

Minutes of: **AUDIT COMMITTEE**

Date of Meeting: 30 March 2023

Present: Councillor M Whitby (in the Chair)
 Councillors A Arif, R Bernstein, D Berry, D Duncalfe,
 E FitzGerald, M Hayes, J Lancaster and E Moss

Also in attendance:

Public Attendance: No members of the public were present at the meeting.

Apologies for Absence: Councillor N Jones

AU.1 DECLARATIONS OF INTEREST

There were no declarations of interest made at the meeting.

AU.2 MINUTES OF THE LAST MEETING

Delegated decision:

That the Minutes of the last meeting held on 1 December 2022 be agreed as a correct record.

AU.3 MATTERS ARISING

There were no matters arising from the Minutes of the last meeting.

AU.4 CORPORATE RISK REGISTER 2022/2023

Sam Evans presented a report providing an update on the Corporate Risk Register.

It was explained that the report provided an update position with regards to the risks identified and assessed on the Council's Corporate Risk Register.

The report set out a total of 23 risks that had been identified: -

- 23 risks are currently present on the Corporate Risk Register
- 17 risks are currently rated as Significant (risk score 15-25)
- 6 risks are currently rated as High (risk score 8-12)
- 0 risks are currently rated as Moderate (risk score 4-6)
- 0 risks is currently rated as Low (risk score 1-3)

Of the 23 risks: o

- 15 have remained static
- 2 have increased in score
- 3 have decreased in score
- 1 risk is proposed for closure

- 3 new risks have been introduced during the Quarter 4 reporting period.

At the December meeting of the Audit Committee, a further analysis into two risks present on the Register was requested. Two Deep Dive reports into the following two risks:

- CR14 Staff Safety and Wellbeing
- CR21 Project Safety Valve

CR21 Project Safety Valve

Jeanette Richards, Executive Director of Children and Young People attended the meeting to provide an update on Project Safety Valve and the risk of the Council being withdrawn from the project due to not reducing the deficit in the DSG which would rein a loss of £10m.

At the end of February 2023, full-time internal project management capacity had been secured to support delivery of PSV. This increased capacity would enable the development and monitoring of the plans to improve service provision, increase sufficiency and reduce the deficit. Governance of the programme was currently being strengthened to focus on progress, risks and issues.

Significant progress had been made with improving the EHCP process and working with parents and Bury2gether to continue to deliver an improved SEND service in Bury.

An EHCP Team Manager had been recruited and commenced work in August 2022 to ensure that the team had remained stable. This had enabled a greater focus on quality and co-production.

It was also explained that weekly reporting was providing a better understanding of the trajectory of demand which allowed the team to plan resources more effectively to deliver quality plans in a timely manner.

Jeanette explained that Project Safety Valve had been challenging to manage, there had been a spike in demand for EHCPs post Covid which had seen an increase of 45%. This had now reduced to 12%.

There were proposals for 2 new special schools in the borough which would see 54 new school places coming on stream.

The DfE were leading the establishment of the Free Special Schools in Bury. There was a basic timeline in place and a requirement for the DfE to create a project group and formalise key milestones. This will enable the Council to work through any local issues regarding legal, land and property, planning and highways. A formal ask will be made of the DfE regarding the project group as progress with the Free Special Schools impacts directly on sufficiency and the ability to reduce out of borough placements.

Jeanette explained that due to the current reliance on non-maintained places it was hoped that increased in house provision would be provided.

The Council had regular contact with the DfE through regular meetings and reporting.

Councillor Berry asked why the demand for SEND in Bury was so high and it was explained that there had been an increase in demand nationally partly due to social, emotional health with younger children not accessing nursery due to covid which then leads to speech and language concerns. This was being regularly reviewed to ensure that the unmet need was identified and understood.

Councillor FitzGerald referred to the increased demand and the costs incurred around this asked what was being done to ensure that the Council wasn't withdrawn from the project.

