



Telford & Wrekin  
C O U N C I L

Addenbrooke House Ironmasters Way Telford TF3 4NT

## AUDIT COMMITTEE

Date **Tuesday, 20 July 2021** Time **6.00 pm**  
Venue **Telford Room, Addenbrooke House, Ironmasters Way, Telford TF3 4NT**

### Enquiries Regarding this Agenda

Democratic Services	Jayne Clarke	01952 383205
Media Enquiries	Corporate Communications	01952 382406
Lead Officer	Anthea Lowe, Associate Director: Policy & Governance	01952 383200

**Committee Membership:** Councillors N A M England (Chair), V J Holt, J E Lavery, A Lawrence, K S Sahota, C F Smith (Vice-Chair) and W L Tomlinson

## AGENDA

1. **Apologies for Absence**
2. **Declarations of Interest**
3. **Minutes of the Previous Meeting** To Follow  
To confirm the minutes of the previous meeting.
4. **Treasury Management Outturn 2020/2021 and Update 2021/22** To Follow
5. **External Auditor Update Report** To Follow
6. **Publication of Information on Councillors who Traded with the Council during 2020/2021** 3 - 4
7. **Strategic Risk Register Update** 5 - 22
8. **Internal Audit Update Report** 23 - 30
9. **Review of the effectiveness of the Audit Committee 2021/22** 31 - 36
10. **Exclusion of the Press and Public**  
It is recommended that the press and public be excluded from the meeting for the remaining item of business on the grounds that it may involve the likely disclosure of exempt information as defined in paragraph 1 of Part 1 of Schedule 12A of the Local Government Act 1972.

11. **Capital receipts update**  
To receive a verbal update.

## **TELFORD & WREKIN COUNCIL**

### **AUDIT COMMITTEE 20 JULY 2021**

#### **PUBLICATION OF INFORMATION ON COUNCILLORS WHO TRADED WITH THE COUNCIL DURING 2020/21**

#### **JOINT REPORT OF THE MONITORING OFFICER AND THE CHIEF FINANCIAL OFFICER**

## **1 PURPOSE**

- 1.1 To present to the Audit Committee information to be published in respect to Councillors who traded with the Council during 2020/21.

## **2 RECOMMENDATIONS**

- 2.1 That members of the Audit Committee note the contents of the report and information that will be published on the Council's website.

## **3 SUMMARY**

- 3.1 To improve transparency it was agreed in the Autumn 2012 that details of councillors who have an interest in companies that receive a payment from the Council, for example a directorship, should be separately reported to the Council through the Audit Committee.
- 3.2 This information is collected as part of the final accounts process and this report represents information for 2020/21.
- 3.3 This information will be published on the Council's website following presentation to the Audit Committee.

## **4 PREVIOUS MINUTES**

- 4.1 Audit Committee 24 July 2018 (2017/18)  
Audit Committee 23 July 2019 (2018/19)  
Audit Committee 30 October 2020 (2019/20)

## **5 BACKGROUND AND INFORMATION**

- 5.1 As part of the annual account process councillors disclose where they have an interest in a company/companies that receive payment from the Council. These are shown annually in the Final Accounts that are presented to the Audit Committee.
- 5.2 However, the Council through the Constitution Committee and full Council agreed that in order to provide better transparency additional details of any Councillors who have an interest in companies that benefit from trading with the Council will be taken to Full Council via the Audit Committee as a separate report each year and published on the Council's website.

This information will be more readily accessible by the public and demonstrate the Council's co-operative commitment to openness.

- 5.3 It was agreed that the information reported would be the previous year's value and description of any payments received from the Council to any businesses/companies where that Member has an interest.
- 5.4 Only two Councillors were associated with companies (either owners or Directors) that traded with the Council in 2020/21. These were:
- Councillor Stephen Burrell – £531,825 in respect to the company Peace of Mind Homecare. Councillor Burrell is a Director of this company. Peace of Mind Homecare provide domiciliary care services.
  - Councillor Carolyn Healy - £14,358 in respect to the company Red Kite Ltd. Councillor. Councillor Healy is a Director of this this company. Red Kite Ltd provide landscaping/environmental services.

## **6 OTHER CONSIDERATIONS**

<b>AREA</b>	<b>COMMENTS</b>
Equal Opportunities	Transparency supports equalities and demonstrates the Council's commitment to be open and fair.
Environmental Impact	This report has limited environmental impact due to the nature of the work companies reported.
Legal Implications	It should also be noted that in addition to the publication of the information referred to in this report, Councillors also have to complete a disclosable pecuniary interest's form following their appointment [under The Relevant Authorities (Disclosable Pecuniary Interests) Regulations 2012]. This form includes a section where Councillors must provide details of any contracts they have with the Council. The form for each Councillor is published on the Council's website.  KF 09/07/2021
Links with Corporate Priorities	The report supports the Council's values that are embedded in the delivery of all the Council's priorities.
Risks and Opportunities	The risks and opportunities in respect to this report will be appropriately identified and managed.
Financial Implications	There are no financial implications arising from this report, the information is collected and reported on within Note 48. Related Parties – Members, as part of the final accounts process. AEM 05/07/2021.
Ward Implications	Borough wide

## **7 BACKGROUND PAPERS**

Localism Act 2011

Co-operative Council Commissions Report 2012

Report prepared by Anthea Lowe – Monitoring Officer and Ken Clarke, Chief Financial Officer

