

GOVERNANCE AND AUDIT COMMITTEE

14 JUNE 2023

Minutes of the Governance and Audit Committee of Flintshire County Council held as a remote attendance meeting on Wednesday, 14 June 2023

PRESENT:

Co-opted members: Sally Ellis, Rev Brian Harvey and Allan Rainford
Councillors: Bernie Attridge, Glyn Banks, Allan Marshall, Andrew Parkhurst and Linda Thomas

SUBSTITUTION: Councillor: Ted Palmer (for Ryan McKeown)

APOLOGY: Chief Executive

ALSO PRESENT: Emma Heath - Strategic Performance Advisor and Nicolas Wilcock - Principal Accountant attended as observers

IN ATTENDANCE: Councillor Ian Roberts (Leader of the Council), Councillor Paul Johnson (Cabinet Member for Finance, Inclusion and Resilient Communities), Councillor Billy Mullin (Cabinet Member for Governance and Corporate Services), Chief Officer (Governance), Internal Audit, Performance & Risk Manager, Corporate Finance Manager and Democratic Services Officer

Audit Wales representative: Carwyn Rees

Minute number 6

Jane Davies - Senior Manager (Safeguarding and Commissioning)

Minute number 7

Claire Homard - Chief Officer (Education & Youth) and Vicky Barlow - Senior Manager for School Improvement

Minute number 11

Sally Gee - Principal Auditor

1. SUBSTITUTION

Prior to the start of the meeting, the Committee agreed to allow Councillor Ted Palmer (who had undertaken the requisite training) to substitute for Councillor Ryan McKeown.

RESOLVED:

That Councillor Ted Palmer be permitted as a substitute for the meeting.

2. APPOINTMENT OF CHAIR

Councillor Bernie Attridge's proposal that Sally Ellis be re-appointed Chair was subsequently withdrawn at her request. The Committee was reminded that

in the previous year, it had been agreed to rotate the Chair and Vice-Chair roles between the three lay members on an annual basis.

Councillor Attridge's subsequent nomination for Allan Rainford as Chair was seconded by Councillor Ted Palmer. As there were no further nominations, the proposal was put to the vote and carried.

Allan Rainford took the opportunity to thank Sally Ellis for the way in which she had carried out the role over the past year.

RESOLVED:

That Allan Rainford be appointed as Chair of the Committee for 12 months.

(From this point, Allan Rainford chaired the remainder of the meeting)

3. APPOINTMENT OF VICE-CHAIR

Councillor Bernie Attridge nominated Rev Brian Harvey as Vice-Chair and was seconded by Councillor Ted Palmer. There were no further nominations and on being put the vote, the proposal was carried.

RESOLVED:

That Rev Brian Harvey be appointed as Vice-Chair of the Committee for 12 months.

4. DECLARATIONS OF INTEREST

During minute number 7, Councillor Bernie Attridge declared a personal interest due to close family members employed in supported living services.

5. MINUTES

The minutes of the meeting held on 22 March 2023 were supported.

Matters Arising

Minute number 61: Councillor Andrew Parkhurst referred to the response on the confidentiality of asset disposal receipts and pointed out that the value of assets had previously been disclosed in a Cabinet meeting and was therefore a matter of public record at that time.

Minute number 68: Internal Audit Progress Report - the Internal Audit, Performance & Risk Manager would re-circulate the information on outstanding actions from the audit of Statutory Training in Streetscene & Transportation.

RESOLVED:

That the minutes be approved as a correct record.

6. **AUDIT WALES REVIEW OF COMMISSIONING OLDER PEOPLE'S CARE HOME PLACEMENTS BY NORTH WALES COUNCILS AND BETSI CADWALADR UNIVERSITY HEALTH BOARD**

The Senior Manager (Safeguarding and Commissioning) presented an update on the review of Commissioning of Older People's Care Home Placements by North Wales Councils and Betsi Cadwaladr University Health Board (BCUHB), following the initial report considered in September 2022. She detailed progress with actions across North Wales to address each of the five recommendations by Audit Wales, as set out in the report.

