

# Public Document Pack

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Prif Swyddog (Llywodraethu)



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To:

Councillors: Janet Axworthy, Geoff Collett, Chris Dolphin, Andy Dunbobbin,  
Patrick Heesom, Paul Johnson and Arnold Woolley

**Co-opted Members:**

Sally Ellis and Allan Rainford

26 May 2021

Dear Sir/Madam

**NOTICE OF REMOTE MEETING**  
**GOVERNANCE AND AUDIT COMMITTEE**  
**WEDNESDAY, 2ND JUNE, 2021 at 10.00 AM**

Yours faithfully

A handwritten signature in black ink, appearing to read 'Robert Robins'.

Robert Robins  
Democratic Services Manager

Please note: This will be a remote meeting and 'attendance' will be restricted to Committee Members and those Members of Council who have asked the Head of Democratic Services for an invitation. Such attendees may only speak at the Chair's discretion.

The meeting will be live streamed onto the Council's website. A recording of the meeting will also be available, shortly after the meeting at <https://flintshire-public-i.tv/core/portal/home>

If you have any queries regarding this, please contact a member of the Democratic Services Team on 01352 702345.

## A G E N D A

### 1 APPOINTMENT OF CHAIR

**Purpose:** To appoint a Chair for the Committee.

### 2 APPOINTMENT OF VICE-CHAIR

**Purpose:** To appoint a Vice-Chair for the Committee.

### 3 APOLOGIES

**Purpose:** To receive any apologies.

### 4 DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

**Purpose:** To receive any Declarations and advise Members accordingly.

### 5 MINUTES (Pages 5 - 12)

**Purpose:** To confirm as a correct record the minutes of the Audit Committee meeting held on 24 March 2021.

### 6 CERTIFICATION OF GRANTS AND RETURNS 2019/20 (Pages 13 - 36)

Report of Corporate Finance Manager -

**Purpose:** To inform Members of the grant claim certification by Audit Wales for the year ended 31 March 2020.

### 7 ANNUAL GOVERNANCE STATEMENT 2020/21 (Pages 37 - 74)

Report of Chief Officer (Governance) -

**Purpose:** To endorse the Annual Governance Statement 2020/21 to be attached to the Statement of Accounts for adoption.

### 8 INTERNAL AUDIT ANNUAL REPORT (Pages 75 - 94)

Report of Internal Audit Manager -

**Purpose:** To inform members of the outcome of all audit work carried out during 2020/21 and to give the annual Internal Audit opinion on the standard of internal control, risk management and governance within the Council.

9 **INTERNAL AUDIT PROGRESS REPORT** (Pages 95 - 128)

Report of Internal Audit Manager -

**Purpose:** To present to the Committee an update on the progress of the Internal Audit Department.

10 **AUDIT COMMITTEE ACTION TRACKING** (Pages 129 - 132)

Report of Internal Audit Manager -

**Purpose:** To inform the Committee of the actions resulting from points raised at previous Audit Committee meetings.

11 **FORWARD WORK PROGRAMME** (Pages 133 - 140)

Report of Internal Audit Manager -

**Purpose:** To consider the Forward Work Programme of the Internal Audit Department.

***Please note that there may be a 10 minute adjournment of this meeting if it lasts longer than two hours***

## **Procedural Note on the conduct of meetings**

The Chair will open the meeting and introduce themselves.

The meeting will be attended by a number of Councillors. Officers will also be in attendance to present reports, with Democratic Services officers acting as hosts of the meeting.

All attendees are asked to ensure their mobile phones are switched off and that any background noise is kept to a minimum.

All microphones are to be kept muted during the meeting and should only be unmuted when invited to speak by the Chair. When invitees have finished speaking they should go back on mute.

To indicate to speak, Councillors will use the chat facility or use the electronic raise hand function. The chat function may also be used for questions, relevant comments and officer advice and updates.

The Chair will call the speakers, with elected Members addressed as 'Councillor' and officers addressed by their job title e.g. Chief Executive' or name. From time to time, the officer advising the Chair will explain procedural points or suggest alternative wording for proposals, to assist the Committee.

If and when a vote is taken, the Chair will explain that only those who oppose the proposal(s), or who wish to abstain will need to indicate, using the chat function. The officer advising the Chair will indicate whether the proposals are carried.

If a more formal vote is needed, this will be by roll call – where each Councillor will be asked in turn (alphabetically) how s/he wishes to vote

At County Council and Planning Committee meetings speaker's times are limited. A bell will be sounded to alert that the speaker has one minute remaining

The meeting will be live streamed onto the Council's website. A recording of the meeting will also be available, shortly after the meeting at <https://flintshire.public-i.tv/core/portal/home>

## **AUDIT COMMITTEE** **24 MARCH 2021**

Minutes of the meeting of the Audit Committee of Flintshire County Council held as a remote attendance meeting on Wednesday, 24 March 2021

### **PRESENT: Councillor Chris Dolphin (Chair)**

Councillors: Janet Axworthy, Geoff Collett, Andy Dunbobbin, Patrick Heesom, Paul Johnson and Arnold Woolley

Co-opted members: Sally Ellis and Allan Rainford

**APOLOGIES:** Mike Whiteley and Matt Edwards of Audit Wales

### **IN ATTENDANCE:**

Councillor Ian Roberts (Leader of the Council and Cabinet Member for Education), Councillor Glyn Banks (Cabinet Member for Finance), Councillor Billy Mullin (Cabinet Member for Corporate Management and Assets), Chief Executive, Chief Officer (Governance), Internal Audit Manager (for minute numbers 29 to 37), Corporate Finance Manager, Interim Technical Finance Manager, Principal Accountant, Team Leader - Democratic Services and Democratic Services Officer

Gwilym Bury and Kieran Vickery (observer) from Audit Wales

## **29. VARIATION IN ORDER OF BUSINESS**

The Chairman advised of a change in the order of business to allow the Internal Audit Manager to present agenda items 8-13. The remainder of the items would be considered in the order shown on the agenda.

## **30. DECLARATIONS OF INTEREST**

As a Board member of NEW Homes, Councillor Janet Axworthy declared a personal interest on agenda item 4 - Treasury Management Quarter 4 Update.

## **31. MINUTES**

The minutes of the meeting held on 27 January 2021 were approved, as moved by Allan Rainford and seconded by Councillor Andy Dunbobbin.

### **Matters Arising**

Minute number 22 - the Chief Officer (Governance) drew attention to the amended resolution to clarify that the legislation allowed for an elected Member to be appointed as Vice-Chair of the Committee. This had been communicated to the Committee following the meeting in January.

Minute number 23 - as suggested by Sally Ellis, it was agreed that the remaining two places on the recruitment panel for the additional lay member would

be offered to one of the existing lay members and one of the elected Members on the Committee.

**RESOLVED:**

That the minutes be approved as a correct record.

**32. REVIEW OF THE TERMS OF REFERENCE OF THE AUDIT COMMITTEE**

The Internal Audit Manager presented a report to note the change in the name of the Audit Committee to the Governance and Audit Committee, with additional functions to be reflected in the Terms of Reference. The changes would be reported to the Constitution & Democratic Services Committee prior to approval by County Council for implementation from April 2021. As reported at the previous meeting, further changes to the composition of the renamed Committee would be introduced from May 2022.

In response to a question from Sally Ellis, the Internal Audit Manager said that a timetable would be prepared in conjunction with the Forward Work Programme to ensure that the Committee was equipped with the necessary information and training to fulfil its new duties. This included the potential for joint training sessions with other councils. Clarification was also given to Allan Rainford on independent panel reports on peer assessments with other councils under the new duties.

Councillor Paul Johnson spoke about the need for the governance aspects to be included in the statutory audit training given to those serving on the Committee. This was acknowledged by the Chief Officer (Governance) who referred to engagement with other councils on consistent interpretation of the new requirements. A change to the wording in section 7.02 of the Terms of Reference was agreed for clarity.

The recommendation was moved by Councillor Janet Axworthy and seconded by Sally Ellis.

**RESOLVED:**

That the amended name of Council's Audit Committee be acknowledged and the new functions set out in the Act included within the Terms of Reference of the renamed Committee.

**33. INTERNAL AUDIT STRATEGIC PLAN**

The Internal Audit Manager presented the three year Internal Audit Strategic Plan for 2021-2024 which had been developed using assurance mapping, results of previous audit work, new and emerging risks and consultation with senior officers and Audit Wales. Whilst all high priority and annual reviews included would be undertaken within 2021/22, medium priority audits would be subject to regular review with portfolio holders. Any work in responding to

emerging issues or relating to the emergency situation would take priority over medium priority reviews.

The Chief Executive welcomed the Plan which was comprehensive. Although some work could potentially be delayed due to capacity issues, it was expected that the Plan should be delivered generally on track within year.

The Chief Officer (Governance) reflected on the value of the Internal Audit service within the organisation and advised that some audits relating to current matters had been prioritised.

When asked by Sally Ellis, the Internal Audit Manager confirmed that lower resource levels this year had been factored into the Plan and that some medium priority reviews would provide more balance and flexibility given the uncertainty of the emergency situation. She also provided details on various work-streams on anti-fraud initiatives.

The Chief Executive reiterated the ongoing commitment that resources in Internal Audit would not be reduced at any point without the agreement of the Committee.

The recommendations were moved and seconded by Councillors Paul Johnson and Geoff Collett.

**RESOLVED:**

That having considered the areas covered, including those prioritised for the first year, and the level of audit resources, the Committee approves the Flintshire Internal Audit Strategic Plan for 2021-2024.

**34. PUBLIC SECTOR INTERNAL AUDIT STANDARDS**

The Internal Audit Manager presented the results of the annual assessment of conformance with the Public Sector Internal Audit Standards (PSIAS). The outcome of the internal self-assessment for 2020/21 and the external assessment undertaken for 2016/17 demonstrated that the Council continued to comply with the standards in all significant areas and operated independently and objectively. The report also included progress on actions to address elements of partial conformance and one of non-conformance.

Councillor Paul Johnson's proposal that the report and its findings be accepted was seconded by Councillor Janet Axworthy.

**RESOLVED:**

That the Committee accepts the report and its findings on the self-assessment.

### **35. INTERNAL AUDIT PROGRESS REPORT**

The Internal Audit Manager presented the regular report showing progress against the Plan, final reports issued, action tracking, performance indicators and current investigations.

Since the last report, there were no Red (limited assurance) reports and only one Amber Red (some assurance) report on the review of Continuing Health Care. It was noted that the total number of overdue actions had reduced since publication of the report.

Sally Ellis raised concerns about the number of long overdue actions particularly those marked high priority. In recognising the various reasons that could lead to delays, the Internal Audit Manager agreed to liaise with the respective managers so that the Committee could be provided with an updated position on the status of high priority overdue actions.

The Chief Executive said that he and the Chief Officer (Governance) and Internal Audit Manager would liaise with the Chief Officer Team on the review of outstanding actions of high importance to give assurance and clarity to the Committee. On the actions from the Continuing Health Care review, he said that the matter had been escalated at regional level and had been raised directly with the Health Board. The Chief Officer (Governance) noted that as this was a funding issue, progress would be monitored by the Corporate Resources Overview & Scrutiny Committee under its forward work programme in the new municipal year.

In response to a question from Councillor Paul Johnson, the Internal Audit Manager provided clarification on the review of the Pest Control service.

Following concerns raised by Allan Rainford about the process for overdue actions, the Internal Audit Manager gave assurance of engagement with those services to extend deadlines to assist with closing actions.

The recommendation was moved and seconded by Councillors Paul Johnson and Geoff Collett.

#### **RESOLVED:**

That the report be accepted.

### **36. ACTION TRACKING**

The Internal Audit Manager presented an update on actions arising from previous meetings, and advised that the workshop on the Annual Governance Statement would take place on the afternoon of 21 April 2021.

The recommendation was moved and seconded by Councillors Paul Johnson and Geoff Collett.



**RESOLVED:**

That the Committee notes the report and welcomes the progress made.

**37. FORWARD WORK PROGRAMME**

The Internal Audit Manager presented the current Forward Work Programme for consideration, including movements since the last report. Items scheduled would be reviewed to take account of the additional responsibilities arising from the legislative changes.

The recommendations in the report were moved and seconded by Councillors Janet Axworthy and Paul Johnson.

**RESOLVED:**

- (a) That the Forward Work Programme be accepted; and
- (b) That the Internal Audit Manager, in consultation with the Chair and Vice-Chair of the Committee, be authorised to vary the Forward Work Programme between meetings, as the need arises.

**38. QUARTER 4 TREASURY MANAGEMENT UPDATE 2020/21**

The Interim Technical Finance Manager presented the quarterly update on matters relating to the Council's Treasury Management Policy, Strategy and Practices to the end of February 2021. The Council's position on investments and long and short term borrowing was reported, together with an update on the economic context and interest rate forecast.

Allan Rainford raised a number of points on the investment and short-term borrowing portfolios. The Interim Technical Finance Manager explained that the use of Money Market Funds (MMF) helped to diversify investments within the scope of the strategy, and that investments were managed daily to maximise the position and to plan ahead.

In response to a question from Sally Ellis, it was explained that use of MMFs met the Council's prudent approach to investments - particularly during the emergency situation - to manage risk and return.

On the format of the appendices, Councillor Paul Johnson suggested that the investment portfolio include the total from the previous year for comparison and that the short-term borrowing portfolio be listed in order of start date to see the pattern of borrowing throughout the period. In response to a further question, there was no significant impact on cashflow arising from the emergency situation.

As Cabinet Member for Finance, Councillor Glyn Banks welcomed the findings of the report.

The Chief Officer (Governance) suggested that officers consider the comments made by Councillor Johnson to identify a more accessible way to present the information.

This was agreed by the Corporate Finance Manager who said that similar enhancements could be reflected in the outturn report due later in the year.

On that basis, the recommendation was moved by Councillor Paul Johnson and seconded by Sally Ellis.

**RESOLVED:**

- (a) That the Treasury Management 2020/21 quarterly update be endorsed; and
- (b) That officers investigate options on how best to present the data in future reports.

**39. RISK MANAGEMENT UPDATE**

The Chief Executive introduced the report to endorse the Risk Escalation Protocol as part of the updated risk management framework considered in November 2020.

The protocol set out the expectations for escalating significant risk where it could not be mitigated or its rating managed/lowered. Whilst this covered operational risks, risk registers were also maintained for key projects, and risk content was built into key committee reports to aid decision-making. The systematic approach adopted during the emergency situation - recognised by the Committee, Members and Audit Wales - would continue when normal operational arrangements resumed and would be validated by Internal Audit work.

The recommendation was moved by Councillor Janet Axworthy and seconded by Sally Ellis.

**RESOLVED:**

That the escalation protocol be endorsed.

**40. AUDIT WALES - AUDIT PLAN 2021**

The Chief Executive introduced the Audit Wales (AW) Audit Plan for 2021 which set out the arrangements and responsibilities for proposed audit work for the Council during the year with timescales, costs and the audit teams responsible for carrying out the work.

The Corporate Finance Manager confirmed his support for the content of the Audit Plan on which officers had been consulted.

In presenting the report, Gwilym Bury of AW drew attention to the initial timetable given for the completion of the audit work which could potentially be

affected by the emergency situation. Audit fees for accounts and performance audit work remained unchanged from last year, with the proposed fee for grant certification work dependant on the degree of audit required.

In response to a question from Allan Rainford, Gwilym Bury advised that AW work on financial resilience under the 2021/21 Audit Plan was due to commence and that the findings for Flintshire would be reported later in the year.

The Chief Executive explained that the reports would also be shared with the Committee and the findings built into financial planning. He said that the Council's financial strategy would largely remain the same to protect services and to continue the case for improved Settlements from Welsh Government.

Following a query by Councillor Paul Johnson, Gwilym Bury provided background on the need for councils to comply with sustainable development principles as set out in legislation.

The recommendation was moved by Councillor Geoff Collett and seconded by Sally Ellis.

**RESOLVED:**

That the Audit Wales Plan be noted.

**41. EXTERNAL REGULATION ASSURANCE**

The Chief Executive presented the summary report to give assurance that reports from external regulators and inspectors in 2019/20 had been considered in accordance with the agreed internal reporting protocol and actions taken in response to recommendations.

Whilst there was no requirement for a local response to national studies, the Council's approach to respond and build into local work was regarded as good practice. The reporting protocol appended to the report set out arrangements for responses to bespoke local work to be scrutinised and to provide assurance on governance aspects.

Gwilym Bury said that all reports had been covered in the Annual Audit Summary considered at the previous meeting.

Sally Ellis sought assurance that arrangements were in place to monitor progress on actions arising from the reports, as this was not always clear. The Chief Executive spoke of accountability by the relevant Chief Officer and Cabinet Member. Whilst the Council reported formally on local reports, there was no requirement to do so for national reports, however Overview & Scrutiny Committees were able to put items of interest on their forward work programmes. The Chief Executive said that the report would be shared with Overview & Scrutiny Chairs and Vice-Chairs to highlight any areas of interest for report forward-planning.

The Chief Officer (Governance) said that the annual liaison meeting with Overview & Scrutiny Chairs - which had been delayed during the emergency situation - would be re-arranged as this was a useful mechanism for raising awareness of topics of interest.

The recommendation was moved and seconded by Councillors Andy Dunbobbin and Paul Johnson.

**RESOLVED:**

That the Committee is assured by the Council's response to external regulatory reports.

**42. ATTENDANCE BY MEMBERS OF THE PRESS**

There were no members of the press in attendance.

The meeting commenced at 10am and finished at 11.45am

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**Chairman**



## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday 2 <sup>nd</sup> June 2021
<b>Report Subject</b>	Certification of grants and returns 2019/20
<b>Report Author</b>	Corporate Finance Manager

### EXECUTIVE SUMMARY

The Council's external auditors, Audit Wales are required to report annually on the certification of grant claims and returns and the annual report for 2019/20 is appended to this report. The number of grant claims certified has reduced significantly this year due to the Welsh Government no longer requiring certification of a number of its grant funded schemes.

The Finance Management Team and the services concerned have considered the report in detail and have addressed the specific findings contained in the report as required.

A number of recommendations have been made and all agreed management actions in response to the recommendations are in progress.

In relation to the overall grants total of £106.6m, the net adjustment to claims was a relatively small increase in the amount receivable to the Council of £133.

As a result of the reduced number of grants Internal Audit were asked to undertake a review of a sample of the remaining grants to provide additional assurance that adequate controls were in place and to help ensure that expenditure was being incurred in line with the relevant terms and conditions. Two grants were identified for review 1) Concessionary Fares (Revenue) and 21<sup>st</sup> Century Schools (Capital).

The conclusions from Internal Audit provide additional assurance that relevant controls and procedures are in place for grant management activity and are included in the report.

### RECOMMENDATIONS

1	Members are requested to note the content of the Grant Claim Certification report for 2019/20 and the Internal Audit Review of Grants 2019/20.
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## REPORT DETAILS

1.00	EXPLAINING THE GRANT CERTIFICATION REPORT 2019/20
1.01	The Councils external auditors, Audit Wales are required to report annually on the certification of grant claims and returns and the annual report for 2019/20 is appended to this report. The number of grant claims certified has reduced significantly this year due to the Welsh Government no longer requiring certification of a number of its grant funded schemes.
1.02	The Finance Management Team and the services concerned have considered the report in detail and have addressed the specific findings in the report as required.
1.03	In relation to the overall grants total of £106.6m, the net adjustment to claims was a relatively small increase in the amount receivable to the Council of £133.
1.04	As in previous years Officers will continue to work alongside Audit Wales to further improve the quality of the claims and to address specific issues as they arise.
1.05	Recommendations made by Audit Wales have been considered by Officers and responses on action to be taken are noted within the report and are in progress.
1.06	As a result of the reduced number of grants Internal Audit were asked to undertake a review of a sample of grants to provide additional assurance that adequate controls were in place and to help ensure that expenditure was being incurred in line with the relevant terms and conditions. Two grants were identified for review 1) Concessionary Fares (Revenue) and 21 <sup>st</sup> Century Schools (Capital).
1.07	<p>The overall conclusions arising from the Internal Audit review were:</p> <ol style="list-style-type: none"><li>1) The expenditure submitted as part of the quarterly claims for the Concessionary Travel and 21<sup>st</sup> Century Schools grants, as well as the annual return for 21<sup>st</sup> Century Schools is verifiable and accurate.</li><li>2) Signed Award of Funding letters were available for both grants tested to advise the value of the award and stipulate the Terms and Conditions of the grant.</li><li>3) All required quarterly claims and the annual return for 21<sup>st</sup> Century Schools have been submitted in line with the respective grants' terms and conditions.</li><li>4) Some delays have been identified in the submission of the quarterly claims for the Concessionary Travel Grant. Additionally, some of the quarterly claims have not been certified or signed at the required level prior to submission to Welsh Government.</li></ol>

	The figures stipulated in both claims have been verified. A number of transactions were chosen as part of a sample test for grant spend. Internal audit have been able to confirm the grant spend for the concessionary travel and the 21st Century Schools is in line with the conditions of the grant.
1.08	The conclusions from Internal Audit provide additional assurance that relevant controls and procedures are in place for grant management activity. Additional checks have been put in place with regards to certification at the appropriate level.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	As set out in the report

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	The report has been shared with staff with responsibility with dealing with grants.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	As set out in the report

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 – Certification of Grants and Returns 2019-20, Audit Wales report

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<b>Contact Officer:</b> Gary Ferguson – Corporate Finance Manager <b>Telephone:</b> 01352 702271 <b>E-mail:</b> <a href="mailto:gary.ferguson@flintshire.gov.uk">gary.ferguson@flintshire.gov.uk</a>

7.00	GLOSSARY OF TERMS
	<p><b>Grant:</b> The annual external audit of the Council's Statement of Accounts.</p> <p><b>Financial Year:</b> a financial assistance mechanism providing money, property, or both to an eligible entity to carry out an approved project or activity.</p> <p><b>Certification:</b> A statement, signed by an applicant or grantee as a prerequisite for receiving funds, that it (1) meets or will adhere to certain conditions and/or (2) will undertake or not undertake certain actions.</p> <p><b>Audit Wales:</b> works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p><b>Grant Completion Checklist:</b> a template produced to determine the evidence and information required to be prepared to support a grant claim submission.</p> <p><b>Revenue:</b> a term used to describe the day to day costs of running the Council services and income derived from those services. It also includes charges for the repayment of debt, including interest, and may include direct funding of capital expenditure.</p> <p><b>Budget:</b> a statement expressing the Councils policies and service levels in financial terms for a particular financial year. In its broadest sense it includes both the revenue budget and capital programme and any authorised amendments to them.</p>



## Certification of Grants and Returns 2019-20 – Flintshire County Council

Audit year: 2019-20

Date issued: May 2021

Document reference: 2313A2021-22

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at [infoofficer@audit.wales](mailto:infoofficer@audit.wales).