## TELFORD & WREKIN COUNCIL STRATEGIC RISK REGISTER

UPDATED JANUARY 2021

Definitions used in the risk register:

### Likelihood of Risk Occurring

Likelihood	Definition
Very Low	May occur in exceptional circumstances
Low	Risk may occur in next 3 years
Medium	The risk is likely to occur more than once in the next 3 years
High	The risk is likely to occur this year
Very High	The risk has occurred and will continue to do so without further action being taken

### Impact of Risk if it does Occur

Descriptor	Financial	Reputation	Physical	Environmental	Service
Very Low	None	None	None	None	None
Low	<£50K	Minimal/ minimal media/ social media	Minor	Minor locally	Internal disruption only, no loss of service
Medium	£50K to £1m	Extensive local media/social media	Violence or threats of serious injury requiring medical treatment	Moderate locally	Disruption/ loss of service less than 48 hours
High	£1m to £5m	National media/social media	Extensive/ multiple injuries	Major local impact	Disruption/ loss of service less than 7 days
Very High	>£5m	Extensive national media (lead item)/social media	Extensive multiple injuries/ death	Major national/inter national	Severe disruption/ loss of service more than 7 days.

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R1	Failure to discharge duty of care for a vulnerable child or vulnerable adult.	Very High without controls Change since last review =	Very High without controls – Physical Reputation Finance Change since last review =	a) Safeguarding Partnership (Adults & Children) Community Safety Partnership and Youth Offending Service Management Board scrutinise performance, hold partners to account and drive practice improvement in the light of learning (e.g. Serious Case, Safeguarding Adult & Domestic Homicide Reviews). b) Safeguarding Partnership works to develop systematic working across children and adult landscape. c) The Council will invest £2.3m of additional funding into Adult Social Care services in 2021/22. The Council’s net budget for Adult Social Care will be over £47m in 2021/22. d) The Council’s net budget for Children’s Safeguarding will exceed £36m in 2021/22. e) The combined total net budget allocation for these services will be in excess of £83m. f) Budget contingencies of £3.95m will be available in 2021/22 that can support pressures in any	J Britton S Dillon	Very Low with controls Change since last review =	Very High with controls – Physical Reputation Finance Change since last review =

				<p>Council budget including Adult Social Care and Children’s Safeguarding which account for two thirds of the Council’s net budget.</p> <p><b>Children:</b></p> <ul style="list-style-type: none"> <li>g) Safeguarding arrangements are routinely reviewed and developed in response to new statutory requirements as they are introduced</li> <li>h) Workforce development strategy – recruitment and retention, learning and development including Systemic Practice across the Council’s children’s workforce.</li> <li>i) Children’s Services - systematic quality assurance role for all managers from frontline Team Manager through to CEX and DCS</li> <li>j) No staff savings target for Children’s Social Workers</li> <li>k) Work to national inspection standards and respond to actions required from inspections.</li> <li>l) OFSTED inspection of Children’s Safeguarding January 2020 achieved “Outstanding”. An action plan has been delivered to respond to the small number of recommendations</li> </ul>			
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			<p>m) Independent Review of Child Sexual Exploitation (CSE) commissioned by the Council is underway</p> <p>n) 'Essential learning' for all employees includes both child protection and CSE.</p> <p><b>Adults:</b></p> <p>o) Adult safeguarding part of Safeguarding Partnership in compliance with Care Act requirements and new Adult Safeguarding Guidance &amp; Regulations.</p> <p>p) Adult Services - systematic quality assurance role for all managers from frontline team manager through to DAS</p> <p>q) Quality Surveillance Group chaired by Chief Officer of NHS England Area Team ensures co-ordination of quality &amp; safeguarding issues across health &amp; social care system.</p> <p>r) 'Essential learning' for all employees includes adult safeguarding.</p>			
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Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R2	<p>Inability to:</p> <p>a) Match available resources (both financial, people and assets) with statutory obligations, agreed priorities and service standards</p> <p>b) deliver financial strategy including capital receipts, savings and commercial income</p> <p>c) fund organisational and cultural development in the Council within the constraints of the public sector economy</p>	<p>Very High without controls</p> <p>Change since last review =</p>	<p>Very High without controls – Physical Reputation Service</p> <p>Change since last review =</p>	<p>a) Robust commercial approach taken by Council services in terms of increasing income generation</p> <p>b) Rigorous service and financial planning and regular monitoring and active management through S&amp;FPG, SMT, Business Briefing and Cabinet.</p> <p>c) Efficiency Strategy in place which allows the Council to qualify for the Flexible Use of Capital Receipts which can be used to fund the revenue costs of reform and service transformation which deliver efficiencies</p> <p>d) 'Savings programme, service reviews and restructuring.</p> <p>e) Staffing, economic and environmental impact assessments.</p> <p>f) In-year savings exercises possible if necessary</p> <p>g) Rationalisation of Council assets and accommodation</p> <p>h) Prudent level of uncommitted one-off resources and in-year budget contingency</p> <p>i) Delivery of capital receipts/rigorous monitoring of capital receipts realisation and impact on the budget</p>	D Sidaway K Clarke	<p>Low with controls</p> <p>Change since last review =</p>	<p>Very High with controls – Physical Reputation Service</p> <p>Change since last review =</p>

