

AUDIT COMMITTEE

Date and Time :- Tuesday 10 January 2023 at 2.00 p.m.
Venue:- Rotherham Town Hall, Moorgate Street, Rotherham. S60 2TH.
Membership:- Councillor Baker-Rogers (Chair); Councillors Cowen (Vice-Chair), Mills, Wooding and Wyatt
Mr. J. Barber, Independent Member

The business which will be discussed are described on the agenda below and there are reports attached which give more details.

Rotherham Council advocates openness and transparency as part of its democratic processes. Anyone wishing to record (film or audio) the public parts of the meeting should inform the Chair or Governance Advisor of their intentions prior to the meeting.

AGENDA

1. Apologies for Absence

To receive the apologies of any Member who is unable to attend the meeting.

2. Declarations of Interest

To receive declarations of interest from Members in respect of items listed on the agenda.

3. Questions from Members of the Public or the Press

To receive questions relating to items of business on the agenda from members of the public or press who are present at the meeting.

4. Exclusion of the Press and Public

The following items each have an appendix which is exempt from the press and public:-

Agenda Item 10 – Corporate Risk Register (Appendix 1 is confidential)

Agenda Item 13 – Finance and Customer Services Directorate Risk Register (Appendix 1 is confidential)

(Exempt under Paragraph 3 (Financial Information) of Part 1 of Schedule 12(A))

Therefore, when considering this item, the Chair will move the following resolution when considering the appendix:-

That under Section 100(A) 4 of the Local Government Act 1972, the public be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information as defined in Paragraph 3 of Part 1 of Schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006 (financial information).

5. Minutes of the previous meeting held on 29th November, 2022 (Pages 3 - 13)

To consider and approve the minutes of the previous meeting held on (insert date) as a true and correct record of the proceedings.

6. Value for Money Opinion

7. External Inspections, Reviews, and Audits Update (Pages 15 - 33)

8. Internal Audit Progress Report (Pages 35 - 50)

9. Audit Committee Forward Work Plan (Pages 51 - 59)

10. Corporate Strategic Risk Register (Pages 61 - 74)

11. Finance and Customer Services Directorate Risk Register (Pages 75 - 83)

12. Items for Referral for Scrutiny

To consider the referral of matters for consideration by the Overview and Scrutiny Management Board.

13. Urgent Business

To consider any item which the Chair is of the opinion should be considered as a matter of urgency.

14. Date and time of next meeting

The next meeting of the Audit Committee will be held on Tuesday, 14th March, 2023, commencing at 2.00 p.m. in Rotherham Town Hall.



SHARON KEMP,
Chief Executive.

AUDIT COMMITTEE
29th November, 2022

Present:- Councillor Baker-Rogers (in the Chair); Councillors Cowen, Mills and Wyatt.

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

An apology for absence was received from John Barber (Independent Person).

44. DECLARATIONS OF INTEREST

There were no Declarations of Interest made at the meeting.

45. QUESTIONS FROM MEMBERS OF THE PUBLIC OR THE PRESS

No questions had been received.

46. 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 No. 58 (Regeneration and Environment 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.

47. MINUTES OF THE PREVIOUS MEETING HELD ON 27TH SEPTEMBER, 2022

Consideration was given to the minutes of the previous meeting of the Audit Committee held on 27th September, 2022.

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

48. GOVERNANCE, AUDIT AND RISK

Sharon Kemp, Chief Executive, gave the following powerpoint presentation:-

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Personal Oversight

- Monthly receipt of Internal Audit reports
- Regular Monitoring Officer meetings
- Quarterly Statutory Officers meetings
 - Complaints
 - Human Resources
 - Internal Audit
 - Whistleblowing
- Quarterly External Auditor meetings
- Review and sign off of Annual Governance Statement

Strategic Leadership Team

- Internal Audit
 - Review Annual Plan and Annual Report
 - Regular review of progress against plan and reports issued
- External Inspections
 - Review completion of actions
- Quarterly review of Corporate Risk Register

Action Tracking

- Review of outstanding actions
- Progress in clearing deferred actions
 - 41 2 years ago – improved to single figures in 2021, maintained at that level in 2022. Currently 3
 - Second deferrals – personal authorisation

Discussion ensued with the following issues highlighted:-

- Importance of having annual engagement between the Chief Executive and Audit Committee
- Check and challenge work took place to ascertain if there were any issues that required correlating but there were no obvious trends/patterns identified currently
- In line with LGA good practice, quarterly meetings took place with the Monitoring and Section 151 Officers and the Chief Executive who in turn took those discussions into their respective leadership teams
- The relationship with External Audit was very important who reported on issues raised within the sector

It was noted new rules/practice guide had been issued around Audit Committees; a document regarding the role of Audit Committees and secondly with regard to the officers supporting such Committees. A report would be submitted to the January meeting summarising the guidelines and processes and outlining any possible changes the Committee may wish to consider.

Resolved:- That the presentation be noted.

49. AUDITED STATEMENT OF ACCOUNTS 2021/22

Further to Minute Nos. 19 and 35 of 28th July and 27th September, 2022, respectively, Rob Mahon, Assistant Director, and Gareth Mills, on behalf of Grant Thornton, presented the ISA 260 report.

At this point Grant Thornton were not able to provide an unqualified opinion on the Statement of Account, however, they were not indicating any significant issues outside of the national issue with infrastructure assets.

Infrastructure assets was a national issue with local authority approaches and accounting treatment for such. The issue had been raised as part of other local authority 2020/21 account reviews and had since been progressed by CIPFA. Historically this had not been considered to be an area of significant audit risk, however, due to historical information deficits, many authorities were unable to provide sufficient evidence of the value of replaced components of infrastructure assets when they were derecognised. This had led to delays to audit completion for many authorities and the risk of widespread accounts qualifications. The Government had undertaken to review the necessity for an accounting statutory override whereby, under the Local Government Act 2003, it may make provision for local authority accounting practices. This was due to be confirmed in December, 2022. The override would allow local authorities using the override to not make any prior period adjustments or revisit opening balances until a workable future proof solution was in place.

None of the following impacted on the Council's budget position or outturn position for 2021/22:-

- A material adjustment identified in relation to the carrying of plant, vehicles and equipment (PVE) assets held by the Council
- 4 assets identified as requiring a change in category
- Amendment of the Statement of Accounts to show the reserve transfer in 2020/21 of the deficit balance on the Dedicated Schools Grant
- Demolition of the Oaks Day Centre which should have been impaired

Gareth Mills presented the ISA 260 noting that it could not be formally signed off until January, 2023, due to the national issues reported above.

The report highlighted:-

- A small number of IT based recommendations that would be followed up in 2022/23
- Assurance letter awaited from South Yorkshire Pensions Fund confirming no issues from the pension fund audit

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- Value for Money work underway and hoped to conclude by the end of January, 2023. No significant issues or weaknesses had been identified to prevent signing an opinion
- Materiality levels remained consistent with the Audit Plan
- No issues identified in respect of management override of controls
- Immaterial disclosure errors, as reported above, but had no impact on the Council's useable Reserves and management had amended the accounts to correct this
- Implementation of Special Educational Needs and Disabilities (SEND) reforms and DSG deficit would be areas of focus

Grant Thornton expected to issue a clean unqualified audit opinion in January, 2023.

Discussion ensued with the following issues raised/clarified:-

- The issue of infrastructure assets was first raised by auditors in the Spring. It had been expected that the Statutory Instrument would be live by now but the events nationally during the past 3 months had caused a delay
- It was not known why the letter from the South Yorkshire Pensions Fund auditors was delayed but suspected it was due to the pressure of work

Resolved:- (1) That, having taken regard of the External Audit findings, detailed within the ISA260 report, the 2021/22 Statement of Accounts, attached as Appendix 2 to the report submitted, be approved for publication as final together with the 2021/22 Narrative Report, attached as Appendix 3.

(2) That the ISA 260 be submitted to a future Audit Committee for review following the outcome of the infrastructure statutory override at which point the External Auditor will be in a position to provide their opinion on the Council's accounts.

50. ANNUAL GOVERNANCE STATEMENT 2021/22

David Webster, Head of Internal Audit, presented the Annual Governance Statement (AGS) for approval. The draft AGS had been presented to the Committee in July 2022 for the 2021/22 financial year and was published with the Council's financial statements. It was further reviewed at the 27th September Committee meeting and published with the Council's financial statements, however, at that time the External Auditors, Grant Thornton, had not concluded their review of the AGS.

That review was now complete with a few points raised resulting in minor amendments to the AGS. The report submitted provided an update on the changes made i.e.

- Inclusion of the award for Most Improved Authority in 2021/22 at the Local Government Awards in July 2022 (paragraph 3.2)
- Correction of the reporting of Grant Thornton's 2020/21 annual report (paragraph 3.12)
- Paragraphs 4.4-4.7 updated to show the current position
- Paragraph 5.2 amended to show how the action plan was being monitored and reported

The full AGS was attached as Appendix A of the report submitted.

Resolved:- That the 2021/22 Annual Governance Statement be approved.

51. INFORMATION GOVERNANCE/GDPR ANNUAL REPORT 2021/22

Consideration was given to an update and annual report presented by Paul Vessey, Head of Information Management, on the Council's compliance with the General Data Protection Regulation (GDPR) and the Data Protection Act (DPA).

Monitoring of the Council's compliance with GDPR and DPA was carried out by the Corporate Information Governance Group (CIGG) which had representatives from all Directorates and chaired by the Council's Senior Information Risk Officer (SIRO). Any risks relating to Information Governance, including GDPR and Data Protection were monitored on a regular basis by the group. Risks and actions were logged and reviewed at CIGG meetings and, if necessary, escalated in line with the Council's risk management processes.

The key issues were:-

- Maintain compliance
Compliance with Data Protection principles was a continuous project
CIGG fulfilled a core function in monitoring and overseeing information risks
Regularly monitored the effectiveness of the Council's Data Protection Policies and each Directorate's Information Governance and Data Protection processes
- Monitor performance of Freedom of Information (FOI) and Right of Access requests
Right of Access requests performance was below the target of 100% completion within the statutory time limits due to the large number of complex requests involving large volumes of historical data, Children's Services and often linked to CSE
An increase in the number of both requests received and those responded to within the statutory time period
Overall number of Freedom of Information requests received had remained static with a small decline in the number of requests responded to within the statutory time period

No valid Freedom of Information requests have been refused except for one Single Refusal Notice issued for vexatious requests

Appendix 1 of the report submitted provided performance for the last 4 financial years.

- Data Protection Incidents and Breaches
One data breach was reported to the Information Commissioner's Office (ICO) in 2021/22. This was a processing oversight by a small partner business and was contained. Following submission of a full report to the Information Commissioner no further action was required

Discussion issued with the following issues raised/clarified:-

- Although no definite implications for not completing 100% of FOIs/RoARs on time, there would be an instruction from the ICO and possibly legislation applied if it was to decline to 20% compliance
- The internal target for RoARs completed on time was 90%
- Early action had been taken with the information security incidents particularly the "disclosed in error" incidents. Each incident was reported to the Directorate and to each representative on the Corporate Information Governance Group

Resolved:- (1) That the General Data Protection Regulation annual report 2021/22 be noted.

(2) That the legal requirement of the Council continuing its maintenance of its Information Governance policies and processes in compliance with legislation be noted.

(3) That future reports include the previous year's figures for data incidents (Appendix 2) to enable comparisons to be made/any trends that need to be addressed by Directorates.

52. MID-YEAR TREASURY MANAGEMENT AND PRUDENTIAL INDICATORS MONITORING REPORT - 2022/23

Consideration was given to the report presented by Rob Mahon, Assistant Director, outlining the mid-year treasury review which also incorporated the needs of the Prudential Code to ensure adequate monitoring of the capital expenditure plans and the Council's Prudential Indicators.

The review, as set out in the Appendix submitted, provided detail of mid-year performance against the plan, the key changes to the Council's capital activity (the PIs) and the actual and proposed treasury management activity (borrowing and investment).

With regard to investments, the primary governing principle remained security over return and the criteria for selecting counterparties continued to reflect this.

