

**Minutes of the Audit and Standards Committee  
Wednesday 23<sup>rd</sup> June, 2021 at 6.00pm  
in the Council Chamber.**

**Present:**

Councillor A Taylor (Chair)  
Councillors S Ali, P Atkins, D Borley, R Collins, J Cowell, P Dobb, M Evans and B Gentle

**Officers:**

I Newman (Director of Finance and Legal); M Farooq (Lead for Law and Governance);  
G Harrison (Head of Audit Services) and L Jury (Democratic Services Officer).

**Also in attendance:**

C Driscoll – Director of Children’s Services for agenda item no. 7.

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1 **Apology for Absence**

An apology for absence from the meeting was submitted on behalf of Councillor J Roberts.

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2 **Appointment of Substitute Member**

It was noted that Councillor R Collins had been appointed as a substitute Member for Councillor J Roberts for this meeting of the Committee only.

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3 **Declarations of Interest**

No Member made a declaration of interest in accordance with the Member’s Code of Conduct.

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4 **Minutes**

**Resolved**

That the minutes of the meeting held on, 21<sup>st</sup> April, 2021, be approved as a correct record.

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5 **Re-appointment of the Standards Sub-Committee**

A report of the Monitoring Officer was submitted on the re-appointment of the Standards Sub-Committee.

The Monitoring Officer made reference to the role of the Sub-Committee, as set out in the report, and it was noted that in the last three years, two matters had been referred to the Sub-Committee. For a number of years, the Sub-Committee had comprised of three members, the Chair, the Vice-Chair and one other Member from the opposing party. Reference was made to the Covid 19 pandemic and the emergency regulations which had come into force, resulting in, the annual meeting of the Council in May 2020 being cancelled, with appointments usually made at the meeting remaining unchanged.

## **Resolved**

That the Standards Sub-Committee be re-appointed for 2021/2022 with its existing Terms of Reference and that the membership comprises of the Chair (Councillor A Taylor), the Vice-Chair (Councillor J Roberts) and Councillor J Cowell.

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## **6 Whistleblowing Policy**

The Committee received a report of the Monitoring Officer on the operation of the Council's Whistleblowing Policy.

In presenting the report, the Monitoring Officer commented that this Committee monitored the operations of the Whistleblowing Policy which had been introduced in 1992. It was noted that a review of the Policy was undertaken annually, and the current policy was appended to the report submitted.

The Monitoring Officer advised that there had been no significant changes to the Policy and that the minor changes made related to contact details of officers, in light of the changes to Senior Management since the last review.

Reference was made to the survey that had been undertaken by each Directorate during April 2021, and it was noted that there had been one report on the use of the policy, and one anonymous letter had been received. Details and outcomes of the two disclosures were presented.

It was noted that staff were reminded of the policy through a number of different methods, including emails, newsletters, management meetings, as well as posters displayed on noticeboards in all Council buildings. Members were assured that this important policy was widely known.

In response to a comment made by a Member in relation to whether each Directorate had Freedom to Speak Up Guardians or single points of access, such as those introduced in NHS organisations which had assisted in changing the culture within the organisation, the Monitoring Officer advised that he was the single point of contact. However, he would be happy to consider this matter further should the Committee recommend it.

In response to a Member's concern raised in relation to an unsatisfactory outcome with regards to the use of the policy, the Monitoring Officer suggested that a meeting be arranged with the Member to discuss this issue further.

Members made comments and raised further questions which were responded to at the meeting.

### **Resolved**

That, the information contained in the report submitted, in relation to the outcome of the recent monitoring of the Whistleblowing Policy, be noted.

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## **7 Corporate Risks**

A report of the Director of Finance and Legal was submitted updating Members on the current Corporate Risks and the status allocated by the Risk Owner. Appendix A to the report, outlined details of Corporate Risks which were generally acknowledged as being the most significant facing the Council. In addition to risks tabled in Appendix A, the Committee were requested to identify any additional risks that it considered should form part of the Corporate Risk Register and identify any particular risk for closer scrutiny at the September 2021 meeting of this Committee.

