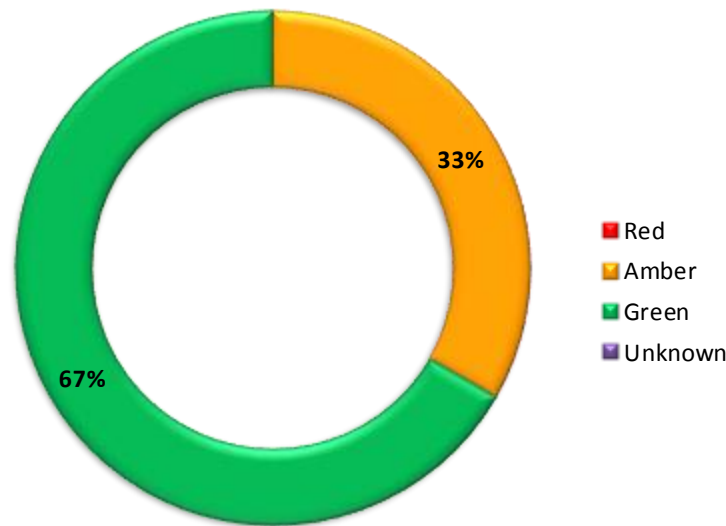
Combined Assurance Status Report

Who Provides Your Assurance





Sustaining and Growing Business and the Economy



Overall Assurances

Green	Amber
<ul style="list-style-type: none"> • Adult Learning • Business Support Service • Commissioning of Place Marketing • Tourism 	<ul style="list-style-type: none"> • External Funding Generation and Marketing • Local Enterprise Partnership

Overall Comments

A significant level of assurance management continues to take place within the "Sustaining and Growing Business and the Economy" commissioning strategy. This is mainly carried out by third parties who provide external funding. The Head of Service and Managers take personal responsibility for preparing any assurance visits by third parties, and team members regularly receive training in programme and financial management. These layers of assurance have led to most activities being graded "Green".

Management of Risk

The Head of Service and Managers have identified that the primary risks to the service relate primarily to the ability to attract and then maintain external funding, and partly to the availability of competent staff. The management team meets each month and collectively address specific issues that feature in their analysis of overall risk or in project specific activity. Progress against each of the areas of activity is regularly reported to, and debated by, the council's Economic Scrutiny Committee.

Lower Assurances

The only activity activities which are graded "Amber" relate to the attraction of external funding and to the Local Enterprise Partnership. There is a risk to maintaining external funding levels if the council's IT system cannot produce appropriate



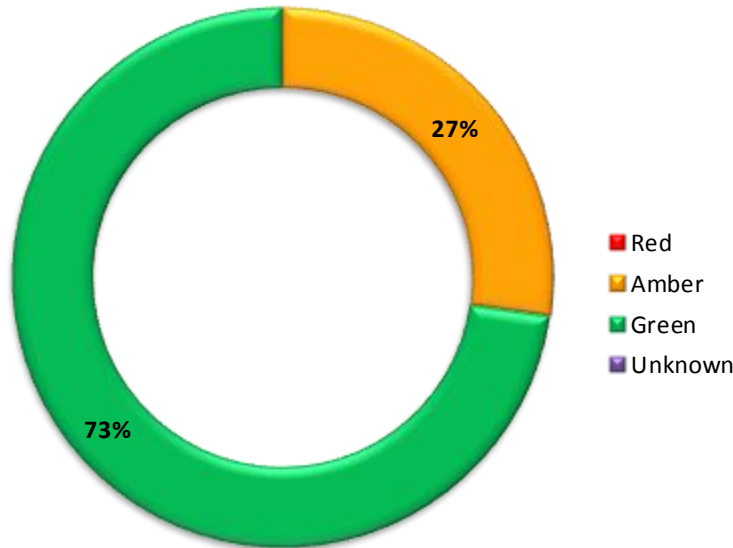
Combined Assurance Status Report

administrative reports. Staff continue to work with the council's finance department on finding a solution to this risk. There is a risk to the LEP if it does not respond favourably to the government's new LEP Assurance Framework. Staff have formed a small working group to ensure that they can demonstrate how the LEP's current systems meet the requirements of the government's Assurance Framework and where the systems do not meet the government's requirements then staff will adapt the systems so that they do meet the government's requirements.



Combined Assurance Status Report

Protecting and Sustaining the Environment



Overall Assurances

Green	Amber
<ul style="list-style-type: none"> • Carbon Management • Strategic Flood Risk Management • Operational Flood Management • Infrastructure delivery 	<ul style="list-style-type: none"> • Environment Strategy • Waste Management (Strategy) • Operational Environment Maintenance

Green	Amber
<ul style="list-style-type: none"> • Minerals and Waste Planning • Waste Management (operational) • Joint Policy Working • Archaeological and conservation/Districts advice 	

Overall Comments

The overall level of assurance is good and reflects the public facing nature of much of this activity which is therefore open to public and press interest. There are no areas of high risk with plans in place to tackle those of lower assurance.

Management of Risk

As much of the activity operates in an environment where decisions are subject to committee decision or committee scrutiny there is a level of confidence about risk is effectively managed.

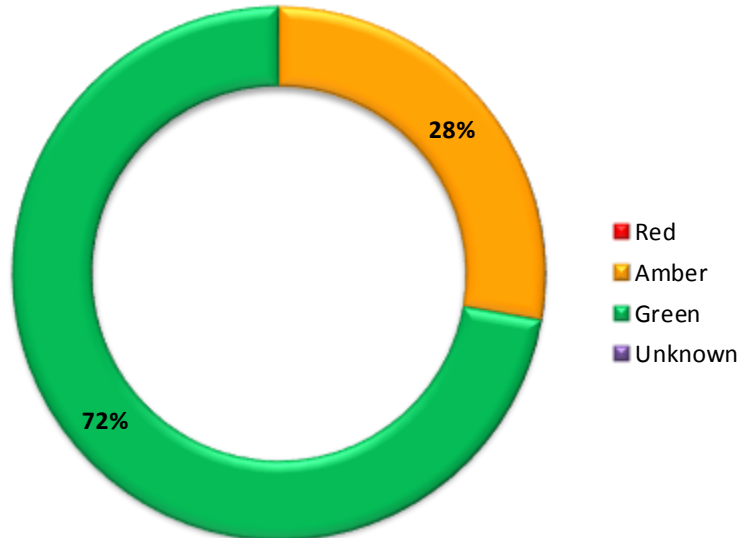
Lower Assurances

Of those activities with a lower assurance two relate to strategies that are being developed with one operational activity where the reactive nature dictates the level of assurance.



Combined Assurance Status Report

Sustaining & Developing Prosperity through Infrastructure



Green	Amber
<ul style="list-style-type: none"> Asset Management Civil Parking Enforcement Events Management Highways Alliance Development Management (Flood Risk and Highways) Road Safety Partnership Economic Regen sites and Premises Operation Spatial Regeneration Activities Investment Promotion Service Administration of Adult Learning 	<ul style="list-style-type: none"> Concessionary Fares Network Management Economic Development Capital Projects Implementation

Overall Assurances

Green	Amber
<ul style="list-style-type: none"> School and College Transport Social Care transport (children and adults) Delivery of Local Transport Plan 	<ul style="list-style-type: none"> Lincolnshire Public Transport Network (including Community Transport) TransportConnect Ltd (Teckal Company)

Overall Comments

The overall assessment reflects the strong project management approach taken in most of these areas to provide effective assurance of the work delivered in these areas. This reflects the value attached to much of this activity and the fact that much of the highway and transport related activity are universally available services.



Combined Assurance Status Report

Management of Risk

The use of internal policies and procedures provides a level of confidence and control to senior management of the way in which these activities are delivered. The use of quality assurance systems including BS standards ensures a consistency of approach.

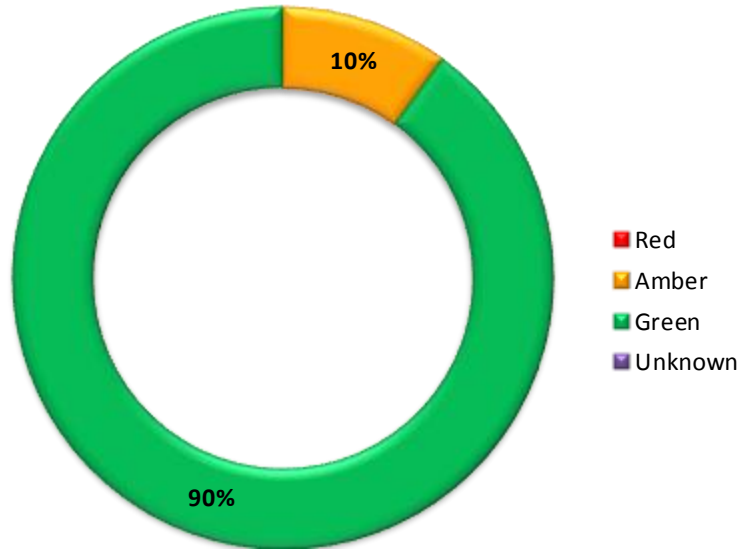
Lower Assurances

The areas of lower levels of assurance reflect the ongoing effect of budget savings and the restructuring implemented in February 2017, therefore a full understanding of the impact on the services affected cannot be confirmed at present. Once changes have been fully implemented it would be expected that a higher level of assurance would be achieved. Other areas have an inherent risk attached to them reflecting the changeable nature of some of the project activity and some legislative changes proposed.



Combined Assurance Status Report

Community Assets and Resilience



Green	Amber
<ul style="list-style-type: none"> • Volunteering Support • Financial Inclusion • Community Hubs • Library and Information Services • Archives • Customer Service Centre • Terrorism and Serious & Organised Crime 	

Overall Comments

Library and information services are now in the second year of operation under the contract with Greenwich Leisure Limited (GLL) and performance remains strong and improving with no issues with regards to KPI's. Most Community Hubs are in their third year of operation and remain stable. GLL contract remains subject to monthly reporting as well as quarterly performance reporting to Scrutiny and Members, along with the presentation of an Annual Report.

In 2015, responsibility for PREVENT activity was moved to Local Authority responsibility under the Counter-Terrorism Act. Whilst there is no performance or inspection framework, nationally, the PREVENT Steering Board has a clear action plan that reports both through Scrutiny and Local Community Safety Partnership. The partnership remains well supported

Overall Assurances

Green	Amber
<ul style="list-style-type: none"> • Advice, Information and Support Services from Community and Voluntary Sector Infrastructure Organisations • Community Engagement and Development 	<ul style="list-style-type: none"> • Heritage



Combined Assurance Status Report

and attended with a clear growing understanding of risks and responsibilities. Additionally, training and development programmes in this area of responsibility remain core to the business and have extended beyond delivery of strategic and internal partners and are now being delivered direct to communities. Greater administrative and organisational responsibility was expected to be rolled-out to Local Authorities throughout 2017/18, however, this has now been delayed by the Home Office and the plans are now paused, with an expected delay in excess of twelve months.

The agreement for delivering Volunteer Support Services has been awarded (under a Grant Aid Agreement) and is subject to financial and performance monitoring as per the payment schedule and this is reported through Quarterly performance reporting to Scrutiny and Members as well as an Annual Report.

Community Engagement and Consultation activity remains an embedded part of work with ever growing requirements to adhere to the legislation as the Council continues to significantly alter or stop service delivery. Community Engagement process were amended and updated in 2017 with a report being presented to Executive Committee. 2018 will see the review and revision of the current 5 year "Community Engagement Strategy 2013-18. It is expected that this strategy will become broader in content and will be

supported by a Members Working Group with the finished document going to Full Council in May 2018.

Customer Services is now in its third year of being delivered by external provider Serco. The work completed in previous years to establish more accurate forecasting has resulted in a greater knowledge of volume and more stable and known budget costs for service areas. Additionally, work continues with Serco in the areas of Relationship, Channel Shift and online self-service platforms.

Aligned to the Heritage Services is the recognition that the current Archives building is at end of life and no longer fit for a 21st C service. Key aspects of the archives service are statutory; others are governed by the adherence to accreditation standards. In order to progress, an Archive Project Board and Governance Board have been created to explore options resulting in two feasibility reports that will be presented to Members in early 2018 with an expected decision on the favoured new site.