Jeanette reported that the £10m figure was not correct and it would be more like £8m. It was explained that work is taking place to develop the finance deficit project plan. Once complete, there will be a plan in place to review how the council currently commission out of borough placements, moving to a model where the council can be assured of value for money. The same process will also be applied to Alternative Provision and the Pupil Referral Unit. This will ensure that Bury pay for provision which is based on need at rates comparable to other Local Authorities.

It was also reported that amongst other actions Bury's SEND Graduated Approach Toolkit had been created and will be embedded in the Local Offer. A task and finish group had started to meet monthly at the beginning of March 2023 to roll out training across the SENCO network. This will be a rolling training programme, with the first set completed by the end of October 2023.

The Graduated Approach will be embedded in the induction of all education staff. To support delivery of the approach, Barnardo's has been commissioned to create a volunteer network in Bury to signpost professionals to the support available. This is an important step as the Approach is embedded and pupils are supported. Expected outcomes are:

- An increase in the number of pupils receiving SEN support.
- A decrease in the number of requests for EHCPs.

It was anticipated that the Council will see a difference in the number of pupils receiving SEN support by July 2023.

Sam Evans reported that she had a scheduled meeting with the DFE the following week and that the Executive Directors met with the Chief Executive weekly to review the DSG deficit.

The Committee asked that an update on the planned actions be brought to the next meeting of the Audit Committee.

CR14 Staff Safety and Wellbeing

Sam McVaigh presented a report setting out the work being done in relation to sickness levels across the Council and Health and Safety.

It was explained that the risk concerns the impact on service delivery due to staff sickness levels and the potential for both legal and financial consequences due to failure to comply with health and safety legislation.

The two areas are clearly different in many ways but are reflected together in a single risk under the shared theme of staff safety and wellbeing.

It was explained that in late 2021 an audit of the Council's Health and Safety arrangements gave a 'limited' assurance opinion.

Significant work had been undertaken following the audit to strengthen health and safety governance, assurance and culture with the associated audit recommendations now complete.

The area, however, remains a key priority and a number of recent reportable health and safety incidents have highlighted the need for continued focus.

The Council's sickness absence level as of January 2023 is an average of 13.92 days lost due to absence, per full time equivalent employee, in the preceding 12 month period. This is significantly greater than the Corporate target of 9.85 days. 'Stress, Depression, Mental Health and Fatigue Symptoms' are the highest cause of absence.

An update on staff sickness absence was presented to the Council's Performance and Finance Scrutiny Sub Group in December. A copy of the report was appended to the report.

It was explained that the risk currently has a score of 16, with a likelihood rating of 4 and impact rating of 4.

This was an increase of 1 point in the likelihood rating since the most recent review because of both the increase in sickness absence and the number and nature of recent health and safety incidents.

The current controls in relation to sickness absence include:

- A strong employee wellbeing programme with localised action informed by both sickness data and the staff Pulse Surveys
- Targeted work to address key sickness hotspots, particularly in the Operations and OCO Departments
- Management training through a new mandatory management development programme, launched in January of this year
- Improved data, reporting and management prompts for action through the use of the iTrent system
- Strong joint working with the Trade Unions

The planned actions in relation to sickness absence include:

- A review of the Council's Occupational Health function (currently subject to consultation)
- A review of the Council's sickness absence policy
- Continued prioritisation through the 2023/24 Corporate Plan
- Further targeted work with hotspot areas
- Roll-out of a new management information dashboard

- Targeted work to promote positive attendance and to focus on compliance with the Return to Work process.

The current controls in relation to Health and Safety include:

- Approval of a new corporate Health and Safety Policy
- Re-establishment of a formal Health and Safety Joint Consultative Committee (JCC)
 - Approval of an annual Health and Safety report via Cabinet
 - A programme of quarterly health and safety performance reporting to the Council's Executive Team and Health and Safety JCC
 - An annual 'risk assessment needs checker' process, to better understand service level risk profile, and resultant programme of deep-dive health and safety audits flowing from this
 - Inclusion of health and safety as a core topic within the new mandatory management development programme.

