

<b>Present:</b>	Councillor Geoff Ellis ( <i>in the Chair</i> )
<b>Councillors:</b>	Thomas Dyer, Gary Hewson, Ronald Hills, Jackie Kirk, Rebecca Longbottom and Laura McWilliams
<b>Independent Member:</b>	None.
<b>Apologies for Absence:</b>	Jane Nellist

**21. Confirmation of Minutes - 17 September 2019 (To Follow)**

RESOLVED that the minutes of the meeting held on 17 September 2019 be confirmed.

**22. Change to Order of Business**

RESOLVED that the order of business be amended to run as follows:

1. Annual Governance Statement Monitoring
2. Information Management Update
3. Internal Audit Recommendation Follow Up
4. Annual Complaints Summary
5. Internal Audit Progress Report
6. Audit Committee Work Programme

**23. Declarations of Interest**

No declarations of interest were received.

**24. Annual Governance Statement Monitoring**

Pat Jukes, Business Manager, Corporate Policy:

- a. presented a progress update on those areas identified as 'significant governance issues' as set out in the 2018/19 Annual Governance Statement (AGS), which Audit Committee had a role to review
- b. stated that the report provided details of the monitoring arrangements for the significant internal control issues raised in the latest AGS, as detailed at Appendix A of the report
- c. advised that key actions would be reviewed by the Service Manager's Group and be overseen by Corporate Leadership Team as well as monitored by Audit Committee
- d. reported that just one significant issue IT Disaster Recovery Plan remained, which was now considered by the responsible officer to be red status
- e. confirmed that a plan of action to cover this issue had been agreed between the Emergency Plan Manager (LCC Emergency Planning Officer), the

Business Continuity Manager (Chief Finance Officer) and the IT Service Manager (Business Development and IT Manager)

- f. reported that the first stage had been completed to review the schedules within the current Business Community Plans to ensure they were still relevant
- g. advised that an exercise was currently underway to review critical services, extended until November 2019 due to some results still awaited
- h. advised that a procurement exercise was well underway on reviewing and updating the IT infrastructure as agreed at Executive on 29 September 2019, which would enhance Disaster Recovery significantly once the solution was implemented, hence full review of the IT Disaster Recovery plan would commence once the new infrastructure was in place
- i. reported that it had been agreed that alignment between the new IT Disaster Recovery plan and Business Continuity plan would be implemented by October 2020
- j. requested that members of Audit Committee give consideration to the content of the report.

RESOLVED that the content of the report be noted and monitoring arrangements be continued.

## **25. Information Management Update**

Sally Brooks, Data Protection Officer:

- a) presented a report to update Audit Committee on progress made with Information Management monitoring the councils compliance with data protection legislation including the General Data Protection Regulation (GDPR) and the Data Protection Act 2018 (DPA)
- b) reported specifically on the recent internal audit outcomes which awarded the Council Substantial Assurance for its Information Management and Information Governance arrangements
- c) highlighted that future update reports would be submitted to Audit Committee on a bi-annual basis, given the work completed and GDPR compliance now becoming business as usual for the council
- d) outlined a number of recommendations made for improvements by the Audit team which were currently outstanding as detailed at paragraph 2.5 of the report
- e) highlighted that these recommendations were not exhaustive for Information Management given continued monitoring of training, procedures, processes, guidance, policies, contracts, agreements and requests required along with reactive work due to the success of the awareness programme
- f) reported on further work recommended by the audit currently being completed in relation to contracts as detailed at paragraph 3 of the report

- g) advised that Information Governance had been removed from the Annual Governance Statement due to progress made in the implementation of GDPR, although it was still a watching item to be monitored by High Performing Services (HPS) Group
- h) requested that the report and outcome of the audit be noted by members.

Members welcomed progress being made in respect of the recommendations provided within the report.

RESOLVED that the content of the report and the audit outcome be noted.

## **26. Member Statement**

During the discussion of the following item, Minute No: 27, Councillor Laura Mc Williams requested it be noted in the interest of transparency that she worked for a letting agent. Her employer was not involved with Houses in Multiple Occupation (HIMO's) and the only element being discussed here was the legislation.

## **27. Internal Audit Recommendation Follow Up**

John Scott, Audit Manager:

- a) presented an update to Audit Committee on outstanding audit recommendations and recommendations over 12 months old, with the ability at the meeting to request managers to provide further feedback
- b) referred to Appendix A attached to his report which provided details of the relevant audits, outstanding recommendations/agreed actions and the current position/explanation from the service manager
- c) invited members' questions and comments.

Question: What were the reasons for extended deadlines, was this due to lack of staff?

Audit Manager Response: There were differing reasons including prioritisation, issues cropping up, and some recommendations taking longer than anticipated to complete. Members could ask relevant managers to attend Audit Committee to give greater context to any problem areas.