The Chairman commented on recent concerns raised by Audit Wales about BCUHB and was told that robust working relationships were in place with the Council to implement actions.

Sally Ellis gave a reminder that the Committee had requested that the update on actions include those relating to Welsh Government (WG), to give assurance on progress. Carwyn Rees advised that the expectation was for those actions to be subject to the WG formal committee process, similar to reporting arrangements in councils. On a further question, the Senior Manager said that whilst the report focussed on processes and commissioning efficiencies, there was a strong quality framework already in place including working with providers to identify improvements to benefit service users and escalation arrangements to address any inadequacies.

As requested by Councillor Bernie Attridge, the Senior Manager agreed to provide current data on delayed discharges in Flintshire which was also a significant challenge across the UK. Whilst speaking about the impact of widespread recruitment issues particularly in domiciliary care, she referred to the successful development of the micro-care programme which was welcomed by Members.

On the same topic, Rev Brian Harvey was informed of the long-term aim to recruit more Welsh speakers along with the range of initiatives to recruit and retain care workers to meet rising demand.

Councillor Glyn Banks suggested that a follow-up report be scheduled and that the recommendation reflect that some actions were ongoing. He commented on the need for WG to set realistic deadlines to increase the number of Welsh speakers over the longer term. When asked, the Senior Manager gave examples of arrangements within social services' settings to fulfil responsibilities on the Welsh language.

In response to a question from Councillor Andrew Parkhurst, information was shared on support arrangements for the micro-carer programme which provided resilience across communities.

The recommendation, as amended, was moved and seconded by Rev Brian Harvey and Councillor Bernie Attridge.

RESOLVED:

That Members note the completed and ongoing actions in response to the Audit Wales report.

7. ESTYN INSPECTION OF ADULT COMMUNITY LEARNING (ACL) WITHIN THE NORTH EAST WALES ADULT COMMUNITY LEARNING PARTNERSHIP

The Senior Manager for School Improvement presented the report and detailed the findings from the Estyn inspection of the North East Wales Adult Community Learning (ACL) Partnership. She provided background to the establishment of the Partnership between Flintshire and Wrexham to meet the aspirations of Welsh Government and the changing needs of adult learners by increasing capacity and maximising additional funding streams. She set out the basis of the inspection and key findings which recognised good leadership and strong support from both councils, the range of provision and impact on learners. The report acknowledged the Partnership's strong vision and ability to understand its strengths and areas for improvement, as demonstrated in the four Estyn recommendations which had already been identified through the self-assessment process. The positive outcomes meant that there was no requirement for any follow-up by Estyn who had invited the Partnership to prepare two case studies of positive practice which were published on the Estyn website.

Councillor Bernie Attridge thanked the officers for the positive report and in turn, the Senior Manager expressed her pride in the dedication and creativity of the small team and their proactive approach to accessing grant funding.

In response to questions, Rev Brian Harvey was given examples of the Partnership's ambitious plan to increase the number of Welsh Language learners and improve skills amongst learners and the workforce. To improve opportunities for learners to receive advice and guidance about joining the Partnership's provision, work was ongoing with partners to develop the use of social media to meet growing demand for adult learning provision.

The Chief Officer (Education and Youth) took the opportunity to formally thank the Senior Manager for her leadership, and Dawn Spence as the Co-ordinator for the service. She said that the Estyn report reflected the quality of teams working in the Partnership and that an annual report on adult community learning to the Education, Youth & Culture Overview & Scrutiny Committee would give assurance that progress on recommendations was being monitored.

Following a number of positive comments from Members, the Chairman asked that the team be thanked for their work and the positive outcomes, on behalf of the Committee.

The recommendation was moved by Councillor Bernie Attridge and seconded by Sally Ellis.

RESOLVED:

That the Committee notes the findings of the Estyn Inspection and is assured by the positive outcomes for adult community learning provision in Flintshire.

8. ANNUAL GOVERNANCE STATEMENT 2022/23

The Internal Audit, Performance & Risk Manager presented the Annual Government Statement (AGS) for 2022/23 which provided assurance on governance arrangements and risk management, to accompany the Statement of Accounts. The report detailed the process for preparing the AGS involving a challenge workshop with the Committee and questionnaire shared with Overview & Scrutiny Chairs and Cabinet. The Committee was also introduced to Emma Heath, the newly appointed Strategic Performance Advisor.