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|  |  |  | <ul style="list-style-type: none"> <li>j) If necessary contingency plans reviewing phasing of planned capital expenditure, schemes included in capital programme, alternative potential disposals and further revenue budget cuts would be identified for consultation</li> <li>k) Regular review of reserves and balances against risk exposure</li> <li>l) Ongoing review of financial policies</li> <li>m) Safeguarding Children Cost Improvement Plan</li> <li>n) Adult Social Care Cost Improvement Plan</li> <li>o) Commercial project(s) for additional income generation as well as wider economic, social and regeneration purposes</li> <li>p) Housing Investment Programme</li> <li>q) Robust assessment of potential new investments through a proper due diligence and business case process to ensure that the Council is not exposed to an unacceptable level of risk either on an individual basis or when considering the entire investment portfolio</li> <li>r) Specialist legal and taxation advice taken as required</li> <li>s) Active Treasury Management in conjunction with regular advice and updates from specialist Treasury Management Advisors</li> </ul> |  |  |  |
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|  |  |  |  | <ul style="list-style-type: none"><li>t) Cabinet Members regularly briefed</li><li>u) All necessary strategies, policies and procedures in place to fully comply with CIPFA and MoHCLG codes and regulations with regular review</li><li>v) Established approval process for agreement of business cases for new investment from the</li><li>w) Council's Growth Fund and Invest to Save/Capacity Fund</li><li>x) All reports to Cabinet include a financial comment that identifies the financial implications arising from the recommendations to avoid significant additional ongoing commitments being committed without appropriate consideration</li></ul> |  |  |  |
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Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls								
R3	Losing skills, knowledge and experience (retention & recruitment) in relation to staffing.	<p>Very High without controls</p> <table border="1"> <tr> <td>Change since last review</td> <td>=</td> </tr> </table>	Change since last review	=	<p>High without controls – Financial Reputation Service</p> <table border="1"> <tr> <td>Change since last review</td> <td>=</td> </tr> </table>	Change since last review	=	<p>a) Workforce Development Strategy currently being refreshed with focus on delivering ambition of the Council being employer of choice. Strategy will focus on:</p> <p>b) 'Our workforce will have the skills, abilities and mind set to deliver our priorities</p> <p>c) Our managers will be leaders and will empower staff to deliver our priorities [in delivery of our priorities]</p> <p>d) 'Our organisation will be more diverse and inclusive offering a voice and fair treatment for all'</p> <p>e) 'Our workplace will be healthy and we will support our employees' wellbeing'</p> <p>f) Senior Management development programmes</p> <p>g) Future Leader/ Management &amp; Leadership programmes</p> <p>h) Each service area has a workforce plan considering</p> <ul style="list-style-type: none"> <li>skills gap analysis and needs</li> <li>apprenticeships</li> </ul> <p>i) Specific HR policies:</p> <ul style="list-style-type: none"> <li>use of market factor weighting for key groups</li> <li>flexible working policy</li> <li>staff benefit schemes</li> </ul>	D Sidaway	<p>Medium with controls</p> <table border="1"> <tr> <td>Change since last review</td> <td>=</td> </tr> </table>	Change since last review	=	<p>High with controls – Service Reputation Finance</p> <table border="1"> <tr> <td>Change since last review</td> <td>=</td> </tr> </table>	Change since last review	=
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				<ul style="list-style-type: none"> <li>j) "Grow your own" scheme for roles that are hard to recruit to.</li> <li>k) Induction programme and ongoing training and development</li> <li>l) Lean Review of recruitment process and the development of the Council's employment "offer"</li> <li>m) Council values, ethos, rewards and recognition</li> <li>n) Implementation of Annual Personal Performance and Development discussions for all staff.</li> </ul>			
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Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R4	Significant business interruption affecting ability to provide priority services, e.g. critical damage to Council buildings, pandemic.	Very High without controls  Change since last review =	Very High without controls – Physical Reputation Service  Change since last review =	<ul style="list-style-type: none"> <li>a) Each Service Delivery Team has Business Continuity Plans to enable them to respond appropriately (people, systems etc.), these are reviewed annually and updated following team changes and or incidents.</li> <li>b) Serious Incident Protocol been adopted.</li> <li>c) Continue to invest in ICT capital programme. Data centre investment complete.</li> <li>d) Improvement/upgrade/replacement of key ICT systems ICT controls – Disaster Recovery facilities in place based on Priority Services in line with Business Continuity Plans.</li> <li>e) Roll out of “office 365” and the cloud computing.</li> <li>f) Investment in cyber security and awareness programme and training (see risk 7 also).</li> <li>g) COVID Gold/silver groups set up</li> <li>h) COVID risks monitored by SMT</li> </ul>	J Rowe	Low with controls  Change since last review =	Very High with controls – Service Reputation  Change since last review =

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R5	Inability to manage the health & safety risks in delivering the council's functions (including building security and cyber security).	Very High without controls  Change since last review =	Very High without controls – Physical Reputation Financial  Change since last review =	<ul style="list-style-type: none"> <li>a) Reviewing, writing and monitoring of health and safety policies through SMT and Health and Safety Committee.</li> <li>b) Risk based health and safety audit process of service areas and local authority managed schools, which not only audit implementation of health and safety policies but also proactively identifies shortcomings, actions and controls that need to be in place to manage those risks.</li> <li>c) Significant findings of the audits are reported back through SMT and Health and Safety Committee.</li> <li>d) Internal Health and Safety work to Health and Safety Executive (HSE) guidance and revise Policies and Procedures to ensure compliance with legal standards. Revisions reported back through SMT and reported via regular Trade Union meetings.</li> <li>e) Lone worker and member processes in place (Stay Safe).</li> <li>f) Building security kept under review.</li> <li>g) System in place for reporting all accidents, incidents and near misses. Non reportable</li> </ul>	J Rowe D Sargent	Low with controls  Change since last review =	Very High with controls – Physical Reputation Finance  Change since last review =

