

**Minutes of the Audit and Standards Committee
Monday 19th February, 2024 at 6.00pm
In Committee Room 3, The Council House, Dudley**

Present:

Councillor A Lees (Chair)

Councillor D Borley (Vice-Chair)

Councillors S Ali, T Creed, J Cowell, M Evans, J Foster (From Minute No. 50), S Henley and W Little.

Dudley MBC Officers:

B Heran (Deputy Chief Executive), K Jones (Director of Housing and Communities), H Martin (Director of Regeneration and Enterprise), I Newman (Director of Finance and Legal Services), G Harrison (Head of Audit and Risk Management Services), T Robbins (Head of Procurement) and K Taylor (Senior Democratic Services Officer).

Dudley MBC Officers in Attendance via Microsoft Teams:

L Fulci (Director of Digital, Customer and Commercial Services), N McGurk (Director of Environment), G Aulakh (Head of Technology Systems and Services), S Denyer (Senior Systems Auditor), M Granger (Corporate Fraud Manager), M Landy (Principal Auditor), E Newman (Principal Auditor) and A Taylor (Senior Principal Auditor).

Also in Attendance:

A Paul (Head of Chief Executive's Office), R Gill-Dulai (Corporate Programme Manager) and A Petkevicius (Corporate Programme Manager) – for Agenda Item No. 5 – Corporate Portfolio Management Office Verto System Demonstration.

L Jones-Moore (Finance Manager) – for Agenda Item No. 7 – Treasury Management.

One Member of the Press.

46 **Apology for Absence**

There were no apologies submitted for this meeting of the Committee.

47 **Appointment of Substitute Member**

There were no substitute Members appointed for this meeting of the Committee.

48 **Declarations of Interest**

Councillor J Cowell declared a non-pecuniary interest in relation to Agenda Item No. 11 (Annual Audit Report for the Deputy Chief Executive) as a Council tenant.

49 **Minutes**

That the minutes of the meetings held on 6th and 18th December, 2023 be approved as correct records and signed.

50 **Corporate Portfolio Management Office Verto System Demonstration**

Following a previous request by the Committee an overview and demonstration of the functionality of the Corporate Portfolio Management Office Verto System was provided.

A Petkevicius, Corporate Performance Manager, reported that a one council approach to Project Management had been developed and supported by four separate elements including the Corporate Project Management Framework, Project Management Toolkit, Agents for Change Network and the Dudley Project Portal.

The Corporate Project Management Framework ensured consistency and continuity and contained the processes and steps needed to manage a project through the four stages of a project lifecycle namely, concept, definition, delivery, and closure. The Framework was developed following consultation and feedback from project managers and key stakeholders from across the Council together with building on best practice and engagement with other Local Authorities. It was noted that the Project Management Toolkit stockpiled all key Dudley templates for each stage during project management which were based on industry standards and best practice.

Members were advised of the Agents for Change informal network that had been established to allow project managers to share resources, experiences and provide peer support. It was noted that over 200 members had joined the network, with three events being held to launch the Framework and Portal. A variety of key speakers attended the events to help build and promote the one council approach and ensure consistency and governance across the board for all projects.

It was noted that the Dudley Project Portal was primarily developed to support the Framework and was a cloud-based project management system to support project governance and reporting throughout the project lifecycle and a single location for the storage of all project documentation, with real-time dashboard reporting available.

Extensive training had been provided to over 100 employees across the Council on the Project Management Framework and Portal and Back2Basics Project and Change Management with more sessions being planned. It was noted that a Project Management module would also be included in the new Dudley Manager programme launched in Thrive and future Council Inductions. A YouTube channel had also been launched with training videos and guides on the Dudley Project Portal.

R Gill-Dulai, Corporate Performance Manager, advised that work would be continuing to ensure that colleagues were working collaboratively to align project management with the Council Plan priorities linking in with the Improvement and Sustainability Programme and the Medium-Term Financial Strategy proposals. Work was also being undertaken to provide enhanced reporting by maximising the use of a business intelligence tool, namely Power BI, by consolidating all information and existing data sets and systems into one place to help inform decision makers.

