



Leicester
City Council

Minutes of the Meeting of the
AUDIT AND RISK COMMITTEE

Held: WEDNESDAY, 18 SEPTEMBER 2019 at 5:30 pm

P R E S E N T:

Councillor Pantling (Chair)

Councillor Bajaj
Councillor Joshi

Councillor Kaur Saini
Councillor Dr Moore

Councillor Rahman

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1. APOLOGIES FOR ABSENCE

Apologies for absence were received from Councillor O'Donnell.

2. DECLARATIONS OF INTEREST

Members were asked to declare any interests they may have in the business on the agenda.

There were no declarations of interest.

3. MINUTES OF THE PREVIOUS MEETING

RESOLVED:

That the minutes of the meeting held on 24th July 2019 be confirmed as a correct record.

4. DRAFT OF THE COMMITTEE'S ANNUAL REPORT TO COUNCIL 2018-19

The Director of Finance submitted the draft annual report of the Audit and Risk Committee to Council setting out the Committee's achievements and the issues addressed by the Committee over the municipal year 2018-19.

It was noted that it was a requirement of Audit regulations that a report be submitted first to the Committee and then to Full Council.

Members were invited to raise comments and questions on the report.

Councillor Dr Moore commented on the importance of the Committee and the importance of risks being addressed.

The Chair further commented that the report highlighted the complexity of what the Council dealt with daily.

RESOLVED:

That the Annual Report of the Audit and Risk Committee to Council covering the municipal year 2018-19 be approved and submitted to Council.

5. ANNUAL AUDIT LETTER

Grant Patterson of Grant Thornton presented a report on the Annual Audit Letter. The letter summarised the key findings for the 2018-19 municipal year. It was noted that the External Auditors had carried out an audit in accordance with the National Audit Office's (NAO) Code of Audit practice, which reflected the requirements of the Local Audit and Accountability Act 2014.

Particular attention was drawn to the Whole of Government Accounts, for which an assurance statement had been issued which had not identified any issues for the NAO as the group auditor and the audit had been formally concluded.

Attention was also brought to the Certification of Grants, noting that work had been completed on the Council's 2017-18 Pooling of Housing Capital Receipts return as an audit related non-audit service. There were no matters required to be reported on.

The report on Teachers' Pension return was not yet complete and would be finalised by 30th November 2019 and the reports would be submitted separately to the Audit and Risk Committee.

Councillor Joshi drew attention to the joint review completed by the Care Quality Commission and OFSTED in to the working arrangements across Special Educational Needs (SEND) provision. This review identified significant weaknesses. Councillor Joshi asked if Mr Patterson was confident that targets had been met in addressing these weaknesses.

Mr Patterson confirmed that assurance had been gained that issues identified were being dealt with. He noted that whilst there was pressure on the service nationally, he was satisfied that the arrangements in place were adequate to address the risks in this municipal year.

It was further noted that this document was required through legislation, but is very similar to the report received by the committee at the last meeting.

Councillor Dr Moore acknowledged that meeting the needs of children with Special Educational Needs and Disabilities (SEND) services was a complex area with many factors outside Local Authority control as many policy decisions were made by Central Government. It was noted that it was often necessary to

refocus targets due to changing needs and that it was important to monitor the issue as a committee.

RESOLVED:

That the contents of the report be noted.

6. ANNUAL REPORT ON THE NATIONAL FRAUD INITIATIVE

The Director of Finance presented the Annual Report on the National Fraud Initiative (NFI). The purpose of the report was to provide information on the National Fraud Initiative exercise currently underway.

NFI exercises involved data matching within the Council and with external organisations, including other councils in order to identify possible fraud or irregularity.

Multiple data sets were to be compared with data from the rest of the country.

By 23rd August 2019 there had been 26,769 total matches, 2,982 matches checked, no errors identified, no frauds identified, and no overpayments identified.

It was noted that the initiative was a work in progress and that matches would continue to be checked over the next 18 months.