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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## Summary of certification work outcomes

- 1 Under Paragraph 20 of Schedule 8 to the Government of Wales Act 2006 the Auditor General shall, if required by a local government or other grant-receiving body, make arrangements for certifying claims and returns (referred to as grant claims, hereafter).
- 2 We undertook our work with the aim of certifying individual claims and to answer the question:  
'Does Flintshire County Council (the Authority) have adequate arrangements in place to ensure the production of co-ordinated, accurate, timely and properly documented grant claims?'
- 3 We have completed the audit and conclude that while the Authority had generally adequate arrangements in place for the production and submission of its 2019-20 grant claims, there is scope for improvement. We are continuing to work with the Authority to make these improvements for 2020-21.
- 4 For 2019-20, we certified three grant claims totalling a grant value of £106.6 million. The number of grant claims certified reduced significantly due to the Welsh Government no longer requiring certification of a number of its grant funded schemes.
- 5 The COVID-19 pandemic also impacted on the timely submission of claims and returns to us as only the Housing Benefit Subsidy claim was shared with us by the due date.
- 6 We would like to acknowledge the assistance and co-operation received from officers during the audit.

## Exhibit 1:

<b>Introduction and background</b>	<p><b>This report summarises the results of work on the certification of the Authority's 2019-20 grant claims and returns</b></p> <ul style="list-style-type: none"> <li>• As appointed auditors of the Authority, we are asked on behalf of the Auditor General to certify grant claims made by the Authority.</li> <li>• For 2019-20, we certified three grants and returns with a total value of £106.6 million.</li> <li>• We have produced this report so that we can provide feedback collectively to those officers having the responsibility for grant management so that we can work together to identify further improvements which can be made to improve the processes.</li> </ul>
<b>Timely receipt of claims and returns</b>	<p><b>Pressures faced by services due to the pandemic impacted on the timely production of claims and returns</b></p> <ul style="list-style-type: none"> <li>• Our analysis shows that one out of the three claims were received by the Authority's deadline. We can confirm that none of the delays caused audit adjustments to claims.</li> <li>• The grant co-ordinator should ensure that all grant claims are submitted by the deadlines and, importantly, that replies to audit queries are typically provided within no more than two working days.</li> </ul>
<b>Certification results</b>	<p><b>All three grants and returns were qualified</b></p> <ul style="list-style-type: none"> <li>• The reasons for qualifying the grants are detailed on pages 7 to 11 of this report.</li> </ul>
<b>Audit adjustments</b>	<p><b>Adjustments were necessary to all grants as a result of our auditor certification work this year.</b></p> <ul style="list-style-type: none"> <li>• There was no significant adjustment (ie, over £10,000). An adjustment of £133 was made on the Housing Benefit Subsidy Return and minor amendments to the Non-Domestic Rates Return and Teachers' Pensions Return.</li> </ul>

<b>The Authority's arrangements</b>	<b>The Authority has adequate arrangements for preparing its grants and supporting our certification work, but some improvements are required as detailed on pages 7 to 11 of this report.</b>
<b>Fees</b>	<b>Our overall fee for certification of grants and returns for 2019-20 is £36,173 which was below our original estimate of £40,000 to £45,000.</b>

- 8 Detailed on the following page is a summary of the key outcomes from our certification work on the Authority's 2019-20 grants and returns, showing where either audit amendments were made as a result of our work or where we had to qualify our audit certificate.

9 A qualification means that issues were identified concerning the Authority’s compliance with a scheme’s requirements that could not be resolved through adjustment. In these circumstances, it is likely that the relevant grant-paying body will require further information from the Authority to satisfy itself that the full amounts of grant claimed are appropriate.

**Exhibit 2:**

Grants and returns	Claim due	Claim received	Late	Qualified certificate	Adjustment (>£10,000)	Adjustment (<£10,000)
Housing Benefit and Authority Tax Subsidy	30.04	14.04	No	Yes	No	£133
Non-Domestic Rates Return	31.05	05.06	Yes	Yes	No	Yes*
Teachers’ Pensions	31.05	22.06	Yes	Yes	No	£0*
Total				3	£133	£0*

\* Amendment required to claim form as not properly completed, however, there was no financial impact on the return.

10 This table summarises the key issues behind each of the adjustments or qualifications.

**Exhibit 3: summary of key issues behind each of the adjustments or qualifications**

Ref	Summary observations	Amendment
1	<p><b>Housing Benefit and Authority Tax Subsidy</b></p> <ul style="list-style-type: none"> <li>• <b>Non-HRA rent rebates:</b> <ul style="list-style-type: none"> <li>– current year overpayment misclassification – our testing identified three cases (one of which also had an incorrect start date, see below) where overpayments had been incorrectly classified as eligible overpayments;</li> <li>– incorrect overpayment start date – testing identified one case where a technical overpayment was started from the incorrect date;</li> <li>– prior-year overpayment misclassification – we identified one case where an overpayment had been incorrectly classified as eligible overpayments;</li> <li>– incorrect start date – our testing identified one case which had been started from the incorrect date;</li> <li>– occupational pension income – testing identified one case where the amount of occupational pension included on the claim was incorrect, which resulted in an overpayment of benefit; and</li> <li>– a further two claims were unable to be fully reconciled due to Civica system issues identified, which were referred to the software provider for investigation.</li> </ul> </li> <li>• <b>HRA Rent Rebates:</b> <ul style="list-style-type: none"> <li>– incorrect non-dependent deduction - we identified one case where the income for a non-dependant had been incorrectly calculated.</li> <li>– testing identified one case where an overpayment had been incorrectly classified as eligible. This was an issue identified in previous years' qualification letters.</li> </ul> </li> </ul>	<p>Our qualification letter to the Department for Work and Pensions (DWP) reported extrapolated errors totalling £22,127. The claim was not amended for this extrapolated error in accordance with DWP guidance.</p> <p>The Department is currently considering our findings and is proceeding to decide on the potential recovery of any overpaid subsidy.</p>



Ref	Summary observations	Amendment
1	<p><b>Housing Benefit and Authority Tax Subsidy</b></p> <ul style="list-style-type: none"> <li>• <b>Rent Allowances:</b> <ul style="list-style-type: none"> <li>– overpayment classification – testing identified one case where an overpayment had been incorrectly classified as eligible.</li> <li>– incorrect amount of Employment &amp; Support Allowance [ESA] contribution-based income and incorrect tariff income – testing identified one case where the amount of ESA (contribution-based) income included was incorrect. Testing also identified that the tariff income included was incorrect.</li> <li>– incorrect Earned income – our testing identified one case where the amount of earned income included was incorrect.</li> <li>– under occupancy error – we identified one case where an under-occupancy charge was incorrectly excluded from the claim.</li> </ul> </li> <li>• <b>Modified scheme subsidy:</b> <ul style="list-style-type: none"> <li>– testing of a sample of six modified scheme cases identified three cases where supporting documentation to demonstrate that claimants were in receipt of war pension income was no longer retained by the Authority. We understand this was removed due to the application of the Authority's GDPR document retention policy.</li> </ul> </li> </ul> <p>The claim was amended as our audit identified errors that affected a number of cells within the return. The net effect of these amendments was to increase the amount receivable by the Authority by £133.</p>	<p>Our qualification letter to the Department for Work and Pensions (DWP) reported extrapolated errors totalling £22,127.</p> <p>The Department is currently considering our findings and is proceeding to decide on the potential recovery of any overpaid subsidy.</p>

Ref	Summary observations	Amendment
2	<p><b>Non-Domestic Rates Return:</b></p> <ul style="list-style-type: none"> <li>• minor amendments were required to the form to include a date and a zero instead of a blank cell, ensuring it was completed in accordance with instructions.</li> <li>• the Non-Domestic Rates Final Contributions Return was qualified as testing of Empty Property relief identified one instance where the Authority relied on certification from the landlord that the property was empty. No evidence of any checks being undertaken by the Authority to verify the accuracy of the landlord certification was provided.</li> <li>• contributions to the Pool in Line 27 of the NDR3 form of £60,505,312 was £198 less than shown in the Authority's general ledger.</li> <li>• testing of transitional relief in Line 4 of the return identified one case where the relief tested should have been classified as Empty Property relief in Line 12 of the claim. We understand this to be the result of Civica system issue causing the relief to be misclassified.</li> </ul>	<p>£0</p> <p>The amendments had no overall effect on entitlement.</p> <p>The matter on Empty Property relief was reported to the Welsh Government as required by the certification instruction.</p>

Ref	Summary observations	Amendment
3	<p><b>Teachers' Pensions Return:</b></p> <ul style="list-style-type: none"> <li>the Council prepared an amended return as the version originally submitted to us for certification contained arithmetical errors.</li> <li>testing of a sample of contributions teachers paid by the Council identified that one individual had paid their Employee Teachers' Pension contribution at the incorrect tier based on the salary paid. We reported similar findings in in 2018-19.</li> <li>the Monthly Breakdown Contribution forms sent to Teachers' Pension for the months of July and August 2019 were incorrect. Whilst the analysis on the submitted forms was incorrect, the total contributory salaries remained unchanged and the amount of contributions paid over to Teachers' Pensions was correct.</li> <li>our testing identified variances when comparing the breakdown of contributions for each tier in Section 3 of the return, to the expected contributions using the percentage rate of the contributory salary.</li> </ul>	<p>£0</p> <p>The amendments had no overall effect on entitlement.</p> <p>The matters were reported to Teachers' Pensions as required by the certification instruction.</p>
	<b>Total effect of amendments to the Authority</b>	<b>£133</b>

## Recommendations

11 We have given each recommendation a risk rating and agreed what action management will need to take. We will follow up these recommendations during next year's audit.

### Exhibit 4:

Priority 1	Priority 2	Priority 3
Issues that are fundamental and material to your overall arrangements for managing grants and returns or compliance with scheme requirements. We believe that these issues might mean that you do not meet a grant scheme requirement or reduce (mitigate) a risk.	Issues that have an important effect on your arrangements for managing grants and returns or complying with scheme requirements, but do not need immediate action. You may still meet scheme requirements in full or in part or reduce (mitigate) a risk adequately but the weakness remains in the system.	Issues that would, if corrected, improve your arrangements for managing grants and returns or compliance with scheme requirements in general, but are not vital to the overall system. These are generally issues of best practice that we feel would benefit you if you introduced them.

Exhibit 5:

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
<p>Errors in housing subsidy claim, including:</p> <ul style="list-style-type: none"> <li>• housing subsidy overpayments misclassified;</li> <li>• incorrect start date applied;</li> <li>• income for non-dependant deductions incorrectly applied;</li> <li>• instances identified where earned income, ESA (contributions based) income and tariff income found to be incorrect; and</li> <li>• under-occupancy charge incorrectly excluded from the claim.</li> </ul>	<p>Claims may be qualified.</p>	<p>R1 Review the existing quality assurance arrangements for housing benefit overpayments, awards and deductions to determine whether they can be strengthened to reduce the number of errors in the housing subsidy claim.</p>	<p>1</p>	<p>HB quality assurance is currently being planned for 21/22. We aim to strengthen the areas identified by targeted testing and coaching/training for any issues identified.</p>	<p>Ben Steventon and Anna Friend Ongoing through 2021/22</p>

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
Housing benefit system issues resulting in the benefit awarded not being to be fully reconciled.	Claims may be qualified.	R2 Continue to engage with the Authority's software supplier (Civica) to resolve all issues and correct affected claims as appropriate to ensure they fully reconcile to the system.	1	System issues remain outside the control of the LA. The agreed protocol is to flag issues with software provider for investigation. These invariably take time to be investigated/resolved.	Systems Team Ben Steventon Robyn Turp, Ellen Lovelock  Issues reported as identified.
Documentation demonstrating modified scheme subsidy claimants were in receipt of war pension income was no longer retained by the Authority.	Insufficient supporting documentation leading to claim being qualified.	R3 Review the policy for retaining documentation in support of those in receipt of war pension income.	2	-	Ben Steventon and Anna Friend  Target date of before March 2021.

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
Contributions to the pool not fully reconciled to the Authority's financial ledger.	Any variance in contribution may need to be recovered by the Welsh Government.	R4 Fully reconcile contributions to pool to the financial ledger prior to submission to the Welsh Government.	1	We accept that the final contributions to the pool do not always fully reconcile to the ledger, but the differences are usually very marginal and certainly within the tolerance acceptable to WG when the overall value of the return (circa £60.5m) is considered.	-
No evidence of any checks being undertaken by the Council to verify the accuracy of the landlord certification for Empty Property relief.	Empty property relief awarded in error.	R5 Undertake checks of empty property relief to verify the accuracy of landlord certification.	1	We have discussed the issue with Audit Wales and Welsh Government and we do not accept the audit recommendation on this occasion. Based on audit testing guidelines, we note the need to provide a certification to Welsh Government (WG), but following the audit certification, WG accept our decisions. In respect of the one case that was identified during audit testing, the Council acted on credible source documentation from the landlord, who certified in writing that the property is empty. It is reasonable for the Council to act on this information and a copy is held on file. We had no reason to doubt the validity of the landlords declaration and acting	-

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
				<p>on these updates is not unusual. Our decision to amend the NDR liability was in line with our standard operating procedures, which are aligned to the same procedures adopted by all LA's across Wales.</p> <p>The Council continues to have a robust property inspection procedure in place for NDR empty properties and we maintain a property inspection service where it is necessary to inspect. Ad-hoc property inspections are carried out where we have concerns about the validity of a claim that a property might not be empty, despite the landlord/owners written declaration.</p> <p>In any event, empty properties only attract short periods of exemption of either 3 or 6 months. The taxation system therefore provides relevant opportunities and incentives for landlords to provide relevant updates or changes which may impact on their NDR liabilities. After the short period of exemption full rate liability applies to the ratepayer, landlord or owner, as was the case for the single case identified during testing.</p>	



Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
Misclassification of transitional relief as empty property relief.	Misclassification of reliefs could impact on contributions to the pool.	R6 Review reliefs to ensure they are correctly classified.	2	The minor misclassification resulted in one figure being recorded in one line as opposed to another. It did not result in any material or financial adjustment to the overall claim. Notwithstanding this, we accept the effects that misclassifications could have on accuracy of claims. Enhanced checks will therefore be undertaken to ensure all financial data is captured in the correct data cells.	David Barnes, Revenues Manager  30 April 2021
Teachers' pension contributions deducted at the incorrect rate.	Teachers' pension records may be inaccurate if not resolved, which could result in an incorrect pension being paid on retirement.	R7 Engage with the Authority's payroll software supplier (Midland) to determine the cause of the errors to help avoid similar errors reoccurring.	1	Issue with the calculation has been raised and a proposed resolution is currently being tested	Paul Jones, Team Leader (Payroll and Systems)  October 2021

Issue	Implication	Recommendation	Priority	Comment	Responsible officer and target date
<p>Incorrect figures for contributory salaries and teachers' contributions between the tiers were included in the July and August 2019 Monthly Breakdown Contributions submitted to Teachers' Pensions.</p>	<p>Inaccurate contributions between the tiers shared with teachers' pensions if not resolved.</p>	<p>R8 Review Monthly Breakdown Contributions submitted to Teachers' Pensions for accuracy prior to submission.</p>	<p>3</p>	<p>Guidance document to be updated to ensure the accuracy of values being reported to Teachers' Pensions. The variables table noted in R9 will assist with this check.</p>	<p>Paul Jones, Team Leader (Payroll and Systems)</p> <p>October 2021</p>
<p>Variations identified when comparing the breakdown of contributions for each tier in Section 3 of the EOYC to the expected contributions using the percentage rate of the contributory salary.</p>	<p>Teachers' pension records may be inaccurate if not resolved, which could result in inaccurate information being submitted to Teachers' Pensions.</p>	<p>R9 Fully reconcile contributions for each tier in Section 3 of the EOYC to the expected contributions.</p>	<p>3</p>	<p>Guidance document to be updated to ensure that any variations are resolved, if possible, prior to information, for the period, being passed to Teachers' Pension.</p>	<p>Paul Jones, Team Leader (Payroll and Systems)</p> <p>October 2021</p>



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Rydym yn croesawu gohebiaeth a  
galwadau ffôn yn Gymraeg a Saesneg.





## GOVERNANCE & AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 2 June 2021
<b>Report Subject</b>	Annual Governance Statement 2020/21
<b>Report Author</b>	Chief Officer (Governance)

### EXECUTIVE SUMMARY

Each financial year the Council is required to produce an Annual Governance Statement (AGS) as part of its final accounts. The AGS explains how the Council has complied with its Code of Corporate Governance, in securing good governance and managing its risks.

The Chartered Institute of Public Finance and Accountancy (CIPFA) and the Society of Local Authority Chief Executives (SOLACE) issue detailed guidance note on the preparation and contents of an AGS – 'Delivering Good Governance in Local Government: Guidance notes for Welsh authorities' (December 2016). The AGS is based on the seven core principles of governance from that guidance note. It is good practice for the AGS to be presented separately from the final accounts to enable it to be given more detailed consideration.

Members had expressed their concern that in previous years the document originally produced was insufficiently accessible and lacked Member input. By contrast this Annual Governance Statement has been prepared following a workshop with members of the Governance & Audit Committee, which has resulted in the document being made shorter and the language simpler.

The Member workshop also resulted in a recommendation that for future Annual Governance Statements, every Committee Chair should be invited to contribute their views on governance. For the current year, views had only been sought from the five Overview & Scrutiny Chairs, as had been the practice for several years.

### RECOMMENDATIONS

1	That the Committee review the Annual Governance Statement 2020/21 to be attached to the Statement of Accounts and recommended to Council for adoption.
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2	That the Committee notes that for the next Annual Governance statement, views on governance will be sought from all Committee Chairs.
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## **REPORT DETAILS**

<b>1.00</b>	<b>EXPLAINING THE ANNUAL GOVERNANCE STATEMENT</b>
1.01	Under the Accounts and Audit (Wales) Regulations 2018 each local authority must ensure it has a sound system of internal control to ensure good governance and manage risks. Each year they must conduct a review of the effectiveness of the system and prepare an Annual Governance Statement (AGS). The review must be considered and the AGS approved by a Committee or Full Council.
1.02	The AGS accompanies the financial statements but is not part of them. As such it is not part of the statement on which the external auditors' opinion is given. However, the auditors review the governance statement to confirm it is consistent with the audited financial statements and other information of which they are aware.
1.03	The preparation of the AGS has been coordinated by the Corporate Governance Working Group (CGWG) which has reported to the Chief Executive, the Monitoring Officer and the Section 151 Officer on its work.
1.04	<p>The working group continued this year with the new format of the report - keeping it aligned to the revised seven core CIPFA/SOLACE principles. These are as follows:</p> <ul style="list-style-type: none"> <li>• Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law;</li> <li>• Principle B - Ensuring openness and comprehensive stakeholder engagement;</li> <li>• Principle C - Defining outcomes in terms of sustainable economic, social and environmental benefits;</li> <li>• Principle D- Determining the interventions necessary to optimise the achievement of the intended outcomes;</li> <li>• Principle E - Developing the entity's capacity, including the capability of its leadership and the individuals within it;</li> <li>• Principle F - Managing risks and performance through robust internal control and strong public financial management;</li> <li>• Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability.</li> </ul>
1.05	It is this set of principles on which the assessment questionnaires and the resultant final draft governance statement is based. With regard to Principle E, Members asked that the term 'entity' not be used. In the text, it has been changed to 'organisation'.

1.06	<p>The process has been:</p> <ul style="list-style-type: none"> <li>i) Self-assessment questionnaire reviewed by Corporate Governance Working Group members, with challenge provided by statutory officers;</li> <li>ii) Overview and Scrutiny Committee Chair's questionnaires;</li> <li>iii) Outstanding 'red' (major) risks contained within the Council Plan 2019/20 end of year report;</li> <li>iv) The Governance &amp; Audit Committee Member Challenge session held on 11<sup>th</sup> May;</li> <li>v) Red / limited assurance Internal Audit reports issued during the year. The areas for improvement identified as part of the self-assessment all fall in the categories where there is either a need to improve further or there has been an increase in the significance of the respective risk issue.</li> </ul>
1.07	<p>A commitment had previously been given to involve Members of what was then the Audit Committee in the preparation of the AGS. The 2020 lockdown at the start of the Covid pandemic militated against this happening for the 2019/20 AGS. At the November meeting of the Committee, five Members volunteered to participate in the Challenge Session.</p>
1.08	<p>The format of the Annual Governance Statement was discussed during the Governance &amp; Audit Committee Member challenge session, which has resulted in the document being made shorter and the language simpler. Members had expressed their concern that the document originally produced was insufficiently accessible</p>
1.09	<p>It was also agreed that for future years:</p> <ul style="list-style-type: none"> <li>• all Members of the Governance &amp; Audit Committee should be involved in the AGS Challenge session;</li> <li>• All Committee Chairs be requested to complete an Annual Governance Statement questionnaire, rather than this being confined to Overview &amp; Scrutiny Chairs.</li> </ul>
1.10	<p>Progress against mitigating actions against governance issues identified in the Annual Governance Statement last year has also been included. Where actions have been closed this has been noted within the document.</p>
1.11	<p>The Governance &amp; Audit Committee will receive a mid-year report on progress against the areas for improvement.</p>
1.12	<p>To shorten and simplify the Annual Governance Statement, it has been divided into two parts: a framework document, which explains the process and the AGS for 2020/21 itself.</p>
<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	<p>There are no direct resource implications related to this report.</p>

<b>3.00</b>	<b>RISK MANAGEMENT</b>
3.01	The Annual Governance Statement lists all the significant governance issues arising from the self-assessment along with any outstanding 'red' (major) risks contained within the Council Plan end of year report. The Statement also describes actions taken against the governance issues reported in last year's Annual Governance Statement.

<b>4.00</b>	<b>CONSULTATIONS REQUIRED/CARRIED OUT</b>
4.01	The Annual Governance Statement has been produced using information from all Statutory and Chief Officers, Service Managers, Chairs of all Overview and Scrutiny Committees and those Members of the Governance & Audit Committee who took part in the challenge session.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix 1 - 2020/21 Annual Governance Statement Part 1 Appendix 2 - 2020/21 Annual Governance Statement Part 2

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	1. Report of the Chief Executive to the Audit Committee, 23 <sup>rd</sup> July 2020 and resultant minute. 2. Report of the Chief Officer (Governance) to the Audit Committee, 18 <sup>th</sup> November 2020 and resultant minute.

<b>7.00</b>	<b>CONTACT OFFICER DETAILS</b>
7.01	<p><b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager  <b>Telephone:</b> 01352 702231  <b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a></p> <p><b>Contact Officer:</b> Robert Robins, Head of Democratic Services  <b>Telephone:</b> (01352) 702320  <b>E-mail:</b> <a href="mailto:robert.robins@flintshire.gov.uk">robert.robins@flintshire.gov.uk</a></p>

<b>8.00</b>	<b>GLOSSARY OF TERMS</b>
8.01	<b>Corporate Governance:</b> the system by which Local Authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.



**Risk Management:** the process of identifying risks, evaluating their potential consequences and managing them. The aim is to reduce the frequency or likelihood of risk events occurring (wherever this is possible) and minimise the consequences if they occur. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.