The need to identify areas for continuous improvement was acknowledged to ensure project governance and assurance without causing any unnecessary delays. Focus would also be given to resolving actions that were identified in both internal and external audit reports and ensure that projects and programmes were delivered effectively and efficiently.

In concluding, Members were provided with a demonstration of the Dudley Project Portal including live dashboard reporting.

Arising from the presentation, Members asked questions, made comments and responses were provided where necessary as follows:-

- a) Councillor S Ali welcomed the presentation given and emphasised the need for project management in the Local Authority and hoped that the new system would improve this area moving forward, and requested clarification on who would be responsible for monitoring projects and officers' participation to date.

In responding, R Gill-Dulai confirmed that the definition of roles on projects and programmes within the Corporate Project Management Framework had been aligned and that it was mandatory for each project to include one named Project Management and one named Project Sponsor. It was noted that Project Sponsors would be accountable for projects, and Project Managers responsible for the day-to-day management of the project or programme. Members were advised that officers that were managing a project in addition to their core duties were supported by the Corporate Performance Management Office together with tools and guidance as appropriate.

- b) Councillor D Borley fully supported the system and processes and hoped that the new system would address a number of issues that had been identified. He emphasised the need to support Project Managers to ensure that Projects and Programmes were being delivered correctly.

In responding, A Petkevicius referred to the training provided on the four key elements throughout a project lifecycle, and it was confirmed that notifications were generated to Project Sponsors through checkpoint reports built in at approval points. Monthly highlight reports were also generated from the system with the ability to prompt officers to complete any outstanding work.

- c) In responding to a question raised by Councillor W Little in relation to allowing Project Managers to delegate elements of work to help support and deliver projects, A Petkevicius confirmed that there was some flexibility within the system for the Project Manager to allocate additional roles and delegate access permissions as appropriate.
- d) The Chair commented positively on the presentation given and queried how many projects were currently running in the system and whether focus was being given to implementing new projects only at this stage.

In responding, R Gill-Dulai confirmed that there were currently 95 projects within the Portal, however this was a fluctuating figure due to the level of understanding of officers recognising projects against every-day activity that was part of core services. A significant amount of work had been undertaken to ensure that all major projects were programmed into the Portal.

- e) In responding to a question by the Chair, the Head of Audit and Risk Management Services confirmed that the Team would review the Corporate Performance Management Office to ensure that work was being undertaken effectively and also undertake more in-depth reviews on certain key projects as appropriate.

Resolved

That the overview and demonstration of the functionality of the Corporate Portfolio Management Office Verto System, be received and noted.

51 Hybrid Working and Future Plans Presentation

Following a previous request by the Committee, the Deputy Chief Executive gave a presentation on an update on the Council's flexible working arrangements. It was emphasised that working patterns for each member of staff were determined by each Director in accordance with their business needs and employees.

A detailed overview of the four workstyles that had been adopted by the Local Authority namely, Agile Worker; Fixed Location Worker; Field Worker and Community Based Worker was provided at the meeting. The workstyles helped identify which technology, equipment and office bases were needed to help support individual roles and work requirements.

The positives and perceived negatives associated with flexible working were referred to, in particular, the issues in relation to recruitment and retention for the Local Authority, and particular reference was made to specific roles where there was a skills shortage. The need to offer flexible working to attract skilled workers from across the country to widen the pool of candidates was critical in reducing the reliance on employing agency staff.

In considering the perceived impact to the local economy, work was ongoing to utilise office spaces that had full capacity in order to dispose of any assets that may allow for other developments, including residential, which could help regenerate towns and increase footfall.

The ability to offer flexible working hours to allow employees to work in accordance with the business needs was acknowledged. In recognising the possibility of mental health and wellbeing issues for people working remotely, Directors had requested staff to attend face to face meetings and collaboration days to ensure interaction with colleagues. Members were assured that no member of staff was forced to work from home, and those that wanted to work in an office base were facilitated. Further work was being undertaken in developing community hubs across the Borough to allow employees the flexibility to work in locations that was more suitable.

