

<b>Present:</b>	Councillor Emily Wood ( <i>in the Chair</i> )
<b>Councillors:</b>	David Clarkson, Thomas Dyer, Gary Hewson, Clare Smalley, Calum Watt and Pat Vaughan
<b>Independent Member:</b>	Jane Nellist
<b>Apologies for Absence:</b>	Councillor Chris Burke

**31. Change to Order of Business**

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

- Confirmation of Minutes – 8 November 2023
- Declarations of Interest
- Information Governance Update
- Exclusion of Press and Public
- Information Governance Update
- Inclusion of Press and Public

The agenda to continue unchanged from item 3 of the agenda

**32. Confirmation of Minutes - 8 November 2023**

Councillor Vaughan commented that his attendance as a substitute at the meeting had not been recorded.

The Chair confirmed that minutes would be amended to reflect his attendance at the meeting.

RESOLVED that the minutes of the meeting held on 8 November 2023 be confirmed as a true record subject to the above amendment.

**33. Matters Arising**

Councillor Clarkson referred to minute number 30 and asked if the amount of compensation paid to Active Nation had been circulated to the committee.

Jaclyn Gibson, Chief Finance Officer advised the committee of the amount that had been paid to Active Nation in compensation.

**34. Declarations of Interest**

Councillor Pat Vaughan declared a Personal Interest with regard to the agenda item titled 'Internal Audit Progress Report'. His granddaughter worked in the Finance Department of the City of Lincoln Council.

**35. Information Governance Update**

Sally Brooks, Data Protection Officer:

- a) presented a report to update Audit Committee on progress made with Information Governance monitoring the Council's compliance with data protection legislation including the General Data Protection Regulation, the Data Protection Act 2018 and the Freedom of Information Act 2000
- b) highlighted that update reports were submitted to Audit Committee on a bi-annual basis. The last report was provided on 6 June 2023
- c) provided details of the following key areas:
  - Data Protection Training (Risk 1)
  - Data Protection Reform ( Risk 3- Policies and Procedures)
  - Retention and Disposal of Personal Data ( Risk 5)
  - Data Subject's Rights (Risk 8)
  - Freedom of Information Requests
  - Annual Governance Statement (AGS)
- d) invited members' questions and comments:

**Question:** Would the face to face data protection training for members replace the online training?

**Response:** Members could complete either face to face or online data protection training. Comments previously received from members were that they would like face to face training to be available.

**Question:** Would the training be held for members individually or as a group?

**Response:** An all member training session would be held in February 2024.

**Question:** What was meant by cleansing the staff list?

**Response:** It meant removing people from the staff list who no longer worked for the authority. This would help to achieve a higher and more accurate completion rate for the data protection training.

**Question:** Some of the outstanding audit recommendations referred to the issues identified in the data protection report. Had work been done to ensure that the dates linked up?

**Response:** They were all Council wide projects that had been discussed at internal working groups which ensured that the dates linked together.

**Question:** Had there been any incidents of the QR code scams at the City of Lincoln Council (CoLC) car parks?

**Response:** No, there had not been any incidents the CoLC car parks. Officers were aware that this had happened elsewhere and there had been discussions to look at ways that it could be prevented.

**Question:** Personal information was circulated to members and officers about individuals who had been placed on the red alert register. Were these individuals aware that their information was being circulated?

**Response:** Under the Data Protection Act information could be shared on safeguarding issues. The individual would receive a letter to inform them that they had been added to the red alert register.

**Comment:** Deliberate sharing of data by staff with malicious intent was not covered within the risks.

**Response:** Inappropriate sharing of data was covered within the malicious risk. Communication and training was provided to mitigate this risk. If an employee shared inappropriate data it would be addressed via HR processes.

RESOLVED that the content of the report be noted.

**36. 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.

**37. Information Governance Update - Appendix A**

Minute number 35 included details of the discussion associated with this item.

*(Only Appendix A Information Governance Risk Register was contained here as exempt information.)*

RESOLVED that Appendix A (Exempt Information) be accepted.

**38. Inclusion of Press and Public**

RESOLVED that the press and public be included back into the meeting.