**Financial Accounts / Statements:** The Council's annual finance report providing details of the Council's financial performance and position at the end of the financial year. The format is prescribed to enable external comparison with other public and private entities.

**Wales Audit Office:** works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.

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2020/21

Flintshire County Council  
Our Approach to the Annual Governance Statement  
Part 1

Draft

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## What is the purpose of this document?

This document outlines our approach to the assessment of the Council's governance arrangements and the completion of the Annual Governance Statement. This document 'Our approach to Approach to the Annual Governance Statement' (Part one) explains:

- What Governance is;
- What is the Annual Governance Statement;
- How has the Annual Governance Statement been prepared;
- What are the key principles of the Corporate Governance Framework;
- Contributors to an effective Governance Framework; and
- How have we monitored and evaluated the effectiveness of our governance arrangements

The outcome of our assessment identifying areas of best practice and areas for further improvement is details within the document Annual Governance Statement 2020/21 – Part 2

## What is Governance?

“Governance is at the heart of public services. It underpins how resources are managed, how decisions are made, how services are delivered and the impact they have, now and in the future. It also infuses how organisations are led and how they interact with the public. Governance needs to be robust but it must also be proportionate. Well-governed organisations are dynamic and take well-managed risks; they are not stagnant and bureaucratic.”<sup>1</sup>

The governance framework comprises the culture, values, systems and processes by which an organisation is directed and controlled. The framework brings together an underlying set of legislative requirements, good practice principles and management processes.

Flintshire County Council acknowledges its responsibility for ensuring that there is a sound system of governance. We have developed a Local Code of Corporate Governance that defines the principles that underpin the governance of the organisation. The Local Code forms part of the Council Constitution and can be accessed on our website. A summary of the principles upon which it is based can be found later in this document.

Our governance framework supports our aim as a modern public body which has the **philosophy** of operating as a social business which refers to it:

- being lean, modern, efficient and effective;
- being designed, organised and operated to meet the needs of communities and the customer; and
- working with our partners to achieve the highest possible standards of public service for the well-being of Flintshire as a County

To meet these aspirations, we have set the **standards** of:-

- achieving excellence in corporate governance and reputation;
- achieving excellence in performance against both our own targets and against those of high performing peer organisations;
- being modern and flexible, constantly adapting to provide the highest standards of public, customer, and client service and support;
- using its four resources - money, assets, people and information - strategically, effectively and efficiently; and
- embracing and operating the leanest, least bureaucratic, efficient and effective business systems and processes

<sup>1</sup> Wales Audit Office: “Discussion Paper: The governance challenges posed by indirectly provided, publicly funded services in Wales” 2017

To achieve these standards, our **behaviours** are:-

- showing strategic leadership both of the organisation and our partnerships;
- continuously challenging, reviewing, changing and modernising the way we do things;
- being as lean and un-bureaucratic as possible;
- using new technology to its maximum advantage; and
- using flexible working to its maximum advantage

We are committed to the **principles** of being:-

- a modern, fair and caring employer;
- fair, equitable and inclusive in its policies and practices; and
- conscientious in planning and managing its activities, and making decisions, in a sustainable way

We are committed to specific values and principles in working with our key partners and partnerships. These cover strategic partnerships such as the Public Services Board and with the third sector such as agreeing a set of Voluntary Sector Funding principles.

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## What is the Annual Governance Statement?

We are required by the Accounts and Audit (Wales) Regulations 2018 to prepare a statement on internal control. Alongside many authorities in Wales, we refer to this as the 'Annual Governance Statement'. This is a public document that reports on the extent to which we as the Council comply with our own code of governance.

In this document, we, the Council:

- Acknowledge our responsibility for ensuring that there is a sound system of governance;
- summarise the key elements of that governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- describe how we have monitored and evaluated the effectiveness of our governance arrangements in year, and any planned changes in the coming period;
- provide details of how we have responded to any issue(s) identified in last year's governance statement; and
- report on any significant governance issues identified from this review and provide a commitment to addressing them.

The Annual Governance Statement reports on the governance framework that has been in place at Flintshire County Council for the financial year 2020/21 and up to the date of approval of the Annual Statement of Accounts.

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## How has the Annual Governance Statement been prepared?

The initial review of our governance framework was carried out by the Corporate Governance Working Group. This group worked with each corporate Chief Officer and also for some specific governance functions such as finance, human resources and legal. Our approach was based on the seven principles that follow in the main part of this document and were assessed to identify any areas for improvement. Questionnaires were also completed by the Chairs of Overview and Scrutiny committees. Four Members of the Governance & Audit Committee attended a challenge workshop to contribute to the preparation of the Annual Governance Statement.

The preparation and content of this year's governance framework has been considered by the statutory officer's, with assurance support from Internal Audit, Governance & Audit Committee and Audit Wales. We recognise that our governance framework cannot eliminate all risk of failure to meet the targets in our policies, aims and objectives and can therefore only provide reasonable and not absolute assurance of effectiveness.

In preparing the Annual Governance Statement, we have:

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- reviewed the Council's existing governance arrangements against the Local Code of Corporate Governance.
- updated the Local Code of Corporate Governance where necessary, to reflect changes in the Council's governance arrangements and the requirements of the new CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities.
- assessed the effectiveness of the Council's governance arrangements and highlighted any planned changes in the coming period.

The Chief Officer Team, which is led by the Chief Executive, have also considered the significant governance issues and principles facing the Council. These are evidenced in the Annual Governance Statement (Part 2) pages 7-13 of the document. Principles assessed as needing further improvement are detailed in the Annual Governance Statement from Page 15.

Our Governance & Audit Committee provides assurance to the Council on the effectiveness of its governance arrangements, risk management framework and internal control environment. As part of this role the Committee reviews and approves the Annual Governance Statement.

The five Overview & Scrutiny Chairs have also considered and commented on issues within the remit of their respective committees. They expressed general satisfaction with the Annual Governance Statement.



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## What are the key principles of the Corporate Governance Framework?

We aim to achieve a good standard of governance by adhering to the seven key principles of the CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities, which form the basis of the Local Code of Corporate Governance. The seven key principles are:

Principle A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Principle B	Ensuring openness and comprehensive stakeholder engagement
Principle C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
Principle D	Determining the interventions necessary to optimise the achievement of the intended outcomes
Principle E	Developing the our organisation's capacity, including the capability of its leadership and the individuals within it
Principle F	Managing risks and performance through robust internal control and strong public financial management
Principle G	Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Please note whilst the Code refers to an 'entity' for the purpose of greater clarity we have replaced this with 'our organisation'.

## Contributors to an effective Governance Framework

Council	<ul style="list-style-type: none"> <li>• Approves the Council Plan</li> <li>• Endorses the Constitution</li> </ul>
Cabinet	<ul style="list-style-type: none"> <li>• Primary decision making body of the Council</li> <li>• Comprises of the Leader of the Council and Cabinet Members who have responsibility for specific portfolios</li> </ul>
Governance & Audit Committee	<ul style="list-style-type: none"> <li>• Help raise the profile of internal control, risk management and financial reporting issues within the Council, as well as providing a forum for the discussion of issues raised by internal and external auditors</li> </ul>
Standards Committee	<ul style="list-style-type: none"> <li>• Standards Committee promotes high standards of conduct by elected and co-opted Members and monitors the operation of the Members' Code of conduct</li> <li>• Constitution &amp; Democratic Services Committee considers and proposes changes to the Constitution and the Code of Corporate Governance</li> </ul>
Portfolio	<ul style="list-style-type: none"> <li>• Track efficiencies, highlighting risk and mitigating actions to achievement</li> <li>• Consider the robustness of efficiency planning and forecasting and consider resourcing of planned delivery</li> </ul>
Overview & Scrutiny Committees	<ul style="list-style-type: none"> <li>• Review and scrutinise the decisions and performance of Council, Cabinet, and Committees</li> <li>• Review and scrutinise the decisions and performance of other public bodies including partnerships</li> <li>• Assists the Council and Cabinet in the development of the Budget and Policy framework by in-depth analysis of policy issues</li> <li>• Established the Chair/Vice Chair Liaison Group</li> </ul>
Chief Officer Team & Service Managers	<ul style="list-style-type: none"> <li>• Set governance standards</li> <li>• Lead and apply governance standards across portfolios</li> <li>• Undertake annual self-assessment</li> </ul>
Internal Audit	<ul style="list-style-type: none"> <li>• Provide an annual independent and objective opinion on the adequacy and effectiveness of internal control, risk management and governance arrangements</li> <li>• Investigates fraud and irregularity</li> </ul>

## How we monitored and evaluated the effectiveness of our governance arrangements?

On an annual basis, we review the effectiveness of our governance framework including the system of internal control. The key elements of assurance that inform this governance review are detailed below:

Chief Officers Team	Monitoring Officer	Section 151 Officer	Information Governance	Internal Audit
<ul style="list-style-type: none"> <li>Corporate oversight and strategic planning</li> <li>Annual Corporate Governance Assessment</li> <li>Implement and monitor regulatory and other governance protocols</li> </ul>	<ul style="list-style-type: none"> <li>Legal and regulatory assurance</li> <li>Monitors the operation of the Constitution</li> <li>Ombudsman investigations</li> <li>Designated Senior Information Risk Owner (SIRO)</li> </ul>	<ul style="list-style-type: none"> <li>Proper administration of the Council's financial affairs</li> </ul>	<ul style="list-style-type: none"> <li>The Monitoring Officer is designated as our Senior Information Risk Owner (SIRO)</li> <li>The Information Governance manager is our Data Protection Officer (DPO)</li> <li>Information Compliance including associate policies, procedures and systems (Data Protection, Freedom of Information)</li> <li>Information Security, Information Standards &amp; Records Management</li> </ul>	<ul style="list-style-type: none"> <li>Annual opinion report on adequacy of internal controls, risk management and governance arrangements</li> <li>Internal Audit plan and report tracking / performance by Audit Committee</li> <li>Provision of advice &amp; consultancy</li> </ul>
Overview & Scrutiny Committees	Governance & Audit Committee	Risk Management	External Audit / Inspections	Counter Fraud
<ul style="list-style-type: none"> <li>Policy review and challenge</li> <li>Overview &amp; scrutiny of topics</li> <li>Corporate &amp; Portfolio Performance &amp; Risk monitoring</li> </ul>	<ul style="list-style-type: none"> <li>Self-assessment of Governance &amp; Audit Committee</li> <li>Review effectiveness of internal and external audit</li> <li>Consider the adequacy of the internal control, risk management and Governance arrangements</li> </ul>	<ul style="list-style-type: none"> <li>Risk Management Policy and Strategy</li> <li>Quarterly monitoring and reporting of Strategic Risks</li> </ul>	<ul style="list-style-type: none"> <li>Financial statements audit</li> <li>Thematic &amp; national reviews</li> <li>Other external inspections</li> </ul>	<ul style="list-style-type: none"> <li>Anti-Fraud and Corruption &amp; Whistleblowing arrangements</li> <li>Codes of Conduct for Officers and Members</li> <li>Financial and Contract Procedure Rules</li> </ul>

**Flintshire County Council Corporate Governance Framework**

**Public Key Documents:  
Annual Review / Production**

**Key Documents:  
Ad-hoc Review / Production**

**Contributing Processes Regulatory Monitoring**

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- Annual Governance Statement
- Annual Outturn Finance Report
- Annual Performance Report
- Annual Information Governance Statement
- Capital Strategy and Asset Management Plan
- Code of Corporate Governance
- Code of Ethical Practice on Procurement
- Contract Procedure Rules
- Digital Strategy
- Equal Pay Audit (Gender Pay Reporting)
- Financial Regulations
- Council Plan
- Medium Term Financial Strategy
- Members' Allowance Scheme
- Overview and Scrutiny Annual Report
- People Strategy
- Portfolio Business Plans
- Public Services Board Wellbeing Plan
- Statement of Accounts
- Strategic Equality Plan
- Strategic Risk Register
- Treasury Management Strategy
- Annual Audit Report
- Pay Policy Statement

- Anti-Fraud Work plan
- Business Continuity Plans
- Communications Principles
- Constitution
- Digital Strategy
- Data Protection Policy
- Equality and Diversity Policies
- Employment Policies
- Health & Safety Policies
- Internal/External Audit Protocol
- IT Policies
- Members Code of Conduct
- Officers Code of Conduct
- Procurement Strategy
- Social Media Policy
- Welsh Language Standards
- Whistle Blowing Policy

- Appraisal and Supervision
- Attendance management
- Governance & Audit Committee
- Budget Monitoring Reports
- Comments, Complaints and Compliments
- Corporate Governance
- Corporate Health & Safety
- Council (Plan) Governance Framework
- Council Meetings
- Engagement and Consultation
- External Audit
- FCC Web site
- Inspectorate Reports
- Induction (Corporate and Service)
- Internal Audit
- Job Descriptions / Person Specifications
- Manager Toolkits
- Member Training
- Monitoring Officer
- Partnership Self Assessments
- Performance Management
- Risk Management
- Scrutiny Framework
- Your Council newsletter

2020/21

Flintshire County Council  
Annual Governance Statement  
Part 2

Draft

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## What is the purpose of this document?

This document details our assessment against the Council's Corporate Governance Framework and identifies the areas of best practise and areas for further improvement. The document explains:

- What is the Annual Governance Statement
- Governance response to the COVID-19 Pandemic
- Comparison of the Effectiveness of the Council's Governance Framework
- Key principles of the Corporate Governance Framework and our statement:
  - Principle A - Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law
  - Principle B - Ensuring openness and comprehensive stakeholder engagement
  - Principle C - Defining outcomes in terms of sustainable economic, social, and environmental benefits
  - Principle D - Determining the interventions necessary to optimise the achievement of the intended outcomes
  - Principle E - Developing our organisations capacity, including the capability of our leadership and the individuals within it
  - Principle F - Managing risks and performance through robust internal control and strong public financial management
  - Principle G - Implementing good practices in transparency, reporting, and audit to deliver effective accountability
- How have we addressed the governance and strategic issues from 2019/20 AGS
- What are the significant governance issues identified during 2020/21
- What are the significant strategic issues identified during 2020/21
- Certification of the Annual Governance Statement

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## What is the Annual Governance Statement?

The Accounts and Audit (Wales) Regulations 2018 require us to prepare a statement on internal control. Like many authorities in Wales, this is referred to as the 'Annual Governance Statement'. This is a public document that reports on the extent to which we as the Council comply with our own code of governance.

In this document, we, the Council:

- Acknowledge our responsibility for ensuring that there is a sound system of governance;
- summarise the key elements of that governance framework and the roles of those responsible for the development and maintenance of the governance environment;
- describe how we have monitored and evaluated the effectiveness of our governance arrangements in year, and any planned changes in the coming period;
- provide details of how we have responded to any issue(s) identified in last year's governance statement; and
- report on any significant governance issues identified from this review and provide a commitment to addressing them.

The Annual Governance Statement reports on the governance framework that has been in place at Flintshire County Council during the financial year 2020/21 and up to the date of approval of the Statement of Accounts.

## Governance response to the COVID-19 Pandemic

At the beginning of 2020/21 saw the emergence of an increasing impact of the Corona Virus/Covid 19 emergency. The 'lock down' period commenced on 23<sup>rd</sup> March. Successive lockdowns have characterised 2020/21. Our formal Council, Cabinet and Committee meetings were cancelled between April and June, resuming as 'Remote Attendance Meetings' utilising WebEx video technology at the start of July. The Council's response to the pandemic was through the Emergency Management Response Team (EMRT), led by the Chief Executive which worked through significant changes to our working lives and culture.

2020/21 has seen a step change for Flintshire, as for many other organisations. Necessity has been the mother of invention. We introduced Individual Cabinet Member decision making on a temporary basis for April and May, until Cabinet resumed. We held virtual planning Committee, using written submissions in April, before an actual Remote Attendance Meeting could be held.

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All employees whose role allowed it were equipped to work from home. Essential services were resumed on a 'safe' basis as soon as possible. Our Members were kept informed and involved in a series of Member Bulletins, initially several times a week before settling down to weekly updates.

Whilst the pandemic severely impacted the delivery of projects within our digital strategy, the use of technology to facilitate the delivery of services from home has increased the appetite and engagement in digital delivery. The way that we were able to use our information to support vulnerable residents through the Shielding Programme has also highlighted the value of developing high quality data and the potential improvements that can be made by securely sharing information across the council and with our partners.

A politically balanced Member Recovery Board, supported by the statutory and specialist officers as necessary was set up. Working together, the Recovery Board operated between May and September, discharging elements of decision making as well as scrutiny. The terms of reference of the Board were tightly drawn:

- (1) to advise on, and keep under review, the aims and objectives to be set for recovery;
- (2) to advise on the priority actions required for both the Organisational Recovery Board and the Community Recovery Board;
- (3) to keep under review the Corporate Recovery Risk Register and assure the planned risk mitigation actions;



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- (4) to advise on the adequacy of the internal control environment – governance, legal, financial, employment, systems and data management, other; and
  - (5) to advise on the steps and actions required to return democratic governance to a fully functioning state

The Recovery Board handed over responsibilities to the Cabinet and the five Overview & Scrutiny committees in mid-September.

Our Audit Manager from Audit Wales wrote to the Council at the end of August as follows: *From the work that Audit Wales has undertaken to date, I am assured that Flintshire County Council's (the council) recovery from the impact of the pandemic has benefitted from strong and consistent leadership, particularly in planning and decision making. There has been a drive to engage and lead regional groups which is positive. Internal and external communication has been very strong and it is to the Council's credit.*

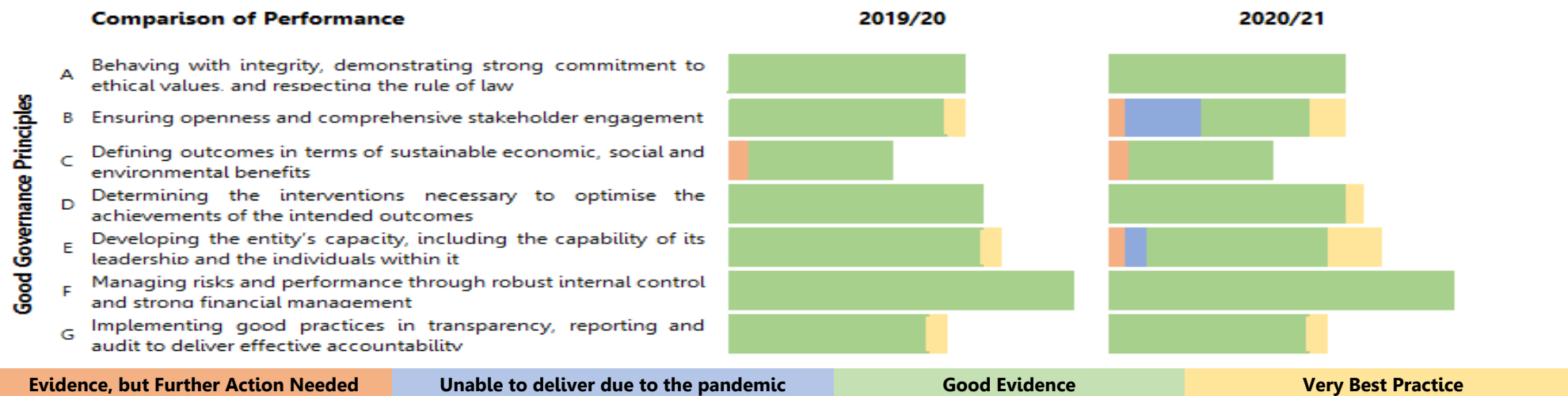
*I consider that the Council's approach to recovery is well structured and well thought through. The Council has taken the time to reflect on its response actions and learnt from them. As a result, should it be necessary to revert to response mode to manage any resurgence of the virus, the Council will be better placed to deal with the crisis than it was before.*

Our Annual Meeting of Council was held on 9<sup>th</sup> September, at which point the new five committee Overview & Scrutiny structure commenced.

For 2019/20, it had been our intention to have a formal contribution to the Annual Governance Statement (AGS) from the Members of the Governance & Audit Committee. However, the Covid 19 emergency and subsequent lock down meant this was not possible. The greater involvement of Governance & Audit Committee Members has been incorporated into the 2020/21 Annual Governance Statement process.

Reports on the implementation of the Local Government & Elections Act 2021 have been made to Governance & Audit Committee, Constitution & Democratic Services Committee and to Council. This has included preparations for the Audit Committee becoming the 'Governance & Audit Committee' from 1<sup>st</sup> April 2021.

## Comparison of the Effectiveness of the Council’s Governance Framework



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### Further Action Required:

- Defining outcomes in terms of sustainable economic, social and environmental benefits
- Using formal and informal consultation and engagement to determine the most appropriate and effective interventions /courses of action
- Ensuring improved structures are in place for public participation

### Areas of Very Best Practice:

- Developing formal and informal partnerships to allow for resources to be used more effectively and outcomes achieved more effectively
- Ensuring that partnerships are based on trust, a shared commitment to change, a culture that promotes and accepts challenge among partners
- Ensuring the medium term financial strategy sets the context for ongoing decisions on significant delivery issues or responses to changes in the external environment that may arise during the budgetary period in order for outcomes to be achieved while optimising resource usage
- Recognising the benefits of partnerships and collaborative working where added value can be achieved
- Developing and maintaining an effective workforce plan to enhance strategic allocation of resources
- Welcoming peer challenge, reviews and inspections from regulatory bodies and implementing recommendations

**Annual Internal Audit Opinion 2020/21:** “For the year ending 31 March 2021, based on the work the Internal Audit Service has undertaken, the direct assurance from management and external assurance from Audit Wales, my opinion is that Flintshire County Council has an adequate and effective framework of governance, risk management and internal control”.

