

AUDIT AND ASSURANCE COMMITTEE

Minutes of a Meeting of the Audit and Assurance Committee held on Tuesday, 6 December 2022 at 10.30 am at Conference Room A/B, Cumbria House.

PRESENT:

Mrs HF Carrick (Chair)

Mr NH Marriner
Mr GD Cook
Mr F Cassidy

Mr SB Collins
Mr J Bell

Also in Attendance:-

Ms C Whalley	-	Assistant Director - Adult Social Care (Deputy DAS)
Mr R McGahon	-	Group Audit Manager
Ms J Atkinson	-	Assistant Director - Strategic Commissioning
Ms H Kirk	-	Senior Risk Officer
Mr D Hamilton	-	Democratic Services Officer
Mr G Kelly	-	Engagement Lead – Grant Thornton

PART 1 – ITEMS CONSIDERED IN THE PRESENCE OF THE PUBLIC AND PRESS

41 APOLOGIES FOR ABSENCE

Apologies were received from Mr F Morgan and Mrs E Mallinson.

42 MEMBERSHIP

Mr F Cassidy attended as substitute in the place of Mr F Morgan.

43 DISCLOSURES OF INTEREST

There were no disclosures of interest made of this occasion.

44 EXCLUSION OF PRESS AND PUBLIC

RESOLVED that, there were no items on the agenda which required the exclusion of press and public.

45 MINUTES

RESOLVED that, members agreed the minutes of the previous meeting as an accurate and complete record with the following amendment to Minute 35, Resolution 5:-

- Members approved the Cumbria County Council Accounts 2021/22 as presented which incorporate the Cumbria Local Government Pension Scheme Accounts. As the external audit is not fully complete members agreed to delegate authority to the Director of Finance, as the Council's 151 (Local Government Act 1972) Officer to agree any further changes to the accounts resulting from the audit process, in consultation with the Chair and Vice-Chair on behalf of the Council as long as those changes are neither significant nor material. Should the remaining work by the external auditor result in any significant or material changes then a special meeting of the committee will be convened to consider the amended accounts.

46 DEEP DIVE RISK ANALYSIS: ADULT SOCIAL CARE, PRESSURES AND MITIGATIONS

The Deep Dive presentation for this meeting focussed on the specific risk relating to the Adult Social Care Services, and the assurance arrangements for the transfer of Adult Social Care across the two new Unitary Authorities.

The presentation was delivered by the Assistant Director – Adults and the Assistant Director – Strategic Commissioning and covered the following:

- The current and ongoing issues of increasing levels of demand in context of staffing capacity challenges, increasing Covid-19 rates, the arrival of winter and concerns over staff wellbeing.
- Both Assistant Directors presented the current status and the key internal controls in place to manage the immediate issues being experienced across Adult Social Care Operations, Cumbria Care, the Care Market, System wide issues and Social Care and NHS planning.
- An overview of the ASC Promoting Independence Programme was provided to illustrate other longer-term strategies, programmes of work and controls in place and included the 3 main areas of;
 - Managing Demand
 - Workforce
 - Market Sustainability

- An LGR and Day one Readiness update was also provided, outlining the decision for the disaggregation of all Adult Social Care services, including Provider Services (Cumbria Care), with the exception of a transitional arrangement for the Mental Health Urgent Care Team
- Assurances were provided around this ongoing area of work, including the review and development of;
 - Policies, Procedures and Strategies to ensure they are fit for purpose
 - ICT systems, data aggregation and data protection
 - Staffing and Management structures including staff allocation
 - Governance arrangements in place across ASC Services Theme and all associated work package steering groups

A question was raised regarding a letter received by a member of the Committee about the possibility of reinstating staff who had resigned as a result of abstaining from taking the Covid-19 vaccine. Officers were asked to provide some information on the number of staff this had affected. The Assistant Director – Strategic Commissioning explained that she knew of a few Social Workers and a larger number of carers who had been affected and would clarify the figures. It was **AGREED** that a briefing note on this issue to be provided for members so that they may provide a response in case a similar letter was received in the future.

A discussion took place regarding the disaggregation of existing computer systems to ensure that two separate systems were live for the two new unitary authorities on Day 1 and the benefits this approach had over the procurement of entirely new systems.

A detailed discussion then took place about staffing capacity and the possibility of a career route for people wishing to work in the care sector and the nationwide complexities in this area. The Chair commended the efforts of the Council to manage and mitigate the risks associated with Adult Social Care and the concurrent risk associated with Local Government Reorganisation.

The Chair thanked the Assistant Director for Adults and the Assistant Director for Strategic Commissioning for taking the time out of their busy schedules to deliver such an informative and detailed presentation.

47 2022/23 QUARTER 2 CORPORATE RISK REPORT

Members considered a report from the Director of Finance (s151 Officer). The Senior Risk Officer introduced the Quarter 2 Corporate Risk Register which reflected the status of the Council's corporate risks at the end of September 2022 and into the current quarter 3 period.

Members heard that during Quarter 2 and into Quarter 3 the wider risk landscape included a number of ongoing and concurrent areas of significant change and increasing uncertainty, many of which were the result of National concerns. These included:

- Ongoing challenges across Adult Social Care and the Care Sector as well as Children's Services.
- COVID and flu – COVID-19 continued to have a direct and disruptive effect on staff shortages and a direct impact on Council Services.
- Local Government Reorganisation (LGR) preparations continue to accelerate providing additional competing priorities.
- The 'Cost of Living Crisis', driving national and local government agendas to help mitigate the impact of this crisis within communities.
- Inflationary pressures – the Council continued to face significant financial pressures relating to high levels of inflation.
- Winter risks such as severe weather and the potential for power outage.

