Audit Committee

Minutes of the meeting held on 11 March 2019

Present:

Councillor Ahmed Ali - In the Chair
Councillors Lanchbury, A. Simcock and Watson
Mr S Downs (Co-opted member) and Dr D Barker (Co-opted member)

Apologies: Councillors Connolly and Russell

Also in attendance:
Executive Member (Adult Health and Wellbeing)
Assistant Director Adult Services (Complex Needs)
Assistant Director Adult Services (Neighbourhoods and Safeguarding)

AC/19/09   Minutes

The minutes of the Audit Committee held on 11 February 2019 were submitted for approval.

Decision

> To approve the minutes of the meeting held on 11 February 2019 as a correct record.

AC/19/10   Counter Fraud Policies Update

Members considered the report of the Head of Internal Audit and Risk Management which presented updated drafts of the Whistleblowing, Anti-Money Laundering and Anti-Bribery Policies for comment prior to approval. The role of the Audit Committee in seeking to obtain assurance over the Council's corporate governance and risk management arrangements includes an overview of the key policies and procedures in respect of anti-fraud and anti-corruption arrangements.

The Chair invited questions from the Committee.

A member referred to the list of 'possible signs of money laundering' provided in Appendix B of the report and asked officers if this was a definitive list. Reference was also made to the whistleblowing and if council officers were comfortable with the current reporting arrangements.

In response, the Head of Internal Audit and Risk Management noted the point made on the extensive list of signs of money laundering and undertook to amend the policy text to reflect this. With reference to arrangements allowing employees to 'whistleblow', it was reported that staff were comfortable with the current mechanisms and information available to them. Any whistleblow issue would include a risk

assessment and investigation to ensure that a matter had been raised in good faith and was justified.

A member referred to arrangements where a member of staff employed within the Council raised a matter relating to an issue under to control of integrated health services and asked where would the whistleblow be reported to.

It was reported that the employee would make a report to their employer and not the employer of the service relating to the area of concern. The Committee was informed that a process of alignment of policies and processes of the organisations involved would be required.

A member asked if a benchmarking process is used to measure the effectiveness of the whistleblowing policy and the routes used by staff that may indicate a preference to using an internal or external route. Reference was also made to the need to include a link to the external organisation regarding anti-bribery to mirror the links within the money laundering procedures.

It was reported that the Standards Committee receives a benchmarking report on the efficacy of the whistleblowing policy. The benchmarking report had indicated that the Council has a higher number of whistleblowing reports compared to other core cities. The suggestion was made that qualitative research on this could indicate that the council as an organisation has a good 'speak up' culture where staff are aware of information available and feel comfortable to raising matters. Reference would be made to this in the Annual Fraud report to the Audit Committee. The issue of consistency across the policy document would be addressed to include information and contact links to the external organisations.

A member referred to the involvement of the charity 'Protect' and officers were asked the charity could provide the same information awareness arrangement for health organisation staff. In addition, officers were asked what communication arrangements are in place to make staff aware of the whistleblowing process.

It was reported that the suggestion would be taken for discussion with colleagues in the CCG and the MHCC. A review of the whistleblowing helpline would be undertaken after six months to determine the use of the service for staff. The arrangements in place for communicating information to staff were crucial and the 'Forum' staff publication would include reference to whistleblowing and signposting. Managers willl include whistleblowing as an agenda item in staff meetings.

The Committee agreed that it was satisfied with the assurance provided by the Counter Fraud Policy provided within the report it had considered.

Decisions

1. To note and endorse the draft policies in the report submitted, in advance of approval by the Chief Executive.

2. To note the comments received.

AC/19/11   Corporate Risk Register

The Committee considered the report of the City Treasurer and the Head of Internal Audit and Risk Management which presented the Corporate Risk Register to support the Committee risk management assurance role by providing the most recent version of the register.

The Chair invited questions from the Committee.

A member asked for an explanation of the risk process and if the level of risk applied was done prior to or after actions have been taken. Officers were also asked to explained why the Key Directorate Risks included one risk issue relating to Children's Services and three risks non 'frontline' services within Strategic Development. A member referred ID3 on the Register – 'Our People' and asked officers if the reductions in staff resources had resulted in the risk to the Council. Concern was also expressed regarding the reference to ICT within a number of the high risk areas, in view that ICT is also a high risk. Officers were also asked to review the reference made in descriptions within the register to acknowledge the importance of the impact on people in front of impacts on resources.

