

Attendance

Members of the Audit and Risk Committee

Cllr Alan Butt (Chair)
Cllr Jonathan Yardley (Vice-Chair)
Cllr Mary Bateman
Cllr Philip Bateman MBE
Cllr Craig Collingswood
Cllr Roger Lawrence
Cllr Barbara McGarrity QN
Cllr Lynne Moran
Mike Ager
John Humphries

Employees

Ian Cotterill	Audit Business Partner
Peter Farrow	Head of Audit
Fabrica Hastings	Democratic Services Assistant
Jas Kaur	Democratic Service Manager (Host)
Claire Nye	Director of Finance
David Pattison	Director of Governance
Hayley Reid	Senior Auditor
Kirsty Tuffin	Democratic Services Officer
Mark Wilkes	Audit Business Partner

External Auditors, Grant Thornton

Mark Stocks

Part 1 – items open to the press and public

Item No. *Title*

- 1** **Apologies for absence**
There were no apologies for absence.
- 2** **Declaration of interests**
Councillor Lynne Moran declared an interest as a Member of the Wolverhampton Homes Board.

Councillor Butt declared an interest as a Governor for Bushbury Nursery school.

3 Covid-19 and Strategic Risk Register Update

Hayley Reid, Regulatory Governance Manager, presented an update on the Strategic Risk Register and a Covid-19 Risk Register. The update detailed the risks faced by the Council as a result of the Covid-19 pandemic and, the latest summary of the Council's Strategic Risk Register as at Appendix 1 and 2. An update on Covid risk 12 – Employee Wellbeing was also provided at appendix 3.

David Pattison, Director of Governance, advised the Committee that work had taken place to ensure all employees had access to the employee assistance programme. The programme had provided employees with access to independent qualified councillors, Mental Health First aiders and additional health and safety assessments in relation to working from home. Facilities had also been put in place at the Civic Centre and Hickman Avenue for employees unable to work from home due to personal reasons or for the benefit of their mental health. The Stay Safe helpline and Stay Safe, Be Kind microsite had been providing help and support to City residents throughout the pandemic. Free school meals had been provided to children from low-income families during the October half-term.

Following questions around the safeguarding of children and education provision and the risk to Children as a result of rising cases on domestic violence, David Pattison, reassured the Committee that the Council had prioritised this risk and that the Wolverhampton Safeguarding Together Partnership Annual Report would be taken to Cabinet on 09 December 2020. It was agreed that David Pattison would provide Councillor Moran with an update on the work the Council had done in regard to monitoring the safeguarding of children. It was agreed that an update on the work the Council had done in regard to monitoring the safeguarding of children would be brought to the next meeting.

Following a question on the Civic Halls (Risk 30 in the Strategic Risk Register) it was clarified that while at this stage there had been no lack of resources or materials as a result of Covid-19, it was wise to identify this as a possible risk.

Resolved:

1. That the Council's Covid-19 risk register which detailed the risks faced by the Council as a result of the Covid-19 pandemic, as at Appendix 1, be noted.
2. That the latest summary of the Council's Strategic Risk Register, as at Appendix 2, be noted.
3. That the update on Covid-19, risk 12 - Employee Support and Health and Wellbeing, as at Appendix 3, be noted.
4. That it be agreed that David Pattison would provide Councillor Moran with an update on the work the Council had done in regard to monitoring the safeguarding of children and that this would also be brought to the next meeting.

4 Internal Audit Update

Peter Farrow, Head of Audit presented the report on the progress made against the 2020 - 2021 internal audit plan and provided information on recent work that had been completed.

The Committee were reminded that due to a significant amount of audit resources redeployed to focus on critical work surrounding the impact of covid-19, there had been a need to revisit the internal audit plan and how the remaining resources could be focussed in the most effective and risk based manner. Senior management across the Council had been consulted and some audit reviews had been deferred and would be included in the next internal audit plan where appropriate. However, assurance was given that there would still be sufficient audit coverage in key areas such as the key financial systems and across a range of operational areas. Also, many of the areas that the audit team had been working on in response to Covid-19 were naturally part of a wider assurance role – such as in business support grant checking and validation, and in verifying Covid-19 related returns. The Committee were advised that a number of audits from the current internal audit plan had already been completed and were pleased to report that no limited assurance reports had been issued.

Following questions around the fire safety checks within schools, Peter Farrow advised the Committee that an issue had been identified in a previous audit report whereby schools were not necessarily submitting their returns to the Council in a timely manner. Since the review this had improved, but would also be revisited in the future, and where appropriate reported back to the Committee.

Resolved:

1. That the contents of the latest internal audit update be noted.

5 **Counter Fraud Update**

Mark Wilkes, Audit Business Partner presented the update report on current counter fraud activities undertaken by Audit Service since the last meeting.

The Committee were advised that the Council had put in place a range of measures to ensure that pre and post payment checks were made on business support grant applications, discretionary grants and hospitality grants by Government to assist with the impact of the pandemic. The measures had been recommended by the Central Government Fraud Centre to mitigate the risk of fraud. All initial payments under these measures had been paid and further post-payment checks were underway, again in line with Government requirements. From nearly 4,000 applications, 30 had been identified as requiring further checks in order to determine their validity. Should any payments have been later found to have been fraudulent, or made in error, then their recovery would be sought. A monthly return to Central Government is now required on each grant scheme.

The Committee were advised that as a result of the second lockdown, additional grants/schemes had been put in place whereby a further range of both pre and post payment checks were required. The Council had also brought in an external provider to assist with the initial data capture and analysis of the latest applications.

Resolved:

1. That the contents of the latest Audit Services Counter Fraud Update be noted.

6 **Payment Transparency**

Peter Farrow, Head of Audit, presented the report on the Council's current position with regards to the publication of all its expenditure.

The Committee were advised that no armchair auditor requests had been received in the last quarter.

Resolved:

1. That the Council's current position with regards to the publication of all its expenditure be noted.

7 **The Redmond Review**

Mark Stocks, representative from Grant Thornton, presented the report on the Redmond Review that looked into the effectiveness of audit in local authorities and the transparency of financial reporting.

The Review found that the current arrangements for the annual audit had not been working efficiently for a number of reasons and included a series of suggested recommendations for improvement. Mark Stocks advised the Committee that MHCLG were reviewing the findings and recommended the Council contact them expressing the Councils opinions.

Claire Nye, Director of Finance, advised the Committee that the Council had contributed their views as part of the consultation exercise that had been undertaken as part of the review, and would now also look to submit a response on the outcome.

Resolved:

1. That the contents of the update provided by Grant Thornton on the outcome of the recent Redmond Review be noted.