The Senior Risk Officer then described the Risk Summary Profile at the end of Quarter 2. Members heard that there were 14 corporate risks remaining on the County Council's risk register - there were 10 high risks and 4 medium risks. Further to this no risks had been removed or added to the register and no risk descriptions had been reworded.

There was however one risk which had been rescored. The risk relating to the impact of COVID-19 on the provision of Council Services had a reduced impact score resulting in the risk reducing from 15 to 9. The impact of this risk had reduced due to the overall reduction in severity and impact of the COVID-19 Omicron variant across the Council, the success of the ongoing vaccination and booster programmes and the more flexible and adaptable ways of working for Council staff.

Assurances were provided that the Public Health team continues to monitor how COVID-19 is behaving within our communities and is ready to respond to resurgences and new variants should they arise, as outlined in the associated corporate risk Resurgence of significant COVID-19 variant of concern.

Although there had been many competing pressures experienced by the Council during Quarter 2, there was recognition that risk management arrangements and controls had been maintained or further improved to ensure a sustained level of risk exposure and prevent corporate risks from getting worse or being realised.

Both the winter period and the lead up to LGR vesting day will present the Council with a period of ongoing change and uncertainty that may add further demands on our workforce and may impact on the delivery of Council Services. Members were provided with assurances that all of these areas of concern would continue to be monitored and managed appropriately.

Following a brief discussion, members were given assurances that extensive winter planning was ongoing across Health & Social Care to address the complexity of challenges being faced. Members heard that additional planning and exercising is ongoing to prepare for and test the additional national threat of power outages. Though, government says that Winter Power Blackouts are 'extremely unlikely' national power outage scenarios are being tested – both the County and District Councils are engaged in 2 exercises - Exercise Lemur (November 2022) and Exercise Mighty Oak (March 2023).

Members were pleased to see that the risk associated with power outages was being looked at seriously and thanked the Senior Risk Officer for providing an update on the exercises taking place to identify any vulnerabilities.

The Chair asked for more information to be provided as to the reason why the County Wide Carbon Emissions baseline assessment was being revised. It was **AGREED** that the Senior Risk Officer would liaise with the Zero Carbon Cumbria Partnership Manager and bring further information to the next meeting of the Committee.

Following a discussion regarding Information Security Awareness Month in November, the Chair asked if there had been any activities which involved members as well as staff. It was **AGREED** that the Senior Risk Officer would provide the Committee with the details of any scheduled activities directly involving members.

The Chair concluded by welcoming the fact that the report highlighted the findings of the Cumbria Safeguarding Partnership Peer Review and how they were being used to inform Local Government Reorganisation plans.

RESOLVED that,

- 1) Members noted the updates on Corporate Risks for Quarter 2 2022/23 and agreed that the report provided sufficient assurance that the current Risk Management arrangements were both robust and effective.
- 2) Members received a presentation on the assurance arrangements for the transfer of Adult Social Care across the two new Unitary Authorities as part of the Local Government Reorganisation Programme.

48 INTERNAL AUDIT PROGRESS REPORT 31 OCTOBER 2022

Members considered a report from the Group Audit Manager which provided a summary of the work of Internal Audit in the three months to 31 October 2022.

The Group Audit Manager explained that work was progressing on the completion of outstanding 2021/22 audit work and on work from the 2022/23 audit plan. Members heard that it was anticipated that sufficient overall coverage would be achieved by March 2023 to enable the Head of Internal Audit to provide the draft 2022/23 annual opinion.

There were 3 audits completed in the period to 31 October 2022, these all received Reasonable assurance and related to reviews on:

- Impact of COVID on adult social care visiting practices
- SPROC net system (adam) – home care commissioning
- Local Government Reorganisation (LGR) – Implementation Reserve

A brief summary of the additional work undertaken by Internal Audit was provided, this included:-

- completing work on 5 grant claims (a total of 9 grant claims certified this year)
- commencing advisory work on Local Government Reorganisation governance arrangements for Day 1 Readiness
- being the key contact and co-ordinator for the mandatory National Fraud Initiative (NFI) exercise
- Group Audit Manager being the work package lead on Local Government Reorganisation for internal audit and finance legacy tasks.

The level of audits receiving Reasonable or Substantial assurance in 2022/23 was 88% (based on 8 assurance reviews currently at draft or final report stage). Members were pleased to hear that this number was higher than the 63% at the same stage, and for the same number of reviews, in 2021/22.

Members heard that the 2022/23 audit plan would need to remain fluid this year due to the ongoing impact of COVID-19 and the work required as part of Local Government Reorganisation. In addition, some audit reviews had not progressed as quickly as planned for various reasons such as staff availability, new officers in post, delays in provision of required information and some officers needing to prioritise other work such as 'fair cost of care exercise'. To ensure that Internal Audit continue to progress the delivery of the 2022/23 audit plan a conscious decision was made to commence as much of the planned work for quarter 3 of 2022/23 in late Q2 or early Q3.

The Group Audit Manager explained that he would continue to closely monitor progress on the delivery of the 2022/23 audit plan and would provide the Committee with the draft Head of Internal Audit Opinion for 2022/23 at its meeting on 9 March 2023.

The Chair welcomed the report and the reassurance provided especially from the risk based audits.

RESOLVED that members noted the progress and the outcomes of internal audit work.

49 FORWARD PLAN - AUDIT AND ASSURANCE COMMITTEE

It was **AGREED** that Auditor's Annual Report be added to the Forward Plan for 9 March 2023.

50 DATE & TIME OF NEXT MEETING

The next meeting of the Audit and Assurance Committee is due to take place on 9 March 2023.

The meeting ended at 12pm