				<p>accidents investigated by service area.</p> <ul style="list-style-type: none"><li>h) All reportable accidents are investigated by Internal Health and Safety Team and significant findings reported to Health and Safety Committee. Other findings reported back to relevant Service area management</li><li>i) Training provided on Health and Safety through a mixture of e-learning and face to face.</li><li>j) Essential learning training for all employees includes health and safety and fire safety awareness.</li><li>k) Regular meetings with Trade Unions</li><li>l) Coordination and management of Personal Safety Precautions Risk Register to ensure safety of employees.</li><li>m) Appointed Cyber Security Manager to review and improve cyber security where required.</li><li>n) Cyber security part of essential learning for all employees.</li></ul>			
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Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls								
R6	Inability to deliver effective information governance.	<p>Very High without controls</p> <table border="1"> <tr> <td>Change since last review</td> <td>=</td> </tr> </table>	Change since last review	=	<p>Very High without controls – Financial Reputation</p> <table border="1"> <tr> <td>Change since last review</td> <td>=</td> </tr> </table>	Change since last review	=	<p>a) The Council has an Information Governance Framework which includes the Corporate Information Security Policy (CISP) and other policies (Data protection, Information Sharing policies)</p> <p>b) Small dedicated team promoting sound Information Governance within the Council and ensuring that good practice is shared across the Council</p> <p>c) Training and awareness programme put in place and Information Governance modules form part of induction and essential learning programmes.</p> <p>d) General Data Protection Regulations 2018 implemented.</p> <p>e) SMT oversight of reported data breaches</p> <p>f) All data breaches recorded, investigated and lessons learnt identified</p>	D Sidaway	<p><b>Low with controls</b></p> <table border="1"> <tr> <td>Change since last review</td> <td>=</td> </tr> </table>	Change since last review	=	<p><b>High with controls – Reputation Finance</b></p> <table border="1"> <tr> <td>Change since last review</td> <td>=</td> </tr> </table>	Change since last review	=
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Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R7	Inability to respond adequately to a significant emergency affecting the community and/or ability to provide priority services.	High without controls  Change since last review =	Very High without controls – Environment Financial Service  Change since last review =	<ul style="list-style-type: none"> <li>a) Work collaboratively with other LRF partner agencies, maintaining effective working relationships with the relevant bodies</li> <li>b) Maintain appropriate levels of trained staff to be able to respond to an emergency.</li> <li>c) Maintaining appropriate, risk based contingency plans (Civil Resilience Team) which are reviewed on regular basis</li> <li>d) Gorge – Phase II at Jackfield complete. Operation</li> <li>e) ‘Tangent’ – multi agency plan to respond to landslide in the Gorge is in place and is reviewed and exercised regularly</li> <li>f) Individual Service Delivery Managers are responsible for maintaining and exercising their Business Continuity Plan. These plans would be coordinated corporately and the emergency plan activated if necessary.</li> <li>g) Provider contract monitoring in place.</li> <li>h) Public health mechanisms in place to manage response to significant incidents.</li> </ul>	J Rowe	Very low with controls  Change since last review =	Very High with controls – Service Reputation Finance  Change since last review =

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R8	Inability to respond to impact of climate emergency on severe weather events.	High without controls  Change since last review =	Very High without controls – Environment Reputation Financial  Change since last review =	<ul style="list-style-type: none"> <li>Investment in highways capital programme</li> <li>Monitor ground stability in the Gorge and water levels.</li> <li>Working with street scene contractors to monitor impact on public realm.</li> <li>Adoption of Climate Emergency action plan.</li> </ul>	A Astley	Medium with controls  Change since last review =	High with controls – Environment Reputation Finance  Change since last review =

Ref	Risk	Likelihood Without Controls	Impact Without Controls	What are we doing to manage the risk? (Controls)	Lead Executive Director / Director	Likelihood With Controls	Impact With Controls
R9	Inability to respond to the impact and implications of Brexit.	<p>High without controls</p> <p>Change since last review =</p>	<p>Very High without controls – Financial Reputation Environment</p> <p>Change since last review =</p>	<p>a) Centrally co-ordinated BREXIT planning across all service areas</p> <p>b) Effective monitoring with regional partner organisations regarding progress and potential impact of Brexit (including Black Country</p> <p>c) Consortium, West Midlands Combined Authorities) - both from a local authority and key sectors of the economy point of view.</p> <p>d) The Council is part of the West Mercia Local Resilience Forum reporting arrangements for monitoring impacts of Brexit and any community issues and tensions. This is part of the national reporting framework through the National Local Resilience Forums that reports to the Ministry of Housing, Communities and Local Government.</p> <p>e) “Risk” identification, reporting and mitigation through SMT.</p>	D Sidaway	<p>Very low with controls</p> <p>Change since last review =</p>	<p>Very High with controls – Financial Reputation Environment</p> <p>Change since last review =</p>

Document Version Control

Version	Date	Author	Sent To	Comments
n/a	19/1/21	R Montgomery	SMT	Approval prior to register presented to Audit Committee and Cabinet
2021.1	17/2/21	R Montgomery	A Lowe	Amended register using new likelihood and impact categories

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## TELFORD & WREKIN COUNCIL

AUDIT COMMITTEE: 20 July 2021

### INTERNAL AUDIT UPDATE REPORT

#### REPORT OF THE AUDIT & GOVERNANCE LEAD MANAGER

## 1 Purpose

To update members on the progress made against the 2021/22 Internal Audit Plan and to provide information on the recent work of Internal Audit.