**Internal Audit Manager, Flintshire County Council**

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## Key principles of the Corporate Governance Framework

We aim to achieve a good standard of governance by adhering to the seven key principles of the CIPFA/Solace 2016 – Guidance Notes for Welsh Authorities, which form the basis of the Local Code of Corporate Governance. In the following section we have defined how we achieve the standard against the seven key principles which are:

Principle A	Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
Principle B	Ensuring openness and comprehensive stakeholder engagement
Principle C	Defining outcomes in terms of sustainable economic, social, and environmental benefits
Principle D	Determining the interventions necessary to optimise the achievement of the intended outcomes
Principle E	Developing the entity's capacity, including the capability of its leadership and the individuals within it
Principle F	Managing risks and performance through robust internal control and strong public financial management
Principle G	Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Principle A – Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of the law

Sub Principles	How we do this / How we achieve this
Behaving with Integrity	<ul style="list-style-type: none"> <li>• The behaviour and expectations of Members and Officers are set out in our Codes of Conduct, Constitution, and a suite of policies and procedures</li> <li>• Codes of Conduct for Members and Officers specify the requirements around declarations of interests formally and at the beginning of meetings, gifts and hospitality etc</li> <li>• We take fraud seriously. Key policies are in place to prevent, minimise and manage such occurrences</li> <li>• Compliance with policies and protocols e.g. Contract Procedure Rules</li> <li>• Enhanced profile of Internal Audit</li> </ul>
Demonstrating strong commitment to ethical values	<ul style="list-style-type: none"> <li>• A set of leadership competencies are deployed in each Portfolio and led by each Chief Officer</li> <li>• Our recruitment policy, training and competencies based appraisal processes underpin personal behaviours with ethical values</li> <li>• Robust policies and procedures are in place, subject to formal approval prior to adoption by formal committees</li> <li>• All contracts and external service providers, including partnerships are engaged through the robust procurement process and follow the Contract Procedure rules regulations</li> <li>• Application of the corporate operating model; working internally to promote high standards of professional performance and ethical behaviour to achieve organisational priorities and objectives</li> </ul>
Respecting the rule of law	<ul style="list-style-type: none"> <li>• We ensure that our Members and Officers fulfil legislative and regulatory</li> <li>• We ensure that the full use of the Council powers are optimised by regular challenge and keeping abreast of new legislation to achieve corporate priorities have an Effective Anti-Fraud and Corruption framework</li> <li>• Our Monitoring Officer is responsible for ensuring the Council complies with the law and avoids maladministration. Our Constitution &amp; Democratic Services Committee promotes high standards of conduct which are monitored by the Standards Committee</li> </ul>

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What has worked well during 2020/21
<ul style="list-style-type: none"> <li>• Open decision making on the basis of evidence and principle is at the heart of the standard form of reporting to Council, Cabinet and committees</li> </ul>

Principle B – Ensuring openness and comprehensive stakeholder engagement

Sub Principles	How we do this/how we achieve this
Openness	<ul style="list-style-type: none"> <li>• Committed to having an open culture, demonstrated through accessible website, policies and procedures and open environment meetings.                             <ul style="list-style-type: none"> <li>○ The most appropriate and effective interventions / courses of action are determined using formal and informal consultation and engagement. Consultation principles</li> <li>○ Formal and informal engagement models with employees and communities e.g. alternative delivery models Member workshops</li> <li>○ County Forum (Town and Community Councils)</li> <li>○ Positive engagement with Trade Unions both formally and informally</li> </ul> </li> </ul>
Engaging comprehensively with institutional stakeholders	<ul style="list-style-type: none"> <li>• We engage effectively with stakeholders to ensure successful and sustainable outcomes by:                             <ul style="list-style-type: none"> <li>○ Effective application and delivery of communication strategies to support delivery</li> <li>○ Targeting communications and effective use of Social Media</li> <li>○ Effective stakeholder engagement on strategic issues</li> <li>○ Service led feedback questionnaires and events</li> </ul> </li> <li>• Effective use of resources and achievement of outcomes is undertaken by the Council both through informal and formal partnerships:                             <ul style="list-style-type: none"> <li>○ Extensive range of partnerships to support the delivery of the Council’s strategic priorities, including the Public Services Board</li> <li>○ Open and productive partnership arrangements supported by an effective governance framework</li> <li>○ Trust and good relations lead to delivery of intended outcomes e.g. community asset transfers</li> </ul> </li> </ul>
Engaging stakeholders effectively, including individual citizens and service users	<ul style="list-style-type: none"> <li>• The achievement of intended outcomes by services is supported by a range of meaningful guidance on consultation engagement and feedback techniques with individual citizens, service users and other stakeholders</li> <li>• We have structures in place to encourage public participation governed through the Communication and Social Media Policies. These include the following (but not all have been possible during the last year because of Covid restrictions; E-newsletters, The Council’s website, Tenants Forums, Service user groups, Quality circles, Use of infographics</li> </ul>

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What has worked well during 2020/21	During 20/21 what was affected by the Pandemic
<ul style="list-style-type: none"> <li>• Formal and informal partnerships from strategic levels (PSB) to operational partnerships (Community Endowment Fund / Regional Armed Forces Partnership)</li> <li>• Good relationship management with partners</li> <li>• Partnership working based on trust and commitment has increased and evidenced strongly during this year in response to the pandemic.</li> </ul>	<ul style="list-style-type: none"> <li>• The response to the pandemic has impacted on our ability to consult. Due to the pandemic there was need for a directive approach to communication</li> <li>• Feedback from key consultations; providing information on views taken into account</li> </ul>
	<p><b>Areas identified for Further Improvement</b></p> <ul style="list-style-type: none"> <li>• Circumstances have curtailed our ability to consult and engage, but not the willingness so to do. Further planning required following the legislation on Local Government &amp; Elections (Wales) Act 2021</li> </ul>

Principle C – Defining outcomes in terms of sustainable economic, social, and environmental benefits

Sub Principles	How we do this/how we achieve this
Defining outcomes	<ul style="list-style-type: none"> <li>• We have a clear vision describing the organisation’s purpose and intended outcomes which is achieved through:                             <ul style="list-style-type: none"> <li>○ Linking of vision and intent to the MTFS</li> <li>○ Service Planning consideration including sustainability of service delivery</li> </ul> </li> <li>• Risk Management is applied consistently at all levels ensuring consistent application of risk process and terminology</li> <li>• The development of the County’s Well-being Plan and delivery of the Public Services Board’s priorities ensure that public services work effectively together to add value</li> <li>• Annual Performance Report contains recommendations of improvements or area of priority working for the following year</li> </ul>
Sustainable economic, social and environmental benefits	<ul style="list-style-type: none"> <li>• When deciding future service provision we take a longer term view, balancing the economic, social, environmental impact along with the wider public interest. This is supported by:                             <ul style="list-style-type: none"> <li>○ Longer term business planning and budgeting using effective forecasting models</li> <li>○ Multi-disciplinary approach to policy development delivering defined outcomes and ensuring fair access to services</li> <li>○ Procurement strategy defines expectations around economic, social and environment benefits which inform service specifications, tenders and contracts</li> <li>○ Communication plans for public and community engagement</li> </ul> </li> </ul>

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What has worked well during 2020/21	During 20/21 what was affected by the Pandemic		
<ul style="list-style-type: none"> <li>• Early development of Portfolio Business Recovery Plans with a risk based approach ensured effective planning</li> <li>• Member workshops/briefing sessions</li> <li>• In addition to the normal budget management process significant monitoring took place to manage the additional expenses / funding received / reallocation of resources to address the pandemic</li> </ul>	<table border="1"> <thead> <tr> <th data-bbox="1137 1024 2123 1064">Areas identified for Further Improvement</th> </tr> </thead> <tbody> <tr> <td data-bbox="1137 1064 2123 1171"> <ul style="list-style-type: none"> <li>• Although the financial sustainability of the Council has largely remained unchanged, the long term financial impact on the Council from COVID19 is currently unknown</li> </ul> </td> </tr> </tbody> </table>	Areas identified for Further Improvement	<ul style="list-style-type: none"> <li>• Although the financial sustainability of the Council has largely remained unchanged, the long term financial impact on the Council from COVID19 is currently unknown</li> </ul>
Areas identified for Further Improvement			
<ul style="list-style-type: none"> <li>• Although the financial sustainability of the Council has largely remained unchanged, the long term financial impact on the Council from COVID19 is currently unknown</li> </ul>			

Principle D – Determining the interventions necessary to optimise the achievement of the intended outcomes

Sub Principles	How we do this/how we achieve this
Determining interventions	<ul style="list-style-type: none"> <li>• Full engagement with Members on a longer term basis e.g. MTFS, Recovery Strategy, Business Planning and other key workforce strategies e.g. digital and procurement</li> <li>• The MTFS and budget setting process provides opportunities for all public, stakeholders to be engaged in considering options.</li> <li>• Active engagement of key decision making in the development of initial ideas, options and potential outcomes and risks e.g. ADM Programme, Gateways</li> <li>• Clear option appraisals, including the use of forecasting models, to ensure best value is achieved</li> <li>• Regular budget monitoring for each Portfolio</li> <li>• Application of Integrated Impact Assessments</li> </ul>
Planning interventions	<ul style="list-style-type: none"> <li>• We established and implemented robust planning and control cycles covering response and recovery through Emergency Management Response Team</li> <li>• We applied the risk management principles when developing the Recovery Strategy and Portfolio Business Recovery Plans</li> <li>• Regular monitoring of business planning, efficiency and reliability including feedback</li> <li>• Service performance is measured by establishing a range of local indicators, which are regularly monitored, reported and used for recovery monitoring</li> </ul>
Optimising achievement of intended outcomes	<ul style="list-style-type: none"> <li>• Resource requirements are identified through the business planning process, including any projected shortfall in those requirements.</li> <li>• Regular engagement and ownership of the budget process is undertaken through the Chief Officer Team and in consultation with Members through workshops and the scrutiny process</li> <li>• Social values are achieved through the effective commissioning of services and compliance with Council procedures</li> <li>• Consultation and engagement events, particularly relating to ongoing decisions on significant service delivery issues or to changes in the external environment set the context for the MTFS for both residents and employees</li> </ul>

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What has worked well during 2020/21
<ul style="list-style-type: none"> <li>• Early development of Portfolio Business Recovery Plans with a risk based approach ensured effective planning</li> </ul>

Principle E – Developing our organisations capacity, including the capability of our leadership and the individuals within it

Sub Principles	How we do this/how we achieve this
Developing our organisation's capacity	<ul style="list-style-type: none"> <li>• We review our operations, performance, and use of assets on a regular basis to ensure their continuing effectiveness through service delivery reviews, performance and risk management and Programme Boards' development and monitoring</li> <li>• We review the sufficiency and appropriateness of resource allocation through techniques such as benchmarking internally against previous performances and to support internal challenge, and normally externally to identify improvement opportunities</li> <li>• Benefits of collaborative and partnership working both regionally and nationally to ensure added value is achieved by linking services and organisation priorities to partnership working</li> <li>• Develop and maintain the workforce plan to enhance the strategic allocation of resources and future workforce and succession planning</li> </ul>
Developing the capability of our organisation's leadership and other individuals	<ul style="list-style-type: none"> <li>• Effective shared leadership which enables us to respond successfully to changing external demands and risks is supported by a range of management and leadership development programme, run in partnership with Coleg Cambria                             <ul style="list-style-type: none"> <li>○ The Leader of the Council and the Chief Executive have clearly defined and distinct leadership roles</li> </ul> </li> <li>• Individual and organisational requirements are supported through:                             <ul style="list-style-type: none"> <li>○ Corporate induction for new employees to the Council and service specific inductions for employees in new jobs</li> <li>○ Opportunities for continued learning and development for employees</li> <li>○ A comprehensive range of learning and development opportunities available</li> <li>○ Feedback and shared learning to the organisations both through reports and interactive sessions such as the Senior leaders 'Academi'</li> </ul> </li> <li>• Support and maintain physical and mental wellbeing of the workforce, via our in-house Occupational Health Service, Care First (Employee Assistance Programme) and a range of internal training and awareness sessions to support mental, financial and physical health related issues.</li> </ul>

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What has worked well during 2020/21	During 20/21 what was affected by the Pandemic
<ul style="list-style-type: none"> <li>• Partnership and collaborative working – regional and nationally</li> <li>• Lead on regional partnerships e.g. residual waste project</li> <li>• Successful local partnerships e.g. Public Services Board</li> <li>• Service specific inductions have taken place. New methods have been used to recruit and induct new starters through the pandemic which will be retained</li> <li>• Responded well to the challenges of the pandemic through the deployment of employees e.g. TTP, environmental Health</li> <li>• Increased workforce comms, introduction of wellbeing appraisals, strong recognition of mental health impacts and support networks provided</li> </ul>	<ul style="list-style-type: none"> <li>• Benchmarking against peers due to lack of need to submit nationally</li> <li>• The modernisation of a corporate induction has been compromised due to the pandemic</li> </ul> <p><b>Areas identified for Further Improvement</b></p> <ul style="list-style-type: none"> <li>• Structures for public participations have still been in place, but ability to deliver has been curtailed due to the pandemic</li> </ul>



Principle F – Managing risks and performance through robust internal control and strong public financial management

Sub Principles	How we do this/how we achieve this
Managing risk	<ul style="list-style-type: none"> <li>The Council has clear and concise risk management framework. There are a number of risk registers which are reported regularly which outline the risks faced by the Council and its service areas. These all include, current risk ratings and target risk ratings supported by mitigation comments</li> </ul>
Managing performance	<ul style="list-style-type: none"> <li>Members and senior management are provided with regular reports on service performance against key performance indicators and milestones against recovery objectives</li> <li>Members are clearly and regularly informed of the financial position and implications including environmental and resource impacts</li> </ul>
Robust internal control	<ul style="list-style-type: none"> <li>Internal Audit provides the Council, through the Governance &amp; Audit Committee, with an annual independent and objective opinion on the adequacy and effectiveness of the Council’s internal control, risk management, governance arrangements and associated policies.</li> <li>We are dedicated to tackling fraud as detailed within the Anti-Fraud and Corruption Strategy, Fraud Response Plan, and Whistleblowing Policy</li> </ul>
Managing data	<ul style="list-style-type: none"> <li>We have effective strategic direction, advice and monitoring of information management with clear policies and procedures on personal data and provide regular training to ensure compliance with these</li> <li>We have appropriate Information Sharing Protocols in place in respect of all information shared with other bodies</li> <li>The quality and accuracy of data used for decision making and performance monitoring is supported by guidance from a range of professional bodies</li> <li>Internal Audit review and audit regularly the quality and accuracy of data used in decision making and performance monitoring</li> </ul>
Strong public financial management	<ul style="list-style-type: none"> <li>Our Financial management arrangements support both the long term achievement of outcome and short term financial performance through the delivery of the MTFs</li> <li>Setting a prudent Minimum Revenue Provision for the repayment of debt</li> <li>The integration of all financial management and control was reviewed as part of the finance modernisation project</li> </ul>

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What has worked well during 2020/21
<ul style="list-style-type: none"> <li>Implemented a revised risk management framework at the early stages of response to the pandemic.</li> <li>Maintained performance monitoring at mid and end of year</li> </ul>

Principle G – Implementing good practices in transparency, reporting, and audit to deliver effective accountability

Sub Principles	How we do this/how we achieve this
Implementing good practice in transparency	<ul style="list-style-type: none"> <li>• We recently improved the layout and presentation of our reports in order to improve the presentation of key information to decision-makers and monitor this regularly</li> <li>• We are mindful of providing the right amount of information to ensure transparency</li> <li>• A review of information sharing protocols has been undertaken and new principles adopted</li> </ul>
Implementing good practices in reporting	<ul style="list-style-type: none"> <li>• We report at least annual on the achievement and progress of our intended outcome and financial position. This is delivered through the Annual Performance report assessing performance against the Council Plan</li> <li>• Progress against the Well-being Plan</li> <li>• Annual Statement of Accounts</li> <li>• Our Annual Governance Statement is published following robust and rigorous challenge to assess and demonstrate good governance</li> </ul>
Assurance and effective accountability	<ul style="list-style-type: none"> <li>• Through robust assurance mechanism, we can demonstrate effective accountability. These mechanisms include:                             <ul style="list-style-type: none"> <li>○ Internal Audit undertakes independent reviews to provide an annual assurance opinion of the Council’s control, risk management, and governance framework. To allow this Internal Audit has direct access to Chief Officer and Members of the Council</li> <li>○ All agreed actions from Internal Audit reviews are monitored regularly through monthly reports to Chief Officers and each Governance &amp; Audit Committee</li> <li>○ Any ‘limited/red’ assurance opinions are reported to Governance &amp; Audit Committee in full and progress monitored closely</li> <li>○ Peer challenge and inspection from regulatory bodies and external compliance reviews. The outcomes from these inspections are used to inform and improve service delivery</li> <li>○ Through effective commissioning and monitoring arrangements and compliance with Council’s procedures, we gain assurance on risk associated with delivering services through third parties and any transitional risks</li> <li>○ Reports are presented to Cabinet and an annual report to Governance &amp; Audit Committee of external feedback from regulatory work and peer reviews along with the Council’s responses</li> </ul> </li> </ul>

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<b>During 2020/21 what worked well</b>
<ul style="list-style-type: none"> <li>• Open and embracing attitude / good evidence. Increased working through the workshops for all regulatory bodies in early 2020 to give an overview of suggested plans and areas of work. Despite the pandemic inspections and external reviews have continued with Audit Wales reviewing how the Council managed the impact of the pandemic. Best practice was shared with other LAs</li> </ul>

## How have we addressed the governance and strategic issues from 2019/20 AGS?

The 2019/20 Annual Governance Statement contained 12 key improvement areas. Of these areas:

- One Internal Governance issue remains open and this is included within the 2020/21 actions;
- Three Strategic issues remain open and included within the 2020/21 actions; and
- Eight strategic issues were closed and detailed within the table below

Ref	Closed Internal Governance & Strategic Issues detailed in 2019/20 AGS	Reason for Closure
1	Debt levels will rise if tenants are unable to afford to pay their rent or council tax	Risk closed, reclassified and included within the Corporate Recovery Risk Register
2	Demand outstrips supply for residential and nursing home care bed availability	Risk closed, reclassified and included within the Social Services Risk Register
3	Homelessness will remain a growing area of demand due to the current economic climate	Risk closed, reclassified and included within the Housing & Assets Risk Register
4	Meeting Internal Targets	Risk closed, reclassified and included within the Corporate Recovery Risk Register
5	Increasing costs of service delivery and rising demand for some services	Risk closed, reclassified and included within the Corporate Recovery Risk Register
6	Insufficient supply and escalating cost of placements for children with complex needs	Risk closed, reclassified and included within the Social Services Risk Register
7	Insufficient reserves level	Risk Rating has reduced and included within Corporate Recovery Risk Register
8	Insufficient reserves level impacts financial resilience	Risk Rating has reduced and included within Corporate Recovery Risk Register

## What are the significant governance issues identified during 2020/21?

The review of the effectiveness of the Council’s governance framework identified two significant internal governance issue during 2020/21. Details of how the issue has been addressed and if it remains open is provided below:

Internal Council Governance issues for 2020/21	Mitigation Actions	Current Status
Defining outcomes in terms of sustainable economic, social and environmental benefits. Also carried forward from 2019/20.	<ul style="list-style-type: none"> <li>The financial sustainability of the Council has largely remained unchanged</li> <li>Furthermore the financial impact on the Council from COVID19 is currently unknown</li> </ul>	<ul style="list-style-type: none"> <li>Open</li> </ul>
Using formal and informal consultation and engagement to determine the most appropriate and effective interventions /courses of action	<ul style="list-style-type: none"> <li>Circumstances has curtailed the council's ability to consult and engage, but not the willingness so to do. Further planning required following the legislation on LG &amp; Elections (Wales) Act</li> </ul>	<ul style="list-style-type: none"> <li>Open</li> </ul>
Structures for public participations have still been in place, but ability to deliver has been curtailed due to the pandemic and could be strengthened	<ul style="list-style-type: none"> <li>As part of the digital strategy, exploring alternative ways to manage public participation digitally.</li> </ul>	<ul style="list-style-type: none"> <li>Open</li> </ul>

## What are the significant strategic issues identified during 2020/21

The review of the effectiveness of the Council’s governance framework identified 20 significant strategic issues from during 2020/21. Details of how the issue has been addressed and if it remains open is provided below:

Strategic Issues for 2020/21	Mitigating Actions
<p><b>PE03</b> - Unable to regenerate Town Centres through implementation of the Town Centre Strategy due to insufficient resources and the compound economic consequences of the emergency situation</p>	<ul style="list-style-type: none"> <li>• A review is to be undertake of Town Centre Strategy</li> </ul>
<p><b>CF08</b> - A reduction in Council Tax collection impacts on (1) cash-flow and (2) annual budget</p>	<ul style="list-style-type: none"> <li>• Regular monitoring of the financial impact by the revenues team to track in-year collection levels and compare to previous years</li> <li>• Reporting impacts to Financial TCG on a weekly basis</li> <li>• Regular liaison with WLGA contacts re escalation with Welsh Government</li> <li>• Incorporation of impact on monthly monitoring reports in 20/21</li> </ul>
<p><b>CF14</b> - Increase in rent arrears impacts on the stability of the Housing Revenue Account (HRA) Business Plan</p>	<ul style="list-style-type: none"> <li>• Regular weekly monitoring of the financial impact by the Housing Rents team to track in-year rent collection levels and compare to previous year</li> <li>• Continued use of Mobysoft 'Rent Sense' to identify early arrears cases to allow the team to engage with and support these tenants by signposting to the support that may be available for the payment of Housing Rents</li> <li>• Reporting impacts to Financial TCG on a regular basis</li> </ul>
<p><b>CF19</b> - A reduction in Business Rates collection impacts on (1) cash-flow and (2) the stability of the National Collection Pool</p>	<ul style="list-style-type: none"> <li>• Regular weekly tracking of the risk and interventions implemented such as advice and support to businesses by extending payments and ensuring entitlement to grants and rate reliefs</li> <li>• Carry out 'soft' enforcement for businesses who are falling into debt and who have not made any contact with us have been completed</li> <li>• Recommencement of formal debt processes for businesses who have not paid nor engaged with the Council and who owe several months of unpaid Non-Domestic Rates (NDR)</li> </ul>
<p><b>CF20</b> - Insufficient capacity to deliver grants and rate relief whilst also recovering lost income/debts may impact debt recovery capacity</p>	<ul style="list-style-type: none"> <li>• Delivery of grants and rate relief to support businesses</li> <li>• Aim to recoup income lost during the response phase</li> <li>• Additional resource has been allocated to the service to compensate for the extra workload and cover staff absences</li> <li>• Levels of grant delivery will be monitored weekly to ensure that local businesses maximize their entitlement to WG support and financial aid</li> </ul>

