

**AUDIT COMMITTEE  
10th January, 2023**

Present:- Councillor Baker-Rogers (in the Chair); Councillors Mills, Wyatt and John Barber (Independent Person).

Gareth Mills and Thilina de Zoysa (External Auditor, Grant Thornton) were also in attendance.

An apology for absence was received from Councillor Cowen.

**61. DECLARATIONS OF INTEREST**

There were no Declarations of Interest made at the meeting.

**62. QUESTIONS FROM MEMBERS OF THE PUBLIC OR THE PRESS**

There were no members of the public or press present at the meeting nor had any questions being received in advance of the meeting.

**63. EXCLUSION OF THE PRESS AND PUBLIC**

Resolved:- That, under Section 100A(4) of the Local Government Act 1972, the press and public be excluded from the meeting for Minute Nos. 70 (Corporate Risk and Register) and 71 (Finance and Corporate Services Directorate Risk Register – Appendix 1) as it involves the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12A to the Local Government Act 1972.

**64. MINUTES OF THE PREVIOUS MEETING HELD ON 29TH NOVEMBER, 2022**

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 29<sup>th</sup> November, 2022.

Arising from Minute No. 48 (Governance Audit and Risk), it was noted that a report was to be submitted to the March meeting of the Audit Committee for consultation on any possible changes to the Committee in light of the recently issued CIPFA rules/practice guide. It would then be considered by the Constitution Working Group with any changes submitted to the Annual Council meeting in May.

Arising from Minute No. 49 (Audited Statement of Accounts 2021/22), it was reported that the Statutory Instrument had gone live on 25<sup>th</sup> December, 2022. It was expected that an opinion on the accounts would be issued as planned during January and the ISA260 re-issued at the point of sign-off. There had been no material issues arising on the Rotherham account since those reported to the November meeting. The Chair of the Audit Committee would be included in the notification of sign-off.

Resolved:- That the minutes of the previous meeting of the Audit Committee be approved as a correct record of proceedings.

**65. VALUE FOR MONEY OPINION**

Gareth Mills, External Auditor, gave a verbal update on the Value for Money work taking place.

The audit was progressing well and was on track for completion within the next couple of weeks. It was hoped to send the draft report to Finance officers by the end of the month, finalised in February and submitted to the March Audit Committee meeting.

**66. EXTERNAL INSPECTIONS, REVIEWS, AND AUDITS UPDATE**

Consideration was given to a report, presented by Tanya Lound, Corporate Improvement and Risk Officer, providing details of recent external inspections, reviews and audits as well as a summary of progress against the recommendations from all external inspections, reviews and audits setting out details of arrangements for ensuring the accountability and governance around their implementation.

Since the last report to Committee in July, 2022, 8 external inspections, reviews and audits had taken place resulting in 26 recommendations/areas for improvement 3 of which were complete, 7 in progress and 16 not yet started (at planning stage). The outcome was not yet known for 3 of the audit reviews conducted.

In addition, 33 of the ongoing recommendations relating to external inspections, reviews and audits that took place prior to July 2022 were now completed, 17 were in progress and 35 had not yet started. 22 of those not yet started were currently being embedded within the Council's Equalities Framework Action Plan.

The report included detail of progress being made in respect of the following specific areas and Directorates together with a verbal update on the outstanding recommendations:-

- Children and Young People's Services
- Adult Care, Housing and Public Health
- Regeneration and Environment Services
- Finance and Customer Services
- Assistant Chief Executive

Helen Sweaton (Joint Assistant Director, Commission, Quality and Performance, CYPS), Nathan Heath (Assistant Director, Education and Inclusion) and Luke Sayers (Assistant Director, Customer Information and Digital Services), were also in attendance to answer any specific questions relating to their areas of responsibility.

Discussion ensued on the report with the following issues raised/clarified:-

- An internal Strategic Customer Experience Board had been established to monitor the actions arising from the Customer Services Peer Review. A report was to be submitted to Scrutiny shortly
- The internal monitoring arrangements had been strengthened. As well as the 6 monthly report to the Audit Committee, a quarterly report was presented to the Strategic Leadership Team (SLT) and Assistant Directors. A new Assistant Directors Group had been established; part of its role was to ensure actions had been progressed
- The possibility was being explored as to whether the Internal Audit system could be used for monitoring the implementation of recommendations arising from external inspections/audits
- Suggested colour coding in the "Status" box to illustrate which recommendations had overrun their agreed timeline
- All the recommendations relating to CYPS were prioritised for completion with not one taking precedence over another
- Quarterly meetings took place between CYPS, DfE and the National Health Service Improvement which oversaw both the implementation and impact of actions as well as rag rating them
- Within CYPS no action could be signed off without consideration by the Challenge Panel
- Ensuring a consistent corporate approach to customer access and services across the Council

Resolved:- (1) That, the recent external inspections, reviews and audits which have taken place and the progress made relating to ongoing recommendations, be noted.

(2) That the governance arrangements in place for monitoring and managing the recommendations be noted.

(3) That regular reports continue to be submitted to the Audit Committee.

(4) That the Committee be provided with further information on the Customer Service Experience Board.

## **67. INTERNAL AUDIT PROGRESS REPORT**

Consideration was given to a report presented by David Webster, Head of Internal Audit, which provided a summary of Internal Audit work completed during 1st to 30th November, 2022, and the key issues that had arisen therefrom.

The current position with regard to the revised plan was outlined in Appendix A to the report. In the last month 2 audits had been deferred to next year owing to a review of policy for the area concerned. In the year to date, the Department had delivered 692 days of productive work showing as on target for the year as a whole.

