

AUDIT COMMITTEE

Minutes of a meeting of the Audit Committee held on Wednesday 17 July 2024 at 6.00 pm in Council Chamber, Third Floor, Southwater One, Telford, TF3 4JG

Present: Councillors H Morgan (Chair), S J Reynolds (Vice-Chair) and P Davis

In Attendance: M Brockway (Director: Finance, People & IDT), J Clarke (Senior Democracy Officer (Democracy)), T Drummond (Principal Auditor), P Harris (Finance Manager - Corporate & Capital Finance), L Higgins (Customer Relationships & Welfare Services Service Delivery Manager), R Montgomery (Audit, Governance & Procurement Lead Manager), R Phillips (Registrars, Public Protection, Legal & Democracy Service Delivery Manager) and E Rushton (Group Accountant)

Apologies: Councillors A D McClements, L Parker, T J Nelson and W L Tomlinson

AU12 Declarations of Interest

None.

AU13 Minutes of the Previous Meeting

RESOLVED – that the minutes of the meeting held on 29 May 2024 be confirmed and signed by the Chair.

AU14 Customer Feedback Reports 2023/24

The Service Delivery Manager: Customer Relationships and Welfare Services presented the Customer Feedback Reports for 2023-24 which gave an update on the feedback received during the period 1 April 2023 to 31 March 2024. This provided assurance that the Council's response to complaints was effective and that lessons were being learnt and continuous improvements being made.

To demonstrate an effective approach to responding to customer feedback and complaint handling, the Council produced an annual report on complaint handling for Children's Statutory Complaints, Adult's Statutory Complaints and Corporate Feedback.

The Corporate Feedback Report showed that there has been a sustained increase in compliments which had continued to increase year on year, with an increase of 13% from the previous year and a 120% increase in compliments over the last 5 years.

The Customer Insight Programme now had 214 registered Mystery Customers, an increase of 15% in 2023/24, who were undertaking assignments to help us shape and improve services.

Feedback in relation to the Corporate Contact Centre indicated that performance was excellent with a 93% satisfaction rate in relation to telephone calls and 99% of customers being satisfied with the automated assistant, Ask Tom.

During the year, 72 Customer Insight assignments had been completed with an 87% satisfaction rate. There had been 277 member enquiries, an increase of 95 on previous year with 92% being responded to within timescale. MP enquiries had totalled 159 with 83% being responded in the relevant timescale.

A total of 721 complaints were received across the Council, including statutory complaints, in 2023/24 and although this was a marginal increase, it represented a very small percentage of customers. In 2023/24 659 corporate complaints had been received, an increase from the 601 that were received in 2022/23, although this figure was lower than in 2021/22. Some 42% of complaints were upheld and this figure was in line with previous years. No complaints had been received in relation to tenancies and the Housing Ombudsman or specifically on the handling of complaints on CSE.

Despite the challenges, the number of days taking to respond to complaints had reduced from 11 working days to 10 working days, which was in line with the new timescale of 10 working days introduced from May 2024.

During 2023/24, 39 Adult Statutory complaints were received, an increase on the 35 received in 2022/23. In relation to Children's statutory complaints, 23 were received in 2023/24, a marginal increase on the 20 received in 2022/23. In 2023/24 the average number of days to respond to an Adult Statutory complaint across all portfolios was 29 days, this was an increase on the average response time of 25 working days achieved in 2022/23 but remained lower than the two previous years. The average number of days taken to respond to Children's Statutory Complaints during the year was 14 working days, which was an improvement on the 16 working days achieved in 2022/23.

Prior to the meeting, a letter had been received from the Local Government Ombudsman (LGO) and based on their data 3 complaints had been investigated, two were not upheld and one being upheld.

During the debate, it was asked that where complex enquiries were received what could be learnt in relation to bringing them to a resolution within timescale and what measures would be put in place to reflect and improve the situations. It was noted that the public were more likely to give negative feedback but the receipt of 639 compliments was testament to the work undertaken by the team.

The Service Delivery Manager: Customer Relationships and Welfare Services felt that although it was disappointed when LGO complaints were upheld, areas for improvement were identified and this was acknowledged.

RESOLVED – that:

- a) **the Customer Feedback Reports for 2023-24 in respect of Adult Statutory Complaints, Children’s Statutory Complaints and Corporate Customer Feedback be reviewed; and**
- b) **the improvement in complaint handling performance and the increase in positive feedback be noted.**

AU15 **Treasury Management 2023/24 Annual Report and 2024/25 Update**

The Finance Manager - Corporate & Capital Finance and the Group Accountant presented the Treasury Management 2023/24 Annual Report and 2024/25 Update which gave details of the outcome of Treasury Management activities for 2023/24 and detailed the position for 2024/25 to 31 May 2024.

The requirements of both the CIPFA Code of Practice on Treasury Management, (the Code), and the CIPFA Prudential Code for Capital Finance in Local Authorities, (the Prudential Code) had been met.

At 31 March 2024 borrowing was £371.3m, which reflected the approved Capital Programme, and investments were £17.9m. The borrowing strategy was to undertake temporary borrowing when required and review opportunities for longer-term borrowing when interest rates and opportunities were favourable. The report showed that the level of borrowing was below the capital financing requirement at year end which demonstrated the council had not borrowed more than was required for capital purposes.

The investment strategy for 2023/24 was primarily to ensure security of capital and liquidity balanced whilst delivering a commensurate rate of return. The investments made in 2023/24 were set out in the report and were placed with low risk counterparties to safeguard funds. The net benefit against the budget in 2023/24 was £1.3m which was a sound overall position.

