

Lancashire County Council

Audit and Governance Committee

Minutes of the Meeting held on Monday, 3rd April, 2017 at 2.00 pm in Cabinet Room 'B' - The Diamond Jubilee Room, County Hall, Preston

Present:

County Councillors

K Brown	A Schofield
D Clifford	V Taylor
C Dereli	B Winlow
G Driver	

1. Apologies

Deputy Chair (County Councillor Darren Clifford) welcomed members and apologies were noted from County Councillor Terry Brown.

2. Disclosure of Pecuniary and Non-Pecuniary Interests

There were no declarations of interest at this time.

3. Minutes of the Meeting held on 30 January 2017

Item 3 Minutes of the Meeting held on 26 September 2016

The following update on the Liquid Logic system from Lisa Kitto, Director of Corporate Services was reported to members:

'The initial scoping work for Project Accuracy for Adults is underway and being supported by Newton Europe. Two initial workshops have been held involving a number of key services including adult's social care, core systems, care navigation, procurement, finance and learning and development. A steering group has been established and will be chaired by the deputy Chief Executive, the first meeting of which will take place in April. A number of workstreams will report to the group including; social care practice and processes, design of 'to be' processes, data cleaning, system changes, training and commissioning. All of these will have detailed workplans and timescales against which the project will be monitored'.

Members were assured that a full update would be provided at the next meeting of the Committee.

Item 4 Update on Treasury Management Activity

Members were advised that the transitional arrangements that had been in place since the establishment of LPP had now been terminated and an agreement for the provision of Treasury Management Services by LPP to the Council was now in place. It was intended that detailed requirements would be finalised in the next two weeks and it was confirmed that a full report would be presented to the next meeting of the Committee.

Item 8 Internal Audit progress report

It was confirmed that the Corporate Director for Operations and Delivery attended the February meeting of the Scrutiny Committee (minutes from this meeting was circulated to members) to provide an update on the issues in adult services highlighted in the audit progress report. At this meeting, it was confirmed that the number of team managers had increased and would have responsibility for a maximum of 10 social workers to ensure sufficient oversight of social work practice. In addition, weekly case progression meetings had been introduced. Members were assured that the Scrutiny Committee was satisfied that the situation was being addressed and had requested a further report in six months.

It was confirmed that both the Scrutiny Committee and the Audit and Governance Committee would be kept informed.

Resolved: That the minutes of the meeting held on the 30 January 2017 be confirmed and signed by the Deputy Chair.

4. Risk and Opportunity Register - Quarter 4

Paul Bond, Head of Legal and Democratic Services, presented the Quarter 4 report of the Risk and Opportunity Register to the Committee.

It was reported that additional information had been included in CR1 to reflect the additional funding for social care over the next three years. It was confirmed that for Lancashire, this would equate to a total of £48m - £25m in 2017/18, £15m in 2018/19 and £8m in 2019/20.

CR24 Troubled Families – the risk score has increased due to the inability to achieve the National Troubled Families Unit targets. It was reported that this was as a result of a six month delay to the service commencing.

CR27 Homecare Framework – the procurement process was reported to be underway and at the evaluation stage. It was confirmed that the transition would be over a 12 month period to minimise disruption to service users.

Members were advised that at the last meeting of the Shadow Combined Authority it had been agreed that whilst Government had not yet confirmed their position on the establishment of a Combined Authority for Lancashire, the councils which were part of the shadow Combined Authority had agreed to

continue to work together as they considered that this was in the best interests of the people of Lancashire

In relation to the PwC report, it was confirmed that a final report had not yet been received but that a meeting of the Political Governance Working Group meeting would be arranged in June to consider the matter.

Resolved: That the Quarter 4 Risk and Opportunity Register be noted.

5. 2016/17 Statement of Accounts Update

Khadija Saeed, Head of Service Corporate Finance, presented the report on the 2016/17 Statement of Accounts. The report outlined the early closedown timetable for 2016/17 in preparation for the earlier statutory deadline (to be implemented in 2017/18) to support members of the Committee in carrying out their role.

Resolved: That the report be noted.

6. Response of the Audit and Governance Committee Chair to Grant Thornton's request for information to support its compliance with International Standards on Auditing

Khadija Saeed, Head of Service Corporate Finance, provided an overview of the report circulated to members in relation to the proposed response to the letter received from Grant Thornton.

Resolved: That;

- a) The response attached at Appendix 'B' be considered and approved
- b) The Chair of the Audit and Governance Committee be authorised to sign the response on behalf of the Committee

7. Internal Audit progress report

Ruth Lowry, Head of Internal Audit Service, presented the report circulated to the Committee which highlighted key issues that the Audit and Governance Committee should be aware of in fulfilling its role of providing independent oversight of the adequacy of the County Council's governance, risk management and internal control framework.

In relation to the information in the report on inappropriate access to systems, it was confirmed that there was no evidence that access was retained and used. In addition, members were advised that management team were aware of the issue and would be considered as part of a wider development of ICT systems.

Members raised concerns around the information contained in the report on the payroll processing by BTLs and the incidents of salary overpayments. It was confirmed work was ongoing to recover overpayments and to take steps to

improve processes to reduce future risk. It was confirmed that the Committee would be updated on progress.

Resolved: That;

- a) The Internal Audit Service Progress report for the period to mid-March 2017 be considered.
- b) An update to the Committee on the concerns raised on the payroll processing by BTLS be provided

8. Internal Audit Planning for 2017/18

Ruth Lowry, Head of Internal Audit Service, presented the Internal Audit Planning report which outlined the approach to establishing the plan of work to be undertaken by the County Council's Internal Audit Service for 2017/18. It was confirmed that the next meeting of the Committee in June 2017, would include a full plan of audit work.

Resolved: That the process by which the Internal Audit Service annual plan will be prepared for 2017/18 be considered.

9. External Audit Update Report

Karen Murray, Director at Grant Thornton, provided an update to members on the External Audit which included progress to date with the 2016/17 audit of the accounts, Value for Money (VfM) conclusion and other work.

Resolved: That the report be noted.

10. External Audit - Lancashire County Council Audit Plan 2016/17

Karen Murray, Director at Grant Thornton, presented the Lancashire County Council Audit Plan 2016/17 to members which set out the nature and scope of work that the Authority's external auditor would carry out to discharge its statutory responsibilities, compliant with the Local Audit and Accountability Act 2014 (the Act) and the Code of Audit Practice for Local Government.

It was highlighted to members that as a result of the CIPFA 'Telling the Story' project, there would be significant changes to the presentation of the accounts and as a result this has been identified as a risk area.

Resolved: That the External Audit plan for the audit of Lancashire County Council for 2016/17, and the fees therein be agreed.

11. External Audit - Lancashire County Pension Fund Audit Plan 2016/17

Karen Murray, Director at Grant Thornton, presented the Lancashire County Pension Fund Audit Plan for 2016/17, which set out the nature and scope of work that the Authority's external auditor would carry out to discharge its statutory

responsibilities, compliant with the Local Audit and Accountability Act 2014 (the Act) and the Code of Audit Practice for Local Government.

Resolved: That the External Audit plan for the audit of the Lancashire County Pension Fund for 2016/17, and the fees therein, be agreed.

12. Urgent Business

There were no items of urgent business.

13. Date of Next Meeting

The next meeting of the Committee will be held on Monday 26 June at 2pm, Cabinet Room B, County Hall, Preston.

I Young
Director of Governance, Finance
and Public Services

County Hall
Preston