The Deputy Chief Executive referred to perceived parity across the workforce and confirmed that the Local Authority was looking at alternative ways to address those concerns including identifying alternative roles to allow more flexible working.

The challenges faced with recruitment was acknowledged, and in view of the number of vacancies currently, interim appointments had been made. However due to the financial pressures faced by the Local Authority, further work was being undertaken to reduce the reliance on those appointments where possible. Reference was also made to the low pay rate compared to neighbouring councils and the financial and environmental benefits in reducing commuting and parking time.

Members were advised that the correct technology had been issued to employees to allow all telephone calls to be taken at home and that all calls were monitored. It was evident that in some of the harder to recruit positions, candidates would enquire about flexible working before they applied for a role, demonstrating the need to achieve the right work/life balance for recruiting the right staff.

Benchmarking information against other authorities was displayed and highlighted that the majority of Councils were offering more flexibility working and, in some cases, total remote working.

The Deputy Chief Executive referred to the Estate Strategy and that it had been evident that flexible working helped to facilitate the rationalisation of assets and Members were advised of the offices that would be retained and disposed. It was expected that the office space at Ladies Walk and Brierley Hill LIFT Centre would no longer be utilised once the lease had expired. Consideration would also be given to alternative uses of assets including Studley Court by external partners including West Midlands Police and the National Health Service to enable more community-based partnership working. The disposal of assets would stimulate opportunities for regeneration; create budget savings by removing revenue liability; generate capital receipts from sales; mitigate housing demand for green belt and green space, and provide environmental benefits by reduced commuting. The introduction of the community hubs and ability to maximise space throughout the Borough including using libraries as touch down spaces was welcomed.

It was noted that a review of the future of the Leys Depot was being undertaken to potentially redevelop the site and smaller depots to generate receipts and on-going revenue savings.

The gaps in customer service were accepted, however it was noted that the Director of Digital, Customer and Commercial Services was working on a more robust performance management arrangement for the key performance indicators, including monitoring of phone calls, responding to e-mails, and adopting digital solutions to help to respond to queries. In cases where performance did not improve, work would continue with Human Resources through the range of interventions identified within the People Strategy.

Members were assured of the commitment in continually improving and delivering customer services and addressing concerns raised by putting the customer first by responding and processing queries efficiently and understanding customer's needs.

It was noted that there were currently 40 home-based permanent workers across the Local Authority who had reported increased productivity and that the majority of teams attended an office base on average 2 days per week. A significant number of employees worked within the community and with customers and used home working to undertake their administrative tasks.

National data had identified that the main causes of stress at work related to volume of work, management styles, attending work when unwell, taking annual leave when sick, and the cost of living increase. The work undertaken by the Local Authority to facilitate and support staff through flexible working arrangements was mentioned.

In concluding, the Deputy Chief Executive advised that the Cabinet had resolved to retain agile working based on agreed workstyles and Directors owning performance of their respective Directorates. The need to continue to build on customer performance and Member response times was emphasised and reference was made to the new MyDudley platform which had received positive feedback with work ongoing on Elected Member elements which would ensure an improved responsive service.

The need to remove territorial space where possible to facilitate more opportunities for teams to work from the Council House and other buildings that were being retained was also mentioned.

Arising from the presentation, Members asked questions, made comments and responses were provided where necessary as follows:-

- a) Councillor J Cowell referred to the disposal of assets and queried whether consideration had been given to employees that were working within the community that required a base for comfort breaks.

In responding, the Deputy Chief Executive confirmed that consideration was being given to maximising existing bases such as libraries and the introduction of community hubs, and discussions were taking place with external partners including the West Midlands Police and National Health Service with regard to access to buildings.

- b) Councillor J Cowell also referred to the proposed disposal of Studley Court and Wollescote Hall which were both situated in Trust Land and queried how those properties would be managed considering restrictions in the way that they were used and an obligation on the Council to maintain those buildings.

In responding, the Deputy Chief Executive assured Members that the Local Authority were aware of the restrictions placed with Trust buildings and any proposals would be in line with the trustees and covenants of those buildings.

The Director of Regeneration and Enterprise acknowledged the additional challenges associated with Trust buildings and stated that the disposal of those assets would likely be leased which may appeal more to a community related resource.