**39. Internal Audit Progress Report**

Amanda Stanislawski, Audit Manager:

- a) presented the Internal Audit Progress Report to Audit Committee, incorporating the overall position reached so far and summaries of the outcome of audits completed during the period July 2023 to November 2023, 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) updated that a Principal Auditor had been appointed and would start in February 2024. The Auditor post was currently out to recruitment and there had been more applications received than previous recruitment exercises
- e) invited members' questions and comments:

**Question:** Some of the audits within the Audit Plan did not have any details included. Could an update be provided?

**Response:** The audits that did not have details provided were still to be undertaken but had not yet been scheduled in.

**Question:** In future could there be an update provided for example “in discussion” being added to the table rather than leaving it blank.

**Response:** This would be considered.

**Question:** Was the Audit Plan on track for completion?

**Response:** Yes

**Question:** Would the team be fully staffed once the auditor post was appointed to?

**Response:** Yes, the team would be fully staffed.

**Question:** What was the difference between an Auditor and a Principal Auditor?

**Response:** The Principal Auditor would have more responsibilities and undertake more technical audits.

**Question:** In relation to Housing Repairs, were tenants informed of the reasons why a job had not been completed within the required timescale?

**Response:** Yes, tenants were made aware.

**Question:** Did you often find that policies were not reviewed in accordance with timescales?

**Response:** We asked for a table to be included at the end of a policy to clearly show when they had been reviewed and were due for next review. Sometimes we found that policies had been reviewed but there was no evidence of this.

RESOLVED that the report be accepted.

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

Amanda Stanislowski, Audit Manager:

- a) presented an update to Audit Committee on outstanding agreed actions
- b) referred to Appendix A attached to the report which provided details of relevant audits, outstanding recommendations, agreed actions and the current position
- c) invited members' questions and comments:

**Question:** Were you happy with the progress being made with the recommendations?

**Response:** Yes there had been progress, the new process that had been implemented had helped.

**Question:** Did Officers need any support from the Committee?

**Response:** Not at the moment with the current recommendations.

**Question:** Did the issues with the Housing Allocations software relate to bespoke software or packaged software?

**Response:** It related to an upgrade of the current piece of software that was causing issues.

**Question:** Would it take two years for amendments to be made to the tenancy agreements for utility costs?

**Response:** Yes, due to consultation and legal timescales.

RESOLVED that the Audit Recommendations November 2023 be agreed.

#### **41. Six Monthly Fraud and Error Report**

Amanda Stanislawski, Audit Manager:

- a) presented a report to update committee on the performance against the 2023/24 Counter Fraud Work Plan and the outcomes of pro-active fraud work and investigations
- b) summarised the number of fraud cases during 2023/24 compared to the previous year as detailed at Appendix A
- c) gave an overview of the progress that had been made against completing the actions within the Counter Fraud Action Plan as detailed at paragraph 3.3 of the report
- d) further updated members on the following areas of work that had been undertaken as detailed within the report:
  - Housing Benefit/ Council Tax Support
  - Council Tax – Single Person Discount/ Empty Properties
  - NNDR
  - Housing Tenancy
  - Payroll and Human Resources
  - Other Fraud/Fraud Attempts

- e) invited members' questions and comments:

**Question:** When would members be receiving the face to face fraud training?

**Response:** When the training was made available by Lincolnshire Counter Fraud Partnership.

**Question:** Were there any slides from previous fraud training sessions that could be circulated to members whilst waiting for the face to face training to be delivered?

**Response:** The staff fraud training slides could be circulated to members following the meeting.

RESOLVED that the contents of the report be accepted.

#### **42. Review of the Effectiveness of Internal Audit**

Amanda Stanislawski, Audit Manager:

- a) presented a report to review the effectiveness of internal audit benchmarking against best practice and audit standards and the Chartered Institute of Public Finance and Accountancy (CIPFA) statement on the role of the Head of Internal Audit
- b) advised that the results of the review and progress on the action would be fed into the Annual Report and the Annual Governance Statement
- c) referred to Appendix A of the report which provided a summary of the assessment against the Public Sector Internal Audit Standards (PSIAS) and advised that overall the section conformed with most of the requirements

- d) explained that the action plan at Appendix C set out the improvements required to conform to all aspects of the PSIAS. This included improvements around the Quality Assurance and Improvement Programme (QAIP)
- e) highlighted the assessment against the CIPFA statement contained within Appendix B of the report. There was a good level of compliance overall and any improvements that were required had been included in the Action Plan at Appendix C of the report.

