

MINUTES OF THE AUDIT COMMITTEE

25th September 2023 at 6.00pm

Held at the Council House, Walsall

Present:

Mr A. Green (Chairman)
Councillor Sohal (Vice-Chairman)
Councillor Bains
Councillor Larden
Councillor Mehmi
Councillor Nawaz

In attendance

S. Darcy	Director – Corporate Finance, Performance & Corporate Landlord
V. Buckley	Head of Finance – Strategic Planning and Assurance
R. Walley	Technical Accounting Treasury Management and Educational Finance Manager
R. Page	Technical Accounting Manager
S. Knowles	Head of Internal Audit (Mazars)
J. Pugh	Director – Adult Care
J. Roberts	Grant Thornton (External Auditors)
K. Lees	Grant Thornton (External Auditors)
F. Hancock	Senior Democratic Services Officer

17 Welcome

The Chair welcomed Members to the Committee and asked them to introduce themselves. The Chair also welcomed Officers to the meeting both in person and online.

18 Apologies

An apology was submitted by Councillor Harrison.

19 Minutes

Resolved that the minutes of the meeting held on 26th June 2023, a copy having previously been circulated to each Member of the Committee, be approved and signed by the Chairman as a correct record, subject to the

resolution in Minute No. 14 being amended to '**Resolved** that the report be noted'.

20 Declarations of Interest

There were no declarations of interest declared at this stage.

21 Deputations and Petitions

There were no deputations submitted or petitions received.

22 Local Government (Access to Information) Act 1985 (as amended)

Resolved that the public be excluded from the meeting during consideration of the item(s) set out in the private part of the agenda for the reason(s) set out therein and Section 100A of the Local Government Act, 1972.

23 Notification of any issues of importance for consideration at a future meeting

No items were raised or requested.

24 Committee Decision Tracking Chart

A report was submitted.

(see annexed)

The Committee received a report which provided Members with a chart tracking the details of all of its decisions for which a follow-up was required, to enable Members to monitor any outstanding actions and seek updates at future meetings where applicable.

The Head of Finance – Strategic Planning and Assurance presented the report and highlighted the salient points contained therein.

Resolved that the report be noted.

25 Risk management update – Strategic Risk Register and Strategic Risk 4B

A report was submitted.

(see annexed)

The Committee received a report which provided Members with the updated Strategic Risk Register (SRR) with further detail on Risk 4b, in accordance with the Committee's work programme.

Recent risk management activity had been carried out to refresh the SRR to ensure it contained the most current risks facing the Council. Officers from Finance had collaborated with Executive Directors and Directors from across the Council to update the risks, controls and assurances in place. Directorate Risk Registers (DRR's) and the SRR had been reviewed by the Directors' Group and the Corporate Management Team (CMT), and both had confirmed that the SRR (and DRR's) adequately reflected the risks facing the Council with regard to the delivery of its strategic objectives.

The Head of Finance – Strategic Planning and Assurance presented the report and highlighted the salient points contained therein.

The Chair then invited the Director – Adult care to address the Committee in relation to Risk 4b. In doing so, he reminded the Committee that its remit was around assurance of the control systems in place, not to discuss or debate policy matters.

The Director – Adult Care advised the Committee that risk 4b had been downgraded as a risk for a number of reasons, including: -

- That a significant number of vacancies had now been filled and, although safeguarding referrals had seen an increase of 16%, this increase was being better managed now that a good proportion of the vacancies had been filled.
- The Access Team were now undertaking initial screening within 24 hours for handing over to one of the Operational Teams.
- That the last Adult Social Care survey had reported that 90% of Walsall residents in receipt of care felt safe in the Borough.
- That resources had now been focused on front-end services.
- That recruitment had now been made to the safeguarding lead post, with that individual due to be in post in December 2023.
- That capacity and demand was now monitored on a weekly basis and monthly basis at different staff meetings, with adjustments to focus resources as / where required.
- That a self-neglect pathway had been reviewed and amended accordingly, in consultation with multi-agency boards, and had been launched in March 2023.
- That staff training was now undertaken on a frequent basis to ensure training was fresh and up to date.
- That there had recently been a CQC readiness review, with plenty of learning points to consider, discuss and implement.
- That relationships with partners had been strengthened for a better service experience overall.