Comment: It had been hoped that the final recommendation to complete the Boutham Park Restoration Project would have been nearer completion, now extended to February 2020. There were lessons to be learnt moving forward with another contract soon to commence for the park. Some areas of the scheme on the ground had not realised their potential. It was important that projects were finalised before scheme managers moved on. Performance Scrutiny Committee would be asking for a Post Implementation Review (PIR) of the project.

Audit Manager Response: The problem here related to delay in the signing of the Partnership Agreement for Boutham Park Refurbishment Project. The relevant officer had previously attended Audit Committee to report on the reasoning behind the delay.

Chief Finance Officer Response: The audit had looked at specific parts of the Boultham Park project in relation to the partnership agreement only. A PIR would be completed on the whole project once finalised. It could be presented to Audit Committee if required. The Audit Team did not have the resources to complete a full audit of the entire scheme.

The Chief Finance Officer updated Audit Committee in relation to the outstanding audit recommendation in respect of the Code of Corporate Governance. She confirmed that there was an existing Asset Management Plan in place, however due to the vacant Property Services Manager post there was currently a lack of capacity for it to be updated. This task would be completed once the post was filled.

Simon Colburn, Assistant Director, Health and Environmental Services, updated Audit Committee in relation to the outstanding audit recommendation Houses in Multiple Occupation (HMO) Licensing and Hazards, covering the following main points:

- He was disappointed that the audit in June 2018 had only achieved limited assurance, however, at the time there had been a high turnover in staff together with changes in legislation which had involved extra workload
- The Health and Environment Enforcement Policy had been completely rewritten, due to go to Policy Scrutiny Committee on 8 October 2019. This policy brought together groups of different legislation and new enforcement to allow landlords to be fined directly.
- Investment in I.T infrastructure had been implemented to allow landlords to apply for HMO registration directly at the 'front end'.
- A new coding structure had been introduced so that different codes could be used to record hazards and categories, to enable monitoring and reporting to be undertaken.
- New performance measures were being introduced to form part of the performance management framework.

Members raised questions in relation to outstanding audit recommendations, particularly those over a year old, which received relevant responses as follows:

Question: Did dual registration of a normal house also as a HIMO have implications in terms of its administration?

Response: There was more impact on the planning team than his. There was improved information sharing between the two services with approximately an additional dozen applications from the Planning Section to come forward at the present time. He would double check this figure and report back to members accordingly.

Question: Were applications coming from letting agents as well as from landlords?

Response: There was a role for letting agents. The council was able to take action on whoever was responsible for allowing properties to fall into disrepair. This included letting agencies if they were responsible for checking the health and safety of the property. He added that his staff primarily focused on landlord properties with poor inspections, however this could be extended to letting agencies should a trend be identified.

Question: Were there enough staff on the ground now to cope with new legislation.

Response: There were currently 15 members of staff trained up to BTEC qualification level. On the whole the service was in a better position. Recruitment for a Team Leader was out for advertisement following which there would be a full complement of staff.

Comment: It would be useful to know why staff chose to move on.

Response: The service manager was currently carrying out a piece of work to make sure a satisfactory training matrix was in place for staff and that they felt valued. It may be that staff moved on to the private sector once qualified. The service was now in a better place.

John Scott, Audit Manager, asked and received confirmation from members that they had no questions to refer back to officers in respect of the outstanding Audit recommendation regarding Tenancy Services.

RESOLVED that updates on Audit Recommendations older than 12 months be noted.

## **28. Annual Complaints Summary Report 2018-19**

John Scott, Audit Manager, on behalf of Joanne Crookes, Customer Services Manager:

- a. presented the annual complaints report which included reference to the Annual Review of Local Authority Complaints issued by the Local Government and Social Care Ombudsman (LGSCO), and details of the decisions of the Housing Ombudsman
- b. reported also on the overall number of complaints received by the Council including response times and percentage of complaints upheld on a directorate basis for the full year 2018-2019
- c. highlighted the background to the council's complaints procedure at paragraph 2 of the report
- d. advised that there was no published time target for the handling of complaints, however, resolution times were recorded and reported to Departmental Management Teams (DMT's) and staff were encouraged to seek solutions at the first point of contact or otherwise resolve the issue at the earliest opportunity
- e. reported that the ongoing trend over the past four years of a reduction in the number of complaints received had continued again last year, as detailed at paragraph 3.3 of the report
- f. stated that there had been a slight increase in the amount of time taken for officers to respond to complaints at 7.6 days over all four directorates
- g. detailed further the breakdown of directorate complaints at paragraph 4 of the report
- h. highlighted that in 2018/19 the Local Government and Social Care Ombudsman (LGSCO) considered 11 new complaints and made decisions on 10 complaints about City of Lincoln Services; the number of complaints to the

Ombudsman were also decreasing with a steady reduction from a peak in 2015-16 of 27 complaints

- i. outlined the detail of the one complaint upheld as detailed at paragraph 6.1 of the report
- j. reported that three Housing Ombudsman Service complaints had been investigated during this period, the same number as in the previous year, of these one found no evidence of maladministration in decision making nonetheless a recommendation for compensation was made as detailed at paragraph 7.3 of the report, and the remaining two had not been upheld
- k. highlighted the trend in complaints as detailed at paragraph 8 of the report
- l. highlighted the number of compliments received from members of the public acknowledging professionalism of staff across all service areas
- m. invited members' questions and comments.