RESOLVED:

That the contents of the report be noted.

7. REVIEW OF THE ANTI-FRAUD, BRIBERY AND CORRUPTION POLICY AND STRATEGY

The Director of Finance presented a report on the Review of the Anti-Fraud, Bribery and Corruption Policy and Strategy. The Committee was asked to note and approve the report.

Attention was drawn to point 5.6 on the report which regarded the e-learning package. It was noted that partaking in the training would be mandatory and that there would be annual refresher training. The course was currently in its final stages of development and would be rolled out in the near future.

Councillor Bajaj asked whether there were enough changes to warrant a policy review every two years and whether a review every five years would be sufficient.

In response it was confirmed that this was a current requirement of the Committee's terms of reference. In addition, it was noted that if any changes were necessary between scheduled annual reviews, then they could be brought to committee.

RESOLVED:

That the contents of the report be noted.

8. CORPORATE COMPLAINTS (NON STATUTORY) 2018/19

The Director of Finance presented a report on Corporate Complaints in order to update the Committee on corporate non-statutory complaints in the 2018/19 municipal year and so that members could note the improvements and comment upon the actions from the lessons learned and planned future changes.

It was reported that complaints were now triaged in order to determine the route of the complaint and who needed to be involved.

It was noted that in 2018/19 the total number of complaints was 1,408 compared to 1,485 in 2017/18, a reduction of 5.2%.

Of these complaints 864 (38%) were triaged to the appropriate service to respond.

It had been determined that of the 544 complaints independently investigated, 18% of these were justified, 22% partially justified and 60% were not justified in that the authority was not found to be at fault.

The three most common categories of complaint were:

1. Quality of service 196 (36%)
2. Policy, procedure and legislation 162 (30%)
3. Speed of service (15%)

The top 10 service areas that complaints have been received about, accounting for 90% of the total 544 complaints investigated were:

1. Housing repairs.
2. Local Taxation.
3. Housing (other).
4. Housing Options.
5. Housing Benefits.
6. Customer Services.
7. Street Scene Enforcement.
8. Sports and Leisure Centres.
9. Planning Management.
10. Parks and Green Spaces.

Lessons learned from the report included:

- Being proactive to tackle personal injustice
-Listening to customers, offering apologies, giving opportunities to appeal or review a case.
- Recommendations for service improvements arising from complaint

investigations

-A review of policies, change to practices, training staff, raising awareness of issues.

- A Corporate Complaints Policy had been introduced to ensure the good practice outlined by the Local Government Ombudsman was met.
- A procedure on how to manage vexatious complaints was introduced.

Actions were identified which would continue to make a difference to delivery without compromising the benefits of complaints. These were:

- To continue to raise awareness of the complaints prevention activity across all services/divisions. As such a customer liaison was embedded into the triage procedure.
- To review the approach to remedies. The key principle was that the remedy should, as far as possible, put the complainant back in the position they would have been had the error not occurred.
- Service improvement meetings would be ongoing.
- The Service Improvement Manager would review the categorisation of complaints.

Councillor Rahman brought the attention of the Committee to point 2.8 of the report and enquired as to whether the true number of complaints could be higher due to the difficulty of navigating the online complaint submission journey.

It was reported that the service were mapping the journey that the customer goes through in order to try and develop a better process that the customer can follow. It was also acknowledged that there were other avenues to report complaints such as by telephone, email or post.

Councillor Dr Moore reported that she had received many complaints from constituents about the phone system for making enquiries. It was also remarked that it was necessary to cater for some older people who did not use computers.

Councillor Dr Moore further commented that the Councillor enquiry system could be difficult, and it was often easier for them to call an officer. She enquired as to how complaints were collated when Councillors were not part of the process.

Regarding the Councillor enquiry system, Councillors were encouraged to use it as it helped the service to compile data and information so that the nature of issues being faced could be understood. As this would allow a similar triage system to be introduced so that issues could be addressed as early as possible.