The Council would maintain its strategy of being under-borrowed against the capital financing requirement. The Council borrowed £227M of long term PWLB funds during 2021/22 to take advantage of the low PWLB interest rates available at the time. This replaced short term borrowing as it matured. No borrowing had taken place during 2022/23 as the Council had cash balances remaining from the borrowing taken in 2021/22 that it had been able to invest on a short term basis to generate additional income for the Council. Making use of the current financial market conditions had lifted investment returns.

It was not expected that the Council would need to borrow any funds for the remainder of the 2022/23 financial year and, as a result, had made significant savings on borrowing costs against the plan set out in the Medium Term Financial Strategy as the Council had not been required to borrow in the current high interest rate market. The borrowing position would remain under review and an update of the Strategy would be submitted to Members within the Budget and Council Tax 2022/23 report to Council in March 2022.

All governance, strategies and monitoring were undertaken by the Audit Committee.

The report illustrated how, whilst the Council's approach to Treasury Management in recent year had in particular been to utilise short term borrowing which had generated significant savings for the Council, essential to achieving balanced budgets, the future outlook was more challenging. With increasing bank rates for borrowing, when the Council did need to borrow it would be at much higher levels than had been assumed in the Medium Term Financial Strategy. It was expected that borrowing rates would reduce over the next couple of years linked to the projections that inflation would return to the Bank of England's target 2% level.

PWLB rates fluctuated; during 2022/23 to date the rates had seen highs of 5.5% for a 50 year PWLB loan and lows of 2.42% with the 50 year rate currently standing at 3.87%. This further emphasised the positive deals that the Council took during 2021/22 with the £227M being borrowed at an average of 1.53%. Short term borrowing rates had also increased with 6 month borrowing rates standing at around 3.1% compared with 0.02% September 2021. This had not affected the Council's borrowing costs during 2022/23 as no borrowing had been taken and rates had not changed on existing loans.

The Council continued to keep interest rates under constant review within its borrowing strategies and decisions on the mix of long term and short term borrowing.

It was confirmed that the basis of the Treasury Management Strategy, the Investment Strategy and the Pls had not changed from that set out in the approved Treasury Management Strategy (March 2022).

Resolved:- That the report be noted.

53. CODE OF CORPORATE GOVERNANCE 2022

Simon Dennis, Corporate Improvement and Risk Manager, submitted the refreshed Council Code of Corporate Governance for consideration. There had been no new revisions to the CIPFA (the Chartered Institute of Public Finance and Accountancy) and SOLACE (the Society of Local Authority Chief Executives) guidance on delivering good governance in local government. However, it was good practice to review and revise the Council Code on an annual basis.

An annual review of the Code had been completed to ensure it remained up-to-date and relevant to the Council. Amendments had been made to remove elements of the Council's response to the Covid-19 pandemic as it had developed as well as other minor amendments where necessary.

The 7 key principles set out in the guidance which underpinned the governance of each local government organisation had not changed. The Rotherham Code followed each of the principles and demonstrated how they were applied and evidenced in practice.

Resolved:- That the refreshed version of the Code of Corporate Governance be approved.

54. RISK MANAGEMENT POLICY AND GUIDE REFRESH 2022

Further to Minute No. 60 of the meeting held on 30th November, 2021, Simon Dennis, Corporate Risk Manager, submitted proposed changes to the Risk Policy and Strategy.

The changes to the Policy and Guidance were minimal, however, the Risk Management Policy was submitted as a separate document so that it could be formally adopted by Cabinet. In order to ensure that the Policy could be read in isolation, some additional information had been included which had previously only appeared in the Guide.

In the course of the coming year, work would continue to ensure the Council's approach to risk management was well embedded across all projects and all staff, by providing training, clear guidance, supporting the Risk Champions and reporting according to agreed timelines.

Resolved:- (1) That the Risk Management Policy be noted.

(2) That the Risk Management Guide be approved.

55. INTERNAL AUDIT PROGRESS REPORT FOR THE PERIOD 1ST SEPTEMBER 2022 TO 31ST OCTOBER 2022

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 September to 31st October, 2022, and the key issues that had arisen therefrom.

The current position of the plan was outlined in Appendix A to the report together with changes to the plan as a result of meetings with all Directorate Leadership Teams summarised in Appendix B. In the year to date the Service has delivered 563 days of productive work showing it as on target for the year as a whole.

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

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

It was noted that one of the Principal Auditors had taken flexible retirement as from 1st October, 2022, reducing his hours from full-time to 2 days a week. Recruitment had been completed for an additional full-time Senior Auditor with a successful internal candidate. This would enhance capacity in the medium term and aid business continuity and succession planning, however, in the short term there would be a shortfall in resource. The plan would be monitored to ensure that sufficient coverage was maintained.

The training for the recently purchased Data Analytics software had been completed.

Resolved:- (1) That the Internal Audit work undertaken since the last Audit Committee, 1st September, 2022 to 31st October, 2022, and the key issues that have arisen from it be noted.

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

56. AUDIT COMMITTEE FORWARD WORK PLAN

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

It was noted that there would be 2 additional reports submitted to the January meeting i.e. final Statement of Accounts and CIPFA updated guidance for Audit Committees.

Gareth Mills, Grant Thornton, reported that a verbal update could be provided to the January meeting with regard to the Value for Money work which would hopefully be concluded by the end of January. The report could be circulated to the Committee, once agreed with the Strategic Director of Finance and Customer Services, as the following meeting was not until 14th March, 2023.

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

57. REGENERATION AND ENVIRONMENT DIRECTORATE RISK MANAGEMENT DIRECTORATE

Paul Woodcock, Strategic Director Regeneration and Environment, supported by Simon Moss (Planning, Regeneration and Transport) and Polly Hamilton (Culture, Sport and Tourism), presented a report providing details of the Risk Register and risk management activity within the Regeneration and Environment's Directorate.

4 of the 19 risks also feature on the Council's Strategic Risk Register i.e.

- To Maintain a Safe and Operational Property Estate
- Achieving Economic Growth
- Reduction of Carbon Emissions for the Council and the Borough
- Management and Delivery of Projects, Schemes and Initiatives through numerous sources of external funding

Discussion ensued with the following issues raised:-

- Bridge structures represented risks as the recent failure on Centenary Way illustrated. However, there was a well established process for inspecting bridges on a periodic basis
- Some elements of the risks were not within the Council's overall influence control i.e. achieving economic growth so mainly focussed on the plans for regeneration and business centres and work across the Combined Authorities
- Currently energy charges was still on the Directorate register and was about working the Yorkshire Purchasing Organisation and procurement partners

Resolved:- That the progress and current position in relation to risk management activity in the Regeneration and Environment Directorate be noted.

58. ITEMS FOR REFERRAL FOR SCRUTINY

There were no items for referral.

59. URGENT BUSINESS

There was no urgent business to be considered.

60. DATE AND TIME OF NEXT MEETING

Resolved:- That a further meeting be held on Tuesday, 10th January, 2023, commencing at 2.00 p.m.

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Public Report**Audit Committee**

Committee Name and Date of Committee Meeting:

Audit Committee – 10 January 2023

Report title:

External Inspections, Reviews, and Audits Update

Is this a Key Decision and has it been included in the Forward Plan?

No

Strategic Director Approving Submission of the Report:

Jo Brown – Assistant Chief Executive

Report Author(s):

Tanya Lound (*Corporate Improvement and Risk Officer*)

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Simon Dennis (*Corporate Improvement and Risk Manager*)

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Ward(s) Affected:

All

Report Summary:

In line with the Audit Committee terms of reference, the purpose of this report is to provide details of the recent external inspections, reviews and audits as well as to provide assurance that outgoing and outstanding recommendations from earlier inspections, audits and reviews, are being progressed.

The report provides a summary of progress against the recommendations from all external inspections, reviews and audits and sets out the details of arrangements for ensuring the accountability and governance around their implementation.

Recommendations:

That Audit Committee:

- Note the recent external inspections, reviews and audits which have taken place and the progress made relating to ongoing recommendations
- Note the governance arrangements in place for monitoring and managing the recommendations
- Continue to receive regular reports.

List of Appendices Included:

None

Background Papers

External audit and inspection recommendations reports to Audit Committee on 18 June 2019, 26 November 2019, 18 August 2020, 19 January 2021, 29 July 2021, 11 January 2022 and 28 July 2022.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

None

Council Approval Required

No

Exempt from the Press and Public

No

External Audits, Inspections and Reviews Update

1. Background

- 1.1 In line with the Audit Committee terms of reference, the purpose of this report is to provide details of the recent external inspections, reviews and audits across the Council and assurance that ongoing and outstanding recommendations, relating to those that have taken place previously, are being progressed.
- 1.2 The last report was presented to Audit Committee on 22 July 2022. The report referred to:
- Seven external inspections, reviews and audits that had taken place since January 2022, resulting in forty-seven recommendations/areas for improvement (twenty-seven had been implemented, twelve remained ongoing and eight had not yet started). The outcome was not yet known for 3 of the inspections and peer reviews conducted
 - In addition, out of the nineteen ongoing recommendations relating to external inspections, reviews and audits that took place previously, three had been implemented and twelve remained ongoing, four of which were awaiting final sign off
 - Four previously reported ongoing inspections/audits required no further action.
 -

2. Key issues

- 2.1 This report provides an overview of key areas of concern relating to external inspections, reviews, and audits, including action taken or to be taken and the associated governance arrangements. This is intended to provide the Audit Committee with assurance that appropriate arrangements are in place for managing the Council's response, in line with the Audit Committee's responsibilities.
- 2.2 Governance arrangements are in place for monitoring and managing external inspection, review, and audit recommendations within each directorate. In addition, the content of this report has been considered by the Strategic Leadership Team.
- 2.4 Since 28 July 2022, eight external inspections, reviews and audits have taken place and twenty-six recommendations/areas for improvement made, of which three are complete, seven are in progress and sixteen have not yet started and are at the planning stage. The outcome is not yet known for three of the audit reviews conducted.
- 2.5 In addition, thirty-three of the ongoing recommendations relating to external inspections, reviews and audits that took place prior to July 2022 are now complete, seventeen are in progress and thirty-five have not yet started. Twenty-two of those not yet started are currently being embedded within the Council's Equalities Framework Action Plan.
- 2.6 An update for each directorate is provided below.

3. Children and Young People's Services

- 3.1 One new independent review has been reported within this report, which identified seven areas for improvement. Further details are provided below.
- 3.2 Since the last report, the findings from the Inspection of Local Authority Children's Services (*ILACS*) short inspection by Ofsted has now been received and are included below.
- 3.3 Of the recommendations from external inspections, reviews and audits that took place prior to July 2022, thirteen recommendations have been completed since the last report, ten recommendations are in progress and five are yet to start.
- 3.4 The tables below provide a summary of new and ongoing external inspections, reviews and audits.

<u>New</u> external inspections reviews and audits				
Title	Date	Outcome	Number of recommendations	Status
CSE review	March - May 2022	The review team were assured that the concerns in the briefing paper provided regarding Child Sexual Exploitation (CSE) were taken seriously, acted upon, and dealt with appropriately.	7 areas for improvement	Partially complete (2 complete and 5 in progress)

3.5 CSE review (*Rotherham Safeguarding Children Partnership*)

- 3.5.1 An Independent Review was commissioned by the Chief Officers from Rotherham Metropolitan Borough Council (RMBC), South Yorkshire Police (SYP), and The Clinical Commissioning group (CCG, now Integrated Care Systems ICSs) following concerns raised in a Conservative Briefing paper dated 3 November 2021. The briefing suggested that Child Sexual Exploitation (CSE) was a continuing problem in Rotherham and that the response from the police and Council was not effective enough.
- 3.5.2 The review was approved by Council Motion on 10 November 2021 and undertaken by an Independent Review Project Team.
- 3.5.3 The review was split into two stages and conducted between March – May 2022.
- 3.5.4 The review team were assured that the concerns regarding Child Sexual Exploitation (CSE) were taken seriously, acted upon, and dealt with appropriately. The review also concluded that services in Rotherham have strong leadership, accountability and locally developed multi-agency relationships which take a robust approach to addressing CSE in Rotherham. The review team found no evidence that CSE may be occurring on the same scale as in the past as detailed in the Jay report in 2014.
- 3.5.5 The review did not make any recommendations, and instead made seven suggestions in recognition that there is always room for improvement.

