



## AUDIT COMMITTEE

**Thursday, 23 September  
2021**

**6.00 pm**

**Committee Rooms 1-2, City Hall**

Membership: Councillors Rebecca Longbottom (Chair), Helena Mair (Vice-Chair), David Clarkson, Thomas Dyer, Gary Hewson, Rosanne Kirk and Calum Watt

Substitute member(s): Councillors Pat Vaughan

Independent Member: Jane Nellist

Officers attending: Sally Brooks, Democratic Services, Joanne Crookes, Jaclyn Gibson, John Scott, Matt Smith and Colleen Warren

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## A G E N D A

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| <b>SECTION A</b>   | <b>Page(s)</b> |
|--|----------------|
| 1. Confirmation of Minutes <ul style="list-style-type: none"><li>• 15<sup>th</sup> July 2021</li><li>• 22nd July 2021</li></ul>  | <b>3 - 12</b>  |
| 2. Declarations of Interest  |                |
| Please note that, in accordance with the Members' Code of Conduct, when declaring interests members must disclose the existence and nature of the interest, and whether it is a disclosable pecuniary interest (DPI) or personal and/or pecuniary. |                |
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**Present:** Councillor Rebecca Longbottom (*in the Chair*)

**Councillors:** Helena Mair, David Clarkson, Thomas Dyer and Gary Hewson

**Independent Member:** None.

**Apologies for Absence:** Councillor Rosanne Kirk, Councillor Calum Watt and Jane Nellist

#### **14. Declarations of Interest**

No declarations of interest were received.

#### **15. Homes England Compliance Audit**

Melanie Holland, Housing Strategy and Investment Manager:

- a. asked that the Audit Committee agreed to the appointing of the Council's external auditor, Mazars, to undertake the 2021 Homes England Compliance Audit
- b. highlighted that the Council was currently under contract with Homes England (HE) to deliver several schemes.; the annual Compliance Audit Programme provided assurance that the Council had met all of HE's requirements and funding conditions; and had properly exercised its responsibilities as set out in HE's Capital Funding Guide
- c. explained that the Council was required to appoint an independent auditor to undertake a Compliance Audit
- d. invited committees' questions and comments

Question: Members asked whether we were happy to appoint Mazars as there had previously been issues whilst using them.

Response: The compliance audit was very straightforward and had no problems last year. There had been issues over the years, but compliance audits were procedural and Mazars would be more than capable.

Question: Members asked how the care packages that needed to be given to rough sleepers were funded?

Response: There was funding for two members of staff which had been sought via revenue funding from MHCLG and through housing benefit.

Question: Members asked whether the cost of the auditors was funded via the general account or housing revenue account?

Response: This was funded from the HRA as it was not cost effective to use the General Fund and it was considered acceptable to provide this form of accommodation within the HRA.

RESOLVED that the request for the Council to appoint Mazars to undertake the Homes England Compliance Audit be agreed.

**Present:** Councillor Rebecca Longbottom (*in the Chair*)

**Councillors:** David Clarkson, Thomas Dyer, Gary Hewson, Rosanne Kirk, Calum Watt and Pat Vaughan

**Independent Member:** Jane Nellist

**Apologies for Absence:** Councillor Helena Mair

**16. Confirmation of Minutes - 6 July 2021**

RESOLVED that the minutes of the meeting held on 6 July 2021 be confirmed and signed by the Chair.

**17. Declarations of Interest**

Councillor Vaughan declared a Personal Interest in minute number 20 as his Granddaughter worked in the Finances Department at City of Lincoln Council.

Councillor Dyer declared a Personal Interest in minute number 20 as he was on the board of Lincoln Business Improvement Group.

**18. Matters Arising**

The Chair referred to minute number 2 in relation to the Housing Allocations software upgrade and asked for an update.

John Scott, Audit Manager responded that the upgrade had been delayed to the end of August.

Jaclyn Gibson, Chief Finance Officer referred to minute number 13 in relation to inviting the IT Manager to attend Audit Committee and advised that she had liaised with the Monitoring Officer who had advised that if Members would like a Thematic Review of the IT section then this would need to go to Performance Scrutiny Committee. However, if Members would like to discuss the Disaster Recovery on the Annual Governance Statement or any of the audit recommendation follow ups then it was within the scope of the Audit Committee.

**19. External Audit 2020/21 Planning and Progress Report**

Jon Machej, representing Mazars, External Auditor:

- a. presented an External Audit progress report to provide the Audit Committee with an update on progress in delivering their responsibilities
- b. highlighted the following main points:

- a summary of the audit planning proposals which formed the basis of the formal 2020/21 Audit Strategy Memorandum (ASM). The formal ASM was subject to external engagement quality review and would be shared with the Committee when confirmed
- an update on progress in delivering the 2020/21 audit

- a summary of recent relevant national reports and publications.
- c. requested that members note the contents of the report and the attached appendix
- d. invited members questions and comments.

**Question:** Asked how Officers completed a self-assessment on value for money.

**Response:** Mazars provided a standard template for assessment, Officers had to work through the questions and provide evidence. This would then be used by Mazars as part of their audit work.

RESOLVED that the contents of the report and the attached External Audit Progress Report be noted.

## 20. Draft Statement of Accounts 2020/21

Colleen Warren, Financial Services Manager:

- a. presented the draft Statement of Accounts for the financial year which ended 31 March 2021, together with a short summary of the key issues reflected in the statutory financial statements for scrutiny
- b. highlighted the summary of key issues within the below areas in the Financial Statements:
  - The Comprehensive Income and Expenditure Statement
  - The Balance Sheet
  - Cross Cutting Key Issues
- c. recommended that Audit Committee scrutinise the draft Statement of Accounts
- d. invited members questions and comments.

**Question:** Referred to paragraph 4.1.2 of the report and asked for details regarding the underspend of £148.4k.

**Response:** There had been a lot of fluctuations due to the Covid-19 pandemic. The underspend was presented to Performance Scrutiny Committee and Executive and the details could be found in the reports for both of those meetings.

**Question:** Referred to the 2023/24 reductions detailed at page 62 of the Draft Statement of Accounts and asked how these savings would be made and if Officers were confident that the savings targets could be met.

**Response:** A number of reviews had already been to Executive and a range of business cases were currently being progressed. Officers were confident that the current year (21/22) savings target could be met and a programme was in place for the future years

**Question:** If there was a spike of covid-19 infections in the winter, could there potentially be a detrimental impact on the budgets?

**Response:** Potentially there could be an in-year impact, however, we could not be sure of the impact over the longer term.

**Question:** Asked if the current budget position was currently better or worse than predicted?

**Response:** The team were currently preparing the quarter 1 financial performance position. However, at this early stage, the indications were that there were a few key areas that off target.

**Question:** How much of the earmarked reserves would have to be used?

**Response:** The 2021/22 budget already assumed the use of some earmarked reserves in order to mitigate the impact of Covid-19. Any further use of reserves in year would depend on the overall financial performance during the year.

**Question:** Had there been any income from the civic owned pieces?

**Response:** No, they were just for public display.

**Question:** Referred to page 61 of the Draft Statement of Accounts in relation to the earmarked reserves for the mayoral car and asked for further details.

**Response:** The mayoral car had finished its lease, so it was currently under review.

**Question:** Referred to the shares in Dunham Bridge and asked if the Council could increase the fees?

**Response:** The Council owned some shares but had no voting powers or influence to increase the fees. The share brought in £26k of income per year.

**Question:** Referred to page 91 and 92 of the Draft Statement of Accounts and noted the increase in salaries for the Directors.

**Response:** This was due to a nationally agreed pay award of 2.75%.

**Question:** Referred to page 8 of the Draft Statement of Accounts and commented that there was a mix of units that were being used.

**Response:** This would be updated.

Jane Nellist, the Independent Member commented that it was reassuring that the City of Lincoln Council had tight control of the finances compared to some other authorities.

RESOLVED that the draft Statement of Accounts be received and comments made by the Committee be noted.

## **21. 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 April 2021 to June 2021, 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
- Current areas of interest relevant to the Audit Committee

d. invited questions and comments

**Question:** Asked for clarification on which department was leading on the role out of Office 365.

**Response:** This was a large-scale project which was being led by the Organisational Change Lead with support from Business Development and IT. The target for completion had been brought forward from December 2021 to September 2021.

**Question:** Referred to Appendix 4 of the report in relation to Planned Maintenance and asked if the Housing Revenue Account would be charged for the internal audit work.

**Response:** Yes, a portion of the audit teams time is recharged to the Housing Revenue Account.

**Question:** Referred to Debtors Key Control 2020/21 and asked for more detail in the areas that had been identified for improvement.

**Response:** Some debtors were being raised for very small amounts, Audit had questioned if there was a more cost effective way of raising those charges. It was currently being looked at to find if there was a better way of doing this.

RESOLVED that the report be accepted and the monitoring arrangements be continued.

## **22. Internal Audit Recommendations Follow Up**

John Scott, Audit Manager:

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

**Comment:** Referred to the Transport Hub Post Implementation Review and commented that members would like to see a report on this once the review had been completed.

**Question:** Referred to Housing Rents and queried whether new tenants would start on higher rent than longer term tenants.

**Response:** The new tenant would be at target rent which could potentially be different from the previous rent.

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

**23. Review of Internal Audit and Audit Committee Effectiveness**

John Scott, Audit Manager:

- a. presented a report to review the effectiveness of internal audit and the Audit Committee benchmarking against best practice and audit standards.
- b. advised that a member/officer review group was established to review documents in detail and provide feedback to the Audit Committee.
- c. explained that the review was split into different areas which covered:
  - Internal Audit
    - Audit Standards and quality
    - Audit Performance
    - Resources
    - Feedback
    - Improvement
    - Summary and conclusions
  - Audit Committee
    - CIPFA audit committee assessments
    - Core self-assessment
    - Knowledge and skills
    - Summary and conclusions
- d. summarised the Internal Audit conclusions as detailed at paragraph 5 of the report and the Audit Committee conclusions at paragraph 6.5 of the report.

The Committee discussed the contents of the report and agreed that it would be helpful to include the terms of reference of the committee on each agenda. They further discussed the complexities of the Audit committee and stressed the importance of training and the continuity of membership on the Committee for the Members full elected term.

RESOLVED that

1. the points raised from the review of effectiveness of internal Audit and the Audit Committee be noted.
2. the actions for Internal Audit including QAIP be noted.
3. the actions for the Audit Committee included within the action plan be noted.

**24. External Quality Assessment**

Jaclyn Gibson, Chief Finance Officer:

- a. presented the proposals for the 2022 External Quality Assessment (EQA) for consideration.

- b. explained that the External Quality Assessment was a review of the processes and practices within the Internal Audit function, in line with auditing standards. The scope included a technical and effectiveness review.
- c. advised that as the City Council worked closely with Lincolnshire County Council as part of Assurance Lincolnshire, it was proposed that the external assessor would be jointly procured.
- d. stated that as the final procurement options had yet to be finalised it was proposed that delegated authority be granted to the Chief Finance Officer and the Chair of the Audit Committee to agree the way forward. Any decision would be reported back to the Committee.
- e. invited questions and comments

RESOLVED that the contents of the report be noted and the delegation arrangements set out in paragraph 4 of the report be agreed.

**25. Audit Committee Work Programme**

John Scott, Audit Manager:

- a. presented a report to inform members of the Audit Committee on the work programme for 2021/22 as detailed at Appendix A of the report.
- b. advised that the frequency of the meeting had been reviewed and revised to take into account impacts relating to the pandemic and was considered appropriate for 2020/21.

RESOLVED that the contents of the Audit Committee work programme 2021/22 be noted.

**26. Risk Management- Annual Update**

Jaclyn Gibson, Chief Finance Officer:

- a. reported on the risk management framework adopted by the council and risk management activity during 2020/21
- b. advised that the Council's Risk Management Strategy was presented for members information, had recently been reviewed based on a risk appetite methodology approach to the management of the Council's risks, to reflect the environment in which it operated
- c. advised that a key element of the Council's management of its risks involved the development and monitoring of the key strategic risks which could affect the Council's ability to achieve its priorities during the year; the Council's Strategic Risk Register currently identified sixteen strategic risks as detailed within the report and associated appendices
- d. advised that the City of Lincoln Council has had to make dramatic changes as a result of three national lockdowns resulting from the Covid-19 pandemic, not only to ensure that the critical services kept functioning, but also to deliver a community leadership role for the city in times of crisis. Throughout this period

the Council had continued to actively manage the strategic, operational and project risk it faced.

- e. explained that as a result of the pandemic the Council was not in a position to produce an annual risk assessment report in April 2020 due to reprioritising workloads and managing risk management in alternative ways.
- f. outlined the framework of the risk management strategy in further detail, covering the following main topic areas:
  - Risk Management Strategy
  - Formulation of the Strategic Risk Register (Appendix A)
  - Formulation of the Directorate (Operational) Risk Registers
  - Training
  - Risk Management Benchmarking
  - Greater Lincolnshire Risk Management Group
  - Internal Audit
- g. reported that an Internal Audit of the Council's risk management arrangements undertaken during 2020/21 had concluded that the overall level of assurance opinion was substantial.
- h. requested members' consideration on the content of the report.

Jane Nellist, Independent Member, commented that it was good to see that the risk register had continued to be updated with new risks and that despite the current circumstances with Covid-19 the Council was being proactive.

RESOLVED that the risk management framework adopted by the Council and the risk management activity undertaken during the year 2020/21 be noted.

**27. Exclusion of Press and Public**

RESOLVED that the press and public be excluded from the meeting during consideration of the following item(s) of business because it is likely that if members of the public were present there would be a disclosure to them of 'exempt information' as defined by Section 100I and Schedule 12A to the Local Government Act 1972.

**28. Risk Management - Annual Update**

Only Appendix B Strategic Risk Register was contained here as exempt information.

The Committee discussed the contents of the Risk Register in detail and commented that they would like to see an all member workshop on the Council's Vision 2025.

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|                       |                                       |
|-----------------------|---------------------------------------|
| <b>SUBJECT:</b>       | <b>INFORMATION GOVERNANCE UPDATE</b>  |
| <b>DIRECTORATE:</b>   | <b>CHIEF EXECUTIVE AND TOWN CLERK</b> |
| <b>REPORT AUTHOR:</b> | <b>DATA PROTECTION OFFICER (DPO)</b>  |

## **1. Purpose of report**

- 1.1. To update committee on Information Governance management. This includes monitoring of the council's compliance with data protection legislation including the General Data Protection Regulation (UK GDPR) and the Data Protection Act 2018 (DPA).

## **2. Background of reporting**

- 2.1. Reports are submitted on a bi-annual basis the last report being provided to committee in March 2021.
- 2.2. Information Governance resources continue to be required in the arrangements surrounding the response to the pandemic. This is in addition to the council's 'business as usual' data protection compliance. This has included ongoing updates to the customer privacy notice, business support grants, retention arrangements for new datasets created, promoting vaccine up take in 18-30 year olds and self-isolation payments for parents/carers.