Lower Assurances

The Heritage Service has been tasked with achieving a zero budget base by 2018/19 (current operating budget of £1.3M). It will do this through a combination of efficiency savings alongside an emphasis upon commercialisation and income generation. It is recognised that this is a challenging outcome to achieve. During 2017, all aspects of service delivery



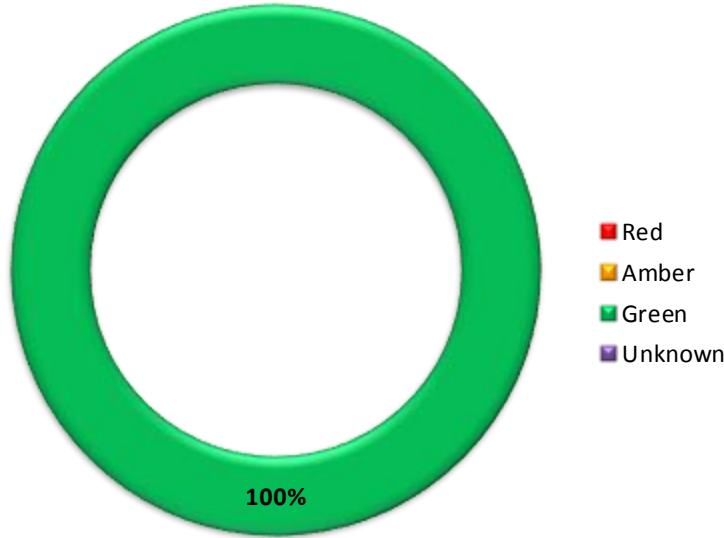
Combined Assurance Status Report

(include assets, staffing, sites etc.) were assessed resulting in significant changes to service delivery, priorities and a staffing restructure that was implemented on 1 July 2017. It is recognised that activity within the Heritage Service will be of interest to key stakeholders (depositors', philanthropists, Members, funders and communities) and therefore likely to be high profile and as such, reporting and governance continues to reflect the importance and sensitivities of progress and key decisions, including Committee, Portfolio Holder and Director level as well as a full stakeholder engagement plan.



Combined Assurance Status Report

Legal Services



Green
<ul style="list-style-type: none"> • Civil Litigation • Adult Social Care • Legal Governance

Overall Comments

Legal Services Lincolnshire is a shared service between the County Council and Boston Borough and East Lindsey, North Kesteven, South Holland and West Lindsey District Councils. The service operates on a trading basis, covering its costs from the income it generates through charging for its services. The service was created in 2008 and has operated as a trading unit since 2010. Over that period it has consistently generated a surplus which is distributed back to the partners in proportion to their use of the service.

Demand for legal services has remained steady over the last few years despite reductions in local authority budgets. At the same time there has been an increased complexity and increased emphasis on certain types of law including public and commercial law as authorities seek to change the way in which they deliver services. Looking forward, there is a potential for current demand to become fragmented with responsibility for the commissioning legal work shifting through developments such as outsourcing and health and social care integration. The service will need to be ready to follow this work if that happens which raises complex issues in relation both to local authority powers and professional

Overall Assurances

Green
<ul style="list-style-type: none"> • Legal Services Lincolnshire • Property • Highways and Planning • Commercial and Information • Education, Employment and Prosecutions • Child Care



Combined Assurance Status Report

regulation. The increased emphasis on new areas of law such as company formation means the service must ensure its skill sets keep pace with client expectations.

The service holds the LEXCEL quality mark which is a Law Society approved and accredited mark evidencing excellence in legal practice management and client care. This gives a high level of externally assessed assurance that the processes and procedures within Legal Services Lincolnshire reflect best practice in the management of a legal service.

Management of Risk

Legal Services manages risk through its LEXCEL procedures. The service maintains a risk register of strategic, operational and regulatory risk which is monitored and reviewed through meetings of the Legal Management Board and the service's management team on an annual basis. All legal files are reviewed for risk on opening and regularly as they proceed.

The key risk facing the service is one of resourcing. The service has experienced a combination of increased staff turnover and recruitment difficulties over several years. There has consequently been a greater than anticipated reliance on locum resource to meet demand. Whilst this has meant that services have consistently been delivered, use of locums is both more expensive than employing staff and can lead to difficulties in ensuring continuity of services.

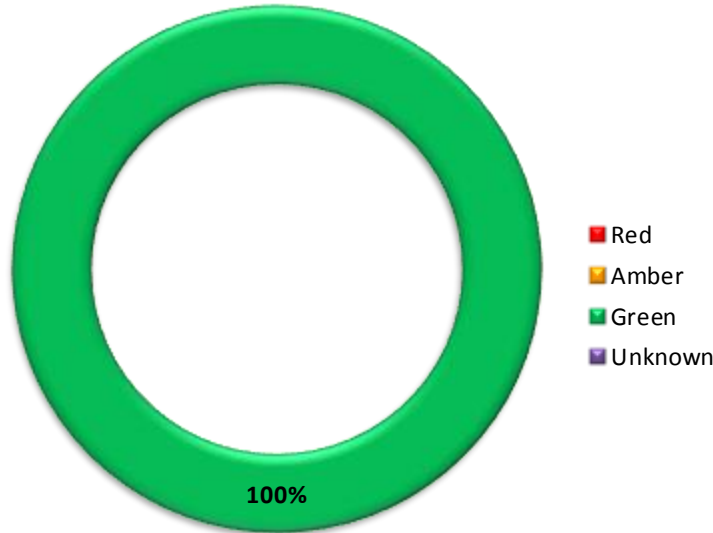
Legal Services has been identified as a difficult to recruit to area and is receiving support from People Management to address the retention and recruitment issues.

Overall, the availability of a locum solicitor market and the support being received around recruitment and retention mean that these risks are not sufficient to take the assurance level below Green.



Combined Assurance Status Report

Democratic Services



Overall Assurances

Green
<ul style="list-style-type: none"> • Member Support including Learning and Development • Scrutiny • Democratic Services • Civic Support

Overall Comments

The county council election in May 2017 marked a reduction in the number of councillors from 77 to 70, following a recent review carried out by the Local Boundary Commission for England.

The election also resulted in a different political landscape, including a reduction in the number of political groups on the Council from five to three.

A new scrutiny committee structure was introduced on 1 May 2017 and was subsequently adjusted by the new Council at its Annual Meeting on 17 May 2017. Councillors have agreed to review the new structure 12 months on from implementation.

The review included the introduction of two scrutiny panels to carry out detailed scrutiny reviews, similar to the work of the former task and finish groups.

Member development continues to be led by a cross-party Councillor Development Group, which meets regularly to consider the development needs of councillors. The Group has surveyed councillors about their needs and will consider the results of the survey when developing the training programme. With more of the members in full time employment, one of the challenges for the Group will be to ensure that all councillors have equal access to development opportunities perhaps by extending the methods of delivery.



Combined Assurance Status Report

The recent reorganisation of the Democratic Services team has improved internal communication lines.

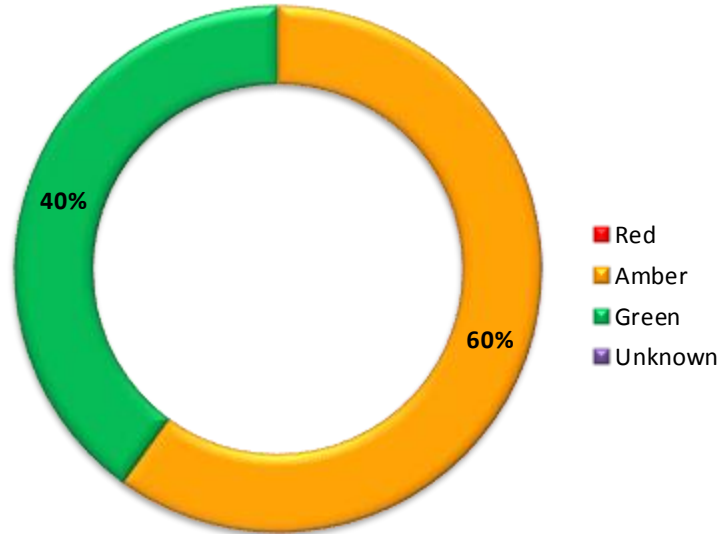
Management of Risk

Regular and close liaison with district council colleagues ensured a smoothly-run election in May 2017. The introduction of highways officers to this process in the future should ensure that any polling station and count access issues are properly managed. Publication of agendas and papers for meetings has met legal requirements and managers continue to monitor performance to ensure that minutes are produced in a timely manner.



Combined Assurance Status Report

Communications



Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Corporate Communication Strategic Partnership 	<ul style="list-style-type: none"> Media Management Internal Communication Warn and Inform (Emergency Planning)

Overall Comments

Strategic Communications plan as much as possible to anticipate key issues and produce integrated communication plans and messaging across all platforms and for all service areas. The team covers internal and external communications, media management, the production and distribution of County News three times a year as well as other publications and regular campaign work. Fully integrated digital communications, social media and oversight of the council's website is also in place.

Management of Risk

Strategic communication staff engage across all directorates and with senior councillors to ensure communications are timely, relevant and accurate. Staffing levels have impacted on service delivery and priority is employed to cover the impact of reputation management. Outdated ICT equipment and network issues is restricting the quality of output and this will continue to be an issue as the team expand their social media output.

The team's main statutory duty is Warn and inform (emergency planning), leading on communications in an emergency or crisis. Not all agencies that make up the group have a paid rota for out of hours working. There is an expectation that there needs to be more comprehensive cover by more agencies on site or at an emergency on the ground.



Combined Assurance Status Report

Should there be a significant event such as severe weather or a flu pandemic, there does not appear to be an overall countywide resilience plan. Better preparation is needed in these areas.

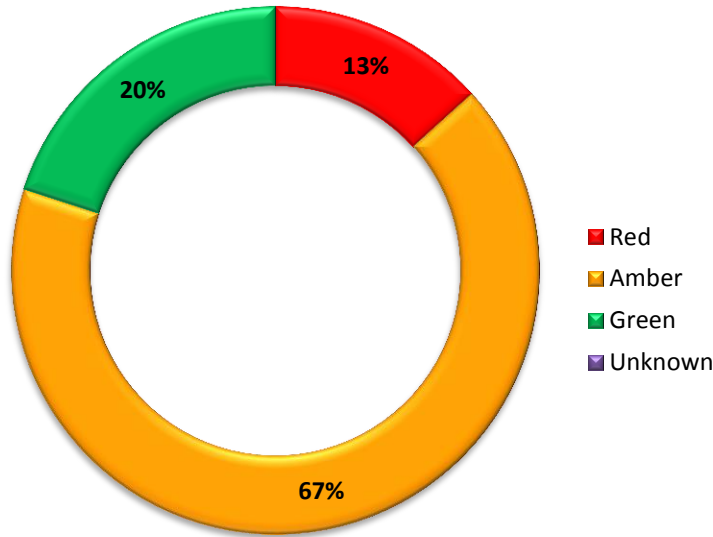
Lower Assurances

The digital team have improved integrated communications, including web, digital and social communications. Corporate response to emerging issues such as ICT failure has been tested over the past year and the communication between internal teams liaising with strategic communications could be improved. Corporate response to internal emergency issues is being worked on.



Combined Assurance Status Report

Key Projects



Green	Amber	Red
	<ul style="list-style-type: none"> Archives Building Project Panacea Software New LCC Website Transport IT Development Coastal Observatory Skegness Countryside Business Park Holbeach Food Enterprise Zone 	

Overall Assurances

Green	Amber	Red
<ul style="list-style-type: none"> Community Speed Watch Initiative Digital Speed Cameras Carbon Management Plan 3 	<ul style="list-style-type: none"> Spalding Western Relief Road Grantham Southern Relief Road Highways 2020 Tender 	<ul style="list-style-type: none"> Lincoln Eastern Bypass Total Transport Project

Overall Comments

The majority of capital expenditure in the Council is spent on projects within my service areas. We have made good progress on many projects and there is a healthy programme looking ahead. Approval has been given to make the legal Orders required to build the Grantham Southern Relief Road, Phase 1 of which is already constructed.

The largest current project is the Lincoln Eastern Bypass, valued at about £100m. The main works started in 2017 and one important element has been completed – a railway bridge



Combined Assurance Status Report

for the Spalding Line. The Principal Contractor, Carillion, went into compulsory liquidation and this will delay the delivery of the project.

