

Corporate Governance and Audit Committee

Monday, 26th June, 2023

PRESENT: Councillor M France-Mir in the Chair
Councillors G Almass, B Flynn, J Dowson,
H Bithell, P Wray, R Downes and E Taylor

**INDEPENDENT
MEMBER:**
Linda Wild

1 Appeals Against Refusal of Inspection of Documents

There were no appeals against refusal of inspection of documents.

2 Exempt Information - Possible Exclusion of the Press and Public

There were no exempt items.

3 Late Items

There were no late items.

4 Declaration of Interests

No declarations of interests were made at the meeting.

5 Apologies for Absence

Apologies for absence were received from Councillors Hart-Brooke, Heselwood and Smith.

Councillor Downes was present as substitute for Councillor Hart-Brooke and Councillor Taylor was present as substitute for Councillor Heselwood.

6 Minutes of the Previous Meeting held on 20th March 2023

RESOLVED – That the minutes of the previous meeting held on 20th March 2023, be approved as a correct record.

7 Matters Arising From The Minutes

Minute 76 – Matters arising – Minute 50 Annual Report Financial Management Arrangements

It was noted that information requested by Cllr Dowson in relation to IR35 had now been provided.

Minute 77 – Internal Audit Plan

Members had requested a list of privilege users with enhanced permissions within integrated digital services. Members were advised that this list is being finalised and would be provided to Members.

8 Internal Audit Update Report January to March 2023

The Senior Head of Audit, Corporate Governance and Insurance presented a report which provided a source of assurance that the internal control environment is operating as intended through a summary of the Internal Audit activity for the period from January to March 2023. The report highlights the incidence of any significant control failings or weaknesses.

Members were informed of the following points:

- Appendix A – provided a summary of reports completed by Internal Audit during the period from 1 January 2023 to 31st March 2023. The work of Internal Audit offers a key source of assurance to the Committee that the internal control environment is operating as intended.
- The Internal Audit Plan had been developed in line with the Public Sector Internal Audit Standards (PSIAS). It had been reviewed and approved by the Committee.
- Should risks and priorities change throughout the year, the profile of the plan may change but the Committee will be advised of any changes.
- 13 reports had been completed within the reporting period. It was noted that Organisational Culture is a new area for Internal Audit. Other Local authorities had also been auditing this area with varying degrees of success. It was recognised that this area was hard to achieve consistencies, the audit highlighted opportunities to use the data to identify areas requiring intervention.
- One primary school audit resulted in a limited opinion being provided for compliance with controls. The school is to focus on the control environment. This is to be reviewed as part of the follow up audits in 2023/24.
- Section 7 provided the Committee with a summary of audit work and other activities undertaken by Internal Audit.
- Appendix B provided information and evidence on the arrangements in place within the Internal Audit team.
- It was recognised the team had been undergoing a restructure and it was noted that the team had handled the challenges well. It was the view that there were resources and capacity to ensure that the plan could move forward.
- Appendix C provided monitoring information in relation to urgent decisions.

In response to questions from Members, the Committee was provided with the following information:

- The audit plan looked at all aspects and it was recognised there were challenges. Audit would look at all aspects for both the long and the short term.
- It was the view that the appropriate amount of time had been given to digital transformation. However, if there were changes to be addressed the Committee would be advised.

- Clarification was provided to the Committee in relation to Actual vs Planned Days. It was acknowledged that going forward the presentation of this type of information could be improved.
- It was recognised that the internal audit of Organisational Culture was a new area and learning had been taken from other Local Authorities and public bodies. This was a different way for audit as culture is subjective and based on feelings and experiences. It was acknowledged that data will be used to drive future audits.
- Satisfaction surveys had improved in the number of responses received as staff realise the importance of why the questions were being asked. The surveys have now been changed, reducing the number of questions asked with a more focussed approach to be reported in the future. It was noted there was an escalation process to Chief Officer level but as suggested by the Committee it could be escalated to Executive Board Members. This approach could be considered if felt necessary.
- Tracking of recommendations was key to monitoring progress given the data available and implementation of changes. These could also be checked through review follow ups on audit.
- Internal Audit are externally audited by other core cities and external consultants. The last report undertaken by Glasgow on audit functions was positive.
- Information in relation to key decisions detailed in Appendix C, would be checked, and provided to the Committee.
- Work was still ongoing in relation to ICT audits. In relation to the planned days this needed to be adjusted.
- In relation to assurance mapping, more development was required in some areas. Information on this would be brought to a future meeting.
- Work was already being undertaken to address areas of challenge in relation to the Organisational Culture audit.

RESOLVED – To:

- a) receive the Internal Audit Update Report covering the period from January to March 2023 and note the work undertaken by Internal Audit during the period covered by the report.
- b) note that there have been no limitations in scope, and nothing has arisen to compromise the independence of Internal Audit during the reporting period.
- c) Receive the report providing information relating to the Monitoring of Urgent Decisions covering the period January to March 2023.

9 Counter Fraud Update Report October - March 2023

The report of the Senior Head of Audit, Corporate Governance and Insurance provided a source of assurance that the internal control environment is operating as intended through a summary of the counter fraud activity for the period from October to March 2023.