Following a question from the Chairman, it was confirmed that the mid-year report on progress against areas for improvement was scheduled for November.

In response to comments from Councillor Allan Marshall on reference to standards, it was explained that whilst these were not documented, they reflected the aspirations of the Council and were incorporated into a number of key policies. Officers agreed to amend reference to the organisation being 'lean' to clarify that this was about the resilience of the workforce.

On performance standards, Councillor Marshall raised concerns about the time taken to contact Housing officers by telephone. The Chief Officer (Governance) shared information on the standards adopted by the Customer Contact Centre which were subject to performance monitoring. He asked that Councillor Marshall contact him direct so that he could follow-up the concerns.

The recommendations were moved by Councillor Bernie Attridge and seconded by Rev Brian Harvey.

RESOLVED:

That the Annual Governance Statement 2022/23 be attached to the Statement of Accounts and recommended to Council for adoption.

9. ANNUAL AUDIT SUMMARY FOR FLINTSHIRE COUNTY COUNCIL

Carwyn Rees of Audit Wales presented the Annual Audit Summary which summarised the findings of audit, regulatory and inspection work undertaken at the Council by Audit Wales (AW) during 2021/22. Overall this was a positive report with no formal recommendations made during the year.

The Chairman asked about future work on financial resilience and was advised that detailed financial audit position work would be scheduled towards the end of 2023/24.

When asked by Councillor Bernie Attridge about 'A Missed Opportunity - Social Enterprises', it was explained that this was a national piece of work

involving extracting common messages from a sample of councils. Councillor Attridge asked how this could benefit Flintshire and in response, the officer agreed to review the report and liaise with the necessary officers to establish if this could be incorporated into the Audit Plan.

Sally Ellis referred to the Audit Wales report which reviewed the Council's arrangements to secure value for money in the use of resources. Carwyn Rees advised that the draft report would shortly be shared with the Council and it was agreed to include on the forward work programme for the Committee.

The proposal was moved and seconded by Councillor Bernie Attridge and Sally Ellis.

RESOLVED:

That the Committee is assured by the content and observations of the Auditor General for Wales' Annual Audit Summary Report for 2022.

10. RISK MANAGEMENT UPDATE

The Internal Audit, Performance & Risk Manager presented the update report to give assurance of progress in moving all risks into the new Risk Management system 'InPhase'.

Since the report in November 2022, the risk management framework had been shared with key officers and published online, with portfolios undertaking a review of their respective risks. The Performance and Risk Management team was now fully resourced and an e-learning module had been developed. All strategic risks had now been imported into InPhase and each risk would be allocated to the relevant Overview & Scrutiny Committee, with a process established to report regularly to the Chief Officer team and highlight any areas of non-compliance. As the next steps, the officer suggested that this Committee receives a high-level overview of strategic risks where risks were under-performing, including the direction of travel together, with a summary of those risks to consider whether the relevant Chief Officer should be invited to give explanation. The report would also include details of reporting to Overview & Scrutiny Committees to give further assurance.

The Chairman agreed with the suggestion, which would give the opportunity for the Committee to focus on particular areas of concern where needed.

The Internal Audit Manager took on board Rev Brian Harvey's comments that the Committee should be provided with enough information to clearly understand the issues to enable it to add value and make a difference.

Also speaking in support, Sally Ellis commented on the need to agree criteria for inviting Chief Officers to address the Committee on risks, to separate the roles of the Committee and Overview & Scrutiny. The officers agreed to incorporate this into the process.

The recommendation, as amended, was moved and seconded by Councillor Linda Thomas and Sally Ellis.

RESOLVED:

That having been assured that risks have been managed throughout the year, the Committee accepts the report and agrees that the level of information required is as suggested by the Internal Audit, Performance & Risk Manager.

At this point, there was a brief adjournment in the meeting.