Management of Risk

Projects of various sorts always carry a degree of risk and we have implemented risk management systems at both programme and individual project levels. The risks on projects with significant partners or stakeholders are always more difficult to manage because the Council does not have all the control mechanisms. There is thus an important link to

The most significant risk had been the commercial viability of Carillion for Lincoln Eastern Bypass. Although the company was viable at the time the contract was let in 2016 a profits warning was issued in the summer of 2017. From that time the situation was closely monitored. Fortunately, the Council "de-risked" the project by agreeing to an additional year in which preparatory works such as utility diversions, archaeological investigations and the Spalding Line railway bridge could be undertaken.

Lower Assurances

Information Technology projects continue to have fallen behind what is needed for the Council's business. There were some system failures during last year that had to be tackled. The upgrade to Agresso has progressed reasonably well,

however, though this has been limited to essential financial and payroll features.

The perception of the system is unlikely to improve until new user-interfaces are introduced sometime in 2018.

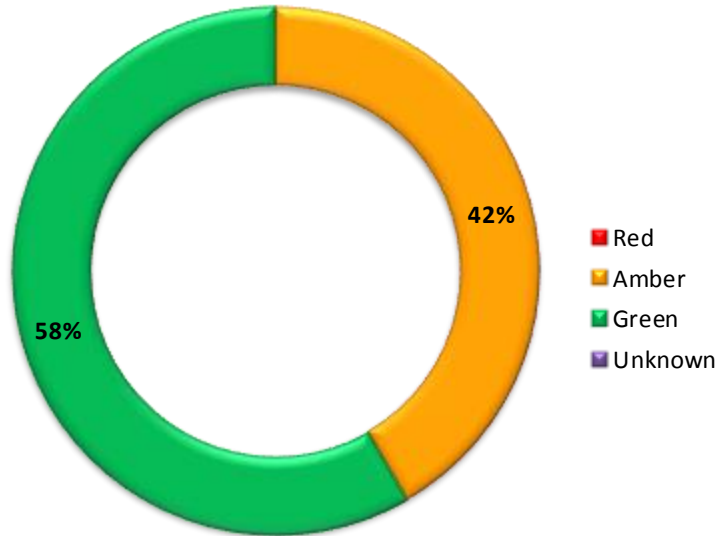
Roads and economic infrastructure projects are general green or amber and being closely monitored.

The Total Transport Project has a higher risk because of its dependency on partners, especially various elements of the NHS. The Passenger Transport Unit is actively engaging in the Sustainability and Transformation Plans (STP) being developed by the NHS. There is a specific STP for transport being led by NHS colleagues. The investigation and detail arising from the Total Transport project will feed into these plans and the Council is keen to work in partnership as much as possible. The Unit is also working closely with Voluntary Car Schemes to improve their transport offer.



Combined Assurance Status Report

Key Partnerships



Green	Amber
<ul style="list-style-type: none"> District Electoral Officers Lincolnshire Wolds Countryside Service Heritage Coastline Team Lincolnshire 	<ul style="list-style-type: none"> Midlands Engine Community Transport Forum

Overall Comments

Building relationships remains an important focus because many outcomes are reliant on several organisations working well together. The council has a good track record for partnership working, particularly in the fields of economy, flood risk and planning. Working in a two-tier local government area presents additional complexity and this is highlighted in waste management where it has been more difficult to achieve a consensus.

Midlands Engine and Midlands Connect have greater significance since these partnerships have become a means by which central government is influenced and could become the means of channelling money into economic infrastructure.

Management of Risk

Wherever possible we attempt to control risks but in partnerships we do not have all the control mechanisms. Continual dialogue with partners and a "no surprises"

Overall Assurances

Green	Amber
<ul style="list-style-type: none"> Central Lincolnshire Local Plan and SE Lincolnshire Local Plan Strategic Flood Partnership LEP Partnership Board 	<ul style="list-style-type: none"> Lincolnshire Waste Partnership Warn and Inform Partnership Lincolnshire Wildlife Trust



Combined Assurance Status Report

mentality enables us to provide high levels of assurance for the majority of our partnerships. Those that are amber are often related to funding uncertainty either on our part or on that of partners. The Lincolnshire Resilience Forum's Warning and Informing partnership relies on participation by others, especially district councils but has demonstrated its effectiveness in the recent coastal flooding alert.

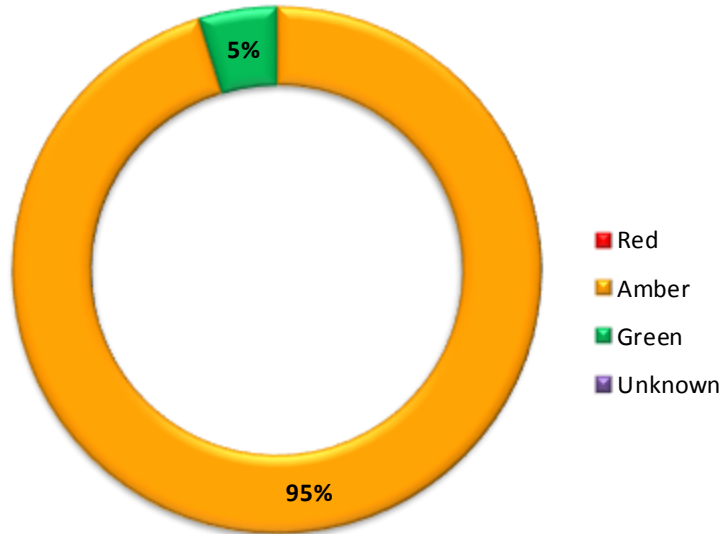
One of the best ways of managing risk is active participation in the partnerships that we value and withdrawal from those that are no longer effective or have reduced influence. For example, we have ensured that we have engaged in the pan-Midlands activities of Midlands Engine and Midlands Connect.

Lower Assurances

We consider that we are not engaged in any high risk partnerships.



Key Risks



Unsurprisingly, projects have the highest strategic risk rating because progress relies on several areas of uncertainty, in particular: funding, partnerships including developers, statutory processes, inherent technical issues and inflationary pressures. Many projects demand high amounts of capital expenditure and once a project commences it is likely to be completed irrespective of cost. This represents a high risk area for the council which is why projects and programmes of projects tend to have the highest analysis of risk of all areas of service.

In addition, as demonstrated by the Carillion collapse, there can be unforeseen commercial risks. These however are not unheard of and the Council has processes in place to respond to these risks when they emerge.

Strategic Risks

Council's highest rated Strategic Risk for this area of the business

Projects



Corporate Governance

Our Combined Assurance model focuses on assurance against critical systems, projects, risks and partnerships. This helps the organisation to understand corporately where it's performing well and where improvements are required. Many of the Council's critical services and systems underpin a sound corporate governance framework. In this section we set out how the Council has approached corporate governance, complied with guidance and obtained assurance on its significant governance issues.

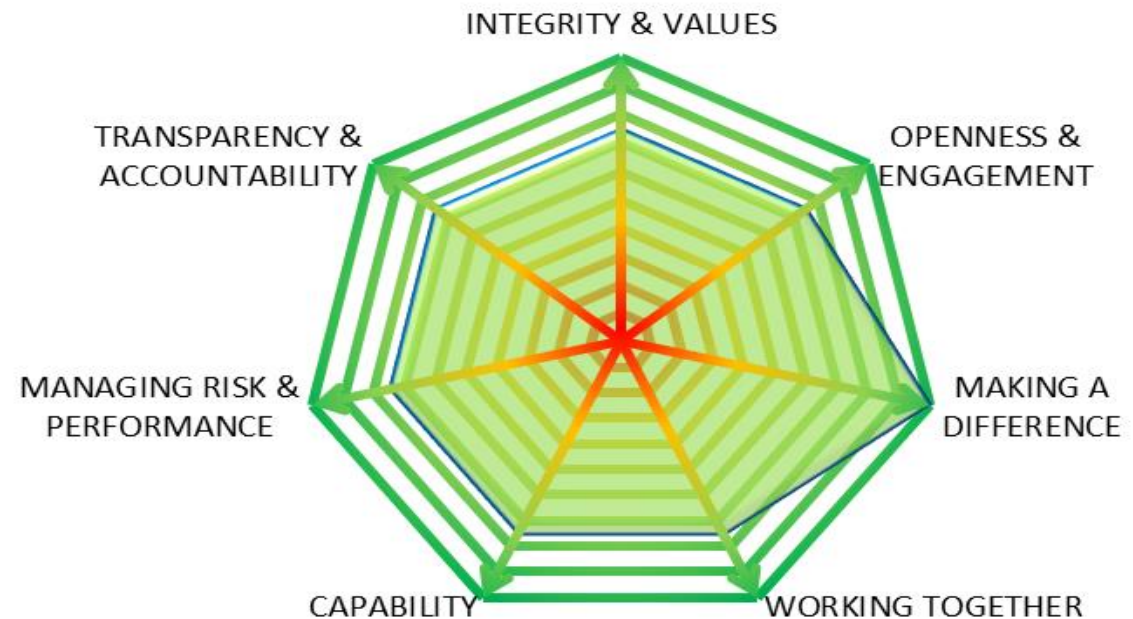
The Council must ensure that it meets the highest standards and that governance arrangements are not only sound but are seen to be sound. It is crucial that leaders and chief executives keep their governance arrangements up to date and relevant. Councils should develop a local Governance Code which reflects the "delivering good governance in local government framework (CIPFA/SOLACE 2016)" (the framework).

The framework defines the principles that should underpin the governance of each local government organisation. It provides a structure to help individual authorities with their approach to governance. Whatever form of arrangements are in place, authorities should therefore test their governance structures and partnerships against the principles contained in the Framework.

At Lincolnshire County Council this was independently assessed during November 2016 and assurance given over

the evidence supporting good governance arrangements for each of the 7 Principles. All assurances were high or substantial.

Evidence demonstrating good governance



The assessment identified some areas for improvement in relation to governance arrangements for collaborative working (partnerships) and ethical governance. Audit work is underway to support improvements and provide further assurance in both of these key areas.



Combined Assurance Status Report

Annual Governance Statement

The Audit Committee are also helping with independent assurance during the year.

The assessment against the code, among other things, helped to inform the Council's Annual Governance Statement 2016/17. Overall this confirmed that the Council has the appropriate systems and processes in place to ensure good governance is maintained. The review did identify a number of areas for improvement.

Key Improvement Area
IT Governance
Financial Sustainability
Financial Control Environment
Market Supply (Adult Social Care)
SERCO Contract – Lessons Learnt
Delivery of Support Services and Improvement – SERCO
Collaborative Working – Governance Arrangements

During 2017/18 the Council is working to address the matters identified and is monitoring implementation and operation as part of performance management – which is reported to the Council's Corporate Management Board and the Executive.

Open Report on behalf of Pete Moore, Executive Director Finance and Public Protection

Report to:	Audit Committee
Date:	29 January 2018
Subject:	Internal Audit Progress Report

Summary:

The purpose of this report is to:

- Provide details of the audit work during the period 1st September to 31st December 2017
- Advise on the progress with the 2017/18 plan
- Raise any other matters that may be relevant to the Audit Committee role

Recommendation(s):

That the Committee note the outcomes of Internal Audit's work and identify any actions that need to be taken

Background

This paper covers the period 1st September to 31st December 2017 and reports on progress made against the 2017/18 audit plan

Conclusion

During the period we have completed 29 County audits, 12 to final report (including 1 consultancy assignments) and 9 to draft report stage as well as finalising 8 school audits.

There are currently 9 further audits in progress.

Consultation

a) Have Risks and Impact Analysis been carried out??

No

b) Risks and Impact Analysis

N/A

Appendices

These are listed below and attached at the back of the report	
Appendix A	Internal Audit Progress Report

Background Papers

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

This report was written by Lucy Pledge, who can be contacted on 01522 553692 or lucy.pledge@lincolnshire.gov.uk.

Internal Audit Progress Report

Contents

	Page
Introduction	1
Key Messages	1
Internal Audit work completed in the period 1st September 2017 to 31st December 2017	1
Audits in Progress and Other Work	4
Performance Information	7
Appendices	
Appendix 1 – Assurance Definitions	8
Appendix 2 – Executive Summaries of Audit Reports giving Limited or Low Assurance	9
Appendix 3 – Outstanding actions at 30 th November 2017	34
Appendix 4 – Audit Plan 2017/18	36

Contact Details:
Lucy Pledge CMIIA
Audit & Risk Manager



County Offices, Newland, Lincoln, LN1 1YG
☎:01522 553692 ✉ lucy.pledge@lincolnshire.gov.uk

Introduction

1. The purpose of this report is to:
 - Provide details of the audit work during the period 1st September to 31st December 2017
 - Advise on progress with the 2017/18 plan
 - Raise any other matters that may be relevant to the Audit Committee role

Key Messages

2. During the period we have completed 29 County audits, 12 to final report (including 1 consultancy assignments) and 9 to draft report stage as well as finalising 8 school audits.
3. There are currently 9 further audits in progress.