Members sought assurance / clarification on a number of issues, including: -

- If the recruitment of staff had been the main reason the risk had been downgraded from red to amber. The Director – Adult Care clarified that it had been the main reason.
- If there was now an adequate recruitment and retention policy in place to ensure that, as far as practicable, a good level of staffing remained in place in order to better manage the workload in the service. The Director – Adult confirmed that there was a national shortage of qualified staff in relation to Adult Social Care, but the staffing levels would be monitored in order to avoid a shortfall as far as was practicable.
- If the service employed any modelling in an attempt to help understand what future pressures may look like. The Director – Adult Care clarified that it had been the main reason clarified that Officers within Adult Care did work with Officers from Finance in an attempt to model and predict what resources would likely be required going forward, as well as also looking into how resources could be utilised better to reduce costs, such as prevention.
- If it was expected or predicted that demand would increase for the service on a year-by-year basis. The Director – Adult Care advised that she expected demand would increase year on year.
- What staffing vacancy level would be expected as normal / sustainable. The Director – Adult Care stated that there had been around 20 vacancies, which was now down to 6 and that this level was considered sustainable.
- If assessment waiting times had decreased since staffing levels had increased. The Director – Adult Care confirmed that there were no waiting times now in relation to safeguarding issues.
- How the 90% feedback rate from the Adult Social Care survey had been calculated. The Director – Adult Care clarified that the 90% feedback rate had been calculated on those who had responded to the survey.
- If safeguarding was the biggest element of risk 4b for the service. The Director – Adult Care confirmed that safeguarding had been the biggest element of this risk.

The Chair thanked the Director – Adult Care for attending the Committee / speaking to the report and advised that the Committee would continue to keep this particular risk under review.

Following the conclusion of the debate on this item, it was duly: -

Resolved that: -

- (1) the updated Strategic Risk Register, as set out at Appendix 2 to the report, be noted.
- (2) risk 4b, as set out in the context of Appendix 3 to the report, be noted.

26 Voter Identification – learning from Local Elections May 2023

A report was submitted.

(see annexed)

The Committee received a report which provided Members with an overview of the introduction of Voter Identification (Voter ID) on the recent Local Elections along with the lessons learnt. The report provided an assurance regarding the actions taken and the ongoing activity that would be delivered to continue to embed Voter ID requirements.

The Elections Act 2022, and Voter Identification Regulations 2022, required electors in England to present an acceptable form of identification to vote in polling stations for all future elections and referendums held in England from May 2023.

The Returning Officer (RO) and Electoral Registration Officer (ERO) held responsibility to ensure that electors were aware of such requirements and that they had the necessary identification to vote. Where an elector did not have an acceptable form of ID, the legislation placed a requirement on the RO to provide free Voter ID, known as a Voter Authority Certificate (VAC), to the elector upon receipt of application. The Presiding Officer (PO) at each polling station was responsible for checking electors' identification and, where accepted, issuing a ballot paper to the elector.

Privacy booths had been deployed across Walsall to provide a secure environment for electors to present their identification if they wished to do so. Female members of staff had also been available in every polling station to check the identification of female voters, where requested.

Postal votes had not been affected for the Local Election in May 2023 but would be for all subsequent elections.

The Electoral Services Manager presented the report and highlighted the salient points contained therein.

Members considered the report and sought clarification on a number of matters including: -

- If this report would be considered at a Scrutiny Committee to enable the data to be scrutinised adequately (The Electoral Services Manager confirmed the report would be considered at a future Overview and Scrutiny Committee meeting).
- How the turnout this year compared with other comparable years.
- What the main reasons were for electors being turned away from polling stations and what the Council intended to do in future to mitigate such occurrences.

