

**Extraordinary Audit and Corporate Governance Committee – Meeting held on Tuesday, 14th September, 2021.**

**Present:-** Councillors Sabah (Chair), Wright (Vice-Chair), Ali and Brooker.

Co-Opted Member - Mr Zafar

**Also present under Rule 30:-** Councillors Akram, Gahir, Nazir, S Parmar, Strutton and Swindlehurst

**Apologies for Absence:-** Councillors J Davis Grewal and Hussain.  
Parish Councillor Escott  
Independent Person - Dr Lee

**PART 1**

**12. Declarations of Interest**

None received.

**13. Policy Statement on Corporate Governance**

The Monitoring Officer outlined details of the draft Policy Statement on Corporate Governance, reminding the Committee that the current policy statement had not been subject to a detailed review process in the last few years and that it was not based on the CIPFA / SOLACE framework and guidance issued in 2016. The updated framework contained two central principles and five supporting principles, as highlighted in the appendix to the report.

Clarification was sought as to why the principles were not currently being adhered to and it was explained that although the Council's constitution included a governance framework, it required updating to bring it in line with current best practise.

Speaking under Rule 30, Councillor Strutton asked what assurance there was that the policy would be adhered to and monitored. It was explained that by having a publicly available Policy Statement on Corporate Governance, this would be used as a basis for the Annual Governance statement reported to the Committee each year; and the benchmark against which the Council would regularly review its procedures, analysing its performance and recommending improvements in an open and transparent manner.

The Committee agreed that the policy statement be recommended to Council for adoption.

**Resolved** – That the Policy Statement on Corporate Governance be recommended to Council to replace the existing Statement as Part 5.9 of the Constitution.

#### 14. Risk Management Update - Quarter 1 2021/22

The Director of Finance informed the Committee that the Corporate Risk Register was currently being updated and the revised report was due to be considered at the next meeting.

The Chair asked for an update on the latest position relating to staffing within the finance team. It was noted that a number of interim individuals with the necessary skill set had been appointed and work was on going to develop a permanent structure which would address the needs of the Council moving forward. In response to when the audits for outstanding accounts would be completed it was explained that although progress had been made, there remained significant work to be carried out. It was anticipated that matters outstanding on accounts relating to previous years would be concluded by March 2022.

A Member asked for further details regarding the three year waiting list for assessments in Speech and Language Therapy (SALT) Services. The Assistant Director, Education and Inclusion, outlined that the current investment in SALT services was inadequate – with a ‘one size fits all’ approach and that there had been an increasing demand in the number of SALT needs identified. A review process had begun in looking at the most effective manner in which this service could be provided, with a view to establish a market of independent SALT providers with competitive pricing models for schools to make their own arrangements where appropriate. Furthermore, investment in preventative tools to assist with early identification and response in schools would thereby delay and reduce the need for specialist intervention. It was noted that the changes were likely to be implemented by mid October 2021.

A progress update on the recruitment of a permanent GDPR Officer was requested, noting that the authority was at risk from fines and damage to reputation. The Executive Director of Transformation explained that the role was currently being covered on an interim basis and the difficulties in recruiting on a permanent basis were outlined.

Councillor Strutton, speaking under Rule 30 asked for details relating to the latest position regarding lenders and loans given by them to the authority, following the issuing of the Section 114 Notice. It was noted that one local authority had requested for monies owed to be repaid whilst others were satisfied to continue lending. The Director of Finance stated that further details could be provided to a future meeting.

Information regarding the number of staff in the treasury team was requested and it was agreed that this would be reported to the next Committee meeting.

**Resolved** – That details of the report be noted.

## 15. Internal Audit Progress Report

The Head of Internal Audit updated the Committee on progress of completion of internal audits since the March 2021 meeting. As part of the 2020/21 internal audit plan, it was noted that a further 19 reports had been finalised 17 of these reports provided assurance opinions, of which, reviews concluded with

- eight reasonable (positive) assurance opinions,
- seven reports with partial assurance (negative) opinions (Temporary Accommodation, Payroll, Asset Register, S106 funds, Treasury Management, Health and Safety and Whistleblowing);
- one advisory report with significant weaknesses identified impacting the year end opinion (Council Subsidiary Companies)
- the remaining report (Debtors Management) resulted in a no assurance (negative) opinion.