4 audits had been finalised since the last Committee meeting 2 of which had received Reasonable Assurance, one had received Partial Assurance and one had received Substantial Assurance as set out in Appendix B to the report.

Internal Audit's performance against a number of indicators was summarised in Appendix C. Targets were met apart from the issuing of reports in the planned time which had been affected by annual leave.

Discussion ensued with the following issues raised/clarified:-

- Possibility that the plan may be delayed a little by the end of the year dependent upon the resources available, however, there would be sufficient work completed to enable an opinion to be given
- The consultation process had commenced with Strategic Directors regarding the 2023/24 plan

Resolved:- (1) That the Internal Audit work undertaken between 1<sup>st</sup> November to 30<sup>th</sup> November, 2022, and the issues that had arisen therefrom, be noted.

(2) That the information contained regarding the performance of Internal Audit and the actions being taken by management in respect of their performance be noted.

#### **68. AUDIT COMMITTEE FORWARD WORK PLAN**

Consideration was given to the proposed forward work plan for the Audit Committee covering the period March, 2023 to January, 2024.

Resolved: That the Audit Committee forward work plan, as now submitted, be approved.

#### **69. CORPORATE STRATEGIC RISK REGISTER**

Simon Dennis, Corporate Improvement and Risk Manager, presented the current Corporate Strategic Risk Register (CSRR) which had recently been considered by the Council's Strategic Leadership Team.

The CSRR had been completed following reviews of individual risks by Directorate Leadership Teams with every risk on the register owned by a member of SLT and appeared on their Directorate's risk register. It had been formally reviewed both at SLT meetings every quarter and most recently in December.

The long term pattern of the assessed risk level reducing had broadly continued over the last 2 years. This reflected the increasing grasp on the key risks that needed to be managed at a strategic level as well as the continued improvement following the reduction in impact of the pandemic.

Since July 2021, over 42% of risks monitored at a strategic level had reduced in assessed level, 42% remained stable and 12% had increased or were new to the register.

Since the last full update in July, 2022, there had been no new risks added to the CSRR and no risks removed or de-escalated. In total there remained 14 risks, the same number as reported in July 2022.

The risk management process was reviewed by Internal Audit during early 2022 comparing arrangements to the requirements of the relevant International Standard ISO31000. The review again concluded that substantial assurance could be derived from the controls that were in place. This was the highest assurance level possible. A further review would take place in 2023.

Discussion ensued with the following issues raised/clarified:-

- Further work would take place with the Design Team to provide illustration of the risks that had moved since the previous report as previously requested by the Committee
- The degree of change in the risk scores and the risks contained on the register compared to last time had only changed by 2 compared to 8 on the last report. More work was to take place to ensure risk scores were appropriately reviewed
- Both SLT and the Assistant Chief Executive had looked very closely at SLT03 (delivery of the Council's corporate priorities in the context of the cost of living crisis) on several occasions. The current indications were that the delivery plan was very much on target for delivery
- The war in Ukraine would not feature as a specific risk on the corporate risk register but various elements featured on Directorate risks e.g. Homes for Ukraine Scheme on the Assistant Chief Executive's risk register. However, it was felt that it should be recognised at the highest level that the Council was taking account of the impact of the war

Resolved:- (1) That the update be noted.

(2) That future reports highlight the risks that were impacted by the war in Ukraine.

(Appendix 1 was considered in the absence of the press and public in accordance with Paragraph 3 of the Act (Information relating to the financial or business affairs of any particular person (including the authority holding that information/financial information))

**70. FINANCE AND CUSTOMER SERVICES DIRECTORATE RISK REGISTER**

Judith Badger, Strategic Director Finance and Customer Services, presented a report providing details of the Risk Register and risk management activity within the Finance and Customer Services Directorate.

The Directorate level Risk Register currently had 8 risk items listed of which one was included on the Corporate Risk Register:-

- SLT16 (FCS1) – Directorates failing to deliver services within budget. Financial settlements from Government being inadequate to meet service costs and demand increases. Economic factors impacting negatively on Business Rates and Council Tax income

Risks were regularly discussed and reviewed at the Directorate Leadership Team (DLT) and, where necessary, escalated to the next strategic level for inclusion on the appropriate risk register. Risks were owned and updated by the relevant Assistant Director/M3 Manager.

As part of the ongoing programme to embed Risk Management into the working culture of the Council, all M2 and M3 managers within Finance & Customer Services were encouraged to attend corporate Risk Management training. New and/or redeployed managers were asked to attend future training events.

Discussion ensued with the following issues raised/clarified:-

- Discussion would take place as to whether customer experience, particularly with regard to the “front door” should be included within FCS15 (To provide an efficient and effective Customer Information and Digital Services to enable the provision of Council services to the public)
- Currently no reduction had been seen in Council Tax collection rates

Resolved:- That the progress and current position in relation to risk management activity in the Finance and Customer Services Directorate, as detailed in the report now submitted, be noted.

(Appendix 1 was considered in the absence of the press and public in accordance with Paragraph 3 of the Act (Information relating to the financial or business affairs of any particular person (including the authority holding that information/financial information))

**71. ITEMS FOR REFERRAL FOR SCRUTINY**

There were no items for referral.

**72. URGENT BUSINESS**

There was no urgent business to report.

**73. DATE AND TIME OF NEXT MEETING**

Resolved:- That a further meeting be held on Tuesday, 14<sup>th</sup> March, 2023, commencing at 2.00 p.m. in Rotherham Town Hall.