

MINUTES OF AUDIT COMMITTEE MEETING - THURSDAY, 16 NOVEMBER 2017

Present:

Councillor Galley (in the Chair)

Councillors

Cox	Hobson	Roberts	Matthews
Hunter	Mitchell	Elmes	Ryan

In Attendance:

Ms Yvonne Russell, Independent Co-optee.
Mr Neil Jack, Chief Executive.
Mr Steve Thompson, Director of Resources.
Ms Karen Smith, Director of Adult Services.
Mrs Tracy Greenhalgh, Head of Audit and Risk.
Mrs Dianne Booth, Director of Children's Services.
Mr Steve Sienkiewicz, Clerk to the Committee.

1 DECLARATIONS OF INTEREST

There were no declarations of interest on this occasion.

2 MINUTES OF THE LAST MEETING HELD ON 14 SEPTEMBER 2017

The Committee agreed that the minutes of the last meeting held on 14 September 2017 be signed by the Chairman as a true and correct record, subject to the following addition being made:

To record Councillor Mrs Scott as being present at the meeting.

3 CHILDREN'S SERVICES - INTERNAL AUDIT REVIEWS

The Committee considered a report which detailed the progress made against recent Internal Audit reports into four areas of Children's Services, namely:

- External Placements
- Placement Order Legal Costs
- Adolescent Hub
- Safeguarding Children's Compliance

The report was introduced by Mrs D Booth, who explained that whilst progress had been made in relation to the required improvements, it was not to the extent that might have been hoped for. She explained however that all of the Priority 1 recommendations had been

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completed and work was now been carried out on those within the Priority 2 category. It was anticipated that the audit activity outcomes would improve over the next 6 months.

The Committee asked if revised target dates had been set for the actions for which the completion dates had slipped. Mrs Booth explained that they had and were now linked into the Looked After Children's Strategy that was being developed. She agreed to share the revised target dates with the Committee. Mr Jack added that he was due to attend the next meeting of the Children's Improvement Board on 17 November 2017, which had ownership of the Children's Improvement Plan, that being the main structural document to ensure that everything was being properly dealt with. He explained that the agenda for the Board was partner based and contained relevant targets. He offered to provide an update at the next meeting of the Audit Committee.

The Committee asked about the priority given to recommendations in relation to external placements. Mrs Booth explained that they were all Priority 2, mainly due to the length of time it would take to bring about improvements.

Asked about the impact of the high Placement Order legal costs, Mrs Booth explained that there was a high level of drift and delay in the system, which added greatly to the problem. Methods of speeding up processes to reduce the legal and care planning costs were being examined. She added that early discussions with Lancashire County Council regarding a regional adoption strategy had commenced, with the potential to lead to positive outcomes, if taken up.

In relation to questions about the Adolescent Hub, Mrs Booth explained that it would fit into the Strategic Framework as part of the Edge of Care Framework Plan. It was also linked into the Looked After Children's Strategy which would be completed by the end of January 2018.

Mrs Booth responded to questions from the Committee about the work of the Corporate Delivery Unit. She explained that the work they had undertaken was linked very closely with the Audit work. It was connected with the Journey for Child work and engagement with the workforce activity.

In conclusion, Mrs Booth acknowledged the added value and positivity that the Audit activity had brought to the Children's Services Directorate.

The Committee agreed to note the report.

Background papers: None.

4 STRATEGIC RISK REGISTER - FAILURE TO KEEP PEOPLE SAFE

The Committee considered a progress report in relation to the individual risks identified on the Strategic Risk Register, specifically in relation to the risk regarding 'Failure to keep people safe'. The report was introduced by Mr S. Thompson, Director of Resources, who outlined the controls and mitigation in place around the sub-risk 'Death or injury to a

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member of staff or the public'. He explained that the sub-risk was primarily based around health and safety but was also connected with property compliance. With regards to the controls and mitigation in place, he spoke about the team of 5 health and safety professionals at the Council, who undertook the day to day work around the controls and mitigation measures, as well as other income generating pieces of work.