## **3. Information governance risk register**

- 3.1 Attached at Appendix A is the updated Information governance risk register. The following risks are highlighted for comment: Training and Brexit/UK GDPR.

## **4 Training**

- 4.1 Data protection training is a legal requirement. The ICO recommends it is renewed every 2 years and preferably annually for an organisation such as the council. The council have agreed to renew training annually for all staff and to provide training for all staff on induction.
- 4.2 In March 2021 a 'Data Protection and Subject Access Requests (SARs) Summary sheet' was issued to all staff to accept on a mandatory basis using the council's policy management software. This summarised updates to the Data Protection Policy earlier this year and a reminder regarding our legal obligations relating to SARs which are subject to strict legal time limits and statutory penalties for non-compliance.
- 4.3 In addition to this e-learning for all staff is due for renewal for 2021. Low risk forms will be made available for staff to complete without network access and who do not normally process personal data.

- 4.4 The council have obtained new e-learning provided by an external provider. The providers come recommended by the National Cyber Security Centre and are being used by other district councils in the County. They provide both data protection training and cyber security training. The need for cyber security training is essential particularly given the increase in remote working and cyber activity.
- 4.5 The e-learning 'Cyber Ninja's' includes 12 videos, each video no more than 5 minutes in length and test questions after each video for staff. Topics include data protection, data handling, password security, appropriate use of social media, phishing emails and cyber security risks generally together with how to identify/report. There is also a higher level training package for Information Asset Owners/managers 'Data Confident' and a training package for Councillors.
- 4.6 A further advantage to the council of externally hosted Cloud based e-learning being monitoring of completion and follow up of non-completion will be reported by the provider to the council. This should therefore free up resources in information governance who have been monitoring completion internally.
- 4.7 The e-learning along with completion of the low risk forms for relevant staff will be rolled out shortly. Communications have been deployed regarding this on the staff intranet and the e-learning should be completed by all staff by the end of the December 2021.
- 4.8 A refresher of training for Information Asset Owners (IAO's) is also due by the end of the December 2021 and this will be provided by the information governance team and will include completion by IAO's of their IAO Checklist which will be reported to the Senior Information Risk Officer (SIRO).

## **5. Brexit and UK GDPR**

- 5.1 Following the end of the Brexit transitional period and from 1 January 2021, the EU GDPR was adopted into UK law by UK GDPR. Organisations based in the UK must comply with this version of the GDPR when processing personal data.
- 5.2 There was some uncertainty regarding the free flow of personal data from Europe to the UK and whether the UK would receive an adequacy decision from the EU to allow this to continue after June 2021.
- 5.3 An adequacy decision was obtained on 28 June 2021 for the UK from the EU. This means the EU has determined that UK data protection laws are robust enough to ensure that data can continue to flow safely to UK from the EU without additional safeguards. Although the council assessed such processing to be limited additional safeguards would have been resource intensive for the council and relevant suppliers to consider.
- 5.4 The government have indicated that there may be further changes to UK data protection laws with a new Information Commissioner to be appointed shortly. This will need to be monitored by the information governance team.

## **6. Office 365**

- 6.1 Full use of the Office 365 suite including Microsoft Teams and SharePoint continues to be rolled out to staff with appropriate training currently.
- 6.2 Office 365 has the potential to improve information management in terms of available tools in retention, security, data leakage and access control as well as compliance with information requests such as Freedom of Information and SARs.
- 6.3 The Information Governance working group have assisted in completion of a Data Protection Impact Assessment regarding the implementation of Office 365. This is mandatory for this type of processing of personal data and the assessment assists in identifying any privacy risks and records the council's mitigation of these risks.

## **7. Annual Governance Statement (AGS)**

- 7.1 The AGS status for Information Governance was downgraded from Red to Amber due to progress made in the implementation of the GDPR. IG has since been removed from the AGS although remains closely monitored with reports being submitted to IG Board CLT, CMT and Audit Committee.

## **8. Strategic Priorities**

- 8.1 This work ensures that staff are high performing in their collection and processing of customer's data. It also assists to ensure that the council is trusted to deliver the services, and ensures compliance.

## **9. Organisational Impacts**

- 9.1 Finance (including whole life costs where applicable)  
  
There are no financial implications arising from this report, as the resources will come from existing budgets.

- 9.2 Legal Implications including Procurement Rules  
  
There are no legal implications arising out of this report.

- 9.3 Equality, Diversity and Human Rights  
  
The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.  
  
It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

There is no impact arising from this report regarding these issues.

## **10. Recommendation**

- 10.1 To note the content of the report and provide any comment

|  |                                       |
|--|---------------------------------------|
| <b>Is this a key decision?</b>   | No                                    |
| <b>Do the exempt information categories apply?</b>                               | No                                    |
| <b>Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?</b> | No                                    |
| <b>How many appendices does the report contain?</b>                              | 1                                     |
| <b>List of Background Papers:</b>  | None                                  |
| <b>Lead Officer:</b>   | Data Protection Officer, Sally Brooks |



## Information Governance Risk Register

| Likelihood | 4<br>Almost Certain |                 |            |            |               |
|------------|---------------------|-----------------|------------|------------|---------------|
|            | 3<br>Probable       |                 |            |            |               |
|            | 2<br>Possible       |                 |            |            |               |
|            | 1<br>Hardly Ever    |                 |            |            |               |
|            |                     | 1<br>Negligible | 2<br>Minor | 3<br>Major | 4<br>Critical |
|            | Impact              |                 |            |            |               |

### REVIEWED DATES:

Tool 1. Risk Appetites – Hungry, Opportunist, Creative and Aware, Cautious, Averse

*Those “green” risks that have been on the risk register for 6 months or more can now be classed as “business as usual” risk and therefore be removed from the register*

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The matrix below, helps you define where the risk is by scoring it on a basic scale.

|                     |        |                                 |                                 |                                 | Description of occurrence                                   | Impact         | Service Delivery   | Finance   | Reputation  | People   |
|---------------------|--------|---------------------------------|---------------------------------|---------------------------------|---|----------------|--|---|---|--|
| 4<br>Almost certain | Retain | Transfer Modify Retain          | Avoid Transfer Modify           | Avoid Transfer Modify           | Occurs several times per year. It will happen.              | Critical (4)   | Prolonged interruption to service                            | Severe costs incurred                                   | Adverse national coverage with significant change in stakeholder confidence | Fatality, disability or serious long term health problem |
| 3<br>Probable       | Retain | Prioritise for Modifying Retain | Transfer Modify Retain          | Avoid Transfer Modify           | It has happened before and could happen again.              | Major (3)      | Key targets missed-some service compromised                  | Significant costs incurred                              | Adverse local media coverage with moderate change in stakeholder confidence | Series injuries. Exposure to dangerous conditions        |
| 2<br>Possible       | Retain | Prioritise for Modifying Retain | Prioritise for Modifying Retain | Transfer Modify Retain          | It may happen but it would be unusual.                      | Minor (2)      | Management action required to over short – term difficulties | Some costs incurred (handled within management budgets) | Adverse local media for 1-7 days  | Minor injuries or discomfort. Feeling unease             |
| 1<br>Hardly ever    | Retain | Retain                          | Retain                          | Prioritise for Modifying Retain | Never heard of it occurring. We can't imagine it occurring. | Negligible (1) | Handled within day to day routines                           | Little loss anticipated                                 | No significant comment or media coverage                                    | No injury  |

1  
Negligible

2  
Minor

3  
Major

4  
Critical

## Appendix A- Information Governance Risk Register September 2021

| Risk No:   | Risk Description (Failure to/Lack of...)  | Risk Owner | Risk Appetite<br>(How much risk are we prepared to take and the total impact of the risk we are prepared to accept) | Current Controls/Actions   | Current Risk Score  | Target Risk Score at end of | Assurance - Status<br>(Full, Substantial, Limited, No) | Assurance – Direction of Travel (Improving, Static, Declining) |  |  |            |     |        |      |           |        |     |   |        |      |            |     |        |      |           |        |     |   |        |      |  |             |           |
|------------|---|------------|---|--|---|-----------------------------|--|--|--|--|------------|-----|--------|------|-----------|--------|-----|---|--------|------|------------|-----|--------|------|-----------|--------|-----|---|--------|------|--|-------------|-----------|
| 1.         | <p><b>Data protection training</b></p> <p><b>Risk</b> – Information is inappropriately shared, lost or handled due to lack of training or failure to complete, renew or follow up non completion– leading to non-compliance, enforcement action, compensation claims, reputational damage and monetary fines.</p> <p><b>Legislation-</b> Article 5(f) of UK GDPR security and Article 32-testing effectiveness of security.</p> | DPO/B DITM | Averse  | <p><b>Controls in place:</b> e-learning currently on intranet and low risk training form. New starters required to complete training on induction. Members and IAOs receive training. SIRO external training Sep 19.</p> <p><b>Further action required/anticipated completion date:</b><br/>Renewal of training annual.</p> <p><b>Responsibility:</b> IAO's, DPO, BDITM, CLT.</p> <p><b>Milestones:</b> Renewal of training for 2021 due and new e-learning with cyber security to be rolled out and completed by December 2021.</p> <p>Low risk forms to be rolled out again.</p> <p>IAO responsibility to ensure completion of training. Staff to update own training records on I Trent. Non-completion to be followed up (IAO's and DPO)</p> <p>March 2021 all staff on network accepted Data Protection and SAR summary sheet (included updated to DP Policy and SAR responsibilities).</p> <p><b>Target date (s):</b> Annually and non-completion followed up.</p> <p>2019-89%</p> <p>2020-86%</p> <p>2021- 84% DP and SAR sheet (completion higher as remaining 17% now locked out the network so non-completers likely to be staff recently left, those who complete low risk form and don't use the network) Work planned with IT to resolve.</p> | <table border="1" style="margin-left: auto; margin-right: auto;"> <tr> <td></td> <td></td> <td></td> <td></td> <td></td> </tr> <tr> <td>Likelihood</td> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Impact</td> <td>Low</td> <td>X</td> <td>Medium</td> <td>High</td> </tr> <tr> <td>Likelihood</td> <td>Low</td> <td>Medium</td> <td>High</td> <td>Very High</td> </tr> <tr> <td>Impact</td> <td>Low</td> <td>X</td> <td>Medium</td> <td>High</td> </tr> </table> |                             |  |  |  |  | Likelihood | Low | Medium | High | Very High | Impact | Low | X | Medium | High | Likelihood | Low | Medium | High | Very High | Impact | Low | X | Medium | High |  | Substantial | Declining |
|            |   |            |   |  |   |                             |  |  |  |  |            |     |        |      |           |        |     |   |        |      |            |     |        |      |           |        |     |   |        |      |  |             |           |
| Likelihood | Low   | Medium     | High  | Very High  |   |                             |  |  |  |  |            |     |        |      |           |        |     |   |        |      |            |     |        |      |           |        |     |   |        |      |  |             |           |
| Impact     | Low   | X          | Medium  | High   |   |                             |  |  |  |  |            |     |        |      |           |        |     |   |        |      |            |     |        |      |           |        |     |   |        |      |  |             |           |
| Likelihood | Low   | Medium     | High  | Very High  |   |                             |  |  |  |  |            |     |        |      |           |        |     |   |        |      |            |     |        |      |           |        |     |   |        |      |  |             |           |
| Impact     | Low   | X          | Medium  | High   |   |                             |  |  |  |  |            |     |        |      |           |        |     |   |        |      |            |     |        |      |           |        |     |   |        |      |  |             |           |

## Appendix A- Information Governance Risk Register September 2021

| Risk No:   | Risk Description (Failure to/Lack of...)  | Risk Owner | Risk Appetite<br>(How much risk are we prepared to take and the total impact of the risk we are prepared to accept) | Current Controls/Actions   | Current Risk Score  | Target Risk Score at end of | Assurance - Status<br>(Full, Substantial, Limited, No) | Assurance – Direction of Travel (Improving, Static, Declining) |     |     |        |   |        |        |     |   |            |        |        |     |     |        |   |        |        |     |             |        |
|------------|---|------------|---|--|---|-----------------------------|--|--|-----|-----|--------|---|--------|--------|-----|---|------------|--------|--------|-----|-----|--------|---|--------|--------|-----|-------------|--------|
| 2.         | <p><b>Comms</b></p> <p><b>Risk</b> - Information is inappropriately shared, lost or handled due to a lack of awareness of data protection due to absence of or ineffective communications – leading to non-compliance, enforcement action, compensation claims, reputational damage and monetary fines.</p> <p><b>Legislation</b> - Article 32 UK GDPR security</p> | COMM S/DPO | Cautious  | <p><b>Controls in place:</b><br/>Current comms plan in place, comms attend IG working group- quarterly basis. Posters on stairwells, articles on intranet. Regular posts on data protectors' forum by IG team.</p> <p><b>Further action required/anticipated completion date:</b><br/>To continue with plan, issue regular comms on fines, email use and breaches. DPO issuing regular posts on data protectors.<br/>DP standing item at SMTF-monthly. Comms issued on home working during pandemic, protecting council data working remotely, Teams and O365 including guidance on recording Teams meetings. Comms on Brexit and UK GDPR<br/>Comms on 3 yrs of GDPR day</p> <p><b>Overall Responsibility:</b> DPO, Comms, CLT</p> <p><b>Milestones:</b><br/>Comms plan (COMMS/DPO)<br/>Reactive comms (COMMS/DPO)</p> <p><b>Target date (s):</b> Delivery of ongoing Comms plan and reactive Comms.</p> | <table border="1"> <tr> <td>Likelihood</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> <td>Red</td> </tr> <tr> <td>Impact</td> <td>X</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> </tr> </table> | Likelihood                  | Yellow   | Yellow   | Red | Red | Impact | X | Yellow | Yellow | Red | <table border="1"> <tr> <td>Likelihood</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> <td>Red</td> </tr> <tr> <td>Impact</td> <td>X</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> </tr> </table> | Likelihood | Yellow | Yellow | Red | Red | Impact | X | Yellow | Yellow | Red | Substantial | Static |
| Likelihood | Yellow  | Yellow     | Red   | Red  |   |                             |  |  |     |     |        |   |        |        |     |   |            |        |        |     |     |        |   |        |        |     |             |        |
| Impact     | X   | Yellow     | Yellow  | Red  |   |                             |  |  |     |     |        |   |        |        |     |   |            |        |        |     |     |        |   |        |        |     |             |        |
| Likelihood | Yellow  | Yellow     | Red   | Red  |   |                             |  |  |     |     |        |   |        |        |     |   |            |        |        |     |     |        |   |        |        |     |             |        |
| Impact     | X   | Yellow     | Yellow  | Red  |   |                             |  |  |     |     |        |   |        |        |     |   |            |        |        |     |     |        |   |        |        |     |             |        |

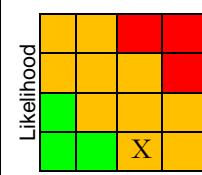
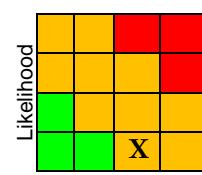
## Appendix A- Information Governance Risk Register September 2021