## 2 Recommendations

- 2.1 Members of the Audit Committee to note the information contained in this report in respect to Internal Audit planned work undertaken between 1 April 2021 to 30 June 2021 and unplanned work to date.

## 3 Progress on completion of the 2021/22 Annual Audit Plan

- 3.1 Audit Committee members approved the 2021/22 Internal Audit Plan at the May 2021 committee meeting. Appendix 1 of this report shows the progress made against the 21/22 plan. There is a need for the audit plan to be flexible in order to adapt and respond to emerging risks, however there have been no amendments to the plan to date. There have been 2 audits completed and 7 are in progress.

Service areas continue to follow their internal measures of control and, in those more high-risk areas, additional internal controls have been introduced in response to the pandemic. Members of the audit team continue to attend service area management meetings in order to keep the audit plan relevant and focus resources on key areas.

## 4 Summary

- 4.1 This report provides information on the work of Internal Audit from 1 April 2021 to 30 June 2021 and provides an update on the progress of previous audit reports issued.
- 4.2 The key focus for the team during this period was the completion of audits on the annual audit plan.
- 4.3 The information included in this progress report will feed into and inform our overall opinion in our Internal Audit Annual Report. All audit reports issued during the year are given an overall audit opinion based on the following criteria:

Level of Assurance/Audit Opinion & Definition	
<p style="text-align: center;"><b>Good (Green)</b></p> <p style="text-align: center;">There is a sound system of control designed to address relevant risks with controls being consistently applied.</p>	<p style="text-align: center;"><b>Reasonable (Yellow)</b></p> <p style="text-align: center;">There is a sound system of control but there is evidence of non-compliance with some of the controls.</p>
<p style="text-align: center;"><b>Limited (Amber)</b></p> <p style="text-align: center;">Whilst there is a sound system of control, there are weaknesses in the system that leaves some risks not addressed and there is evidence of non-compliance with some key controls.</p>	<p style="text-align: center;"><b>Poor (Red)</b></p> <p style="text-align: center;">The system of control is weak and there is evidence of non-compliance with the controls that do exist.</p>

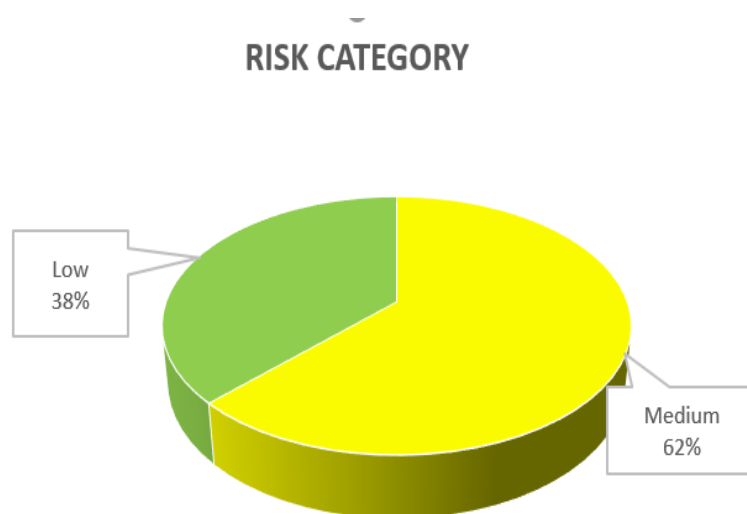
4.4 To determine the overall grading of the Internal Audit report each recommendation is risk rated (high, medium or low). The recommendation risk rating is based on the following criteria:

**High risk =** A fundamental weakness which presents material risk to the system objectives and requires immediate attention by management.

**Medium risk =** A recommendation to address a control weakness where there are some controls in place but there are issues with parts of the control that could have a significant impact.

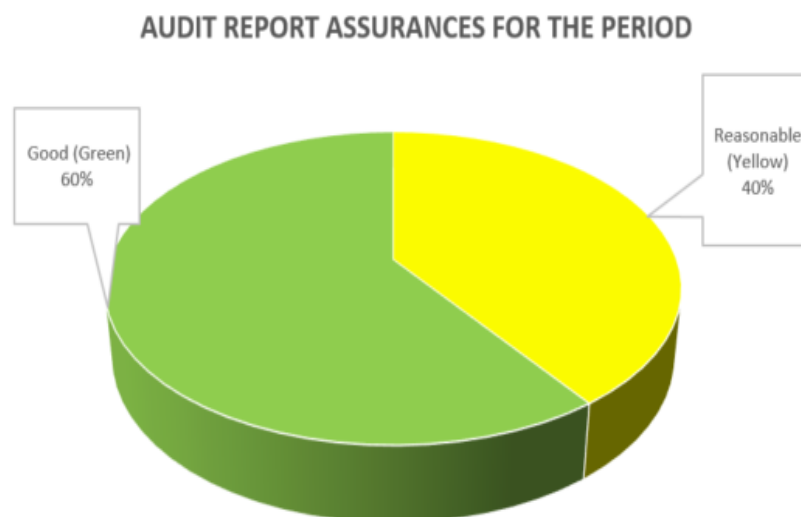
**Low risk =** A recommendation aimed at improving the existing control environment or improving efficiency, these are normally best practice recommendations.