In presenting the report, the Head of Audit Services, advised that this Committee, at its meeting on 21<sup>st</sup> April 2021, had selected R341 relating to Vulnerable Children to be scrutinised. The Director of Children's Services was in attendance to present on the risk to the Committee and answer any questions from Members.

The Director of Children's Services commented that it was important to understand that there would always be a risk to vulnerable children in every authority in the country, as it would be impossible to remove all risks to children. It was, however, the role of the Director and their staff to mitigate that risk through thorough systems, processes, and quality of practice. It was noted that the Covid 19 pandemic had exacerbated challenges for child protection systems, and it was acknowledged that prior to the pandemic, pressures were already evident in the child protection systems nationwide and the nature of the risks had changed significantly.

A summary of the risk was then presented:

#### National Factors

- System based on 1989 Children Act – gave a voice to the child for the first time, focused on what mattered for children; worked well for protecting younger children, however challenging for working with vulnerable teenagers and there were more vulnerable teenagers in the authority on child protection plans and in care of the local authority than ever before.
- Criminal exploitation - gangs, county lines, violence, etc - a massive challenge for the authority and partners to remember that children should not be seen as the perpetrators, the language used working with children was really important; formal launch recently for Dudley on exploitation work with Police/Health/Housing, focusing on how to prevent and respond to all the risks.
- Impact of poverty, poor housing, unemployment – risk to children, good education a protective factor.
- Impact of pandemic – domestic abuse, mental health (not yet aware of the full impact on children), some families referred now were unknown to the authority prior to the pandemic.
- Independent review of children's services care published 'care for change' on 18<sup>th</sup> June 2021 – review stated services assessing too many children (Dudley assessed children and the service then took no further action – required reviewing), how to manage risk in the community rather than taking children into care, struggle when Social Workers moved on and new staff appointed.

#### Resources in Dudley

- Children's service budget overspent for number of years - good news this year growth for 2021/2022 of £6.15m, savings to find this year of £1.34m so still challenging but priority to do the right thing for children.
- Cost for children in care high and limited capacity - more than half the general fund budget on Children's Services went on Children in Care - a real challenge for the authority; more children in care in Dudley than some of our neighbouring authorities; lack of suitable provision can increase costs.
- Social work staffing capacity a major risk to improvement – insufficient staff available nationally and West Midlands had particular challenges, pandemic had an impact on staff retention, use agency staff as currently had 16% of social worker vacancies.
- Established a Workforce board, led by the Director and met twice so far, with the aim to be a Workforce board for the whole of children's services in the future but focus on social workers at the moment as the biggest risk – looking at improving the authority's prospects as a good employer to attract new staff – looking to appoint students into teams to support and train and keep in the authority.

## Quality of Practice

- History of Ofsted judgements – since 2018 service remained in Department for Education (DfE) Support and Supervision.
- Two Ofsted focused visits in 2019 and 2020 and both found a deterioration in quality of practice. DfE appointed an Improvement Advisor and requirement to develop an Improvement Plan and carry out formal DfE reviews.
- Formal DfE review January 2021 - DfE identified progress made in leadership appointments and a set 3 months targets in five areas, prior to a further review.
- Formal DfE review in May 2021 – identified that satisfactory progress had been made in all five areas and made the decision to not issue the authority with a formal improvement notice; supervision still in place and the aim is to relinquish the support as soon as possible

## Improvement Plan

- Overseen by an Improvement Board, chaired by the DfE appointed Improvement Advisor.
- 18-month plan which responds to DfE concerns and all the concerns that Ofsted identified in their focus visits in nine priority areas.