- What the proposed changes to the postal voting system were likely to be and how it may affect voters going forward.

Arising from discussions on this item, the Chair requested a further report back to a future meeting providing an update on what procedures / systems were to be introduced in terms of how postal votes would be processed in the future, taking into account changes to legislation / statutory guidance.

In addition, the Chair also requested a report to a future meeting in relation to what the Council intended to do in order to improve voter take-up, especially in the context of the reduction in voter turnout arising from problems experienced around voter I.D, with the caveat as to what was likely achievable in accordance with the Legislation. The Electoral Services Manager advised that such an update report would most likely be available to bring back to the Committee around April 2024.

Resolved that: -

- (1) the report be noted.
- (2) the Electoral Services Manager be requested to provide further report to a future meeting of the Committee in relation to proposed systems and procedures in relation to postal voting; and what the Council intended to do in order to promote and improve voter turn-out at future elections.

27 Statement of Accounts Audit Progress 2022-23

A report was submitted.

(see annexed)

The Committee received a report which provided Members with the details of the progress regarding the external audit of the draft Statement of Accounts for 2022/23, along with the external audit planning report for 2022/23

This report detailed the work undertaken to date by the Council's External Auditors (Grant Thornton) on the audit of the draft Statement of Accounts for 2022/23, together with the expectation that the audited Statement of Accounts and Audit Findings Report would be brought to the November 2023 meeting, instead of the September 2023 meeting.

Furthermore, the report also provided Members with the details of Grant Thornton's audit plan for the financial year ending 31st March 2023 (Appendix 1). This detailed the indicative planned audit strategy driven by an assessment of the key issues and significant risks that could affect the accounts, details of materiality, value for money arrangements and audit fees.

The Technical Accounting Treasury Management and Educational Finance Manager introduced the report and Grant Thornton highlighted the salient points contained therein. Both Officers and the External Auditors expressed their disappointment that the Accounts had not yet been signed off but were confident that they would be in time for the Committee's next meeting. The External Auditors provided assurance, however, by clarifying that, in the national context, Walsall was still in a far better position than the majority of most other Local Authorities.

Members sought clarification around a number of issues including RAAC (Reinforced Autoclaved Aerated Concrete) and equal pay claims within Walsall (in light of recent events surrounding Birmingham City Council). The External Auditors stated that they would undertake additional work on these areas to provide assurance, but they did not anticipate any particular issues or problems.

Arising from discussions on this item, Members requested a briefing note on asbestos including an analysis of what risk / cost would likely be involved in the event of the need to remove or take remedial action.

The Chair also requested a briefing note in relation to the valuation of assets and pensions in the context of what level of risk the Council may be exposed to in order for the Committee to gain an understanding and assurance of the measures of control in place to mitigate the risk(s).

Resolved that: -

- (1) the progress made to date with the external audit of the pre-audit draft Statement of Accounts for 2022/23, as set out within the report, be noted.
- (2) the Committee receive briefing notes in due course on the above identified matters.

28 Review of the Effectiveness of the Audit Committee

A report was submitted.

(see annexed)

The Committee received a report which provided Members with the completed effectiveness checklist for consideration and agreement prior to reporting the outcome in the Committee's Annual Report to Council on its activities during 2022/23.

The Chartered Institute of Public Finance and Accountancy (CIPFA) Position Statement (the "Statement") on Audit Committees set out the key principles which CIPFA had recommended for Audit Committees operating within Local Government. This Statement was supported by further guidance. The

Statement and guidance had been updated in 2022. An assessment against the 'Good Practice Checklist' had been undertaken and was included within the report for the Committee's consideration and some minor improvement actions had been identified.

The Head of Finance – Strategic Planning and Assurance presented the report and highlighted the salient points contained therein.

The Committee discussed this item and expressed the view around the importance of having continuity on the Committee and for succession planning, especially in the context of Members on the Committee who could possibly not be re-elected at local Elections. In view of this, the Committee wished to recommend that Standards Committee consider adding Audit training to the standard Member Development and Training Programme.

