

# Minutes of Audit and Risk Assurance Committee

**19 January 2023 at 6.00pm  
In the Council Chamber at Sandwell Council House**

**Present:** Councillor Preece (Chair);  
Councillors Anandou, L Giles, Hinchliff and Khatun.  
Mr Ager (Independent Member).

**Officers:** Narinder Phagura (Business Partner- Audit Services);  
Victoria Lee (Head of Human Resources); Guy Grafton  
(Grant Thornton); Surjit Tour (Monitoring Officer and Director  
– Legal Services), Simone Hines (Director of Finance); Kate  
Ashley (Strategic Lead – Service Improvement); Tony  
McGovern (Director of Regeneration and Growth); Alexander  
Goddard (Democratic Services Officer) and Anthony Lloyd  
(Democratic Services Officer).

## 1/23 **Apologies for Absence**

Apologies were received from Councillor Choudhry and Mr  
Hussain (Independent Member).

## 2/23 **Declarations of Interest**

There were no declarations of interest.



### 3/23 **Minutes**

**Resolved** that the minutes of the previous meeting held on 15 November 2022 is confirmed as a correct record.

### 4/23 **Urgent Business**

There was no urgent business for discussion.

### 5/23 **Improvement Plan Progress – External Review Reports**

The Improvement Plan incorporated all recommendations from the Grant Thornton Governance Review, the LGA Corporate Peer Challenge and the CIPFA Financial Management Review, as well as the Statutory Directions from the Secretary of State for Levelling Up, Housing and Communities.

Updates were provided to the Committee in relation to the follow-up reviews conducted by the external reviewers.

#### **Grant Thornton’s Value for Money follow-up review**

The follow-up review found that the Council had continued to build on the initial improvements recognised by Grant Thornton in their original report. Significant progress on several recommendations particularly around corporate grip, improvement performance and decision making were highlighted.

Clear evidence had been shown that the Council was making better procurement and commercial decisions and that working relationships between the Council and key partners had improved. The notable progress on the implementation of replacement ERP systems was also recognised.

Greater stability at a political and senior officer level was present and a more mature approach between the Leader, Cabinet, Committees and senior officers was taking place.



An additional four key recommendations had been identified from the review which would be incorporated into the next rendition of the Improvement Plan:-

- The Council must conclude the design of Phase 2 of the Improvement Plan;
- The Council needed to ensure that the new corporate Project Management Officer (PMO) remained appropriately resourced, integrated all transformation and change activity being undertaken across the Council, and had access to appropriate data sources to be able to effectively monitor the delivery;
- The Council should progress and finalise outstanding actions relating to the previous recommendations and;
- Once all the planned revisions to the Constitution had been agreed, the Council would need to embed these changes and demonstrate sustainable improvements in governance and scrutiny of decision making.

The introduction of the additional recommendations would help provide further direction for the next stage of the Council's improvement journey. Members and officers were minded that the key to progress was to embed the changes already made to ensure that the desired impact is achieved.

In response to questions from members, it was confirmed that work to address historical problems and back-logs with the financial accounts was underway.

### **LGA Corporate Peer Challenge**

Feedback from the LGA recognised the significant progress that had been made in a number of key areas to the good governance and management of the Council. The LGA also stressed that the Council was on a journey that it would take time to embed the improvements required.

Although no additional recommendations were provided, key areas required were highlighted by the LGA to ensure that progress continued. It was recognised that progress against the



improvement plan had improved, Cabinet and Leadership were working well, and difficult decisions were being made. Work on the constitution was praised and reviewers were pleased to see heavy engagement from members. One area of improvement identified in particular was against the Customer Journey goals.

Officers confirmed that the Customer Journey was a key part of the transformation programme and a priority going forward. Local Hubs had been identified and reviews into the entire Customer Services operation were in process. The Committee was also advised that the Budget and Corporate Scrutiny Management Board were undertaking a scrutiny review into the customer journey.

After further questions, officers clarified the following points:-

- The next iteration of the Improvement Plan would contain the action plan for implementing and embedding culture and behaviour changes;
- Regular meetings were taking place between commissioners and the new Chief Executive Officer.

### **CIPFA Review**

CIPFA were commissioned by the Council to undertake a review of the financial management and governance arrangements using the Financial Management Model to contribute to the development of the Council's financial management operation and arrangements. CIPFA completed a Financial Management Model Re-assessment Review in December 2022.

The Council had improved from a progressive 2\* rating to a 3\* rating. Positive progress was evident and represented significant changes in a short period of time. The financial management structure and corresponding plans were achieving their goals.

Areas for improvement were identified and would be added to the Improvement Plan. The avoidance of errors in the accounts, the implementation of Oracle Fusion and the embedding of changes were the main issues to tackle moving forward.



It was confirmed that extensive benchmarking had taken place with other local authorities who used Oracle Fusion. The Council's current system was dated and therefore, the introduction of oracle fusion would be a dramatic change.

6/23

### **Business Strategy and Change Directorate Risk Register Report**

An update was noted by the Committee on the profile of the key risks currently faced by the Business Strategy and Change Directorate. The directorate risk register would not include all of the risks faced by the directorate; some risks would be captured within service, programme and risk registers separately.

The directorate contained many key services including communications, Customer Service, Strategy and Performance, Technology and HR.

One risk was currently rated Red, seven were rated Amber and three risks were rated Green.

In response to questions, it was confirmed that none of the risks would be impacted by the recent departure of the Director for Business Strategy and Change. It was highlighted that staff recruitment varied depending on the department and that more frequent reporting would take place to analyse the difficulties faced in attracting to posts.

Several risk registers remained which would be scheduled into the Committee's work programme.

7/23

### **Regeneration and Growth Directorate Risk Register Report**

The Committee received an update on the profile of key risks faced by the Regeneration and Growth Directorate.

The directorate was responsible for delivering economic and social prosperity as well as working with local enterprise partnerships, the



Chamber of Commerce and the West Midlands Combined Authority. The directorate also contained a number of service areas including planning and building development, transport, major regeneration programmes, facilities management and the Sandwell Aquatic Centre.

In total, three risks were rated Green, five risks were rated as Amber and two risks were rated as Red (dangerous structures and the delivery of the regeneration pipeline).

Officers clarified that although a dangerous structure reserve was present, a budget was not readily available to tackle grot spots. This was due to financial constraints and the prioritisation of other, more important, statutory responsibilities of the Council. All underspends across directorates had been used on savings and would not be available to use for tackling grot spots.

Members displayed concerns around the on-going problems with grot spots and dangerous structures in the borough and the lack of funding available to officers to help tackle those long-standing issues. It was agreed that the concerns would be passed to the Chair of the Budget and Corporate Scrutiny Management Board to consider adding the item to that Board's work programme.

**Resolved** that the resourcing of initiatives to address Grot Spots and Dangerous Structures be referred to the Chair of the Budget and Corporate Scrutiny Management Board for consideration for inclusion in that Board's work programme.

## 8/23 **Cabinet Forward Plan**

The Forward Plan was presented for information and to allow the Committee an opportunity to contribute to any items or raise any issues with the Executive.

## 9/23 **Work Programme**

The Committee noted the work programme for 2022/23.



Meeting ended at 7.42p.m.

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