Strategic Issues for 2020/21	Mitigating Actions
<p><b>CG04</b> - Diversion of resource to emergency management delays implementation of key digital and infrastructure projects</p>	<ul style="list-style-type: none"> <li>• Realignment of resources to areas of high demand to support the change of the support model for the IT Service Desk.</li> <li>• Reprioritisation of activities in the IT Business plan to reflect the immediate needs of the organisation</li> </ul>
<p><b>CG20</b> - Council Tax Collections rate reduce and Impacts on cash-flow, annual budget and Medium Term Financial Strategy (MTFS) due to suspension of debt recovery</p>	<ul style="list-style-type: none"> <li>• Regular monitoring of the financial impact by the revenues team</li> <li>• Interventions through advice regarding delaying payments, accessing support for residents through signposting to revenues and benefits team</li> <li>• Reporting impact to Financial TCG on a weekly basis</li> <li>• Regular liaison with WLGA contacts re escalation with Welsh Government</li> <li>• Incorporation of impact on monthly monitoring reports in 20/21</li> <li>• Revised collection rate applied to MTFS forecast</li> </ul>
<p><b>EV01</b> - Secondary schools are not financially viable due to insufficient base funding</p>	<ul style="list-style-type: none"> <li>• Licensed deficit policy revised and issued to schools</li> <li>• Challenge and support meetings with Headteacher/School Business Manager</li> <li>• Financial Performance Monitoring Group</li> <li>• Formula review</li> <li>• Local Authority approval mechanisms for recruitment</li> </ul>
<p><b>CF05</b> - An increase in the level of debt owed to the Council.</p>	<ul style="list-style-type: none"> <li>• Collection of income and only make flexibilities where tax-payers, tenants, customers and businesses approach us to request support</li> <li>• 'Soft' enforcement has begun for tax-payers and tenants who are falling into debt and not made any contact with us</li> <li>• Full enforcement action cannot resume until it is sensitive to do so</li> </ul>
<p><b>HA04</b> - Increased financial risk due to business failures and ability to anticipate Council Tax Refund Scheme (CTRS) due to business closure, unemployment, reduced hours of work</p>	<ul style="list-style-type: none"> <li>• Regular monitoring of the number of claims and financial awards by the Benefits Team</li> <li>• Reporting impact to Financial Tactical command group on a weekly basis</li> <li>• Regular liaison with Welsh Local Government Association contacts re escalation with Welsh Government to raise awareness of potential budget impacts of rising levels of CTRS awards</li> <li>• Incorporation of impact on monthly monitoring reports in 20/21</li> <li>• Revised Council Tax Reduction Scheme awards and potential budget pressures applied to MTFS forecast</li> </ul>
<p><b>HA06</b> - Impacts on income stream based on delayed/non recovery of housing benefit overpayment</p>	<ul style="list-style-type: none"> <li>• Financial monitoring – Budget and Income</li> <li>• Contacting customers to arrange to repayment plans at a level which suits their new income</li> <li>• Offering customers support and advice to claim available benefits</li> </ul>
<p><b>PE12</b> - The implications of Ash Die back on finances and reputation of the Council due to the scale of the</p>	<ul style="list-style-type: none"> <li>• Revise the timetable for planned surveys that could not be carried out whilst in lockdown</li> <li>• Established sites that will require further investigation and this will be built into future work programmes</li> </ul>

Strategic Issues for 2020/21	Mitigating Actions
<p>problem and the ability to make safe Highways and Council amenity land</p>	<ul style="list-style-type: none"> <li>• Prioritised surveys on Highway Routes and other FCC land with public access and school grounds as areas that have the highest risk rating for injury or damage</li> <li>• Engage with external Legal Counsel to advise on Ash Die Back plan, Risk Assessments and inspection regime, to test for appropriateness and reasonableness</li> </ul>
<p><b>ST10</b> - Increased expenditure on contract, labour, plant, vehicles and materials due to changing work patterns in response to pandemic</p>	<ul style="list-style-type: none"> <li>• Regular SMT review for the most appropriate methods of delivering service in an effective and cost-effective manner following guidance</li> <li>• Ensure social distancing is maintained to prevent contamination amongst crews</li> <li>• Monitor all additional expenditure as a result of service changes related to COVID-19 are being collated and monitored</li> </ul>
<p><b>ST17a</b> - Increased risk of ill health due to mental health and well-being, personal and/or family issues</p>	<ul style="list-style-type: none"> <li>• All Managers/supervisors maintain contact with staff Members whom are on sick leave or have identified themselves are suffering from personal issues (bereavement; relationship separations; isolation) to ensure support and reassurance is given</li> <li>• Managers have and continue to facilitate opportunities for employees who need to work in office environment to support their personal wellbeing</li> <li>• Occupational Health referrals are made by managers for employees who might need additional support. Employees can self-refer if they prefer</li> </ul>
<p><b>ST28a</b> - Unable to gain regulatory approval (planning; Drainage; environmental permitting) to progress key infrastructure projects in a timely manner due to delays in processing applications</p>	<ul style="list-style-type: none"> <li>• The project teams are working with regulatory bodies to ensure that all aspects are progressed within a timely manner</li> <li>• External partners (WRAP) have been providing industry related expertise to assist with progress</li> </ul>
<p><b>ST35</b> - Lack of preparedness to respond to multiple emergencies or major incidents during pandemic (severe weather event, fire, major transport accident) due to resource focused on delivering key services</p>	<ul style="list-style-type: none"> <li>• Ensure the availability of key personnel and equipment in the case of an emergency or major incident</li> <li>• Plan for adequate contingency within the operational teams and staffing structure</li> <li>• Consider how resources could be redirected in the event of an emergency or major incident</li> </ul>
<p><b>SS01</b> - Expenditure on out of county placements increases as placement costs increase in a demand led market</p>	<ul style="list-style-type: none"> <li>• Implement Multiagency Support Team to work with families of young people on the edge of care and prevent placement breakdown</li> <li>• Combat exploitation through the Strategic and Operational MET (Missing, Exploitation, Trafficking) group</li> <li>• Develop policies and models to attract new foster carers and expand the type of placements offered</li> <li>• Working with local providers to reshape the residential market</li> <li>• Maximising local housing options</li> </ul>

Strategic Issues for 2020/21	Mitigating Actions
<p><b>PE07</b> - Impact on service delivery due to the resilience of staff and succession planning</p>	<ul style="list-style-type: none"> <li>• Implement a robust communication plan that delivers timely and consistent messages</li> <li>• Early Identification of the most impacted areas to allow robust monitoring and early intervention</li> <li>• Minimise staff impact through various actions including the re-prioritisation of work streams enabling officers to concentrate on key tasks</li> <li>• Redeployment of staff within the Portfolio to support those services most under pressure</li> <li>• Proactively managing absences and leave to support our officers in maintaining a healthy working relationship and understanding the importance of leave</li> <li>• Providing protection and support for key officers to enable them to carry out their duties effectively and efficiently and minimise stress and unplanned absences</li> <li>• Seek external support from sources (agency staff) when required and continue to monitor areas that will benefit from intervention</li> <li>• Manage our customers' expectations so that they fully understand any changes to service delivery</li> <li>• Continually review succession plan in line with lessons learnt from the pandemic to identify key areas for the Portfolio to target in providing a more robust line of succession</li> </ul>
<p>Funding will not be secured for priority flood alleviation schemes – Carried forward from 2019/20</p>	<ul style="list-style-type: none"> <li>• At present Flintshire Council have no active schemes in the national programme. Several local sites have been identified with potential for viable flood alleviation schemes</li> </ul>
<p>The scale of the financial challenge – Carried forward from 2019/20</p>	<ul style="list-style-type: none"> <li>• The COVID-19 Pandemic emerged towards the end of the financial year and will have a significant impact on public finances including local government</li> <li>• Even prior to the pandemic, the medium term was forecast to be challenging with an initial high level forecast for 2021/22 of a gap of £10m</li> </ul>
<p>Fully funding demand led services and inflationary pressures – Carried forward from 2019/20</p>	<ul style="list-style-type: none"> <li>• The Council successfully developed its case through a Cross Party Working Group of Members and supporting officers to align with the work the Welsh Local Government Association (WLGA)</li> <li>• The Council will continue to press for fully funded demand led services and inflationary pressures as it progresses and updates its Medium Term Financial Strategy</li> </ul>



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## Certification

The review provides good overall assurance that Flintshire County Council's arrangements continue to be regarded as fit for purpose in accordance with the governance framework requirements for Local Authorities within Wales.

Opportunities to maintain and develop the Council's governance arrangements have been identified through this review. We pledge our commitment to addressing these issues over the coming year and we will monitor their implementation and operation as part of our next annual review.

Signed on behalf of Flintshire County Council

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**Colin Everett – Chief Executive**

**Cllr. Ian B Roberts – Leader of the Council**

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## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 2 <sup>nd</sup> June 2021
<b>Report Subject</b>	Internal Audit Annual Report
<b>Report Author</b>	Internal Audit Manager
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

The Internal Audit Manager is required to deliver an annual Internal Audit opinion and report that can be used by the organisation to inform its governance statement.

The annual report must incorporate:

- The opinion;
- A summary of the work that supports the opinion; and
- A statement on conformance with the Public Sector Internal Audit Standards (PSIAS), and the results of the quality assurance and improvement programme (QAIP).

This report fulfils that requirement. The audit opinion is that Flintshire has an adequate and effective framework of governance, risk management and control. Audit work undertaken throughout the year is summarised within the report. A self-assessment against the PSIAS, including a review of QAIP was undertaken and reported to the committee in January 2021. This report shows that Internal Audit generally conforms to the Standards, and the QAIP is in operation and effective in promoting continual improvement.

The report and opinion has been used to inform the Annual Governance Statement, presented in another paper to this Committee.

### RECOMMENDATIONS

1	The Committee is requested to consider the report and receive the Internal Audit annual opinion.
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## REPORT DETAILS

1.00	EXPLAINING THE INTERNAL AUDIT ANNUAL REPORT
1.01	The Internal Audit Manager is required to prepare a report giving the annual Internal Audit opinion and summarising the outcome of all Internal Audit work undertaken during the year. This is part of the framework of assurance that assist the Council in preparing the Annual Governance Statement for 2020/21.
1.02	It also aids the Governance and Audit Committee in its role to review the effectiveness of the Authority's systems of corporate governance, internal control and risk management and to make reports and raise actions to the Council on the adequacy and effectiveness of those arrangements.
1.03	<p>The report outlines the role of the Internal Audit team and the professional standards it must meet. It includes a statement that the team generally conforms to the PSIAS. It then gives the annual audit opinion.</p> <p><b>For the year ending 31 March 2021, based on the work the Internal Audit Service has undertaken, the direct assurance from management and external assurance from Audit Wales, my opinion is that Flintshire County Council has an adequate and effective framework of governance, risk management and internal control.</b></p>
1.04	The report covers the governance framework. In detail this covers corporate governance, information governance, risk management and internal controls. The report highlights where independent external assurance is received which supports the adequacy of the Council's governance arrangements.
1.05	<p>The report gives the level of coverage of the Audit team during the year and summarises the work undertaken in 2020/21. This also includes the direct assurance work undertaken by management during the early part of 2020 and the external review of the Council's approach to managing the pandemic by Audit Wales.</p> <p>A summary of work undertaken by the service by Portfolio is provided on the assurance levels given to the reviews, together with the categorisation and the number of agreed actions to address control weaknesses.</p>
1.06	The work on investigations and advisory work is outlined in the report.
1.07	Due to the pandemic performance of the service has only been monitored since September and reported from November. Overall performance of the team has been positive with all but two targets either achieved or exceeded.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a result of this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None required.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	Internal Audit operate to a risk-based plan designed to enable the annual opinion to be delivered. The report includes an opinion on risk management within the Council.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Internal Audit Annual Report.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None. <b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager <b>Telephone:</b> 01352 702231 <b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>PSIAS, Public Sector Internal Audit Standards:</b> a set of standards that all Internal Audit teams working in the public sector must comply with.</p> <p><b>Corporate Governance:</b> the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p><b>Risk Management:</b> the process of identifying risks, evaluating their potential consequences and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.</p>

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# 1 Introduction

## 1.1 The Definition and Role of Internal Audit

The definition of Internal Auditing in the Public Sector Internal Audit Standards (PSIAS) is as follows:

Internal Auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation achieve its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.

In April 2021 the Audit Committee changed its name to Governance and Audit Committee. For the purpose of this report when making reference to the Committee it will be referred to under its new name even if reference is made to a committee meeting prior to April 2021.

The role and responsibilities of the Flintshire County Council's Internal Audit Service are outlined in the Internal Audit Charter, which has been approved by the Governance and Audit Committee and is part of the Constitution. It also specifies the department's independence, authority, scope of work and reporting arrangements. All audit work is carried out in accordance with the contents of the Charter.

The role of Internal Audit is to provide an independent and objective opinion to the organisation on the overall adequacy and effectiveness of the framework of internal control, risk management and governance. Internal audit is therefore a key part of Flintshire County Council's assurance cycle, and if used effectively, can inform and update the organisation's risk profile. Internal Audit is just one of the sources of assurance available to the Council and Governance and Audit Committee that assists the Council to prepare the Annual Governance Statement.

## 1.2 Professional Standards

The professional responsibilities for Internal Auditors are set out in the International Standards for the Professional Practice of Internal Auditing, published by the Chartered Institute of Internal Auditors (CIIA) in the UK and Ireland. Public Sector Internal Audit Standards (PSIAS) are based on these Standards.

The Standards require the Audit Manager to develop a Quality Assurance and Improvement Programme (QAIP), designed to enable an evaluation of Internal Audit's conformance with the Standards. The QAIP must include both internal and external assessments. External assessments must be completed at least every five years. Internal assessments must include:

- Ongoing monitoring of the performance of the Internal Audit activity; and
- Periodic self-assessments

Ongoing monitoring of performance is in place. The quality of audit work is ensured by the use of an audit manual, ongoing supervision and management of staff and the review of all audit work. Performance targets are set and actual performance reported to quarterly Governance and Audit Committee meetings.

An external assessment of Flintshire's Internal Audit Service against the Standards is required every five years. This was undertaken in March 2017 by the Chief Internal Auditor, Ceredigion County Council and the final external assessment report was presented to Governance and Audit Committee in June 2017. All actions identified as part of the external assessment have been implemented.

A self-assessment against the Standards has been completed and the results were reported to the Governance and Audit Committee in March 2021. The Internal Audit Service was self-assessed as being generally conforming. The Internal Audit service maintains a quality assurance improvement programme (QAIP). The programme includes the evaluation of the Internal Audit service's conformance with the Standards and an evaluation of whether internal auditors apply The Institute of Internal Auditor's Code of Ethics and the QAIPS components to ensure continuous improvement.

QAIP reflects the actions following the external assessment and the annual self-assessment. This was presented to Governance and Audit Committee separately and is within Appendix C of this report.

Overall internal and external assessment concluded:

**Following both the internal self-assessment and the external assessment, the Internal Audit Service continues to Generally Conform to the Standards.**

**That means that the relevant structures, policies and procedures for the department, as well as the processes by which they are applied, comply with the requirements of the standards and of the Code of Ethics in all materials respects.**

**General Conformance does not require complete / perfect conformance, the ideal situation etc.**

### 1.3 Declaration of Independence

During the year 2020/21, all Auditors have acted with integrity and objectivity. To support the Council during the height of the pandemic a number of officers within the Internal Audit Service were deployed to other operational roles within the Council e.g. Test Trace Protect and Business Rates. In accordance with the Internal Audit Charter, paragraph 4.11, this is permissible in an emergency situation. At no point has their independence been compromised.

Annually each Auditor completes an independence and pecuniary interest declaration to identify any pecuniary or non-pecuniary interests they have. Where declarations are made work is allocated on the basis to ensure a conflict does not exist.

Internal Audit is well positioned within the Council to ensure independence remains. The Internal Audit Manager reports direct to the Chief Officer, Governance and the Council's Monitoring Officer and has direct access to and meets bimonthly with the Chief Executive and the Leader of the Council.

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## 2 Internal Audit Assurance for 2020/21

### 2.1 Context

The Internal Audit Service to Flintshire County Council is required to provide the Council (through the Governance and Audit Committee) with an opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In giving that opinion it should be noted that assurance can never be absolute. The most that the Internal Audit Service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.

The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.

In mid-March the Coronavirus Pandemic started resulting in the Council invoking its Business Continuity Plan. Given the unprecedented nature of the pandemic and its impact on the Council's service delivery and its workforce, all Internal Audit work was paused to allow the organisation to respond to the emergency. For the period April to August the Internal Audit Service supported the Council's response to this emergency. The work of internal audit during this period included the review of direct management assurance, key financial decisions, risk method statements, review and challenge of new business processes to aid alternative service delivery, validation and challenge of complex business support grants saving the Welsh Government circa £180K, working with multi-agency partner to deliver Test Trace Protect and Deeside Rainbow Hospital within Flintshire as well as attendance at the various emergency tactical working groups providing guidance and advice.

In September the original Internal Audit Plan for 2020/21 – 2022/23 was revised to reflect on the work of Internal Audit service for the first part of the year and to re-evaluate the service's work for the remainder of the year. The revised Strategic Audit Plan for 2020/21-2022/23 was presented and approved by the Governance and Audit Committee in September 2020. Due to the in-depth work Internal Audit were involved with during April to August and the revised Audit Plan in September sufficient work had been completed during the year to allow an assurance opinion to be provided.

There have been no limitations made on the scope of Internal Audit coverage during the year.

### 2.2 Resources

At the start of the year in April 2020, the department was carrying one full time vacancy for the Principal Auditor who retired in 2018. We experienced difficulties in recruiting to this post and for the interim the position was covered by the Principal Auditor in post and the Internal Audit Manager.

In May 2020 the Principal Auditor post was advertised as a secondment to all Senior Auditors within the service and following a formal recruitment process this position was filled. This has been a successful appointment with Principal Auditor already half way through their professional qualifications to become a Chartered Internal Auditor.

In early 2021 our application for a further Graduate Trainee was successful, recruitment will commence in June 2021 and the Graduate Trainee will be in position by September 2021.

There has been some long term sickness in the service, however overall there has been sufficient resources within the team to draw a reasonable conclusion on the adequacy and effectiveness of Flintshire County Council’s governance, risk management and internal control arrangements.

### 2.3 Internal Audit Opinion

**For the year ending 31 March 2021, based on the work the Internal Audit Service has undertaken, the direct assurance from management and external assurance from Audit Wales, my opinion is that Flintshire County Council has an adequate and effective framework of governance, risk management and internal control.**

During 2020/21 we have not issued a ‘Red / Limited assurance’ opinion compared to previous years (2019/20 one audit, 2018/19 two audits, 2017/18 three audits, 2016/17 four audits & 2015/16 six audits), where an urgent system revision was required.

Overall 82% of assurance opinions issued were either Green or Amber Green providing the Committee assurance that of the audits undertaken this year in the main there are effective arrangements in place for governance, risk management and internal control.

An analysis of the category of actions raised during 2020/21 show actions primarily relate to policy and / or operational matters of the service. The graph below provides you with further information of the other category of actions raised during 2020/21.



### 2.4 Scope of the Internal Audit Opinion

In arriving at this opinion, I have taken into account:

- The results of all internal audits undertaken during the year ended 31 March 2021 (see Appendix B for a summary of audit opinions and number of agreed actions);
- The results of follow-up action taken in respect of audits from previous years;
- The appropriateness of the proposed action by management to address control weaknesses and consequent risks;
- Matters arising from previous reports or other assurance providers to the Governance and Audit Committee and/or Council;
- Direct assurance from management;
- External assurance from Audit Wales;

- No limitations have been placed on the scope of Internal Audit;
- No resource constraints have been imposed upon us which may have impinged on our ability to meet the full internal audit needs of the organisation; and
- Where weaknesses have been identified I am happy that appropriate action plans are in place to address those weaknesses and to mitigate risks.
- During 2019/20, 110 actions were raised and 89\* were implemented to date. \* *Some relate to previous years audit reviews.*

## 2.5 The Basis of the Opinion

In reaching this opinion the following factors were taken into particular consideration:

### Corporate Governance

A Corporate Governance Working Group operated during the year and were tasked with updating and co-ordinating the annual governance self-assessment, and preparing it in line with the seven principals from the CIPFA/SOLACE guidance on 'delivering good governance' in Local Authorities in Wales released in 2016.

The group was chaired by the Internal Audit Manager and members included the Democratic Services Manager, Strategic Performance Advisor, IT Business Services Manager, Senior Manager Human Resources and Organisational Development and a Principal Accountant. The group updated the Council's Code of Corporate Governance, then prepared and drafted the Annual Governance Statement. The group issued corporate governance self-assessment assurance questionnaires to the Chairs of Overview and Scrutiny Committees and facilitated a challenge workshop with nominated members of the Governance and Audit Committee. This process provided an opportunity for senior officers and members to consider the effectiveness of governance arrangements. The group also considered the overall assurance framework.

The Annual Governance Statement explains how Flintshire County Council complies with its own Code of Corporate Governance, in line with the seven principles and also meets the requirements of the Accounts and Audit (Wales) Regulations 2018. The Annual Governance Statement includes actions to cover:

- Emerging risks and areas for improvement following a review against the Code of Corporate Governance.
- Enhance on the performance already made.
- How the governance framework supported Council to effectively manage the Pandemic
- Strategic risks of the Council.

The Council is subject to external inspections by Audit Wales (AW), Estyn, and CIW. Assessments undertaken by AW are both on a local and national level where the Council may be part of thematic review. Regardless of whether the Council is directly involved, the Council performs a self-assessment against the reports' findings. All actions from external inspections are monitored. During 2021/21 the Council has received the reports and undergone reviews from Audit Wales these being:

Reports Received:

- Raising our Game Tackling Fraud in Wales
- Commercialisation in Local Government
- Rental Income
- Rough Sleeping

**External Reviews:**

- TTP the regional approach
- Flintshire's Approach to Covid 19.

The outcome of the reviews are reported in accordance with the protocol. The report on Raising our Game and Tackling Fraud in Wales will be presented to Governance and Audit Committee in July 2021. In March 2021, the Annual Audit Summary 2020 summarises the audit and regulatory work undertaken at the Council by Audit Wales during preceding 2019/20. At the time of this report, the final Audit Summary 2021 for work completed during 2020/21 had not been published however, from feedback there are no significant issues arising which would raise concern.

**Information Governance**

Information Governance is a major component to the overall governance framework of the Council. To ensure the Council's IT infrastructure is secure, IT Services is subject to a number of external inspections and these are detailed in the table on the following page.

Area of IT Independently Assessed	Independent Assessor	Supporting Information
IT Infrastructure:	Public Services Network (PSN)	To assess the Council's infrastructure and ensure it is meeting best practices as define by the Cabinet Office in Line with National Cyber Security Centre (NCSC) Guidance. The assessment is undertaken annually. The council successfully met the requirements as part of the latest accreditation process and the current certificate expires in December 2021. The resubmission was impacted by inevitable delays due to the COVID-19 pandemic.
IT Infrastructure:	Cyber Essentials Plus (CEP)	There are two elements to this independent assessment. Cyber Essentials is a desktop self-assessment and the plus element is an independently verified element of the assessment. The council's certificate expired in April 2021. Whilst significant work has been undertaken towards reaccreditation, demands on the service due to Covid-19 pandemic have impacted this work. It is currently being worked on as a priority action.
Information Management & Address Standards:	Geoplace	Monthly assessment undertaken of the Council's address data to ensure the addresses used to populate the National Land and Property Gazetteer meet the required Standards. The Council has been award the Gold Standard for this assessment. The council was recently awarded joint best address data in Wales by Geoplace for the second year running.
Information, Processes and Procedures around Financial Systems	Wales Audit Office	As part of the annual audit, WAO considers the adequacy of the Council's security and interfaces with the Council's financial systems. No actions have been raised following this review. This work is currently underway and due to be completed by end of April. Any actions will be prioritised within the service accordingly.
Website Accessibility	Government Digital Service (GDS)	All public sector websites must reach Web Content Accessibility Guidelines (WCAG) 2.1 by September 23 <sup>rd</sup> 2020. The council must publish an accessibility statement and review it regularly. The majority of the councils website already meets the standard, however a major piece of work is being undertaken to review the accessibility of documents published on the website in portable document format (pdf). Whilst the majority of documents were completed on time (over 3,000), there are a small number that remain to be completed due to their complexity, the additional workloads due to Covid-19, and translation requirements. All work is due to be completed by end May 2021.



Any actions arising from these external assessments are monitored and managed by IT services ensuring any developments required are implemented to support and complement the role out of the Digital Strategy.