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|----------|--|------------|---|---|---|-----------------------------|--|--|-----|-------|---|--------|-----|-------|--------|--------|-----|-------|---|--------|-----|---|-------|--------|--------|-----|-------|---|--------|-----|-------|--------|--------|-----|-------|---|--------|-----|-------------|--------|
| 3.       | <p><b>Policies and procedures</b></p> <p><b>Risk</b> – Information is inappropriately shared, lost or handled due to a lack of policies or policies becoming out of date/ inaccurate/not communicated/not in place, not approved – leading to non-compliance, enforcement action, compensation claims, reputational damage and monetary fines.</p> <p><b>Legislation</b> - Article 5(f)-security and Article 32-testing- UK GDPR</p> | IAO's/ DPO | Averse  | <p><b>Controls in place:</b><br/>IM polices were updated in 2018. The updates to the Data Protection Policy and SAR Summary sheet were accepted by all staff on net-consent in March 2021.</p> <p><b>Further action required/anticipated completion date:</b><br/>Policies to be reviewed as and when required and every 2 years.</p> <p><b>Overall Responsibility:</b> DPO, CLT.</p> <p><b>Milestones:</b><br/>Special category policy (DPO) now drafted and published.<br/>IM policies review for 2021 complete.</p> <p><b>Target date:</b> Policies to be reviewed as and when required and every 2 years.</p> | <table border="1"> <tr> <td>Green</td><td>Yellow</td><td>Orange</td><td>Red</td> </tr> <tr> <td>Green</td><td>X</td><td>Yellow</td><td>Red</td> </tr> <tr> <td>Green</td><td>Yellow</td><td>Orange</td><td>Red</td> </tr> <tr> <td>Green</td><td>X</td><td>Yellow</td><td>Red</td> </tr> </table> | Green                       | Yellow   | Orange   | Red | Green | X | Yellow | Red | Green | Yellow | Orange | Red | Green | X | Yellow | Red | <table border="1"> <tr> <td>Green</td><td>Yellow</td><td>Orange</td><td>Red</td> </tr> <tr> <td>Green</td><td>X</td><td>Yellow</td><td>Red</td> </tr> <tr> <td>Green</td><td>Yellow</td><td>Orange</td><td>Red</td> </tr> <tr> <td>Green</td><td>X</td><td>Yellow</td><td>Red</td> </tr> </table> | Green | Yellow | Orange | Red | Green | X | Yellow | Red | Green | Yellow | Orange | Red | Green | X | Yellow | Red | Substantial | Static |
| Green    | Yellow   | Orange     | Red   |   |   |                             |  |  |     |       |   |        |     |       |        |        |     |       |   |        |     |   |       |        |        |     |       |   |        |     |       |        |        |     |       |   |        |     |             |        |
| Green    | X  | Yellow     | Red   |   |   |                             |  |  |     |       |   |        |     |       |        |        |     |       |   |        |     |   |       |        |        |     |       |   |        |     |       |        |        |     |       |   |        |     |             |        |
| Green    | Yellow   | Orange     | Red   |   |   |                             |  |  |     |       |   |        |     |       |        |        |     |       |   |        |     |   |       |        |        |     |       |   |        |     |       |        |        |     |       |   |        |     |             |        |
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| 4.       | <p><b>Information Asset Register and Records of Processing (ROPA)</b></p> <p><b>Risk</b>- Lack of a ROPA or failure to keep up to date resulting in data not being treated correctly leading to non-compliance, enforcement action, compensation claims, reputational damage and monetary fines.</p> <p><b>Legislation</b>- Article 30 UK GDPR- ROPA</p>   | IAO's/ DPO | Averse  | <p><b>Controls in place:</b><br/>CoLC has an IAR which forms the ROPA. IAO's have been provided with their section of the register. IAO's confirm in an annual checklist to have risk assessed their information assets and when required.</p> <p><b>Further action required/anticipated completion date:</b><br/>The IAR needs to be kept up to date and risk assessed regularly by IAO's.<br/>Has been placed in services managers area and regular updates to IAO's to check and update at SMTF</p> <p><b>Overall Responsibility:</b> IAO's, DPO, CLT.</p> <p><b>Milestones:</b> IAO Handbook updated Jan</p>  | <table border="1"> <tr> <td>Green</td><td>Yellow</td><td>Orange</td><td>Red</td> </tr> <tr> <td>Green</td><td>X</td><td>Yellow</td><td>Red</td> </tr> <tr> <td>Green</td><td>Yellow</td><td>Orange</td><td>Red</td> </tr> <tr> <td>Green</td><td>X</td><td>Yellow</td><td>Red</td> </tr> </table> | Green                       | Yellow   | Orange   | Red | Green | X | Yellow | Red | Green | Yellow | Orange | Red | Green | X | Yellow | Red | <table border="1"> <tr> <td>Green</td><td>Yellow</td><td>Orange</td><td>Red</td> </tr> <tr> <td>Green</td><td>X</td><td>Yellow</td><td>Red</td> </tr> <tr> <td>Green</td><td>Yellow</td><td>Orange</td><td>Red</td> </tr> <tr> <td>Green</td><td>X</td><td>Yellow</td><td>Red</td> </tr> </table> | Green | Yellow | Orange | Red | Green | X | Yellow | Red | Green | Yellow | Orange | Red | Green | X | Yellow | Red | Substantial | Static |
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| Green    | Yellow   | Orange     | Red   |   |   |                             |  |  |     |       |   |        |     |       |        |        |     |       |   |        |     |   |       |        |        |     |       |   |        |     |       |        |        |     |       |   |        |     |             |        |
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## Appendix A- Information Governance Risk Register September 2021

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|----------|---|-------------------|---|---|--|-----------------------------|--|---|-----|-------|---|--------|-----|-------|--------|--------|-----|-------|--------|--------|-----|--|-------|--------|--------|-----|-------|---|--------|-----|-------|--------|--------|-----|-------|--------|--------|-----|---------|--------|
| 2        |   |                   |   | <p>2021 and uploaded to net-consent.</p> <p>Annual IAO Checklist last issued Nov 19.</p> <p>Delayed due to response to pandemic.</p> <p>IAO Training to be delivered in 2021 and checklists reissued (DPO)</p> <p>IAR placed on service managers drive.</p> <p>IAO handover included in HR checklist.</p> <p><b>Target date:</b> IAO's to review and update and complete Checklist for 2021.</p> <p>Planned for Autumn 2021.</p> <p>Reminders to review ROPA provided to all IAO's and an Action for all IAO's at each SMTF in 2021 to date.</p> <p>Mini audits on checklist and compliance (DPO, Audit,) including risks from pandemic data collection and sharing to be added to IAO Checklist.</p> |  |                             |  |   |     |       |   |        |     |       |        |        |     |       |        |        |     |  |       |        |        |     |       |   |        |     |       |        |        |     |       |        |        |     |         |        |
| 5.       | <p><b>Retention and disposal of personal data/records.</b></p> <p><b>Risk-</b> Personal data is kept longer than necessary leading to increase in volume of data compromised in a data breach and/or over complicating Data Subject Requests- leading to non-compliance, enforcement action, compensation claims, reputational damage and monetary fines.</p> <p><b>Legislation-</b> Article 5(e) UK GDPR storage limitation.</p> | IAO's/ DPO/B DITM | Averse  | <p><b>Controls in place:</b></p> <p>Retention schedules were updated in 2018 and available to staff on intranet and on website. IAO's confirm in an annual checklist that retention and disposal is being implemented.</p> <p><b>Further action required/anticipated completion date:</b></p> <p>Retention in systems and electronic storage remains to be an issue and needs to be automated as far as possible.</p> <p><b>Overall Responsibility:</b> DPO, BDITM, IAO's, CLT</p> <p><b>Milestones:</b></p> <p>Develop RM action plan with alongside IT</p>  | <table border="1"> <tr> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> </tr> <tr> <td>Green</td> <td>X</td> <td>Yellow</td> <td>Red</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> </tr> </table> | Green                       | Yellow   | Yellow  | Red | Green | X | Yellow | Red | Green | Yellow | Orange | Red | Green | Yellow | Orange | Red | <table border="1"> <tr> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> </tr> <tr> <td>Green</td> <td>X</td> <td>Yellow</td> <td>Red</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> </tr> <tr> <td>Green</td> <td>Yellow</td> <td>Orange</td> <td>Red</td> </tr> </table> | Green | Yellow | Yellow | Red | Green | X | Yellow | Red | Green | Yellow | Orange | Red | Green | Yellow | Orange | Red | Limited | Static |
| Green    | Yellow  | Yellow            | Red   |   |  |                             |  |   |     |       |   |        |     |       |        |        |     |       |        |        |     |  |       |        |        |     |       |   |        |     |       |        |        |     |       |        |        |     |         |        |
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|----------|---|------------|---|---|---|---|--|---|
| 22       |   |            |   | <p>Strategy and Office 365/Microsoft Teams. (BDIT)</p> <p>Mini audits on service areas and systems (DPO, Audit,)</p> <p>BDIT-carrying out work on deleting data from Authority Wide</p> <p><b>Target date (s)</b> Tackle with changes to IT Infrastructure. Work is currently being undertaken on retention and sensitivity labelling in Office 365 and report is to be submitted to CMT on options available.</p> <p>DPIA drafted for O365 and shared with consultants who approved. Includes need for retention and consideration of IG tools.</p> <p>O365 to be rolled out to all by September 2021.</p> |   |   |  |   |
| 6.       | <p><b>Information Sharing Agreements (ISA's) (sharing with partners)</b></p> <p><b>Risk-</b> Information is inappropriately shared, lost or handled by CLC or partner due to lack of an ISA or an appropriate ISA or due to an out of date ISA.</p> <p><b>Legislation-</b> Article 26 UK GDPR (joint controllers) and Article 5(f)-security</p> | IAO's/ DPO | Averse  | <p><b>Controls in place:</b></p> <p>ISA template updated for GDPR 2018.</p> <p>List of ISA's in progress. ISA's being implemented and reviewed.</p> <p><b>Further action required/anticipated completion date:</b></p> <p>Need to continue to identify areas requiring ISA's. Need to ensure ISA's are reviewed.</p> <p><b>Overall Responsibility:</b> DPO, IAO's, CLT</p> <p><b>Milestones:</b></p> <p>ISA list to published for IAO's to review</p> <p>Covered at IAO training.</p> <p>Reminders issued at SMTF regularly.</p> <p>Template has been reviewed for 2021 and changes in GDPR.</p>            |  |  | Substantial  | Static  |

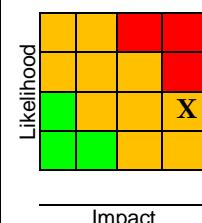
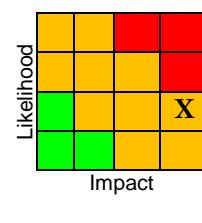
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|------------|--|-------------------------------|---|---|---|-----------------------------|--|--|-----|-----|------------|-------|--------|--------|-----|--------|-------|--------|---|--------|---|------------|--------|--------|-----|-----|------------|-------|--------|--------|-----|--------|-------|--------|---|--------|-------------|--------|
| 3          |  |                               |   | <b>Target date (s)</b> ISA list was published on service manager's drive and asset owners' responsibilities to update and ensure agreements are reviewed. Reminders to review ISA list provided to all IAO's and an Action for all IAO's at each SMTF in 2021 to date. Target to share with other LA's in county and compare.   |   |                             |  |  |     |     |            |       |        |        |     |        |       |        |   |        |   |            |        |        |     |     |            |       |        |        |     |        |       |        |   |        |             |        |
| 7.         | <p><b>Information sharing- with data processors (contracts with suppliers).</b></p> <p><b>Risk</b> – information is inappropriately shared, lost or handled incorrectly by processors or sub processors due to contracts not being in place, not containing UK GDPR clauses, not in correct form, not approved/signed-leading to non-compliance, enforcement action, compensation claims, reputational damage and monetary fines.</p> <p><b>Legislation</b>- Article 28-Processors UK GDPR</p> | IAO's/ DPO/L DSM/P rocurement | Averse  | <p><b>Controls in place:</b><br/>A comprehensive list of contracts has been compiled and uploaded to the Pro Contract system. Major contracts have now been covered off with GDPR clauses and all new contracts contain the clauses.</p> <p><b>Further action required/anticipated completion date:</b><br/>Contracts were prioritised according to sensitivity and suppliers contacted to amend contracts. Majority covered off although will be areas where a contract should be in place and contracts not aware of.</p> <p><b>Overall Responsibility</b> IAO's, Legal Services, DPO, CLT.</p> <p><b>Milestones:</b><br/>Contracts reviewed on risk based approach according to sensitivity. All new and renewed contracts have clauses.</p> <p><b>Target date (s)</b> contracts being reviewed on a case-by-case basis.</p> <p><b>Brexit implications</b>- UK has now</p> | <table border="1" style="margin-bottom: 10px;"> <tr> <td>Likelihood</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> <td>Red</td> </tr> <tr> <td>Likelihood</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> </tr> <tr> <td>Impact</td> <td>Green</td> <td>Yellow</td> <td>X</td> <td>Yellow</td> </tr> </table> | Likelihood                  | Yellow   | Yellow   | Red | Red | Likelihood | Green | Yellow | Yellow | Red | Impact | Green | Yellow | X | Yellow | <table border="1" style="margin-bottom: 10px;"> <tr> <td>Likelihood</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> <td>Red</td> </tr> <tr> <td>Likelihood</td> <td>Green</td> <td>Yellow</td> <td>Yellow</td> <td>Red</td> </tr> <tr> <td>Impact</td> <td>Green</td> <td>Yellow</td> <td>X</td> <td>Yellow</td> </tr> </table> | Likelihood | Yellow | Yellow | Red | Red | Likelihood | Green | Yellow | Yellow | Red | Impact | Green | Yellow | X | Yellow | Substantial | Static |
| Likelihood | Yellow   | Yellow                        | Red   | Red   |   |                             |  |  |     |     |            |       |        |        |     |        |       |        |   |        |   |            |        |        |     |     |            |       |        |        |     |        |       |        |   |        |             |        |
| Likelihood | Green  | Yellow                        | Yellow  | Red   |   |                             |  |  |     |     |            |       |        |        |     |        |       |        |   |        |   |            |        |        |     |     |            |       |        |        |     |        |       |        |   |        |             |        |
| Impact     | Green  | Yellow                        | X   | Yellow  |   |                             |  |  |     |     |            |       |        |        |     |        |       |        |   |        |   |            |        |        |     |     |            |       |        |        |     |        |       |        |   |        |             |        |
| Likelihood | Yellow   | Yellow                        | Red   | Red   |   |                             |  |  |     |     |            |       |        |        |     |        |       |        |   |        |   |            |        |        |     |     |            |       |        |        |     |        |       |        |   |        |             |        |
| Likelihood | Green  | Yellow                        | Yellow  | Red   |   |                             |  |  |     |     |            |       |        |        |     |        |       |        |   |        |   |            |        |        |     |     |            |       |        |        |     |        |       |        |   |        |             |        |
| Impact     | Green  | Yellow                        | X   | Yellow  |   |                             |  |  |     |     |            |       |        |        |     |        |       |        |   |        |   |            |        |        |     |     |            |       |        |        |     |        |       |        |   |        |             |        |