Members were provided with the following points:

- The table on page 50 of the submitted report provided information on the referrals received by directorate, by the type of concern raised. The pie chart on page 51 demonstrated the referral method. It was noted that referrals received through the 'other route' related to those shared by external agencies, such as National Anti-Fraud Network, or other Council services seeking advice or assistance.
- As at the 1st April 2023, 28 referrals were being investigated.
- 27 referrals were closed during the period October 2022 to March 2023. The outcome of the referrals was provided in the table on pages 52 and 53. It was noted that the service would be seeking feedback from whistle-blowers regarding their experience of raising concerns in the workplace.
- 12 council properties had been recovered as a result of fraud investigations in the reporting period.
- Members attention was brought to Insurance Services, with 6 cases in recovery totalling approximately £21,000, and the Welfare and Benefits Service – where almost £2m had been added to Council Tax Bills, identified from a proactive data matching exercise, and also awareness raising that had been undertaken in the period.

Responding to questions from the Committee the following information was provided:

- In relation to amounts recovered, including recovery of covid grants, it was noted this information would be provided to Members outside of the meeting.
- It was noted that there were key projects ongoing in relation to digitalisation including redesigning and processes. Audit and Fraud were looking at cyber security and controls.
- It was noted that the Council currently has 124 websites with a variety of access points. It was acknowledged that this needed to be discussed with colleagues in Information and Digital Services.

RESOLVED – To receive the Counter Fraud Update Report covering the period from October to March 2023 (Appendix A) and note the work undertaken by Internal Audit and other service areas during the period covered by the report.

10 Civica CX (Housing): system interfaces and integration

The Chief Officer Housing and Chief Digital & Information Officer presented a report which provided an update relating to the Housing ICT System (Civica CX) and how it integrates with other systems. This included an update on the agreed workarounds and temporary arrangements that have been implemented, and what work is ongoing to continually improve the systems and integration.

Members attention was directed to the following points of the submitted report:

- Point 2 showed the issues of concern raised by the Committee.

- Points 7, 8 and 9, provided information on ongoing work to address the points of concern raised with key internal stakeholders, Housing ICT Project Board which had been Chaired by the Director of Resources and Housing until Housing moved to Communities, Housing and Environment in April 2022. It was now Chaired by the Director of Communities, Housing and Environment and had been attended consistently by the external supplier, Civica and colleagues from Finance, Housing, IDS and the Contact Centre. It was noted that an internal audit of Civica CX was currently in progress. It was to review any workarounds implemented to address known issues, assess any processes that had been put in place to identify, track and prioritise issues that had arisen since implementation, and look at what actions had been taken to address, mitigate and report on these.
- It was noted that Civica CX had gone live in August 2021, as the previous system had not been compliant and was outdated. It had been recognised that there would be temporary workarounds put into place while further improvements were made.
- Members were advised that not all external contractor's systems were integrated with Civica CX and some payments to contractors required some manual intervention.
- Point 16 provided a table which highlighted the workarounds.
- It was noted that there was a typing error on the table at point 17. Where it said Spring, this should be Autumn.

Members were of the view that all issues needed to be resolved as soon as possible to minimise any impact to customers, particularly on repairs and voids orders.

Responding to Members questions information was provided which included:

- An update on the timescales for the integration work required to be completed will be provided to the Committee at a future date.
- Weekly meetings take place in relation to issues and solutions for the system with an escalation process in place.
- The contracts that are in place with Housing contractors included clauses to state that it is the responsibility of the contractor to integrate their ICT systems with the Council's system(s).
- It was acknowledged that lessons had been learnt with the implementation of Civica CX, and going forward with core business transformation, Internal Audit would be involved at the beginning of any future projects, including being able to check and challenge decisions to go live.
- It was noted that Internal Audit were building working relationships with IDS and there were now arrangements in place for writing specifications for new systems. It was also noted that record keeping had been improved.

RESOLVED – To:

- a) Note the contents of this report.

- b) Agree that following the successful upgrade of Civica CX (programmed for Autumn 2023) and the conclusion of the IDS Integration workstream, that a further report is provided to the Committee if any of the issues are still outstanding; and
- c) Note the ongoing Internal Audit work, the outcomes from which will be reported in the relevant Internal Audit Update Report.

11 Annual Report of Corporate Governance and Audit Committee

The report of the Chief Officer Financial Services provided assurance that the Corporate Governance and Audit Committee has discharged its duty in ensuring that the Committee complies with CIPFA's Position Statement: Audit Committees in Local Authorities and Police.

A copy of the Annual Report to Council was appended to the report. Page 84 within the Annual Report showed the work undertaken by the Committee during municipal year 2022/23.

RESOLVED – To:

- a) Note the assurance set out in the report that the Committee complies with CIPFA's Position Statement: Audit Committees in Local Authorities and Police; and
- b) Approve the draft annual report at Appendix A to the report and authorise the Chair of the Committee to sign on their behalf.

12 Corporate Governance and Audit Committee Work Programme 2023-24

The report of the Chief Officer Financial Services presented the work programme for the Corporate Governance and Audit Committee, setting out future business for the Committee's agenda, together with details of when items will be presented. Development and regular review of the work programme enables the Committee to manage the business appropriately in line with the risks currently facing the Council.

The report also included the proposed Member Development Plan for 2023-24 setting out arrangements to develop and extend the Committee's skills and knowledge in relation to areas identified by CIPFA.

RESOLVED – To:

- a) Consider and approve the work programme and meeting dates at Appendix A.
- b) Consider and approve the development plan attached at Appendix B.

13 Date and Time of Next Meeting

RESOLVED – To note the next scheduled meeting of the Corporate Governance and Audit Committee will be on Monday 24th July 2023 at 10.30am.

The meeting concluded at 11:50