

PRESENT: COUNCILLOR B YOUNG (CHAIRMAN)

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

Mr D Finch, Independent Member.

Apologies for absence were received from Councillor Mrs P A Mathers.

Officers in attendance: Sheila Downie, Pete Gittins, Keith Henton, David Laws, Mike Norman (Audit Commission), Lucy Pledge, Nigel Sheriden, Helen Storr, Sarah Tennant and Neil Wright.

28. DECLARATIONS OF COUNCILLORS' INTERESTS

No declarations of members' interests were made at this point in the meeting.

29. MINUTES

RESOLVED

That the minutes of the meeting held on 21 September 2009 be agreed as a correct record and signed by the Chairman subject to the following amendments:

Minute 20 – Information Governance – last but one paragraph – amend the second sentence to read: “It was said that that could not be done as individuals had to be supplied with copies of the original documents.”

Minute 21 – ICT Disaster Recovery and Business Continuity – on line two delete full stop, add the word “which” and delete the word “That”. In line four delete the word “That” and insert the word “The” in place thereof.

Minute 22 – Review the Council’s Whistleblowing Policy – in line three delete the word “may” and insert the word “might” in place thereof.

30. RISK MANAGEMENT – SECOND QUARTER UPDATE 2009/10

Sarah Tennant, Strategic Risk Manager, presented a report by the Executive Director (Resources and Community Safety) which informed the Committee of the progress up to the end of the second quarter of the year 209/10 against the key aim of the risk management strategy.

It was confirmed that the full Corporate Risk Register was now available on the Councillors’ microsite, as previously requested. During the course of the last quarter reviews of almost all 15 strategic risks had been undertaken with each risk “owner”.

The overall risk exposure had reduced once again against the baseline set in December 2008. Significant progress had been made with implementing the key controls assigned to strategic risks CR4 and CR6. Strong progress had also been made with CR13, CR14 and CR1 which had all now reached their target scores. There were now just two remaining “red” risks identified in the current Corporate Risk Register:

CR7: Failure to adapt to climate change

CR9: Failure or serious under performance of key strategic contract

It was reported that corporate risks CR9 and CR10 “Failure to recruit, retain and motivate staff with the required skills and experience” related to particular service audits and detailed reports could be added to the Work Plan. A request was also made for a report to be submitted on risk CR15 “Failure to divert waste from landfill sites”. Concern was expressed about the impact of schools’ ring-fenced funds on Corporate Risk CR4 relating to the economic slowdown, and that could also be the subject of a future report.

In addition to the 15 strategic risks within the Corporate Risk Register there were other more specific risks included in the 55 service plans of different parts of the Council. The Risk Register was subject to quarterly review.

It was reported that since May 2009 the Council had been in a state of alert ready to launch its operational business continuity and disaster recovery plans in response to the swine flu outbreak. Whilst it was no longer anticipated that the outbreak would be as serious as previously thought, the Council’s corporate response and command structure had been tested. To ensure that any lessons learnt from the Council’s response were captured and where necessary acted upon, a structured de-brief had been commissioned. The findings from the de-brief would be presented to the Executive and the Management Board in February 2010. A summary of the findings could be brought to this Committee.

RESOLVED

(1) That the report be noted.

(2) That a report be submitted to a future meeting of this Committee on the key findings following a structured de-brief to review the effectiveness of the corporate business continuity response to the swine flu outbreak.

31. EXTERNAL AUDIT PROGRESS REPORT

Mike Norman of the Audit Commission presented a report which summarised for the Committee’s information the progress made on the Audit Commission’s 2008/09 and 2009/10 Audit and Inspection Plans. The Plans had been noted by the Committee on 16 June 2008 (Minute 9) and 13 July 2009 (Minute 5) respectively.

The planned 2008/09 audit, performance and inspection work was now complete and the position was summarised in the Appendix to the report. It was expected that the Annual Audit Letter would be presented to the Committee’s next meeting. The 2008/09 planned work was at a relatively early stage although the planned work in support of the Audit Commission’s 2009 Organisational Assessment (OA) had been

completed. The Use of Resources and Managing Performance scores and findings, and the overall OA score, would be reported by the Audit Commission on 10 December 2009. The Audit Commission had also started to update their original planning risk assessments regarding the Financial Statements' audit, including an initial risk assessment of progress made by the Council regarding the implementation of International Financial Reporting Standards.

It was noted that the 2007/08 Connexions grant return had not yet been prepared by officers and appeared on the government department's "stragglers" list. The return was expected to have been prepared by the end of November 2009.

RESOLVED

That the contents of the report be noted.

32. UPDATE ON OUR ANNUAL GOVERNANCE STATEMENT 31 MARCH 2010

Lucy Pledge, Head of Corporate Audit and Risk Management, presented a progress report on areas that had been identified in the Council's Annual Governance Statement 31 March 2009 as needing further work to improve systems or monitor how the key risks facing the Council were being managed. Many of these items were also on the Corporate Risk Register.