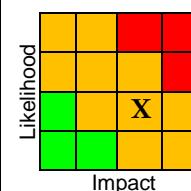
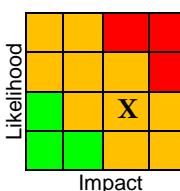
## Appendix A- Information Governance Risk Register September 2021

| Risk No: | Risk Description (Failure to/Lack of...)  | Risk Owner | Risk Appetite<br>(How much risk are we prepared to take and the total impact of the risk we are prepared to accept) | Current Controls/Actions   | Current Risk Score | Target Risk Score at end of | Assurance - Status<br>(Full, Substantial, Limited, No) | Assurance – Direction of Travel<br>(Improving, Static, Declining) |        |
|----------|---|------------|---|--|--------------------|-----------------------------|--|---|--------|
|          |   |            |   | received adequacy decision from EU for transfers of data into the UK from EU. Continue to monitor as UK law could change.  |                    |                             |  |   |        |
| 8.<br>2  | <p><b>Data subject's rights</b></p> <p><b>Risk-</b> failure to respond to a rights request or to respond within statutory time limits resulting from lack of resources, increasing complexity of requests, inadequate privacy notices, deletion being manual in some cases and resource intensive leading to non-compliance, enforcement action, compensation claims, reputational damage and monetary fines</p> <p><b>Legislation-</b> Articles 12-23 Rights of the data subject</p> | IAO's/ DPO | Averse  | <p><b>Controls in place:</b><br/>Data subject request form and procedure changed to meet new rights. GDPR and Data Protection Policy and Summary sheet setting out rights to staff. Customers informed of rights in privacy notice.</p> <p><b>Further action required/anticipated completion date:</b><br/>Some systems can only comply with the right to be deleted manually. There may be areas where specific privacy notices have not been provided. Resources need to continue to be monitored as requests increase and become more complicated.</p> <p><b>Overall Responsibility:</b> IAO's, BDITM, DPO, CLT.</p> <p><b>Milestones:</b> IAO Checklist<br/>IAO training 2021<br/>DPA request type, volume and response rates monitored and reported to CLT quarterly.<br/>2021-SAR application on website to be made into an e-form to improve accessibility.<br/>Improved tools to automate SAR's in O365 environment training being considered although current policies do not support automated email searches of officers accounts unless request.</p> |                    |                             |  | Substantial   | Static |

## Appendix A- Information Governance Risk Register September 2021

| Risk No: | Risk Description (Failure to/Lack of...)   | Risk Owner | Risk Appetite<br>(How much risk are we prepared to take and the total impact of the risk we are prepared to accept) | Current Controls/Actions   | Current Risk Score  | Target Risk Score at end of   | Assurance - Status<br>(Full, Substantial, Limited, No) | Assurance – Direction of Travel (Improving, Static, Declining) |
|----------|--|------------|---|--|---|---|--|--|
| 9.       | <p><b>Data breaches</b></p> <p>Risk- breaches are not identified or responded to accordance with the data breach management policy due to lack of awareness of a data breach of policy/procedures, staff not wanting to report breaches, not analysing the causes of breaches to prevent reoccurrence, not reporting required breaches to the ICO-leading to non-compliance, enforcement action, compensation claims, reputational damage and monetary fines.</p> <p><b>Legislation</b>-Articles 33 and 34 UK GDPR Notification and communication of a personal data breach.</p> | IAO's/ DPO | Averse  | <p><b>Controls in place:</b></p> <p>Data breach management policy implemented. Internal e-form reporting procedure for staff. Data breach register kept and analysed for trends and where relevant mitigation put in place. Breaches reported to ICO and data subjects where required. Breaches including type, volume, service area and action taken reported to CLT on bi annual basis.</p> <p><b>Further action required/anticipated completion date:</b></p> <p>Always an ongoing risk despite procedures that a breach may occur. Ongoing monitoring and management required.</p> <p><b>Overall Responsibility:</b> IAO's, DPO, CLT</p> <p><b>Milestones:</b></p> <p>Ongoing comms/awareness/training/Compliance checks.</p> <p>Internal Audit spot checked breaches for compliance with our management policy in June 19. Good practice by CoLC was recognised in this area.</p> <p>No significant increase in breaches during increased home working due to pandemic.</p> | <br>Likelihood<br>Impact | <br>Likelihood<br>Impact | Substantial  | Static   |

## Appendix A- Information Governance Risk Register September 2021

| Risk No: | Risk Description (Failure to/Lack of...)   | Risk Owner | Risk Appetite<br>(How much risk are we prepared to take and the total impact of the risk we are prepared to accept) | Current Controls/Actions  | Current Risk Score  | Target Risk Score at end of   | Assurance - Status<br>(Full, Substantial, Limited, No) | Assurance – Direction of Travel (Improving, Static, Declining) |
|----------|--|------------|---|---|---|---|--|--|
| 10.      | <p><b>Data Protection Impact Assessments (DPIA)</b></p> <p><b>Risk</b> – information is inappropriately shared, lost or handled incorrectly due to privacy risks not being addressed in a DPIA for high risk processing of personal data, due to lack of awareness when to carry out, lack of willingness to carry out or allocate time and resources to complete or assessments being inadequate-leading to non-compliance, enforcement action, compensation claims, reputational damage and monetary fines.</p> <p><b>Legislation- Article 35-DPIA</b></p> | IAO's/ DPO | Averse  | <p><b>Controls in place:</b><br/>A DPIA process has been put in place with guidance for staff on City people. The DPIA process has imbedded in the Lincoln Project Management Model. DPIA are covered in policies and IAO Handbook and training and in annual IAO Checklist.</p> <p><b>Further action required/anticipated completion date:</b><br/>Take up of DPIA's has been low. The template may need amending to be more user friendly and relaunched again with Comms and training.</p> <p><b>Overall Responsibility:</b> IAO's, DPO BDIT, CLT.</p> <p><b>Milestones:</b><br/>Revise template and guidance Comms/awareness/training/compliance checks<br/>Part of LMMP process</p> <p><b>Target dates:</b><br/>New DPIA template has been drafted and is being trialled.<br/>Number of DPIA's during pandemic due to increased sharing.</p> |  |  | Substantial  | Static   |

## Appendix A- Information Governance Risk Register September 2021

| Risk No: | Risk Description (Failure to/Lack of...)   | Risk Owner        | Risk Appetite<br>(How much risk are we prepared to take and the total impact of the risk we are prepared to accept) | Current Controls/Actions   | Current Risk Score | Target Risk Score at end of | Assurance - Status<br>(Full, Substantial, Limited, No) | Assurance – Direction of Travel (Improving, Static, Declining) |
|----------|--|-------------------|---|--|--------------------|-----------------------------|--|--|
| 11<br>27 | <p><b>Security of personal data- including physical and IT security.</b></p> <p><b>Risk-</b> information is inappropriately shared, lost or handled incorrectly due to failure of or lack of IT security and physical security of data- leading to data breaches, cyber-attacks, loss of data, inappropriate access, retention of old data and non-compliance leading to enforcement action, fines, adverse publicity/reputational damage, compensation claims and impact on business continuity.</p> <p><b>Legislation-</b> Article 5 and 32-Security (integrity and confidentiality) and testing of security measures.</p> | IAO's/ DPO/B DITM | Averse  | <p><b>Controls in place:</b><br/>Clear desk policy, data protection training and IM policies, IT security, access restricted and reviewed by IAO's dependant on job role. Data breach management policy, IT security policies, anti-virus/malware, encryption, TLS secure approved email, access controls.</p> <p><b>Further action required/anticipated completion date:</b><br/>Security measures to be constantly reviewed and upgraded. Procurement of IT products needs to include due diligence in regard to the security of personal data. IT Security policies need to be updated and reviewed.</p> <p><b>Overall Responsibility:</b> BDITM, IAO's, CLT, DPO</p> <p><b>Milestones:</b><br/>Comms/awareness/training<br/>Compliance checks and testing</p> <p><b>Target date(s)</b></p> <ul style="list-style-type: none"> <li>-The LGA Cyber Security stock take - action plan will be finalized (key actions), communicated and agreed with AD group (IT Steering group).</li> <li>-Update and approve a new ICT Strategy</li> <li>-The core IT infrastructure will be upgraded/updated</li> <li>-Assist IAO to review access to network drives.</li> <li>-Increased oversight of IT project / programmes by the IT Steering group (AD</li> </ul> |                    |                             | Substantial  | Declining  |

## Appendix A- Information Governance Risk Register September 2021

| Risk No: | Risk Description (Failure to/Lack of...) | Risk Owner | Risk Appetite<br>(How much risk are we prepared to take and the total impact of the risk we are prepared to accept) | Current Controls/Actions  | Current Risk Score | Target Risk Score at end of | Assurance - Status<br>(Full, Substantial, Limited, No) | Assurance – Direction of Travel (Improving, Static, Declining) |
|----------|--|------------|---|---|--------------------|-----------------------------|--|--|
| 28       |  |            |   | <p>group).</p> <ul style="list-style-type: none"> <li>-Develop/Implement new policy framework</li> <li>-Review ICT DR plan</li> </ul> <p><b>New actions</b></p> <p>A Cyber/IT risk register has been created. First draft has been considered by CLT has been adapted since in consultation with the council's contracted IT Security Auditor. The register is be finalised by BDITM. IT security policies are currently being updated. Need remote working policy. Need to be prioritised for localising and for approval by policy scrutiny.</p> <p>Upgraded to Red risk in June 2021 due to policy review required, not been a priority due to pandemic and O365 roll out.</p> |                    |                             |  |  |

If you were '**hungry**' for risk, you would go straight to the biggest roller coaster in the park, get on the ride, have your hands up in the air and not worry about the risk of the ride breaking down or having a failure somewhere. You would embrace the experience and do it time and time again.

If you were '**opportunist**' you would go to the ride and realise that the wait for the ride was an hour, but you would wait because you would not want to miss this opportunity.

If you were '**creative & aware**' you would probably go on the ride but be a bit more reserved. You would maybe go on a few more smaller rides beforehand and then when it comes to the roller coaster, you would probably be apprehensive, check the seat belts, check other people's reaction coming off the ride and have a general awareness of what the ride operator is doing at every point during the ride. You might enjoy the experience and even have another go.

If you were '**cautious**', you would go around the park several times during the day, looking up at the roller coaster but you would probably be anxious, scared and would have to be dared to go on the ride. You might consider going on the ride but you would wait until it was nearly time to go home and then be shaking with fear as you walk up and get on the ride. You probably wouldn't go on the ride again but at least you could say you did it, even if it made you feel ill.

If you were '**averse**', you wouldn't even consider going anywhere near the ride, let alone actually having a go on it.

**AUDIT COMMITTEE**

**23 SEPTEMBER 2021**

|                       |  |
|-----------------------|--|
| <b>SUBJECT:</b>       | <b>IT DISASTER RECOVERY UPDATE AND ICT RECOMMENDATION PROGRESS</b> |
| <b>DIRECTORATE:</b>   | <b>CHIEF EXECUTIVE AND TOWN CLERK</b>                              |
| <b>REPORT AUTHOR:</b> | <b>BUSINESS DEVELOPMENT AND IT MANAGER</b>                         |

**1. Purpose of Report**

- 1.1 To update the committee on progress on ICT Disaster Recovery (DR) and audit recommendations for the ICT Service.

**2. Background**

- 2.1 The committee has requested an update on the ICT DR solution and outstanding audit recommendations. Both of these items have had discrete pieces of work completed and are continually reviewed and updated.

**2.2 Disaster Recovery**

- 2.3 Over a period of time the DR solution has been built up. The Council has a finite amount of resource and where possible seeks to optimise benefits from the resources available by adopting solutions that work towards resolving more than one issue.

**2.4 Audit Recommendations**

- 2.5 Due to the inherent risks associated with provision of an ICT Service, the service is required to be highly compliant with regulation and assurance from external sources. These include:

- 1) Internal audit reviews
- 2) Compliance from Central Government e.g. Public Service Network including a third party IT health check
- 3) Ongoing requirement to update and patch systems

- 2.6 This imposes a significant workload on the service and the team, and this resource is also shared with the requirement to develop and maintain the Council's infrastructure, support staff and Members and to deliver new requirements for services and needs to be balanced in terms of resourcing.

**3. Progress to date**

**3.1 IT Disaster recovery**

3.2 Several aspects have been developed which assist with the delivery of a DR solution over a number of years:

- 1) Backup arrangements – allowing multiple copies of data to be held within two locations on premises, and a further copy to be maintained offsite, in the ‘cloud’
- 2) Refresh of infrastructure – a duplicate copy of the infrastructure has now been delivered which can be invoked should a disaster occur at the primary site
- 3) Enhanced DR copies of data – some data is not held within ‘real-time’ copies to reduce the likelihood of data loss should an emergency issue arise. This will reduce the amount of data that could be lost since the previous backup cycle.
- 4) A DR plan has been developed.

3.3 However, further work is still required in order to improve invocation times and review the DR plan to encompass any work undertaken. This is planned to happen over the next few months.

3.4 In addition, the One Council programme now meaning that more staff can work from home has improved the DR position in that staff now have devices which are remotely located, removing the likelihood of loss of desktop equipment. However, this may mean that some of the core infrastructure will need to be bolstered to provide additional resilience. Options for this are presently being considered by officers.

3.5 The DR solution is in a much improved position from previously, having multiple copies of the data, and a partial duplicate infrastructure on the secondary site, but there is more that is planned and can be done, dependent upon resource levels and risk appetite.

3.6 For example, it may not be considered necessary to have a full ‘hot’ failover solution, where the secondary infrastructure immediately takes over as the cost may be too high to justify. This is mitigated by critical services having Business Continuity Plans (BCP) which allow for key elements to be completed without immediate access to ICT services. BCPs are also reviewed frequently and this is planned to happen over the next year to take into account ICT DR Plans.