- c) In responding to a question raised by Councillor J Cowell, the Deputy Chief Executive confirmed that if an employee was working from home, there was no expectation for them to work whilst ill. There continued to be clear guidelines with regard to working practices such as taking breaks and undertaking workstyle risk assessments. There was however some flexibility if somebody felt slightly unwell where they preferred to work at home, however ultimately it was the responsibility of the individual to inform their manager if they were unwell.
- d) Councillor J Foster considered that overall hybrid working and home working was positive however, emphasised that monitoring and support was essential to avoid it becoming disruptive or negative. In some cases, many employees may not be working with the correct equipment which may impact them physically, therefore it was important that the Local Authority consider the need for a good and supported physical working environment for employees working from home.

Councillor Foster also stated that flexible working should not be used to avoid managing and addressing difficult working relationships between colleagues. By people having an omnipresent in the office provided the opportunity to ensure days working in the office were structured and helped develop relationships and resolve any outstanding issues. It was unclear whether these areas had been considered by the Local Authority.

Councillor Foster also referred to feedback she had received following the closure of the Leys Depot where employees had been unable to find suitable places for comfort breaks, with managers advising them to visit public supermarkets instead which was not acceptable.

- e) In responding to comments made by Councillor J Foster, the Deputy Chief Executive advised that members of staff working from home were expected to undertake a workstation risk assessment and agreed with comments made with regard to the physical working environment for employees working from home. She reiterated that no employee was forced to work from home therefore if any member of staff felt uncomfortable or their home environment did not allow the space to work, then office accommodation would be facilitated. It was also accepted that difficult working relationships between colleagues would occur however, effective management would be essential in addressing those issues.

With regard to the closure of the Leys Depot, the Director of Housing and Communities confirmed that the depot had been closed for some time and office-based staff had been relocated to the Council House. She advised that Trade Teams should not be instructed to use supermarkets or any other public building for comfort breaks as there were a number of Housing Hubs located throughout the Borough which employees were encouraged to use.

The Deputy Chief Executive referred to the partnership working with local partners within the public sector in sharing accommodation with consideration being given to implementing a desk and room booking system across the Borough to help inform staff of possible work base locations.

- f) Councillor D Borley supported flexible working and emphasised the importance of team ethics for employee satisfaction in working for the Local Authority and welcomed the flexibility associated with working at home and attending the office for face-to-face meetings. It was essential for Dudley to become a leader in this field compared to other authorities in order to improve recruitment and retention.
- g) In responding to a question raised by Councillor D Borley, the Deputy Chief Executive confirmed that there were facilities available on the Council's Intranet Site, Connect, where employees submit suggestions for improvements which were then considered and responded to by Senior Management.
- h) Councillor M Evans, although acknowledging that flexible working was appropriate for employees that worked within the community, shared his concerns of the significant decline in responses to queries and telephone calls he had experienced by employees working from home.

In responding, the Deputy Chief Executive acknowledged comments made and undertook to review specific performance management in areas of concern raised by Councillor Evans and address any issues that may be evident.

- i) In referring to comments made with regard to Housing Hubs for comfort breaks, Councillor J Cowell queried what consideration had been given for access for members of staff that worked out of hours.

In responding, the Director of Housing and Communities stated that in order to support employees, it would be essential to understand the demand and identify areas that were causing the most difficulty as it would not be feasible to provide a large number of rest facilities across the Borough.

- j) Councillor W Little referred to comments made in relation to customer satisfaction and queried whether there was an opportunity to use automated technology systems to collect data and metrics in order to assess customer performance management.

In responding, the Deputy Chief Executive referred to the existing facilities provided by MyDudley which would continue to be developed and confirmed that automated digital processes could be utilised to gather any feedback and acknowledge submission of paperwork and applications as necessary.

The Director of Digital, Customer and Commercial Services confirmed that statistical information for all call centres and the Repairs Management Centre for Housing was shared with the Cabinet Member on a monthly basis. The information evidenced calls that were being answered, abandoned, and the average length of a call which could also be categorised by each member of staff. All calls were also recorded for training and management purposes. The implementation of MyDudley allowed officers to identify when a service request had been submitted; the progress of the request through the system and kept informed on each individual stage with full live reporting through Power BI.

