

CORPORATE AFFAIRS AND AUDIT COMMITTEE

A meeting of the Corporate Affairs and Audit Committee was held on 19 December 2019.

PRESENT: Councillors Rathmell, (Chair), Higgins, Hubbard, Mawston and D Rooney

PRESENT BY INVITATION: Councillor C Hobson, Executive Member Finance and Governance

ALSO IN ATTENDANCE: H Fowler, Tees Valley Audit and Assurance Service (TVAAS)
N Wright, Ernst Young (EY)

OFFICERS: J Bromiley, A Johnstone, S Lightwing, P Stephens

APOLOGIES FOR ABSENCE were submitted on behalf of Councillors J Hobson, S Walker.

DECLARATIONS OF INTERESTS

There were no Declarations of Interest at this point in the meeting.

1 MINUTES - CORPORATE AFFAIRS AND AUDIT COMMITTEE - 26 SEPTEMBER 2019

The minutes of the meeting of the Corporate Affairs and Audit Committee held on 26 September 2019 were taken as read and approved as a correct record.

2 COUNCILLORS' ACCESS TO INFORMATION

Currently Members could submit enquiries directly using eforms, or contacting call centres or senior managers, or via the One Stop Shop (OSS) using self-service in Objective, or emailing the OSS mailbox. The target for responses was 10 working days. Only enquiries submitted via the OSS were centrally recorded and therefore it was not possible to provide a complete picture of Members' engagement with Council services.

Issues for Members included:

- Some responses were not timely, particularly information requests.
- Responses were not always of the right quality.
- The system was not user-friendly and did not promote good engagement with officers.
- It was difficult to track progress of requests.

Issues for Officers included:

- Multiple back office systems were used - this created an industry and promoted human error.
- High volume areas often lacked capacity to respond in a timely manner.
- Officers were not clear on quality of response expected.
- Lack of management rigour in monitoring responses.

With regard to Data Protection there were some personal/sensitive/confidential matters sent to the OSS mailbox that should have been sent directly to the proper officer.

Between 2002 and 2019, there had been an average of 2,500 to 3,000 enquiries a year. However, since the local elections in May this year, the number of enquiries was on course to double over the year. However, it was highlighted that in some cases, the same issue had been reported multiple times. The Chair asked that the minutes of the meeting recorded the fact that the information from May to October 2019 was not a reliable data source and there were some discrepancies in the number of enquiries reported for a number of reasons including:

- New Councillors misunderstanding process and logging the same request multiple times.
- OSS was not the only channel available to Councillors, some Councillors were addressing

casework issues direct with officers either by email, phone or logging items through their My Middlesbrough accounts.

More Members were using the system regularly than in the past and 84% of enquiries were responded to within 10 working days. The average response time to Members was 6.8 working days and no individual member average exceeded 10 working days. This was the highest level of OSS performance recorded to date.

In discussion, Members agreed with the issues identified with the current system and the need for improvement. The Strategic Director for Finance, Governance and Support, agreed that whilst it was challenge to improve the OSS within existing resources, Members needed a system that provided accurate and timely responses.

In line with internal audit recommendations, new arrangements for Members to manage their casework and for the Council to respond to member enquiries were being developed to address the issues raised. The proposed changes were discussed by the Executive on 16 December 2019 and were as follows:

- Implement a set of core mailboxes/numbers of high volume areas - requests go straight to proper officer - more efficient and secure.
- Caseworker product provided to those Members who want to manage their own casework.
- Business change programme for Members, mailbox owners and network of responders - clarifying targets, expected quality of requests and responses.
- Continuous monitoring by mailbox owners, escalation process and monthly review of any issues by Leadership and Management Team (LMT).
- Implement ongoing work to pre-empt more information requests for Members and members of the public through the launch of a new online Open Data portal.

In relation to the caseworker product, it was proposed that ten Elected Members would be selected to trial the new software. Four Executive Members had agreed to take part and Group Leaders had been asked to submit nominations. Councillors D Rooney and T Higgins indicated they would be asking their Group Leader to include them in his nomination for the pilot.

A timetable for implementation of the proposed changes was set out in the presentation. Following discussion, Members requested that the consultation period was extended to 28 days.

It was also suggested that refresher training on using personal and sensitive information and GDPR should be provided for all Members. It was confirmed that this would be included in the training for those accessing the new solution initially and that refresher training would also be offered to all Members.

AGREED as follows:

1. The information provided was received and noted.
2. The consultation period for the proposed changes to the current One Stop Shop system was extended to 28 days.
3. Refresher training on personal/sensitive information and GDPR was provided for all Members.

3 **BUSINESS CONTINUITY – ANNUAL ASSURANCE REPORT**

A report of the Strategic Director of Finance, Governance and Support, was presented to outline the Council's approach to Business Continuity Planning and to testing its Business Continuity plans, present a summary of the findings from this year's tests, and detail the future review schedule, to provide the Committee with assurance that the Council had robust business continuity arrangements in place which complied with the Civil Contingencies Act 2004.

The Council had a duty under the Civil Contingencies Act 2004 to develop and maintain

Business Continuity plans to enable continued delivery of business critical functions during a business interruption event. Business continuity plans managed the internal impacts of disruptions on the Council's business critical services. This was separate to emergency planning plans which set out how the Council responded to incidents that impacted on residents and businesses.