It was reported that a risk level is applied after the actions were taken and mitigations had been applied. With reference to the Key Directorate Risks, the comment was noted and it was reported that there are two medium risks currently in place relating to Children's Services (Liquidlogic and Safeguarding). The Committee was informed that 'Our People' is an issue shared across directorates as a capability risk with work required to align staff to skills and roles. ICT resilience would be improved once the twin data centres are running and the risk level would be reduced accordingly. Additional staff resources had been directed at IT security to help reduce risk and the appointment of a head of ICT would help to reduce further concerns. Liquidlogic and safeguarding continue to be a high corporate priority and would remain so.

The Committee agreed that it was satisfied with the assurance provided by the Corporate Risk Register and the actions highlighted from the comments made on the report it had considered.

Decision

> To note the report submitted and the comments made.

AC/19/12   Accounting Concepts and Policies, Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The report of the City Treasurer was considered which presented an explanation of the accounting concepts and policies, critical accounting judgements and key sources of estimation that will be used in preparing the 2018/19 annual accounts.

Decision

> To approve the accounting concepts and policies that will be used in

completing the 2018/19 annual accounts and note the critical accounting judgements made and key sources of estimation uncertainty.

AC/19/13   Update on Actions taken in progressing internal audit recommendations in respect of Transition (to Adulthood) and Homecare Contracts

The Committee considered the report of the Director of Adult Services which presented the current position in respect of two audits where original, agreed actions were overdue: Transitions (Childrens to Adults) and Homecare Contract Monitoring.

The Executive Member (Adults Health and Wellbeing) attended the meeting accompanied by the Assistant Director (Adult Services – Complex Needs) and the Assistant Director (Adult Services – Neighbourhoods and Safeguarding), and addressed the Committee on Transitions and Homecare Contract.

The Committee was informed that a Transitions Board had been appointed and a meeting had been scheduled to take the issues forward and bring together the consultation outcomes as well as agreeing a structure for governance.

The Chair invited questions from the Committee.

A member referred to arrangements relating to transitions and asked officers if the deadline set for November 2019, for the completion of the transitions strategy, would be achieved. Officers were also asked if there is flexibility in the transition process to allow the Transitions Team to pick up those young people approaching their eighteenth birthday with no previous contact with the service and required help.

It was reported that a timeline for completion of deadlines will be built into the work of the Transition Board and will be raised at the next meeting. The Committee was informed that officers would also work with Internal Audit to set robust deadlines in order to provide the Committee with the level of assurance required. The issue of flexibility to allow the management of situations that may arise will be included as part of the development of pathways open to young people and how they can engage with services.

A member referred to the Homecare Contract, paragraph 3.7 of the report, and asked officers to confirm whether the service user panel included representation from the Age Friendly Board to reflect the users of the Homecare Service. In addition, had a social value element been a factor to the commissioning and tendering process.

The Committee was assured that there had been an extensive range on engagement within the tender process and evaluation and this had included an age friendly involvement. The inclusion of a Social Value component was built into the commissioning and tendering process and had been set at 30% which is above the usual 20% value used in the Councils' process.

The Committee agreed that it was satisfied with the assurance provided by the responses provided and the actions highlighted in the report it had considered.

Decisions

> To note the report submitted and responses received in addressing risks noted in the Transitions (Children's to Adults) and Homecare Contracts Internal audit reports.

AC/19/14   Work Programme and Audit Committee Recommendations Monitor

The report of the Governance and Scrutiny Support Unit which contained responses to previous recommendations was submitted for comment. Members were also invited to agree the Committee's future work programme.

Decision

> To note that the Work Programme and Recommendations Monitor will be updated for the next meeting of the Audit Committee.

AC/19/15   Exclusion of the Public

The Committee considered a report of the City Treasurer. The Committee considered that the following item contained confidential information as provided for in the Local Government Access to Information Act 1972 and that the public interest in maintaining the exemption outweighed the public interest in disclosing the information.

Decision

To exclude the public for the remainder of the meeting.

AC/19/16   Risk Based Verification

Members considered the report the City Treasurer proposing changes to the verification of Housing Benefit and Council Tax claims.

Decisions

> 1. To agree that the Council cease to use Risk Based Verification in the administration of Housing Benefit and Council Tax Support from 1 April 2019.
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> 2. To agree that the Council revert use verification standards, not aligned to Risk Based Verification, which meet Department of Work and Pensions requirements for Housing Benefit cases and associated Council Tax Support Cases.

3. To agree that for other than Council Tax Support claims, the Council should, where appropriate, apply a lighter touch approach to verification while taking judicious steps to prevent fraud and error that reduce the risk of excessive remission of Council Tax charges.

4. To agree that the Council cancel the contract with the external supplier that supports Risk Based Verification at a saving of £14000 per annum.