

Attendance

Members of the Audit and Risk Committee

Cllr Jaspreet Jaspal (Chair)
Cllr Mary Bateman (Vice-Chair)
Cllr Barbara McGarrity
Cllr Phillip Bateman
Cllr Claire Darke
Cllr Paul Appleby
Cllr Andrew McNeil
Mr Armstrong Ngoh
Mr Mike Ager

Employees

Claire Nye	Director of Finance
David Pattison	Chief Operating Officer
Emma Bennett	Executive Director of Families
Ian Cotterill	Head of Internal Audit
Julie Obada	Head of Skills
Alison Shannon	Chief Accountant
Fabrica Hastings	Democratic Services Officer
Donna Cope	Democratic Services Officer

In Attendance

Jon Roberts	Grant Thornton
Kirsty Lees	Grant Thornton

Part 1 – items open to the press and public

Item No. *Title*

- 1 Apologies for absence**
Apologies for absence was received from Councillor Jeszemma Howl.
- 2 Declaration of interests**
Councillor Philip Bateman declared an interest in matters relating to Birmingham International Airport Board and relating to Ashmore Park Nursery School and Phoenix Nursery School.
- 3 Minutes of previous meeting**
That the minutes of the previous meeting be approved as a correct record.

4 **Matters arising**

The Director of Finance updated the Committee on the level of contingencies held corporately for 2021/2022 and how they were used. There was £8.6 million of contingencies corporately of which £7.8 million was utilised. The main items were from the impact of Covid relating predominantly to loss of income, pay awards, inflation and pressures on temporary accommodation budget.

Councillor Barbara McGarrity requested an update regarding Council employee's availability in attending the Civic Centre to provide a service to Wolverhampton residents and businesses. David Pattison, Chief Operating Officer advised that employee availability was based on the business needs as a priority. The service concerned has been reminded of their responsibility.

The Chief Operating Officer advised the Committee that the question raised by Councillor Andrew McNeil regarding the scoring chart has been built into the Strategic Risk Register and would be presented to the Committee at the next meeting.

5 **Strategic Risk Register - High Unemployment Risk**

Ian Cotterill, Head of Internal Audit introduced the Strategic Risk Register – High Unemployment Risk report. He advised the Committee that a refresh exercise of the Strategic Risk Register was undertaken with the Council's Strategic Executive Board, an update would be presented at the Audit and Risk Committee meeting in November.

Emma Bennett, Executive Director of Families and Julie Obada, Head of Skills, presented the update on the high unemployment risk as the responsible risk owners. The Executive Director of Families advised that the council was not solely responsible for the high unemployment rate in Wolverhampton as this is a system issue.

The Committee were provided with an overview of the development of the Education, Skills Employment Strategy. The strategy gained approval at full Council on the 20 September 2023, with an aim to share the risk through working closely with schools, with key system owners and agencies within Wolverhampton to try and address the risk. The strategy is focused on the life journey of local people within the city. The Committee were advised on the Council's employment support programmes including the Wolves at Work 18-24 that focuses on youth unemployment, and the Restart programme.

The Black Country Impact programme would finish at the end of October 2023, the Council would continue to target young people to provide extra support through the Youth Employment Hub. The Hub is supported by the Department of Work and Pensions (DWP) and is successful in supporting over 800 people, with a conversion rate up to 36% into work since it started in October 2021. A second Youth employment Hub opened in Summer 2022 at the Bilston College.

The Committee were advised on the specialist teams providing support to anybody 16 plus with a disability. The Individual Placement and Support Service (IPS) provides targeted specialist support for people with drug and alcohol misuse getting into work. Both teams have been successful in getting local people into work over the last six months.

The Committee were provided with an overview of the current caseload and conversion rates on the various programmes provided.

The Head of Skills advised the Committee on the Wolves Work Box where employment vacancies are promoted and advised that employers could add vacancies to the website free of charge. She advised that monthly newsletters are circulated via a mailing list with a subscription rate of 13,500. The Committee were advised that all career advisors were at every secondary school, special school and the college within the city. Extra resources within the Connexions team were there to support young people with special educational needs.