Members of Audit Committee discussed the content of the report in further detail.

Members asked whether average response times quoted within the report referred to acknowledgement of the complaint or providing an answer.

John Scott, Audit Manager, advised that average time to deal with a complaint included both its acknowledgement and providing the relevant response.

Members questioned the statement within the report that Major Developments did not receive a large number of complaints which was surprising.

Jaclyn Gibson, Chief Finance Officer, explained the reason for this being that the complaints were likely to come through the service areas when the developments were handed over e.g. any complaints regarding the bus station would come through community services.

Members congratulated the Customer Services Manager on the team's achievements in securing a reduction in the number of complaints yet again this year.

RESOLVED that the content of the 2018-2019 complaints report be noted.

## **29. Internal Audit Progress Report**

John Scott, Audit Manager:

- a. presented the Internal Audit Progress Report to Audit Committee, incorporating the overall position reached so far and summaries of the outcome of audits completed during the period July to August 2019, as detailed at Appendix A
- b. highlighted that Audit Committee held the responsibility for receiving a regular progress report from Internal Audit on the delivery of the Internal Audit Plan as a key requirement of public sector internal audit standards
- c. detailed the content of the report covering the following main areas:

- Progress Against the Plan
  - Summary of Audit Work
  - Implementation of Audit Recommendations
  - Current Areas of Interest Relevant to the Audit Committee
- d. highlighted one finalised audit review, Boultham Park Restoration, given substantial assurance at the time of the report, prior to full implementation of the agreed Management Action Plan
- e. advised on audit reports at draft stage as follows:
- Values and Behaviours
  - Project Management
  - Fire Risk
- f. reported on the following audits in progress:
- Partnership Governance
  - Recruitment
  - Housing Rents
- g. highlighted the following audits being prepared:
- Efficiency Savings
  - Western Growth
  - Economic Development
  - Private Sector Housing Follow Up
  - Sports Pitches Improvements
  - Treasury Management
- h. reported on other work ongoing in relation to:
- Housing Benefit Subsidy Testing - now completed
  - The Expenses claim for the European Election in May 2019 currently being checked
- i. highlighted details of audits postponed following agreement of the S151 Officer due to some 18/19 audits taking longer than expected:
- Welfare Reform-Universal Credit (some detailed work ongoing)
  - Apprentice Scheme - Financial Arrangements
  - Scrutiny - Operation and Management Training
- j. detailed other matters of interest including:
- Lincolnshire Audit Committee Forum
  - Brexit
  - Guidance for Audit Committees - Cloud Services
- k. highlighted performance against a range of indicators, with high achievement secured in respect of Audit KPI's to date
- l. detailed the contents of the Audit Plan Schedule at Appendix 4 of the report

m. requested members' consideration on the content of the report.

Members discussed the content of the report in further detail, asking questions as follows:

- Question: The audit of Boutham Park Project in part only in relation to Linkage Trust partnership agreement was difficult to assess without the fuller picture?
- Response: Officers had to be selective in their choice of Audit, the service did not have the resources to audit everything. The first audit of the Boutham Park Project concentrated on the partnership project and the second on the final account.
- Question: How long had it taken for officers to be asked to look at an audit of Western Growth Corridor? It was a longstanding project.
- Response: Officers were currently looking at governance risk in relation to the Western Growth Corridor project. Other elements would be audited during its lifespan.
- Question: Did the detailed work on Universal Credit (UC) include investigation of the problems experienced during preparatory work before it was introduced?
- Response: Auditors were looking at the impact of UC on rent payments and UC advice arrangements.
- Comment: There was a piece of work going through Housing Scrutiny Committee to allow tenants on Universal Credit moving address to have their information automatically updated on the Universal Credit system.
- Response: The Head of Shared Revenues and Benefits was looking at how to coordinate services to provide the best possible advice to customers.
- Comment: Members needed more information on the figures behind the Western Growth Corridor planning application moving forward.
- Question: Had any work been carried out in terms of Brexit on risk and the business rate base?
- Response: A report was currently being prepared on financial assumptions for the MTFS, including the business rate base. The retention of business rates had been deferred for another year which had a positive impact on the council.
- Question: Did we already use cloud services?
- Response: The 'cloud' was a term for using the internet to access systems and data stored outside an organisation's own premises. The council used some. Some local authorities were moving forward faster but there were risks involved and costs to take into account.
- Question: Why had scrutiny member training been deferred to quarter 1 2020/21?
- Response: This was purely down to a resource issue.

RESOLVED that the contents of the report and continuation of further monitoring arrangements be noted.

### 30. **Audit Committee Work Programme**

RESOLVED that the work programme for 2019/20 be agreed.