### Risk Management

In 2020/21 Internal Audit worked closely with the Council’s Performance team to support and challenge the risk management arrangements in place to manage the Council’s risk during the pandemic and captured in the emergency and recovery risk registers together with their supporting method statements. Progress reports against the Council’s emergency and recovery Plans were presented to the member recovery board and latterly to the Overview and Scrutiny Committees.

During 2020/21 all risk registers were regularly reviewed and updated during the response to the pandemic. These were reported regularly to member recovery board between May and September 2020, then more recently to the Overview and Scrutiny Committee.

The Strategic Risks are considered when identifying the audit work for the forthcoming year. My annual opinion is also informed by the number of risk based audit assignments completed during the year review.

### Internal Control

Audits were carried out in all areas of the Council during the year. The overall level of control found in audit assignments this year was good. 82% of audits resulted in a ‘green’ or ‘amber green’ assurance level. No area stood out as being worse than the others. In all cases the findings were reported to the Governance and Audit Committee. During 2020/21, 110 actions were raised to improve the internal control, risk management and governance arrangements across the authority. During the year a total 89 actions have been implemented. Some of these relate to actions raised in previous years. All actions are monitored and progress reported to Chief Officers monthly and at each Governance and Audit Committee meeting. Summary results are given in Appendix B, together with definitions of the assurance levels (Appendix A).

## 2.6 Level of audit coverage during the year

The number of reviews / audit work in each area of the Council is detailed in the table below.

Review Type	High	Medium	Annual / Follow Up	A&C (Incl 8 New)	In Progress	Deferred / NLR	Total
Corporate	4			4			8
Education and Youth	4	4	2	1		1	12
Governance	1	1	3			1	6
Housing & Assets			3			1	4
People and Resources	4		5				9
Planning, Environment & Economy	1	1		2		1	5
Social Services	4	1		2	1		8
Streetscene and Transportation	1	2		1	1	1	6
External	1					2	3
<b>Total</b>	<b>20</b>	<b>9</b>	<b>13</b>	<b>10</b>	<b>2</b>	<b>7</b>	<b>61</b>
	<b>52</b>						

The revised annual plan showed 61 audits / areas of work to be undertaken (including carry forward work). The approach to managing the audit plan changed for 2018/19 and this was

approved by Governance and Audit Committee in March 2018. It was agreed that the plan would be reviewed quarterly with Chief Officers and their senior management team. All high priority audits would be undertaken and any new requests for audit assistance would be considered and replace (where applicable) medium priority audits. In total only one new request for audit work was received during the year and undertaken. Any changes to the plan were reported back to Governance and Audit Committee.

Status of 2020/21 Audit Plan					
Priority	Completed	In Progress / Draft Report	Deferred	NLR *	Total
High	20	1	3		24
Medium	9	1		1	11
Annual / Follow Up	13		3		16
Advice & Consultancy (Incl. Covid related work)	10				10
<b>Position Original Plan</b>	<b>52</b>	<b>2</b>	<b>6</b>	<b>1</b>	<b>61</b>

\* No Longer Relevant. This is where the service requested the work and this was no longer needed or the audit has been combined within another review.

There is always a time lag in terms of the dates of audits. The audit plan for the following financial year will always include work carried over.

Within 2020/21, including carry forward work, 52 final audit were brought to the Governance and Audit Committee and at the time of this report a further two issued, due to be issued as awaiting finalisation or near completion. Given the exceptional circumstances overall the 2020/21 plan was substantially completed.

All the deferred audits were considered during the planning meetings for the 2021/22 to 2024/25 audit strategic plan and all six deferred audits from 2020/21 have been included within the 2021/22 Audit plan.

## 2.7 Assurance Levels

The definitions for the assurance levels are given in Appendix A of this report. The tables in Appendix B show the assurance opinions and number of agreed actions made in 2020/21.

## 2.8 Other Internal Audit Work

In addition to the reviews analysed in Appendix B, we have also carried out the following internal audit work during the year.

Area of Work	Comments
Schools Audits	2 individual school audits and a Control Risk Self-Assessment (CRSA) sent to all schools
Investigations	See 2.9 below
National Fraud Initiative	9 days on work relating to National Fraud Initiative
Advisory work	111 days on advisory work in the year
Grant audits	4 audit of grants
COVID19	Involved in specific workstreams detailed in 2.10



## 2.9 Anti-Fraud and Corruption and Investigations

At the start of the year there were four live investigations. During the year one more investigation was started and six were completed leaving no investigations at the end of the year. This new investigation was received following a referral from management. In total 25 days was spent on investigations. The nature of this investigation is covered in the table below:

Nature of the Investigations	No.
People & Resources - Fraudulent request to change bank details	1

The financial impact of this fraud resulted in the loss of £22K to the Council. The fraud was reported to Action Fraud for further investigation however no further action has been taken to date by Action Fraud. Internal controls were reviewed and recommendations for further improvements made and implemented.

## 2.10 Advisory / Consultancy work

This includes work that, in some cases, does not result in an audit report and or assurance opinion however adds value to the Authority by contributing to working groups or providing advice. Examples include:

- Advice on GDPR Project Group and Board
- Membership of the Corporate Governance Working Group
- Membership of Accounts Governance Group
- Membership of the E-Procurement Board
- Membership of the Programme Co-ordinating Group
- Membership of the Emergency Management Response Team
- COVID19 - Membership of Tactical Silver Groups
- COVID19 - Lead of Bronze Group for Postal Arrangements
- COVID19 - Emergency Response for Local Businesses Silver Tactical Group
- COVID19 - Temporary Hospital Provisions – Risk Management
- COVID19 - Governance and Legal Silver Tactical Group
- COVID19 - Organisational Recovery Group
- COVID19 - Business Compliance Group
- COVID19 - TTP Regional Tracing, Operation and Performance Group
- COVID19 - TTP Regional Oversight Group
- COVID19 - TTP Flintshire Oversight Group
- COVID19 - Prevention & Surveillance Group
- Corporate Health & Safety Group
- Corporate Data Protection Group

It should be noted that the number of days spent on advisory work (111 for 2020/21) continues to remain high (97 2019/20, 91, 2018/20, 124 days for 2017/18, 79 days for 2016/17) and demonstrates the noticeable rise in requests for Internal Audit to become involved in emerging issues, supporting the business to response to the emergency of the pandemic whilst working with the organisation to ensure a robust control environment is in place.

## 2.11 Audit of Third Parties

Following the transformation changes of services and the creation of Aura Leisure and Libraries and NEWydd in 2016/17 the Internal Audit Service has a 3 year SLA to deliver an internal audit service to these organisations. During 2019/20, these SLAs were renewed for a further three years.

Due to the impact the pandemic has had on both external third parties it has not been possible to audit these services. Audit reviews are scheduled to resume in 2021/22.

## 2.12 Internal Audit Performance

The performance of the department against performance measures and targets is set out below. Performance monitoring resumed in September when the service returned to full internal audit work and reported to the Governance and Audit Committee from November onwards.

Performance against target is reported to each Governance and Audit Committee, and is summarised in the table below. Overall apart from two all were achieved or exceeded the internal targets. There continues to be a low number of questionnaires returned and whilst the method for calculation was changed last year, the pandemic may have impacted on services returning their questionnaires.

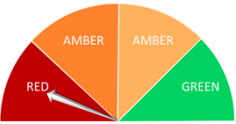
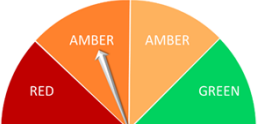
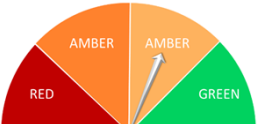
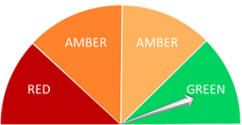
### Internal Audit Performance Indicators

Performance Measure	Reporting Period			Overall Average Performance 20/21	20/21 Target
	Nov 20	Jan 21	Mar 21		
Reported to Committee	Nov 20	Jan 21	Mar 21	Overall Average Performance 20/21	20/21 Target
Audits completed within planned time	100%	75%	75%	<b>83%</b>	80%
Average number of days from end of fieldwork to debrief meeting	3	9	9	<b>7</b>	20
Average number of days from debrief meeting to the issue of draft report	1	1	1	<b>1</b>	5
Days for departments to return draft reports	3	0	1	<b>1</b>	7
Average number of days from response to issue of final report	1	1	1	<b>1</b>	2
Total days from end of fieldwork to issue of final report	6	17	16	<b>13</b>	34
Productive audit days	71%	73%	79%	<b>74%</b>	75%
Client questionnaires responses as satisfied	100%	100%	100%	<b>100%</b>	95%
Return of client satisfaction questionnaires	100%	66%	53%	<b>73%</b>	80%

## Levels of Assurance – Standard Audit Reports

## Appendix A

The audit opinion is the level of assurance that Internal Audit can give to managements and all other stakeholders on the adequacy and effectiveness of controls within the areas audited. It is assessed following the completion of the audit and is based on the findings from the audit. Progress on the implementation of agreed actions will be monitored. Findings from **Red** assurance audits will be reported to the Governance and Audit Committee.

Level of Assurance	Explanation
<p><b>Red – Limited</b></p> 	<p><b>Urgent system revision required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls are absent or rarely applied</li> <li>• Evidence of (or the potential for) significant financial / other losses</li> <li>• Key management information does not exist</li> <li>• System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources.</li> </ul> <p>Conclusion: a lack of adequate or effective controls.</p> <p><b>Follow Up Audit</b> - &lt;30% of actions have been implemented. Unsatisfactory progress has been made on the implementation of high priority actions.</p>
<p><b>Amber Red – Some</b></p> 	<p><b>Significant improvement in control environment required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively</li> <li>• Evidence of (or the potential for) financial / other loss</li> <li>• Key management information exists but is unreliable</li> <li>• System / process objectives are not being met, or are being met at an unnecessary cost or use of resources.</li> </ul> <p>Conclusion: key controls are generally inadequate or ineffective.</p> <p><b>Follow Up Audits</b> - 30-50% of actions have been implemented. Any outstanding high priority actions are in the process of being implemented.</p>
<p><b>Amber Green – Reasonable</b></p> 	<p><b>Key Controls in place but some fine tuning required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact</li> <li>• Some refinement or addition of controls would enhance the control environment</li> <li>• Key objectives could be better achieved with some relatively minor adjustments</li> </ul> <p>Conclusion: key controls generally operating effectively.</p> <p><b>Follow Up Audit:</b> 51-75% of actions have been implemented. All high priority actions have been implemented.</p>
<p><b>Green – Substantial</b></p> 	<p><b>Strong controls in place (all or most of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist and are applied consistently and effectively</li> <li>• Objectives achieved in a pragmatic and cost effective manner</li> <li>• Compliance with relevant regulations and procedures</li> <li>• Assets safeguarded</li> <li>• Information reliable</li> </ul> <p>Conclusion: key controls have been adequately designed and are operating effectively to deliver the key objectives of the system, process, function or service.</p> <p><b>Follow Up Audit:</b> 75%+ of actions have been implemented. All high priority actions have been implemented.</p>
<p><b>Categorisation of Actions</b></p>	<p>Actions are prioritised as High, Medium or Low to reflect our assessment of risk associated with the control weaknesses</p>
<p><b>Value for Money</b></p>	<p>The definition of Internal Audit within the Audit Charter includes 'It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper economic, efficient and effective use of resources.' These value for money findings and recommendations are included within audit reports.</p>

## Internal Audit Opinions and Recommendations 2020/21

## Appendix B

Auditable Area	Number of Reports & Audit Opinions						Priority & Number of Agreed Actions			
	Red	Amber -	Amber +	Green	Advisory / Grant - No Opinion Given	In Total *	High	Medium	Low	In Total
Corporate					8	8				
Education and Youth		3	5		3	11	6	17	19	42
Governance			3	2		5		7	6	13
Housing & Assets			1	1	1	3		3	2	5
People and Resources		1	5	2	1	9		9	5	14
Planning, Environment & Economy			2		2	4		5	7	12
Social Services		1	2	1	3	7	1	6	3	10
Streetscene and Transportation		1	2		1	4	3	6	4	13
External				1		1		1		1
<b>Total</b>	<b>0</b>	<b>6</b>	<b>20</b>	<b>7</b>	<b>19</b>	<b>52</b>	<b>10</b>	<b>54</b>	<b>46</b>	<b>110</b>

\* the total number of audit report may not tally with the number of audit given due to the school audits

PSIAS –Quality Assurance Improvement Programme (QAIP)

Appendix C

Actions from External Assessment (EA) March 2017 and Self-Assessment (SA) March 2021 (questions not scored as conforming)

Ref	Conformance with the Standard	Compliance	Planned Actions	Person Resp.	Timescale	Comment
2120 (SA)	Has the internal audit activity evaluated the potential for fraud and also how the organisation itself manages fraud risk?	Partial	Improve awareness of fraud. Collect data on fraud risk.(2120)	LB	Implemented	Fraud risk analysis is undertaken as part of each audit review.
					Implemented	Anti-Fraud and Corruption Strategy and Fraud Response Plan has been updated and presented to Governance and Audit Committee in February 2019.
					Partly Complete - April 2021	Develop an online reporting solution which would support digital and customer strategies during 2019/20. This is currently at the test stage however due to COVID-19 this was on hold for a period however this is now ready to go live in the new financial year.  Once operational the fraud reporting system and Whistleblowing policy will be promoted via change exchange.
2110 (SA & EA)	Internal Audit reviews the activities in place that manage and monitor the effective implementation of the organisation's ethics and values.	Partial	(SA) Review as part of CGWG – review of Code of Corporate Governance.  (EA) The Service needs to undertake a review to evaluate the design, implementation and effectiveness of the Council's ethics related objectives, programs & activities. (2110.A1)	LB	Partly Complete	Audit work is based on the Council's objectives and priorities and covers areas in the Code of Corporate Governance such as organisational, performance management, and communication of risk and control information.  Whilst ethics is considered as part of routine audits, a specific review on ethics and values has been included within the 2019/20 audit plan. This audit is currently in progress.

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## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 2 <sup>nd</sup> June 2021
<b>Report Subject</b>	Internal Audit Progress Report
<b>Report Author</b>	Internal Audit Manager
<b>Type of Report</b>	Assurance

### EXECUTIVE SUMMARY

Internal Audit produces a progress report for the Governance and Audit Committee every quarter. This shows the position of the team against the plan, changes to the plan, final reports issued, action tracking, performance indicators and current investigations. This meets the requirements of the Public Sector Internal Audit Standards, and also enables the Committee to fulfil the Terms of Reference with regards to Internal Audit. The current progress report is attached.

### RECOMMENDATIONS

1	To consider and accept the report.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT</b>
1.01	Internal Audit gives a progress report to the Governance and Audit Committee every quarter as part of the usual reporting process. The report is divided into several parts.
1.02	The level of audit assurance for standard audit reviews is detailed within Appendix A. All reports finalised since the last committee meeting are shown in Appendix B.
1.03	Since the last report on progress to Committee in March, there have been no Red / Limited assurance reports issued. Appendix C shows one report with an Amber Red / Some assurance given. Copies of all final reports are available for Members if they wish to see them.

1.04	<p>The automated tracking of actions is completed through the use of the integrated audit software. All actions are tracked automatically and the system allows Managers and Chief Officers to monitor their own teams' outstanding actions and confirm they are being implemented.</p> <p>At the March 2021 Committee meeting concerns were raised over the number of overdue audit actions due and those that were significantly old. Whilst monthly updates are requested from management it was agreed that a specific exercise would be undertaken to review the outstanding actions. On 14 April 2021 Audit presented the outstanding actions to the Chief Officers Team. From the meeting it was agreed Chief Officers would request their Service Managers to review their actions.</p> <p>At the last Committee in March, 109 actions were overdue. Following this exercise the number of outstanding actions has been reduced to 8 (Appendix D). Overall 34 (31%) actions were implemented and through discussions with the Internal Audit service extensions to due dates were been agreed for a further 67 (61%) of which there remains one High priority action and 22 Medium priority actions. Overall 112 actions remain live.</p> <p>As agreed, only those High or Medium priority actions are to be reported to Committee, of which there are 30. Actions overdue are listed in Appendix E where there are 7 overdue. Appendix F lists 23 actions that are six months and older from the original due date.</p> <p>Whilst this has been a positive exercise to undertake it has also been significantly time consuming for the Internal Audit service supporting the portfolios in this exercise.</p>
1.05	<p>Appendix G shows the status of current investigations into alleged fraud or irregularities. The table includes the start date of the investigations.</p>
1.06	<p>Appendix H shows the range of performance indicators for the department. Overall performance remains good. Where there has been movement this has been marginal. Particularly:</p> <ul style="list-style-type: none"> <li>• Number of productive days.</li> <li>• Number of client questionnaires returned – this will continue to be monitored.</li> </ul>
1.07	<p>Appendix I shows the current position of the carry forward work on the 2020/21 audit plan and Appendix J shows the current position against the 21/22 audit plan. The plan will continue to be reviewed on a regular basis and reprioritised to accommodate any new requests for work, or to respond to emerging issues. Since the last Committee in March, there has been no request for additional work.</p>



<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	None required.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	The work of Internal Audit provides assurance to the Council that adequate and effective controls are in place to mitigate risks.

<b>5.00</b>	<b>APPENDICES</b>
5.01	<p>Appendix A Levels of Audit Assurance</p> <p>Appendix B Final Reports Issued Since March 2021</p> <p>Appendix C Amber Red Assurance Provided</p> <p>Appendix D Action Tracking – Portfolio Statistics</p> <p>Appendix E High &amp; Medium Overdue Actions (including actions older than 6 months if overdue)</p> <p>Appendix F Actions older than six months from original due date and not overdue</p> <p>Appendix G Investigation Update</p> <p>Appendix H Performance Indicators</p> <p>Appendix I Operational Plan 2020/21</p> <p>Appendix J Operational Plan 2021/22</p>

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p><b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager</p> <p><b>Telephone:</b> 01352 702231</p> <p><b>E-mail:</b> <a href="mailto:Lisa.brownbill@flintshire.gov.uk">Lisa.brownbill@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<p><b>Internal Audit:</b> Internal auditing is an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control, and governance processes.</p>

**Audit Wales:** works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.

**Corporate Governance:** the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.

**Operational Plan:** the annual plan of work for the Internal Audit team.

# Flintshire Internal Audit

Progress Report

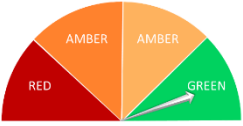
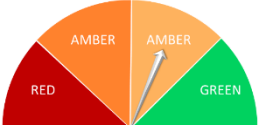
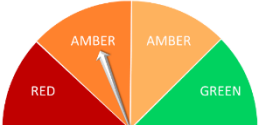
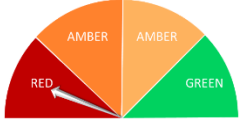


June  
2021

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The audit opinion is the level of assurance that Internal Audit can give to management and all other stakeholders on the adequacy and effectiveness of controls within the area audited. It is assessed following the completion of the audit and is based on the findings from the audit. Progress on the implementation of agreed actions will be monitored. Findings from **Red** assurance audits, and summary findings from Amber Red audits will be reported to the Governance and Audit Committee.

Level of Assurance	Explanation
<p style="text-align: center;"><b>Green – Substantial</b></p> 	<p><b>Strong controls in place (all or most of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist and are applied consistently and effectively</li> <li>• Objectives achieved in a pragmatic and cost effective manner</li> <li>• Compliance with relevant regulations and procedures</li> <li>• Assets safeguarded</li> <li>• Information reliable</li> </ul> <p>Conclusion: key controls have been adequately designed and are operating effectively to deliver the key objectives of the system, process, function or service.</p> <p><b>Follow Up Audit:</b> 85%+ of actions have been implemented. All high priority actions have been implemented.</p>
<p style="text-align: center;"><b>Amber Green – Reasonable</b></p> 	<p><b>Key Controls in place but some fine tuning required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact</li> <li>• Some refinement or addition of controls would enhance the control environment</li> <li>• Key objectives could be better achieved with some relatively minor adjustments</li> </ul> <p>Conclusion: key controls generally operating effectively.</p> <p><b>Follow Up Audit:</b> 51-85% of actions have been implemented. All high priority actions have been implemented.</p>
<p style="text-align: center;"><b>Amber Red – Some</b></p> 	<p><b>Significant improvement in control environment required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively</li> <li>• Evidence of (or the potential for) financial / other loss</li> <li>• Key management information exists but is unreliable</li> <li>• System / process objectives are not being met, or are being met at an unnecessary cost or use of resources.</li> </ul> <p>Conclusion: key controls are generally inadequate or ineffective.</p> <p><b>Follow Up Audits</b> - 30-50% of actions have been implemented. Any outstanding high priority actions are in the process of being implemented.</p>
<p style="text-align: center;"><b>Red – Limited</b></p> 	<p><b>Urgent system revision required (one or more of the following)</b></p> <ul style="list-style-type: none"> <li>• Key controls are absent or rarely applied</li> <li>• Evidence of (or the potential for) significant financial / other losses</li> <li>• Key management information does not exist</li> <li>• System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources.</li> </ul> <p>Conclusion: a lack of adequate or effective controls.</p> <p><b>Follow Up Audit</b> - &lt;30% of actions have been implemented. Unsatisfactory progress has been made on the implementation of high priority actions.</p>
<p><b>Categorisation of Actions</b></p>	<p>Actions are prioritised as High, Medium or Low to reflect our assessment of risk associated with the control weaknesses</p>
<p><b>Value for Money</b></p>	<p>The definition of Internal Audit within the Audit Charter includes ‘It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper economic, efficient and effective use of resources.’ These value for money findings and recommendations are included within audit reports.</p>

## Final Reports Issued Since March 2021

## Appendix B

The following reports and advisory work have been finalised since the last Governance and Audit Committee. Action plans are in place to address the weaknesses identified.