Mr Thompson went on to explain that over 2,000 employees had undertaken a range of 121 courses organised and delivered by the team, and over 2,000 staff had completed iPool courses on a range of topics. He also spoke about the importance of first aid training and the positive impact of this within local office and workplace environments.

Mr Thompson acknowledged that the Grenfell tower disaster had acted to focus attention on health and safety around property and explained that a Property Compliance Officer was being recruited to undertake a key role within this area of specialised work.

Responding to questions from the Committee, Mr Thompson explained that work placed risk assessments were currently undertaken and that going forward, one of the roles of the Property Compliance Officer would be to ensure that hard evidence of this activity was available. Asked whether health and safety trade union representatives were involved in the risk assessment activity, Mrs Greenhalgh confirmed that they were able to attend.

The Committee asked about the five members of staff specifically employed on health and safety activity and questioned how that number compared with other Councils of a similar size. Mr Thompson explained that it compared well and that statistically, it fell within the upper quartile when looking at the overall number of Council employees.

The Committee discussed the numerous physical changes that had taken place within Municipal Buildings and the Town Hall over the years and asked how often fire risk assessments were undertaken. Mrs Greenhalgh explained that such assessments would normally be carried out every five years but would also be responsive to any changes that had taken place, on a more frequent basis. In such circumstances, the documentation would be updated according to the changes made.

Members discussed the range of services provided across the town by volunteers and asked whether health and safety training had been given in such cases. Mr Jack explained that such training had been given in relation to official volunteers. He went on to explain the importance of training being undertaken by anyone who was carrying out work in an official capacity behalf of the Council, in order to ensure personal safety and compliance with health and safety legislation.

The Committee moved on to consider the section of the report concerned with the sub-risk 'Death, serious injury or harm of a vulnerable adult / child'. Ms Smith spoke of the measures in place around vulnerable adults and explained that as part of the internal audit plan, compliance audits were carried out on a regular basis in establishments to assess performance in this area. She spoke about the variety of health and safety and procedure manuals that were in place and the measures taken to ensure they were up to date.

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Mrs Smith explained that a number of adult services were delivered by external contractors, which added an additional element of risk. In connection with this, she pointed out that the Council worked closely with the Care Quality Commission as well as having internal robust risk measures in place. She also spoke of the importance of encouraging an open dialogue policy with all external service providers.

The Committee was reminded that the Council was an active member of the Adult Safeguarding Board, providing oversight across all safeguarding partners. She went on to explain that significant investment had been made in relation to fee rates for external providers, although it was acknowledged that this was still perceived as being relatively low paid. Major investment had also been made in ensuring robust management supervision and oversight.

Ms Smith concluded her summary of the report by explaining the national problems and risks that were present, including those around mental health service provision and delayed transfers from in-patient care. She spoke about the importance of promoting community awareness in relation to raising concerns regarding vulnerable people and the need for agencies to work better together. She acknowledged that a lot of work was still to be done in this area.

In response to questions from the Committee, Mrs Smith confirmed that all external service providers who provided contracted services on behalf of the Council, were required to be compliant with the Council's policies and procedures in relation to the relevant service.

Asked about the level of scrutiny and oversight within safeguarding agencies and the risks of institutions being perceived as being too closely linked, both Ms Smith and Mrs Booth explained that they were satisfied that robust scrutiny and challenge took place across the agencies.

In connection with the net risk score of 15, the Committee asked whether this was considered to be acceptable. Mrs Smith explained that risk measures were being constantly reviewed in relation to new policies and procedures and it was unlikely that the score would reduce further.

The Committee moved on to hear from Mrs Booth about the section of the report concerned with vulnerable children. She spoke about the high level of scrutiny that took place within the Children's Safeguarding Board, that was likely to become still more challenging in the future, following the appointment of the new Board Chairman. She also spoke about the increased amounts of joined up working that was taking place across children's agencies.

