

## **Lancashire County Council**

### **Audit and Governance Committee**

**Minutes of the Meeting held on Monday, 31st March, 2014 at 2.00 pm in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston**

#### **Present:**

County Councillor Clare Pritchard (Chair)

#### **County Councillors**

K Brown	A Schofield
T Brown	V Taylor
D Clifford	D Westley
C Dereli	B Winlow

#### **Officers in attendance**

Gill Kilpatrick – county treasurer  
Ruth Lowry – chief internal auditor  
Louise Taylor – interim executive director for children and young people  
Steve Gross – executive director for adult services, health and wellbeing  
Karen Murray – director, Grant Thornton  
Len Cross - manager, Grant Thornton  
Ian Young – deputy county secretary  
Roy Jones - assistant county secretary  
Andy Wilkinson – external relations team leader  
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 27 January 2014**

**Resolved:** That the Minutes of the meeting held on the 27 January 2014 be confirmed and signed by the Chair.

#### **4. Internal Audit Service Progress Report**

Ruth Lowry, chief internal auditor, presented the internal audit progress report for the eleven months to 28 February 2014.

The report summarised the main issues emerging from the internal audit work completed to date. The report also set out the work performed against the annual audit plan for the year and the assurance assessment provided where work had been completed, including work to assess progress against management's agreed action plans.

The report highlighted the key issues impacting on the audit plan including a number of service areas that were experiencing delays in implementing the actions agreed as necessary to improve internal controls. It was noted that progress reports on three of the service areas highlighted in the report, were provided elsewhere on the agenda.

**Resolved:** That the internal audit progress report for the eleven months to 28 February 2014 as now presented be noted.

## **5. Information Governance Arrangements - update**

The committee considered a report on the progress made in developing robust arrangements to manage the County Council's responsibilities to properly maintain the confidentiality and security of information.

It was reported that good progress had been made in the provision of meaningful resources to the information governance function and in relation to staff awareness and training.

The committee was pleased to note that the Council had achieved a 'satisfactory' score of 82% against the NHS Toolkit attainment levels. Although the Council had not been able to attain the required Level 3 accreditation for all categories by the deadline of 31<sup>st</sup> March, it had been able to demonstrate excellent progress, that work was progressing well and that it had a project plan in place to achieve the required level in all categories in the near future.

It was also reported that a new version of the Toolkit would be released for 2014/15 which it was expected would be more aligned to local government ways of working and that a report on such would be presented to the committee when available.

The committee noted that 21 information security breaches had been reported in the last three months, a number of which had been reported to the Information Commissioner's Office.

**Resolved:** That the report be noted.

## **6. Directorate for Children and Young People Update Report**

Louise Taylor, interim executive director for children and young people presented an update on the actions taken in response to the internal audit report on Children and Young People (CYP) services.

Previously the committee had been informed of a number of areas within the CYP directorate where the audit team had given limited assurance. These included:

- Adoption allowances (namely Special Guardianship Orders and Residence Orders payments)
- Independent Reviewing Officer (IRO) service (starred recommendations)
- Working Together With Families (WTWF)
- Case file audits

The committee was informed that the measures being undertaken in respect of adoption allowances included a written agreement with adopters requiring them to notify the council of any change in circumstances. In addition, the directorate was proposing to write out to adopters once a year reminding them of this obligation.

A series of measures had been put in place to monitor and track the 'starred recommendations' of the Independent Reviewing Officers. The measures included assigning a quality and review manager to take lead responsibility for overseeing and auditing 'starred recommendations' on a monthly basis and the production of a quarterly report.

In respect of WTWF, it was noted that an action plan had been developed and implemented and that a revised assurance level was expected to be secured shortly. It was also noted that the directorate was now confident an agreement could be reached with the Department for Communities and Local Government on the criteria for the funding and the number of families they expected the council to be engaged with.

The directorate acknowledged that it did not always achieve the target number of case file audits. However, it considered that the targets had been set too high. It was therefore proposed to reduce the number of audits to avoid causing too much disruption to front line staff.

The audit statements together with a comprehensive list of the actions taken in response to the findings of the Internal Audit Service were set out at Appendices A and B to the report respectively.

**Resolved:** That the report be noted.

## **7. Adult Services, Health and Wellbeing Directorate - Update report**

Steve Gross, executive director for adult services, health and wellbeing presented an update on the actions taken in response to the internal audit report on Adult Health and Wellbeing.

Previously the committee had been informed of two service areas where the audit team had given limited assurance. These included direct payments to vulnerable adults and assessment tools for adult social care.

The committee noted the measures being taken to address the concerns raised in respect of direct payments. These included a training programme for staff and a review of service users with learning disability and dementia in receipt of direct payments.

In respect of assessment tools for adult social care, it was noted that the majority of cases were now being recorded on FACE (Functional Assessment of the Care Environment). It was also noted that measures were in place to identify any learning and development required and that e learning and direct support was available to staff.

**Resolved:** That the report be noted.

## **8. External Audit Lancashire County Pension Fund Audit Plan 2013/14**

Karen Murray, director, Grant Thornton presented the External Audit Plan for the audit of the pension fund for 2013/14.

The Audit Plan set out the main risk areas which the audit would focus on and how the audit team plans to obtain the necessary assurances. These risks related to the three key elements of the fund accounts being;

- investments,
- contributions and
- benefits payable.

The committee noted that the fee for the audit of the pension fund had been set at £35,906.

The committee also noted that the Plan had been reported to Council's Pension Fund Committee on 28 March 2014 and that they had raised no comments.

**Resolved:** - That the External Audit Plans for the audit of the County Pension Fund for 2013/14, and the fees therein, be noted.

## **9. Urgent Business**

There were no items of urgent business.

## **10. Date of Next Meeting**

**Resolved:** That the next meeting of the Committee be held on Monday 30 June 2014 at 2pm at County Hall, Preston.

## **11. Exclusion of Press and Public**

**Resolved:** That the press and members of the public be excluded from the meeting during consideration of the following items of business on the grounds that there would be a likely disclosure of exempt information as defined in the paragraph of Part 1 of schedule 12A to the Local Government Act, 1972, indicated against the heading to the item. It was considered that in all the circumstances the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

## **12. Review of the Authorisation and Governance of Remuneration Payments**

(Exempt information as defined in Paragraphs 1, 3 and 5 of Part 1 of Schedule 12A to the Local Government Act, 1972. It was considered that in all the circumstances of the case the public interest in maintaining the exemption outweighed the public interest in disclosing the information)

A report was presented on an update in relation to the authorisation and governance of remuneration payments.

- Resolved:**
- i) That the report be noted
  - ii) That a further report be presented to the committee in due course.

I M Fisher  
County Secretary and Solicitor

County Hall  
Preston