

Lancashire County Council

Audit and Governance Committee

Minutes of the Meeting held on Monday, 25th November, 2013 at 2.00 pm in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston

Present:

County Councillors

K Brown	R Shewan
T Brown	V Taylor
C Dereli	D Westley
K Ellard	B Winlow
A Schofield	

County Councillors K Ellard and R Shewan replaced County Councillors C Prichard and D Clifford on the committee respectively.

Officers in attendance

George Graham – deputy county treasurer
Ruth Lowry – chief internal auditor
Karen Murray – director, Grant Thornton
Len Cross – manager, Grant Thornton
Ian Young – deputy county secretary and solicitor
Andy Wilkinson - external relations team leader
Roy Jones - assistant county secretary
Cath Rawcliffe – committee support officer

1. Apologies

None received.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

None declared.

3. Minutes of the Meeting held on 30 September 2013

Attention was drawn to the narrative at resolution 4 of the Minutes. It was confirmed that reference to the Chief External Auditor in the last sentence of paragraph 3 should be deleted and replaced with reference to the Chief Internal Auditor.

Resolved: That, subject to the above amendment, the Minutes of the meeting held on the 30 September 2013 be confirmed and signed by the Chair.

4. External Audit Lancashire County Council and Lancashire County Pension Fund - Annual Audit Letter 2012/13

Karen Murray, director, Grant Thornton presented the external auditor's Annual Audit letter for 2012/13 which summarised for members the key findings of the annual audit for 2012/13 including:

- The audit of the 2012/13 financial statements for the County Council and the Lancashire County Pension Fund and the Whole of Government accounts Submission;
- An assessment of the Council's arrangements for securing economy, efficiency and effectiveness in its use of resources;
- The certification of grant claims and returns.

The External Auditor concluded that the accounts gave a true and fair view of the financial position of the County Council and the Lancashire County Pension Fund.

An unqualified conclusion had also been provided in respect of the council's arrangements in respect of 'value for money'. However, it was reported that weaknesses in the overall framework had been identified in relation to procurement and some aspects of good governance.

It was noted that the council was currently investigating these weaknesses and that pending the conclusion of this work, the External Auditor was unable to issue an Audit Certificate for 2012/13 confirming the completion of the audit.

In response to questions raised by the Members, the external auditor reported that she was satisfied with the progress being made in respect of these areas of concern and would report back to the committee if she felt there was any unnecessary delay.

Resolved: That the Annual Audit letter for 2012/13 be noted.

5. Information Governance Arrangements Update

Ian Young, Deputy County Secretary and Solicitor presented a progress report on the information governance (IG) arrangements within the County Council.

The committee noted the progress that had been made to date and the proposals for further steps to ensure that robust arrangements are in place to manage the County Council's responsibilities to properly maintain the confidentiality and security of information.

The committee was advised that there were a number of areas where good progress had been made, notably the putting in place of appropriate policies and

procedures, the appointment of a Senior Information Risk Owner (SIRO) and Caldicott Guardian and the establishment of a Corporate Information Governance Group at senior level to ensure IG was managed and communicated properly across the Authority.

Efforts had been made to remind all staff across the Authority of their IG responsibilities but it was recognised that much more needed to be done.

It was therefore proposed that the County Council, as a matter of urgency, would appoint a Head of Information Governance, one of whose first priorities when appointed would be to assess the level of resource required to manage this highly important area of work. In the interim, a senior officer within the County Secretary and Solicitor's Group had been nominated Information Governance Lead and his main focus would be to ensure any security breaches were handled properly, that action would be taken to mitigate against such breaches and to progress work to ensure the County Council met the requirements of the NHS IG toolkit.

As for the toolkit, it was reported that good progress was being made and there was now only one assessment category on which the County Council had yet to achieve the required 'Level 2' attainment. In order to address this, a cross directorate task and finish group had been established and was working to pull together an up to date Information Asset register for the Council and to identify IA Owners by mid-December 2013.

It was noted that some progress had also been made on moving towards a 'Level 3' attainment which the County Council is required to do by April 2014.

The committee welcomed the progress being made but expressed concern at the potential financial and reputational risks to the council.

It was also noted that the committee would continue to receive updates on the progress being made to ensure risks around information governance were being adequately managed.

Resolved:

- i) Regretting the decision to place the Council's information governance functions with One Connect Limited leading to the current situation, the committee welcome the work now being undertaken to enable the council to effectively fulfil its obligations on information governance to a high standard, for the benefit of the people we serve.
- ii) That an update on the progress being made to ensure risks around information governance are being adequately managed be presented to a future meeting of the committee.

6. Urgent Business

There were no items of urgent business,

7. Date of Next Meeting

That the next meeting of the committee be held on Monday 27 January 2014 at 2.00pm at County Hall, Preston.

I M Fisher
County Secretary and Solicitor

County Hall
Preston