Project Reference	Portfolio	Project Description	Audit Type	Level of Assurance	New Actions		
					High	Med	Low
33-2020/21	External	Pensions Investment, Management & Accounting	Risk Based	G	0	1	0
39-2020/21	E&Y	Risk Based Thematic Reviews St Richard Gwyn	Risk Based	AG	0	2	4
38-2020/21	E&Y	Risk Based Thematic Reviews St Ethelwolds	Risk Based	AG	0	3	3
24-2020/21	PE&E	Owner Occupier & Owner Occupier Financial Assistance Loans (Formerly HILS)	Risk Based	AG	0	3	5
36-2020/21	PE&E	Pest Control (18/19, 19/20, 20/21)	Risk Based	AG	0	2	2
17-2020/21	S&T	Highways Structures (Bridges)	Risk Based	AG	0	3	0
31-2020/21	S&T	Loss of O Licence	Risk Based	AR	3	0	0
45-2020/21	E&Y	Schools Control Risk Self-Assessment	Risk Based	Advisory	-	-	-

**Streetscene and Transportation: Loss of O Licence – 31-2020/21**

<i>Areas Managed Well</i>	<i>Areas Identified for Further Improvement</i>
<p>Adequate processes in place for drivers to report any defects or symptoms of defects that could prevent the safe operation of vehicles.</p>	<p><i>Opportunities for improvement to the control environment have been identified to ensure compliance is maximised. The service area has provided a comprehensive action plan which contains the agreed actions, responsible officer and individual due dates to address the areas listed below.</i></p> <ul style="list-style-type: none"> <li>• <i>Management practices and reporting in place to ensure compliance with the conditions of the O Licence around tachographs are not adequate, fail to address all risks and are not consistently embedded across all transport operations.</i></li> </ul> <p><i><b>Agreed Management Action:</b> Controls and compliance monitoring arrangements to be reviewed in relation to servicing and maintenance records to ensure accurate and timely data to highlight non-compliance and areas for action. Roles and responsibilities to be reviewed, process to be streamlined and vehicle maintenance summary reporting to be developed to provide management assurance over the servicing and maintenance status for the fleet. <b>Due date for this action: July 2021</b></i></p> <ul style="list-style-type: none"> <li>• <i>Management reporting designed to oversee compliance with vehicle maintenance and servicing obligations within the O Licence is not in place. The data provided as part of the oversight is not complete and accurate. The current process to provide oversight is not deemed adequate and fails to address all risks.</i></li> </ul> <p><i><b>Agreed Management Action:</b> A review of the current process in relation to tachograph compliance to be conducted and timescales to be agreed to deal with non-compliance. Processes to be mapped and responsibilities to be shared to ensure reliance on individuals is removed. Repeat offender reporting to be devised in order to identify and manage underperformance, with compliance checks to be undertaken regularly alongside professional competency checks. Roles and responsibilities to be reviewed, process to be streamlined and automated leading to timely resolution of non-compliance issues, with escalation of any delays in response. <b>Due date for this action: July 2021</b></i></p> <ul style="list-style-type: none"> <li>• <i>Compliance reports are not being generated or addressed due to single person dependency impacting on the services resilience. Documented procedures are not in place to assist with continuity of service during periods of absence.</i></li> </ul> <p><i><b>Agreed Management Action:</b> A documented set of procedures to be drafted to document the end to end process which demonstrates compliance with O Licence requirements. This should also set out roles and responsibilities, timescales for completion of the various processes and will ensure the process is embedded across all transport operations. Through the assignment of roles and responsibilities this will assist with the identification of single person dependencies and support service resilience. Compliance checks to be regular conducted to ensure that the processes are being delivered correctly and in a timely manner. Training to be provided to additional staff in critical roles to ensure business continuity in the event the individual responsible is not available. <b>Due date for this action: July 2021</b></i></p>

# Action Tracking – Portfolio Performance Statistics

# Appendix D

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Portfolio	June 2021 Statistics		
	Number of Actions Raised <b>Since January 2016</b>	Actions Implemented since Jan 2016 <i>(including Actions No Longer Valid)</i>	% of Actions Cleared To Date
Chief Executives *	53	49	<b>92%</b>
Education & Youth	103	97	
Governance *	167	149	
Housing & Assets *	181	171	
People & Resources	234	219	
Planning, Environment & Economy *	93	82	
Social Services	133	125	
Streetscene & Transportation	123	114	
External *	33	33	
Individual Schools	247	217	
<b>Total</b>	<b>1367</b>	<b>1256</b>	

Live Actions – June 2021				
Live Actions	Actions Beyond Due Date <i>(excludes Actions with revised due date)</i>			Actions with a Revised Due Date
	H	M	L	
4	-	1	-	3
6	-	-	-	3
19	1	-	-	9
10	-	-	-	5
15	-	2	1	7
11	-	-	-	3
8	-	-	-	4
9	-	2	-	3
0	-	-	-	-
30	-	1	-	18
<b>112</b>	<b>1</b>	<b>6</b>	<b>1</b>	<b>55</b>
	<b>8</b>			

Actions beyond <u>Original</u> due date	
Actions between 6 & 12 months	Actions Greater than 12 Months (13+)
<i>See Appendix F &amp; G</i>	
-	3
-	1
-	7
1	4
1	6
-	3
4	-
-	4
-	-
12	2
<b>18</b>	<b>30</b>

\* Actions removed and relocated within External e.g. Clwyd Pension Fund

\* Actions removed from Community & Enterprise and reallocated between Governance, Housing & Assets and Strategic Programmes & Planning, Environment & Economy



High and Medium Actions Overdue

Appendix E

Audit	Ref	Action	Priority	Original Due Date	Revised Due Date	Age of Action from Original Due Date (Months)	Last Update Provided	Reason for Revised Due Date and Current Position	How Risk is Being Managed
Chief Executives									

Procurement Contract Management 2018/19	2771	<p>Chief Officers to review contract management within their portfolios to ensure;</p> <p>Staff have appropriate skills and experience, and have received appropriate training where required.</p> <p>All contracts over £25k are recorded on the Proactis Contract Register / all contracts on Proactis e-sourcing have been closed down and 'pushed through' to the Proactis Contract Register.</p> <p>Signed contracts are in place to support all contracts on the Proactis Contract Register.</p> <p>Contract Management activity is recorded in the Proactis Contract Management module where appropriate.</p> <p>The evidence retained to support contract management activity is appropriate and robust.</p> <p>Delivery of Community Benefits / Social Value is appropriately monitored.</p> <p>Compliance with contract clauses around the use of sub-contractors is appropriately monitored.</p> <p>Appropriate inclusion of performance indicators / performance data requirements within contract terms and conditions, and appropriate monitoring of contractor performance data.</p> <p>Chief Officers will develop Action Plans for each of their portfolios to ensure any issues identified in the reviews carried out (above) are appropriately addressed.</p>	M	31/12/2019	31/03/2020	16	18/11/2020	<p>At the meeting on 20.12.19 it was recognised that due to the late date of the meeting the due date of 31.12.19 was unachievable. It was asked for the due date to be extended to the end of February 2020. Managers will be required to completed 'as is' spreadsheets by the end of January, with a full meeting to be scheduled for early February to address issues arising and to pull together the required Action Plan.</p> <p>No impact on risk from a short extension to the due date.</p>	<p>Each portfolio agreed to review contract management arrangements across their services and develop an action plan to address issues identified (if any).</p> <p>Contract management action plans are now in place across a number of portfolios (Social Services; Housing &amp; Assets; Planning, Environment &amp; Economy; Streetscene &amp; Transportation).</p> <p>It is unclear if these action plans are being actively monitored and updated within portfolios to drive implementation of the agreed actions / drive compliance with contract management best practice. This has been highlighted within New Audit Findings at Section 3 (URN 03028).</p> <p>Contract Management Action Plans are not yet in place for Education; Governance or Corporate Services (it is recognised however that work has recently recommenced on ascertaining the 'as is' position within these portfolios) with the intention that Action Plans will now be</p>
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									developed.
<b>Governance</b>									
Data Protection Act Compliance 2018/19	2596	<p>URN 02At the June 2019 Information Compliance Operational Group it was agreed that Data Protection training should be recorded against post and not person. Work has commenced with the following objectives set</p> <ol style="list-style-type: none"> <li>1. Review existing DP training and analyse posts to determine which level should be recorded. This needs to be by Portfolio and channelled through DPR's</li> <li>2. Agree process with HR for changing once Portfolios have signed off correct training level for each Post</li> <li>3. Review iTrent for DP training options</li> <li>4. Review new post creation process to ensure DP training is mandatory</li> </ol> <p>Data Protection training statistics are reported to COT on a monthly basis, along with the GDPR Project Board and every Information Compliance Operational Group. The need to complete Data Protection training and record in iTrent has been included in numerous Data Protection newsletters.</p> <p>Each Portfolio representative is provided with detailed lists of training status for each member of staff with their area.</p>	H	31/12/2019	-	16	12/05/2021	<p>Agreed at GDPR Project Board. Work already well underway however not all Portfolio's have provided the information back.</p> <p>Housing &amp; Assets still outstanding, raised at the December ICOG meeting and previous meetings.</p>	This has now been passed to HR to implement on iTrent hence why it isn't closed.
<b>People and Resources</b>									
Payroll 2017/18	2218	Midland have advised functionality is in place to allow for the removal of all required information to comply with GDPR requirements. Internal testing will be completed to provide assurance over this anticipated functionality.	M	30/09/2018	31/01/2020	32	17/01/2020	The functionality still requires testing, further issues/defects may be found during testing and would need reporting to MHR for their investigation. I have requested 30.04.18 to take into account that possibility.	The implementation of Electric theme within iTrent is ongoing and prevents progression of testing of the GDPR functionality due to not having an available a test environment required to undertake further review of MHRs

									changes.
Payroll 2020/21	3057	<p>The data contained with the quarterly over and underpayments statistics will be reviewed within Employment Services: remedial steps will be undertaken to prevent reoccurrence where patterns, trends and causes for concern are found, which will be fully documented to ensure all actions taken are recorded and evidenced.</p> <p>Already actioned: The claim form that was identified has been amended to request that it be forwarded to the mailbox for receipt of claims for payments: 'Timetrent@flintshire.gov.uk'</p>	M	28/02/2021	-	2	-	No update provided	No update provided
<b>Streetscene &amp; Transport</b>									
ITU Procurement of Contracts 2017/18	2287	<p>Submissions from new suppliers can be sent at any time during the six year DPS project. There is an obligation to evaluate these responses within 10 working days. If a company is successful they are added into the contract and will automatically receive notifications of mini competitions or RFQ's going forward.</p> <p>The respective service area will be notified of all suppliers who have been approved and it will be their responsibility to ensure that the suppliers have been added to the contract.</p>	M	30/06/2019	-	23	28/04/2021	<p>All evaluators for this project receive an email alert from Proactis stating that there has been a new response and that they have a task to score the new response. This is monitored and communications are sent to the bidder accepting / rejecting their application . If there is a need for clarification of the bid from any evaluators then these are communicated via Proactis and responses received are sent to the evaluators to enable them to complete the scores. Clarifications can delay the scoring of the response and on occasions can result in the notification to bidders being sent outside of the ten day period.</p> <p>Evidence outstanding in order to close action down.</p>	No Update

Corporate Health and Safety-Use of Plant, Machinery and Equipment 2018/19	2468	<p>Job specific training requirements are clearly shown on the safe method of work document for each Streetscene task to ensure that operatives only undertake roles for which they are trained.</p> <p>HAV's awareness training attendance has now been recorded on the current skills matrix and documented on the individuals training file. Implement the migration of all training records to itrent to ensure data security and prompt reporting.</p>	M	21/12/2019	01/04/2020	16	-	<p>The master training records spreadsheet has been updated to reflect the use of plant, machinery and equipment and HAVS and all records are up-to-date.</p> <p>The long-term aspiration is to transfer this data into iTrent, but this hasn't been completed yet due delays owing to COVID-19.</p> <p>Evidence outstanding in order to close action down.</p>	No Update
<b>Schools</b>									
Risk Based Thematic Review 2018/19 - Ysgol Merllyn	2524	The school will ensure that an appropriate person is appointed to the role of Data Protection Officer in line with the Act.	M	31/07/2019	-	21	29/01/2020	The school is trying to contact a DP specialist	No DPO in place

Actions with a Revised Due Date Six Months Beyond Original Due Date and Not Overdue

Appendix F

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed	
<b>Chief Executive</b>										
Page 1 of 10	Voluntary Sector Grants - 2019/20	2765	A formal signed agreement will be put in place between the Council and the relevant third party organisation which defines the roles and responsibilities of all parties in administering the individual grant schemes, including any fees and charges to be paid to the administrating organisation.	M	31/03/2020	31/07/2021	07/01/2021	This was delayed because of capacity issues created by Covid -19	This is in progress and Legal are finalising the draft Agreement	No Update Provided
	Voluntary Sector Grants - 2019/20	2807	Invoices or equivalent documentation will be requested to support fees and charges levied by CFiW  All fees and charges by the CFiW in respect of investing in our fund monies and administering the grant scheme will be checked as being accurate	M	31/03/2020	31/07/2021	12/05/2021-	The development of signed agreements is being put in place.	No Update Provided	No Update Provided
<b>Education &amp; Youth</b>										
Youth Justice 2016/17	2045	Devise a contingency business case to identify and mitigate risks against statutory and non statutory grants to assist with the business continuity.  Review opportunities identified by the external review to develop a succession plan. Approval to be obtained for both of these initiatives from the Chief Executive.	M	31/08/2018	30/06/2021	18/01/2021	Restructuring of Integrated Youth Services Senior Management completed with realignment of Youth Services and Youth Justice Service into two separate elements. Appointment of Senior Manager Youth	No Update Provided	No Update Provided	

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
							Justice completed. Posts below Senior Manager position now in process of review and restructuring to appropriately manage the service and identified risks. Expected final completion date 31.3.21.		
<b>Governance</b>									
Joint Corporate Procurement Unit 2017/18 Page 111	2253	<p>Our review of Governance arrangements identified;</p> <ul style="list-style-type: none"> <li>There is inadequate scrutiny of JCPU objectives and outcomes by Joint Procurement Board (JPB) and by relevant Council committees to address lack of progress with achieving the primary objectives of the JCPU business case around Efficiency, Capacity and Markets (1.1).</li> <li>Delays in the alignment of procurement strategy and procurement activity across the two Councils. Recent changes, e.g. board membership and corporate priorities, means that the strategy contains out of date information (1.2).</li> <li>Limited processes in place for measuring and recording efficiency savings achieved through collaborative procurement. There is no</li> </ul>	M	31/10/2018	31/12/2021	03/03/2021	<p>Due to the unprecedented events occurring as a result of COVID19 this will have to be put back as a priority of future work is currently unknown.</p> <p>See comments above, CPR's are in the process of being revised, currently out for consultation but there may be further changes required as a result of Brexit. No immediate risk to be managed as existing CPR's will remain in place whilst the revision is ongoing.</p>	Due to interim management arrangements in place the timescale for updating CPR's will definitely need to be extended, to the end of this year by the time a new manager is appointed and the have opportunity to review CPR's.	

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		<p>evidence that efficiency savings and benefits have been reported to the JPB (1.3).</p> <ul style="list-style-type: none"> <li>• Limited evidence of reporting of KPI's to the JPB / no robust targets in place for KPI's (1.4).</li> <li>• Insufficient systems for recording and monitoring the split of procurement staff time across the two Councils (1.5).</li> <li>• Meetings of the JPB not taking place on a regular basis, agendas for the JPB meetings not prepared and circulated in advance of meetings and JPB minutes not available for all meetings / minutes not circulated on a timely basis (1.6).</li> <li>• Limited monitoring and evaluation of expenditure by category and aggregated spend (across services and/or Councils) by the JCPU to ensure opportunities for efficiency savings through collaborative procurement exercises are identified (1.7).</li> <li>• Due to limited availability of data, monitoring of contract end dates by the JCPU cannot take place to ensure opportunities for efficiency savings through collaborative procurement or alternative procurement models are appropriately explored (1.8).</li> </ul>							



Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Deferred Charges on Properties 2018/19	2412	A spreadsheet will be set up which records all legal charges that relate to the Council.	M	31/07/2019	30/11/2021	17/05/2021	Refer to Update	This needs to be prioritised. In the meantime notification of completed charges are retained on the legal file and also client departments as notified.	Refer to Update
Procurement Contract Management 2018/19	2726	<p>"In addition to delivery of the Action Plans developed by Chief Officers following the portfolio reviews agreed at finding (1);</p> <p>Development of a formal training programme for contract managers to ensure;</p> <p>Appropriate awareness of the issues to be considered in ensuring effective delivery of Community Benefits / Social Value.</p> <p>Appropriate awareness of the risks around the use of sub-contractors in the delivery of contracts &amp; understanding of the activity which should be carried out as part of the contract management process to ensure terms and conditions around the use of sub-contractors are being complied with.</p> <p>Appropriate awareness of the use of performance indicators / performance data requirements within contract terms and conditions &amp; the robustness of processes in place for the validation and monitoring of performance data.</p> <p>Appropriate awareness of the requirement to include all contracts on the Proactis</p>	M	31/03/2020	31/03/2022	09/03/2021	<p>Organisational capacity to train all the contract managers does not exist due to the pandemic, and this will take a long time to complete based on reduced availability of employees</p> <p>Legal has been tasked with providing training and this was to commence in March but due to Covid has been delayed.</p>	The COG has started to complete a training programme for the delivery of Contract Management training across FCC.	Audit and Legal met in Sept and went through in some detail the package or training to deliver and this has altered somewhat as he will be delivering this over the internet, Web Ex currently.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		Contract Register and to ensure a robust understanding of the processes for uploading signed contracts onto Proactis. Use of the Proactis Contract Management module."							
Legal Case Management System	2212	Procedural guidance specific to the way the system operates for the Section in 2018 should be compiled and issued to the users of the system. These procedures should state which specific areas of the system officers are supposed to be using and which areas are mandatory i.e. all chargeable time should be recorded on the lken system. Consideration should also be given to getting users to confirm that they have received the procedural guidance and agree to comply with it.	M	31/03/2019	30/09/2021	17/05/2021	Refer to follow up note	There are multiple new training guides and manuals including full guides, crib sheets, training videos covering basic, super user and specific functions which are available to access by all members of the team in a shared administrative folder containing over 60 separate documents/videos. Documentation in relation to complex and specific user journeys not covered is underway (i.e. new starters, troubleshooting) and will be added to the shared matter as they are completed. Collaborative data-cleansing is not an option –work is underway to perform a data-cleanse to “clean-up” existing data, following which a FCC specific manual covering procedural guidance will be circulated including what matter types we will use, references, naming conventions, case reviews, retention schedules etc.	Refer to follow up note
Data Protection Act	2594	Guidance on drafting a Privacy Notice is available to all staff via	M	31/12/2019	31/12/2021	12/05/2021	Agreed at GDPR Project Board. All	This is part of a wider programme of work looking	Project to review all PDF forms on website

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Compliance 2018/19		<p>the Infonet. When requested and as part of the Data Protection Impact Assessment process, the Information Governance Team review Privacy Notices.</p> <p>The Phase 2 GDPR Action Plan includes the following task:</p> <p>Update system to allow copies of privacy notices to be held against information assets.</p> <p>The Denbighshire privacy notice is a compliance issue for Denbighshire as the data controller and not Flintshire as the data processor.</p>					forms available for printing/downloading on the FCC website and Infonet to be identified and privacy notice reviewed. This review will be jointly conducted by web team to remove obsolete forms and develop electronic versions of the forms.	at digital transformation. Before the privacy notices will be amended each service will need to confirm whether the form is still required. Once confirmation has been received the form is still required, advice will be given on the adequacy of the privacy notice and it will be for each service to amend the form.	and Infonet continues. Reliant on service areas confirming that each form is still required and then updating the privacy notice to be compliant
Procurement Contract Management 2018/19	2772	<p>Chief Officers to review contract management within their portfolios to ensure;</p> <p>Staff have appropriate skills and experience, and have received appropriate training where required.</p> <p>All contracts over £25k are recorded on the Proactis Contract Register / all contracts on Proactis e-sourcing have been closed down and 'pushed through' to the Proactis Contract Register.</p> <p>Signed contracts are in place to support all contracts on the Proactis Contract Register.</p> <p>Contract Management activity is recorded in the Proactis Contract Management module where appropriate.</p>	M	31/12/2021	31/12/2021	09/03/2021	No Update Provided	Organisational capacity does not exist to complete this work across the council due to the ongoing response to the pandemic	No Update Provided

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Page 116		<p>The evidence retained to support contract management activity is appropriate and robust.</p> <p>Delivery of Community Benefits / Social Value is appropriately monitored.</p> <p>Compliance with contract clauses around the use of sub-contractors is appropriately monitored.</p> <p>Appropriate inclusion of performance indicators / performance data requirements within contract terms and conditions, and appropriate monitoring of contractor performance data.</p> <p>Chief Officers will develop Action Plans for each of their portfolios to ensure any issues identified in the reviews carried out (above) are appropriately addressed.</p>							
	<b>Housing &amp; Assets</b>								
Travellers 2018/19	2352	<p>Significant work is being undertaken by the Council to bring forward transit sites following the endorsement of this work by the Community and Housing Scrutiny Committee in December 2017. The Council has identified a number of sites for detailed appraisal and at the time of the audit, was awaiting comments from Arc4 who had been commissioned on their suitability. It should be noted that no local authority in Wales has a Transit Site.</p>	M	30/09/2020	31/08/2021	22/04/2021	This matter is likely to form part of the process relating to the examination of the Local Development Plan by the appointed inspector. Until that has been determined it is not possible to make any further progress on this item.	No update provided	No update provided

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
<b>People &amp; Resources</b>									
Main Accounting - AP / P2P 201718	2621	Council no longer publish this data but it is available and from 2019/20 it will be included in the Key Performance Indicators reported as part of the MTFS.	M	30/09/2019	30/09/2021	17/05/2021	Refer to current status	The Council has implemented its 'Fast Track' Programme from 1st April which provides available discounts for early payment to suppliers. The implementation has resulted in to changes in the way payment terms are calculated. Consideration will now be given to relevant Performance Indicators that will be incorporated into the current MTFS suite of indicators.	
Main Accounting – Account Receivable	2734	Write offs will be recommended and actioned on a quarterly basis to ensure the Council can track BDP and adjust provision where necessary. To ensure there are adequate management controls and separation of duties, responsibility for recommending the write offs will remain in the Corporate Debt Team but carrying out the write off transactions will revert back to Corporate Finance.	M	31/02/2020	30/09/2021	17/05/2021	Refer to current status	As part of the pandemic response a detailed review of all bad debt provision has been undertaken and adjustments made where necessary. Finance and Revenues teams continue to work closely on all aspects of the process but write off are still actioned within Revenues. This will be reviewed in the first half of 2021/22.	
Corporate Grants 2019/20	2802	The necessary training will be provided with the new alternative CGD solution. E.g. Manager Grants Database workshops. Communication and awareness to be provided to relevant officers in the Portfolios to ensure the requirements for grant funding/bids are known and shared with Finance.	M	30/06/2020	30/06/2021	17/05/2021	Refer to Current status	Training is still outstanding for the schools finance team and Social Services Finance Team. Hoping to schedule training dates before the end of May 2021 - on this basis (and allow for delay in the roll out of training) the due date has been revised to 30.06.21.	