3.7 The level of DR will continue to be reviewed to seek opportunities for improvement.

### 3.8 **Audit Recommendations**

3.9 Since October 2018 there have been 5 Internal Audits, and the service has worked with the Audit team to provide assurance mapping across the range of the service. These audits have resulted in a number of recommendations, many of which are now concluded:

| Audit                  | Date    | Assurance   | No. of Recs       | Implemented | Outstanding              |
|------------------------|---------|-------------|-------------------|-------------|--------------------------|
| IT Applications        | Oct 18  | Limited     | 8                 | 8           | 0                        |
| Malware / Anti-virus   | Nov 18  | Substantial | 9                 | 8           | 1 (Policy related)       |
| Information Management | June 19 | Substantial | 16                | 15          | 1 (resourcing)           |
| ICT Anti-Malware       | Mar 20  | Substantial | 10                | 5           | 5 (4 policy, 1 training, |
| Office 365             | May 21  | Substantial | 6 (5 not yet due) | 1           | 1                        |

More details on outstanding recommendations is included in Appendix A

- 3.10 A large proportion of the actions have been completed. One of the main areas outstanding is the review of the ICT Security Policies. A draft has been completed, and is currently being reviewed by other stakeholders.
- 3.11 It is intended to bring these forward to Policy Scrutiny committee later in the year and then reviewed and adopted by Executive. Some further work will need to be completed on guidance and procedures.
- 3.12 There have also been difficulties in resourcing over the last 18 months due to the impacts of:
  - 1) Covid -19 response –various services and supplying services remotely
  - 2) Furlough of staff for a period
  - 3) Rollout of new equipment and services across the whole organisation
- 3.13 There are also some recommendations that will require finance to be made available in order to complete them. This is under ongoing review and will be considered alongside other pressures on the budget as part of the normal budget cycle.

#### **3.14 ICT Risk Register**

- 3.15 An ICT Risk Register has also been developed over the last year. There are currently 90 risks documented. The higher-level risks have actions in defined projects i.e. DR, which also compete for resource, or are also identified on the corporate risk register e.g. for financial and staff resources in general.

The risk register also takes account of the ICT Assurance mapping exercise which was completed in the last year, which provides an amber level of assurance overall for the ICT function.

### **4. Organisational Impacts**

- 4.1 Finance – there are no direct financial impacts, although some recommendations may require additional financial resources for completion.

#### **4.2 Legal Implications including Procurement Rules**

There are no legal or procurement implications.

#### **4.3 Equality, Diversity and Human Rights**

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

There are no Equality and Diversity issues affected by the report.

### **5. Risk Implications**

**5.1** There are some risks associated with not completing audit recommendations as they reflect good practice. However, resourcing this work can also reduce resources on other services which the Authority requires. This risk is mitigated by prioritising resources through normal ongoing management processes.

### **6. Recommendation**

The committee is requested to review and comment on the report.

|  |   |
|--|---|
| <b>Is this a key decision?</b>   | No  |
| <b>Do the exempt information categories apply?</b>                               | No  |
| <b>Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?</b> | No  |
| <b>How many appendices does the report contain?</b>                              | None  |
| <b>List of Background Papers:</b>  | None  |
| <b>Lead Officer:</b>   | Matt Smith, Business Development and IT Manager<br>Telephone (01522) 873308<br><a href="mailto:matt.smith@lincoln.gov.uk">matt.smith@lincoln.gov.uk</a> |

## Recommendations over 2 years old

| Audit Area           | Date   | Comments / Progress                              | Service Area update  | Revised date |
|----------------------|--------|--|--|--------------|
| Malware / Anti-virus | Nov 18 | <u>Complete revised IT Security Policy (Med)</u> | The new IT Security Policies are in draft form and being consulted on by stakeholder across the Council. These should be complete shortly, and will then be considered for Scrutiny/Approval | December 21  |

## Recommendations less than 2 years old

| Audit Area             | Date    | Comments / Progress   | Service Area update  | Revised date                    |
|------------------------|---------|---|--|---------------------------------|
| Information management | June 19 | Assist Information Asset Owners to review their network drives.<br><br><u>Update July 2021</u><br>Exploring new options for doing this. Linked to 365 migration. Extended to September 21 | Since this recommendation was developed, there have been significant changes in the way files are stored through the adoption of Office 365. However, this means that there is a significant amount of work to do to review and migrate existing older files to the new environment. This will also require consultancy assistance from external suppliers to develop process/policies and for the software to be procured to manage the data. This cost is being considered against other priorities for the ICT service. | March 22 (subject to resources) |
| ICT Anti-Malware       | Mar 20  | IT security training – extended to October 21 due to license issues   | New content has now been procured – officers working with supplier on delivery to users etc.   | Working for October 21          |
|                        |         | Agree minimum compliance standards for suppliers (remote access). Extended to September 2021.   | This will be completed as part of the new policy framework.<br>The new IT Security Policies are in draft form and being consulted on by stakeholder across the Council. These should be complete shortly.  | December 21                     |

|  |  |  |   |             |
|--|--|--|---|-------------|
|  |  | <p>Security policy linked to mobile device management. Technical polices have been reviewed and agreed – wider written policies still being worked on. Extended September 21</p>   | <p>The new IT Security Policies are in draft form and being consulted on by stakeholder across the Council. These should be complete shortly.</p>   | December 21 |
|  |  | <p>Smartphones and Tablets - review the (security) policy. Technical polices have been reviewed and agreed – wider written policies still being worked. Extended to September 2021</p>   | <p>The new IT Security Policies are in draft form and being consulted on by stakeholder across the Council. These should be complete shortly.</p>   | December 21 |
|  |  | <p>Complete a briefing note/guidance and training for other IT officers relating to Alien Vault – reviewing AlienVault suitability – request for additional funding for other types of cyber Protection – being reviewed by BDITM extended to September 21</p> | <p>This software is no longer in operation. The ICT team are using different tools to monitor the threat. These are partially implemented with additional controls being developed. As these tools are implemented, further guidance will be developed</p>                      | March 22    |
|  |  | <p>Review and update the Incident management policy/procedure - Extended September 2021</p>  | <p>The new IT Security Policies are in draft form and being consulted on by stakeholder across the Council. These should be complete shortly.</p> <p>In addition, the ICT DR plan is being reviewed in the light of new investment in the service over the next few months.</p> | December 21 |

|                  |        |  |   |  |
|------------------|--------|--|---|--|
| 35<br>Office 365 | May 21 | <p>Updating the project plan list and reporting to Technology Board as well as change logs/lessons learned logs</p>                                      | <p>The Technology group are update monthly on progress. The Organisational Change Lead also updates CMT on a regular basis</p>  | <p>Report to Technology Board by December 21 on project outcomes</p> |
|                  |        | <p>Considering whether the migration of data from existing network files to 365 should be treated as a separate project - to be discussed with Board</p> | <p>This project is referred to above – it is likely to be dealt with as a separate project now that the rollout of devices is coming towards a conclusion. However, this project requires resources to be identified both in terms of a significant amount of financial resource which is currently being considered and staff time which will impact across the authority. For this reason during Covid this has not been seen as a high priority project.</p> | <p>To be determined when resources allow</p>                         |
|                  |        | <p>Update the project risk register and report into Board periodically</p>   | <p>The Technology group are update monthly on progress. The Organisational Change Lead also updates CMT on a regular basis</p>  | <p>Report to Technology Board by December on project outcomes</p>    |
|                  |        | <p>Formally report financial spend for licences, hardware, and other project expenditure to the Board (discussed currently)</p>                          | <p>The Technology group are update monthly on progress. The Organisational Change Lead also updates CMT on a regular basis</p>  | <p>Report to Technology Board by December on project outcomes</p>    |
|                  |        | <p>The DPIA has been finalised and the EHRA will be finalised shortly</p>  | <p>The Technology group are update monthly on progress. The Organisational Change Lead also updates CMT on a regular basis</p>  | <p>Complete</p>  |
|                  |        | <p>Day to day operational procedures will be completed</p>   | <p>Resources have been diverted onto the rollout of new devices</p>   | <p>Aiming to complete by October 21</p>                              |

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**AUDIT COMMITTEE**

**23 SEPTEMBER 2021**

**SUBJECT:** ANNUAL COMPLAINTS REPORT

**DIRECTORATE:** CHIEF EXECUTIVES

**REPORT AUTHOR:** JOANNE CROOKES, CUSTOMER SERVICES MANAGER

**1. Purpose of Report**

- 1.1 To present an annual complaints report including details from the Annual Review of Local Authority Complaints issued by the Local Government and Social Care Ombudsman (LGSCO) and the decisions of the Housing Ombudsman Service (HOS).
- 1.2 To report on the overall number of complaints received by the Council on a Directorate basis for the full year 2020-2021, including response times and the percentage of complaints which are upheld.

**2. Background**

- 2.1 The council's complaints procedure includes two levels in response to formal complaints. Once the complaint has been considered and responded to by two separate officers the complainant is advised that if they are not satisfied with the final response, they can seek redress from the LGSCO. The LGSCO will investigate both the merits of the complaint and the way that the council dealt with it.
- 2.2 Complaints relating to the landlord function of the council, as a provider of social housing, are escalated to the Housing Ombudsman Service. The HOS have introduced the role of "designated persons" (i.e. members of parliament, local councillors and designated tenant panels) into the complaints process. Therefore, specific landlord related complaints have an additional layer in the complaints process.
- 2.3 In July 2020 the Housing Ombudsman published a Complaint Handling Code (CHC), and all registered social landlords were required to complete a self-assessment and publish the findings. The CHC sets out best practice in complaint handling and requires that compliant organisations:
  - Clearly define what a complaint is.
  - Make the complaints procedure accessible and ensure that residents are aware of it and how to use it, including their right to access the appropriate Ombudsman services.
  - Have a good structure to the procedure - only two stages are necessary.
  - Set out clear timeframes for responses.
  - Ensure fairness in complaint handling with a process focussed on the customer.
  - Take action to put things right with appropriate remedies
  - Create a positive complaint handling culture through continuous learning and improvement.
  - Demonstrate learning in annual reports.

- 2.4 As a result of this guidance, and in consultation with our Resident Involvement Panel, we introduced new time targets for the handling of complaints. The timescales are:
- Initial acknowledgement within 5 days
  - Level 1 complaints to be responded to within 10 working days, and
  - Level 2 complaints to be resolved within 20 working days.

### **3. Internal Formal Complaints – Annual Performance**

- 3.1 The number of complaints received over the year decreased significantly on the previous year. Please see the figures in the table below at 3.3. There were some council services who suspended their operations for several months, and this will have reduced the potential for something to go wrong.
- 3.2 There has been a slight increase in the amount of time it is taking officers to respond to complaints over the previous year. The average response time over all four directorates is 8.1 days. This remains well within the Local Government and Social Care Ombudsman (LGSCO) guidelines. In their published best practice guidance for the public on how to complain, it indicates that local authorities should reply to customers within a reasonable time which should normally be within 12 weeks. More significantly the average is well within our new target response times which was not in place during the reporting period, having been introduced from April 2021.

3.3

| <b>Year</b>      | <b>Number of complaints</b> | <b>Average response time</b> |
|------------------|-----------------------------|------------------------------|
| <b>2016-2017</b> | <b>368</b>                  | <b>7.0 days</b>              |
| <b>2017-2018</b> | <b>361</b>                  | <b>6.2 days</b>              |
| <b>2018-2019</b> | <b>291</b>                  | <b>7.6 days</b>              |
| <b>2019-2020</b> | <b>338</b>                  | <b>7.4 days</b>              |
| <b>2020-2021</b> | <b>260</b>                  | <b>8.1 days</b>              |

### **4. Breakdown of Complaints**

- 4.1 Of the 260 complaints received for 2020-2021 the broad categories they relate to are set out in the table at 4.2 below. The figures for the previous 2 years are included for comparative purposes.

| 4.2                           | Service area or responsibility | 2018-2019 | 2019-2020 |     | 2020-2021 |
|-------------------------------|--------------------------------|-----------|-----------|-----|-----------|
| Responsive repairs            | 43                             | 96        |           | 79  |           |
| Tenancy issues                | 35                             | 63        |           | 49  |           |
| Housing Solutions             | 46                             | 34        |           | 25  |           |
| Council Tax / NNDR            | 26                             | 36        |           | 18  |           |
| PPASB service                 | 4                              | 8         |           | 16  |           |
| Housing Investment            | 26                             | 20        |           | 10  |           |
| Market and Cornhill area      | 3                              | 0         |           | 12  |           |
| Community Services            | 19                             | 13        |           | 12  |           |
| Planning and building control | 7                              | 7         |           | 9   |           |
| Private Housing               | 2                              | 2         |           | 5   |           |
| Parking                       | 25                             | 18        |           | 4   |           |
| Benefits                      | 9                              | 12        |           | 4   |           |
| Recreation and Leisure        | 7                              | 7         |           | 3   |           |
| Legal Services                | 3                              | 0         |           | 3   |           |
| Major developments            | 9                              | 2         |           | 3   |           |
| Events                        | 10                             | 9         |           | 2   |           |
| Environmental Health          | 3                              | 5         |           | 2   |           |
| Customer Services             | 8                              | 2         |           | 2   |           |
| Licensing                     | 0                              | 1         |           | 1   |           |
| Bereavement Services          | 0                              | 0         |           | 1   |           |
| Democratic Services           | 3                              | 3         |           | 0   |           |
| Bus Station                   | 3                              | 0         |           | 0   |           |
| Total complaints              | 291                            | 338       |           | 260 |           |

4.3 **Upheld complaints:** Of the 260 complaints responded to in 2020-2021, 39% (102) were upheld. This is consistent with the percentage upheld in the previous year which was 40%. In instances where a complaint is upheld customers are offered an explanation and an apology. Additionally, the officer upholding the complaint completes a feedback form for the directorate complaint monitoring officer outlining lessons learned, training needs and any recommended changes to procedures.

4.4 The lessons learned are reported through each DMT by the Directorate monitoring officer. DMT are therefore fully aware of the complaints received. Where any changes to procedure are required or potential policy developments are needed these are discussed and taken forward as appropriate.

## 5. Local Government and Social Care Ombudsman Annual Review Report

5.1 The LGSCO Advice team provides comprehensive information and advice to both the public and local authorities on complaints. It also produces an annual review of local government complaints which includes an overview of trends, followed by statistical tables detailing the numbers of complaints received from each local authority area broken down into general service areas. This data is published on their website.

5.2 The second data set details the number of decisions made and the outcome of those complaints which the LGSCO has undertaken to investigate fully. In terms of outcome the only data published is whether the investigation has led to the complaint being

upheld or not upheld. Details of the complaints themselves, the decision and any recommendations are now only available in the form of individual published decisions as they are released throughout the year.

- 5.3 In the year to 31 March 2021 the LGSCO made decisions on 12 new complaints about City of Lincoln Council services. This is a decrease on the previous year, which saw 14 complaints moving to the Ombudsman stage.

The general service areas of these were as follows:

|                          |    |    |
|--------------------------|----|----|
| Environmental Services   | 4  | 4  |
| Housing                  | 4  | 3  |
| Revenues and Benefits    | 4  | 2  |
| Corporate Services       | 1  | 1  |
| Highways and Transport   | 1  | 1  |
| Planning and Development | 0  | 1  |
| Totals                   | 14 | 12 |

- 5.4 One of the complaints was entirely dismissed and deemed invalid
- 5.5 Four of these complaints were referred back for local resolution: These had not been through our own complaints procedure and we had therefore not had the opportunity to investigate or resolve the complaint before the customer involved a third party in the issue. In effect they are not LGSCO complaints
- 5.6 Four of the complaints were closed after initial enquiries: These complaints are where the Ombudsman has decided that it could not or should not investigate the complaint; usually because the complaint is outside LGSCO's jurisdiction, and they cannot lawfully investigate it. The early assessment of a complaint may also show there was little injustice to a complainant that would need an LGSCO investigation of the matter, or that an investigation could not achieve anything, either because there was no fault, or the outcome a complainant wants is not one that the LGSCO could achieve, for example overturning a court order.
- 5.7 In one case there was advice given: These are cases where the LGSCO would not look at a complaint because they had previously looked at the same complaint from the complainant, or another complaint handling organisation or advice agency was best placed to help them
- 5.8 In total there were two complaints which were deemed appropriate for the jurisdiction of the LGSCO and were fully investigated. This compares with three investigations undertaken in the previous year.
- 5.9 Both investigated complaints were upheld. This is reported and published as an "Uphold rate" of 100%. These complaints were as follows:
1. A complaint decided in October 2020 and recorded as Environmental Services.