Internal Audit work completed in the period 1st September to 31st December 2017

4. The following audit work has been completed and a final report issued:

High Assurance	Substantial Assurance	Limited Assurance	Consultancy Assignments
<ul style="list-style-type: none"> ■ Youth Offending Service ■ Transfer of 0-19 Public Health Nurses 	<ul style="list-style-type: none"> ■ Contract Management – Highways ■ Information Governance ■ Deprivation of Liberty Safeguards ■ New Highways Operating Model ■ Medium Term Financial Planning ■ Strategic Approach to Charging for Schools 	<ul style="list-style-type: none"> ■ Wellbeing Service ■ Adult Social Care Client Contributions ■ Housing Related Support 	<ul style="list-style-type: none"> ■ Transition of Telecare Services

Note: The assurance expressed is at the time of issue of the report but before the full implementation of the agreed management action plan. The definitions for each level are shown in Appendix 1.

5. Since our last progress report we have issued 8 final reports providing High or Substantial Assurance:

Youth Offending Service**High Assurance**

Our audit confirmed that the Youth Offending Service (YOS) Team have managed and implemented the action plan to address the issues highlighted during the December 2015 Short Quality Screening Inspection by Her Majesty's Inspectorate of Probation. This improvement plan included many actions which taken as a whole become a Quality Assurance Framework which will help the service to ensure improvements are sustained.

Transfer of 0-19 Public Health Nurses**High Assurance**

During October 2017, 220 staff from the NHS transferred into the Council. These staff form the "Children's Health Service 0-19" and will support the health and well-being of children and young people during their school year and into early adulthood. Due to the volume of staff that are moving across, the specific requirements that need aligning to LCC procedures, and the ICT systems and equipment that needs to integrate with the LCC network, Children's Services require assurance that the process has been well planned and successfully implemented. Our audit focused on Project Management of the transfer.

We are satisfied that defined project management procedures have been followed and implemented. Robust Project Management has ensured that key developments are delivered to specification within an appropriate time-frame.

Contract Management – Highways**Substantial Assurance**

Our audit of a sample of Environment and Economy Highway contracts has provided further assurance over the contract management process that is delivered. We found defined procedures in place and the contracts we examined followed these measures. Our audit made some recommendations around an IT system used as this is no longer supported so requires replacement or upgrade.

Information Governance**Substantial Assurance**

The audit undertaken by the ICO gave an opinion that there was a reasonable level of assurance that the Council had effective processes and procedures in place and are delivering data protection compliance. This assurance level is equivalent to our own Substantial Assurance.

Our review confirms good progress is being made on the recommendations arising from the ICO report.

The Council has also identified the work required to meet GDPR requirements and this is being progressed and tracked. Whilst a lot of work has been done there is still a significant amount of work to do. We have recommended that this is quantified, scheduled and reported on so that management can have a better oversight of progress with the potential to intercede if necessary.

Deprivation of Liberty Safeguards**Substantial Assurance**

Well documented processes, procedures and controls are in place in relation to the appointment of Deprivation of Liberty (DOL) Assessors and the monitoring of DOL assessments and these ensure that Assessors are both suitable and eligible. The process for monitoring of DOL assessments is budget dependent; however we noted when required urgent cases were prioritised even if this was outside of budget. The process for monitoring and reporting on the DOL assessment backlog was generally found to work well. Clear tracking of the back log is in place and where blockages in the process were identified by the team solutions were put in place to remedy the issues identified.

We did identify some issues relating to retaining signed contracts and evidence of qualifications and training of the assessors. We fed back our findings and the DOL team took immediate action to address the issues raised.

New Highways Operating Model**Substantial Assurance**

Highways have gone through significant changes recently following the introduction of the Future Operating Model. As well as the restructure, other business changes have occurred or are planned with the main aim of reducing expenditure. One of these elements is the Value For Money (VFM) Framework. This framework was developed as part of the main project and along with project management, was the focus of our review.

Overall we are satisfied that the VFM project has been successfully delivered and that the VFM framework that has been adopted meets expectations.

Medium Term Financial Planning**Substantial Assurance**

Our review identified that financial planning processes are generally well controlled. An up to date Medium Term Finance Plan (MTFP) is in place up to 2021/2022 which is based on a strictly controlled Budget Model, clear and approved assumptions and is aligned with the 4 year funding agreement. The budgetary shortfall and plans to meet this are discussed throughout the year at Corporate Management Board (CMB) and Informal Executive meetings. A Budget Setting Framework is in place which is reviewed annually. Final budget proposals are subject to adequate scrutiny and challenge.

Our review highlighted a known issue around Financial Procedures and Directorate schemes of Authorisation being out of date. We also made recommendations around the approval of budget changes and provision of documented assumptions by Budget Holders to support their submitted budgets.

Strategic Approach to Charging for Schools**Substantial Assurance**

The Council introduced a mechanism by which schools can view and access services available to them in one place. This commenced on 12 September 2016 and is called EduLincs.

Our review found that EduLincs is working as intended but is still a work in progress that is being refined. A review of the first year of operation by the Commissioning Officer was carried out and a report taken to Children's Departmental Management Team in September 2017, which included 10 options on how to further develop the offer to schools. The ability for online payment is the number one priority. The focus is on the offer to schools for the 2018/19 academic year and a project plan is in place which is regularly reviewed and updated following 121's, working groups and the plan was reviewed at Children's DMT. Areas of improvement identified during our audit were already known to the team and mechanisms are in place to take these forward.

Special Educational Need & Disability Reform Substantial Assurance

The new Children and Families Act (2014) aims to offer simpler, improved and consistent help for children and young people with special educational needs and disabilities (SEND). The new legislation extends provision from birth to 25 years of age, giving families a greater choice in decisions and ensuring needs are properly met. As part of the reformed system a new education, health and care plan (EHC plan) has been introduced. All children with a current Statement of Special Education Need will require to be transferred to an EHC plan by 31st March 2018. Young people in higher education receiving support through a Learning Difficulty Assessment (LDA) were also required to be transferred to an EHC plan by 31st December 2016.

Work completed during the audit has found that transfers of SEN statements to EHC plans are on track and due to be completed by the DfE deadline. Overall we also found that the new SEND framework has been successfully implemented within the authority.

The remaining 3 reports give limited assurance. The management summaries of these reports can be found at appendix 2.

Audits in Progress

6. We have 9 audit's at draft report stage:

- ICT Asset Management
- ICT Service Improvement
- Quality of the Carers Workforce Learning and Development
- Emergency Planning
- Performance Management
- Capital Programme
- Carbon Management Plan Data Integrity
- Direct Payments – Provider Control Framework
- Fuel Cards

These will be reported to the committee in detail once finalised.

7. We currently have 10 Audits in progress. More details on audits in progress can be found at Appendix 4, which details the entire 2017/18 audit plan.

Other Key Work

8. Other key work undertaken during the period includes:

Transition of Telecare Services (Consultancy Assignment)

Senior Management requested our support in undertaking root cause analysis on the issues that occurred when the Telecare Service transitioned from one provider to another in March 2017. We have completed the review and provided feedback including suggested corrective action on the key root causes of the problems faced during transition.

Bus Service Operators Grant (Grant Sign Off)

We added requested audits of the Bus Service Operators Grants 2015/16 and 2016/17 to our plan. This is an annual grant provided by the Department for Transport (DfT). Our audit signed off the grant for both years and confirmed that both have been spent as per the grant conditions.

Families Working Together (Grant Sign Off)

We undertook the first part of this grant sign off which we do on an annual basis for Children's Services. Work did not identify any concerns and the grant was signed off.

Assurance Mapping

We have completed our annual full update of the Council's Assurance Maps in conjunction with management of all directorates. These provide the basis for Senior Management and Audit Committees to gain a better understanding of their organisations assurance status and needs. Reports are presented by Directors at today's audit committee meeting.

Agresso upgrade to Business World On!

The current version of the Council's ERP system Agresso is no longer supported by the provider, Unit 4. As a result, the Council and Serco have been working to upgrade from the current version (4.7) to Milestone 6—now known as Business World On! The work needed to undertake this upgrade was planned for the period May to December 2017 (now February 2018).

Corporate Management Board asked Internal Audit to provide independent assurance over the Agresso upgrade project - that the system is fit for purpose and ready to 'Go-Live' in the 1st March 2018. This assurance work has continued to progress.

Establishment Mapping

We have completed an exercise to map all current establishments of the council. We have consolidated the budget values of each along with the 3 lines of assurance available over each site. This information will be used to inform our approach to Establishment Audits over the next few years, ensuring our audits focus on the greater risks areas and minimise duplication where other assurances are in place.

ICT Audit

9. We are proposing changes to the ICT audit plan as a result of the recent departure of the Chief Digital Officer and the outcome of the review of the IMT capacity and capability within the Council undertaken by Capgemini (draft report received in December 2017).

We plan to complete the following audits:

- ICT Asset Management (draft report)
- ICT Service Improvement (draft report)
- Information Governance (complete)
- ICO Cyclical Reviews (in progress)
- Cyber Security
- Security Management
- Emergency Planning Centre
- Agresso Milestone 6 (complete)
- Transport ICT and Telematics

We propose postponing the following audits until the acting Chief Digital Officer has taken stock and, in conjunction with him, the ICT Assurance Map has been updated:

- ICT Intelligent Client
- ICT Infrastructure Deep Dive

We also propose postponing the audit of Agresso Interfaces until the system upgrade has been completed.

The audit of Schools Admissions system is to focus on the implementation project and will commence once procurement is finalised and implementation planning has commenced.

The Blue Light Collaboration audit included in the ICT plan is a capital project audit rather than an ICT audit, although there are ICT elements in the project. This remains in the plan.

Performance Information

10. Our performance against targets for 2017/18 is shown in the analysis below:

Performance Indicator	Annual Target	Profiled Target	Actual
Percentage of plan completed (based on revised plan)	100%	66%	55%
Percentage of recommendations agreed	100%	100%	100%
Percentage of recommendations implemented	100% or escalated	100% or escalated	100%
Timescales:			
Draft Report issued within 10 days of completion	100%	100%	90%
Final Report issued within 5 days of management response	100%	100%	95%
Draft Report issued within 3 months of fieldwork commencing	80%	80%	95%
Client Feedback on Audit (average)	Good to excellent	Good to excellent	Good to excellent

11. Our actual percentage of plan complete is 11% behind the profiled target of 66% at the end of December 2017. The delays to the ICT plan already outlined have had an impact on planned delivery. Additionally - progress is behind for some audits planned for quarter 3, these were rescheduled to quarter 4 – this work is now in progress.

12. We have made several amendments to the original plan agreed in March 2017. 9 Audits, including Integration with Health, Domestic Homicide reviews, Workforce performance and rewards and Fire pay and pensions have been removed or rescheduled to 2018/19. We have added 9 additional audits including the Telecare Transition, Bus service operators grant, Procurement cards, Fuel cards and support on the future delivery of support services. Once again - more time than anticipated has been spent of the Council's finance systems, particularly the providing assurance over the upgrade. Full details of the plan and amendments can be found at appendix 4.

Appendix 1 - Assurance Definitions¹

<p>High</p>	<p>Our critical review or assessment on the activity gives us a high level of confidence on service delivery arrangements, management of risks, and the operation of controls and / or performance.</p> <p>The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.</p>
<p>Substantial</p>	<p>Our critical review or assessment on the activity gives us a substantial level of confidence (assurance) on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are some improvements needed in the application of controls to manage risks. However, the controls have been evaluated as adequate, appropriate and operating sufficiently so that the risk of the activity not achieving its objectives is medium to low.</p>
<p>Limited</p>	<p>Our critical review or assessment on the activity gives us a limited level of confidence on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>The controls to manage the key risks were found not always to be operating or are inadequate. Therefore, the controls evaluated are unlikely to give a reasonable level of confidence (assurance) that the risks are being managed effectively. It is unlikely that the activity will achieve its objectives.</p>
<p>Low</p>	<p>Our critical review or assessment on the activity identified significant concerns on service delivery arrangements, management of risks, and operation of controls and / or performance.</p> <p>There are either gaps in the control framework managing the key risks or the controls have been evaluated as not adequate, appropriate or are not being effectively operated. Therefore the risk of the activity not achieving its objectives is high.</p>

¹ These definitions are used as a means of measuring or judging the results and impact of matters identified in the audit. The assurance opinion is based on information and evidence which came to our attention during the audit. Our work cannot provide absolute assurance that material errors, loss or fraud do not exist.

