

**Minutes of the Audit and Standards Committee
Monday 7th December, 2020 at 6.00pm
on Microsoft Teams**

Present:

Councillor A Taylor (Chair)
Cllr J Roberts (Vice-Chair)
Councillors A Aston, M Evans, A Millward, S Mugal, G Partridge and T Westwood

Officers:

M Farooq (Lead for Law and Governance); I Newman (Director of Finance and Legal); G Harrison (Head of Audit Services); S Denyer (Senior Systems Auditor); M Landy (Principal Auditor); E Newman (Principal Auditor) and A Taylor (Senior Principal Auditor) and L Jury (Democratic Services Officer).

Also in attendance:

M Bowsher (Director of Adult Social Care) – for agenda item nos. 5 and 11

S Lonsdale (Head of Adult Safeguarding) – for agenda item no. 5

J Branch (Head of Human Resources (HR) and Organisational Development) and J Martin (HR Manager) – for agenda item no. 10

K O’Keefe (Chief Executive); J Catley (Head of Customer Services); H Ellis – (Service Director – Early Help/Schools and SEND); B Jones (Head of Health Protection); and I Lahel (Integrated Commissioning Performance and Partnerships) - for agenda item no. 11

24. **Chair’s Remarks**

The Chair informed the Committee that Reverend Adam Hadley, the Authority’s Independent Person assisting the Monitoring Officer with Standards issues, was in attendance at the meeting for the public session only and the Monitoring Officer formally introduced the Reverend to the Committee.

25. **Apologies for Absence**

Apologies for absence were received on behalf of Councillors J Cowell and S Keasey.

26. **Appointment of Substitute Member**

Councillor A Millward had been appointed as a substitute Member for Councillor S Keasey for this meeting of the Committee only.

27. **Declarations of Interest**

No Member made a declaration of interest in accordance with the Members' Code of Conduct.

28. **Minutes**

The Chair informed the Committee that the final statement of accounts were still to be approved due to the finalisation of asset valuations.

Resolved

That the minutes of the meeting held on, 21st September, 2020, be approved as a correct record.

29 **Risk Management**

A report of the Director of Finance and Legal was submitted updating Members on the current Corporate Risks and other matters relating to risk management. Appendix A to the report, showed 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 particular risk for closer scrutiny the next time a risk report was scheduled.

In introducing the report, the Head of Audit Services stated that following an internal audit on Corporate Risk Management, that provided a 'Limited' assurance opinion, a decision was made by the Strategic Executive Board (SEB), at its meeting on 19th August 2020, to transfer responsibility for Risk Management from Financial Services to Audit Services as it was considered that there was insufficient capacity within Financial Services to address the Actions in the internal audit report. It was considered that by transferring to Audit Services, there would be synergies in combining risk and assurance work and it was also recognised that most Heads of Audit in Local Government were responsible for risk management.

Following the transfer of responsibility, a review was undertaken to identify how to implement the actions in the audit report and it became evident that in order to implement any changes, amendments to the Council's risk management system (SPECTRUM) would need to be undertaken. Following consultation with ICT Services, it was confirmed that most of the changes required would be completed by 31st March 2021.

It was reported that the Council's Risk Management Strategy would be updated and presented to SEB at a meeting in March 2021 and presented to this Committee for approval in April 2021 prior to the new system 'going live'.

The Head of Audit Services made reference to SEB's decision to recognise four new areas on the Corporate Risk Register, as outlined in paragraph 5 of the report, and it had also been requested that the risk in respect of major ICT projects be broken down by individual projects, which would then better reflect the stage each project was at.

The defined risks and mitigated actions identified would be included on the Corporate Risk Register to be presented to this Committee at its meeting in April 2021.

It was noted that at the meeting held on 12th August, 2020, the Committee agreed to scrutinise Risk R.342, which related to Vulnerable Adults. The Director of Adult Social Care and the Head of Adult Safeguarding were in attendance at the meeting to present on the risk to the Committee.

In presenting the risk, the Director of Adult Social Care made reference to the Authority's recently completed Annual Safeguarding Report, which included the declarations of liberty safeguards, and had been presented to the Health and Adult Social Care Scrutiny Committee. Following ratification by the Chair of the Committee, a copy of the report would be circulated to Members of this Committee.

It was important to note that both waves of the COVID-19 pandemic had changed the nature of risks to people in the borough. In the early stage, it had become evident that there had been a rise in on-line fraud, fraudulent Protective Personal Equipment (PPE), and a rise in targeting the most vulnerable. As a result of concerns raised that those at risk were likely to have very little contact with people during the pandemic, since mid-March, the Safeguarding Executive, which comprised of the Leads from the Dudley Clinical Commissioning Group (CCG), the Police and both Children's Services and Adult Social Care, had met on a weekly basis. A review of patterns and trends in abuse across the system was undertaken at the meetings by using data from all agencies to enable them to adapt and respond to the changing patterns and trends.

Reference was made to the number of detailed parts of litigation in the report that took place to safeguard and protect the people of the borough.

Referring to the report, the Head of Adult Safeguarding commented that 98% of people who had accessed safeguarding had stated that they had either had the risk fully removed or partially removed, and this remarkable achievement during this period was acknowledged.

Reference was made to the helplines that were in place, such as the 'Pleased to Meet You' helpline which had been incredibly successful in terms of giving connectivity to the Community during this time, and the COMMS and Engagement Strategy which focused on keeping people in the borough safe from fraud and on-line cyber-crime, assisted by the Police.

At the weekly meetings, it was noted that reviews were undertaken on what other partners were experiencing, for example, the Police raised the issue of domestic violence, stating that they were at a crisis level. However, it was noted that the Authority were not seeing the levels of domestic abuse referrals and this was being attributed to the fact the people who had been reported to the Police, did not have health and social care needs. As a result, the authority were working closely with strategic partners, and an audit was being undertaken, focusing on domestic violence. At the weekly meetings, the Independent Chair scrutinised the authority, informing them from a national, regional and local basis, on what the authority needed to be reviewing and action to be taken to respond to issues raised.

In conclusion, the Head of Adult Safeguarding, commented on the robust strategy that was now in place and working effectively, and urged Members to review the report to reflect on the incredible work that was being undertaken on a multi-agency basis. Reference was made to the training that had been undertaken, noting that at a corporate level, 2,800 hours of training had been delivered on a multi-agency basis and the excellent work that had been carried out by the Safeguarding Business Unit was acknowledged.

Arising from the presentation, a Member made reference to the difficulties experienced by the Ambulance Service when making domestic violence safeguarding referrals to a local authority due to the victim being an adult with no additional needs and the ability to leave the environment. In response, the Head of Adult Safeguarding stated that although the authority made threshold decisions based on legislation, the authority welcomed any safeguarding concerns from any individual or professional relating to domestic violence. It was noted that in a three- month period from August to December 2020, seventy-two referrals had been received in comparison to fifty-six referrals received in the same period last year. Work was being undertaken with the Lead for Adult Safeguarding from the CCG, investigating what was driving the increase in domestic violence. This on-going work would be reported to the Director of Adult Social Care and the Safeguarding Executive.

In concluding, the Director of Adult Social Care stated that the authority were being pro-active in targeting people who were known to be at risk together with the Police being encouraged to ensure that their presence was being felt. Reference was made to the domestic abuse phone numbers that could be used to trigger an urgent response without the victim needing to speak. A list of contact numbers would be made available to Members and it was stressed that if in doubt, make the referral. Members were also urged to undertake the Safeguarding training available and a list of training dates would be circulated. In response, a Member made reference to a recent meeting that had been attended with the Police where it had been stated that Dudley had seen an increase in domestic violence cases by 23% on last year's figures and Members who encountered any form of domestic violence, were urged to make a referral.

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.342 relating to Vulnerable Adults and comments made by Members as outlined above, be noted.

- (3) That risk R.20 relating to Welfare Reform be identified as the specific risk for in-depth scrutiny the next time a risk report was referred to the Committee for consideration.
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30 **Annual Report of the Committee on Standards in Public Life 2019/2020**

A report of the Monitoring Officer was submitted on the annual report of the Committee on Standards in Public Life 2019/2020.

In introducing the report, the Monitoring Officer stated that the Committee on Standards in Public Life had celebrated its 25th anniversary last year and had been established to investigate standards of conduct of all holders of public office whether elected or appointed.

It was noted that the Committee had produced seven principles of public life, as set out in paragraph 4 of the report, which had been fully reflected in the Member's Code of Conduct as set out in the Constitution. An Annual Report had been produced by the Committee and it was acknowledged that this year, some of the work had been delayed due to the pandemic. The Annual Report was attached as Appendix A to the report,

Reference was made to the Local Government Association consultation on the Model Member Code of Conduct, which had commenced in June 2020 and had been considered by this Committee at its meeting on 29th July 2020. It was noted that the Monitoring Officer had submitted a response to the consultation, taking into account comments made by Members at the meeting. A response to the consultation was imminent and it was noted that there had been no changes to primary or secondary legislation at this time, and a report would be submitted to this Committee on any future developments.

In conclusion, the Monitoring Officer made reference to the Local Government Ethical Standards report in relation to sanctions and the Minister's response that had been received in response to this Committee's views on the lack of sanctions available. It was noted that the sanctions regime would remain as present unless Parliament undertook to review the decision, and any further updates on the Model Code of Conduct would be submitted to this Committee.

Resolved

That, the information contained in the report submitted on the Annual Report of the Committee on Standards in Public Life 2019/20, be noted.

31 **Exclusion of the Public**

Resolved

That the public and press be excluded from the meeting for the following items of business on the grounds that they involve the likely disclosure of exempt information relating to any individual(s) or any action taken, or to be taken in connection with the prevention, investigation or prosecution of crime, as defined under Part I of Schedule 12A to the Local Government Act 1972.

32 **Suspensions under the provisions of the Employee Improvement and Disciplinary Procedure or relevant Schools Disciplinary Procedure**

A report of the Chief Executive was submitted informing the Committee on the number of employees who had been suspended pending an investigation into allegation(s) of gross misconduct during the period 1st October 2019 to 30th September 2020 inclusive.

The Head of Human Resources (HR) and Organisational Development and the HR Manager, were in attendance at the meeting to present the report and answer questions raised by Members.

In introducing the report, the Head of HR and Organisational Development commented that the report submitted focused on suspensions that had fallen under the definition of gross misconduct which were an offence so serious that they could render the employment relationship impossible to continue. The HR Manager was also in attendance to answer any questions raised by Members and would present the information set out in the report to the Committee.

The HR Manager commented on the number of employees that had been suspended from 1st October 2019 to 30th September 2020, and the number of suspension cases that had been resolved or were still on-going, together with the details of the cases, as set out in the report.

Information relating to 'refrainment' during the period of suspension, was presented, as set out in paragraph 14 of the report submitted.

The length of the average suspension was presented noting that the average length had increased slightly from the figure reported to this Committee last year and it was noted that the cases that had been carried forward from last year, had all been resolved.

Reference was made to the work that had been undertaken co-operatively with the authority's Audit and Fraud Team, when cases required investigation to ascertain if there had been any fraudulent activity which the Council may have wished to pursue as a criminal case. Cases that involved safeguarding allegations were then presented.

The total cost in salary terms of the employees who had been suspended for allegations of gross misconduct were then reported, together with the average cost of each suspension, and noting the comparison to last year's cost. It was acknowledged that the cost of suspensions varied significantly dependent upon the salary levels and the type of contract the employees suspended were on.

Arising from consideration of the report, Members made comments and raised questions which were responded to at the meeting as follows:

- In response to a question raised in relation to the time to conclude a suspension case as stated in the HR Policy and how many cases had exceeded the target, the HR Manager commented on the process undertaken with regard to the investigation and completion of suspension cases, acknowledging that the time period could vary depending on the complexity and nature of the case. It was noted that 3 to 4 cases had exceeded the eight-week target.
- In response to a question raised with regard to the delay in completing suspension due to a Police investigation and any associated cost to the Authority, the HR Manager assured Members that the cases would be dealt with as soon as possible, and it was noted that the authority would be in direct contact with the Officer dealing with the case.
- In relation to a question raised with regards to sickness taken during suspension, the HR Manager commented on the process taken with regard to sickness of employees on suspension and the referral process to Occupational Health, and it was noted that the length of the sickness could be challenged if necessary and a treatment plan could be requested.
- In response to a question raised in relation to medical suspensions, the Head of HR and Organisational Development, commented that it had not been appropriate to include sickness suspensions in this report but a separate report could be produced going forward and submitted to this Committee for consideration. The Chair requested that a separate report on medical suspensions should be presented to this Committee in future.

Resolved

- (1) That the information contained in the report on the number of employees who were suspended pending an investigation into an allegation(s) of gross misconduct during the period 1st October 2019 to 30th September 2020 inclusive, be noted.
- (2) That a report be submitted to a future meeting of the Committee for consideration, in relation to medical suspensions.

33 Annual Audit Report for the Chief Executive

A report of the Director of Finance and Legal was submitted summarising the audit work undertaken in relation to the Directors of Adult Social Care, Children's Services, Public Health and Wellbeing, Finance and Legal and the Head of Service (Human Resources and Organisational Development) who report directly to the Chief Executive for the financial year 2019/2020, and incorporating more important findings in Appendices two and three of the report submitted.

In presenting the report, the Head of Audit Services commented that due to the length of the report, a review would be undertaken on how reports are presented to this Committee in future.

The Head of Audit Services stated that during the year, twenty-three audits had been undertaken and five had received a negative assurance rating, as set out in paragraph 4 of the report. Appendix 2 detailed the critical priority actions, and high priority actions were detailed in Appendix 3.

It was reported that a further review had been undertaken in relation to Human Resources (HR), Payroll and Systems Processes and a draft report had been issued. Overall, it had been considered that significant progress had been made which had resulted in an improvement in the assurance rating and it was noted that there were now foundations in place for further progress to be made going forward.

Reference was made to the six other areas of audit activity that had been undertaken and a full list of the audits, including the number of actions raised and assurance ratings, were detailed in Appendix 1 to the report. Paragraph 6 of the report detailed the priority categories the actions raised had been split into, and the number of unimplemented actions from the previous review. Unimplemented actions not classified as 'critical' or 'high' were detailed in Appendix 4.

It was reported that fourteen areas of audit activity had been undertaken in relation to schools. The reviews undertaken, actions raised, and assurance ratings were detailed in Appendix 1, Table 2. It was noted that full details of school actions were discussed by the appropriate Governing Body or School Committee and were not presented to this Committee.

Performance against targets for receiving initial management comments and the issue of final audit reports was as set out in paragraph 8 of the report. It was acknowledged that performance on the issue of final reports had been below the standard expected. However, this could be attributed to the number of draft reports that had been issued just before or during lockdown, and the high demands that had been placed on staff and managers during the pandemic.

Information relating to the number of post-audit questionnaires that were returned by Managers at the completion of audits was reported, noting that all stated they had received a good or a very good service.

The Chief Executive, and a number of officers were in attendance at the meeting to respond to questions raised by Members.

Members raised a general concern across many of the audits in relation to the working practises where procedures and processes had not been followed correctly and the number of unimplemented actions from previous audits. However, it was acknowledged that some actions raised were historic and were now in the process of being addressed.

Members made further comments, and raised questions on the individual audits, some of which were responded to at the meeting. For questions that required further investigation, Officer's undertook to provide the Committee with written responses.

The Chief Executive confirmed that he had discussed the report in detail with the Head of Audit Services and expressed his thanks for a thorough, diligent and professional report which he welcomed and assured Members that staff were working hard to ensure that the recommendations would be addressed. Whilst acknowledging the improvements that needed to be addressed, reference was made to a survey that had been undertaken and published in the Municipal Journal, which had recorded that Dudley were in the top three most improved Councils and colleagues, led by Councillor Tyler, recently scrutinised the authority's response to the COVID-19 pandemic which set the Council and its Officers in a very favourable position.

Continuing, the Chief Executive referred to the expectation of all the Council's teams to deliver a consistently high standard of services to the Borough's residents and businesses and that this Committee would expect that those standards would be maintained and that Audit recommendations would be implemented. The Chief Executive assured Members that he would work with the Directors in SEB to produce an Action Plan to ensure that the recommendations in the report were addressed. Whilst, acknowledging that the pandemic was still on-going, it was anticipated that the report submitted to the December 2021 meeting would see improvements in all areas and thanks were expressed to all staff within the Directorates for their hard work.

Resolved

- (1). That the information contained in the report, and Appendices to the report submitted on audit work undertaken for those Directors and Heads of Service who report directly to the Chief Executive for the financial year 2019/20, be received and noted.
- (2). That Officers provide Democratic Services with detailed responses to questions raised by Members at the meeting for circulation.

34 **Audit Services Interim Performance Report**

A report of the Director of Finance and Legal was submitted informing Members on the performance of Audit Services and other related matters.

In presenting the report, the Head of Audit Services reported that by the end of October 2020, Audit Services had completed eleven audits against a target of ten, as detailed in Appendix A. It was also noted that 75% of draft reports had been issued within the target nine weeks of the start date, 100% of initial management responses had been received within four weeks and 100% of final reports had been issued within six weeks.

It was reported that audits that were currently in progress were taking longer to complete as information was not being returned from service areas on a timely basis due to the pandemic. Although Audit Services noted that this would affect performance against targets for the issue of draft and final reports, Audit Services were giving more flexibility to Managers as they acknowledged the continuing strain on front line staff, due to COVID-19.

It was noted that three additional audits had been added to the plan and paragraph 8 of the report detailed the reasons why they had been included.

The table set out in paragraph 10 of the report, detailed the current position with regard to follow-up work, and although it was noted that some of the follow-up work had been delayed at the request of Management, Audit Services were now in the process of addressing outstanding work.

In relation to Fraud work undertaken, the Head of Audit Services reported that as previously mentioned in this meeting, Audit Services staff had supported the administration of Business Grants during the pandemic, and it was noted that they had assisted in the prevention of an £80,000 fraudulent claim.

An update was given on two on-going criminal prosecution cases that had previously been reported to this Committee, and it was noted that these cases were due to be heard in Court in February and April 2021 and the outcomes would be reported to a future meeting of the Committee.

Although limited work had been undertaken on fraud for the period April to August 2020, it was noted that progress was now being made on the Fraud Action Plan across all four strands.

In relation to the Audit Charter, it was noted that a copy of the updated Internal Audit Charter was included at Appendix B to the report and the main changes to the charter were presented.

In conclusion, reference was made to the External Quality Assessment (EQA) which had been undertaken on Audit Services in March 2020 which confirmed that the service adhered to the public sector internal audit standards and compared favourably with other public and private sector teams. The Head of Audit Services reported that a comprehensive response to all the recommendations that the EQA had identified, would be presented to the Committee at its July 2021 meeting in the Annual Performance Report.

Arising from the presentation, Members acknowledged the excellent work that had been undertaken by the Head of Audit Services and Audit staff this year, especially considering that staff had been deployed in other projects during the pandemic. Special recognition was given to the work that had been undertaken by Audit Services, the Section 151 Officer and Revenue staff in preventing the fraudulent claims that had been reported to the Committee. The Chief Executive expressed his thanks to all the officers involved.

Resolved

That the information contained in the report and Appendices to the report submitted, be noted and endorsed.

The meeting ended at 8.00pm

CHAIR