RESOLVED that the points raised from the review of effectiveness be noted.

#### **43. Review of the Effectiveness of the Audit Committee**

Jaclyn Gibson, Chief Finance Officer:

- a) presented a review of the effectiveness of the Audit Committee against the Chartered Institute of Public Finance and Accountancy (CIPFA) guidance on Audit Committees 2022
- b) advised that the results of the review and the progress on the actions would be fed into the Annual Report and the Annual Governance Statement
- c) explained that an initial review of the effectiveness of the Audit Committee had been carried out by the Chief Finance Officer and the Audit Manager and the results had been circulated to the Audit Committee Chair, Vice Chair, Leader of the Opposition and the Independent Member for comment
- d) advised that the next stage of the process was to hold a roundtable discussion with a group of the Audit Committee Members to feed into the final review document
- e) requested that the Committee select a group of four members to include the Chair of Audit Committee and at least one member from the non controlling groups to attend a roundtable discussion to finalise the document for presentation at the January Audit Committee.

RESOLVED that Councillor C Burke, Councillor Wood, Councillor Clarkson, Councillor Smalley and Jane Nellist be nominated to attend the roundtable discussion week commencing 8 January 2024.

#### **44. Audit Committee Terms of Reference**

Amanda Stanislawski, Audit Manager:

- a) presented a report to obtain comments on an update to the Audit Committee terms of reference, based on best practice issued by the Chartered Institute of Public Finance and Accountancy (CIPFA), prior to referral to Executive and subsequently Full Council for approval
- b) reported that the terms of reference should be amended to reflect a recent update by CIPFA on their guidance on Audit Committees

- c) outlined the main changes to the terms of reference as detailed at paragraph 4 and Appendices A and B of the report
- d) requested members' consideration of the revised terms of reference for Audit Committee.

**Comment:** CIPFA recommended that Audit Committees be chaired by an Independent Member, it would be easier to recruit an Independent Member if they were paid for chairing duties.

**Response:** It was not a recommendation of CIPFA that Audit Committees be chaired by an Independent Member. CIPFA provided guidance for best practice and not all suggestions had to be implemented

**Question:** CIPFA guidance was that the Chair of Audit committee could not be a member of Executive within the last 2 years. The Chair of this committee was a member of Executive six months ago.

**Response:** Officers identified this as part of the recent assessment. We were not aware at the time when the Chairs of committees were allocated. This was guidance and was more easily implemented in larger authorities with a greater number of elected members. However, the guidance would be taken into consideration in the future.

**Question:** Could members be provided with a copy of the CIPFA Guidance?

**Response:** All of the documentation would be provided to members of the roundtable discussion group.

**Comment:** It would be good to recruit a second Independent Member.

**Response:** A second Independent Member would be good from a backup perspective.

**Comment:** An Independent Member as Chair would provide continuity for the committee when elections took place.

**Question:** "The Chair of Performance Scrutiny Committee should be a member on the Audit Committee" had been removed from the Terms of Reference. Could that member still sit on Audit Committee?

**Response:** Yes, they could still be a member of Audit Committee.

**Question:** Why would approval from the Chair be needed to review issues referred to the Audit Committee. Could the Chair prevent items being added to the agenda?

**Response:** The Chair ultimately agreed the agenda. However, the Audit Manager did have a right to call a private meeting with the committee if there were concerns.

The committee discussed in detail whether to have an Independent Member as Chair, it was put to the vote and decided that an Independent Member as Chair would not be investigated.

RESOLVED that

1. The revised terms of reference be agreed and referred to Executive and subsequently Full Council for adoption.
2. That an additional Independent Member be appointed to the Audit Committee.

**45. Audit Committee Work Programme**

Jaclyn Gibson, Chief Finance Officer:

- a) presented a report to inform members of the Audit Committee on the work programme for 2023/24 as detailed at Appendix B of the report.
- b) referred to paragraph 3 of the report which highlighted the changes to the work programme.
- c) advised that the Audit Committee Terms of Reference was attached at Appendix A of the report for information.

The committee considered the contents of the report.

RESOLVED that the contents of the Audit Committee work programme 2023/24 be noted.