Wellbeing Service

Background and Context

The Council is responsible for the commissioning of the Wellbeing service across Lincolnshire. The annual cost for this service is £4.1m. The service helps around 4500 residents in Lincolnshire and there is evidence of the positive difference this makes in terms of key prevention outcomes. The programme has generally been a success for its users with over 90% of people receiving the service saying they would recommend it to others.

In July 2012 the *Caring for our Future White Paper* was published which acted as a driver for the Council to establish the Wellbeing Service.

The tender process commenced in 2013. The service is delivered through a number of contracts and Local Authority agreements covering:

- Monitoring of Assistive Technology
- Assessment and Generic Support
- Provision and installation of assistive technology
- Monitoring and response
- Homesafe

The new Wellbeing service was launched in April 2014 and the contracts end in April 2018. A new tender process commenced in 2017 to have a new Wellbeing service model in place by April 2018.

The responsibility for contract managing the Wellbeing contract was transferred to the Commercial Team, People services in October 2016. Prior to this transfer the contract was managed by Public Health Commissioning Team. With this transfer of

responsibility we agreed that it would be an appropriate time to perform an audit to review contract management arrangements and provide a baseline for the Commercial Team.

Scope

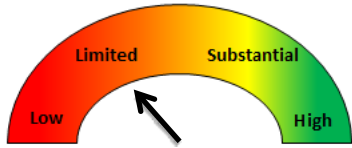
Our main focus was to provide assurance that:

- The Procurement of the Wellbeing contract complied with legislative and policy and procedural requirements
- Lessons learnt from this procurement exercise are being applied in the current procurement exercise.
- The contract is being effectively managed and is delivering the level of service set out in the contract.

We identified the following as the **potential** key risks for this audit area:

- Procurement process fails to fulfil the Wellbeing service need
- Procurement procedures do not reflect best practice or adhere to legislation
- Failure of the Council to improve on their contract/ tender procedures
- Fraud risk are not managed effectively
- Failure to secure value for money
- Contracts are not delivered on time, within budget or to an acceptable quality
- Contract management process fails to ensure services are safe and effective
- Service outcomes are not managed effectively

Executive Summary



Limited Assurance

Risk	Rating (R-A-G)	Recommendations	
		High	Medium
Procurement process fails to fulfil the wellbeing service need	Amber	1	0
Procurement procedures do not reflect best practice or adhere to legislation	Green	0	0
Failure of the Council to improve on their contract / tender procedures	Green	0	0
Failure to secure value for money	Amber	1	0
Fraud risks are not managed effectively	Green	0	0
Contracts are not delivered on time. Within budget or to an acceptable quality	Amber	0	2
Contract management process fails to ensure that services are effective	Red	3	3
Service outcomes are not managed effectively	Amber	0	3

Page 185



Overall we found that the lessons learnt from the previous procurement exercise were either being addressed or the Commercial Team were aware of them and intend to address them as part of the current procurement exercise. Management have faced many historical difficulties with this contract due to the lack of detailed service specifications, inconsistent performance data and challenging performance issues. We confirmed that matters are being addressed by the Commercial Team but at the time of the audit many of the actions to address the issues are still work in progress or at the initial stages of implementation. As a result we have given this audit Limited assurance.

Key Messages



We identified that Public Health had been proactive in completing a lessons learnt review for the previous wellbeing procurement exercise, which concluded:

- Service specifications were too generalised.
- Governance for the procurement of the Wellbeing service was not consistently robust
- Stakeholder involvement in the initial 2013/14 Procurement process was limited
- The transfer of service user data requirements was not formalised

These are being addressed or the Commercial team are aware of them and intend to address them as the current procurement process progresses.

The high priority findings of our audit include:

Our review of the historical management of the Wellbeing service identified that having four providers with different service requirements and service specifications, which were often too generalised, resulted in inconsistent performance data and often challenging performance issues. This caused many of the contract management issues we highlighted, including:

- Poor governance over contract variations - we were unable to obtain evidence for most variations to confirm that they had been authorised and one of the unsigned contract variations had a value of £1.1m.
- Limited evidence of actions taken on poor performance and other operational and strategic issues identified.
- Limited work is performed on the accuracy and robustness of the performance data submitted by the Providers information.
- Inconsistent data monitoring, which has been a constant issue throughout the existing contract and could not be addressed fully whilst varying delivery models and reporting methods exist due to the present contract/agreement position. This makes comparison of the performance data less valuable

Key Messages

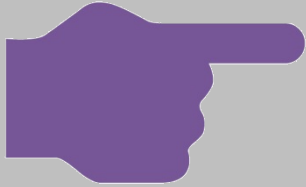


- and prevents a consistent approach to managing the data and performance results provided.
- All contracts are block contracts with no contractual KPI's or service credits for poor performance of KPI's. This leaves no incentive for improvement of service performance by the provider and makes management of poor performance issues more difficult.
- Historically there have only been operational meetings meaning no forum for the council and Providers to focus on strategic matters.

Since management of the contracts moved into the Commercial Team many of these matters have started to be addressed. The different processes used in this team along with other improvements identified should ensure a robust contract management regime, although there are some areas that the team will be unable to resolve until the new contract/s are operational.

We intend to complete a follow up audit after April 2018 when the new service specifications will be in place. We will seek to confirm that the new contract management processes are fully embedded and address the weaknesses identified in this report and that the lessons learnt from the previous contract process were fully addressed as part of the current procurement exercise.

Areas of Good Practice



During our review we identified several notable instances of good practice or positive outcomes:

- ✓ The service user feedback survey returned excellent results. 92% of Telecare service users said they would recommend the service to a friend or family member and 95% of Wellbeing service users said they would recommend the service.
- ✓ Data from 2015/16 shows the positive benefit the WBS is having on Adult Care need and escalation of need. Of the 4,712 WBS clients registered on the Adult Care data base 1,815 individuals contacted the LCC Customer Service Centre with additional Adult Care needs. However 97% of these could be advised or referred back to the WBS for resolution. Consequently of the 1,815, who were referred back into Adult Care, only 3% of those went on to receive a costed package of care. This equates to 1.2% of all WBS clients in 2015/16 who went onto receive additional Adult Care costed services. This data highlights the huge effect the WBS model, in its current form, has had on preventing need for more costly services.
- ✓ All providers have now developed different working models which engage with many wider services and supports networks to add further value to the WBS. Additional support services cover a wide ranging breadth of subjects across many differing service areas.
- ✓ All providers felt that the aids and adaptations component delivered via the WBS had real value, and that the majority of small aids could be provided relatively quickly to improve an individual's independence. Service users purchased 1,375 small aids/adaptations to assist with independent daily living in 15/16. This allowed many individuals to continue residency within their own home and not rely on other statutory support services for additional support.

Management Response



The findings of this audit are noted. Since the service transferred to the Commercial Team, the areas highlighted in this report have already been identified and extensive work has taken place to address them. A key change to note is the development of the contract management framework. This extensive re-development has focussed on all areas involved in the contract management process. The contract management meetings now focus on key areas as outlined below.

In addition to the quarterly contract management meeting there is now an annual contract management review. These go into more depth around the key areas of strategic importance. These meetings allow for a numerical score, linked to a mark to indicate how well the Provider is performing against the contractual terms as well as overall across the services. In detail these two main meetings cover:

Quarterly

- Performance Monitoring and KPIs:
 - Data from Provider
 - Full KPI return to be sent to provider in advance of meeting, to include Lincolnshire level data for comparison purposes where applicable
 - Information around service credits
 - Open Book Accounting returns where applicable
 - Review data provided – are there any concerns with the data (both the content and the quality)? Does it include data from sub-contractors?
 - The performance section looks at individual Key Performance Areas but with a focus on what these are telling us about the service and the strategic links
- Quality Assurance – including case study/studies; review of improvement plans; review of safeguarding, complaints, compliments, serious incidents and STIESS reports if applicable.
- Staffing – levels and training
- Financial and Business Viability
- Service Specific Discussions – including site visits and specific agenda items where applicable (e.g. telecare includes reprogramming etc.)

Management Response



- Feedback and attendance from Topic Lead / Topic Expert
- Feedback and attendance where applicable from CCGs, Public Health, Adult Care or other Professional with an input into the service if required and applicable.

Annually

- Review of paperwork, policies and procedures.
- Quality Assurance – including lessons learnt; internal QA processes; quality assurance of subcontractors; review of consultation, engagement and client / family involvement in the service; added value/ best practice; information governance
- Staffing – safer recruitment review; supervisions/appraisals; training and development; staffing levels
- Assessment and support planning
- Security, health and safety – including business continuity
- Safeguarding and Protection from Abuse
- Clinical Effectiveness – including confidentiality; referral process; opening times/appointments; infection control etc.

The annual contract management meetings allow for the Programme Officers to drill down into the service provided to enable LCC to assure ourselves of the accuracy of the data provided by the service throughout the year. The process builds in staff and service user feedback and is key in understanding whether the service is delivering what is expected..

Where improvements are required an Improvement Plan process has been implemented which helps the Provider to focus on areas which require improving through clear SMART actions and allows the Programme Officer to track progress with both the Provider and internally through the management system. The outcomes from these meetings are translated into a risk matrix. The risk matrix is based on a methodology already in situ within the Commercial Team and allows the Programme Officer, wider management teams and the Provider to understand whether the service is high, medium or low risk. The High risk providers are alerted through to the Contract Manager and the highest risk Providers overall across the service are reviewed through a monthly Service

Management Response



Quality Review meeting, made up of commissioners within Adult Care, Public Health, CCG's and Health and CQC.

Serious incidents are key to understanding risk. A working group was established to review the serious incident process. This review has resulted in a complete refresh of the form, based on best practice recognised elsewhere. A tracker has been implemented which feeds into the risk matrix. The Provider now has a 10 working day timescale to address concerns raised and this is tracked within the Commercial Team. The Programme Officer utilises the tracker to identify any trends or areas of overarching concern to address with the Provider through contract management procedures. Officer and Provider guidance has been developed to ensure consistency, transparency and accountability.

The review of the contract management process has also allowed for the production of 'interim visit forms' so that key areas of performance / concern can be addressed in between scheduled quarterly and annual visits.

The review has also recognised that the key strategic contracts across the service, such as the wellbeing contracts, require greater input at a management level. To address this strategic meetings have been implemented to work alongside the quarterly contract management meetings. This allows for operational issues to be discussed and resolved thoroughly and a greater focus on the strategic issues to be reviewed.

For consistency across the service, accountability and transparency Officer and Provider guidance has been developed around the new processes and procedures. This also ensures that should there be a need to change the individual managing the contract directly, any new people coming in will have a full understanding of how the process works.

Since joining the Commercial Team, any contractual arrangements that require a contract variation now need to go through the Procurement Governance Board. All new variations agreed are signed in a timely manner and a copy saved on the Providers electronic file.

We welcome a further audit post April 2018 to provide us the opportunity to evidence all the new changes that are being introduced via the procurement exercise and new contract management framework.

Client Contributions Policy

Background and Context

In 2015 LCC Adult Care worked in collaboration with SERCO's Financial Assessment and Income Collection Team (FAICT) to create a new contributions policy. Executive approval to the new policy was given on 3 November 2015. The new Adult Care Non-Residential Contributions Policy went live on 16 April 2016 and was rolled out to citizens across Lincolnshire. Serco is responsible for implementing LCC's Adult Non-Residential Client Contributions Policy.

People who are assessed as eligible for care services from local authorities are expected to contribute towards certain elements of their care, if they are assessed as being financially able to pay. The income received is called a contribution. This policy explains how the amount a person could be expected to pay towards their support at home or in the community is calculated by the Council.

The new policy should lead to additional income of around £883k a year, once the phasing-in of the new arrangements is concluded in 2018/19.