Resolved

That the update on the Local Authorities flexible working arrangements be received and noted.

52 Treasury Management

A report of the Director of Finance and Legal Services was submitted outlining the treasury activity in the year 2023/24 up to the end of December 2023 and seeking approval of the Treasury Strategy Statement 2024/25, which was attached as Appendix 2 of the report submitted.

In presenting a summary of the report submitted, the Director of Finance and Legal Services referred to the Treasury Activity 2023/24 – Dudley Fund in particular that Dudley’s investments up to 31st December, 2023, averaged £34.9 million, with an average return of 3.87%. It was also reported that the average value of long-term borrowings up to the 31st December, 2023, equated to £318.9 million, with an average return of 3.92%, which were due to mature on dates ranging from the current year to 2072.

It was noted that whilst the Authority undertook treasury management activity on its own behalf, it was also responsible for administering the treasury management for the West Midlands Debt Administration Fund (WMDAF), which would conclude on 31st March, 2026. Members were advised that at the start of 2023/24 the WMDAF held a Lender Option Borrower Option (LOBO) of £10m. During August, 2023, the Council was approached by the lender who wished to increase the interest rate to 7.37% therefore the Council exercised its option to repay the loan in full to avoid the increased rate. A new loan with the PWLB was taken out at a rate of 5.68% with the same principal value and maturity date.

The Treasury Management Statement for 2024/25 outlined the strategy for borrowing and investing and it was noted that there was a change from previous years in relation to extending the lending criteria of banks to include non-UK banks. It was noted that the Local Authority would prioritise institutions with higher credit quality and their ability to repay debt. In practice, the Strategy would still be limited by the Council's low level of investments and cashflow, however it was anticipated that the changes should improve return.

Arising from the presentation of the report, Members asked questions, made comments and responses were provided where necessary as follows:-

- a) In responding to a question raised by Councillor J Foster, the Director of Finance and Legal Services confirmed that Lloyds Plc met the Council's credit criteria.
- b) Following a request by Councillor J Cowell, the Director of Finance and Legal Services agreed to include figures relating to External Borrowing, as detailed in the table under paragraph 3.2 of the report in relation to Operational Boundary and outcome for previous years in future reports.
- c) Councillor S Ali referred to the Council's current financial position and the economy nationally and queried whether one impacted on the other and what safeguards were either required or already in place to prevent the situation deteriorating further.

In responding, the Director of Finance and Legal Services confirmed that they were both connected in terms of the number of investments the Local Authority held, and it was important that these were held in safe institutions. Loss of money through institutions failing would exacerbate an existing difficult financial position, therefore good treasury management was essential to ensure that this did not occur. An indirect connection related to capital expenditure and how it was financed. Reference was made to the Local Authority's responsibility in administering the capital funding of £731 million, which had reduced by £9 million from the previous year.

- d) Councillor S Ali emphasised the importance of investments being held in safe institutions to safeguard public money and referred to the extension of the lending criteria of banks to include non-UK banks and queried whether this was considered a risk given the current financial position faced by the Local Authority and how assurance would be obtained of the security of non-UK banks.

In responding, the Director of Finance and Legal Services confirmed that all institutions considered would be banks and the assurance would be gathered through the expert credit rating awarded by the three main credit rating agencies. It was anticipated that the non-UK Banks would be located within Europe, however all options meeting the credit criteria would be considered.

- e) In responding to a question raised by Councillor S Ali in relation to the capital funding of £731m through the WMDAF, the Director of Finance and Legal Services confirmed that the capital funding had accumulated for a number of years however between 31st March, 2022 and 31st March, 2023 the amount had reduced. The Director of Finance and Legal Services undertook to provide Councillor Ali with an analysis of movements on the Capital Financing Requirement over 10 years.

