

**AUDIT COMMITTEE**  
**12th April, 2022**

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

Gareth Mills (Grant Thornton External Auditors) was in attendance.

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

**96.       DECLARATIONS OF INTEREST**

There were no declarations of interest made at the meeting.

**97.       MATTERS OF URGENCY**

There were no matters of urgency to be considered.

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

It was noted that Minute No. 102 (Local Government Ombudsman Confidential Report B) will be considered in the closed part of the meeting.

**99.       GRANT THORNTON - VALUE FOR MONEY**

Gareth Mills, Grant Thornton, presented the external auditor's 2020-21 annual report for Value for Money (VFM). Under the National Audit Office Code of Practice, external auditors were now required to consider whether the Authority had put in place proper arrangements to secure economy, efficiency and effectiveness in its use of resources. Auditors now reported in more detail on the Authority's overall arrangements as well as key recommendations on any significant weaknesses in arrangements identified during the audit.

Grant Thornton had identified risks in respect of:-

**Financial Sustainability**

- The Authority had maintained a steady financial position which had improved in the past 2 years.

One possible risk of significant weakness identified at planning stage (risk covered in detail in the 2020-21 Audit Findings Report)

**Conclusion**

- Overall, they were satisfied the Council had appropriate arrangements in place to ensure it managed risks to its financial sustainability
- They had not identified any risks of significant weaknesses
- They had identified one improvement recommendation in respect of the clarity of reporting the Council's savings programme

**Governance**

- No significant weaknesses in arrangements identified but improvement recommendations made

**Conclusion**

- They had not identified any significant weaknesses in respect of the Council's governance arrangements
- Overall they were satisfied the Council had appropriate arrangements in place including for budget setting and risk management
- Their work had identified 2 improvement recommendations to further enhance the Council's governance arrangements

**Improving economy, efficiency and effectiveness**

- One risk of significant weakness identified with an associated key recommendation. Also 2 improvement recommendations made.

**Conclusion**

- Overall they were satisfied the Council had appropriate arrangements in place in relation to improving economy, efficiency and effectiveness except for arrangements in implementing Special Educational Needs and/or Disabilities (SEND) Reforms as set out in the Children's and Families Act 2014
- Grant Thornton considered there was a significant weakness in these arrangements as highlighted by Ofsted and the CQC in their report in November, 2021
- As a result they had raised a Key recommendation on this
- They had also made 2 improvement recommendations for improving economy, efficiency and effectiveness

**Covid-19 Arrangements**

**Conclusion**

- The review had not identified any significant weaknesses in the Council's arrangements in relation to responding to the Covid-19 pandemic

In July 2021, Ofsted and the Care Quality Commission conducted a joint Local Area Special Educational Needs and Disabilities (SEND) inspection of the local SEND system in Rotherham to assess the effectiveness of the area in implementing the Special Educational Needs and/or Disabilities reforms as set out in the Children and Families Act 2014.

The inspection had highlighted some strengths in the Service, however, there were 4 areas for improvement. As a result of these findings, it was the external auditor's view that there was a significant weakness in arrangements in relation to improving economy, efficiency and effectiveness in Rotherham in implementing Special Educational Needs and/or Disabilities reforms as set out in the Children's and Families Act 2014 and the following recommendation made:-

The Council should

- Have a clear "Written Statement of Action (WSOA)" in response to Ofsted and CQC report on joint area SEND inspection which identified significant areas of weaknesses in implementing SEND reforms as set out in the Children and Families Act 2014
- A clear action plan to implement this WSOA working with all stakeholders including parents, carers, the CCG officers, Ofsted and the CQC
- The action plan should be subject to formal monitoring and challenge by the Improving Lives Select Commission

Discussion ensued with the following issues raised/clarified:-

- The Council's reserves position had improved since 2018-19. Benchmarking with similar sized metropolitan authorities had shown Rotherham's reserves level to be lower than others
- Reference had been made to inflationary pressures facing local authorities
- Although the findings of the Ofsted and CQC inspection will have been captured in the respective risk registers, under the terms of the new Value for Money approach an external auditor was duty bound to reference as part of their review and raise a key recommendation. Should the actions required by Ofsted have been implemented/Ofsted visit finding the Council had responded appropriately by the time of the next Value for Money review, it would be reflected accordingly

It was noted that the recommendations regarding procurement arrangements and the latest Procurement Procedure Rules would be included within the six monthly external inspections, reviews, and audits update to enable implementation to be tracked by the Committee.

