

Minutes of Audit and Risk Assurance Committee

**21 September 2023 at 6.00pm
at Sandwell Council House, Oldbury**

Present: Councillor Preece (Chair);
Councillors Bhullar, L Giles and Smith.
Mr Ager (Independent Vice-Chair) and Mr Hussain
(Independent Member).

In attendance: Brendon Arnold – Interim Director of Finance and Section
151 Officer, Sanjay Desor – Head of Technical Finance,
Peter Farrow – Audit Services and Risk Management
Manager, Kate Ashley – Strategic Lead Service
Improvement, Mark Stocks – Grant Thornton, Trisha Newton
– Deputy Democratic Services Manager and Johane
Gandiwa – Committee and Constitutional Services Lead
Officer.

36/23 **Apologies for Absence**

An apology was received from Councillor Tipper.

37/23 **Declarations of Interest**

There were no declarations of interest.

38/23 **Minutes**

Resolved that the minutes of the meeting held on 20 July
2023 be confirmed as a correct record.



39/23 **Urgent Additional Items of Business**

There were no urgent additional items of business.

40/23 **Improvement Plan Progress Report**

The Committee received a quarterly update on progress against the Improvement Plan agreed by Council on 7 June 2022. The Improvement Plan incorporated all recommendations from the Grant Thornton Governance Review, the LGA Corporate Peer Challenge and the CIPFA Financial Management Review, as well as the Statutory Directions from the Secretary of State for Levelling Up, Housing and Communities.

As part of the governance and assurance arrangements for the Improvement Plan, Audit and Risk Assurance Committee and Budget and Corporate Scrutiny Management Board reviewed progress of the Improvement Plan and utilised the plan for work programming purposes. Both Committees would consider progress at their meetings in September and any recommendations or comments presented for Cabinet's consideration.

Over this quarter, significant progress had continued to be made to deliver the actions within the Improvement Plan. A comprehensive monitoring tool had been developed which included a progress status rating for all actions. The monitoring tool provided quick reference around which actions are on track for delivery, as well as highlighting areas that may require remedial action or additional levels of assurance.

In response to questions, the following was confirmed:-

- progress continued to be monitored and the Council was still working towards the end of March timeline with significant progress being made. The Commissioners would be submitting a report to the Secretary of State in December;



- in relation to Oracle Fusion, the programme was running under budget and progress was on target with a planned go live date of April. Some aspects may be re-phased but this would not compromise the plan. A detailed report would be submitted to the next meeting;
- the Interim Director of Finance confirmed that there was a transformation team in place and he would be assessing the arrangements in place for overseeing the transformation journey. An update would be provided to a future meeting;
- the member/officer relationship survey had launched in April to provide a source of insight to aid continuous improvement activity, however, the survey had received a lower response rate from both officers and members than was expected. As a result, new plans had been formed for additional insight-gathering during the Autumn of 2023;
- in relation to stock condition surveys, additional information would be provided to the member;
- a report would be submitted to the next meeting in relation to concerns relating to the management structure and potential for instability;
- an update would be provided on the development of leadership values to a future meeting.

Resolved that Committee notes progress of the Improvement Plan and the Risk Register and:-

- (1) a report on the progress of Oracle Fusion be submitted to the next meeting by the Interim Director of Finance;
- (2) the Interim Director of Finance would submit an update to a future meeting in relation to the transformation journey and arrangements/structure in place;
- (3) the Chief Executive be invited to provide an update in relation to the management structure be provided at the next meeting;
- (4) HR would be requested to provide a briefing note to members in relation to leadership values.



41/23

Auditor's Interim Annual Report

The Committee received the Grant Thornton's Interim Annual Report.

In response to members' comments and questions, the following points were clarified/noted:-

- the draft accounts for 2021/22 would be ready by October/November and it was anticipated that 2022/23 accounts would be drafted by end of January/February 2024;
- in terms of recurring errors, there had been significant improvements, however, the process had been improved with better controls and systems now in place in relation to property valuation;
- with regard to adult social care, there was a variation which needed to be managed down and carefully monitored;
- in view of recent news around a neighbouring authority, assurances were provided that there was no risk of a Section 114 notice for Sandwell;
- a risk register update would be submitted to all future meetings and would include the projected deficit.

42/23

Audit Findings for Sandwell Council

The Committee received Grant Thornton's Audit Findings for Sandwell Council.

43/23

Strategic Risk Register Update

The Audit Services and Risk Management Manager updated the Committee on the latest Strategic Risk Register. The register captured the top 20 risks. Of these, 8 were in the red category and were linked to compliance with the Data Protection Act and General Data Protection Regulations (GDPR), requests relating to Freedom of Information, cyber-security, climate change and Borough Achieves. Other risks related to the cost of inflation and the customer journey. A new risk was on workforce development.



3 risks had been de-escalated and were being managed at directorate levels - emergency planning, the Aquatic Centre and the Leisure Trust.

In response to members' comments and questions relating to electoral risks centred on new boundaries and the local government boundary review, it was confirmed that a working group was in place and an overview would be requested by way of member update.

44/23 **Audit and Risk Assurance Committee Annual Report 2022/23**

The Audit Services and Risk Management Manager updated the Committee on the Audit and Risk Assurance Committee Annual Report 2022/23.

The report summarised the main areas of work undertaken by the Audit and Risk Assurance Committee during 2022/23.

Resolved that Audit and Risk Assurance Committee Annual Report 2022/23 be approved for submission to Full Council.

45/23 **CIPFA Audit Committee Update**

The Audit Services and Risk Management Manager provided the Committee with the latest CIPFA Audit Committee Update.

The Manager advised the committee that there were courses offered by CIPFA and if members were interested, they were free to contact his office.

46/23 **Work Programme for the 2023/24 Municipal Year**

The Committee noted the revised Work Programme for the 2023/24 Municipal Year.



47/23

Cabinet Forward Plan

The Committee noted the items contained in the Cabinet Forward Plan.

Meeting ended at 7.37pm

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