The Council's corporate Business Continuity plan defined critical functions as those which, if interrupted, could result in: risk of serious injury, risk of death, massive financial losses, or significant damage to the Council's reputation.

The Council did not publish its Business Continuity plans as they outlined sensitive information around its critical processes, which could be misused, and contain personal information relating to employees who had agreed to share personal contact details to enable the Council to get in touch in the event of an incident.

The Council's approach was, in the main, not to write numerous plans for the different risks which, if they occurred, could interrupt delivery of critical functions. The Fuel, Flu Pandemic and ICT Disaster Recovery plans were the exceptions to this rule, created because of specific risks facing the Council in recent years, and the scale of the interruption that such events could cause over a period of months.

The Council tested its plans at least once every 12 months, or produced a lessons learned report if a live Business Continuity incident occurred during the past 12 months.

This year, the Leadership Management Team had been provided with a Business Continuity Masterclass on 12 September 2019, in order to develop the knowledge and skills of the Council's Business Continuity Recovery Team in the round. The training was very well received by LMT. The Risk Business Partner worked with the Emergency Planning College trainer to ensure that the masterclass was bespoke to the Council's arrangements.

Lessons had been learned from a number of incidents that occurred in the last 12 months. A report outlining these was considered by the Risk Management Officer Group and resulting actions would be embedded within Business Continuity improvement planning from 2020/21.

Business Continuity plans were updated every six months and reviewed on an annual basis. This year's review had focussed on reflecting changes to the organisation's staffing structure. The review also had a focus on the particular risks that could occur in a no deal BREXIT.

Details of progress on the Improvement Plan for 2019/2020 and Business Continuity activities for 2020/21 were contained in the submitted report.

AGREED that the information provided was received and noted.

4 **INTERNAL AUDIT PROGRESS REPORT**

A report of the Audit and Assurance Manager, Tees Valley Audit and Assurance Services (TVAAS) was presented to update Members on the main findings arising from internal audit work carried out to date in this financial year. The report also provided information on the performance of the internal audit service.

Members approved the 2019/20 Audit and Assurance Plan in May 2019. The total number of planned audit and assurance days for 2019/20 was 875. For those assignments where a report was produced, the target was to have issued 100% of all reports in draft by 30 April 2020. The current performance on this target was 32%, however, it was expected that most of the remaining assignments would be completed by the time of the annual report.

Of the agreed audits from the 2019/20 Audit and Assurance Plan, fewer than expected had been issued in final so far, this financial year. This was due in part to the first few months of the financial year involving the certification of several grant returns. Another reason had been that six unplanned assignments had been carried out or were in progress, because of concerns either raised by management, or reported via the Council's whistleblowing

arrangements. Six investigations had been prioritised, three had been completed and the findings reported, another investigation had resulted in a draft report which was under discussion and two investigations were ongoing. Once finalised, a summary of the outcomes from each investigation would be reported to the Committee as appropriate.

Appendix 1 to the submitted report provided a summary of the main internal audit work, a summary of the priority 1 actions recommended (if any) during the quarter, plus any P1s outstanding from previous periods. The key points to note from Appendix 1 were as follows:

- One report was issued in final with a moderate assurance opinion; the monthly audits of troubled families returns and the hot topic audit on workplace culture had provided strong assurance;
- Six draft reports had been issued, one of which had a provisional opinion of cause for considerable concern whilst three had draft opinions of moderate; one was strong, and one was good. All draft reports were under discussion so might change.
- Three investigations had been completed. Based on the evidence, and in the auditor's opinion, the associated allegations were not confirmed by the evidence and explanations available.
- No new P1 actions had been recommended during the period and none were outstanding from earlier periods.
- A total of 96 actions were due to have been implemented (based on the agreed target date) between 1 April 2019 and 31 October 2019 and 24 were outstanding although action was underway for most of these.

Appendix 2 to the submitted report detailed the current level of performance against each of the measures in the service level agreement between Redcar and Cleveland and Middlesbrough Borough Councils for the provision of internal audit services. Appendix 3 detailed the methodology applicable to individual audits carried out by TVAAS.

Proposed variations to the 2019/20 Plan included:

- Hot Topic - Data Protection and strategies post GDPR - because the Council had requested an audit from the Information Commissioner's Office, this audit would be duplication so it was proposed to defer it.
- Project Management - it was proposed to defer this audit as the control environment had been regularly audited over recent years and the previous two audits had given a good level of assurance. A separate audit on the project management of the snow centre and the Southlands demolition would continue.
- Hot Topic - Business Continuity - this area was not included in the Hot Topics 2019 report as expected, and therefore it was considered that there were greater priorities for audit focus.

The Audit and Assurance Manager and her team were thanked, on behalf of the Committee, for the work that TVAAS had carried out over the past nine years. Internal audit would transfer to a new company, Veritau, from 1 January 2020. The audit plan for the current year would continue although the format of reports might be slightly different.

AGREED that the information provided was received, noted and approved.

5 **ANY OTHER URGENT ITEMS WHICH IN THE OPINION OF THE CHAIR, MAY BE CONSIDERED**

The Chair reminded Members to notify him of any items of business they would like to be considered for future meetings.

NOTED