

AUDIT COMMITTEE - 14 February 2022

MINUTES

Present: Councillors: Mr T Beirne (Chairman), Burnett, Mr D Page, K Allsopp, M McLoughlin and J Tildesley

Officers: David Acton – Democratic Services
Tim Browne – Interim Director of Childrens services and Skills
Olly Dodds – Audit Manager
Sam Gilbert – Assistant Director of Finance and Property Services
Adam Paterson - Accountancy
Grant Patterson – External Auditor
Neil Preece – External Auditor
Paul Johnson – Director of Resources and Deputy Chief Executive
John Robinson – Treasury and Corporate Accountant
Steve Sparkes – Head of Audit
Paul Wayman – Head of Catering Services
Mark Wills – Health, Safety and Risk Manager

1. APOLOGIES

No apologies received.

2. DECLARATIONS OF INTEREST

There were no declarations of interest from Members.

3. QUESTIONS AND DEPUTATIONS

No questions or deputations received.

4. MINUTES

That the minutes of the meeting held on 4 January 2022, were approved as a true record.

5. CHILDREN'S DIRECTORATE RED 9 RISKS UPDATE

The Interim Director of Children's Services and Skills provided an update on the developments and mitigations in place to manage the two Net Red 9 risks within the Children's Services.

The Committee were reminded that at their meeting in November 2021, they requested a report on how the two Net Red 9 risks were being managed:

- (i) Failure to achieve a balanced budget in the context of unprecedented pressures, which could significantly limit the delivery of other services; and
- (ii) Avoidable death, serious harm or abuse of a child where the Council has a duty of care.

The challenges facing the Children, Education and Skills portfolio remain significant and are particularly driven by high demand in respect of children's social care

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placements and support for children and young people with special educational needs and disabilities (SEND). The former is funded by the council budget and the latter the High Needs Block of the Dedicated Schools Grant.

The issue of complexity and supply in relation to placements requiring specialist residential care remained critical. The availability of specialist placements was under pressure with a resulting impact on price and the pandemic had resulted in a significant spike in cases.

The Children's Services Oversight Board had been established to provide corporate oversight and assurance of activity to address identified issues within Children's Social Care, including:

- Stepping down children from residential to fostering and family-based placements in line with their care plans, as we move out of the Covid-19 crisis period;
- Developing our connected carer arrangements to reduce the number of children formally in the care system;
- Increasing the number of internal foster carers; and
- Strengthening families who need additional support.

Following a Joint Targeted Area Inspection in January, a multi-agency Improving Children's Safeguarding Board was to be established to oversee a new improvement plan and provide the opportunity to revise the way in which we shape and deliver our social work services with effective governance and extensive oversight in place, and enable a revision to our approach to the management of risk and our audits across the services.

The Interim Director advised that in response to the continued national rise in the number of children and young people with SEND, the challenges for education settings were further exacerbated by the pandemic, Council education services were reshaped in September 2021.

The creation of an Inclusion Service was a pivotal change to create an early help offer across education. However, recruitment processes meant teams were not fully staffed until January.

A full review of strategic and operational policies, practice and processes had taken place within SEND services, leading to the development of an improvement plan, agreed by Cabinet on 9 December 2021, which included the latest version of the High Needs Block forecast which set out the revised three-year financial model.

The Interim Director advised that he would be the lead for the Joint Additional Needs and Disabilities Board, and the SEND and High Needs Programme Boards. Given the works carried out and other mitigating actions in place the net risk for both areas had been reduced to 8.

RESOLVED

The Committee:-

(a) noted the progress achieved to date in improving the Council's support for children, young people and families, and the mitigations in place to reduce the net Red 9 risks within the Directorate; and

(b) to take further advice from the Audit Team.

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6. VERBAL UPDATE FROM THE EXTERNAL AUDITOR

The External Auditor, Grant Patterson, reported that:-

- The 2021 audit had yet to be completed;
- The Housing Benefit Claims audit was completed last week and a report would be taken to the March committee;
- Work was ongoing regarding the Capital Receipts from sale of council houses
- A timetable had been agreed for the main Council audit with work to be completed by the end of November.

7. ANNUAL GOVERNANCE STATEMENT PREPARATION FOR 2021/22

The Committee were advised of the preparations for the production of the Council's Annual Governance Statement (AGS) for 2021/22. The Health, Safety and Risk Manager took Members through the proposed timetable, highlighting key dates, and the proposed assurance gathering process.

RESOLVED

The Committee:-

- (i) noted the proposed timetable for production of this year's Annual Governance Statement;
- (ii) endorsed the proposed assurance gathering process; and
- (iii) confirmed that the process would provide the assurance needed to effectively review and challenge the draft Annual Governance Statement when it is presented in July 2022; and
- (iv) to consider whether any additional assurances are required, particularly if there are other systems/processes they are aware of where deficiencies have been identified during the year.

8. 2021/22 QUARTER 3 TREASURY MANAGEMENT MONITORING REPORT

The Treasury and Corporate Accountant reminded Members the Treasury Management Practices introduced by the CIPFA Code of Practice and Cross-Setoral Guidance notes, adopted by the Council, require that members are regularly updated on Treasury Management activities and risks.

He explained the revisions to the Treasury and Prudential Codes and the implications of the revised codes; Debt Activity 2021/22 including how the Council maintained an under borrowing position in order to minimise investment risk, and how internal borrowing had proved an effective strategy in delivering a number of savings to the Council over a number of years.

The Officer also expounded on the Economic Forecast rates for money market investment and long-term borrowing; the Investment Strategy 2021/22; Investment Activity; and Treasury and Prudential Limits confirming that no amendments were proposed to the Treasury Management Strategy.

RESOLVED

The Committee noted the Treasury Management activities for quarter 3 of 2021/22.

9. MONITORING REPORT – INTERNAL AUDIT

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The Head of Audit Services informed the Committee of work undertaken by Internal Audit as at 14 February 2022, and advised that the Liquid Logic Children's (Review) report would be brought to the next meeting.

RESOLVED

The Committee noted the work undertaken by Internal Audit as at 14 February 2022.

10. EXCLUSION OF THE PRESS AND PUBLIC

The Chairman did declare that the press and public be now excluded from the remainder of the business to be transacted on the grounds that there would be disclosure to them of exempt information as defined in Schedule 12A to the Local Government Act 1972.