Scope

Our main focus was to obtain assurance that the new contributions policy has been fully implemented and is applied consistently to all applicable service users. We sought assurance on the following :

- **Management:** Management arrangements in place to implement the Client contributions policy are adequate for reliance purposes.
- **Reporting:** Client contribution reporting information is accurate, in a suitable format and uses appropriate sources of information.
- **Processes and controls:** Client Contribution Policy processes and controls are adequate, applied correctly and actioned on a timely basis.

The Key Risks considered were as follows:

Operational Risks:

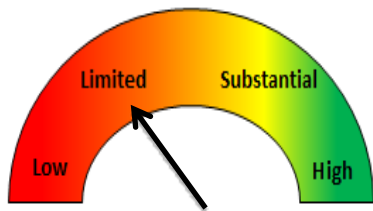
- Assessment forms are not completed adequately and in compliance with policy requirements
- Service users do not provide the completed form with supporting evidence within the policy timeframe
- Assessments are not processed by Serco on a timely basis in accordance with policy requirements
- Changes in circumstance are not actioned timely and effectively
- Maximum charges are not applied correctly as detailed within the policy

Strategic risks:

- ICT systems fail to produce the required outputs
- There is a lack of stakeholder engagement
- Fraud controls are not effective in Deprivation of asset cases
- Risks are not managed.

Executive Summary

Limited Assurance



Risk	Rating (R-A-G)	Recommendations	
		High	Medium
Assessment forms are not completed adequately and within the time scale set out in the Non-Residential Client Contributions Policy.	Amber	0	1
The correct supporting documents are not submitted with the assessment form.	Amber	1	0
Maximum charges are not being applied correctly as stated within the policy.	Amber	0	1
Serco do not complete timely and accurate financial assessments in accordance with the policy.	Amber	1	0

Changes in Service Users circumstances are not actioned timely and effectively.	Green	0	0
ICT systems fail to produce the required outputs.	Green	0	0
Fraud controls are not effective in deprivation of asset cases.	Amber	1	0
TOTAL		3	2

Key Messages



Our review was undertaken to provide assurance that there are effective systems and processes in place to ensure that the requirements of the Client Contributions Policy are complied with.

The Audit has demonstrated that the policy has been fully implemented and testing of 25 Financial assessment cases confirmed that the assessments are being calculated correctly. However some issues with the timeliness and adequacy of the supporting documentation for these financial assessments were identified. The testing also confirmed that data is either not being recorded or the timeliness controls are not being consistently met for some other Client contribution policy procedures.

The areas where there is potential non compliance with the policy are detailed below. As a result of these issues a Limited assurance level was given.

Financial assessments – There is a timeliness issue whereby 53% of the financial assessments tested were processed 4 weeks or more after the forms were received from the service user. The process is complex due to the introduction of new case management system (Mosaic) and the intention to integrate case management and finance systems. Mitigation is in place for the KPIs for this service, however some service users are experiencing long delays, which can lead to financial risk for the council and for the individual. A jointly agreed action plan with Serco has been put in place to resolve the situation, including agreed additional capacity for the team.

Supporting Financial documentation – In 1 case tested (5%) there were no supporting financial documents attached to the file to provide evidence that the Financial assessment was carried out correctly. The policy requires this information to be verified to enable an accurate financial assessment to be performed. The supporting financial documentation for this case is in the process of being obtained by Serco.

Financial assessment forms not complying with the policy – In several cases our testing identified that the processing of financial assessment in practice did not always comply with the policy. The action plan details all instances of non compliance with the policy which could potentially cause the Council reputational damage if challenged and result in a lack of clarity of the financial assessment process for the service user.

Areas of Good Practice



During our review we also found some good areas of practise.

We found that the new assessment form provided information and guidance on how to complete the form as well as contact details for assistance if required. The letter that is sent to advise service users of their contribution is available in different formats and details are provided in the letter advising what formats are available and who to contact to request one.

There is an effective referral process in place for any suspected cases of deprivation of assets. If the FAICT or social care practitioners discover any potential cases that they feel need further investigation they can refer to the Financial Resolutions Group. We have confirmed this group has strong governance arrangements that inform decision on whether any transfer of any funds are a deliberate attempt to avoid making a contribution towards care costs. They can then request that a new financial assessment is undertaken taking into account the transfer of assets.

Managing your risks



Good risk management, including maintaining risk registers, helps you to identify, understand and reduce the chance of risks having a negative impact on achievement of your objectives.

During our audit work we identified that there is a comprehensive shared risk register between Serco and Adult Care Finance which covers risks relating to items such as Agresso Upgrade, Service Performance and Mosaic implementation. This register is monitored and discussed at senior management meetings on a monthly basis.

Management Response



This report is welcomed and shows clear areas of good practice in the Financial assessment function. The report also highlights issues with the practical application of the policy. The recommendations are accepted and will be addressed with the completion of three actions. Some elements of these are already in progress, others will require further consideration and time to ensure that the public are consulted where required. Should consultation not be required the implementation of those recommendations will be brought forward. These actions will all be influenced by the recommendations in the report and are;

- Review of the policy
- Development and implementation of a service audit process
- Completion of the service improvement action plan – and continued monitoring of progress

Housing Related Support Services

Background and Context

The Council currently commission housing related support services which comprise of:

- Emergency access accommodation based support
- Non- emergency accommodation based support
- Floating support
- Rough sleeper outreach service
- Domestic abuse accommodation
- Mental health crisis housing

These services all work together to form one structured model of support for people who are currently homeless or at risk of losing their home. The support helps people with their immediate housing need to regain or sustain their independence. The total current budget available for the delivery of all Housing Related Support (HRS) Services supports vulnerable people across Lincolnshire is approximately £3.4m with £1.3m being spent on floating support provision and £2.1m on accommodation based provision.

Existing providers of Housing related support services are:

- P3
- Salvation Army
- Lincolnshire Support Partnership Framework
- Nottinghamshire Community Housing Association
- West Lincolnshire Domestic Abuse Service
- Boston Mayflower
- Richmond Fellowship

The Housing Related Support services are all accessed through the "Avenue" electronic referral gateway via referrals by

professionals. Self-referrals cannot be made through this system.

The responsibility for contract managing the Housing Related Support contract was transferred to the Commercial Team, People Services in October 2016. Prior to this transfer the contract was managed by Public Health Commissioning Team. The audit reviewed how the contract is now managed by the Commercial Team and identified any new contract management controls already implemented or recommended to be implemented.

Scope

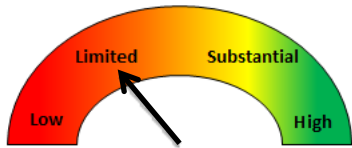
Our main focus was to provide assurance over:

- The adequacy of the Contract Management Governance arrangements.
- The adequacy of contract monitoring arrangements.

We identified the following as the key **potential** risks for this audit area:

- Contracts are not delivered on time, within budget or to an acceptable quality.
- Contract management fails to ensure that services are safe and effective.
- Service outcomes are not managed effectively.
- Services are not delivered in accordance with the Council's service user's expectations.
- Fraud re contract payments

Executive Summary



Limited Assurance

Risk	Rating (R-A-G)	Recommendations	
		High	Medium
Contracts are not delivered on time, within budget or to an acceptable quality	Amber	0	2
Contract management fails to ensure that services are safe and effective	Amber	1	1
Service outcomes are not managed effectively	Amber	0	1
Services are not delivered in accordance with the Council's service user's expectations.	Amber	0	1
Fraud Re: Contract Payments	Green	0	0
Total		1	5

Page 200

Key Messages

The audit identified some areas where improvement in the management of the contract is recommended. Many of these issues have already been reported to management and have been addressed or are in the process of being addressed. To avoid repetition of key messages we have summarised these findings in bullet point form below and will not include them in the action plan.

- Actions taken to address poor KPI and service performance by providers in some districts were not being evidenced.
- Improvement plans detailing actions needed to improve the service were not consistently in place.

Key Messages



- No formal review of the quality and skills of provider staff are performed.
- Quality of services provided has not been adequately monitored.
- Several changes in contract management staff have occurred throughout the contract.

There were also additional findings identified during this audit, not reported previously to management:
The key findings were:

- Information Governance controls were compromised recently with generic access to the Avenue system being given to the Police. This enabled any police officer to review personal details of all housing related support service users. A Privacy Impact assessment review was carried out and this issue was resolved and the governance weaknesses which allowed this issue to arise are being addressed.
- More regular on site visits to the HRS accommodation and some visits to "floating support" homes would provide improved assurance to the Council that the services being provided are safe and effective. Annual on-site visits occurred as part of the Quality Assurance Framework process but no other on site visits took place. This issue is now being addressed as part of the new Contract Management Framework and the latest contract management meetings were held on-site. The new Framework should also include validation of payments made to services received.
- Improved monitoring / tracking of the specific service requirements detailed in the contract should be established to ensure that they are being complied with. Monitoring of the level and detail of appeals and extensions is now being performed but there could also be monitoring of the full risk assessments and one day referrals performed.
- Work performed to gain assurance over the parity of service provided throughout the County by

Key Messages



the different providers could be improved. Better monitoring and tracking of the service would provide greater assurance over this parity and that the service user's needs are being met.

- Limited work is performed on the accuracy, completeness and robustness of the performance data input onto the Avenue system. Data was reviewed during previous QAF visits and contract management meetings but testing was not evidenced. A review of the Avenue was carried out which both improved the referral process and identified a training need for providers which has been carried out. Greater work around accuracy of data would ensure decisions made on the contract as a result of this performance data continue to be appropriate for the service.

As a result of the findings detailed above a "limited" assurance rating has been given.

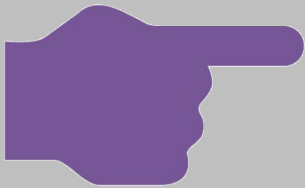
Areas of Good Practice



The development of the contract management framework is a key area of improvement for the management of the HRS contract. This extensive re-development has focussed on all areas involved in the contract management process. The contract management meetings now focus on key areas such as;

- Performance Monitoring and KPIs
- Quality Assurance – including case study/studies; review of improvement plans; review of safeguarding, complaints, compliments, serious incidents and STIESS reports if applicable.
- Staffing – levels and training
- Financial and Business Viability
- Service Specific Discussions – including site visits and specific agenda items where applicable.

Areas of Good Practice



Social impact bond is a new development for the Council. Public Health worked with the Districts and P3 to bid for DCLG funding to develop and deliver a service to support entrenched rough sleepers. This service is in the form of a Social Impact Bond. The service was developed as a variation to the Street Outreach service. The service has just commenced and so far two HRS service users that HRS providers have been struggling to meet their high needs have been approached to take part in the service.

A review took place to improve the Avenue system. Different elements of The Avenue system were reviewed and their impact on the service provision identified. Immediate changes were made to the referral form based on the findings of the review. An improvements log of more complex and IT system based changes required to the referral form and the providers element is in place and these will be implemented Mid-November.

The review also identified training needs for providers and this training was given to providers staff and referrers so that they understand what, why, and how to input data on to The Avenue.

It is hoped that this training will not only improve data collection but have a positive impact on service users' outcomes by:

- a) reducing the delay for service users to be placed in the service,
- b) enabling providers to focus on support rather than chasing information,
- c) reducing the amount of people referred who are uncontactable
- d) reducing the possibility of unsuitable placements

Managing your risks



Good risk management, including maintaining risk registers, helps you to identify, understand and reduce the chance of risks having a negative impact on achievement of your objectives.

During our audit work we identified the following significant risks that we feel should be considered for inclusion in a Housing Related Support Operational Risk register

- Contract management process fails to ensure that the Housing Related Support service is effective and meets service user's expectations.

Management Response

Management Response

The findings of this audit are noted. Since the service transferred to the Commercial Team work has taken place to address the issues largely through the contract management framework which covers all elements of contract management. Actions are now agreed and recorded as required to improve areas of concern. All quarterly contract management visits now take place onsite.

In addition there is an annual contract management meeting. These go into more depth around the key areas of strategic importance. These meetings allow for a numerical score, linked to a mark to indicate how well the Provider is performing.