Resolved

- (1) That the Treasury Activities in 2023/24 as outlined in the report, be noted.
- (2) That the Treasury Strategy 2024/25, attached as Appendix 2 to the report submitted, be approved.
- (3) That the Director of Finance and Legal Services be authorised to affect such borrowings, repayments and investments as are appropriate and consistent with the approved Treasury Strategy and relevant guidance.

- (4) That the Director of Finance and Legal Services be authorised to update the prudential indicators, as detailed in Section 3 of Appendix 2 to the report submitted, prior to the submission of the report to full Council for approval.
 - (5) That the report, and Appendices to the report, be submitted to full Council on 26th February, 2024 for approval.
 - (6) That the Director of Finance and Legal Services be requested to include figures relating to External Borrowing, as detailed in the table under paragraph 3.2 of the report in relation to Operational Boundary and outcome for previous years in future reports.
 - (7) That the Director of Finance and Legal Services be requested to provide Councillor S Ali with an analysis of movements on the Capital Financing Requirement.
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53 **Audit and Standards Committee Progress Tracker and Future Business**

A report on the Progress Tracker and Future Business was received and noted by Members and the following issues and suggestions were made: -

- a) In responding to a question raised by Councillor S Ali in relation to the outstanding action for the Chair to circulate a copy of the e-mail he had sent outlining concerns and comments raised by the Committee in relation to the External Auditors Grant Thornton Annual Audit Plan 2022-23 and Annual Risk Assessment 2022-23, the Chair advised that he was unable to retrieve copies of the e-mails and that it was likely to have been archived.

Following comments made, Councillor S Ali raised concern regarding the explanation given as there was no record of what the Chair had sent on behalf of the Committee. The response that had been verbally reported in that the Cabinet Member had acknowledged the concerns raised by the Committee was unacceptable, given the severity of the information that had been presented by the External Auditors.

Following further discussion, the Deputy Chief Executive undertook to arrange for the Head of Technology Systems and Services to explore the Council's archive system for the respective e-mail and response and circulate to Members.

- c) Following further concerns raised with regard to the recording of e-mails and correspondence that had been forwarded on behalf of the Committee, Councillor J Foster requested that all Committee Members and relevant Officers be copied into all future correspondence for information to ensure effective recording.
- d) Councillor J Foster also requested a copy of the e-mail sent by the Chair to the Leader requesting that the Audit and Risk Management Services staff be ringfenced in any future restructuring proposals and response.
- e) Councillor J Foster referred to the minutes of the meeting of the Committee held on 18th December, 2023, in particular that she had stated that a cross-party Member/Officer Working Group would be beneficial to improve and review scrutiny training and a review of the Member Training and Development Programme, and proposed that any suggestions or proposals made by the Committee should be included in the Progress Tracker for reference.

In responding, the Deputy Chief Executive confirmed that this area was being considered as part of the Improvement and Sustainability Programme under the governance workstream.

- f) Councillor M Evans, referring to historic issues associated with land grabbing in Alder Coppice Nature Reserve, raised concerns with regard to his experiences whilst dealing with the case and lack of action and conflicting advice given by Officers. He therefore requested that a full and thorough audit investigation be undertaken of the land grabbing and lack of action taken on the issue.

In responding, the Head of Audit and Risk Management Services acknowledged the comments made. Following consultation with the Monitoring Officer, it had had been agreed that both the Director of Regeneration and Enterprise and Director of Environment would be invited to share their perspective of the matter. Once received, consideration would then be given as to whether an internal audit review would be required, and Head of Audit and Risk Management Services agreed to arrange a meeting with Councillor M Evans to discuss the matter further.

Resolved

- (1) That the information contained in the report submitted on the Audit and Standards Committee Progress Tracker and Future Business, be noted.

- (2) That the Head of Technology Systems and Services be requested to explore the Council's archived e-mail system for the original e-mails and responses to the two e-mails mentioned above and circulate to the Committee accordingly.
 - (3) That all future correspondence and e-mails and responses sent on behalf of the Committee be circulated to all Members of the Committee for information.
 - (4) That the Senior Democratic Services Officer be requested to include any suggestions or proposals made by the Committee in future reports of the Progress Tracker.
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54 **Questions Under Council Procedure Rule 11.8**

There were no questions to the Chair pursuant to Council Procedure Rule 11.8.