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		Consideration of grant funding streams already forms part of the normal budget monitoring process involving finance and the service lead.							
<b>Planning Environment &amp; Economy</b>									
Minerals & Waste Planning 2018/19 Page 118	2488	Draft contract is being prepared and the, NWPOG are meeting on Friday 12th April 2019 to discuss further.  Once agreed, a signed Contract will be obtained for Partners.	H	31/12/2019	01/06/2021	11/05/2021	opportunity for sign off - see notes.  Business plan circulated with draft SLA for consideration by the collaboration partners to be agreed at a meeting of the North Wales Chief Officers on 27th March 2020 for the new financial year.	The business plan was circulated and there was broad agreement with its objectives. Progress is linked to 2488 above as the SLA and business plan are part of the same documentation, with flexibility built in to the business plan so that changes may be made without having to redraft or re-sign the SLA.	The Service Plan is attached to this email "April 2021 Minerals and Waste Service Contract"  I am looking to get the partner authorities to sign during late May/ June this year
Minerals & Waste Planning 2018/19	2489	A business plan will be written including the objectives of the service, costs and performance measures to ensure strategic objectives are met.  This will enable the aspirations of any future expansion of the service to be clearly recorded and presented professionally in order to expand the service to new Partners.	M	31/12/2019	01/06/2021	11/05/2021	opportunity for sign off - see notes.  Business plan circulated with draft SLA for consideration by the collaboration partners to be agreed at a meeting of the North Wales Chief Officers on 27th March 2020 for the new financial year.	The business plan was circulated and there was broad agreement with its objectives. Progress is linked to 2488 above as the SLA and business plan are part of the same documentation, with flexibility built in to the business plan so that changes may be made without having to redraft or re-sign the SLA.	The Service Plan is attached to this email "April 2021 Minerals and Waste Service Contract"  I am looking to get the partner authorities to sign during late May/ June this year
Houses to Homes 2019/20	2815	A quarterly reconciliation to take place between service area Houses to Homes tracker, the information available on the CIVICA system for the Houses to	M	31/03/2021	30/06/2021	12/03/2021	Quarterly reconciliation between tracker and finance but information not inputted onto civica	Quarterly reconciliation between tracker and finance but information not inputted onto civica system due to no admin resource -	No Update Provided

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		Homes Loans and the finance budget information.					system due to no admin resource - recruitment taking place for admin support end May 2021 - revised due date changed to reflect this.	recruitment taking place for admin support end May 2021 - revised due date changed to reflect this.	
<b>Social Services</b>									
Child Protection - Performance 18/19  Page 119	2961	Development of a smarter approach to risk assessment at CFCT triage. Decision makers to be clear as to the required timescales for the completion of s47 and care & support assessments (10 days or 42 days).  (CFCT - process to be developed alongside completion of action URN 02962).	M	30/06/2020	31/05/2021	26/03/2021	Progress has been delayed due to Covid but the model is now being built within the Paris Test system	Testing is still ongoing and documentation to support implementation is still in progress.	No Update Provided
Child Protection - Performance 18/19	2868	Ongoing work around the review of referral processes and team structures within the Child Protection & Support Team to be completed (Duty Process Task Group - Lead Claire Clements).	M	30/09/2020	18/06/2021	26/03/2021	Progress has been delayed due to Covid but the model is now being built within the Paris Test system	Testing is still ongoing and documentation to support implementation is still in progress.	No Update Provided
Child Protection - Performance 18/19	2964	Development of transfer protocols around the step down from Child Protection to Care & Support.	M	30/09/202	30/06/2021	11/03/2021	The transfer protocol has been revisited and transfer meetings are now in place as an early indicator to the receiving team. Following on from training around the Social Services and Wellbeing Act the practice around transfers has become more robust and is	We are currently undergoing a Vanguard review of our service. There are some minor amendments to be made to the draft transfer protocol to reflect these processes - this work is currently active.	No update provided

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
							being developed further. The protocol is in the process of being updated to reflect the key changes.		
<b>Schools</b>									
School Fund 2018/19 Gwynedd Primary Page 120	2689	Ysgol Gwynedd to document the procedures followed in relation to the management of the school fund. This should include actions completed, owners, reporting and reconciliation requirements as well as approval mandates.	M	31/12/2019	05/07/2021	07/05/2021	Documented procedures not in place, Business Manager requested guidance from IA around the availability of a template to use as the basis of the procedures - information provided by IA 4.5.21. Risk remains unmanaged.	Email from business manager confirming revised due date of 05.07.21 following the next Governors meeting on 30.6.21. Revised due date recognises that procedures still need to be drafted using the FCC School Fund Guidance document provided to Theresa in my email of 4.5.21.	
Schools Audit 2019/20 Maes Garmon	2947	The school will arrange for an Information Asset Register to be in place as soon as possible.	M	30/09/2020	11/06/2021	04/05/2021	Clarification requested from David Bridge at GDBR on the document required. No Information Asset Register in place whilst waiting for GDBR to provide support.	Update provided by Business Manager stating that 'GDBR' is requesting clarification on the document required. Due date has been revised to allow time for the information asset register to be put in place.	
Schools Audit 2019/20 Maes Garmon	2951	The school will review the arrangements for auditing the school fund account and will ensure that the regulations are complied with.	M	30/09/2020	11/06/2021	04/05/2021	Currently no school fund balance as such (as managed within PFM software). Audit finding 2953 confirmed the school does not operate as a traditional "School Fund". It instead acts as a holding account. Within the Private	Update from Business Manager as follows; We are changing our accounting package from PFM to the spreadsheet provided by Flintshire. We will contact an approved accountant to audit the account.	



Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
							<p>Funds Management (PFM) software, the school sets up "pots" of money within the account for designated events and trips etc. PFM allows codes to be set up for different activities and the school are therefore able to identify what money belongs to which activity. Payments are then made out the account to purchases trips. The balance remains minimal.</p> <p>The Parent Teacher Association (PTA) operates a fund raising account on the behalf of the school. Income for the account is generated through fund raising activities usually associated with a "school fund". This account is not controlled or administered by the school. The PTA manage the account and operate separately from the school. Requests for purchase are made by the school to the PTA.</p>		

# Investigation Update

# Appendix G

Ref	Date Referred	Investigation Details
<b>1. New Referrals</b>		
1.1		Nil received
<b>2. Reported to Previous Committees and still being Investigated</b>		
2.1		N/A
<b>3. Investigation Completed</b>		
3.1		Planning Application – No further action required.

## Internal Audit Performance Indicators

## Appendix G

Performance Measure	20/21	Qtr 1 21/22 (up to 17 May)	Qtr 2 21/22	Qtr 3 21/22	Qtr 4 21/22	Target	RAG Rating	
Audits completed within planned time	84%	88%	-	-	-	80%	G	↑
Average number of days from end of fieldwork to debrief meeting	8	6	-	-	-	20	G	↑
Average number of days from debrief meeting to the issue of draft report	7	3	-	-	-	5	G	↓
Days for departments to return draft reports	7	4	-	-	-	7	G	↓
Average number of days from response to issue of final report	2	1	-	-	-	2	G	→
Total days from end of fieldwork to issue of final report	26	12	-	-	-	34	G	↑
Productive audit days	76%	61%	-	-	-	75%	A	↓
Client questionnaires responses as satisfied	97%	100%	-	-	-	95%	G	↑
Return of Client Satisfaction Questionnaires to date	47%	33%	-	-	-	80%	R	↓

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-Key					
R	Target Not Achieved	A	With-in 20% of Target	G	Target Achieved
↑	Improving Trend	→	-No Change	↓	Worsening Trend

Audit – 2020/21	Priority	Status of Work	Supporting Narrative
<b>Education &amp; Youth</b>			
Risk Based Thematic Reviews of Schools	H	Complete	
<b>Planning, Environment &amp; Economy</b>			
Home Improvement Loans	M	Complete	
Pest Control	New	Complete	
<b>Social Services</b>			
Direct Payment - Financial control	M	In progress	
<b>Streetscene &amp; Transportation</b>			
Procurement & Contract Management / Monitoring	H	In progress	
Loss of O Licences	H	Complete	
Highways Structures and Bridges – Inspection and Maintenance	M	Complete	
<b>External</b>			
Pensions Investment, Management & Accounting	H	Complete	
SLA - Aura - 17 days	Annual	Deferred to 21/22	Unable to deliver due to the Pandemic
SLA - NEWydd - 19 days	Annual	Deferred to 21/22	Unable to deliver due to the Pandemic

Audit – 2020/21	Priority	Status of Work	Supporting Narrative
<b>Corporate</b>			
Organisational Ethics (with HR)	H	In Progress	
Income from Fees & Charges	H	Not Started	
Risk Management	H	Not Started	
<b>Education &amp; Youth</b>			
Schools Risk Based Thematic Reviews	H	Not Started	
Schools Budgeted Licensed Deficit	H	Not Started	
Capital Grant Childcare Offer (Governance)	H	Not Started	
Repairs & Maintenance to School Estate	H	Not Started	
Education Grants – Professional Development Grant (PDG)	Annual	Not Started	
<b>Governance</b>			
Protection against Ransomware Attack	H	Not Started	
Contact Management - Maes Gwern Residential Development	H	In Progress	
CCTV (Cross Cutting)	M	In Progress	
Implementation of the Local Government and Elections (Wales) Act 2021	M	Not Started	
Data Protection (GDPR)	Annual	Not Started	
Council Tax and NNDR (including grant)	Biennial	Not Started	
<b>Housing &amp; Assets</b>			
Landlord Health & Safety Obligations	H	In Progress	
Homelessness & Temporary Accommodation	H	Not Started	
Rent Income / Arrears Management - Industrial Units	M	Not Started	
Tenancy Enforcement	M	Not Started	
Housing Benefits (including Subsidy Grant)	Annual	Not Started	
Supporting People Grant	Annual	Not Started	
<b>People &amp; Resources</b>			
MFTS & supporting Method Statements / Budget Challenge	H	In Progress	
Insurance	M	In Progress	
Main Accounting – Accounts payable (AP) & P2P	Biennial	Not Started	

Audit – 2020/21	Priority	Status of Work	Supporting Narrative
Corporate Grants (replacement of AW work)	Annual	Not Started	
Use of Agency, Relief, Self-Employed & Supply Teachers (including IR35 Compliance)	H	Not Started	
Notification of Leavers to CPF	H	In Progress	
<b>Planning, Environment &amp; Economy</b>			
Ash Die Back	H	Not Started	
House of Multiple Occupancy	H	Not Started	
Planning Enforcement	H	Not Started	
Environmental Health Strategy	M	Not Started	
<b>Social Services</b>			
Extra Care Facility : Llys Eleanor	H	Not Started	
Micro Care	H	Not Started	
Legal Status of a Child in care	H	In Progress	
Employment Support Allowance	M	Not Started	
Single Point of Access (SPOA)	M	Not Started	
<b>Streetscene &amp; Transportation</b>			
Highways Structures (Bridges) (2 <sup>nd</sup> Stage review)	H	Not Started	
North and Mid Wales Trunk Road Agent (NMWTRA) Income Collection	M	Not Started	
Environmental Permits	M	Not Started	
Statutory Training	M	In Progress	
Parc Adfer - Contract Management and Associated Risks	Annual	In Progress	
<b>External</b>			
Clwyd Pension Fund – Pension Administration & Contributions	Biennial	In Progress	
SLA - Aura - 10 days per annum	Annual	Not Started	
SLA - NEWydd - 10 days per annum	Annual	Not Started	
Clwyd Theatre Trust - 10 days per annum	Annual	Not Started	
<b>Advisory / Project Groups</b>			
GDPR Project Board	Ongoing	Ongoing	
Corporate Governance Working Group	Ongoing	Ongoing	
Accounts Governance Group	Ongoing	Ongoing	
Council's Constitution	Ongoing	Ongoing	
Financial Procedures Rules	Ongoing	Ongoing	

Audit – 2020/21	Priority	Status of Work	Supporting Narrative
Programme Coordinating Group	Ongoing	Ongoing	
Corporate Health & Safety Group	Ongoing	Ongoing	
Corporate Data Protection Group	Ongoing	Ongoing	
Financial System	Ongoing	Ongoing	
Regional Anti-Fraud and Corruption Network	Ongoing	Ongoing	
Electronic Court Bundling Project Group	Ongoing	Ongoing	
COVID19 - TTP Regional Tracing, Operation and Performance Group	Ongoing	Ongoing	
COVID19 - TTP Regional Oversight Group	Ongoing	Ongoing	
COVID19 – TTP Flintshire Project Group	Ongoing	Ongoing	
COVID19 – TTP FCC Oversight Group	Ongoing	Ongoing	
COVID19 – Emergency Management Response Team	Ongoing	Ongoing	
COVID19 – Governance and Legal Silver Tactical Group	Ongoing	Ongoing	
COVID19 – Logging at Tactical Group	Ongoing	Ongoing	

Glossary	
<b>Risk Based Audits</b>	Work based on strategic and operational risks identified by the organisation in the Improvement Plan and Service Plans. Risks are linked to the organisation's objectives and represent the possibility that the objectives will not be achieved.
<b>Annual (System Based) Audits</b>	Work in which every aspect and stage of the audited subject is considered, within the agreed scope of the audit. It includes review of both the design and operation of controls.
<b>Advice &amp; Consultancy</b>	Participation in various projects and developments in order to ensure that controls are in place.
<b>VFM (Value For Money)</b>	Audits examining the efficiency, effectiveness and economy of the area under review.
<b>Follow Up</b>	Audits to follow up actions from previous reviews.
<b>New to Plan</b>	Audits added to the plan at the request of management. <b>All new audits to the plan are highlighted in red.</b>
<b>Audits to be Deferred</b>	Medium priority audits deferred. <b>These audits are highlighted in green within the plan.</b>

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## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 2 <sup>nd</sup> June 2021
<b>Report Subject</b>	Action Tracking
<b>Report Author</b>	Internal Audit Manager
<b>Category</b>	Advisory

### EXECUTIVE SUMMARY

The report shows the action points from previous Governance and Audit Committee meetings and the progress made in completing them. The majority of the requested actions have been completed, with some still outstanding. They will be reported back to a future meeting.

### RECOMMENDATIONS

1	The Committee is requested to accept the report.
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### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE ACTION TRACKING REPORT</b>
1.01	In previous meetings, requests for information, reports or actions have been made. These have been summarised as action points. This paper summarises those points and provides an update on the actions resulting from them.  Full action tracking details within Appendix A.
<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a result of this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Action owners contacted to provide an update on their actions.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None as a result of this report.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A – Action Points.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	None.  <b>Contact Officer:</b> Lisa Brownbill, Internal Audit Manager <b>Telephone:</b> 01352 702231 <b>E-mail:</b> <a href="mailto:lisa.brownbill@flintshire.gov.uk">lisa.brownbill@flintshire.gov.uk</a>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	None.

**GOVERNANCE AND AUDIT COMMITTEE – ACTION SHEET**Presented Wednesday, 2<sup>nd</sup> June 2021

29 <sup>th</sup> January 2020				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
52	Treasury Management Strategy 2020/21	To report back to the Committee later in the year on actions to meet the new requirements on non-treasury investments and compliance with disclosures on skills, culture and climate change.	L. Thomas	Discussions ongoing with Treasury Management Advisors. Update to be given later in this calendar year.

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27 <sup>th</sup> January 2021				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
19.	Treasury Management Strategy 2021/22 and Q3 Update 2020/21	To consider the suggestion of a future briefing session on the use of bond investments.	G Ferguson / P Vaughan	Treasury Management will attend the members workshop for members to review their effectiveness. Date to be confirmed.
25.	IA Progress Report	To circulate an update on the position on school funds.	L Brownbill	This will be provided to the committee once the school reviews have been completed.

24<sup>th</sup> March 2021

Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
31.	Minutes 27/01/2021	The remaining two places on the recruitment panel for the additional lay member to be filled by either Sally or Allan plus an elected Member of the Committee.	G Owens / L Brownbill	Confirmation of interview dates to be confirmed.
32.	Terms of Reference for the Governance and Audit Committee	To remove 'on the Council' from the second sentence in para 7.02 of the Terms of Reference.	G Owens / L Brownbill	The Terms of Reference were amended to reflect this change.
35.	IA Progress Report	To liaise with the Chief Officer Team so that an update on the current status of high priority outstanding actions can be reported to the Committee	C Everett / G Owens / L Brownbill	All outstanding actions (High priority, actions with no update and actions where an update had not been provided in 3 months) were presented to the Chief Officers Team 14 <sup>th</sup> April. Work has been undertaken since this meeting by action owners to provide feedback / evidence on the current position of these actions. A further update on this work is included within the Internal Audit Progress Report presented to the June committee.
38.	Q4 Treasury Management Update 2020/21	That officers investigate options on how best to present the data in future reports.	G Ferguson / P Vaughan	To be explored as part of the members workshop on reviewing their effectiveness. Date to be confirmed.
41.	External Regulation Assurance	To share the report with OSC Chairs & Vice-Chairs to help them identify areas of interest for their forward work Programmes.	G Owens	To be shared after the 25 <sup>th</sup> May 2021.
41.	External Regulation Assurance	To arrange the next meeting of the Audit/OSC liaison group.	G Owens / L Brownbill	To be arranged after the 25 <sup>th</sup> May 2021.



## GOVERNANCE AND AUDIT COMMITTEE

<b>Date of Meeting</b>	Wednesday, 2 <sup>nd</sup> June 2021
<b>Report Subject</b>	Forward Work Programme
<b>Report Author</b>	Internal Audit Manager
<b>Category</b>	Advisory

### EXECUTIVE SUMMARY

The Governance and Audit Committee presents an opportunity for Members to determine the Forward Work Programme of the Committee of which they are Members. By reviewing and prioritising the Forward Work Programme, Members are able to ensure it is Member-led and includes the right issues. A copy of the Forward Work Programme is attached at Appendix A for Members' consideration which has been updated following the last meeting.

The Committee is asked to consider, and amend where necessary, the Forward Work Programme for Governance and Audit Committee.

### RECOMMENDATION

1	That the Committee considers the draft Forward Work Programme and approve/amend as necessary.
2	That the Internal Audit Manager, in consultation with the Chair and Vice-Chair of the Committee, be authorised to vary the Forward Work Programme between meetings, as the need arises.

### REPORT DETAILS

<b>1.00</b>	<b>EXPLAINING THE FORWARD WORK PROGRAMME</b>
1.01	Items feed into a Committee's Forward Work Programme from a number of sources. Many items are standard every quarter, six months or annually, and Members can also suggest topics for review by the Committee. Items can also be referred by the Cabinet, County Council or Chief Officers.

1.02	<p>In identifying topics for future consideration, it is useful for a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows:</p> <ol style="list-style-type: none"> <li>1. Will the review contribute to the Council's priorities and/or objectives?</li> <li>2. Is it an area of major change or risk?</li> <li>3. Are there issues of concern in governance, risk management or internal control?</li> <li>4. Is it relevant to the financial statements or financial affairs of the Council?</li> <li>5. Is there new government guidance or legislation?</li> <li>6. Is it prompted by the work carried out by Regulators/Internal Audit?</li> </ol>
1.03	Following the Committee meeting in March there has been no movement in the Forward Work Programme.

<b>2.00</b>	<b>RESOURCE IMPLICATIONS</b>
2.01	None as a result of this report.

<b>3.00</b>	<b>CONSULTATIONS REQUIRED / CARRIED OUT</b>
3.01	Publication of this report constitutes consultation.

<b>4.00</b>	<b>RISK MANAGEMENT</b>
4.01	None as a result of this report.

<b>5.00</b>	<b>APPENDICES</b>
5.01	Appendix A - Draft Forward Work Programme.

<b>6.00</b>	<b>LIST OF ACCESSIBLE BACKGROUND DOCUMENTS</b>
6.01	<p>None.</p> <p><b>Contact Officer:</b> Lisa Brownbill Internal Audit Manager</p> <p><b>Telephone:</b> 01352 702231</p> <p><b>E-mail:</b> <a href="mailto:lisa.brownbill@flintshire.gov.uk">lisa.brownbill@flintshire.gov.uk</a></p>

<b>7.00</b>	<b>GLOSSARY OF TERMS</b>
7.01	<b>Governance</b> - The system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles

of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.

**Risk Management** - The process of identifying risks, evaluating their potential consequences and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.

**Internal Control** - Appropriate procedures and processes are in place to mitigate any risk which may prevent the organisation from achieving its objectives and service delivery.

**Financial Management** - The planning, organising, directing and control of the financial activities of the Council to ensure sufficient resources are available to delivery its intended outcomes.

**Audit Wales** - Works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.

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**GOVERNANCE AND AUDIT COMMITTEE - FORWARD WORK PROGRAMME 2021/22**Presented to Committee – Wednesday, 2<sup>nd</sup> June 2021

Meeting Date	Agenda Item	Author
<b>2<sup>nd</sup> June 2021</b>	Certification of Grants and Returns Report (AW) Draft Annual Governance Statement Internal Audit Annual Report 2020/21 Internal Audit Progress Report 2021/22 Audit Committee Action Tracking Forward Work Programme	Gary Ferguson Robert Robins / Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill
<b>28<sup>th</sup> July 2021</b>	Treasury Management 2021/22 Q1 Update and Annual Report 2020/21 Supplementary Financial Information to Draft Statement of Accounts 2020/21 Risk Management update 2021/20 Audit Wales – Raising our Game Tackling Fraud in Wales	Paul Vaughan Paul Vaughan Jay Davies Lisa Brownbill

Meeting Date	Agenda Item	Author
<b>September 2021</b>	Statement of Accounts 2020/21 Internal Audit Progress Report 2021/22 Audit Committee Action Tracking Forward Work Programme Private Meeting (AW and Internal Audit)	Gary Ferguson Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill
<b>November 2021</b>	Risk Management update 2021/22 and Mid-Year report School Reserves – Annual Report on School Balances Audit Committee Annual Report Asset Disposals and Capital Receipts Grant Claim Certification Internal Audit Progress Report 2021/22 Audit Committee Action Tracking Forward Work Programme	Jay Davies Claire Homard / Lucy Morris Cllr Chris Dolphin / Lisa Brownbill Neal Cockerton Gary Ferguson Lisa Brownbill Lisa Brownbill Lisa Brownbill
<b>January 2022</b>	Annual Audit Summary (AW) (2020/21) Treasury Management 2021/22 Q3 Update and 2022/23 Strategy	Jay Davies / Gary Ferguson Paul Vaughan

Meeting Date	Agenda Item	Author
	Code of Corporate Governance	Robert Robins / Lisa Brownbill
	Internal Audit Charter	Lisa Brownbill
	Internal Audit Progress Report 2021/22	Lisa Brownbill
	Audit Committee Action Tracking	Lisa Brownbill
	Forward Work Programme	Lisa Brownbill
<b>March 2022</b>	Treasury Management 2021/22 Q4 Update	Paul Vaughan
	Risk Management Update	Jay Davies
	Audit Plan (AW)	Audit Wales
	Annual Report on External Inspections 2020	Jay Davies
	Internal Audit Strategic Plan 2022/2025	Lisa Brownbill
	Public Sector Internal Audit Standards Compliance 2021/22	Lisa Brownbill
	Internal Audit Progress Report 2021/22	Lisa Brownbill
	Audit Committee Action Tracking	Lisa Brownbill
	Forward Work Programme	Lisa Brownbill

**Biennial Reviews**

<b>Meeting Date</b>	<b>Agenda Item</b>	<b>Author</b>
<b>January 2021</b>	Anti-Fraud and Corruption Strategy & Fraud Response Plan	Lisa Brownbill
<b>January 2021</b>	Whistleblowing Policy	Lisa Brownbill
<b>November 2022</b>	Financial Procedural Rules (Biennial)	Sara Dulson