3.5.6 Two of the areas for improvement are now complete:

- Induction and training of Councillors
- Scrutiny - consider how more meaningful data and performance information is included in performance reporting for members.

3.5.7 Five of the areas for improvement remain in progress:

- Rebuilding Trust and Confidence - Communications plan should be developed that actively promotes better public engagement through CE/CSE awareness campaigns and the sharing of good news and other stories. Should take account of equality and diversity to ensure the widest possible reach – target date February 2023
- Survivors - work with all local partners and develop a programme to achieve regular and consistent way to collate views and feedback to inform future development and commissioning – target date December 2022. Case studies have been shared, although this activity is ongoing
- Public awareness raising that takes account of equality and diversity – target date February 2023
- Keeping children and young people safe - further training and awareness that recognises the changing landscape of CE/CSE to more online abuse to keep children and young people and adults at risk, including those with Special Educational Needs and Disability (SEND) safe – target date March 2023
- CE/CSE Strategy review – target date January 2023.
-

3.5.8 The Rotherham Safeguarding Children's Partnership are responsible for monitoring progress.

Ongoing external inspections reviews and audits <i>(those reported previously which had ongoing recommendations)</i>						
Title	Date	Outcome	No recs	Implemented:		Status
				At last report	Since last report	
Inspection of Local Authority Children's Services (ILACS) Framework - Focus on permanence planning and achieving permanence (Ofsted)	March 2019	Looked after children in Rotherham are receiving a "strong" service that has significantly improved	3	1	2	Complete All 3 recommendations are now complete.
Troubled Families (Ministry of Housing, Communities and Local Government)	July 2019	Feedback extremely positive and six recommendations made, which included a recommendation to enhance systems.	6	5	0	Partially complete (5 complete and 1 in progress)
Focused visit to Rotherham children's services (Ofsted)	20 – 22 nd October 2020	No formal overall outcome from the inspection. A letter providing four recommendations has been published.	4	0	4	Complete All 4 recommendations are now complete.

		Noted that Rotherham children's services reacted rapidly and effectively to the COVID-19 pandemic in the early 2020.				
Joint Area SEND Inspection (Ofsted and CQC)	5-9 July 2021	No formal overall outcome from the inspection. A letter providing four recommendations has been published.	4	0	0	Ongoing (4 recs in progress)
Rotherham Youth Justice Service Peer Review (The Youth Justice Board)	March 2022	No formal outcome or recommendations from the peer review, however 13 areas for improvement identified for consideration.	13 areas for improvement.	0	7	Partially complete (7 areas for improvement complete, 1 in progress and 5 awaiting start)
Inspection of Local Authority Children's Services (ILACS) Short Inspection (Ofsted)	June 2022	Services provided to children and families by the Council rated as 'good' across the board.	4	Was awaiting findings.	0	Ongoing (4 areas for improvement in progress)

3.6 Inspection of Local Authority Children's Services (ILACS) Framework – Focused visit on permanence and planning (Ofsted)

- 3.6.1 Ofsted undertook an Inspection of Local Authority Children's Services (ILACS) Framework on 21 March 2019 focusing on planning and achieving permanence.
- 3.6.2 No formal judgement was given but the inspectors stated looked after children in Rotherham are receiving a "strong" service that has significantly improved. Three recommendations were made.
- 3.6.3 Since the last report the two remaining recommendations are now complete:
- The quality and consistency of written planning, so that it matches up to social workers' verbal accounts of their plans
 - Sufficiency of in-house options, to avoid the use of unregulated placements when finding places for children in care to live.
- 3.6.4 In June 2022, Ofsted reported that 'the senior leadership team and managers have successfully delivered on all the actions identified from the Ofsted inspection of 2017 and focused visits of 2019 and 2020.'

3.7 Troubled Families (Ministry of Housing, Communities and Local Government (MHCLG))

- 3.7.1 A troubled families spot check was carried out in July 2019 by the Ministry of Housing and Local Government. The purpose of the inspection was to review processes, performance and systems and identify areas for improvement.

3.7.2 Six recommendations were made, five of which have been implemented and are complete, and one is still ongoing and now scheduled for completion in June 2023, rather than March 2023:

- Align better Troubled Families data with the corporate context.

3.7.3 Progress is managed via the Children and Young People's Service (CYPS) Development Plan and challenged as part of the CYPS quality assurance process.

3.8 Focused visit to Rotherham children's services (Ofsted)

3.8.1 A virtual focused visit was conducted by Ofsted between 20 - 22 October 2020 to look at the quality and impact of key decision-making across help and protection, children in care and services for care leavers, together with the impact of leadership on service development.

3.8.2 Four recommendations were made regarding areas which required improvement. These included:

- The quality and monitoring of children's plans
- Placement sufficiency to reduce the need for children to be placed out of authority and in unregistered provision
- The timeliness of children in care accessing education
- The timely return to full-time education for children with SEND.

3.8.3 In June 2022 Ofsted reported that 'the senior leadership team and managers have successfully delivered on all the actions identified from the Ofsted inspection of 2017 and focused visits of 2019 and 2020.'

3.9 Joint Area Special Educational Needs and/or Disabilities (SEND) inspection (Ofsted and CQC)

3.9.1 Between 5–9 July 2021 Ofsted and the Care Quality Commission conducted a joint inspection of the local area of Rotherham to judge the effectiveness of the area in implementing the Special Educational Needs and/or Disabilities (SEND) reforms as set out in the Children and Families Act 2014.

3.9.2 A letter detailing the findings was published on 19 October 2021.

3.9.3 A formal Written Statement of Action (WsoA) has been jointly developed with the Clinical Commissioning Group (CCG) which sets out the key actions and timelines to address the following areas of improvement:

- The variability in the quality of Education, Health and Care plans, including the contribution of health and social care partners
- The effectiveness of the graduated response to identify and meet children and young people's needs, especially in key stages one and two
- The quality of provision for children and young people's preparation for, and transition to, adulthood
- Communication with all parents and carers of children and young people with SEND about the local offer, and the accessibility of the very valuable information included within the local offer.

- 3.9.4 The target date for the actions relating to all of the above is September 2023.
- 3.9.5 The WSoA review meeting with the Department for Education (DfE) concluded Rotherham's progress in implementing its WSoA is currently good, leadership appears to be strengthening and is shared across agencies.
- 3.9.6 Formal internal governance arrangements are in place to review and challenge progress made against the actions. The SEND Executive Board meets bi-monthly to review and hold accountability against progress.

3.10 Rotherham Youth Justice Service Peer Review (*The Youth Justice Board*)

- 3.10.1 The Youth Justice Board (YJB) were asked to undertake a review of Rotherham's Youth Justice Service to assess progress against the September 2020 Inspection findings. The peer review was conducted in March 2022.
- 3.10.2 There was no formal outcome or recommendations from the peer review, however thirteen areas for consideration were identified.
- 3.10.3 Since the last report, seven areas for improvement are now complete, these include:
- Develop a new Vision for the partnership and agree priorities going forward
 - Youth Justice Partners to embed the new LAC Protocol (Reducing unnecessary criminalisation of children) and consider where the operational monitoring of the strategy will be owned, tracked and reviewed
 - Understand and respond to an increase in First Time Entrants (FTE)
 - Strengthen the Education, Employment and Training Offer for Youth Justice young people
 - Develop how data is presented to the Partnership Board to ensure improvements within the youth justice system can be driven by the partnership to adopt a problem-solving approach to issues and challenges
 - Appoint a Vice Chair to the Youth Justice Partnership Board
 - Strengthen current quality assurance arrangements through thematic partnership audits.
- 3.10.4 One area for improvement is in progress and five have not yet started, these include:
- Explore how the partnership can expedite health pathways and access to health and wellbeing support for children & young people open to the Youth Justice Service – in progress, target date December 2022. Exploration work has taken place, and meetings will take place in January 2023 to discuss implementation of the proposed arrangements
 - Enhance Board oversight of effectiveness of Out of Court Disposal decision making across the partnership – target date March 2023
 - Review National Standards and Identify and develop operational thematic leads within the Youth Justice Service – target date revised from December 2022 to February 2023
 - Review the partnership sharing and escalation processes and include in new working agreements – target date revised from December 2022 to January 2023
 - Review the Youth Justice Service's Risk Management Policy and clarify the role of the wider partnership (for example, CAMHS, Education and the Police) and

their input into child specific risk management plans – target date revised from December 2022 to January 2023

- Workforce and partnership development including the induction for staff (including secondees), volunteers and partnership board members – target date March 2023.

3.10.5 Work is underway to address the remaining areas for improvement through the Youth Justice Plan 22/23 and is overseen by the Rotherham Youth Justice Partnership Board.

3.10.6 The findings from the peer review have been shared with various partnership groups to share learning.

3.11 Inspecting local authority services for children (ILACS) Short Inspection (Ofsted)

3.11.1 Every three years Ofsted conducted an inspection to review the effectiveness of local authority services and arrangements for Children and Young People. The inspection was conducted in June 2022.

3.11.2 The review findings were published in August 2022 and services provided to children and families by the Council were rated as 'good' across the board.

3.11.3 There were 4 areas for Improvement:

1. Consideration of previous history and current circumstances when responding to 'Front Door' contacts and child protection concerns – target date November 2022. Some actions are complete; some remain ongoing
2. Assessment of the identity needs of children when planning for their future – target date April 2023
3. The level of ambition for individual care leavers, the support for them to achieve their aspirations and the detailing of this in pathway plans – target date June 2023
4. The quality of individual case audits to inform wider service learning – target date June 2023.

3.11.4 Actions are already underway to address the four recommendations identified and are being progressed as part of the embedded improvement, planning and quality assurance processes, with monitoring undertaken through the Children and Young People's Services Improvement Plan and reported for review and challenge to the Directorate Leadership Team.

4. Adult Care, Housing and Public Health

4.1 One inspection and one external accreditation has taken place since the last report. The external accreditation made seventeen recommendations for improvement. One of these has been implemented and sixteen have not yet started and are in the early planning stage. Further details are provided below.

4.2 All recommendations relating to external inspections, reviews and audits that took place prior to July 2022 are now complete and there are no recommendations outstanding.

4.3 The tables below provide a summary of new and ongoing external inspections, reviews and audits.

<u>New</u> external inspections reviews and audits				
Title	Date	Outcome	Number of recs	Status
Exemplar accreditation of housing tenancy engagement (Tpas)	October 2022	Excellent outcome. Exemplar accreditation achieved with All 7 themes achieving an individual PASS status.	17 Improvements/ comment received	Ongoing (1 area for improvement complete and 16 not yet started and at planning stage)
Inspection of Conway (Respite Service) 17 Conway Crescent (CQC)	July 2022	Overall rating achieved 'Good'. All 5 sub themes also received a 'Good' rating.	0	No formal recommendations.

4.4 Exemplar accreditation of housing tenancy engagement (Tpas)

- 4.4.1 In October 2022 the Council achieved the standard to achieve Tpas 'Exemplar' status which will run until 2024. Tpas Exemplar is for organisations who have been awarded the Tpas PRO accreditation three times and have consistently demonstrated their exemplar approach to engagement. It is comprehensive, visionary and time focused, ensuring organisations remain a beacon of excellent practice for engagement.
- 4.4.2 The Council received an excellent outcome and exemplar accreditation was achieved with all seven themes achieving an individual 'pass' status.
- 4.4.3 Six of the themes had a total of seventeen areas for improvement/comments and there were six areas of good practice identified.
- 4.4.4 The report received included examples of learning and additional learning will be captured in the future.
- 4.4.5 Since the accreditation one area of improvement is now complete:
- Wider consultation with residents to inform the plan - wanted to see evidence of this or how residents were consulted within the Framework. Tenants were involved in the development of the Tenant Engagement Framework and action plan at the Housing Involvement Panel meeting in September 2022.
- 4.4.6 The remaining sixteen outstanding areas for improvement/comments are at the planning stage and the overall target date for all recommendations to be completed in October 2024.
- 4.4.7 Detailed timelines for each recommendation and progress will be performance managed as agreed via the new Tenant Engagement Framework 2022-25 Action Plan and reported to the Housing Involvement Panel.