The Committee was informed that legal policies and procedures in relation to children's matters were constantly updated with no delays and that two independent social work auditors were now carrying out work on a daily basis. More investment was now being undertaken in relation to looking after the workforce, which was starting to pay dividends. In relation to education provision, Mrs Booth explained that an external consultant was currently being employed with a view to driving up standards.

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The Committee acknowledged that a number of transitional changes were taking place within the Children's Services Directorate and asked about the adequacy of service provision being maintained in relation to any staff changes taking place. Mrs Booth explained that a degree of staff turnover had taken place and it was likely that more would still occur. However, there were currently only two vacancies within the department and a rolling social worker recruitment programme was now in place, as opposed to looking to recruit social workers only when vacancies arose. Such a policy enabled the department to recruit the best staff on an ongoing basis.

Asked about the net risk score of 15, Mrs Booth explained that she considered this to be acceptable, given the continuous learning and improvement requirements that were in place.

The Committee agreed to note the report.

Background papers: None.

5 STRATEGIC RISK REGISTER - LACK OF RESILIENCE

The Committee considered a progress report in relation to the individual risks identified on the Strategic Risk Register, specifically in relation to the risk regarding 'Lack of Resilience'. The report was presented by Mr Jack, who outlined the controls and mitigation in place around the sub-risk 'Lack of capacity to deliver Council services'. He spoke about the targeted approaches being taken in areas that were difficult to recruit and retain staff. He referenced the care industry as being particularly under valued and the development of a new career path being undertaken in this area. He also spoke about the collective recruitment processes alongside other agencies, in recognition of the challenges within the teaching and nursing professions. Mr Jack also spoke about the need to gain a better understanding of employee requirements about why they both stay and leave the area.

In connection with a question from the Committee about methods being used to reduce the number of agency staff, Mr Jack pointed to an increased use of casual workers being used to fill short term staffing requirements and vacancies.

Moving on to the sub-risk 'Over reliance on public sector services', Mr Jack spoke about the five year Council Plan being in place with a clear agenda to build a more resilient community. He explained that happier and healthier people with access to a greater level of employment opportunities would result in less reliance on Council services.

Asked by the Committee whether benchmarking took place in connection with resilience building, Mr Jack pointed to the Better Start conference which took place recently and the shared learning which came from that in relation to early years development. He explained about the work being carried out to turn good case studies into practice.

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In connection with the sub-risk 'Lack of individual resilience to work in a challenging environment', Mr Jack outlined the number of controls and mitigation measures in place that were detailed within the report, adding that since 2010 there had actually been an increase in Council services provided, despite the reductions in overall staff numbers.

The Committee discussed the issue of lost working days due to staff sickness, particularly as a result of stress. Mr Jack explained that stress related sickness tended to be as a result of home and work related stress coming together. He spoke of the need to ensure that proper support was in place for staff and for an improved evidence based recording system around staff sickness.

Asked about the referral mechanisms in place for stress related sickness, Mrs Smith explained about the Occupational Health referral programme. She also gave details of the self-assessment facilities that were available via the Health and Safety manual and the ability to engage locally with line managers prior to a referral to Occupational Health. Mrs Booth added that part of the work being carried out in connection with workforce resilience building was making it clear that risk was a top down approach, in terms of the senior managers being responsible for ownership of day to day risks in connection with job roles.

The Committee agreed to note the report.

Background papers: None.

6 RISK SERVICES QUARTER TWO REPORT - 2017/2018

The Committee considered a report which provided a summary of the work completed by Risk Services in quarter two (July – September) of the 2017/2018 financial year. The report was introduced by Mrs Greenhalgh who explained that the main thrust of the work had been around fraud prevention and anti-fraud measures, together with fire safety activity following the Grenfell Tower disaster.

The Committee noted from the report that resource had been stretched over the quarter due to the Insurance Fraud Officer being absent due to a period of long term sickness. Asked how this had impacted upon the service, Mrs Greenhalgh confirmed that the service had managed to cope in the short term with the other two members of staff, although the Insurance Fraud Officer had now returned to duty.