Resolved:- That the report be noted.

**100. ADULT SOCIAL CARE LOCAL GOVERNMENT OMBUDSMAN REPORT**

Ian Spicer, Strategic Director of Adult Care, Housing and Public Health, presented a report setting out the Local Government and Social Care Ombudsman findings in relation to a complaint in respect of Adult Social Care Services. Its decision was that there was fault by the Council which had caused injustice to residents Miss X and Mrs. Y.

The Ombudsman report had been made available to the public (in hard copy from Riverside House reception) and 2 public notices placed in local newspapers as directed by the Ombudsman. The Ombudsman had also publicised the report via its own website and advised its media partners.

The Council had 3 months from the date of the Public Interest Report (28<sup>th</sup> May, 2022) to inform the Ombudsman of the action the Council has taken or proposes to take in response to the recommendations. The report submitted set out the actions that the Council proposes to take for the Committee's consideration.

The Council has agreed to take the action to remedy that injustice. It was noted that an apology had been made to Miss X and Mrs. Y for the distress and uncertainty caused by the faults identified and payments offered in acknowledgement of the significant distress and uncertainty caused by the faults identified.

It was expected that all the recommendations would have been met by the completion date of 28<sup>th</sup> May, 2022.

The matter was being reported to the Audit Committee to ensure that it was able to discharge its function in ensuring that sufficient systems and improvements (in line with the recommendations from the Ombudsman) have been put in place.

Resolved:- (1) That the Public Interest Report 21 001 468 completed by the Ombudsman be noted.

(2) That the action plan created in response to the recommendations in the Public Interest report be noted.

**101. LOCAL GOVERNMENT OMBUDSMAN - CONFIDENTIAL REPORT A**

Phil Horsfield, Monitoring Officer, presented a report advising that the Local Government Ombudsman had provided findings in relation to a complaint and had directed that the findings were not made public as doing so would mean identification of the complainant.

Section 30(3) of the Local Government Act 1974 required the Local Government Ombudsman to report without naming or identifying the complainant or other individuals. The LGO had further powers under Section 30(7) of the Act to direct that a report was not made available to members of the public or advertised in the press.

Resolved:- That under Section 100(A)4 of the Local Government Act 1972, the public be excluded from the meeting for the following item of business on the grounds that it involves the likely disclosure of exempt information as defined in Paragraphs 1 and 2 of Part 1 of Schedule 12(A) of such Act indicated, as now amended by the Local Government (Access to Information) (Variation) Order 2006.

**102. LOCAL GOVERNMENT OMBUDSMAN - CONFIDENTIAL REPORT B**

Suzy Joyner, Strategic Director of Children and Young People's Services, presented a report setting out the findings made by the Local Government and Social Care Ombudsman in relation to a complaint in respect of the Council's Children's and Housing Services.

The Council had agreed to take the actions suggested by the Ombudsman and to ensure that the circumstances of the complaint did not recur and apologise to the complainant.

Discussion ensued on the findings of the Local Government and Social Care Ombudsman with full explanations provided for what had led to the complaint and the procedures put in place since to rectify the situation.

Resolved:- (1) That the Public Interest Report, attached at Appendix 1 of the report submitted, completed by the Local Government Ombudsman be noted.

(2) That the completion of the actions arising from the report be noted.

(3) That the Council respond to the Local Government Ombudsman setting out the work that has been completed and that all the actions required have been discharged.