4.5 Inspection of Conway (Respite Service) 17 Conway Crescent (CQC)

- 4.5.1 The CQC undertook an inspection of Conway Crescent in July 2022, and the report was published on 24 August 2022.
- 4.5.2 The Council received an overall 'good' rating and all five sub themes also received 'good' ratings.
- 4.5.3 There were no recommendations made.
- 4.5.4 CQC assurance of the Council's CQC registered provision was formerly annually, however this is now on a risk-based assessment basis.

Ongoing external inspections reviews and audits <i>(those reported previously which had ongoing recommendations)</i>						
Title	Date	Outcome	No recs	Implemented:		Status
				At last report	Since last report	
Repairs and Maintenance Cost Collection Workbook (Contracted services Engie and Mears) (<i>Stradia</i>)	September – October 2021 – Report returned Jan 2022	Positive review, however, twenty-four observations made, the bulk of which related to definition of actual cost and what can and cannot be charged to the contract.	24	23	1	Complete All recommendations are now complete.
Community substance misuse service Rotherham (inspection of contracted service Change, Grow, Live) (CQC)	22 April 2022	Requires improvement and eight recommendations made.	8	2	6	Complete All recommendations are now complete.

4.6 Repairs and Maintenance Cost Collection Workbook (Contracted services Engie and Mears) (*Stradia*)

- 4.6.1 An annual audit has been carried out by Stradia to verify the Cost Collection Workbooks for Engie and Mears provided by RMBC, for the year April 2020 to March 2021 and all observations and recommendations have been acted upon. Legal services and the Assistant Director for Housing Services were consulted about the outstanding contractual recommendation relating to allowable cost.
- 4.6.2 The audit reports were received in January 2022 and included twenty-four recommendations, focussed around:
- Allowable costs
 - Furlough payments
 - Accrual queries/missing invoice
 - Schedule of rates with supply chains
 - Clarity on staffing and roles.

- 4.6.3 The one remaining recommendation (*Review the cost data provided and confirm all costs relate to the audit period*) is now complete.
- 4.6.4 It should be noted that all recommendations are complete. The cost collection workbook audit is also an annual audit which will repeat each year.
- 4.6.5 In relation to lessons learned, this is the first year of contract and there is a need for continuous external auditing to ensure that costs are correctly applied.
- 4.6.6 Progress is overseen by the Commercial Manager, and Head of Service.

4.7 Community Substance Misuse Service Rotherham (inspection of contracted service Change, Grow, Live) (CQC)

- 4.7.1 The Care Quality Commission (CQC) undertook an inspection of the Community Substance Misuse Service in February 2022, a commissioned service delivered by Change, Grow, Live, voluntary organisation. The inspection was undertaken to establish the quality of the service being provided and was focused around whether they were safe, effective, caring, responsive and well-led.
- 4.7.2 Eight recommendations were made including:
- Ensure staff know how to handle complaints and who to pass them on to
 - Recovery activities to be promoted effectively with clients receiving treatment through their GP
 - Ensure that systems and processes are operating effectively to assess, monitor and improve the quality of the service. This includes ensuring there is appropriate guidance for staff on care planning, what issues should be discussed in team meetings and timely review of procedures that impact on clients having to wait outside
 - Embed governance processes, including local governance meetings and guidance for staff about what they should discuss in team meetings
 - Ensure that care plans are recovery orientated and treatment goals reflect the full range of client need
 - Suitable guidance for staff on how to develop recovery orientated care plans
 - Develop holistic, recovery-oriented care plans and evidence that clients have been offered copies of their care plans
 - Review the waiting area arrangements.
- 4.7.3 All remaining outstanding recommendations were completed in August 2022 and a site audit was completed to review the evidence and actions taken. CQC also undertook a follow up visit on 31 October to review the progress made. Formal feedback has not yet been received.

5. Regeneration and Environment Services

- 5.1 One audit has taken place since the last report and two recommendations were made. Further details are provided below.
- 5.2 Of the recommendations from external inspections, reviews and audits that took place previously, all recommendations are now complete.

5.3 The tables below provide a summary of new and ongoing external inspections, reviews and audits.

<u>New</u> external inspections reviews and audits				
Title	Date	Outcome	Number of recs	Status
Local Authority Audit - Sports Ground Safety Authority (SGSA)	July 2022	Excellent progress has been made with recommended actions from the previous audit with all being completed satisfactorily.	2	Ongoing (2 recommendations in progress)

5.4 Local Authority Audit - Sports Ground Safety Authority (SGSA)

5.4.1 The Sports Ground Safety Authority (SGSA) – Local Authority Audit took place in July 2022. The audit is a national regulator who assess the Council's delivery of its statutory obligations in relation to safety at sports grounds. The frequency is based on risk and the Council are currently low risk and audited every twenty-four months.

5.4.2 The audit concluded that excellent progress had been made with recommended actions from the previous audit all being completed satisfactorily. The Council's risk rating was reduced from 'medium' to 'low'.

5.4.3 Two recommendations were made, these included:

- The capacity and P/S (physical condition and safety management) factors will be reviewed annually at a Safety Advisory Group (SAG) to ensure all agencies can comment and a written record is contained within the minutes
- Ensure that policies and procedures document for the safety certification function, monitoring and enforcement are regularly reviewed and the review is documented.

5.4.4 Due to the nature of the recommendations, neither have a defined end point, are ongoing and will continue to form part of the services delivery of the safety at sports grounds function.

5.4.5 Implementation will be overseen by the Management Team.

<u>Ongoing</u> external inspections reviews and audits (those reported previously which had ongoing recommendations)						
Title	Date	Outcome	Number of recs	Implemented:		Status
				At last report	Since last report	
Sports Ground Safety Audit (Sports Ground Safety Authority) (Follow-up Inspection)	June 2021	Council risk rating improved to "medium risk"	9 recommendations	8	1	Complete All recommendations are now complete.

5.5 Sports Ground Safety Audit (*Sports Ground Safety Authority*)

- 5.5.1 In October 2020, the Sports Ground Safety Authority undertook an audit to ensure that the designated sports ground within the Borough (Rotherham United Football Ground) was operating safely and that the local authority is discharging its duties appropriately under the Safety of Sports Ground Act 1975. A follow up Sports Ground Safety Authority audit took place on 30 June 2021 resulting in the Council's risk rating improving from 'high' to 'medium risk'.
- 5.5.2 The Safety Certificate and Operations Manual were reviewed by the Council and Safety Advisory Group (SAG) members as part of the preparations for the Women's European Championship earlier this year and all recommendations have now been implemented.
- 5.5.3 A further audit was carried out in July 2022, see above.

6. Finance and Customer Services

- 6.1 Four audits have taken place since the last report and the Council is awaiting the findings of three of these. Further details are provided in the table below.
- 6.2 Of the external inspections, reviews and audits that took place prior to July 2022, the Council has now received the findings from the LGA Customer Service Peer Review which identified twenty-seven areas for improvement. Of these, twelve are complete. Seven are in progress and eight have not yet started. Further details are provided below.
- 6.3 The tables below provide a summary of new and ongoing external inspections, reviews and audits.

<u>New</u> external inspections reviews and audits				
Title	Date	Outcome	Recommendations	Status
Teachers Pension Audit 2021/22 (KPMG)	Completed 30 November 2022	Completed with clean opinion, no recommendations.	None	Complete No recommendations.
Housing Benefit Audit 2021/22 (Grant Thornton)	Due to be completed by March 2023	Unknown	Unknown	Awaiting outcome
Statement of Accounts Audit 2021/22 (Grant Thornton)	Expected to be completed 30 December 2022	Unknown	Unknown	Awaiting outcome.
Housing Pooling Capital Receipts Audit 2021/22 (KPMG)	December 2022	Unknown	Unknown	Awaiting outcome

6.4 Teachers Pension Audit 2021/22 (KPMG)

6.4.1 The annual audit is an end of year process to provide assurance that all contributions due have been correctly paid over to the Teachers' Pension Scheme (TPS). The audit was conducted completed in November 2022.

6.4.2 The outcome letter provided by KPMG confirmed a clean opinion and there were no recommendations.

Ongoing external inspections reviews and audits <i>(those reported previously which had ongoing recommendations)</i>						
Title	Date	Outcome	Recommendations	Implemented:		Status
				At last report	Since last report	
Customer Service Peer Review (LGA)	June 2022. Findings received November 2022.	The Council has a vision to provide improved customer access and experience. However, there is more work to do to ensure that everyone is bought into the improved customer access and experience approach.	27 actions relating to six recommendations.	Was awaiting outcome.	12	Ongoing (12 improvement actions complete, 7 in progress and 8 not yet started)

6.5 Customer Service Peer Review (LGA)

6.5.1 In June 2022 the LGA conducted a peer review of Customer Service. The Council requested the review to assess progress against the outcomes set out in the Council Plan and suggest any improvement opportunities based on experience and knowledge of best practice in other authorities. The review looked at the current position and performance of customer service across the Council.

6.5.2 The findings received in November 2022 stated that overall 'Rotherham Council has a vision to provide improved customer access and experience. The aim is that whatever part of the Council a resident or customer contacts, they receive the same standard of service. There have been some corporate changes to working patterns, systems and processes to achieve this vision. It appears to the peer team that it is heading in the right direction, but that there is more work to do to ensure that everyone is bought into the improved customer access and experience approach.'

6.5.3 The report included twenty-seven areas for improvement focussed around six recommendations. These included:

1. Ensure that there is a corporate approach to improved customer access and experience – target date April 2023
2. Improve internal communication and co-ordination – target date June 2023
3. Consider greater involvement of councillors in corporate priority programme and project management – target date January 2023
4. Improve co-ordination of corporate strategies, services and teams – target date April 2023

- 5. Explore ways to use technology to improve customer experience – target date September 2023
- 6. Involve key stakeholders to help service improvements – complete November 2022.

6.5.4 Of the twenty-seven improvement actions, twelve are now complete. This includes all seven actions relating to recommendation six which is now complete.

6.5.5 Seven actions are in progress and eight have not yet started.

6.5.6. A Strategic Customer Experience Board has been established to oversee implementation of the improvement actions.

7. Assistant Chief Executive

- 7.1 No new external inspections, reviews or audits have taken place since the last report.
- 7.2 Of the external inspections, reviews and audits that took place prior to July 2022, the Council has now received the findings from the Equality Framework informal peer challenge conducted by Doncaster MBC. Further details are provided below.
- 7.2 The table below provides a summary of ongoing external inspections, reviews and audits.

Ongoing external inspections reviews and audits <i>(those reported previously which had ongoing recommendations)</i>						
Title	Date	Outcome	Recommendations	Implemented:		Status
				At last report	Since last report	
Equality Framework for Local Government - Rotherham Council Informal Peer Challenge <i>(Doncaster Council)</i>	March – April 2022. Findings received May 2022.	Peer team agreed with the Council's Self-assessment (Suggested developing level) and acknowledged that the Council provided the required level of information and documentation to evidence this. Stated the Council appear to be aware of their current position and have detailed activity planned to gain an 'Excellent' rating.	22 suggestions for consideration around focused around 4 themes.	Was awaiting outcome.	0	Ongoing All 22 suggestions/rec ommendations are being taken on board and embedded within the Council's Equality Framework Action Plan.