During the course of discussions reference was made to the following matters:

- Strategic Property Review – when was this expected to be completed?
- Information Governance – a report would be submitted to a future meeting on how key partnerships were to be managed.
- S.106 Agreements – a progress report should be submitted to the next meeting if it could not be sent to members of the Committee before then.
- Business Continuity – when would a report on IT resilience be submitted to the Executive?
- Core financial systems – The Creditors system was being looked at and an Action Plan would be taken to the Management Board in January 2010. Progress should be reported to the next meeting of the Audit Committee.

RESOLVED

(1) That the contents of the report be noted.

(2) That the actions and matters referred to above be implemented.

33. WORK PLAN

A report setting out the proposed Work Plan for the Committee up to 22 March 2010 was presented by the Head of Corporate Audit and Risk Management. Also attached to the report was an Action Plan to keep track of actions agreed at meetings or workshops of the Committee, and a lists of aims and activities for 2009/10 that was included in the Committee's Annual Report for 2008/09.

Following the fire drill at County Offices it had been agreed in September that a copy of the report on the drill should be sent to members of this Committee. That report had not yet been circulated.

The previous meeting had received a report on the Council's whistleblowing policy. The new policy had been the subject of consultation with a closing date of 14 November for comments. A further report on the review of the whistleblowing policy would be brought to a future meeting of this Committee.

RESOLVED

- (1) That the Work Plan outlined in the report be approved.
- (2) That the report on the fire drill at County Offices be sent to members of this Committee when available.
- (3) That a further report on the whistleblowing policy be brought to a future meeting of this Committee.

34. CORPORATE AUDIT PROGRESS REPORT TO 31 OCTOBER 2009

The Head of Corporate Audit and Risk Management presented a report by the Executive Director (Resources and Community Safety) that gave the Committee an update on progress against the Internal Audit Plan agreed by this Committee on 23 March 2009. The report also gave details of the audit reports issued up to 31 October 2009 and provided details of the current position with agreed actions in respect of previously issued reports.

Officers from other Directorates attended the meeting to answer detailed questions and report progress in relation to some of the audit reports, including those relating to the Court of Protection, Gainsborough Educational Village and Direct Payments.

Other officers would attend future meetings of the Committee to report progress on other audit reports. It was noted that some outstanding recommendations from audit reports were rated as "high risk" and it was suggested that such "high risk" recommendations should be reported to each meeting until they were completed.

At its previous meeting the Committee had approved partnership working with City of Lincoln Council and East Lindsey District Council under the banner of "Audit Lincolnshire". It was reported that a website was being developed to provide current and potential future clients with information about the partnership. Reports presented to this Committee were available on the County Council website and the Committee was asked for its views on what information could be included on the Audit Lincolnshire website.

It was also recommended that some audits included in the 2009/10 Annual Plan be postponed to 2010/11 for particular reasons listed in the report. In most cases that was because work was in progress and it would be more appropriate to carry out the audit when the changes had been carried out.

RESOLVED

- (1) That the content and outcome of Corporate Audit work be noted and actions required be identified.
- (2) That the Audit Lincolnshire website should include the minutes of this Committee and complete copies of all audit reports.
- (3) That the following audits in the Annual Plan 2009/10 be postponed to 2010/11:
 - Strategic Partnerships
 - Local Area Agreement and Sustainable Community Strategy
 - ICT Business Continuity
 - Creditors
 - Provision Planning
 - Information Management

35. EXCLUSION OF PRESS AND PUBLIC

RESOLVED

That under section 100A(4) of the Local Government Act 1972, the public be excluded from the meeting for the following items on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 1 of Part I of Schedule 12A of the Act.

36. AUDIT INVESTIGATION – GAINSBOROUGH LEARNING DISABILITY SERVICE

The Assistant Director, Adult Social Care Operations, presented a report on the outcome of an internal audit he had commissioned following concerns about staffing and management at Gainsborough Adult Learning Disability Service. The confidential report by Corporate Audit was attached as an Appendix to the report. The Assistant Director also reported on the management response to the report and tabled copies of the Action Plan.

RESOLVED

- (1) That the report and the Appendix be noted.
- (2) That a progress report on this matter be presented to this Committee on 1 February 2010, and the Committee then consider whether further reports will be needed.

37. AUDIT INVESTIGATION – ADULT SOCIAL CARE, LEARNING DISABILITIES – COMPLEX CASE AUDIT

The Assistant Director, Adult Social Care Operations, presented a report on the outcome of an internal audit into the management of a specific case within adult social care. The aim of the audit was to identify any failings in the current systems and to identify any areas of practice that needed to be improved. An Action Plan

identifying a number of areas that needed attention was attached as an Appendix to the report.

RESOLVED

- (1) That the report and the Appendix be noted.
- (2) That a written progress report on this matter be presented to this Committee on 26 April 2010.