The planned actions in relation to health and safety include:

- A commissioned external review of health and safety arrangements within the Operations Department, the area of greatest health and safety risk within the Council.
- A strengthened staff training approach including a new mandatory 'elearning' module for all staff and improved automated recording and reporting in relation to essential health and safety training
- Ongoing audit activity and a refresh of the annual 'risk assessment needs checker' process.

Councillor Berry referred to the miscellaneous/unknown category in the sickness reporting form and stated that this was unhelpful. Councillor Berry asked whether this would be reviewed.

Sam reported that this was due to be reviewed and was likely to be removed.

Councillor Hayes referred to the figure of 71 employees returning to work following long term sick and asked what the length of time was in relation to long term sick.

Sam explained that these were cases of 20 days and over. Work was being carried out in relation to these cases and management were making contact with the employee sooner and working closer with union representatives.

It was explained that work was being done to strengthen the return to work process.

Councillor Moss highlighted the increase in sickness levels within the corporate core and asked if there was a specific reason behind this.

Sam reported that the business support team had moved into the corporate which had been an increase of over 100 employees.

Councillor Bernstein referred to the requirement to fulfil services such as waste management and having to bring in agency staff to cover. Councillor Bernstein

asked what was being done to bring the levels down and how did Bury compare to other local authorities?

Sam explained that Bury was broadly comparable to other authorities. Work was being done to develop managers in relation to sickness and that all cases of sickness would be escalated to the relevant Executive Director through the iTrent trigger system.

Councillor Whitby referred to the Absence Management Policy and asked whether this was available to all staff.

Sam explained that it was accessible but work was being undertaken to make it more accessible and user friendly. It was explained that the unions were assisting with this work

It was asked whether the previous risk scores could be included within the report for reference.

Delegated decisions:

1. That the Audit Committee notes the update provided;
2. That the Audit Committee approve the recommended closure of risk CR2 COVID-19 Impact
3. That an update in relation to the progress made on Project Safety Valve be brought to the next meeting of the Audit Committee.
4. That previous risk scores be included within the reports for reference.
5. That the following risks be considered in more detail at the next meeting of the Audit Committee:

CR.6 – Climate Change
CR.28 – Asylum & Immigration

AU.5 AUDIT COMPLETION REPORT

Karen Murray, Partner at the Council's External Auditors Mazars presented the External Auditors Audit Completion Report year ended 31 March 2022.

The purpose of the document was to summarise Mazars audit conclusions based on the work they had completed to date.

It was explained that the scope of their work, including identified significant audit risks and other areas of management judgement, was outlined in the Audit Strategy Memorandum which was presented to the Audit Committee on 15 March 2022.

Mazars have reviewed their Audit Strategy Memorandum and concluded that the original significant audit risks and other areas of management judgement remain appropriate.

The completion report set out:

- Significant findings
- Internal control recommendations
- Summary of misstatements
- Value for Money

The status of the audit was set out on page 19 of the report, it was reported that the debtors information had now been received.

Karen explained that the work carried out by the finance team in relation to the accounts had shown a positive trajectory but had been hampered by the level of capacity within the team and the reliance on interim staff members which had proved difficult. There was evidence of improvements, but it was recognised that there were still areas where the team were struggling and areas where amendments were required that were out of the Council's gift.

It was explained that while the work of Mazars was substantially complete and there were currently no matters of which they were aware that would require modification of the audit opinion, subject to the following outstanding: -

- Property, Plant and Equipment: It was reported that the detailed audit testing was complete. Mazars were working with management to ensure all of the required amendments have been posted through the Council's Financial Statements.
- Pensions: it was explained that Mazars were awaiting the conclusion on an error identified by the pension fund auditor at the Greater Manchester Local Government Pension Scheme fund.
- Value for Money: It was reported that the value for money work remains in progress

Councillor Bernstein asked when Karen would expect the work to be completed.

It was explained that there were still some talks ongoing with all of the GM Councils, and some technical details required by the actuary, but it was hoped that this would be turned around quickly.