Regarding customer contact it was reported that a new telephony system would be in place by May 2020 and that online use was encouraged so that phone lines were free for those who needed them most.

In response to a request from Councillor Dr Moore, it was confirmed that a report on how the new telephony system was working once it was in place could be submitted to the Committee.

Councillor Joshi referred to an incident helping a person at York House Customer Service Centre. He remarked that delays had been very distressing, and although the situation was eventually resolved to a satisfactory level, the connecting time was longer than expected and that waiting time needed to be reduced.

It was reported that there were two priority telephone lines where the waiting time was around one minute, one for Adult and Children's Social Care and one for housing repairs. It was explained that the situation described by Councillor Joshi would have been Tier 2- Housing options, which was very busy, and whilst they tried to have a quick turn-around, the long and complex nature of these conversations made this difficult

Councillor Bajaj suggested having a complaints box outside Town Hall so that written complaints could be easily received. The feasibility of this option would be considered.

RESOLVED:

1. That the contents of the report be noted.
2. That a report on the new telephony system be submitted in due course.

9. RISK MANAGEMENT UPDATE REPORT

The Director of Delivery, Communications and Political Governance presented a report on Risk Management that provided an update on strategic and operational risks since the last quarter.

The attention of the Committee was drawn to the summary of risks and noted that one new risk had been added, one deleted and 16 updated.

Reference was also made to the 17 Strategic risks on the Details of the Risk Register and also to the changes made since the last quarter.

The attention of the Committee was also drawn to the Operational Risk Register and to the section which outlined where changes had been made.

The Health and Safety data on the main incidents reported via SO2 forms over the past two years was also noted and it was reported that nearly half of the incidents were near-misses.

It was reported that Leicester City Council had won an award for the response to the Hinckley Road Explosion.

Councillor Rahman raised a query about risks regarding Cyber Security, noting that the Risk Score remained the same despite further controls. She enquired

as to why this was.

It was explained that whilst further controls had been identified, the critical nature of cyber security and the ever-changing detail of the threats meant that the risk score would always remain high. The Internal Auditor added that this was an international risk and not just a local one.

The Chief Accountant offered to forward a previous Committee report from IT on how Cyber Security is addressed.

Councillor Dr Moore requested that reports on printed agendas be in colour in future to make them easier to interpret and further requested that they be posted to members on request, given their detailed nature.

It was reported that Sonal Devani had been a finalist in the ALARM the Professional of the Year Award and the Committee's congratulations were noted.

RESOLVED:

That the contents of the report be noted.

10. PRIVATE SESSION

Into Private Session.

RESOLVED:

That the press and public be excluded during consideration of the following report, in accordance with the provisions of Section 100A(4) of the Local Government Act 1972, as amended, because it involved the likely disclosure of "exempt" information, as defined in the Paragraph detailed below of Part 1 of Schedule 12A of the Act, and taking all circumstances into account, it was considered that the public interest in maintaining the information as exempt outweighed the public interest in disclosing the information.

Paragraph 3

Information relating to the financial or business affairs of any particular person (including the authority holding that information).

Internal Audit Update Report

11. INTERNAL AUDIT UPDATE REPORT

The Internal Auditor submitted a report, which provided:

- A summary of progress against the 2018-19 and 2019-20 Internal Audit Plans.
- Information on resources used to progress the plans.
- Summary information on high importance recommendations and

progress with implementing them.

With regard to the progress report on the audits from the 2018/19 and the 2019/20 plans, it was noted that the first part of the report had been finalised and the second part was a work in progress.

It was further reported that progress was being made on the shortfall of audit days in the previous year and many of the high recommendations had been cleared.

Councillor Bajaj observed that much of the planned audit work had not yet commenced, making particular reference to the planned work on Brexit.

In response the need to spread the workload was emphasised and the Committee was informed that this work would be undertaken in the future.

12. CLOSE OF MEETING

The meeting closed at 6.42pm