In addition, arising from discussion on this report, the Chair asked for the Head of Finance – Strategic Planning and Assurance to produce a formal action plan for the Committee to review bi-annually to enable the Committee to understand its position in this regard.

Resolved that: -

- (1) the self-assessment, as set out at Appendix 1 to the report, against the 'Good Practice Checklist' undertaken by Audit Members on 11th September 2023 be agreed.
- (2) subject to any amendments arising from (1) above, a summary of the outcome will be included within the Committee's Annual Report to Council on its activities during 2022/23.
- (3) a recommendation be forwarded to the Standards Committee for it to consider adding Audit training to the standard Member Development and Training Programme as a matter of course to ensure continuity and succession planning in relation to Audit Membership, as far as is practicable.

29 Annual Report of the Audit Committee to Council for 2022-23

A report was submitted.

(see annexed)

The Committee received a report which presented Members with oversight of the work of the Audit Committee during 2022/23 in accordance with good practice. Furthermore, the report provided assurance that the Audit Committee continued to provide robust and effective challenge to the Council's governance arrangements and internal control framework. In addition, the report provided confirmation that the Committee had complied with the CIPFA Position Statement 2022 as well as providing the outcome of the Committee's review of its effectiveness.

The report went on to detail the proposed Annual Report of the Audit Committee 2022/23 and sought approval for the Vice-Chair of the Committee to present the report to Council at its next meeting.

The Head of Finance – Strategic Planning and Assurance presented the report and highlighted the salient points contained therein.

Members considered the report and enquired if it would be permissible for the Chair to attend Council to speak to the Committee's annual report. The clerk advised that he could not think of any Constitutional requirement which would preclude the Chair from doing so, but he would confirm outside of the meeting directly with the Chair.

Resolved that the Annual Report of the Audit Committee 2022/23 be approved and the Vice-Chair be authorised to present the report to the next meeting of Council.

30 Internal Audit Progress Report 2023/24

A report was submitted.

(see annexed)

The Committee received a report which provided Members with an update on Internal Audit's progress against the 2023/24 audit plan.

The report detailed that the Accounts and Audit Regulations 2015, which came into effect on 1st April 2015, required Councils to undertake an effective Internal Audit to evaluate the effectiveness of their risk management, control and governance processes, taking into account Public Sector Internal Auditing Standards and guidance. Internal Audit had also had an independent and objective consultancy role to help line managers improve risk management, governance and control.

The Head of Internal Audit (Mazars) presented the report and highlighted the salient points contained therein.

Members sought assurance / updates on a number of issues contained within the report.

Councillor Nawaz, at this stage of the meeting, declared that he had just realised that there were items in this and the next report on the agenda in relation to the CADMUS Trust, for which he would have to declare an interest.

Resolved that the report be noted.

31 Private Session – Exclusion of the Public

Resolved that during consideration of the remaining item(s) on the agenda, the Committee considers that the item(s) for consideration is / are exempt information for the reason(s) set out therein and Section 100A of the Local Government Act, 1972, and accordingly resolves to consider the item(s) in private.

32 Follow up of High Priority Recommendations

A report was submitted.

(see annexed)

The Committee received a report which provided Members with an updated position on implementation of high priority recommendations not previously reported as “implemented” to the Committee.

The report detailed that the Accounts and Audit Regulations 2015, which came into effect on 1st April 2015, required Councils to 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 (PSIAS) or guidance. Following up audit actions raised and then agreed by management was a key part of evaluating the effectiveness of the control processes.

The Head of Internal Audit (Mazars) presented the report and highlighted the salient points contained therein.

The Committee considered the report and Members sought updates from Officers on a number of items contained within the report.

Resolved that report be noted.

[Councillor Nawaz, having declared an interest, left the meeting before this item was considered]

[Exempt information under paragraph 3 of Schedule 12a of the Local Government Act 1972].

Termination of meeting

There being no further business the meeting terminated at 7.52pm.

Chair:

Date: