

**Minutes of the Audit and Standards Committee
Monday 6th December, 2021 at 6.00pm
in Committee Room 2, the Council House, Dudley**

Present:

Councillor A Taylor (Chair)
Councillor J Roberts (Vice Chair)
Councillors S Ali, P Atkins, D Borley, 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), A Uppal (Finance Manager), and S Griffiths (Democratic Services Manager).

Also in attendance on MS Teams:

L Jury (Democratic Services Officer)
J Branch (Head of Human Resources (HR) and Organisational Development) for agenda item nos. 23, 24 and 27.
J Martin (HR Manager) for agenda item no. 23

K O'Keefe (Chief Executive), M Bowsher (Director of Adult Social Care), C Driscoll (Director of Children's Services), I Lahel (Head of Integrated Commissioning Performance and Partnership) and B Clark (Interim Head of Payroll, Pension and Recruitment), for agenda item no. 24.

19 **Declarations of Interest**

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

20 **Minutes**

Resolved

That the minutes of the meeting held on, 20th September, 2021, be approved as a correct record and signed.

21 **Change in order of business**

Pursuant to Council Procedure Rule 13 (c)

Resolved

That the order of business be varied and that the agenda items be considered in the order set out in the minutes below.

22 **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.

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

The Committee received a report of the Chief Executive on the number of employees who were suspended pending an investigation into an allegation(s) of gross misconduct during the period 1st October 2020, to 30th September 2021, 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 presenting the report, the Human Resources (HR) Manager advised on the number of employees that had been suspended from 1st October 2020 to 30th September 2021, 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.

In addition to suspension cases, it was noted that employees could be offered alternative duties instead of suspension and the details of those cases were presented as set out in paragraph 14 of the report submitted. It was further noted that in some circumstances, suspensions were not immediately possible due to the involvement of safeguarding or the Police. However it was usually necessary to remove the employee from the workplace and therefore a period of refrainment would be instigated and the number of cases where the implementation of this process had been necessary was noted.

The length of the average suspension was presented, and it was noted that the average length had decreased from the figure reported to the Committee last year. The outcomes of the cases that had been carried forward from last year, as set out in the report, were also noted.

In conclusion, the HR Manager advised on the total cost in salary terms of the employees who had been suspended for allegations of gross misconduct, together with the average cost of each suspension, 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 of the employees suspended.

Arising from consideration of the report, the Chair stated that he was pleased to see that the average length of suspensions had significantly decreased over the years since this report had been submitted to the Committee.

In relation to the costs of suspensions, that resulted in a dismissal, as referred to in paragraph 24 of the report submitted, the HR Manager agreed to include the salary costs relating to the employees who had dealt with the cases in future reports.

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

Resolved

- (1) That the information contained in the report on suspensions under the provisions of the Employee Improvement and Disciplinary Procedure or relevant Schools Disciplinary Procedure, be received and noted.
- (2) That future reports submitted to the Committee for consideration include the salary costs of the employees who worked on the cases in the total costs of suspensions.



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 reported directly to the Chief Executive for the financial year 2020/2021.

In presenting the report the Head of Audit Services advised that this year’s audit had been affected by the Covid 19 pandemic as many Audit staff had been seconded for part of the year to other Council services to provide support to borough residents and businesses. Referring to paragraph 7 of the report, it was noted that ten assurance audits had been undertaken, of which three had received minimal or limited assurance ratings. It was advised that these ratings had been given due to either a critical action being raised or a number of high priority actions. Critical priority actions were detailed in Appendix 2 attached to the report and high priority actions were detailed in Appendix 3.

Reference was made to the five 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 9 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 noted that a further review of Human Resources (HR), Payroll and Systems Processes would be undertaken in January 2022 and information included in Appendices 2, 3 and 4 had previously been agreed with the Directorate Management.

The Head of Audit Services stated that information on data included on the bottom of Appendices 2, 3 and 4 was the Management’s comment on the current status of the actions, being implemented, in progress or not implemented. It was noted that this information had not currently been verified by Audit Services, but work would be undertaken on all critical, high priority actions, and outcomes would be reported to the Committee.

It was noted that the Committee had set targets for the issue of final reports and Management’s responses to the audit, and it noted that 75% of initial management responses had been received within the 4-week target and 63% of final reports had been issued within the 6-week target. It was acknowledged that understandably performance against target had been affected by the pandemic due to the extra pressure that had been placed on the Directorate Management.

Reference to post-audit questionnaires, issued on completion of an audit, were presented noting that those returned stated that they had received either a very good, or good service.

In conclusion, the Head of Audit Services advised that the 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, Members raised a general concern that many of the audits had actions that were unimplemented, and whilst acknowledging the impact that the Covid 19 pandemic had had on the implementation of actions raised by Audit over the last 18 months, concerns were raised that many actions had been unimplemented since 2016/17.

In response, the Chief Executive echoed the concerns raised by Members stating that it was not acceptable that Audit findings had not been addressed for some years and although acknowledged that the pandemic had negatively impacted on many services, Members were assured that the Audit actions would be discussed at the Chief Executive's monthly one-to-one meetings with Directors/Heads of Service to assess progress made on actions and work to be undertaken going forward.

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.

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 reported directly to the Chief Executive for the financial year 2020/21, be received and noted.
- (2) That Officers provide Members with detailed responses to questions raised at the meeting.