4.5 The chart below shows the percentage of medium (yellow segment) and low (green segment) risk recommendations made for the reports issued during this period. No high risk recommendations have been made during this period.





4.6 The level of assurance (based on table 4.3 above) for audit reports issued in this period is detailed below.



4.7 The information in the above pie charts is broken down in the summary table below. Please note audits in grey text will not be followed up due to the associated audit opinion and level of risk.

<b>AUDIT REPORTS ISSUED BETWEEN 1/4/2021- 30/6/2021 AND CURRENT STATUS</b>					
<b>Area</b>	<b>Date of Report</b>	<b>Original Audit Grade</b>	<b>Follow up Due</b>	<b>Revised Grade</b>	<b>Comments</b>
HR & Payroll (2020-21)	06/05/2021	Reasonable	During 2/22 annual audit		
Business Continuity	28/06/2021	Reasonable	September 2021		
Local Transport Grant Capital Block Funding	13/05/2021	Good	n/a – green grading		
Data Privacy	20/05/2020	Good	n/a – green grading		
Bus Subsidy Grant	17/06/2021	Good	n/a – green grading		

4.8 Detailed below is the status of any reports previously issued and reported to Audit Committee. Members should note that once reports have reached a green status and have been reported to members they are excluded from future Audit Committee reports.

**PREVIOUSLY ISSUED REPORTS & CURRENT STATUS**

<b>Area</b>	<b>Date of Report</b>	<b>Original Audit Grade</b>	<b>Status previously reported to Audit Committee</b>	<b>Current Grade</b>	<b>Current status / Comments</b>
Cyber Security Follow Up	23/07/2020	Reasonable	3rd follow up due June 2021	Reasonable	3 <sup>rd</sup> follow up sent awaiting return
CIC Health Assessments	30/06/2020	Reasonable	In progress	Good	Follow up complete.
Firewall Security	27/01/2020	Limited	3rd follow up in progress	Good	Follow up complete.
Section 17 Payments	16/03/2020	Limited	2 <sup>nd</sup> follow up completed remains amber grading.  The new manager to the service is making good progress in implementing audit recommendations. Progress on implementation is being tracked monthly, with the Director having a clear oversight on this	Limited	3rd follow up in progress
ICT Asset Management	18/03/2020	Limited	2 <sup>nd</sup> follow up due June 2021	Good	Follow up complete
The Place	10/08/2020	Poor	2 <sup>nd</sup> Follow up due once the theatre has re-opened	Reasonable	No change from previous status
Fleet Management	17/09/2020	Poor	2 <sup>nd</sup> follow up to be undertaken July 21 following transport review	Reasonable	2 <sup>nd</sup> follow-up to be carried out following the completion and implementation of the ongoing transport review. It is anticipated that this will be towards the end of FY 21/22

Setting up Home Grant	11/12/2020	Poor	Follow up in progress	Amber	2 <sup>nd</sup> follow up sent awaiting return
Sales Ledger	29/09/2020	Limited	2 <sup>nd</sup> follow up to be completed	Reasonable	2 <sup>nd</sup> follow up sent awaiting return
Newdale Primary School	17/12/2020	Reasonable	Due June 2021	Good	Follow up complete.
ICT Patch Management	03/02/2021	Reasonable	n/a	TBC	Follow up in progress
Building Capacity Grants in the Voluntary Sector	21/01/2021	Reasonable	n/a	n/a	Due July 2021

Internal Audit is confident and has been assured by management that controls have and will continue to improve in all areas where recommendations have been made. There are no other issues to bring to the attention of the Committee at this time.

## 5 Unplanned work

5.1 The team have not undertaken any unplanned work as yet during 2021/22, however they have been successful in securing new commercial customers, providing internal audit services for 2 Town Councils and internal scrutiny function for 4 Multi-Academy Trusts.

## 6 Quality Assurance and Improvement Programme

6.1 Internal Audit maintains a Quality Assurance and Improvement Programme that complies with the Public Sector Internal Audit Standards (PSIAS) alongside the normal quality review process applied to all audit assignments. The Audit & Governance Lead Manager undertakes an independent monthly check of randomly selected (number dependent on number of completed audits that month) completed audit files to ensure they comply with:-

- Requirements of the PSIAS
- Rules of the Code of Ethics
- Agreed Internal Audit process and procedures
- Approved Internal Audit Charter

Only minor Internal Audit procedural issues have been found from these checks and they have been fed back to the Internal Auditors during this time to aid continuous improvement in the service.

## 7 OTHER CONSIDERATIONS

AREA	COMMENTS
Equal Opportunities	All members of the Audit Team have attended equal opportunities/ diversity training. If any such issues arose during any work the appropriate manager would be notified.
Environmental Impact	All members of the Audit Team are environmentally aware and if any issues were identified they would be notified to the appropriate manager.