In detail the meetings cover:

Management Response



Quarterly

- Performance Monitoring and KPIs:
 - Data from Provider
 - Full KPI return to be sent to provider in advance of meeting, to include Lincolnshire level data for comparison purposes where applicable
 - Information around service credits
 - Open Book Accounting returns where applicable
 - A Review of the comprehensiveness and quality of the data provided
 - The performance section looks at individual Key Performance Areas but with a focus on what these are telling us about the service and the strategic links
- Quality Assurance – including case study/studies; review of improvement plans, review of safeguarding, complaints, compliments, serious incidents and STIESS reports if applicable.
- Staffing – levels and training
- Financial and Business Viability
- Service Specific Discussions – including site visits and specific agenda items where applicable (e.g. telecare includes reprogramming etc.)
 - Feedback and attendance from Topic Lead / Topic Expert
 - Feedback and attendance where applicable from CCGs, Public Health, Adult Care or other Professional with an input into the service if required and applicable.

Annually

- Review of paperwork, policies and procedures.
- Quality Assurance – including lessons learnt; internal QA processes; quality assurance of subcontractors; review of consultation, engagement and client / family involvement in the service; added value/ best practice; information governance
- Staffing – safer recruitment review; supervisions/appraisals; training and development; staffing levels



Management Response

- Assessment and support planning
- Security, health and safety – including business continuity
- Safeguarding and Protection from Abuse
- Clinical Effectiveness – including confidentiality; referral process; opening times/appointments; infection control etc.

The annual contract management meetings allow for the Programme Officers to drill down into the service provided. The process builds in staff and service user feedback and is key in understanding whether the service is delivering what is promised throughout the contract management meetings.

Where improvements are required an Improvement Plan process will be implemented with clear SMART actions which allows the Programme Officer to track progress directly with the Provider and internally through the management system. The outcomes from these meetings are translated into a risk matrix which allows the Programme Officer, wider management teams and the Provider to understand whether the service is high, medium or low risk.

The Contract Manager is alerted to the High risk providers and the highest risk Providers overall are reviewed through a monthly Service Quality Review meeting, made up of commissioners within Adult Care, Public Health, CCG's and Health and CQC. Working alongside the Risk Matrix, each Provider has their own 'risk register' which is developed from any risks recognised in the Procurement Stage and with new risks added when they are identified. These are discussed with the Providers in contract management meetings.

Serious incidents are key to understanding risk. A working group was established to review the serious incident process. This review has resulted in a complete refresh of the serious incident form, based on best practice recognised elsewhere. A tracker has been implemented which feeds into the risk matrix. The Provider now has a 10 working days to address concerns raised and this is tracked within the



Commercial Team. The Programme Officer uses the tracker to identify any trends or areas of overarching concern to address with the Provider through contract management procedures. Guidance has been developed to ensure consistency, transparency and accountability. The review has also introduced 'interim visit forms' so that key areas of performance / concern can be addressed in between scheduled quarterly and annual visits.

Any contractual arrangements that require a contract variation now need to go through the Procurement Governance Board. All new variations agreed are signed in a timely manner and a copy saved on the Providers electronic file.

We welcome a further audit in 2018 to provide us with the opportunity to evidence the new changes in procurement exercise and contract management.

Appendix 3 – Outstanding Actions at 30th November 2017

Activity	Issue Date	Assurance	Total recs	Recs Imp	Priority of Overdue Recommendations			Recs not due
					High	Medium	Low	
Finance and Public Protection								
Business Continuity	Feb 16	Limited	4	2	2	0	0	0
Income	Sept 16	Substantial	11	10	0	1	0	0
Debtors	Nov 16	Limited	11	8	2	1	0	0
General Ledger (KCT)	May 17	Substantial	8	4	1	3	0	0
Bank Reconciliation	Feb 17	High	4	3	0	1	0	0
Treasury Management	Jan 17	High	2	1	0	1	0	0
Trading Standards	Feb 17	Substantial	4	0	1	3	0	0
Corporate Policies and Procedures	Jan 17	High	3	2	0	1	0	0
Totals			47	30	6	11	0	0
Children's Services								
Payroll Audit 1 2016	Mar 16	Low	27	26*	1	0	0	0
Pension Audit 2016	Jul 16	Low	24	2*	18	4	0	0
Payroll Audit 2 2016	Jul 16	Low	46	21*	19	6	0	0
Absence Management	Nov 16	Limited	8	6	0	2	0	0
HR recruitment processes in schools	Mar 17	Limited	7	6	1	0	0	0

Activity	Issue Date	Assurance	Total recs	Recs Imp	Priority of Overdue Recommendations			Recs not due
					High	Medium	Low	
Sector led approach to school improvement	Jul 17	Substantial	4	2	0	2	0	0
Totals			116	63	39	14	0	0
Adult Care and Community Wellbeing								
Information Governance	Mar 15	Limited	15	13	2	0	0	0
Workforce Development	Jan 17	Limited	17	14	2	0	0	1
Annual care assessments	Mar 17	Limited	8	3	1	0	0	4
Adult Safeguarding Referrals	May 17	-	11	2	0	9	0	0
Better Care Fund Effectiveness	Jan 17	Substantial	3	1	2	0	0	0
Totals			54	33	7	9	0	5
Environment & Economy								
Home to School Transport	Jan 15	Substantial	14	12	0	2	0	0
European Regional Development Fund	Mar 17	Substantial	2	1	0	1	0	0
Totals			16	13	0	3	0	0
Commercial Team								
Total			233	139	52	37	0	5

Appendix 4 – Internal Audit Plan 2017/18

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
LCC 2017/18-01 - Procurement & Contract Management - Housing Related Support	To confirm that the Housing Related Support management of the contract s is effective	18/05/2017	09/08/2017		Draft report	Limited Assurance
LCC 2017/18-02 - Procurement & Contract Management - Wellbeing	To confirm that the Wellbeing procurement exercise complied with procedures and adhered to legislation and that the subsequent management of the new contract s is effective	22/05/2017	15/06/2017	27/09/2017	Complete	Limited Assurance
REMOVED LCC 2017/18-03 - Procurement & Contract Management - Sexual Health	To confirm that the Sexual procurement exercise complied with procedures and adhered to legislation and that the subsequent management of the new contract s is effective	12/06/2017	N/A	N/A	Removed	N/A
LCC 2017/18-04 - Families Working Together	Audit sign off as per the requirements of the grant.	01/08/2017	17/10/17	29/10/17	Complete	N/A
LCC 2017/18-05 - Youth Offending Service Delivery	Assurance that stated improvements following the external review of YOS published December 2015 have been made and sustained. Focus to include: ·Assessment of the QA framework ·Performing of assessment after a significant	04/09/2017	25/08/2017	30/11/17	Complete	High Assurance

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
	incident occurs					
LCC 2017/18-06 - Transfer of 0-19 Public Health Nurses	Assurance that the governance, risk and monitoring arrangements for this key project are sufficient to ensure delivery of key outcomes for all 8 work streams.	01/08/2017	01/09/2017	21/12/2017	Complete	High Assurance
LCC 2017/18-07 - School Admissions Software	Confirmation that the risks regarding implementation of the new admissions software have been managed to minimise the disruptions to schools.	01/08/2017			Not Started	
LCC 2017/18-08 - Special Educational Needs and Disability Reform	Assurance on the embedding of the new SEND framework in key areas of the service. Main focus is data in Mosaic and reporting as this is currently an area of concern.	01/08/2017	25/07/2017	21/12/2017	Complete	Substantial Assurance
LCC 2017/18-09 - Careers Advice	Assurance that the alternative delivery model for careers advice to young people achieves required outcomes.	01/11/2017			Not Started	
LCC 2017/18-10 - Quality of Carers Workforce Learning & Development	Assurance that processes in place ensure that the carers support workforce are adequately trained and their quality of work is of the required standard.	16/10/2017	26/09/2017		Draft Report	

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
LCC 2017/18-11 - Client Contributions Policy	Assurance that the new contributions policy has been fully implemented and is applied consistently to applicable Service Users.	17/07/2017	03/08/2017	03/11/17	Complete	Limited Assurance
REMOVED LCC 2017/18-12 - Integration with Health	Support and Advice on delivery of the plan to integrate Health and Social Care	16/01/2018	N/A	N/A	Removed	N/A
REMOVED LCC 2017/18-13 - BCF - Disabled Facilities Grants	assurance that adequate governance, monitoring and financial review controls are in place to ensure that District Council's make effective use of funding in line with DOH guidance.	18/12/2017	N/A	N/A	Removed	N/A
LCC 2017/18-14 - Information Systems Team	Assurance that the impact of the monitoring and adequacy of the information produced by Mosaic on Adult Care Services provided.	01/12/2017			Not Started	Not Started
LCC 2017/18-15 - Quality Assurance Framework	Assurance that the quality assurance framework for assessing provision both internally and commissioned is robust and aligned to statutory requirements - to include safeguarding.	26/06/2017	24/07/2017	07/08/2017	Complete	N/A Consultancy
LCC 2017/18-16 - Deprivation of Liberty Safeguards	Assurance that succession planning is sufficient to enable adequate numbers of capable and competent DOLs specialists to be available.	02/06/2017	02/06/2017	14/09/2017	Complete	Substantial Assurance

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
LCC 2017/18-17 - ICT Intelligent Client	Evaluation of the IMT Team acting as an intelligent client in respect of: 1.Delivery of ICT 2.ICT Investment Decisions 3.Project Approval 4.Other critical ICT decision making	04/09/2017			Scoped	
LCC 2017/18-18 - Cyber Security	Assurance over the Council's arrangements for mitigating the latest cyber security threats. Internal Audit shall identify the latest cyber security threats and determine whether the arrangements to protect against them and recover from them are appropriate and adequate.				Not Started	
LCC 2017/18-19 - Information Governance	To provide assurance over the effectiveness of the Information Governance policies and procedures. To include follow up of Information Commissioners report and recommendations. (Requested by the Chairman of the Audit Committee).	04/09/2017	04/09/2017	04/12/2017	Complete	Substantial Assurance
LCC 2017/18-20 - ICO Cyclical Audit	Delivery of periodic Audits as recommended by the ICO	04/09/2017	04/09/2017		In progress	N/A
LCC 2017/18-21 - Security Management	The review will examine the operation of the Security Working Group in ensuring the implementation and operation of an effective security infrastructure (including access controls)	02/10/2017			Not Started	

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
LCC 2017/18-22 - ICT Asset Management	Review of SERCO arrangements for the procurement, recording and disposal of ICT assets and their maintenance.	06/07/2017	06/06/2017		Draft Report	
LCC 2017/18-23 - ICT Service Improvement	Review of SERCO arrangements for the management of service improvement projects, and the resources, plans and processes in place to effect service improvement through new or improved deployment of ICT resources.	06/07/2017	06/06/2017		Draft Report	
LCC 2017/18-24 - ICT Infrastructure Security Deep Dive	Audit to comprise of initial review of the key elements of the ICT infrastructure to identify the areas to be subject to a deep dive. The key areas are: 1.Governance 2.Network 3.Operations 4.Removable Media 5.Applications Servers 6.Back ups 7.Laptops, tablets and smart phones 8.Security organisation				Not Started	
LCC 2017/18-25 - Emergency Planning Centre - ICT Infrastructure	Review of effectiveness of ICT arrangements and infrastructure within the county emergency centre.	Unknown			Not started	

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
LCC 2017/18-26 - Good Governance Review - Phase 2	Assurance that governance arrangements are working effectively to manage Ethics, Partnerships and Transparency. To be conducted from a member perspective.	01/08/2017	01/08/2017		In progress	
LCC 2017/18-27 - Recruitment Processes	Re-scoped to focus on Social Worker recruitment processes only	01/11/2017	18/12/2017		In progress	
LCC 2017/18-28 - Agresso - Milestone 6	Consultancy assignment to support and advise on the Governance, Risk and Control during the project to upgrade to Agresso Milestone 6.	01/06/2017	05/07/2017		In Progress	N/A
LCC 2017/18-29 - Emergency Planning	Assurance that prevention and response arrangements are effective to minimise disruption in the event of an emergency, to include: 1.Capacity and capability 2.Collaboration and mutual aid 3.Planning and testing of plans	06/09/2017	06/09/2017		Draft report	Substantial Assurance
LCC 2017/18-30 - Establishments	Consultancy project to identify establishments within the LCC portfolio and how audit processes may be developed to provide assurance over these in future.	01/06/2017	04/07/2017	17/11/2017	Complete	N/A
REMOVED LCC 2017/18-31 - Workforce performance and reward	Assurance that there is a consistent and fair approach planned for linking employee increments to performance from 2018/19	01/11/2017	N/A	N/A	Removed	N/A