Delegated decision

1. That the contents of the report be accepted.
2. That the Audit Committee's thanks to Mazars be recorded.

AU.6 ACCOUNTING POLICIES UPDATE 2022/23

Sam Evans, Executive Director of Finance presented a report setting out the Council's accounting policies, critical accounting judgements and key sources of estimation that would be used in preparing the 2022-23 Statement of Accounts.

It was explained that the Statement of Accounts summarises the Council's transactions for any given financial year and its assets and liabilities at 31 March for any given year. For the 2022-23 financial year, the timetable for publishing audited local authority accounts is 30 September 2023 and the deadline for publishing the draft accounts has reverted back to 31 May 2023.

Delegated decision:-

1. That the accounting policies to be used in the production of the 2022/2023 Statement of Accounts be approved.
2. That the critical accounting judgements and key sources of estimation set out in Appendix B and C be noted.

AU.7 AUDITED STATEMENT OF ACCOUNTS 2021/2022

It was reported that due to a technical issue relating to the GM Pension scheme, the accounts were unable to be audited and therefore were not presented to the Committee.

It was explained that once the issue had been resolved across Greater Manchester the accounts would be submitted to the Committee for approval.

AU.8 INTERNAL AUDIT PROGRESS REPORT

Janet Spelzini presented a report outlining the work undertaken by Internal Audit between 1st April 2022 to 17th March 2023.

The report updated the Committee in relation to:

- The Annual Audit Plan
- Progress made to date against the Annual Audit Plan
- Audits completed and reports issued
- Follow ups
- Assurance work
- Investigations/Fraud/whistleblowing
- National Fraud Initiative
- Information Governance and Data
- Supporting Transformation and change
- School Audits
- Resources

Delegated decisions:

1. That the content of the report be noted.
2. That the Committee agree that the Chair of Audit Committee approves the deferral of audit reviews in-between Audit Committee meetings.

AU.9 INTERNAL AUDIT ANNUAL STRATEGY AND PLAN 2023/2024

Janet Spelzini presented a report setting out the context of the Internal Audit Service and explaining the approach to the compilation of the 2023/24 internal audit annual plan. The annual plan was incorporated at Annex 1 to the report.

Delegated Decision:

That the Annual Audit Plan for 2023/2024 be approved.

AU.10 MEMBERS DISCRETIONARY GRANTS UPDATE 2022/2023

Andrea Tomlinson, Mayoral and Member Officer presented a report providing an update in relation to the Member's Discretionary Grant Scheme.

It was explained that following approval of the Council Budget for 2023/2024 it had been agreed that the Discretionary Grant scheme would continue for the 2023/2024 financial year.

The annual allocation would remain at £1000 per member.

Appended to the report was information setting out the spend per Councillor for 2022/2023 including recipients.

Delegated decision:

That the contents of the report be noted.

AU.11 EXCLUSION OF PRESS AND PUBLIC

Delegated decision:

That in accordance with Section 100(A)(4) of the Local Government Act 1972, the press and public be excluded from the meeting during consideration of the following items of business since they involved the likely disclosure of exempt information, relating to any action taken, or to be taken in connection with the prevention, investigation and prosecution of crime.

AU.12 INTERNAL AUDIT REPORTS

Janet Spelzini presented a report setting out information in relation to final reports that had been issued since the last meeting of the Audit Committee meeting in December 2022.

Daniela Dixon attended the meeting to update Members in relation to the Transport Stores report.

Sam Evans and Jacqui Dennis attended the meeting to update Members in relation to the Debtors Key Controls report.

Delegated decision:

That the contents of the report be noted

AU.13 INVESTIGATIONS

Janet Spelzini, Acting Head of Internal Audit presented a report updating members in relation to Internal Audit Special Investigations reports which have been undertaken to examine significant issues / whistleblowing allegations, raised with the S151 officer.

Delegated decision:

That the contents of the report be noted.

COUNCILLOR M WHITBY
Chair

(Note: The meeting started at 7.00 pm and ended at 10.00 pm)