7.3 Equality Framework for Local Government - Rotherham Council Peer Challenge (Doncaster Council)

- 7.3.1 Between March – April 2022 the Council received an informal, desktop peer assessment of the Council's progress judged against the KLOEs of the Equality Framework for Local Government by Doncaster Council.
- 7.3.2 The findings were received in May 2022 and twenty-two suggestions were made for consideration around the four themes from the Equality Framework for Local Government (EFLG):
1. Understanding and Working with your Communities
 2. Leadership and Organisational Commitment
 3. Responsive Services and Customer Care
 4. Diverse and Engaged Workforce.
- 7.3.3 The comments from the peer challenge have been shared with the Corporate Equality, Diversity, and Inclusion Steering Group and many are already addressed within the published action plan. The Steering Group are currently developing a longer-term view to agree the timescale to achieve 'excellent' in the Equality Framework.
- 7.3.4 Implementation of the Equality Framework Action Plan is overseen by the Equality, Diversity and Inclusion Steering Group.

8. Lessons learnt

- 8.1 The Council will continue to share learning from external inspections, reviews and audits across services and other directorates, where appropriate, to prevent future concerns/problems arising and enhance service delivery.
- 8.2 See paragraphs 3.10.6, 4.4.4 and 4.6.5 regarding examples of learning being considered.

9. Options considered and recommended proposal

- 9.1 Audit Committee to note the recent external inspections, reviews and audits which have taken place and the progress made in implementing the recommendations since the last report in July 2022.
- 9.2 Audit Committee to note the governance arrangements that are currently in place for monitoring and managing the recommendations.
- 9.3 Audit Committee to continue to receive regular reports in relation to external inspections, reviews and audits and the progress made.

10. Consultation on proposal

- 10.1 Not applicable to this report.

11. Timetable and Accountability for Implementing this Decision

- 11.1 The timescale for each recommendation varies depending on the individual inspection or audit.
- 11.2 The next report will be presented to Audit Committee in July 2023.

12. Financial and Procurement Advice and Implications

- 12.1 There are no direct financial and procurement implications as a result of this report.
- 12.2 Audits relating to finance and procurement and any related recommendations are outlined in the main body of the report.

13. Legal Advice and Implications

- 13.1 There are no direct legal implications arising from the recommendations within this report.
- 13.2 Audits relating to legal services and any recommendations are outlined above.

14. Human Resources Advice and Implications

- 14.1 There are no Human Resources implications.

15. Implications for Children and Young People and Vulnerable Adults

- 15.1 The recommendations in relation to inspections in both Children and Young People's Services and Adult Social Care have direct implications on the quality of services provided to children, young people and vulnerable adults. Completing the recommendations will improve outcomes for these groups.

16. Equalities and Human Rights Advice and Implications

- 16.1 When implementing changes/improvements services are to consider the impacts on services users and communities, including an individual or group with a protected characteristic. This may require the completion of an equality analysis to advance and maximise equality as well as eliminate discrimination and negative consequences.

17. Implications for CO2 Emissions and Climate Change

- 17.1 There are no direct CO2 emissions and climate change implications.

18. Implications for Partners

- 18.1 Partnership approaches are key to improving services and the improvements need to be of a multi-agency nature and owned cross the partnership.

19. Risks and Mitigation

- 19.1 There is a risk that actions are reported as completed without substance, it is important that arrangements are in place as part of the respective quality assurance regimes and monitored through performance management, evidencing not just completion of actions, but the associated outcomes. As governance arrangements are strengthened, these risks become mitigated.

20. Accountable Officer(s)

Simon Dennis, Corporate Improvement and Risk Manager
Tanya Lound, Corporate Improvement and Risk Officer

Approvals Obtained from:-

Jo Brown, Assistant Chief Executive

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Committee Name and Date of Committee Meeting

Audit Committee – 10th January 2023.

Title

Internal Audit Progress Report for the period 1st November 2022 to 30th November 2022.

Is this a Key Decision and has it been included on the Forward Plan?

No.

Strategic Director Approving Submission of the Report

Judith Badger, Strategic Director, Finance and Customer Services.

Report Author(s)

David Webster, Head of Internal Audit

Tel: 01709 823282 Email: david.webster@rotherham.gov.uk

Ward(s) Affected

All wards.

Report Summary

This Progress Report provides the committee with an up to date position on the Internal Audit Plan, a summary of Internal Audit work completed during the period 1st November 2022 to 30th November 2022 and the key issues that have arisen from it, and the status of actions arising from audits. It also provides information regarding the performance of the Internal Audit function during the period.

Recommendations

The Audit Committee is asked to:

- 1) Note the Internal Audit work undertaken since the last Audit Committee, 1st November 2022 to 30th November 2022, and the key issues that have arisen from it.
- 2) Note the information contained regarding the performance of Internal Audit and the actions being taken by management in respect of their performance.

List of Appendices Included

Appendix A – Revised Internal Audit Plan 2022/23

Appendix B – Summary of work completed since the last meeting

Appendix C – Internal Audit Performance Indicators

Background Papers

Public Sector Internal Audit Standards and Associated Local Government Application Note.

Accounts and Audit (England) Regulations 2015.

Consideration by any other Council Committee, Scrutiny or Advisory Panel
No.

Council Approval Required
No.

Exempt from the Press and Public
No.

Internal Audit Progress Report for the period 1st November 2022 to 30th November 2022

1. Background

- 1.1 CIPFA guidance for Audit Committees in Local Authorities gives the Audit Committee a clear role in supporting the effectiveness of the internal audit process. This role is reflected in the Terms of Reference of the committee. To fulfil this role the committee receives updates on the work of internal audit including key findings, issues of concern and action in hand as a result of internal audit work. In addition, it receives information on performance relative to the audit plan.
- 1.2 Public Sector Internal Audit Standards require that the Head of Internal Audit reports periodically to the Audit Committee. This is reflected in the Audit Charter which provides for Progress Reports to be presented to the Audit Committee regarding the audit plan and progress against it; resource requirements; the results of audit activities; the tracking of audit recommendations; and the performance of the audit team.
- 1.3 This report includes the position up to the end of November on the completion of the annual plan for 2022/23, the reports finalised in November, and performance indicators for the team.

2. Key Issues

2.1 Internal Audit Annual Plan

Internal Audit produced a risk based Annual Audit Plan for 2022/23 and presented it to the Audit Committee at its meeting on 15th March 2022. An updated plan after a half-year review was presented to the Audit Committee in November 2022. The current position with regards to the revised plan is given in **Appendix A**. In the last month two audits have been deferred to next year, owing to a review of policy for the area concerned. In the year to date the department has delivered 692 days of productive work, showing it is on target for the year as a whole.

2.2 Audit Work Undertaken During the Period

Internal Audit provides an opinion on the control environment for all systems or services which are subject to audit review. These are taken into consideration when forming our overall annual opinion on the Council's control environment. There are four possible levels of assurance for any area under examination, these being "Substantial Assurance", "Reasonable Assurance" "Partial Assurance" and "No Assurance". Audit opinions and a brief summary of all audit work concluded since the last Audit Committee are set out in **Appendix B**. Four audits have been finalised since the last Audit Committee, including one with Partial Assurance – Health Funded Clients.

- 2.3 In addition to the planned audit assurance work, Internal Audit also carries out unplanned responsive work and investigations into any allegations of fraud, corruption or other irregularity. There have been no investigation reports issued since the last committee meeting.

2.4 Internal Audit Performance Indicators

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

2.5 Management Response to Audit Reports

Following the completion of audit work, draft reports are sent to or discussed with the responsible managers to obtain their agreement to the report and commitment to the implementation of recommendations. This results in the production of agreed action plans, containing details of implementation dates and the officers responsible for delivery. Draft reports are copied to the relevant Head of Service and Assistant Director and final reports are also sent to the Strategic Director.

Confirmation of implementation of audit recommendations is sought from service managers when the implementation date is reached. This is automated, with alerts being sent out a week before the due date to the Responsible Manager and Head of Service, and overdue alerts sent out weekly, copied into the Assistant and Strategic Director. Managers should enter the system and provide an update on the action – either implemented or deferred.

Summary reports of outstanding actions are produced monthly and distributed to Strategic Directors. At the present time there are only three actions that have been deferred from their original due dates. The position will be monitored and any issues reported.

3. Options considered and recommended proposal

- 3.1 This report is presented to enable the Audit Committee to fulfil its responsibility for overseeing the work of Internal Audit. It provides a summary of Internal Audit work completed and the key issues arising from it for the period from 1st November to 30th November 2022 and information about the performance of the Internal Audit function during this period.

4. Consultation on proposal

- 4.1 The Internal Audit plan was produced after consultation with management teams. All Internal Audit reports referred to in this report have been discussed and agreed with management in the respective service areas.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Audit Committee is asked to receive this report at its 10th January 2023 meeting.

6. Financial and Procurement Advice and Implications

- 6.1 There are no direct financial or procurement implications arising from this report. The budget for the Internal Audit function is contained within the budget for the Finance and Customer Services Directorate.

7. Legal Advice and Implications

- 7.1 The provision of Internal Audit is a statutory requirement for all local authorities that is set out in the Accounts and Audit (England) Regulations 2015. These state:

“A relevant authority must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance.”

- 7.2 Internal Audit also has a role in helping the Council to fulfil its responsibilities under s.151 of the Local Government Act 1972, which are:

“each local authority shall make arrangements for the proper administration of their financial affairs and shall secure that one of their officers has responsibility for the administration of those affairs”

8. Human Resources Advice and Implications

- 8.1 There are no direct Human Resources implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 This document includes a report of progress against delivery of the Internal Audit Plan. A significant proportion of the Plan is devoted to the examination of risks facing Children and Young People's Services and Adult Social Care.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no direct Equalities and Human Rights Implications arising from this report.

11. Implications for CO2 Emissions and Climate Change

- 11.1 There are no direct CO2 and Climate Change implications arising from the report.

12. Implications for Partners

- 12.1 Internal Audit is an integral part of the Council's Governance Framework, which is wholly related to the achievement of the Council's objectives, including those set out in the Council Plan.

13. Risks and Mitigation

- 13.1 An effective Internal Audit Department helps to minimise the Council's exposure to risk.

14. Accountable Officer

David Webster, Head of Internal Audit.

Tel 01709 823282 E mail david.webster@rotherham.gov.uk

Internal Audit Plan 2022-2023

Assistant Chief Executive					
Audit	Risk Register and Rating	Audit Classification	Auditable Area	Number of days	Planned Quarter
Payroll	ACX20	Systems Based	Provide assurance on key processes for carrying out reconciliations and error resolution and prevention.	20	4
Big Hearts Big Changes (BHBC)	ACX23	Risk Based	Provide assurance on the governance arrangements to ensure the effective delivery of the BHBC programme.	15	WIP
Council Plan	ACX27	Risk Based	Provide assurance on the governance arrangements and that performance measures are being accurately reported.	20	3
Agency Staff / Relief Workers		Risk Based	Provide assurance on the effectiveness of governance arrangements to ensure agency/relief staff are being sourced in accordance with approved contract(s).	15	WIP
Use of Volunteers		Risk Based	Provide assurance that the process for managing volunteers is robust and that access to information and the use of personal data is GDPR compliant.	10	DRAFT
Leavers		Follow-up	Carry out a Follow-up of the Jan 2022 Audit (partial assurance)	5	DRAFT
Complaints		Risk Based	Provide assurance on the effectiveness of the complaints procedure	10	DRAFT
Total planned days – Assistant Chief Executive				95	