## Oversight of progress, risks and issues

- DfE formal reviews.
- Six weekly Improvement Board,
- Children's Scrutiny Committee (Improvement Board progress on every agenda)
- Developing dashboards and performance reporting
- Workforce Board
- Ofsted reviews
- Dudley Safeguarding Partnership, currently looking to develop more children focused scrutiny – recruitment of an independent scrutineer to carry out 20 days a year work to scrutinise multi-agency work

Arising from the presentation Members asked questions which were responded to by the Director of Children's Services as follows:

- In relation to Foster Caring, it was noted that this was a priority for the authority and currently a review was taking place in partnership with another Council to improve the practice. However a no-detriment policy was already in place for connective persons who were delivering foster care services.
- In relation to outside children placements, reference was made to the aim of the authority to keep children in care, within the Borough to minimise the trauma to the child. However, there were exceptions when it was important due to safeguarding that the child did not reside within the Borough.
- In relation to staff vacancies, it was noted that the service were investing and supporting staff who worked in Children's Services in various roles to undertake Social Work apprenticeships; developing working partnerships with high education through the Teaching and Learning Partnership, and ensuring that every student that applied for a placement with the authority, was offered a place and stayed with the authority once qualified.
- In terms of innovative initiatives to support families, reference was made to the Child and Adolescent Response Team, the supporting families first service, looking at family safeguarding rather than child protection, and thinking about the systems in place and the skill set available to provide money management, behaviours therapies, therapeutic work with health partners, etc, to families, which in time could help reduce children coming into care.

Members made comments and raised further questions in relation to the impact of the pandemic on children's education, and the Directorate's budget going forward, which were responded to at the meeting.

The Head of Audit Services stated that, following the approval of the new Risk Management Framework by Audit and Standards at its last meeting, which had brought in a number of significant changes, meetings had been held with Directorate Management Teams to discuss the changes to the risk management procedure. It was noted that Risk Workshops would also be held in due course, to identify risks in accordance with the new framework. It was anticipated that the Corporate and Directorate Risk Registers would be in place by August 2021 and this would result in changes to the reports submitted to this Committee and Strategic Executive Board (SEB).

In conclusion, the Head of Audit Services advised that, at the Strategic Executive Board meeting on 26<sup>th</sup> May, a new risk had been identified in relation to seizing the opportunities and benefits from the huge regeneration programme, and it was noted that this risk had been rated as major. This risk was listed in Appendix A to this report. Appendix A also included the date that risks had last been reviewed by this Committee. Reference was made to one risk whose status had changed since the last review of Corporate Risks. This was in relation to Emergency Planning, as set out in paragraph 10 of the report.

Arising from the presentation, in relation to reviewing risk-related issues and greater transparency for Members, Member's questioned whether this Committee could review major contracts, partnerships with other organisations held by the Council. In response, the Director of Finance and Legal commented that in view of the vast number of contracts that the Council held, there may be a greater opportunity for each individual Scrutiny Committee to review some of the larger contracts operating within the Council, within the specific scrutiny area of that Committee.

Members made further comments and raised questions, which were responded to at the meeting.

### **Resolved**

- (1) That the information contained in the report and Appendix A to the report submitted on high level corporate risks, be noted.
- (2) That the information contained in the presentation on risk R.341 relating to Vulnerable Children and comments made by Members as outlined above, be noted.
- (3) That risk R.137 relating to Health and Safety be identified as the specific risk for in-depth scrutiny at the September 2021 meeting of this Committee.

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## **8 Audit Services Annual Performance Report 2020/2021**

The Committee received a report of the Director of Finance and Legal on the performance of Audit Services for the year ending 31<sup>st</sup> March 2021.

The Head of Audit Services presented his report and in doing so commented that as with all Council services, Audit Services had been affected by the Covid 19 pandemic and some work had been suspended. Audit Services staff had been seconded to assist with the administration of Business Grants and had provided telephone support to vulnerable people in the Borough. Although this work was initially due to end by 30<sup>th</sup> June 2020, it had continued to some extent up to 31<sup>st</sup> March 2021. It was noted that by the end of March, 92% of the Audit Plan had been completed, which compared to 96% last year.

Thirty-four areas of activity had been completed, as summarised in Appendix A attached to the report. In addition, it was reported that three honorary audits, fifty School Financial Value Standard assessment reviews and one multi-academy trust audit had been completed. The changes to the Audit Plan during the year were noted, as set out in Appendix B. Appendix C to the report, detailed the actions raised by Directorates. The table set out in paragraph 15 of the report, detailed a summary of the assurance ratings given and a concern was raised that 50% of the audits had received a negative assurance rating of 'minimal' or 'limited'.

It was reported that Audit Services had issued 67% of draft reports within the nine-week target, 73% of Managers had provided their initial response within the four-week target and 63% of final reports had been issued within the six-week target. It was acknowledged that the performance figures had been disappointing compared to previous years, however this position was understandable given the pandemic and the additional work that this had created for all Managers and staff.

In relation to Risk Management, Members were reminded of the decision that had been made by SEB to transfer responsibility for Risk Management to Audit Services, and as a result, Audit Services had produced a new Risk Management Framework and made significant changes to the risk management ICT System, SPECTRUM. In addition, as previously referred to, reports submitted to future SEB meetings and this Committee would be in a new format.

Paragraph 28 of the report outlined the follow up work that had been undertaken by Audit Services on 'minimal' and 'requires improvement/inadequate' reports and detailed where future follow up work was planned, if appropriate. Two of these audit areas had been included in the 2021/2022 Audit Plan.

Referring to paragraph 29 of the report, which detailed the work undertaken on High Priority Actions, it was noted that the outcomes of these reviews would be included in the Annual Audit Reports to be submitted to the Committee later this year.

In relation to customer feedback, it was noted that feedback continued to be good and no complaints had been received.

In relation to quality assurance and improvement programme, paragraph 34 listed the internal assessment processes in place.

In referring to the external assessment to be undertaken every five years to confirm compliance with the public sector internal audit standards, the Head of Audit Services reported that the assessment had been undertaken in March 2020. It was confirmed that the External Assessor had concluded that Audit Services had met the public sector internal audit standards, and it was noted that Audit Services had compared well with other public and private sector audit providers. Appendix H detailed the progress made against recommendations in the External Quality Assessment report. It was noted that generally good progress had been made, and a number of recommendations were dependent on improving the risk management processes and it was acknowledged that although progress was being made on risk, improvements would take time to embed.

Appendix D to the report, detailed the role of the Audit and Standards Committee. Appendices F and G outlined the Head of Audit Services self-assessment against these documents and paragraph 39 of the report detailed the main issues identified by the self-assessment.

In relation to paragraph 40 of the report, the Head of Audit Services, referring to the questionnaire attached at Appendix E, advised that there may be a benefit to all Members updating the assessment which would then be used to identify any training needs. Member's views on how the training should be delivered were also requested. It was noted that a copy of the questionnaire would be emailed to all Committee Members to complete and return to the Head of Audit Services.



In concluding, the Head of Audit Services then presented his annual opinion, as set out in paragraph 44 of the report, noting that one concern raised related to the Ofsted visit to Children's Services in October 2020 where 'serious weaknesses in many areas' had been identified. It had been noted that the Children's Services Improvement Plan had now been aligned with the outcome of the focused visit and was being monitored by the Improvement Board.

Members congratulated Audit Services on the work that had been completed during the year given the difficulties caused by the pandemic and which had seen Audit Staff seconded to other Council departments.

Members made further comments and raised questions which were responded to at the meeting.

### **Resolved**

- (1) That the information contained in the report and Appendices to the report submitted, be noted, and accepted.
- (2) That Members be requested to complete the questionnaires attached as Appendix E to the report submitted, and forward to the Head of Audit Services.
- (3) That the self-assessments included as Appendices F and G to the report submitted, be noted.
- (4) That the progress made on addressing the recommendations made in the External Quality Assessment on Audit Services, attached as Appendix H to the report submitted, be noted.

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## **9 Committee Work Plan 2021/2022**

A report of the Director of Finance and Legal was submitted on a schedule of proposed items to represent a work plan for the Committee for the 2021/2022 Municipal Year.

The Head of Audit Services, in presenting the report, referred to the draft schedule attached as Appendix A to the report, noting that the main changes related to an extra Risk Management report being submitted, the Code of Conduct for Employees report would now be submitted to the September meeting, and a revised Financial Regulations document would be submitted to the December meeting of the Committee.

### **Resolved**

That the information contained in the report and the schedule of agenda items to form the Work Programme of the Committee in the 2021/2022 Municipal Year, as detailed in Appendix A to the report, be noted and approved.

The meeting ended at 7.40pm.

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CHAIR

ASC/9