The Committee were advised that the Council work with the careers enterprise company on the Council's careers hub and that the city schools perform consistently better than the national average across the education sector.

The Council would look at developing the five priority areas on the Education, Skills Employment Strategy, and working with partners to deliver the transformation programmes. The strategy is a key part of the shared prosperity fund which begins in April 2023 delivered through the West Midlands Combined Authority.

The Committee were advised on the funding to be received to the Council from the Commonwealth Games. As well as the work to be undertaken with other authorities across the country and Warwick University to look at a new model to be 90% accurate in predicting young people at risk of not participating, this would enable resources to be targeted more efficiently.

The Committee were advised on the new work experience programme called open door starting in 2024.

The Head of Skills provided an overview of the devolution deal the West Midlands Combined Authority was working on with the Government. Aiming towards integrated employment skills programmes at a local level and responding to their needs.

In response to a question raised by Councillor Jaspreet Jaspal regarding employees who have signed up to the open-door programme. The Head of Skills advised that the Council was in the process of recruiting staff to commence in the new year, but there are over 100 business employers the Council work with already through careers activities to be approached.

In response to a number of questions raised by Councillor Paul Appleby, The Head of Skills advised that the positive changes in claimant rates was data that the DWP holds, but the DWP had recently agreed to provide the Council with more data which is broken down into claimant groups and provide restart data to provide to the Committee moving forward. She advised that the Council used Outreach in the community to target customers for the programmes, and that an update on the West Midlands innovation zones group could be provided to the Committee. She advised that there would be a full wrap up on the Black Country Impact Scheme to be provided to the Committee when the scheme is completed by March 2024. The Work Box programme was a transformation programme for the Council, working towards a contact management system where background information would be available. The Head of Skills requested members to submit any questions for individual responses outside of the meeting.

Councillor Jaspreet Jaspal requested an update regarding employee recruitment and retention risk be presented to the Committee at a future meeting.

David Pattison, the Chief Operating Officer agreed to bring an update regarding employee recruitment and retention risk, to the next meeting and advised the number of apprentices the Council had recruited has increased.

In response to a question raised by Mike Ager, Independent Member regarding information available relating to whether people in employment in Wolverhampton are employed in the city or elsewhere. The Head of Skills advised she would present information on travel to work patterns at neighbouring authorities to the Committee.

In response to a question raised by Armstrong Nghoh, Independent Member regarding whether the statistics on the financial resources used to mitigate the high unemployment risk, could be provided to the Committee. The Head of Skills advised that inter/ external funding figures could be provided.

Resolved:

1. That the Strategic Risk Register – high Unemployment Risk report be noted.

6 **Audit and Risk Committee 2022-2023 Annual Report**

Cllr Jaspreet Jaspal presented the Audit and Risk Committee 2022-2023 Annual Report. She thanked the previous Chair, Cllr Craig Collingswood and Peter Farrow, Head of Audit for their work during 2022-2023.

Resolved:

1. That the update on the Audit and Risk Committee 2022-2023 Annual Report be noted.

7 **Internal Audit Update Report**

Ian Cotterill, Head of Internal Audit presented the Internal Audit Update Report.

The Committee were asked to note that the first quarter of the year was quiet as the audits from the previous year was carried over in line with the annual audit report, presented to the Committee in July 2023.

The Head of Internal Audit advised there were no limited assurance reports this quarter to report to the Committee.

The Committee were provided with examples of recent audits in relation to the licencing review of houses with multiple occupation, Amazon corporate account and Elections Voter ID information.

In response to a question raised by Councillor Jaspreet Jaspal regarding the Amazon corporate account. The Head of Internal Audit provided an overview of the Amazon corporate account and the arrangements involved. He advised that users that have Council P-cards can request access to the account to spend on items. He advised that a spend data review was recommended as part of the internal audit.

In response to a question raised by Mike Ager, Independent Member regarding the assurance and control of the Amazon corporate account. The Head of internal Audit advised that the review of the Amazon corporate account was around the arrangements of the governance, guidance and administration of the usage.