ADULT CARE HOUSING AND PUBLIC HEALTH					
Audit	Risk Register and Rating	Audit Classification	Auditable Area	Number of days	Planned Quarter
Public Health	ACHPH R7 (PH R5)	Risk Based	Management request for a further review of additional Elements of the What Good Looks Like (WGLL) programme.	10	DRAFT
Health & Safety Legislation and Corporate Responsibilities for Council Homes.	ACHPH R9 Housing RR No.1	Risk Based.	Management request for a review to be carried out when changes to Social Housing Regulations framework have been finalised. The audit will revisit the Council's compliance with Health and Safety regulations.	10	WIP
Assistive Technology	ACHPH R11 & 12)	Risk Based	Review of Assistive Technology procedures; including approval pathway for purchasing new equipment; decision making for specialist equipment and compliance with contractual / procurement processes.	15	DEF
Health Funded Clients	ACI R1	Risk Based	Review the Council's use of the RAFT tool in determining client's assessment of their level of health need, and subsequent level of health funding for their needs.	10	FINAL
Housing Disrepair Claims	Operational Risk	Risk Based	Provide assurance on the controls in place to reduce the number of Disrepair claims logged with the Council and deal with those received.	10	DRAFT
Housing Management System		Risk Based	Review and provide assurance on the adequacy of the new housing management system.	15	WIP
Care Provision Deferred Payment Agreements & Unpaid Debt.		Risk Based	Review of compliance with procedures for deferring payment for care provision and recovery of unpaid debt.	10	FINAL
Transition from Children's Care to Adult Care		Risk Based	Review progress in implementing the Ofsted action plan and provide an assurance on the processes taken to address the weaknesses highlighted within the action plan.	20	4
Rothercare		Follow Up	Follow up of 2021-2022 audit review reporting a partial assurance level.	5	DEF
Homes England Follow up		Follow Up	Follow up of 2021-22 audit review	5	FINAL

Actions from LGSCO Report		Follow Up	Review of actions arising from the LGSCO Report	5	DRAFT
Total Planned Days – Adult Care and Housing				115	

CHILDREN AND YOUNG PEOPLES SERVICE					
Audit	Risk Register and Rating	Audit Classification	Auditable Area	Number of days	Planned Quarter
Commissioning Services	CPQ43	Risk Based	Review of commissioning policies in place to support safeguarding of children and young people; health and safety and Governance, which need to be in place by all contract holders. Assurance would assist Commissioning develop their quality assurance framework.	10	3
Direct Payments	CPQ44	Risk Based	Review the procedures for making direct payments to personal budget holders and provide an assurance on the quality of annual audits carried out on individual client's accounts.	15	FINAL
Schools CRSA		Risk Based	Conduct the annual school's Control and Risk Self-Assessment to form the basis for school visits.	10	WIP
Schools Themed Audits		Risk Based	Sample visits to schools, based on the results of the self-assessment.	20	4
Joint Funding of Care Packages		Risk Based	Review of the new Joint Funding strategy and provide a level of assurance on compliance with the new strategy.	15	WIP
Commissioning		Follow Up	Follow up audit of commissioning of emergency provision supplier.	5	3
Special Education Needs and Disability (SEND).	CYPS03 ES16	Risk Based	Review progress in implementing the Ofsted action plan and provide an assurance on the processes taken to address the weaknesses highlighted within the action plan.	15	4
Youth Offending		Risk Based	Review of progress after HMIP review and peer review	10	4
Total Planned Days - Children and Young People's Services				100	

FINANCE AND CUSTOMER SERVICES					
Finance					
Audit	Risk Register and Rating	Audit Classification	Auditable Area	Number of days	Planned Quarter
NNDR	FCS2	Systems Based	Fundamental System. Review of new processes in respect of NNDR reliefs to provide a level of assurance of compliance with these.	10	4
Council Tax Support	FCS10	Systems Based	Review of changes in Council Tax Support System and provide a level of assurance of compliance with these.	10	3
Procurement Governance	Operational Risk.	Risk Based	Review procurement procedures and assess Directorate adherence to them. To include, where applicable, a review of Directorate procedures.	30	WIP
Social Values	Operational Risk	Risk Based	Review of compliance with Social Value policy requirements for procurement and provide assurances that controls are in place to ensure the policy is embedded by contract managers.	15	WIP
Debtors		Systems Based	Review debtors procedures and assess Directorate adherence to them. To include, where applicable, a review of Directorate procedures.	30	4
Treasury Management		Risk Based	Review of Treasury Management Strategy to ensure compliance with recent changes.	10	FINAL
Covid Grants		Risk Based	Further reviews of new Covid Grant Schemes, including the Council's use of the Spotlight tool.	15	FINAL
Energy Crisis Grants		Risk Based	Review of the new Energy Crisis Grant scheme.	10	4
Free School Meals		Risk Based	Review of the controls around the use of vouchers during school holidays	10	4
Customer Information & Digital Services					
3 rd Party Supplier Access Management	Salford risk assessment	Risk Based	Provide assurance on the effectiveness of policies & procedures to allow/remove access for 3 rd parties.	10	FINAL
Back-up Management	Salford risk assessment	Risk Based	Provide assurance that IT 'back-up' arrangements are operating effectively, e.g. servers, 365.	10	WIP
Blue Badge Scheme		Risk Based	Provide assurance on effectiveness and application of policy and procedures.	10	FINAL
Hardware Asset Management		Follow-up	Follow-up of 21/22 Audit (partial assurance)	5	3

Customer Digital Programme		Advisory	Audit contribution to projects designed to increase efficiency.	20	
Hosted & Cloud-based systems	Operational Risk	Risk Based	Provide assurance on the IG policies & procedures for cloud-based storage platforms, including recovery, protection & security arrangements.	10	3
Phishing Risk Management	Salford risk assessment	Risk Based	Provide assurance on the effectiveness of the management of the risk of phishing attacks.	10	3
<u>Legal Services</u>					
Housing Disrepair		Risk Based	Review of procedures for handling claims in respect of Housing Disrepair within Legal Services.	10	DRAFT
Registrars		Risk Based	Review of processes and controls after external inspection	15	WIP
Right to Buy		Risk Based	Review of processes and timelines to complete a sale	10	3
Total Planned Days – Finance and Customer Services				250	

<u>Regeneration and Environment</u>					
Audit	Risk Register and Rating	Audit Classification	Auditable Area	Number of days	Planned Quarter
Licensing	R&E1 (CSS8)	Risk Based	Review and provide assurance on the implementation of actions arising from the Local Government Association's review of Licensing.	15	4
Waste	CSS13	Risk Based	Scope to be confirmed / agreed.	20	3
Health & Safety Policy	CSS24	Risk Based	Review of policies / procedures in place to ensure compliance with statutory requirements / Health and Safety at Work Act.	10	FINAL
Drainage	CSS35 / 36	Risk Based	Provide assurance on the arrangements in place to maintain the safety of the highway network from surface water & flooding.	10	FINAL

Museum Collections	CST11	Risk Based	Review arrangements for the control, management and security of valuable collections to protect them from loss or damage.	10	DRAFT
Planning Decisions	PRT4	Risk Based	Provide assurance on consultations for planning applications.	15	WIP
Cash collection and income		Risk Based	Review the arrangements for the collection, monitoring, reconciliation of cash and other forms of income from various establishments.	20	4
Estate Management		Risk Based	Review Health & Safety arrangements in management of the property estate relating to LEA Schools and Neighbourhoods properties.	15	FINAL
S278 Agreements		Risk Based	Provide assurance on the proper execution of Section 278 Agreements.	10	WIP
Tree Management		Risk Based	Provide assurance on the arrangements in place, to ensure the safe and effective management of the Council's urban trees and woodlands.	20	WIP
Property Estate Management Follow Up		Follow Up	Follow Up of Partial Assurance audit.	5	DRAFT
Enforcement (Food and Feed) Follow Up		Follow Up	Follow Up of Partial Assurance audit.	5	4
Building Security Follow Up		Follow Up	Follow Up of Partial Assurance audit.	5	4
Total Planned Days – Regeneration and Environment				160	

<u>OTHER</u>	Provision	Used
Grants	100	86
Provision for investigations	75	8
Pro-active fraud	25	18
Contingency	30	20
Software development	30	7
Other Work Total	260	
Overall Plan Total	980	

Summary of Audit Work Completed since the last meeting

Note:- Internal Audit uses an Executive Summary and reporting structure which gives four levels of overall assurance for areas under examination. Within each area audited an overall assurance opinion is assessed as being either “Substantial Assurance”, Reasonable Assurance”, “Partial Assurance” or “No Assurance”, taking into account the results of all the risks assessed.

Audit Area	Assurance Objective	Final Report to man't	Overall Audit Opinion	Summary of Significant Issues
Adult Care, Housing and Public Health				
Health Funded Clients	To ensure the equitable use of the Rotherham Adapted Funding Tool in determining the level of health need and subsequent funding for relevant people.	10.11.22	Partial Assurance	There was a need to improve the monitoring and reporting of costs, and to challenge costs and incomplete information where there were concerns. Staff understanding of the process needed to be enhanced.
Estate Management	To review the health and safety arrangements in the management of the property estate relating to Neighbourhood Centres	25.11.22	Substantial Assurance	Controls were in place. Minor recommendations were made to develop the recording of checks that had been made.
Finance and Customer Services				
Third Party Supplier Access Management	To provide assurance that third party access management presents no preventable security vulnerabilities to the Council.	24.11.22	Reasonable Assurance	Controls were generally in place. Recommendations were made around the reporting of any potential data breaches

Audit Area	Assurance Objective	Final Report to man't	Overall Audit Opinion	Summary of Significant Issues
Treasury Management	A review to ensure compliance with recent changes to professional codes and statutes.	24.11.22	Reasonable Assurance	Controls were generally in place. Recommendations were made around documenting processes and reviewing system access rights.

Definitions

Rating	Definition
Substantial Assurance	<p>Substantial assurance that the system of internal control is designed to achieve the service's objectives and this minimises risk.</p> <p>The controls tested are being consistently and effectively applied. Recommendations, if any, are of an advisory nature (1 star) to further strengthen control arrangements.</p>
Reasonable Assurance	<p>Reasonable assurance that the system of internal control is designed to achieve the service's objectives and minimise risk. However, some weaknesses in the design or inconsistent application of controls put the achievement of some objectives at risk.</p> <p>There are some areas where controls are not consistently and effectively applied and / or are not sufficiently developed. Recommendations are no greater than medium (2 star) priority.</p>
Partial Assurance	<p>Partial assurance where weaknesses in the design or application of controls put the achievement of the service's objectives at risk in a significant proportion of the areas reviewed.</p> <p>There are significant numbers of areas where controls are not consistently and effectively applied and / or are not sufficiently developed. Recommendations may include high priority (3 star) and medium priority (2 star) matters.</p>
No Assurance	<p>Fundamental weaknesses have been identified in the system of internal control resulting in the control environment being unacceptably weak and this exposes service objectives to an unacceptable level of risk.</p> <p>There is significant non-compliance with basic controls which leaves the system open to error and / or abuse. Recommendations will include high priority (3 star) matters and may also include medium priority (2 star) matters.</p>

Appendix C

Internal Audit Performance Indicators

Performance Indicator	Target	Apr to May 2022	Jun to Aug 2022	Sept to Oct 2022	Nov 2022
Draft reports issued within 15 working days of field work being completed.	90%	91%	82%	100%	100%
Chargeable Time / Available Time.	80%	80%	86%	80%	83%
Audits completed within planned time	90%	91%	91%	100%	100%
Client Satisfaction Survey.	100%	100%	100%	100%	

Comments received in the Client Satisfaction Surveys

One survey received in the month.

Good – ‘the opportunity to review and discuss the findings’

Improvement needed – ‘the inclusion of specific examples/tests (e.g. the specific random sample) performed so that they can be used to validate the findings and/or take action on’

Committee Name and Date of Committee Meeting:

Audit Committee – 10th January 2023

Report Title:

Audit Committee Forward Work Plan

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report:

Judith Badger, Strategic Director of Finance and Customer Services

Report Author(s):

David Webster (Head of Internal Audit).

Tel: 01709 823282 Email david.webster@rotherham.gov.uk

Ward(s) Affected:

Borough-Wide.

Executive Summary:

The report presents to the Audit Committee a forward work plan covering the next year. The plan shows how the agenda items relate to the objectives of the Committee. It is presented for review and amendment as necessary.

Recommendation:

That Audit Committee review the Forward Work Plan and suggest any amendments to it.

List of Appendices Included

Audit Committee Forward Work Plan.

Background Papers

Audit Committee Terms of Reference – Constitution, Appendix 9 Responsibilities and Functions, Section 5 Terms of Reference for Committees, Boards and Panels.