Legal Implications	<p>The Accounts and Audit Regulations 2015 (Part 2, paragraph 5) state that the Council must undertake an effective internal audit to evaluate the effectiveness of its risk management, control and governance processes, taking into account public sector internal auditing standards or guidance. The information set out in this report illustrates the work that has been undertaken to meet the appropriate statutory requirements.</p> <p>In the event that an audit reveals a legal issue or concern this is referred to the Council's Legal Services Team and/or the Council's Monitoring Officer as appropriate for further advice and assistance.</p> <p>KF 09/07/20221</p>
Links with Corporate Priorities	All aspects of the Audit teams work support good governance which underpins the achievement of the Council's objectives and priorities.
Risks and Opportunities	All aspects of the Audit teams work supports managers and the Council to identify and manage their risks and opportunities.
Financial Implications	<p>Where Audit findings result in changes to service delivery or controls etc. the financial consequences are managed as part of the implementation of such changes. Therefore, there are no financial implications of accepting the recommendations of this report.</p> <p>AEM 05/07/2021.</p>
Ward Implications	The work of the Audit team encompasses all the Council's activities across the Borough and therefore it operates within all Council Wards.

#### **Previous minutes:**

14 July 2020  
1 October 2020  
28 January 2021  
27 May 2021

#### **Background Papers:**

Annual Audit Plan 2021/22  
Public Sector Internal Audit Standards – Applying the IIA International Standards to the UK Public Sector 2013 and updated January 2017  
CIPFA Local Government Application Note – April 2013  
Accounts and Audit Regulations – 2015

**Report by:** Tracey Drummond Principal Auditor. Telephone 383105  
Rob Montgomery, Audit & Governance Lead Manager. Telephone 383103

Audit Area	Service Area	Days	Priority	Update
General ledger, assets & capital accounting - fixed asset module (21/22)	Finance & Human Resources	20	ALL	
Payroll/HR (21/22)	Finance & Human Resources	25	ALL	
Council Tax/NNDR - Debt Recovery only	Finance & Human Resources	10	ALL	
Purchase Ledger	Finance & Human Resources	25	ALL	
Making Tax digital	Finance & Human Resources	12	2 & 5	
Local Transport Capital block funding	Finance & Human Resources	3	2 & 5	complete
additional dedicated Covid home to school & college transport funding grant	Finance & Human Resources	3	1,2 & 5	in progress
Special Guardian ship	Children's Safeguarding and Family Support	12	1 & 5	
Direct Payments	Children's Safeguarding and Family Support	20	1,2,5	
controc	Children's Safeguarding and Family Support	20	1 & 5	
Together4children	Children's Safeguarding and Family Support	10	1,2,5	in progress
Preparing disabled children for adulthood	Children's Safeguarding and Family Support	12	1 & 5	
Appointeeship and Deputyship	Adult social care	12	1 & 5	
Quality assurance framework	Adult social care	10	1 & 5	
Direct payments	Adult social care	See above	1,2,5	
Financial Case Management	Adult social care	15	1,2,5	
Controc	Adult social care	10	1 & 5	
Preparing for adulthood	Adult social care	See above	1 & 5	
Money Laundering	Policy & Governance	10	2	
Single status	Policy & Governance	5	2	
Risk Management	Policy & Governance	10	all	
Troubled families grant	Policy & Governance	12	all	in progress
Workforce strategy	Policy & Governance	25	all	
Emergency Planning	Health & Wellbeing	8	all	
Schools (36 schools)	Education & Skills	180	1,3,5	4 in progress
Leisure Centres (ab Dab / OLC)/Ski centre)	Community Customer & Commercial Serv	39	4, 6all	
IT audits (4)	Community Customer & Commercial Serv	47	ALL	
Quality standards within the voluntary sector	Community Customer & Commercial Serv	8	all	
Customer services	Community Customer & Commercial Serv	8	all	
Homlessness reduction act	Housing & Communities	25	1,3,5	
Bus subsidy grant	Neighbourhood & Enforcement	5	all	complete
Ideverde contract	Neighbourhood & Enforcement	4	all	
T&W 'Other Assets'	Neighbourhood & Enforcement	8	all	
Transport Review (Children & Adult Transport)	Neighbourhood & Enforcement	20	all	
additional dedicated covid home to school & College transport funding	Neighbourhood & Enforcement	see above	1,2 & 5	as above - in progress
Parking Enforcement	Neighbourhood & Enforcement	25	2,3,5	
Disposal of land	Property & Investment	10	2,3,4,5	
BIT	Property & Investment	10	2,3,4,5	
Impact of Covid 19	Corporate	25	all	
Climate change / reduction in carbon emissions	Corporate	25	all	

<b>77 audits on the plan</b>
2 complete
7 in progress

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## TELFORD & WREKIN COUNCIL

AUDIT COMMITTEE 20 JULY 2021

REVIEW OF THE EFFECTIVENESS OF THE AUDIT COMMITTEE 2021/22

REPORT OF THE AUDIT & GOVERNANCE LEAD MANAGER

### 1 PURPOSE

1.1 For members of the Audit Committee to:

- a) agree the survey to measure the effectiveness of the Audit Committee; and
- b) agree that the results of the survey will be reported to the Audit Committee in January 2022.

### 2 RECOMMENDATIONS

- 2.1 That Members agree the survey attached as Appendix 1 and to issue it to those outlined in paragraph 5.2 to measure the effectiveness of the Audit Committee; and
- 2.2 That Members agree that the results of the effectiveness survey will be presented to the January 2022 Audit Committee.

### 3 SUMMARY

3.1 It is good practice for the Council and the Committee to review its effectiveness as it helps to demonstrate good governance by measuring and reporting on its effectiveness including the identification of any improvement areas.