The Committee discussed in detail the findings of the finalised reports and made a number of comments, which were summarised as:

### Debt Management Review

Members raised queries regarding the management of debt and specifically why instructions had been made to stop debt reminders and were informed that although a decision had been taken during the pandemic not to actively enforce debt recovery; this would now be followed up and an update provide to the September meeting. It was highlighted that a number of invoices dated pre Covid-19. For those relating to adult social care, the Executive Director of People (Adults) outlined how the deferred payment scheme worked. Members reiterated that over £4m debt had accumulated since 2016 which needed addressing as a matter of priority and it was acknowledged that the Council had to implement proactive measures to recover debt owed. An update on the latest position on the outstanding invoices with Arvato and First Beeline Buses would be provided at the September meeting.

### Whistleblowing / Health and Safety

Head of HR / Director responsible for HR to attend September meeting to specifically respond to concern about low level of compliance in completing mandatory whistleblowing and health and safety training.

### Treasury Management

Speaking under Rule 30, Councillors Nazir and Strutton sought assurance that following recommendations issued by internal audit, senior management were not only implementing but reviewing and tracking progress of recommendations. The Director of Finance stated improved systems were being put in place to monitor actions.

Councillor Akram also spoke under Rule 30 and highlighted the importance of appropriate training for members specifically relating to treasury management and the Director of Finance informed the Committee that a programme was currently being developed.

### Payroll

Concern regarding expenses being approved without the necessary supporting documentation. The Head of HR / Director responsible for HR to attend the September meeting and provide details whether there were likely to be any further changes to current staffing levels and explanation regarding the weaknesses identified in payroll audit and what measures being taken to address these.

### Temporary Accommodation

The Committee discussed the complex challenges arising from temporary accommodation and the statutory framework within which decisions were based upon. Rule 30 Member, Councillor Strutton stated that the authority look at alternative options to address the issue and the Executive Director, Customer and Community informed the meeting that a number of preventative measures were being looked at and that the organisation would continue to strive to obtain value for money in an intensely competitive housing market.

### Asset Management

Details were sought as to why management actions agreed for the Asset Management Property Records procedure had not been implemented since 2016 which again indicated that there was no system in place to ensure records were maintained by the organisation and not reliant on individual staff members. The Director of Finance acknowledged the importance of having an up to date asset register. It was noted that interim experienced staff had been appointed to carry out the work required.

### Section 106 Funds

A Member commented on ensuring that policies and guidance on the Council's website in relation to Section 106 Funds was current and it was noted that this would be actioned. Clarification would be provided relating to the current amounts owed in outstanding S106 agreements.

**Resolved** – That details of the report be noted and matters raised be reported to the 30<sup>th</sup> September meeting.

## **16. Internal Audit Annual Report 2020/21**

The Committee considered details of the Internal Audit Annual Report 2020/21. Responding to significant weaknesses in the governance of the Council's Subsidiary Companies, Members were informed that extensive work was on going to address issues that had been identified. Discrepancies in the reconciliations process in council tax were also being investigated.

**Resolved** - That details of the report be noted.

**17. Internal Audit Plan 2021/22**

The Head of Internal Audit outlined the key aspects of the 21/22 plan stating that it was mindful of the continuing developments and challenges around Covid-19 and the S114 Notice. An update on progress would be provided at a future meeting.

**Resolved** – That details of the Internal Audit Plan 2021/22 be noted.

**18. Exception Reporting to Overview and Scrutiny Committee**

This was a standing agenda item to provide a formal mechanism to refer relevant matters to the Overview and Scrutiny Committee. No matters were referred.

**Resolved** – That no matters be reported to the Overview and Scrutiny Committee arising from the agenda.

**19. Date of Next Meeting - 30th September 2021**

The date of the next meeting was confirmed as 30<sup>th</sup> September 2021.

Chair

(Note: The Meeting opened at 6.30 pm and closed at 9.18 pm)