Consideration by any other Council Committee, Scrutiny or Advisory Panel:

No

Council Approval Required:

No

Exempt from the Press and Public:

No

Audit Committee Forward Work Plan

1. Background

- 1.1 The Audit Committee's Terms of Reference are published in the Constitution. The attached Forward Work Plan details how the Committee meets those Terms of Reference.

2. Key Issues

- 2.1 Local Government Audit Committees should comply with the Chartered Institute of Public Finance and Accountancy's Position Statement and Practical Guidance for Audit Committees. The Terms of Reference for the Audit Committee are designed to ensure the Committee meets the CIPFA standards.
- 2.2 The forward work plan is designed to ensure that the key Audit Committee responsibilities are fulfilled.

3. Options considered and recommended proposal

- 3.1 The work plan for the Audit Committee is a helpful guiding document for the Committee itself and other stakeholders with an interest in the Committee's activities. The work plan for the coming year by date is presented to each Committee meeting for review and amendment.

4. Consultation on Proposal

- 4.1 Relevant officers and the Audit Committee were consulted in producing the work plan.

5. Timetable and Accountability for Implementing this Decision

- 5.1 The Forward Plan comprises a schedule of reports to be presented to the Audit Committee at each of its meetings during the year. Various reports have to be presented at specified meetings in order to comply with statutory requirements (for example relating to the statement of accounts and annual governance statement).

6. Financial and Procurement Advice and Implications

- 6.1 There are no financial or procurement issues arising from this report.

7. Legal Advice and Implications

- 7.1 There are no direct legal implications associated with this report.

8. Human Resources Advice and Implications

- 8.1 There are no Human Resources implications arising from the report.

9. Implications for Children and Young People and Vulnerable Adults

- 9.1 The Audit Committee reviews the management of risks across the Council including those relating to Children's and Adult Services. Review of the management of risks helps to ensure the risks are mitigated.

10. Equalities and Human Rights Advice and Implications

- 10.1 There are no direct Equalities or Human Rights implications arising from this report.

11. Implications for CO2 Emissions and Climate Change

- 11.1 There are no direct CO2 and Climate Change implications arising from the report.

12. Implications for Partners

- 12.1 Partners will be able to take assurance on the Control's application of governance controls and management of risks from the work of the Audit Committee.

13. Risks and Mitigation

- 13.1 The Audit Committee aims to comply with standards established by the Chartered Institute of Public Finance and Accountancy (CIPFA). The maintenance of a work plan is consistent with the CIPFA standards. The production of a work plan also helps the Audit Committee to ensure it achieves its terms of reference.

14. Accountable Officer:

David Webster, Head of Internal Audit
01709 823282 – david.webster@rotherham.gov.uk

Audit Committee Forward Work Plan

Meeting Date	Key Responsibility	Agenda Item	Author
14 th March 2023	External Audit	Training – Internal Audit	Grant Thornton / Rob Mahon
		Value for Money Opinion	
	Governance Risk and Control	Final Accounts Closedown and Accounting Policies	Rob Mahon
	Governance	Audit Committee Terms of Reference	David Webster
	Internal Audit	IA Annual Plan	David Webster
	Internal Audit / Governance Risk and Control	IA Progress Report	David Webster
	Governance Risk and Control	Procurement Update	Karen Middlebrook
	Governance Risk and Control	Risk Management Directorate Presentation – Children and Young People’s Service	Suzanne Joyner
	Internal Audit	Public Sector Internal Audit Standards	David Webster
	Internal Audit	Internal Audit Quality Assurance and Improvement Plan	David Webster
	Audit Committee Accountability	Audit Committee Forward Work Plan	David Webster

Meeting Date	Key Responsibility	Agenda Item	Author
May 2023		Training – Statement of Accounts	
	External Audit	External Audit Progress Update	Grant Thornton /
	Financial Reporting	Draft Statement of Accounts	Rob Mahon
	Governance Risk and Control	Draft Annual Governance Statement	Judith Badger
	Governance Risk and Control	External Audit Plan	Grant Thornton / Rob Mahon
	Governance Risk and Control	Review of Surveillance and use of Regulation of Investigatory Powers	Bal Nahal
	Governance Risk and Control	Risk Management Annual Report	Simon Dennis
	Internal Audit / Governance Risk and Control	IA Progress Report	David Webster
	Internal Audit / Governance Risk and Control	Internal Audit Annual Report	David Webster
		Audit Committee Annual Report	David Webster
	Governance Risk and Control	Risk Management Directorate Presentation – Adult Care Housing and Public Health	Ian Spicer
	Audit Committee Accountability	Audit Committee Forward Plan	David Webster

Meeting Date	Key Responsibility	Agenda Item	Author
July 2023	Treasury Management	Annual Treasury Management	Rob Mahon
	Governance Risk and Control	Dedicated Schools Grant	Neil Hardwick
	Governance Risk and Control	Strategic Risk Register	Simon Dennis
	Governance Risk and Control	External Audit and Inspection Recommendations	Simon Dennis
	Audit Committee Accountability	Audit Committee Forward Work Plan	David Webster

Meeting Date	Key Responsibility	Agenda Item	Author
September 2023		Training	
	Financial Reporting	Final Statement of Accounts	Rob Mahon
	Governance Risk and Control	Final AGS	Judith Badger
	External Audit	External Audit Findings (ISA 260)	GT / Rob Mahon
	Internal Audit	IA Charter review and update	David Webster
	Internal Audit / Governance Risk and Control	IA Progress Report	David Webster
	Governance Risk and Control	Risk Management Directorate Presentation – Assistant Chief Executive	Jo Brown
	Governance Risk and Control	Anti-Fraud and Corruption Policy and Strategy review and update	David Webster
	Audit Committee Accountability	Audit Committee Forward Work Plan	David Webster

Meeting Date	Key Responsibility	Agenda Item	Author
November 2023	Governance Risk and Control	Training	
		Chief Executive Presentation	Sharon Kemp
	Treasury Management	Mid-Year Report on Treasury Management	Rob Mahon
	Governance Risk and Control	Information Governance Annual Report	Paul Vessey
	Governance Risk and Control	Code of Corporate Governance	Simon Dennis
	Governance Risk and Control	Risk Management Strategy and Policy	Simon Dennis
	Governance Risk and Control	Risk Management Directorate Presentation – Regeneration and Environment	Paul Woodcock
	Internal Audit / Governance Risk and Control	IA Progress Report	David Webster
	Audit Committee Accountability	Audit Committee Forward Work Plan	David Webster

Meeting Date	Key Responsibility	Agenda Item	Author
January 2024	Financial Reporting	Training Final Accounts closedown and accounting policies	Rob Mahon
	Governance Risk and Control	External Audit and Inspection recommendations	Simon Dennis
	Governance Risk and Control	Strategic Risk Register	Simon Dennis
	Governance, Risk and Control	Risk Management Directorate Presentation – Finance and Customer Services	Judith Badger
	Internal Audit / Governance Risk and Control	IA Progress Report	David Webster
	Audit Committee Accountability	Audit Committee Forward Work Plan	David Webster

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Public Report with Exempt Appendices
Audit Committee

Committee Name and Date of Committee Meeting

Audit Committee – 10 January 2023

Report Title

Corporate Strategic Risk Register

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Jo Brown, Assistant Chief Executive

Report Author(s)

Simon Dennis (*Corporate Improvement and Risk Manager*)

Assistant Chief Executive's Department

Extension 22114

simon.dennis@rotherham.gov.uk

Ward(s) Affected

Borough-Wide

Report Summary

This report forms part of the Audit Committee's remit to consider the Corporate Strategic Risk Register (CSRR) regularly. The report summarises the current risk register and provides a short summary of our risk management arrangements.

Recommendations

1. **The Audit Committee is asked to consider and note the update and make any comments as necessary.**

List of Appendices Included

Appendix 1 – Corporate Strategic Risk Register – 7th December 2022

Background Papers

Report to Audit Committee; 29th November 2022 (Risk Management Policy and Guide Refresh)

Report to Audit Committee; 28th July 2022 (Corporate Strategic Risk Register)

Report to Audit Committee; 28th June 2022 (Risk Management Annual Summary)

Report to Audit Committee: 11th January 2022 (Corporate Strategic Risk Register)

Consideration by any other Council Committee, Scrutiny or Advisory Panel

See above, the corporate strategic risk register has previously been considered by Audit Committee.

Council Approval Required

No

Exempt from the Press and Public

Yes.

An exemption is sought for Appendix 1 under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains information that refers to the affairs of third parties.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because failure to do so may result in disclosure of information about the financial or business affairs of Council suppliers and partners.

Corporate Strategic Risk Register

1. Background

- 1.1 This report summarises the Council's current risk management arrangements and presents the current Corporate Strategic Risk Register (CSRR) which has recently been considered by the Council's Strategic Leadership Team (SLT).
- 1.2 Further details around the Council's arrangements for Risk Management were presented in the annual summary of risk management which was presented to the Committee on 28th June 2022.

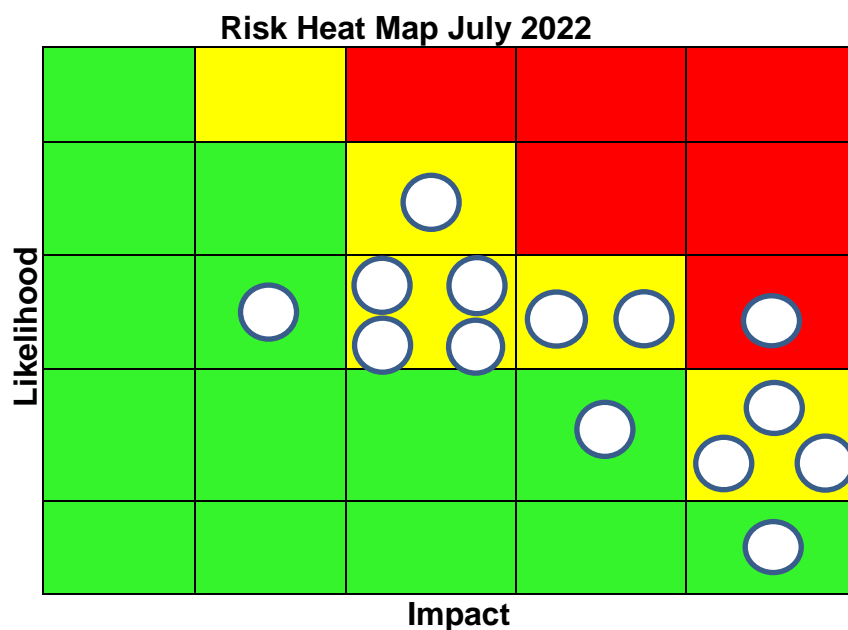
2. Overall Arrangements

- 2.1 The Council's Risk Management Policy and Guide states that risk management is the responsibility of all Council officers. As well as the key responsibilities in the policy, the Council has a group of Risk Champions, each of whom leads on risk for their Strategic Director. The Risk Champions, Assistant Chief Executive and the Corporate Improvement and Risk Manager form the Risk Champions Group. This group is responsible for co-ordinating risk management across the Council in normal circumstances.
- 2.2 The CSRR has been completed following reviews of individual risks by Directorate Leadership Teams (DLTs). Every risk on the register is owned by a member of SLT and appears on their Directorate's risk register.
- 2.3 The CSRR has also been formally reviewed both at SLT meetings every quarter. Most recently, the CSRR has been reviewed at SLT in December and SLT/AD in September. These meetings will continue to review the CSRR every three months.
- 2.4 The register is also reported regularly to the Audit Committee alongside the annual "Deep Dives" of individual Directorate risk registers. Additionally, the Corporate Improvement and Risk Manager, through the Risk Champions, ensures updates are obtained from all risk owners, reviews each update, and draws attention to issues or missing updates.
- 2.5 There are 3 categories of risk Red, Amber, Green (RAG) representing varying degrees of exposure. Each category contains a range of risk scores, and the table overleaf shows how the RAG rating and score are derived.

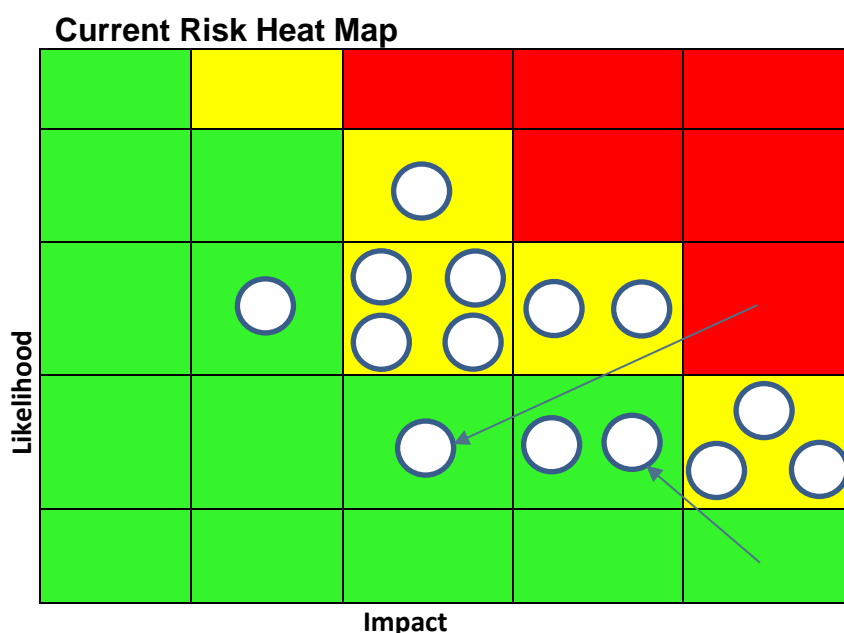
LIKELIHOOD (A)	Almost Certain 5	5	10	15	20	25
	Probable / Likely 4	4	8	12	16	20
	Possible 3	3	6	9	12	15
	Unlikely 2	2	4	6	8	10
	Very unlikely / Rare 1	1	2	3	4	5
		Insignificant / Negligible 1	Minor 2	Moderate 3	Major 4	Critical or Catastrophic 5
IMPACT (B)						

3. Corporate Strategic Risk Register

- 3.1 The Audit Committee's receives two reports a year on the overall status of the Council's strategic risks. As the Committee will be aware, the CSRR (which is attached at Appendix 1) is currently aligned to the Council's current Year Ahead Plan.
- 3.2 The last "heat map" which was reported to the Committee in July 2022 showed the risk profile below:



- 3.3 The current “heat map” for the strategic risks included in this update of the register is shown in the table below. Arrows have been inserted to illustrate the risks that have moved since the last report. These risks are SLT07 and SLT35.



- 3.4 The table below shows that the long-term pattern of assessed risk level reducing has broadly continued over the last two years. This reflects the increasing grasp on the key risks that need to be managed at a strategic level as well as the continued improvement following the reduction in impact of the pandemic. Since July 2021, just over 42% of risks monitored at a strategic level have reduced in assessed level, just over 42% have remained stable and 12% have increased or are new to the register.

Number	Risk Summary	Jul 21	Dec 21	Jul 22	Dec 22	Risk Movement (Jul 2021 compared to Dec 2022) ↓ = Risk level reduced ↑ = Risk level increased → = Risk level static
SLT01	Children's safeguarding	10	10	10	10	→
SLT03	Failure to deliver the Council Plan due to the pressures generated by the cost-of-living crisis	16*	12*	12	12	↓*
SLT04	Making sustainable improvement in Children's Services	10	10	10	10	→

SLT07	Response to a future pandemic	15	8	5	8	↓
SLT08	Failure to enhance community cohesion	8	8	8	8	→
SLT09	Communications fail to be of sufficient quality	12	12	6	6	↓
SLT10	Failure to attract new business and investment	12	12	12	12	→
SLT11	Risk of lack of effective partnership working	10	10	12	12	↑
SLT16	Financial plans and budget gap	10	10	10	10	→
SLT22	Failure to comply with Mental Capacity Act/DoLs	9	9	9	9	→
SLT27	Health and Safety and operational risks from property	12	12	9	9	↓
SLT 35	Impact of the COVID pandemic	15	10	15	6	↓
SLT 36	Insufficient resources committed to Carbon Reduction Plan	16	12	9	9	↓
SLT37	Failure to manage and deliver projects	-	-	9	9	↑

* Risk Detail has changed, and risk is not now directly comparable – see 3.6 below

- 3.5 The Committee will note that since its last full update in July 2022, there have been no new risks added to the CSRR and no risks have been removed or de-escalated from the register. In total, there remain 14 risks on the CSRR, the same number as reported in July 2022.
- 3.6 Risk number SLT03 was rewritten in early 2022 to more accurately reflect the risk that the Council is currently facing relating to pressure on its services in the context of the current cost of living crisis and as a result is not directly comparable to risk SLT03 as it stood in December 2021. Further details on the changes were reported to the Committee at its July 2022 meeting.
- 3.7 The Committee will be aware that the risk management process was reviewed by Internal Audit during early 2022. This review compared our arrangements to the requirements of the relevant International Standard, ISO31000. The review once again concluded that substantial assurance could be derived from the controls that were in place. This is the highest assurance level possible. A further review will be carried out in 2023.

4.0 Training and other developments

- 4.1 As reported to the previous Committee meeting in July, a refreshed approach to risk management training is currently being delivered with a new training programme rolled out to senior officers in December. This includes a new online package, which will be rolled out this month, alongside the latest iteration of the management training which is already in place.
- 4.3 Finally, the Committee will be aware that the Council's Risk Management Policy and Guide was reviewed and approved at its November 2022 meeting. A further refresh will be carried out in late 2023 and will be presented to this Committee at its November 2023 meeting, following Cabinet approval of the Risk Management Policy.

5. Options considered and recommended proposal

- 5.1 Not applicable.

6. Consultation

- 6.1 The risks included in this report have been drawn from Directorate Risk Registers.

7. Timetable and Accountability for Implementing this Decision

- 7.1 Not applicable.

8. Financial and Procurement Implications

- 8.1 The risks referred to in the table at section 3.4 require ongoing management action. In some cases, additional resources may be necessary to implement the relevant actions or mitigate risks. Any additional costs associated with the management of these risks will be contained within overall budgets or otherwise reported through the monthly financial monitoring arrangements and to Cabinet if appropriate.

9. Legal Implications

- 9.1 There are no direct legal implications arising from the risk register. Any actions taken by the Council in response to risks identified will consider any specific legal implications.

10. Human Resources Implications

- 10.1 There are no Human Resources implications associated with the proposals.

11. Implications for Children and Young People and Vulnerable Adults

- 11.1 The strategic risk register incorporates the CYPS risks that are of significance at a corporate / strategic level.

12. Equalities and Human Rights Implications

- 12.1 Proposals for addressing individual risks within the register incorporate equalities and human rights considerations where appropriate.

13. Implications for Partners and Other Directorates

- 13.1 The actions relating to any issues affecting partners are reflected in the risk register and accompanying risk mitigation action plans.

14. Risks and Mitigation

- 14.1 It is important to review the effectiveness of our approach to capturing, managing, and reporting risks on an ongoing basis. This report sets out how the approach to risk management will be developed over the course of the coming year.

15. Accountable Officer:

Simon Dennis (Corporate Improvement and Risk Manager)

Approvals Obtained from: -

Jo Brown, (Assistant Chief Executive)

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Public Report with Exempt Appendices
Audit Committee

Committee Name and Date of Committee Meeting

Audit Committee – 10 January 2023

Report Title

Finance & Customer Services Risk Register

Is this a Key Decision and has it been included on the Forward Plan?

No

Strategic Director Approving Submission of the Report

Judith Badger (Strategic Director, Finance & Customer Services)

Report Author(s)

Andrew Shaw (Insurance Manager)
01709 822088 andrew.shaw@rotherham.gov.uk

Ward(s) Affected

All Wards

Report Summary

This report provides an update to Audit Committee on the current position of the Finance & Customer Services Directorate Risk Register and Risk Management activity within the Directorate.

Recommendations

Audit Committee is asked to note the progress and current position in relation to Risk Management activity in the Finance & Customer Services Directorate.

List of Appendices Included

Appendix 1: Finance & Customer Services Risk Register as of 21 December 2022

Background Papers

Finance & Customer Services Directorate Risk Register report to Audit Committee 11 December 2021.

Consideration by any other Council Committee, Scrutiny or Advisory Panel

No

Council Approval Required

No

Exempt from the Press and Public

Yes.

An exemption is sought for Appendix 1 under Paragraph 3 (Information relating to the financial or business affairs of any particular person (including the authority holding that information)) of Part I of Schedule 12A of the Local Government Act 1972 is requested, as this report contains information that refers to the affairs of third parties.

It is considered that the public interest in maintaining the exemption would outweigh the public interest in disclosing the information because failure to do so may result in disclosure of information about the financial or business affairs of Council suppliers and partners.

Finance & Customer Services Directorate Risk Register Update

1. Background

1.1 There are four Services within the Finance & Customer Services Directorate:

- Financial Services
- Customer, Information and Digital Services
- Legal Services
- Internal Audit

1.2 The Finance & Customer Services Directorate level risk register currently has 8 risk items listed (**Appendix 1**) of which 1 is included on the Corporate Risk Register. It was last presented to Audit Committee on 11 December 2021.

1.3 The corporate risk in question is:

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

1.4 Risks are regularly discussed and reviewed at the Directorate Leadership Team (DLT) and, where necessary, risks are escalated to the next strategic level for inclusion on the appropriate risk register.

1.5 Risks are owned and updated by the relevant Assistant Director/M3 Manager. Updated risk registers are uploaded and retained on the corporate SharePoint system which is accessed via the intranet.

1.6 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 are encouraged to attend corporate Risk Management training. New and/or redeployed managers are asked to attend future training events.

2. Key Issues

2.1 There are currently no red rated risks included within the Finance & Customer Services Directorate risk register.

2.2 Risk Register entries are closely linked to the Service Plans, Team Plans, Reports and Service meeting agendas across the directorate.

2.3 Progress against key actions to mitigate the above risks is monitored through management team meetings.

2.4 One new risk has been added since the last report to Audit Committee in December 2021, this being:

- FCS16 – Ongoing rise in household living costs/inflation with consequent impact on disposable income and financial security of Rotherham residents and businesses.

3. Options considered and recommended proposal

3.1 This report is presented to enable Audit Committee to fulfil its responsibility for overseeing the Council's Risk Management arrangements.

4. Consultation on proposal

4.1 Risk Registers are subject to review by the Strategic Leadership Team. A strategic Risk Champions Forum has been established and the Finance & Customer Services Directorate is actively represented at all meetings.

5. Timetable and Accountability for Implementing this Decision

5.1 Not applicable

6. Financial and Procurement Advice and Implications

6.1 The risks contained in the register require ongoing management action. In some cases, additional resources may be necessary to implement the relevant actions or mitigate risks. Any additional costs associated with the risks are reported to Finance & Customer Services DLT if required.

7. Legal Advice and Implications

7.1 There are no direct legal implications arising from the risk register. Any actions taken by the Council in response to risks identified will take into account any legal implications.

8. Human Resources Advice and Implications

8.1 There are no direct Human Resources implications arising from this report.

9. Implications for Children and Young People and Vulnerable Adults

9.1 The Finance & Customer Services Risk Register incorporates risks that are of significance with regards to children and vulnerable adults and sets out the mitigating actions that are being undertaken to deal with these risks.

10. Equalities and Human Rights Advice and Implications

- 10.1 Proposals for individual risks within the register incorporate equalities and human rights considerations where appropriate.

11. Implications for CO2 Emissions and Climate Change

- 11.1 There are no CO2 emissions or climate change implications from this report

12. Implications for Partners

- 12.1 Actions relating to any issues affecting partners and other directorates are reflected in the risk register and accompanying risk mitigation action plans.

13. Risks and Mitigation

- 13.1 The Finance & Customer Services Risk Register (**Appendix 1**) details the Directorate level risks and mitigations.

14. Accountable Officer(s)

Judith Badger Strategic Director, Finance & Customer Services

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