25 **Financial Regulations**

A report of the Director of Finance and Legal was submitted seeking the Board's approval of the revised Financial Regulations.

In presenting the report, the Director of Finance and Legal advised that the regulations had not been updated for some time and in light of changes to processes, systems, and structures over the last few years in the Council, a review had now been undertaken. The regulations had been produced in a new format in line with some exemplars from other local authorities and to reflect the changes in financial processes that had taken place.



Arising from the presentation, Members welcomed the review that had been undertaken and the Director of Finance and Legal undertook to change the reference to the Criminal Records Bureau in the report to state the Disclosure and Barring Service.

Resolved

- (1) That the revised Financial Regulations, as set out in Appendix 1 to the report, be approved.
- (2) That the revised Financial Regulations be included in the Constitution.
- (3) That the Director of Finance and Legal be authorised to amend Financial Regulations to make minor amendments as and when required, as outlined in paragraph 5 of the report submitted.

26 **Members' Code of Conduct and Standards Arrangements**

The Committee received a report of the Monitoring Officer on the adoption of a revised Members' Code of Conduct based on the Local Government Association's Model Code of Conduct and an update on the associated arrangements for dealing with standards allegations under the Localism Act 2011.

In presenting the report, the Monitoring Officer advised that every year the Committee considered a report on the Standards in Public Life and in 2019, the Committee on Standards in Public Life recommended producing an updated Model Code of Conduct. Responsibility in producing the Code was delegated to the Local Government Association (LGA) who had been working on the revision in consultation with Councillors and Officers of all tiers of local government. The consultation was brought to this Committee for Members to consider and the Committee's views, along with comments collated from all Elected Members and the Monitoring Officer were submitted to the Local Government Association (LGA).

The consultation responses had been considered and the LGA had produced the final version of the revised Code of Conduct, which was attached as Appendix 1 to the report submitted, along with the revised arrangements for dealing with the Council's standards allegations. It was noted that many local authorities had already implemented the revised Code.

It was noted that the revised Code and standards arrangements would be submitted to a future Cabinet meeting to be considered and would be considered by Full Council at the beginning of 2022, with the intention of implementing the new Code and standards arrangements from 6th May 2022.



oun In conclusion, the Monitoring Officer presented a summary of the main differences, as set out in pages 54 to 66 of the report, with specific reference being made to the increased use of social media and the need for Members to be very mindful of their standard of conduct when using any social media platforms.

Arising from the presentation, Member's welcomed the report and a Member raised concern in relation to the limited sanctions available to Members who had breached the Members' Code of Conduct. In reply, the Monitoring Officer made reference to a previous standards case which had resulted in a letter being sent to a Government Minister with regard to sanctions, and the response from the Government which stated that they had noted our concerns but were not making changes to the current situation. The issue of sanctions had been brought to the attention of the LGA but unfortunately no change had been made.

Referring to the disclosure of Members' Interests, a Member raised concern regarding the omission in the Code of the need to disclose any Councillor/Officer relationships. In response, the Monitoring Officer advised Members that any relationship with a Councillor and employee of the Council would be identified when any prospective employee joined the authority and it was noted that, thereafter, employees were reminded to update their interests or relationship status on the relevant form when necessary.

Resolved

That the Council be recommended to:

- (1) Approve the revised Members' Code of Conduct and associated standards arrangements, attached to the report submitted, effective from 6th May 2022.
- (2) To authorise the Monitoring Officer to arrange training for all Members of the Council and Co-Opted Members on the revised Members' Code of Conduct in due course.

27 **Review of the Employee Code of Conduct**

A report of the Chief Executive was submitted to the Committee presenting a number of amendments that had been made to the Council's Code of Conduct following a review.

In presenting the report, the Head of Human Resources (HR) and Organisational Development advised that the updated Code set out the expectations of all Council employees to maintain high standards of integrity and personal conduct when representing the Council in their work. It was noted that the Code of Conduct applied equally to all those employed by the Council and explained the standards of behaviour required under the law, under the terms of conditions of employment and Council policies and procedures.



The Code of Conduct formed part of the Contract of Employment, with a requirement that every employee completed the Code of Conduct Employees Policy Acceptance via the arrangements in place for employees to accept on an annual basis. It was noted that the Code of Conduct was an Audit and Standards Policy and was subject to an annual review. However due to the Covid 19 pandemic, a review had not taken place in 2020, but the document had been updated with a number of changes that had been required over the last few years, and the amendments were set out in paragraphs 6 to 10 of the report submitted.

In conclusion, the Head of HR and Organisational Development stated that although there had been no update in 2020, staff had still been required to accept the policy and, therefore it was recommended that the Council removed the annual requirement to accept the Code of Conduct Policy and replace this with a requirement for staff to accept the Policy only when any major changes had been made.

In response to questions raised by Members arising from the presentation, the Head of HR and Organisational Development advised that non-acceptance of the Code by prospective employees would affect their employment opportunity and it was confirmed that emails were sent out to all those already employed with the Council to remind them of their responsibility to accept the Code of Conduct. Regular reports were produced for all Managers that identified staff within their sector that had not accepted the Code to enable Managers to follow up this issue with their staff.

Resolved

- (1) That the amendments made to the Code of Conduct following a review, as set out in the report submitted, be approved.
- (2) That the change to the frequency that staff accept the Code of Conduct to upon appointment and when requested to do so based upon major changes, be approved.

The meeting ended at 7.30pm.

CHAIR