This resident complained that the Council failed to properly respond to her family's reports of flooding (which she felt was caused by granting planning permission to new homes), from 2018 and to take effective action. The customer stated that their business premises and garden had been damaged by flooding. Based on the information provided, the Ombudsman found no fault by the Council in the way it

dealt with the reports but a period it failed to keep to an agreed maintenance schedule was deemed to be at fault and maladministration was recorded.

Remedial action: In this case the Ombudsman considered the actions the Council had already taken to complete the maintenance to be adequate to provide a suitable remedy.

## 2. A complaint decided in November 2020 and recorded as Housing

This resident complained about the Council's actions after she refused the offer of a property and the Council ended its homelessness duty. On the evidence considered the Council was found to be not at fault when it ended its homeless duty to the individual, or in the information provided about her right of review. However, a finding of maladministration was recorded because of the council's failure to review her banding after she refused a housing offer.

The remedial action taken was a review of the banding.

## **6.0 Housing Ombudsman Service Complaints**

- 6.1 Tenancy related complaints i.e. those which are classed as a landlord function, are referred to The Housing Ombudsman Service (HOS), rather than being dealt with by the LGSCO.
- 6.2 In 2020-2021 there was just one complaint investigated by the HOS. The outcome of this investigation which was into the handling of a plumbing and heating repair, was that there was no maladministration

## **7.0 Complaint Trends**

- 7.1 In the full year to 31 March 2021 there has been a substantial decrease in the number of complaints received compared to the previous year.
- 7.2 Complaints from our tenants about repairs to their homes, continue to be our most common complaint.
- 7.3 Complaints about parking have decreased significantly. Services which have seen small increases in the number of complaints include PPASB, private housing and the Cornhill area development

## **8.0 Compliments**

- 8.1 On a more positive note, despite the current challenges and pressures, the council continues to receive regular compliments from the public. These tend to acknowledge the professionalism of staff and occur across all service areas. Residents often take the time to appreciate the care and consideration demonstrated by our staff, and this has been particularly noticeable during times of Covid-19 restrictions. The public have generally been very patient and understanding about the decisions taken by the council to protect the health and safety of residents and staff

## **9.0 Organisational Impacts**

- 9.1 Strategic Priority: High Performing Services
- 9.2 Finance: There are no direct financial implications from this report
- 9.3 Legal: There are no legal implications from this report
- 9.4 Equality, Diversity and Human Rights

The Public Sector Equality Duty means that the Council must consider all individuals when carrying out their day-to-day work, in shaping policy, delivering services and in relation to their own employees.

It requires that public bodies have due regard to the need to:

- Eliminate discrimination
- Advance equality of opportunity
- Foster good relations between different people when carrying out their activities

## **10. Recommendation**

Members of Audit committee to consider and comment on the complaints report for 2020-2021

|  |  |
|--|--|
| <b>Is this a key decision?</b>   | No   |
| <b>Do the exempt information categories apply?</b>                               | No   |
| <b>Does Rule 15 of the Scrutiny Procedure Rules (call-in and urgency) apply?</b> | No   |
| <b>How many appendices does the report contain?</b>                              | None   |
| <b>List of Background Papers:</b>  | None   |
| <b>Lead Officer:</b>   | Joanne Crookes; Customer Services Manager<br>Telephone (01522) 873407<br>Email address:jo.crookes@lincoln.gov.uk |

**AUDIT COMMITTEE**

**23 SEPTEMBER 2021**

**SUBJECT: ASSESSMENT OF GOING CONCERN STATUS**

**REPORT BY: CHIEF EXECUTIVE & TOWN CLERK**

**LEAD OFFICER: COLLEEN WARREN, FINANCIAL SERVICES MANAGER**

**1. Purpose of Report**

- 1.1 This report informs the Audit Committee of an assessment of the Council as a going concern for the purposes of producing the Statement of Accounts for 2020/21.

**2. Background**

- 2.1 The concept of 'going concern' assumes that an authority, its functions and services, will continue in operational existence for the foreseeable future. This assumption underpins the accounts drawn up under the Code of Practice for Local Authority Accounting and is made because local authorities carry out functions essential to the local community and are themselves revenue raising bodies (with limits on their revenue raising powers arising only at the discretion of central government).
- 2.2 If an authority were in financial difficulty, the prospects are that alternative arrangements would be made by central government either for the continuation of the services it provides or for assistance with the recovery of a deficit over more than one financial year.
- 2.3 Where the assessment determines the 'going concern' status is not proven, particular care would be needed in the valuation of assets, as inventories and property, plant and equipment may not be realisable at their book values and provisions may be needed for closure costs or redundancies. An inability to apply the going concern concept would potentially have a fundamental impact on the financial statements.
- 2.4 Given the significant reduction in funding for local government in recent years and the potential threat this poses to the ongoing viability of councils as a consequence, external auditors continue to place a greater emphasis on local authorities undertaking an assessment of the 'going concern' basis on which they prepare their financial statements. Similarly, our current Medium Term Financial Strategy (MTFS) and the 2020/21 financial statements largely reflect a Covid set of circumstances and we need to be confident that we understand and have taken into account any threats to financial sustainability. This report sets out the position for City of Lincoln Council and provides justification for the 2020/21 financial statements being prepared on a 'going concern' basis.

2.5 As with all principal local authorities, the Council is required to compile its Statement of Accounts in accordance with the Code of Practice on Local Authority Accounting for 2020/21 (hereafter referred to as the Code). The Code is published by the Chartered Institute of Public Finance and Accountancy (CIPFA). In accordance with the Code the Council's Statement of Accounts is prepared assuming that the Council will continue to operate in the foreseeable future and that it is able to do so within the current and anticipated resources available. By this, it is meant that the Council will realise its assets and settle its obligations in the normal course of business.

### **The Assessment**

2.6 The main factors which underpin this assessment are:

- The Council's current financial position;
- The Council's projected financial position;
- The Council's balance sheet;
- The Council's cash flow;
- The Council's governance arrangements;
- The regulatory and control environment applicable to the Council as a local authority.

Each of the above is considered in more detail below.

2.7 The provisions in the 2020/21 Code section 3.4 (Presentation of Financial Statements) on the going concern accounting requirements, reflect the economic and statutory environment in which local authorities operate. These provisions confirm that, as authorities cannot be created or dissolved without statutory prescription, it would not therefore be appropriate for their financial statements to be prepared on anything other than a going concern basis.

2.8 The requirements to use the going concern basis of accounting mean that authorities do not apply paragraph 25 of IAS 1 Presentation of Financial Statements mandating management to make an assessment of the authority's ability to continue as a going concern. However, this reporting requirement is separate from the need for local authorities to report on the impact of financial pressures in the Narrative Report and, for example, other relevant liquidity reporting requirements such as those under the Code's adoption of IFRS 7 Financial Instruments: Disclosures.

### **2.9 The Council's Current Financial Position – Revenue Resources**

#### General Fund

As reported to Executive in June, the Council under spent on the General Fund revenue budget in 2020/21 by £0.432m. As at 31 March 2021 the Council held a General Fund Balance of £2.668m and held Earmarked Reserves totalling £26.043m. The Earmarked Reserves balance has increased by £14.454m during the year, reflecting the favourable outturn and the nature of timing differences in the funding of Business Rate Reliefs from

Central Government and the declaration of deficits on the Collection Fund. The adequacy of reserves and balances and the ongoing requirement for specified earmarked reserves, is reviewed on a regular basis.

### Housing Revenue Account (HRA)

The financial performance in 2020/21 resulted in a net under spend of £0.154m on the HRA revenue budget. As at 31 March 2020 the Council held an HRA Balance of £1.070m which was broadly in line with the revised budget. The level of adequate reserves and balances and the ongoing requirement for specified earmarked reserves, is reviewed on an annual basis. The HRA has a 30-year Business Plan which is showing as affordable with the required estimated resources available to meet the plan. The Central Government imposed rent increase restrictions which the Council has had to apply over recent years were lifted for 2020/21 onwards and we are now able to increase our rents in line with the guidelines in place, which gives us further financial capacity to support our plan.

The Section 151 Officer is satisfied that the Council's 2020/21 financial outturn for both General Fund and HRA, does not present any material uncertainties regarding the Council's ability to continue as a going concern.

## 2.10 Covid-19

The pandemic has resulted in increased cost to the Council, during 2020/21 these costs were covered by the £1.877m grant received from Central Government. In 2021/22 further Government support of £0.640m has been provided. However, it is the loss of income to the Council that is of a greater concern. In 2020/21 the Government announced a package of financial support for Council income losses, this included; allowing council tax and business rates collection fund deficits to be repaid over three years instead of one; a local tax income guarantee scheme to cover losses in business rates and council tax; and, where losses from fees and charges are more than 5% of a Council's planned income, the Government will cover 75p for every pound lost. This support package provided £2.989m through the fees and charges compensation scheme and a further £0.778m through the local tax guarantee scheme.

Despite this financial support from Central Government, the Council was still required to implement a range of measures to ensure that it maintained a balanced budget position for 2020/21. These included:

- Budget Review – A review of all of the Council's revenue budgets undertaken to identify one off budget reductions.
- Coronavirus Job Retention Scheme – a range of staff from primarily income generating areas were placed on furlough.
- Towards Financial Sustainability – in the year savings programme target was increased.
- Direct Revenue Finance (DRF) – a review of capital financing was undertaken.

- Covid19 Reserve – monies allocated as part of the 19/20 closedown process and held in an earmarked reserve.

These measures were one-off in their nature and allowed both the General Fund and HRA to make positive contributions to general balances to support future years budget challenges.

## 2.11 **The Council's Projected Financial Position – Revenue Resources**

Moving forward to 2021/22 and beyond the Council's MTFS 2021-26, approved by Members in February 2021, includes revised forecasts for the Council's expenditure and income streams based on a number of assumptions on the speed and scale of the national and local recovery from Covid19.

Although the Council set a balanced budget for 2021/22, the savings target included within the MTFS significantly increased, with a savings target of £0.850m, increasing further to £1.350m in 2022/23 and to £1.750m p.a. thereafter.

In response to this a programme of savings reviews has been developed and is currently being implemented. Progress to date in 2021/22 demonstrates that the Council is on target to deliver the savings target in year, with significant progress made towards the future year's targets.

Although savings reviews are being accelerated, due to the size of the financial challenge the Council was facing the MTFS does include the use of earmarked reserves as short terms measures in 2022/23 and 2023/24 whilst the ongoing reductions in the net cost base are achieved.

Despite this short-term use of reserves the Council still maintains a number of specific earmarked reserves including a business rates volatility reserve, an invest to save reserve and a Vision 2025 reserve to support recovery.

The MTFS provides for a transfer of £0.477m from general balances to the General Fund in 2021/22 with further contributions of £0.110m in 2022/23, £0.373m in 2023/24, £0.041m in 2024/25 before a contribution to balances of £0.545m in 2025/26. These transfers would result in an estimated balance of £2.212m by 2025/26 which is in excess of the recommended prudent minimum level, giving management confidence that the Council will be able to manage the financial challenge in the medium term.

Having revisited the underlying assumptions and MTFS in the light of the challenges presented by Covid19 and having made a number of significant budget revisions to ensure the robustness of estimates the Section 151 Officer made a formal statement in February 2021 as part of the approval on the robustness of estimates and the adequacy of reserves, as contained within the MTFS.

Performance against the 2021/22 budget will be regularly reported to

Members, and the MTFS will be further updated as part of the 2022/23 budget preparations. At this stage the Section 151 Officer is satisfied that the Council's forecast financial position does not present any material uncertainties regarding the Council's ability to continue as a going concern.

## **2.12 The Council's Balance Sheet as at 31 March 2021**

The Council's net assets amounted to £224.083m and Usable Reserves totalled £52.461m. We are satisfied that there are no material liabilities or underlying issues regarding the strength of the Council's balance sheet which present any material uncertainties regarding the Council's ability to continue as a going concern.

## **2.13 The Council's Cash Flow**

The Council maintains short and long term cash flow projections, and manages its cash, investments and borrowing in line with the Council approved Treasury Management Strategy. As at the 31 March 2021 the Council has long term borrowing commitments of £115.7m, held £33.9m in short term investments and had £0.563m in Cash and Cash Equivalents. The Council has adequate financial resources to meet its immediate financial obligations. We are satisfied that there are no significant issues regarding the strength of the Council's underlying cash flow which present any material uncertainties regarding the Council's ability to continue as a going concern.

## **2.14 The Council's Governance Arrangements**

The Council has a well-established and robust corporate governance framework. This includes the statutory elements such as the Head of Paid Service, the Monitoring Officer and the Section 151 Officer in addition to the current political arrangements. An overview of this governance framework is provided within the Annual Governance Statement.

Whilst it is not possible to provide absolute assurance, the review process as outlined in the Annual Governance Statement does conclude that the existing arrangements are fit for purpose and provide reasonable assurance of their effectiveness. There are no plans for the Council to be reorganised or dissolved and we expect to operate under the current framework in the near future. We are satisfied that there are no significant issues regarding the Council's governance framework which present any material uncertainties regarding the Council's ability to continue as a going concern.

## **2.15 The External Regulatory and Control Environment**

As a principal local authority, the Council has to operate within a highly legislated and controlled environment. An example of this is the requirement for a balanced budget each year combined with the legal requirement for the Council to have regard to consideration of such matters as the robustness of budget estimates and the adequacy of reserves. In addition to the legal framework and central government control there are other factors such as the

role undertaken by the external auditor as well as the statutory requirement in some cases for compliance with best practice and guidance published by CIPFA and other relevant bodies.

The provisions in the Code on the going concern requirements reflect the economic and statutory environment in which local authorities operate. We are satisfied that there are no significant issues regarding the external regulatory and control environment which present any material uncertainties regarding the Council's ability to continue as a going concern.

#### **2.16 Material Uncertainties**

The Council is aware that there is a requirement to consider any material uncertainties which would impact on the Council's ability to continue as a going concern.

We are satisfied that there are no material uncertainties which, under the Code of Practice on Local Authority Accounting framework, represent significant issues regarding the Council's ability to continue as a going concern.

#### **2.17 Conclusions and Reasons for Recommendation**

It is considered that having regard to the Council's arrangements and such factors as highlighted in this report that the Council remains a 'going concern' and the Council's accounts for 2020/21 have appropriately been prepared on this basis. This report gives that assessment by the Council's Section 151 Officer in support of presenting the Accounts for approval and provides assurance to Mazars, the Council's external auditor.

### **4. Organisational Impacts**

4.1 Finance – The financial implications are as set out in this report.

4.2 Legal – There are no specific legal implications arising from this report.

### **5. Risk Implications**

5.1 There are no direct risk implications arising as a result of this report.

### **6. Recommendation**

6.1 The Audit Committee accepts the outcome of the assessment of the Council's going concern status for the purpose of preparing the Statement of Accounts 2020/21.

|                     |    |
|---------------------|----|
| <b>Key Decision</b> | No |
|---------------------|----|

|                               |     |
|-------------------------------|-----|
| <b>Key Decision Reference</b> | N/A |
|-------------------------------|-----|

**No.**

|  |  |
|--|--|
| <b>Do the Exempt<br/>Information Categories<br/>Apply</b>  | No   |
| <b>Call in and Urgency:</b> Is<br>the decision one to which<br>Rule 15 of the Scrutiny<br>Procedure Rules apply? | No   |
| <b>Does the report contain<br/>Appendices?</b>   | No   |
| <b>List of Background<br/>Papers:</b>  | N/A  |
| <b>Lead Officer:</b>   | Colleen Warren, Financial Services Manager<br>Telephone 01522 873361 |

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**SUBJECT:** INTERNAL AUDIT PROGRESS REPORT

**REPORT BY:** AUDIT MANAGER

**LEAD OFFICER:** AUDIT MANAGER

**1. Purpose of Report**

- 1.1 To present the Internal Audit Progress Report to the Audit Committee, incorporating the overall position reached so far, and summaries of the outcomes of audits completed during the period.

**2. Executive Summary**

- 2.1 The report highlights progress against the audit plan.

**3. Background**

- 3.1 A key requirement of public sector internal audit standards is that Internal Audit should report progress periodically to those charged with governance. The Audit Committee has within its terms of reference the responsibility for receiving a regular progress report from Internal Audit on the delivery of the Internal Audit Plan. The latest progress report for 2021-22 is attached as the appendix to this report.

**3.2 Internal Audit Progress Report**

- 3.3 The Internal Audit progress report attached (Appendix A) covers the following areas :-

- Progress against the plan
- Summary of Audit work
- Current areas of interest relevant to the Audit Committee

**4. Organisational Impacts** (nb. Finance, Legal and E & D sections below are mandatory, others to be completed only where there is an impact)

- 4.1 Finance (including whole life costs where applicable)  
There are no direct financial implications arising as a result of this report.

- 4.2 Legal Implications including Procurement Rules  
There are no direct legal implications arising as a result of this report.

- 4.3 Equality, Diversity & Human Rights (including the outcome of the EA attached, if required)  
There are no direct E and D implications arising as a result of this report.

## **5. Recommendation**

- 5.1 The Audit Committee is asked to review and comment on the content of the latest Internal Audit Progress Report for 2021-22.

**Key Decision** No

**Do the Exempt  
Information Categories  
Apply?** No

**Call in and Urgency:** Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? No

**How many appendices  
does the report contain?** One

**List of Background  
Papers:** none.

**Lead Officer:** Audit manager Telephone 873321

# Internal Audit Progress Report



**City of Lincoln Council  
September 2021**

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**John Scott** - Audit Manager (Head of Internal Audit)  
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This report has been prepared solely for the use of Members and Management of Boston Borough Council. Details may be made available to specified external organisations, including external auditors, but otherwise the report should not be used or referred to in whole or in part without prior consent. No responsibility to any third party is accepted as the report has not been prepared, and is not intended for any other purpose.

The matters raised in this report are only those that came to our attention during the course of our work – there may be weaknesses in governance, risk management and the system of internal control that we are not aware of because they did not form part of our work programme, were excluded from the scope of individual audit engagements or were not brought to our attention. The opinion is based solely on the work undertaken as part of the agreed internal audit plan.

# Introduction

The purpose of this report is to:

- Provide details of audit work during the period June – August 2021
- Advise on progress with the 2021/22 Plan
- Raise any other matters that may be relevant to the Audit Committee role

## Key Messages

In this period two assurance reviews have been finalised.

The 2021/22 Plan is progressing and at the end of August 35% has been completed against the 35% target.

Some audits have had to be deferred to later quarters and a review of the plan and available resources will take place in September / October. Plan details can be found in Appendix 4..

The report summary for the Western Growth review will be presented to the next meeting in December.

## Assurances

Two assurance reviews have been completed in this period;

- Housing Benefit Subsidy Testing – High Assurance
- Housing Benefit & Council Tax Support – High Assurance

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.

2

HIGH  
ASSURANCE

0

SUBSTANTIAL  
ASSURANCE

0

LIMITED  
ASSURANCE

0

LOW  
ASSURANCE

0

CONSULTANCY

# High Assurance

We have completed annual testing on 2020/21 Housing Benefit subsidy on behalf of, and in conjunction with, the External Auditor Mazars.

The first part of the work was to verify that the figures set by the Government for the calculation of benefit have been correctly uprated in the Northgate Benefit system – this is known as Module 2 testing.

The second part was to test a sample of benefit cases to provide assurance on the accuracy of the Housing Benefits caseload and to confirm that the correct level of subsidy has been claimed by the Authority.

We didn't identify any errors as part of Module 2 testing.

We examined sixty-three cases in respect of payments made in the 2020/21 financial year and only two (both Rent Allowance) were found to contain errors – one was an underpayment (approx. £275) and one was an overpayment (approx. £20). We have looked into the cause of the errors and neither require a recommendation to address a procedural weakness.

The level of errors found this year is significantly lower than in previous years.

## Housing Benefit Subsidy Testing

# High Assurance

We found that;

- There is an adequate separation of duties between the administration of Housing Benefit claims and processing payments.
- Checking and reconciliation of payments is undertaken at each stage of processing, high value payments are reviewed and payments are approved by a manager.
- A process is in place to review any returned letters, which may be an indication that the claimant is no longer at the address.
- Awards of Council Tax Support Hardship Funding payments have been made in accordance with Government guidance; testing of a sample confirmed that payments had been awarded to working age recipients of CTS and the amounts were correct. Financial modelling was undertaken to identify options regarding how the remaining hardship grant could be spent; testing confirmed that payments had been awarded in accordance the proposals approved by both authorities.
- A quality assessment process is in place which measures accuracy of processing over a range of different changes. Any errors in processing are addressed and training needs identified. A 95% accuracy target has been set and at the time of the audit the current level of % accuracy was 95.10%
- Overpayments are being proactively managed; performance is reported to Shared Services Committee on a quarterly basis. A comparison of the annual outturn for the preceding financial years shows an improved performance in the percentage of overpayments collected.
- A full audit trail is available to support the assessment and award of Discretionary Housing Payments

Two formal recommendation were made, and agreed, to;

- Ensure that quality assurance spreadsheets are amended where any errors are subsequently found to be correct, so that performance data is accurate
- ensure that DHP record sheets are not held in more than one place or for longer than is necessary.

## Other work

### Audits in Progress

- Housing Benefits & Council Tax Support – report being agreed
- Visitor Information Centre – fieldwork in progress
- Safeguarding – prepared
- Planned Maintenance – prepared
- Income – being prepared

### Other work

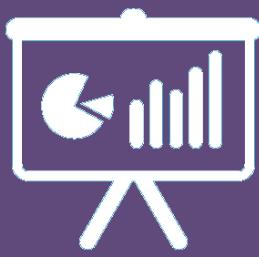
- Housing Benefit Subsidy testing – work has been completed and the report is being agreed
- Counter Fraud
  - National Fraud initiative- ongoing work (report December)
  - Fraud policies – fraud strategy (completed)
  - Anti-bribery policy update (December 2021)
  - Whistleblowing policy update (March 2021)
  - Money Laundering risk assessment – in progress
  - Scam awareness – linking into national schemes (June)
  - Annual fraud report - completed
  - LCFP liaison – ongoing
- Grants
  - Assistance as required

### Non-Audit Work

Partnership Governance – IA will continue to liaise with the Chief Finance Officer and Assistant Director's on this area assisting with assurance reviews and Audit Committee reporting. A report will be presented in December 2021

### Audit Plan changes

A separate report will be presented in December 2021.



Internal Audit's performance is measured against a range of indicators.  
The statistics below show our performance on key indicators year to date.

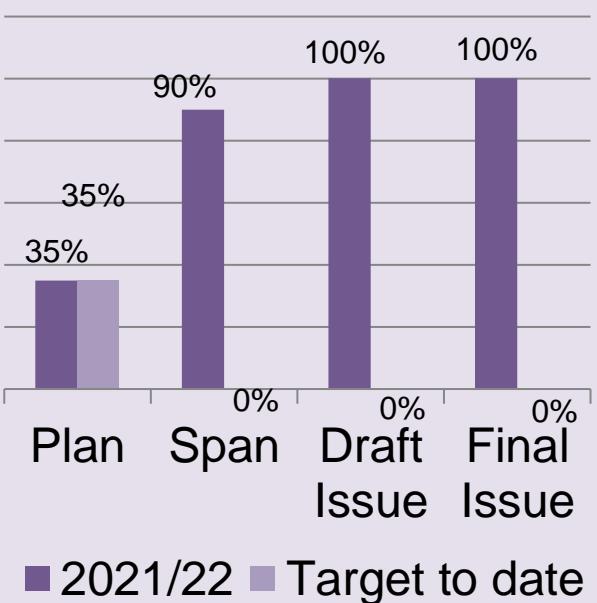
### Performance on Key Indicators (2021/22)

Two audits have only just been completed  
so only plan completion data is available

Rated our  
service Good  
to Excellent

Achievement  
of Audit KPI's  
to date

35% Plan  
Completed





## Liverpool City Council: Best Value inspection report

The report sets out the detailed findings of the inspection including the inspector's conclusions, the evidence and methodology used, and proposals for the future. The report concluded :-

- There were major gaps in the documentary evidence to support the decisions and actions of the Council at both Member and Officer level.
- Compliance with the Council's Standing Orders, regulations and the overriding legislation was not part of the culture of the organisation .
- Failure to comply with the rules relating to Key Decisions, Scrutiny, Exempt reports and probity was evident. Processes were in place to ensure these matters can be drawn out, but there was no evidence that this was done.
- Officers drew attention to the risks and losses incurred by the Council but these were not always visible because of structures/resource limitations/reporting lines and in some cases these offices were not supported and exposed to aggressive challenge.
- Early steps have been taken to improve control and compliance and these are starting to have an impact. It is clear that there is insufficient resource at the top and in the corporate centre of the Council to drive changes and embed them Council wide.
- There is evidence that the failing s reported in reviews of Nottingham City Council and London Borough of Croydon are reflected in what was noted in the Council's LATCO's .

The full report can be found at <https://www.gov.uk/government/publications/liverpool-city-council-best-value-inspection-report>



Grant Thornton

Lessons from recent Public Interest Reports

The pandemic has highlighted four essential factors about Local Government:-

1. Local government has provided fantastic support to its communities in working with the NHS and other partners.
2. The centralised approach to government has been exposed to some degree in terms of it's agility to tailor pandemic responses to regional and local bodies.
3. Years of reduced funding have exposed underlying flaws in the local authority business model, with too much reliance on generating additional income.
4. Not all authorities exercise appropriate care with public money, exercise appropriate governance or have the capability of managing risk.

Local authorities have a variety of different governance models . Recent public interest cases have found that it is less about the system of governance and more about how it operates, who operates it and how willing they are to accept scrutiny and challenge.

## Other matters of interest

A summary of matters that will be of particular interest to Audit Committee Members.

The report discusses the three main areas where lessons can be learned through reports on the context of local government in a Covid-19 world, Governance, scrutiny and culture and Council leadership.

A number of recommendations are made:-

- Councils are required to consider how they measure up against CIPFA's new Financial Management Code
- Councils are mindful of reserve levels at all times, maintaining a clear strategy for maintaining adequate reserves.
- Internal Audit and risk assurance arrangements can be strengthened.
- Greater focus on establishing a healthy management culture – starting with the tone from the top
- Look for opportunities to learn from the Council's past experience and that of others.
- Council members should strive to work more collegiately, particularly for strategic decisions with implications that reach many years in the future.

The full document can be found provided on request.



### The governance risk and resilience framework

The framework is designed to support individual council officers and councillors to play their part in understanding, and acting on, risks to good governance. It centres on an analytical framework which is designed to help councillors and officers to identify emerging risks to governance, and to tackle them proportionately. It is based on three stages:

- Anticipating – the framework supports councillors and officers (even if they aren't governance professionals) to observe and reflect on governance practice, through a set of characteristics and behaviours which are designed to give people a "common language" to talk about governance pressures;
- Managing – understanding and accepting where risks lie, and taking action to find solutions. The framework is designed to be bottom-up – to empower people other than senior managers to take active responsibility to find and implement solutions themselves. However, the support of people at the top of the organisation – and especially the principal statutory officers – is important;
- Adapting – learning from these experiences in the interests of continuous improvement.

It is envisaged councillors and officers use the framework to talk about their experiences with governance, with these insights – and concerns – being escalated to principal statutory officers in a council (the Chief Executive, the Monitoring Officer and the Chief Finance Officer) for review. In so doing, this insight can help councils to agree robust and accurate Annual Governance Statements.

There are none.

**High**

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.

The risk of the activity not achieving its objectives or outcomes is low. Controls have been evaluated as adequate, appropriate and are operating effectively.

**Substantial**

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.

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.

**Limited**

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.

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.

**Low**

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.

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.