55 **Exclusion of the Public and Press**

Resolved

That the public and press be excluded from the meeting for the following item of business, on the grounds of the likely disclosure of exempt information relating to any individual(s) and to the financial or business affairs of any particular person (including the authority holding that information) as defined under Part I of Schedule 12A to the Local Government Act 1972, as amended.

56 **Annual Audit Report of the Deputy Chief Executive**

Prior to commencement of the agenda item, Councillor S Ali requested clarification on the rationale of why the annual audit report, in its entirety, had been considered exempt, given that there was no commercial sensitivity or references to individuals within the report. He considered that the reports evidenced poor practice and mismanagement which should be disclosed as a matter of public interest.

Reference was also made to the wording contained within the agenda in that “there will be no advance disclosure of the report” and clarification was requested as to whether this implied that blue paper reports could be disclosed following the meeting. The possibility of either issuing two separate reports (one private, one public) or redacting any sensitive information was mentioned together with the need to be more open and transparent which had been observed by External Auditors.

Following further discussion, it was agreed that the Monitoring Officer would be requested to provide a formal response to both points raised.

A report of the Director of Finance and Legal Services was submitted summarising the audit work undertaken in relation to the Directors who reported directly to the Deputy Chief Executive for the financial year 2022/2023.

In presenting the report submitted, the Head of Audit and Risk Management Services advised that nine assurance audits had been undertaken, of which eight had received minimal or limited assurance ratings. It was noted that these ratings had been given due to either a critical finding being raised or a number of high findings. Further information in relation to the critical and high priority findings were outlined in Appendices 2 and 3, respectively, attached to the report submitted.

In addition to the eleven assurance audits, three other reviews were undertaken and in total 183 actions were raised. A full list of the audits, including the number of actions raised and assurance ratings, were detailed in Appendix 1 to the report. Mention was also made of the number of unimplemented actions from the previous reviews. It was further noted that the information included in Appendices 2, 3 and 4 had previously been agreed with Directorate Management and that due to the size of the report, it was agreed that a summary of the main points raised would be included rather than the audit findings. The format of the report would be reviewed in advance of the next municipal year.

It was noted that the management comment recorded under Implementation Update was the current status of the actions that had been raised, and Critical and High priority findings would be followed up by Audit and Risk Management Services accordingly.

The implementation status of the Critical and High findings for each audit was outlined in paragraph 8 of the report submitted.

Members were informed of the performance in relation to the issuing of final reports and management responses to the audit, and it was noted that 67% of management responses were provided within the 4 week target and 44% of final reports issued within 6 weeks of the draft report.

Reference was made to post-audit questionnaires issued on completion of an audit, the two returned stated they had received a very good or good service. Although the response rate had been disappointing, there had been good engagement with a number of Heads of Service on their Audit Actions.

In concluding, the Head of Audit and Risk Management Services advised that the Deputy Chief Executive and a number of Directors and Officers from within the Directorates were present at the meeting, either in person or virtually on Teams to answer any questions that Member's may wish to raise.

Arising from the presentation of the report, Members made a number of comments and raised questions on individual audits, which were responded to at the meeting. The Committee would be provided with written responses on the following:

- a) Briefing note on work that could be undertaken by the Private Sector Housing Team to bring back empty homes into use.
- b) Confirmation that a link to the Suppliers' Code of Practice was included within all links to Contract Management Documents.
- c) Confirmation whether scheduled visits of Houses of Multiple Occupancy properties were being undertaken.
- d) Confirmation that all defect items identified from the Electrical Inspection Condition Report had been actioned.

Resolved

- (1) That the information contained in the report and Appendices to the report submitted on audit work undertaken for those Directors who reported directly to the Deputy Chief Executive for the financial year 2022/23, be received and noted.
- (2) That the Monitoring Officer be requested to provide a formal response to the rationale of audit reports being submitted under private session and whether exempt reports considered under private session could be disclosed following the meeting.
- (3) That Officers provide Members with detailed responses to questions raised at the meeting.

The meeting ended at 8.46pm

CHAIR