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
LCC 2017/18-32 - Absence Management	Follow up audit to confirm that the actions of the previous audit have been implemented and absence management policy is now being consistently applied.	01/02/2018			Not Started	
LCC 2017/18-33 - Performance Management	Assurance over effectiveness of performance management in providing the 2nd line of assurance in the 3 lines model.	16/10/2017	06/10/2017		Draft report	
LCC 2017/18-34 - Budget Management	Assurance that budget management and monitoring arrangements are effective and actioned in line with Council policy and procedures.	01/11/2017			Not Started	
LCC 2017/18-35 - Medium Term Financial Planning	Assurance that financial plans are developed to plan future budgets to align to the 4 year funding deal agreed with Government.	01/08/2017	12/07/2017	17/11/2017	Complete	Substantial Assurance
LCC 2017/18-36 - Capital Programme	Assurance over the governance, decision making and contract management of Capital projects.	22/08/2017	12/07/2017		Draft report	
LCC 2017/18-37 - Interfaces with Agresso	Assurance over the interfaces and manual interventions required to load files from other council systems into Agresso, including Mosaic. That the security of files that are loaded into Agresso	02/01/2018			Not Started	

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
	and that details posted are complete, accurate and timely.					
LCC 2017/18-38 - Payroll	Assurance over the entire payroll process and all the key controls within it. To include follow up of prior year agreed actions.	01/02/2018			Not Started	
LCC 2017/18-39 - Accounts Payable		01/11/2017			Not Started	
LCC 2017/18-40 - Pension Administration	Assurance that revised processes since the implementation of Agresso adequately control pension administration.	02/10/2017	21/12/2017		In progress	
REMOVED LCC 2017/18-41 - Fire Pay and Pensions	Assurance that Serco has addressed and rectified the significant issues with Fire and Rescue pay and pension contributions that have occurred since April 2015.	15/06/2017	N/A	N/A	Removed	N/A
LCC 2017/18-42 - Financial Key Control Testing	Delivery of the key control testing to enable the Head of Internal Audit to form an opinion on the Council's financial control environment.	02/12/2017	15/01/2018		In progress	
LCC 2017/18-43 - Strategic Approach to charging for schools	Assurance that all services offered through the LA commercially to schools are delivered via EduLincs and:	26/06/2017	11/09/2017	21/12/2017	Complete	Substantial Assurance

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
	1.that cost recovery follows all accounting rules 2.that services are costed appropriately 3.mechanisms to recover costs ensure that the service receives the income 4.that reporting arrangements enable decision making for the future					
LCC 2017/18-44 - Blue Light Collaboration	Assurance that effective programme management is in place to deliver new working arrangements that meet the Council's needs and will be delivered on time and within budget.	20/11/2017			Not Started	
REMOVED LCC 2017/18-45 - Domestic Homicide Review	Assurance that processes for Domestic Homicide reviews meet legislative requirements and reflect best practice. Follow up of published reviews to confirm agreed actions relating to LCC have been taken or are progressing and that lesson learnt are embedded.	01/02/2018			Moved to 18/19 as DA Manager post vaccant	
LCC 2017/18-46 - Waste Strategy follow up	Follow up on the findings of the LWP 16/17 audit to examine progress made	01/03/2018			Not Started	
LCC 2017/18-47 - New Highways Operating Model	Support and advice on the effectiveness of the restructure of the Highways Team in delivering the service.	01/06/2017	23/06/2017	23/10/2017	Complete	Substantial Assurance

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
LCC 2017/18-48 - Transport IT and Telematics	Assurance that the process of updating transport IT systems and the real time tracking of Vehicles ensures they a fit for purpose.	02/10/2017			In progress	
LCC 2017/18-49 - Total Transport Project	Assurance that these projects are effectively managed to contribute to the Total Transport Project. Sample of the on-going projects may include Non-emergency passenger transport, market development and the procurement process.	01/11/2017			In progress	
LCC 2017/18-50 - Heritage (Phase 1)	Support and advice on arrangements to create a self-sufficient Heritage Service to start transition 2018/19. To include strategic approach and business planning.	01/06/2017	03/07/2017	07/08/2017	Complete	N/A
REMOVED LCC 2017/18-51 - Telecare Contract	Assurance over the adequacy of the tender processes followed in awarding the telecare contract	12/01/2018	N/A	N/A	Removed	N/A
LCC 2017/18-52 - Partnerships	Support and advice to the Council on developing a protocol for effective partnership management.	01/11/2017			Not Started	
REMOVED LCC 2017/18-53 - One Public Estate	Assurance that the governance, risk and collaboration within this key project are adequate to deliver the expected outcomes.	01/11/2017	N/A	N/A	Removed	N/A

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
ADDED LCC 2017/18-54 - Single Local Growth Fund	Audit to validate all expenditure on the return has been spend on capital expenditure for approved LGF schemes. In preparation for sign off and return to the DCLG (grant making body).	26/06/2017	12/07/2017	08/08/2017	Complete	N/A
ADDED LCC 2017/18-55 - Telecare Contract Transition		21/08/2017	15/08/2017	17/11/2017	Complete	N/A
ADDED LCC 2017/18-56 - Bus Service Operators Grant 2015/16	Audit to validate all expenditure on the return has been spend on eligible schemes. In preparation for sign off and return to the DfT (grant making body).	29/08/2017	29/08/2017	25/09/2017	Complete	N/A
ADDED LCC 2017/18-57 - Bus Service Operators Grant 2016/17	Audit to validate all expenditure on the return has been spend on eligible schemes. In preparation for sign off and return to the DfT (grant making body).	29/08/2017	29/08/2017	25/09/2017	Complete	N/A
LCC 2017/18-58 - Heritage (Phase 2)	Support and advice on arrangements to create a self-sufficient Heritage Service to start transition by 2018/19. To include Strategic approach and business planning.	20/09/2017	07/09/2017		In progress	
REMOVED LCC 2017/18-59 - Heritage (Phase 3)	Support and advice on arrangements to create a self-sufficient Heritage Service to start transition by 2018/19. To include Strategic approach and business planning.	15/11/2017	N/A	N/A	Delayed into 2018/19	N/A

Audit	Scope of Work	Start Planned Date	Start Actual Date	End Actual Date	Audit State	Rating
ADDED LCC 2017/18-41 - Procurement Cards	Assurance that procurement card processes are adequate and consistently applied to ensure transactions are appropriate and correctly accounted for in Agresso	11/12/2017			Not started	
ADDED LCC 2017/18-60 - Carbon Management Plan - Data Integrity	Assurance over the validity of the data collated to inform the CO2 emissions baseline that will be used to inform the Council's new Carbon Management Plan.	09/10/2017	30/10/2017		Draft report	
ADDED LCC 2017/18-61 - Direct payments - Penderels Contract	Review of processes and controls for managing direct payments within LCC's largest provider, Penderels	15/11/2017	20/11/2017		Draft report	
ADDED LCC 2017/18-63 - Fuel cards	Assurance that the process and controls for Fuel cards are adequate to ensure efficiency and minimise fraud risks	29/11/2017	05/12/2017		Draft report	

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Open Report on behalf of Pete Moore, Executive Director for Finance and Public Protection

Report to:	Audit Committee
Date:	29 January 2018
Subject:	Work Plan

Summary:

This report provides the Committee with information on the core assurance activities currently scheduled for the 2018/19 work plan.

Recommendation(s):

1. Review and amend the Audit Committee's work plan ensuring it contains the assurance areas necessary to approve the Annual Governance Statement 2018
2. Consider the actions identified in the Action Plan

Background

The work plan has been compiled based on the core assurance activities of the Committee as set out in its terms of reference and best practice (see Appendix A – work plan to 31 March 2018).

Once a year the Audit Committee reviews its effectiveness to help inform its Annual Report to the Council (scheduled for June 2018 Audit Committee). We suggest a workshop is undertaken in March to undertake a self-assessment – perhaps the afternoon following the scheduled Committee.

Sometime ago the Audit Committee requested if another independent could be added to the Committee – bring independent challenge and a different perspective to the Committee. We are currently working with Democratic Services to move this proposal forward – it requires a change in the Constitution. Please also note that David Finch has given formal notice that he will stand down as a member of the Committee from the 31st December 2018.

Appendix B – keeps track of actions agreed by the Committee and future potential agenda items.

Conclusion

The work plan helps the Audit Committee effectively deliver its terms of reference and keeps track of areas where it requires further work and/or assurance.

Consultation

a) Have Risks and Impact Analysis been carried out??

No

b) Risks and Impact Analysis

Any changes to services, policies and projects are subject to an Equality Impact Analysis. The considerations of the contents and subsequent decisions are all taken with regard to existing policies

Appendices

These are listed below and attached at the back of the report	
Appendix A	Work plan to 31 March 2018
Appendix B	Action plan

Background Papers

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

This report was written by Lucy Pledge, who can be contacted on 01522 553692 or lucy.pledge@lincolnshire.gov.uk.

Audit Committee Work Plan – 2017/18		
29 January 2018	Assurances Required/Being Sought	Relevancy – Terms of Reference
Core Business		
Internal Audit Progress Report	Gain an understanding of the level of assurances being provided by the Head of Internal Audit over the Council's governance, risk and internal control arrangements and why.	To consider reports from the head of internal audit on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include: a) Updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work. b) Regular reports on the results of the Quality Assurance and Improvement Programme. c) Reports on instances where the internal audit function does not conform to the Public Sector Internal Audit Standards and Local Government Application Note, considering whether the non-conformance is significant enough that it must be included in the Annual Governance Statement. To consider summaries of specific internal audit reports as requested.
External Audit Progress and Plan Report	Seek assurance over progress and delivery of the external audit plan and that any risks to successful production of the financial statements and audit are being managed.	To comment on the scope and depth of external audit work and to ensure it gives value for money
Risk Management Progress Report including update of Strategic Risk Register Moved to the March Committee as work at early stages	Gain assurance that the Council is effectively managing its key risks – has good risk management systems / processes in place that enable decision makers to understand the level of risk being taken and the Council is prepared to accept. That there has been on big surprises for the Council where it suffered significant financial loss or reputational damage.	

Audit Committee Work Plan – 2017/18

Private meeting with external audit		
Other Assurance		
Combined Assurance Status Reports		
26 March 2018	25 June 2018	23 July 2018
Internal Audit Progress Report	Review of draft Annual Report on the work of the Audit Committee	
External Audit Progress Report	Internal Audit Progress Report	
Draft Counter Fraud Plan 2018/19	External Audit Progress Report	
Draft Internal Audit Plan 2018/19	Draft Statement of Accounts 2017/18.	
Risk Management Progress Report including update of Strategic Risk Register	Approve the Annual Governance Statement	
International Audit Standards – Report responding to External Audit management questions around fraud and error		
Statement of Accounts – Report providing information on accounting policies being applied.		
Update of Payroll System Control Environment		
Draft Annual Governance Statement		
Other Assurance	Other Assurance	
Combined Assurance Status Report - IMT		

Audit Committee Action Plan 2017/18			
Action	Terms of Reference Outcome	Key Delivery Activities	When
1. 1. Clarify who should attend the Audit Committee and expectations on the information being presented.	<p>Ensure that relevant and focussed reports are presented. Provide more certainty that assurance is relevant and reliable</p> <p>Promote constructive challenge during meetings</p> <p>Strengthen accountability arrangements and the effectiveness of the Audit Committee</p>	Develop reporting protocol	May 2018
2. Develop Action plan following self-assessment workshop considering the following:	Improve effectiveness of the committee	Work with Councillor Development Group to develop a person spec with key attributes for people on an Audit Committee	31 st January 2018
		New Committee members appointed – work with new Committee to draw up a training and development plan.	
		Recruit an additional 'independent' member	30 th June 2017 Still ongoing
		Deliver risk management training and awareness for members and staff.	Delivered

Audit Committee Action Plan 2017/18

		Ensure that there is a private meeting with External Auditor at least once a year.	Agreed will take place in January 2018
		End of meeting debrief / lunch	Chairman to arrange as required
		Briefing / update on key risks between meetings	Noted
		Arrange informal meeting with CMB	Completed – formal meeting agreed Chairman – January 2018

Potential Agenda Items

Governance and Control of Trading Companies
Records Management – social care case files
County Farms
Joint Commissioning Board - Partnerships
Reviewing and encouraging transparency in partnership decision making
Understand and seek assurance over the governance and risks associated with our key partners -via Combined Assurance Status Reports
Compliance with the Transparency Code