### 4 PREVIOUS MINUTES

4.1 N/A.

### 5 BACKGROUND

5.1 It is proposed to use the survey attached as Appendix 1. The survey is based on questions previously presented to the Audit Committee with additions made from looking at best practice and similar surveys undertaken by other local authorities.

5.2 It is proposed that the survey will be issued to, and completed by, the end of September 2021 by the following officers and Members:

- a) Members of the Audit Committee;
- b) The Leader, Cllr Richard Overton and Cllr Rae Evans – relevant Cabinet Members;
- c) Chief Executive, Chief Financial Officer (Director – Finance & Human Resources), Monitoring Officer (Assistant Director – Policy & Governance) and the Audit & Governance Lead Manager;
- d) Executive Directors/Directors/other officers who have attended the Committee in the last 12 months; and
- e) The External Auditor (Grant Thornton)

5.3 The online survey will be sent to those officers and Members detailed above using Microsoft Forms which is a solution that facilitates online questionnaires.

- 5.4 The analysis of the effectiveness survey will assist the Committee in discussions about any weaknesses and areas for development/training.

## **6 OTHER CONSIDERATIONS**

<b>AREA</b>	<b>COMMENTS</b>
Equal Opportunities	The review and skills audit should ensure Equality of Opportunity for all those completing them.
Environmental Impact	None
Legal Implications	<p>The Council is a relevant authority within the meaning of the Accounts and Audit Regulations 2015 and, therefore, must comply with the requirements set out in the Regulations. This includes, at Regulation 6, a requirement for an annual review of the effectiveness of its system of internal control. The effectiveness of the Audit Committee survey within recommendation 2.1 will contribute towards meeting this requirement as the Audit Committee is part of the Council's system of internal control.</p> <p>The method of compliance with both these requirements is not specified and therefore is a matter for the Council to determine.</p> <p>KF 09/07/2021</p>
Links with Corporate Priorities	An effective Audit Committee supports the Council's good governance arrangements encompassing the internal control and internal audit arrangements.
Opportunities and Risks	<p>Reviewing the effectiveness of the Audit Committee supports the effective management of risks and opportunities across the Council.</p> <p>The Audit Committee challenges and seeks assurances that the risk management processes are working effectively.</p>
Financial Implications	<p>Any costs associated with the distribution and analysis of the survey will be met from within existing budgets. Any additional costs identified from the survey such as development or training will also have to be met from within existing cash limited budgets.</p> <p>AEM 05/07/2021.</p>
Ward Implications	None.

## **7 BACKGROUND PAPERS**

The Accounts and Audit Regulations 2015  
 Previous surveys audit reports to Audit Committee

Report by Rob Montgomery, Audit & Governance Lead Manager





## Measuring the effectiveness of the Audit Committee - Self Assessment

This questionnaire allows Members to assess the effectiveness of the Audit Committee and identify whether there are any further improvements that could be made which would improve its overall effectiveness.

### Audit Committee purpose and governance

1. There are clear, up to date terms of reference for the Audit Committee

**Yes**

**No**

**Not Sure**

2. Do the terms of reference address all the core areas identified in CIPFAs Position Statement listed below?

	Yes	Partly	No
Good Governance & The Annual Governance Statement			
Assurance Framework & Assurance Planning			
Internal Audit			
External Audit			
Financial Reporting			
Risk Management			
Value for Money & Best Value			
Countering Fraud & Corruption			
Partnership Governance & Collaboration Agreements			
Governance & Ethical Values			

3. Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?

**Yes**

**No**

**Maybe**

4. Please indicate the date of the last evaluation

5. Where coverage of core areas has been found to be limited, are plans in place to address this?

**Yes**

**No**

## Membership, induction and training

6. An effective Audit Committee structure and composition has been selected, which includes;

	Yes	Partly	No
Separation from the Chief Executive			
An appropriate mix of knowledge and skills among the members			

7. Do committee members have access to on-going development activities to update their skills and knowledge?

**Yes**

**No**

8. All committee members have a good understanding of the different risks inherent in the council's business activities

**Yes**

**No**

## Audit Committee Meetings

9. Do the terms of reference set out the frequency of Audit Committee meetings?

**Yes**

**No**

10. Does the Audit Committee calendar meet the council's business needs, governance needs and the financial calendar?

**Yes**

**No**

11. Are members attending meetings on a regular basis?

**Yes**

**No**

12. If not, is appropriate action taken?

**Yes**

**No**

**Not Sure**

13. Are agenda papers circulated in advance of meetings to allow adequate preparation by Audit Committee members?

**Yes**

**No**

14. Do reports to the Audit Committee communicate relevant information at the right frequency, and in a format that is effective?

**Yes**

**No**

15. Do committee meetings encourage a high quality of debate with robust and probing discussions?

**Yes**

**No**

16. The committee demonstrates an appropriate degree of involvement in the work of internal audit and its findings

**Yes**

**No**

17. The committee actively engages with the external auditors regarding the scope of their work and audit findings

**Yes**

**No**

18. The committee has open channels of communication with officers and other members to keep it aware of topical/ regulatory issues

**Yes**

**No**

19. The committee is effective in achieving its terms of reference and adding value to the corporate governance of the council.

**Yes**

**No**

20. Are there any other comments or observations you wish to make about the effectiveness of the audit committee or its operation?

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