Mrs Greenhalgh responded to a number of questions from the Committee and in so doing, confirmed that:

- Work on Share Point was moving forward and due to go live on 28 November 2017.
- The development of procedures around reporting requirements relating to gender pay cap was almost complete.
- A proactive exercise was due to be undertaken in December in relation to misuse of disabled parking concessions, with a view to increased enforcement measures being carried out.

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- There was no cause for concern regarding the numbers of business rates referrals made to the Corporate Fraud Team.

Mrs Greenhalgh made reference to the positive Internal Audit reports issued during the period under consideration, containing adequate levels of assurance.

The Committee pointed out the slow take up rates in relation to the Business Loans Fund and asked whether the internal audit work carried out was likely to help in this regard. Mrs Greenhalgh explained that the audit work had provided assistance in establishing appropriate due diligence policies and procedures in relation to the scheme. Mr Thompson added that as yet, no marketing of the scheme had taken place and would not do so until the Council was satisfied that due diligence was in place.

The Committee questioned the nine RIDDOR reportable accidents for employees in 2017/2018, against the target of zero. Mrs Greenhalgh acknowledged that this was an unfortunate number and explained that additional controls had now been put in place, where necessary.

Members noted that there had been no RIPA authorised surveillance activity undertaken during the period under consideration and questioned why that was the case. Mrs Greenhalgh explained the stringent requirements necessary to gain approval for such activity and the fact that the Council had recently introduced a non RIPA process in order to carry out surveillance when considered appropriate. Mr Jack added that in relation to cases such as anti-social behaviour and criminal damage, the police would usually be involved who had access to different surveillance powers than those available to the Council.

The Committee agreed to note the report.

Background papers: None.

7 ANNUAL AUDIT LETTER 2016/2017

The Committee considered the external auditor's (KPMG) annual audit letter for 2016/2017, summarising the key issues arising from the 2016/2017 audit of the Council.

It was noted that no one was present from KPMG to present the report and answer any questions.

The Committee agreed to note the report and requested that enquiries be made with KPMG as to why no one had been in attendance.

Background papers: None.

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8 BUSINESS CONTINUITY FRAMEWORK

The Committee considered the Council's revised Business Continuity Management Framework for 2018 – 2021. The document was introduced by Mrs Greenhalgh who explained that it contained details on how the Council would manage its business continuity arrangements and comply with the Civil Contingences Act 2004.

The Committee questioned the section of the document concerned with Design and asked how long it would be acceptable for a service to 'tolerate' a risk and take no action. Mrs Greenhalgh explained that a flexible approach was needed as some services were considered critical and others less so.

The Committee agreed to approve the document.

Background papers: None.

9 INTERNAL AUDIT STRATEGIC PLAN 2018-2021

The Committee considered the Internal Audit Strategic Plan 2018 – 2021, setting out the medium term direction of the internal audit service. The document outlined what the priorities of the service would be going forward, together with the actions that would be taken to address those priorities. The document was presented by Mrs Greenhalgh who explained that its content was focused on an increase in the level of risk audit work and recognised the need for some compliance work to be undertaken. She added that it had been approved by the Corporate Leadership team.

The Committee noted that within the section of the report concerned with strengths, weaknesses, opportunities and threats, the lack of in-house specialist IT audit was listed as a weakness. Mrs Greenhalgh explained that work was in hand to address this issue, including a team member currently being trained as a computer auditor.

Members discussed the structural level of resource for the internal audit team and asked whether this was considered to be adequate, particularly if additional external work was taken on, going forward. Mrs Greenhalgh explained that currently, the service was adequately resourced, although this may have to be looked at again if further external work was obtained.

Asked about whether she had any major areas of concern within the Council, Mrs Greenhalgh explained that the biggest risk in delivering a quality service and ensuring that work was done correctly was the loss of good quality staff.

The Committee agreed to approve the document.

Background papers: None.

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10 DATE OF NEXT MEETING

The Committee noted the time and date of the next meeting as 6pm on Thursday 18 January 2018 at Blackpool Town Hall.

Chairman

(The meeting ended at 7.50 pm)

Any queries regarding these minutes, please contact:

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