The next update will be presented at the December meeting.

| Audit                              | Scope of Work   | Start Planned date | Start Actual date | End Actual date | Status/ Rating                 |
|------------------------------------|---|--------------------|-------------------|-----------------|--------------------------------|
| Annual IA Report                   | Audit opinion & coverage for 2020/21  | Q1                 | May               | June            | Completed                      |
| Partnership Governance             | Consultancy to assist in providing assurance for management & Audit cttee                 | Q1-2               |                   |                 | In progress<br>Report Dec 2021 |
| Housing Benefit Subsidy            | Detailed testing on behalf of External Audit  | Q1-2               | May 21            | Sept 21         | Report being agreed            |
| Housing Benefit & CTS              | Assurance that HB, CTS, DHP & CTS Hardship Fund are administered correctly                | Q1                 | May 21            | Sept 21         | Report being agreed            |
| Leisure Centres                    | Assurance that appropriate contingency planning is being undertaken                       | Q3-4               |                   |                 | Moved from Q2                  |
| Planned Maintenance                | Assurance on the closedown of the Kier contract and the establishment of new arrangements | Q2                 |                   |                 | Prepared & scheduled for Sept  |
| Elections / Electoral Registration | Review of the 2021 expenses claim & maintenance of the electoral register                 | Q2                 | May 21            |                 | PCC claim completed            |
| Safeguarding                       | Review of Protecting Vulnerable People processes during Covid                             | Q2                 |                   |                 | Prepared & scheduled for Sept  |
| Visitor Information Centre         | Assurance on the operation of the service   | Q2-3               | Aug 21            |                 | In progress                    |
| Western Growth Corridor            | Assurance on partnership governance and programme management arrangements for Phase 1a    | Q4                 |                   |                 | Moved from Q3                  |
| Rogue Landlord                     | Consultancy work on the PIR   | Q3                 |                   |                 | Moved from Q2                  |
| Health & Safety                    | Risk assessment processes   | Q3                 |                   |                 | Moved from Q2                  |
| Income                             | Assurance on income controls in key areas   | Q3                 |                   |                 | Being prepared                 |
| Stores                             | Assurance on the changeover of contractor   | 65<br>Q3           |                   |                 |                                |

| Audit                          | Scope of Work   | Start Planned date | Start Actual date | End Actual date | Status/ Rating                              |
|--------------------------------|---|--------------------|-------------------|-----------------|---|
| Combined Assurance             | Update the assurance map and produce a 2022 Combined Assurance report   | Q4                 |                   |                 |   |
| IA Strategy & Planning         | Produce a 2022/23 Audit Plan  | Q4                 |                   |                 |   |
| Town Deal                      | Assurance on governance, programme & project management arrangements  | Q4                 |                   |                 |   |
| ICT – Projects & Programmes    | Assurance on general project management plus specific projects for PSN and IT security training                         | Q4                 |                   |                 |   |
| ICT – Disaster Recovery        | Assurance on IT DR planning, incident response & infrastructure resilience  | Q4                 |                   |                 | To be undertaken by an external ICT auditor |
| Medium Term Financial Strategy | Assurance that assumptions, reserve levels, etc are appropriate and there is integration with other strategic documents | Q4                 |                   |                 |   |
| Performance Management         | Assurance that the revised PM Framework enables the Council's performance to be effectively monitored.                  | Q4                 |                   |                 |   |
| Housing Repairs                | Assurance on the operation of the new repairs process and the void repairs process                                      | Q4                 |                   |                 |   |
| Counter Fraud                  | Consultancy / advice work on strategy, training, NFI, money laundering, identity fraud, business grants                 | Q1-4<br>66         | April             |                 | In progress                                 |

**SUBJECT:** AUDIT COMMITTEE WORK PROGRAMME

**REPORT BY:** AUDIT MANAGER

**LEAD OFFICER:** AUDIT MANAGER

**1. Purpose of Report**

- 1.1 To provide details of the Audit Committee work programme for 2021/22

**2. Executive Summary.**

- 2.1 The Audit Committee approves a work programme each year and monitors progress.

**3. Main report**

- 3.1 The proposed work programme is attached at Appendix B. The frequency of meetings has been reviewed and is considered appropriate for 2021/22.

- 3.2 There has been one change to the work programme which was an additional meeting on the 15<sup>th</sup> July.

- 3.3 A copy of the Audit Committee's terms of reference is attached at Annex A

**4. Changes to the Work Programme**

- 4.1 The anti-bribery policy report has been moved to December, as the policy is due for review in December. The Whistleblowing policy review has been moved to March as the last review was March 2020. The review of the 2021-22 audit plan has been moved to December due to the later start of the annual plan and the review will take place in October. An assessment of going concern status report has been added which supports the production of the annual accounts. Counter fraud e-learning training has been moved to December as this is still being developed. The Statement of Accounts (including Annual Governance Statement) and External Audit – Audit Completion report has been moved from December 2021 to a new meeting date yet to be determined.

**5. Organisational Impacts**

- 5.1 Finance

There are no direct financial implications arising as a result of this report.

- 5.2 Legal Implications including Procurement Rules

There are no direct legal implications arising as a result of this report.

- 5.3 Equality, Diversity & Human Rights

There are no direct E and D implications arising as a result of this report.

## **6. Recommendation**

6.1 The Audit Committee should comment on and agree the work programme for 2021/22.

|   |                                 |
|---|---------------------------------|
| <b>Key Decision</b>   | No                              |
| <b>Do the Exempt Information Categories Apply?</b>  | No                              |
| <b>Call in and Urgency:</b> Is the decision one to which Rule 15 of the Scrutiny Procedure Rules apply? | No                              |
| <b>How many appendices does the report contain?</b>   | Two                             |
| <b>List of Background Papers:</b>   | None                            |
| <b>Lead Officer:</b>  | Audit Manager, Telephone 873321 |

**9.1 Audit Committee**

The Council will appoint an Audit Committee.

**9.2 Composition**

Audit Committee

(a) The Audit Committee will comprise • seven Councillors • one independent member

(b) The seven councillors of the Audit Committee should include the Chair of Performance Scrutiny Committee.

(c) A member of the Executive may not be a member of this Committee

**9.3 Statement of purpose**

(a) The Audit Committee will have the following roles and functions:

(b) The audit committee is a key component of the City of Lincoln's corporate governance. It provides an independent and high-level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

(c) The purpose of the Audit Committee is to provide independent assurance to the Council members of the adequacy of the risk management framework and the internal control environment. It provides independent review of the City of Lincoln's governance, risk management and control frameworks and oversees the financial reporting and annual governance processes. It oversees internal audit and external audit, helping to ensure efficient and effective assurance arrangements are in place.

(d) To decide upon and authorise allowances to the Committee's Independent Member.

**Governance, risk and control**

(a) To consider the council's arrangements to secure value for money and review assurances and assessments on the effectiveness of these arrangements.

(b) To engage with relevant committees to help support ethical values and reviewing arrangements to achieve those values as appropriate

(c) To appoint Lead Member to monitor and oversee Information Governance practices within the Council along with the Information Governance Board.

(d) To monitor the effectiveness of the Authority's risk management Arrangements (development and operation),

(e) To monitor the Council's anti-fraud and anti-corruption arrangements (including an assessment of fraud risks);

(f) To monitor the counter-fraud strategy, actions and resources.

(g) To monitor progress in addressing risk-related issues reported to the committee.

(h) To maintain an overview of the Council's constitution in respect of contract procedure rules and financial procedure rules;

(i) To review any issue referred to it by the Chief Executive, a Strategic Director, Monitoring Officer, Chief Financial Officer or any Council body as the Chair considers appropriate within the general Terms of Reference of the Committee

(j) To review the Authority's assurance statements, including the Annual Governance Statement prior to approval, ensuring it properly reflects the risk environment and

- supporting assurances (including internal audit's annual opinion on governance, risk and control)
- (k) To consider the council's framework of assurance and ensure that it adequately addresses the risks and priorities of the council.
- (l) To review the Council's arrangements for corporate governance, including the local Code of Corporate Governance and agreeing necessary actions to ensure compliance with best practice (the good governance framework, including the ethical framework)
- (m) To review the governance and assurance arrangements for significant partnerships or collaborations.
- (n) To consider the Council's compliance with its own and other published standards and controls;
- (o) To report and make recommendations to Executive or Council on major issues and contraventions;
- (p) To have rights of access to other Committees of the Council and to strategic functions as it deems necessary.
- (q) To receive on an annual basis a report on the Treasury Management Strategy before approval by the Executive and Full Council.
- (r) To be responsible for ensuring effective scrutiny of the treasury management strategy and policies.

### **Internal audit**

- (a) Receive and consider the annual report and opinion of the Internal Audit Manager including conformance with Internal Audit Standards
- (b) Review a summary of internal audit activity including internal audit reports on the effectiveness of internal controls, seeking assurance that action has been taken where necessary on the implementation of agreed actions;
- (c) To consider summaries of specific internal audit reports as requested by the Audit committee.
- (d) To Approve (but not direct) internal audit's risk-based annual audit plan including resource requirements, the approach to using other sources of assurance and any work required to place reliance upon those sources.
- (e) Audit Committee Chair to approve significant interim changes to the risk based internal audit plan and resource requirements followed by report to Audit Committee.
- (f) To make appropriate enquiries of both management and the head of internal audit to determine if there are any inappropriate scope or resource limitations.
- (g) To consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the head of internal audit. To approve and periodically review safeguards to limit such impairments
- (h) To monitor audit performance, including QAIP results and any nonconformance with PSIAS and LGAN.
- (i) To consider whether the non-conformance is significant enough that it must be included in the AGS
- (j) Consider the annual review of effectiveness of internal audit to support the AGS, where required to do so by the Accounts and Audit Regulations
- (k) To contribute to the Quality Assurance and Improvement Programme and in particular, to the external quality assessment of internal audit that takes place at least once every five years
- (l) To receive reports outlining the action taken where the Audit manager has concluded that management has accepted a level of risk that may be

unacceptable to the authority or there are concerns about progress with the implementation of agreed actions

(m) To provide free and unfettered access to the audit committee chair for the head of internal audit, including the opportunity for a private meeting with the committee.

(n) To have the right to call any officers or Members of the Council as required to offer explanation in the management of internal controls and risks.

(o) To approve the internal audit charter.

### **External audit**

(a) To consider the reports of external audit and inspection agencies, including the external auditor's annual letter, relevant reports, and the report to those charged with governance

(b) To consider specific reports as agreed with the external auditor.

(c) To advise and recommend on the effectiveness of relationships between external and internal audit, inspection agencies and other relevant bodies, and that the value of the audit process is actively promoted;

(d) To comment on the scope and depth of external audit work and to ensure it gives value for money.

(e) To support the independence of external audit through consideration of the external auditor's annual assessment of its independence and review of any issues raised by PSAA or the authority's auditor panel as appropriate.

(f) To review proposals made in relation to the appointment of external providers of internal audit services and to make recommendations.

(l) To commission work from internal and external audit, as required, and as resources allow;

### **Financial reporting**

(a) The Audit Committee, as the Committee "Charged with Governance" should consider the external auditor's report to those charged with governance on issues arising from the audit of the accounts

(b) To review the annual statement of accounts. The Committee should consider whether appropriate accounting policies have been followed and whether there are any concerns arising from the financial statements or from the audit that need to be brought to the attention of the Council.

c) The Committee will monitor management action in response to any issues raised by external audit 151

### **Accountability arrangements**

(a) To report to full council on an annual basis on the committee's performance in relation to the terms of reference and the effectiveness of the committee in meeting its purpose.

### **9.4 Proceedings of the Audit Committee**

(1) The Audit Committee must conduct its proceedings in accordance with Rules 6-8, 12.3 to 12.7, 14 -17 and 18-28 (but not Rule 23.1 or 26 of the Council Procedure Rules set out in Part 4 of this Constitution.

### **9.5 Quorum**

#### **Audit Committee**

The quorum for any meeting of the Audit Committee shall be three Councillors.

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## AUDIT COMMITTEE

### AUDIT WORK PROGRAMME FOR 2021/22

| Meeting dates | Audit Items – Revised Agenda   | Training (Suggested)   |
|---------------|--|--|
| 6 July 21     | <ul style="list-style-type: none"> <li>• Annual Internal Audit Report</li> <li>• Annual Governance Statement (Draft)</li> <li>• Counter Fraud Policies – Counter Fraud Strategy</li> <li>• Annual Counter Fraud report</li> <li>• Code of Corporate Governance</li> <li>• External Audit - Audit Completion report (19/20)</li> <li>• External audit – annual audit letter (19-20)</li> <li>• Audit Committee Work Programme</li> <li>• Statement of Accounts 19/20</li> </ul> | <ul style="list-style-type: none"> <li>• 10<sup>th</sup> June Audit Committee</li> <li>• Training, Member Development</li> </ul> |
| 15 July 21    | <ul style="list-style-type: none"> <li>• Grant audit – approval</li> </ul>   | (Additional meeting)   |
| 22 July 21    | <ul style="list-style-type: none"> <li>• External Audit Progress report</li> <li>• Internal Audit Progress report</li> <li>• Audit recommendations.</li> <li>• Risk Management Annual Update</li> <li>• Review of effectiveness (IA/Audit Committee)</li> <li>• Statement of Accounts (Draft)*</li> <li>• EQA report (approach)</li> <li>• Audit Committee Work Programme</li> </ul>   | Local Government Financial Statements explained (in advance of the meeting)  |

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|                   |  |   |
|-------------------|--|---|
| 23 Sept 21        | <ul style="list-style-type: none"> <li>Internal Audit progress report</li> <li>Annual Complaints report</li> <li>Information Governance Update</li> <li>Audit Committee Work Programme</li> <li>IT Disaster Recovery update report</li> <li>Assessment of going concern status</li> </ul>  |   |
| 14 Dec 21         | <ul style="list-style-type: none"> <li>Six month Counter Fraud report</li> <li>Code of Corporate Governance (update)</li> <li>Audit Committee Work Programme</li> <li>Internal Audit progress report</li> <li>Annual Governance Statement - monitoring</li> <li>Fraud risk register</li> <li>Audit recommendations report</li> <li>Counter Fraud policies – Anti bribery policy review</li> <li>Internal Audit Plan 21-22</li> <li>Partnership Governance</li> </ul> | <ul style="list-style-type: none"> <li>Counter Fraud (e-learning)</li> <li>Audit Committee effectiveness (general audit committee training and knowledge/skills)</li> </ul> |
| Date to be agreed | <ul style="list-style-type: none"> <li>Statement of Accounts (including Annual Governance Statement) (Final) –</li> <li>External Audit – Audit Completion report (ISA 260 and Letter of Representation)</li> <li>•</li> </ul>  | <ul style="list-style-type: none"> <li>•</li> </ul>   |
| 1 Feb 22          | <ul style="list-style-type: none"> <li>Internal Audit Progress report</li> <li>Treasury management policy and strategy (consultation prior to approval by Council)</li> <li>Counter fraud policies</li> <li>Terms of Reference review - Internal Audit (Audit Charter)</li> <li>Terms of Reference review – Audit Committee</li> <li>Audit / Audit Committee effectiveness</li> </ul>  | <ul style="list-style-type: none"> <li>Treasury Management</li> </ul>   |

|           |   |  |
|-----------|---|--|
|           | <ul style="list-style-type: none"> <li>• Audit Committee Work Programme</li> <li>• CIPFA Financial Management Code Assessment</li> </ul>  |  |
| 22 Mar 22 | <ul style="list-style-type: none"> <li>• Internal Audit Progress report</li> <li>• Audit recommendations report</li> <li>• Combined Assurance report</li> <li>• Annual Governance Statement –update report</li> <li>• Internal Audit Strategy and Plan 22-23</li> <li>• Risk Management Strategy / annual report</li> <li>• Statement on Accounting Policies</li> <li>• External Audit Inquiries – 20/21 Statement of Accounts (those charged with governance)</li> <li>• IAS19 – Assumptions used to calculate pension entries in the Statement of Accounts and Audit Regulations</li> <li>• External Audit plan update report</li> <li>• Information Governance update</li> <li>• Audit Committee Work Programme</li> <li>• EQA final report</li> <li>• Whistleblowing policy update 2021/2022</li> </ul> |  |

*A private meeting between the Audit Committee and internal and external audit managers can be arranged outside of the meeting agenda times.*

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