The strategy for 2024/25 remained consistent with that outlined in the 2024/25 Treasury Strategy, which was agreed for approval at Full Council on 29 February 2024.

A summary of key points in relation to Treasury Management and how this compared to the previous year’s outturn position was set out in the report. It also gave details of the interest rate, new borrowing to support the capital budget, the valuation of non-current assets, compliance with indicators, treasury management debt and the treasury management portfolio.

The Bank of England Base Rate had continued to increase during 2023/24, due to the battle to bring down inflation, reaching 5.25% in August then remained constant through the remainder of the year. Inflation was on a downward trajectory, but this had not been as swift as had been projected but had reached 2% in May 2024.

Six PWLB loans had been entered into with a variety of amounts and durations. The average borrowing rate rose from 2.65% to 3.39% due to the cost of temporary loans increasing. The average return rate for investments was 4.89% against an average benchmark of 4.96%.

An overall net benefit of £1.336m was made against the budget for the year and had resulted from a mix of cash flow benefits plus the reprofiling of capital spend into future years.

The Council made an annual contribution towards Shropshire Council costs on pre disaggregation debt. The contribution in 2023/24 was £1.143m and interest paid averaged 4.1%.

No new leases were entered into during the 2023/4 financial year.

An update for 2024/25 was provided, covering the period 1 April to 31 May. This included a summary of the borrowing and investment positions and confirmation that the Council had operated within Prudential Indicators and limits set.

During the debate, some Members thanked the team for their reassurance that the council had tight controls in relation to council debt and income. This was a testament to their hard work.

RESOLVED –

- a) the report be RECOMMENDED TO FULL COUNCIL;**
- b) the report be noted; and**
- c) the performance against Prudential Indicators be noted.**

AU16 External Auditor Update Report

The Interim Director: Finance, People & IDT presented the External Auditor's Update Report on behalf of KPMG who were unable to attend at the meeting.

KPMG had made progress on the audit since the draft accounts were presented to Audit Committee on 29 May 2024, although it was still early days. Work had begun on the Audit Risk Assessment and questionnaires had been sent out to relevant Managers. The draft financial statements were being reviewed by KPMG and regular catch up meetings were being held with the Finance Team to discuss how the audit was progressing. Handover meetings were being held between KPMG and Grant Thornton, the council's

previous External Auditors. Value for Money work had started with questionnaires being sent out to Directors and meetings taking place.

In summary, the Audit was progressing well and KPMG were currently on track to meet their deadlines and they would report back to Audit Committee in the autumn.

Members felt reassured that the audit was progressing and were looking forward to seeing the final presentation.

AU17 Publication of information on Councillors who traded with the Council during 2023/24

The Audit, Governance and Procurement Lead Manager presented the Publication of Information on Councillors who traded with the Council during 2023/24.

As part of the annual account process, Councillors disclose whether they have had an interest in a company/companies that received payment from the council. In order to provide better transparency, additional details of any Councillors who have an interest in companies that benefit from trading with the council would be taken to Full Council via the Audit Committee as a separate report each year and published on the council's website.

During the reporting period, two councillors were associated with companies who had received payments from the Council in 2023/24 being, Councillor S Burrell in relation to Peace of Mind Home Care and Councillor Carolyn Healy in respect of Red Kite Ltd.

Members noted the report.

AU18 Internal Audit Activity Report

The Principal Auditor presented the Internal Audit Activity Report which updated Members on progress against the 2024/25 Audit Plan and recent work undertaken during the period 1 April 2024 and 30 June 2024.

There had been ten reports issued within the reporting period, three limited, two reasonable and five good. The report also set out details of follow up visits in relation to the status of reports previously brought before committee. Since publication of the Audit Committee report, Direct Payments (Children) and Muxton Primary School, follow ups were both now in progress.

The 2024/25 Audit Plan, which was approved at the May 2024 meeting, was only 2% complete as resources had been spent completing audits from the 2023/24 plan. The team would now be moving into the second quarter and resources would focus on the 24/25 plan.

Work continued on commercial contracts held with nine academies and two town councils. The team had recently been asked to provide audit services

for the Local Serious Violence Board, to identify how the council and its partners were managing it serious violence duty.

During the debate, some Members were pleased to see improvements, particularly in relation to direct payments. They thanked the team for their hard work.

Members noted the report.

AU19 Corporate Risk Register

The Audit, Governance & Procurement Lead Manager presented the Corporate Risk Register. This was a key building block of good governance and included those risks that could impact on the council's abilities to deliver services and objectives.

The Corporate Risk Register set out each risk together with its rationale, how the risks were scored and the likelihood of the risk occurring. The Risk Register also detailed each strategic risk, how this was scored/ the residual score and what the local authority were doing to manage risks after taking into account any actions required to manage it.

Audit Committee were presented with the Corporate Risk Register a minimum of three times per year and it was also presented to the Senior Management Team and all risks identified in the Risk Register were current and up to date.

Members thanked officers for the informative document that made them aware of all the risks across the council. It was asked if the Corporate Risk Register was a live document and if a risk or a changes to national security was identified that could impact the council, would the register be reviewed immediately.

The Audit, Governance & Procurement Lead Manager assured Members that although there continued to be a changing landscape around risks, that the council was doing all it could to ensure risks were being managed and any future risks taken into account. The Risk Register was a live document and it was presented to Senior Management Team on a regular basis and any specific risks were allocated as appropriate.

Members noted the report.

The meeting ended at 6.39 pm

Chairman:

Date: Wednesday 20 November 2024