In response to a question raised by Councillor Paul Appleby regarding the Amazon corporate account spend. The Head of Internal Audit advised that the next part of the exercise was to get more management information to build greater intelligence regarding the spend data. The Director of Finance advised the Committee that there were no big issues identified but that the Council want to ensure the controls around the Amazon corporate account were in place.

In response to a question raised by Armstrong Ngoh, Independent Member regarding the internal audit report. The Head of Internal Audit advised that the recommendation trackers are being implemented for all leadership teams to monitor progress around their recommendations and would be provided to members moving forward, including specific follow up reviews around limited assurance reports.

Claire Nye the Director of Finance advised the Committee that she monitors the progress of all recommendations implemented within the service area. David Pattison, Chief Operating Officer advised the Committee that transparency was a critical role of internal audit.

Resolved:

1. That the Internal Audit Update Report be noted.

8 **Grant Thornton Verbal Update**

Jon Roberts, Grant Thornton presented the Grant Thornton Verbal Update.

Grant Thornton signed an unqualified audit opinion of the 2021-2022 accounts on the 22 September 2023. The Committee were advised that some amendments were made to the accounts including valuation amendments that resulted in some prior period adjustments.

The Council provided responses to concerns raised in respect of Reinforced Autoclaved Aerated Concrete (RAAC) and equal pay prior to the accounts being signed off by Grant Thornton. A contingent liability was noted and CWC officers provided Grant Thornton with assurance around the Council's vulnerability.

The Committee were advised that the audit for the 2022-2023 financial accounts had commenced. Grant Thornton has a plan to aim for completion around the end of the calendar year. The value for money work for 2022-2023 would be completed around the same timescales.

Grant Thornton requested that a meeting be scheduled for Committee around December 2023.

In response to a question raised by Councillor Philip Bateman regarding any weaknesses within the 2022-2023 accounts that members should be aware of. Grant Thornton advised that the reports with cash implications for the Council were areas for members scrutiny, such as provisions, reserves and accruals. The Committee were advised that estimates that don't have a bearing on the level of reserves, were areas for auditors and accountants to focus on and are subject to Government and FRC attention for rationalisation.

The Chief Operating Officer provided the Committee with an update on the assurance provided to auditors regarding the equal pay aspect. The Council's job

evaluation scheme ensures the Council meet the duties regarding equal pay, he confirmed that the Council was structurally sound in relation to equal pay. The Head of Internal Audit was commissioned in August 2023 to produce the management of equal pay risks report that would be presented to the Committee as part of the mid-year Annual Governance Statement in November.

In response to a question raised by Mr Armstrong Ngoh, Independent Member regarding if the assurance provided to the Committee was based on the work of internal audit or the assurance provided to Grant Thornton by City of Wolverhampton Council officers. Grant Thornton advised the assurance was based on the extra work completed by internal audit.

Claire Nye, Director of Finance advised the Committee on the Council's financial position in light of section 114 notices in other authorities. She expects more authorities to come forward with 114s due to exceptional circumstances and general pressures. The Councils in year pressures were around children's social care, temporary accommodation, and home to school transport. The Committee were assured that the Council were managing these pressures and would bring a report on the in-year position to Cabinet in November 2023. The Council were making progress toward next year's budget setting and would bring an update to Cabinet in October 2023.

Resolved:

1. That the Grant Thornton Verbal Update be noted.

9

Draft Accounts 2022 - 2023

Alison Shannon, Chief Accountant presented the Draft Accounts 2022 – 2023 report.

The Committee were advised that the update was for information only and would be brought back to Committee for approval with the External Audit Findings Report following the conclusion of the audit.

The Committee were advised that training workshop sessions would be offered to members to support the understanding of the main statements in the accounts.

The accounts are aligned to the out-turn position reported to Cabinet in July 2023 and were published on the Council's website on 22 September 2023. The audit of the accounts by Grant Thornton (the Council's external; auditors) would commence on 30 October which would be concluded by the end of the calendar year.

It was agreed that a revised version of the Draft Accounts 2022 – 2023 report would be circulated to members.

Mr Mike Ager, Independent Member thanked officers for the early presentation of the accounts report.

Resolved:

1. That the Draft Accounts 2022 – 2023 report be noted.