11. INTERNAL AUDIT CHARTER

The Principal Auditor presented a report to consider the outcome of the latest review of the Charter to meet all legal and regulatory requirements, in which only minor changes had been identified.

In response to a question from the Chairman, the officer clarified that reference to services provided to external organisations was now reflected in the Charter, to accord with best practice.

The recommendation was moved and seconded by Councillors Bernie Attridge and Ted Palmer.

RESOLVED:

That the updated Internal Audit Charter be approved.

12. INTERNAL AUDIT ANNUAL REPORT 2022/23

The Internal Audit, Performance & Risk Manager presented the report which summarised the outcome of audit work undertaken during 2022/23, compliance with standards and the results of the quality assurance and improvement programme.

The officer provided an overview of key areas and confirmed her audit opinion that the Council had an adequate and effective framework of governance, risk management and internal control for the period. She advised that there were no limitations to the scope of Internal Audit coverage and no resource constraints.

In response to a question from Councillor Bernie Attridge on the scope of work, the Internal Audit Manager explained that the Audit Plan reflected resource levels with adjustments made where necessary. She said that work allocated for external organisations did not have a significant impact on the team. The Chief Officer (Governance) gave assurance of regular discussions with the Internal Audit Manager to ensure that sufficient capacity was retained in the team.

Sally Ellis referred to a number of red actions reported during the year, some of which involved revised deadlines and extended action plans. She acknowledged that this was a small number in the context of the overall Plan but sought assurance on this as part of the audit opinion.

The Internal Audit Manager said that her opinion reflected that actions were considered appropriate and that delays in implementation had mainly been due to resources, which was an issue across the Council. She agreed to incorporate a comment to this effect in the Annual Report. On further questions, she explained reporting arrangements for the findings of audit work for third parties and the need to balance the range of audit work to add value and support services.

In response to Councillor Glyn Banks' question on performance indicators, the officer explained the basis for agreeing a realistic audit completion target. Explanation was also given to Councillor Andrew Parkhurst on the criteria for the audit of third parties.

The recommendation was moved by Councillor Bernie Attridge and seconded by Sally Ellis.

RESOLVED:

That the report and Internal Audit annual opinion be noted.

13. INTERNAL AUDIT PROGRESS REPORT

The Internal Audit, Performance & Risk Manager presented the regular update on progress against the Plan, final reports issued, action tracking, performance indicators and current investigations. Since the last update, two Amber Red (some assurance) reports had been issued and there had been a reduction in overdue actions although some were long-standing.

The Chairman asked about progress with medium overdue actions relating to Payroll as this was an important service. Officers agreed to liaise with the service and share the response.

Sally Ellis referred to discussion at the previous meeting on the Amber Red overdue actions for Highways Structures and proposed that another invite be extended for the Chief Officer to attend the next meeting so that the Committee could receive an update on progress. On the Amber Red report issued for Corporate Complaints, she suggested that the relevant officer attend the September meeting to give assurance on actions.

Concerns about timely updates on overdue actions were echoed by Councillor Andrew Parkhurst who referred to the SARTH follow-up. He sought more detail on the two current investigations shown in the report and was informed that a summary of outcomes would be shared in closed session once those reviews had been completed. The Chairman suggested that any requests for information on the outcomes of completed investigations could be discussed in closed session at future meetings.

In response to Councillor Bernie Attridge's concerns about the number of days taken by departments to return draft reports, it was clarified that this was an average outturn for management responses to the findings of reviews.

Explanation was also given to Rev Brian Harvey on trend analysis for performance indicators where the direction of arrows showed comparison to last year.

Concerns were also raised by Cllr Glyn Banks about the number of high/medium overdue actions where no update had been provided. On outstanding actions relating to Domestic Energy, the officer agreed to liaise with the service to clarify how value for money was assessed.

The recommendations, as amended, were moved by Sally Ellis and seconded by Councillor Marshall.

RESOLVED:

- (a) That the report be accepted; and
- (b) That the officer responsible for Highways be invited to attend in July 2023 to update the Committee on progress with Amber Red overdue actions identified within the report.

14. GOVERNANCE & AUDIT COMMITTEE SELF-ASSESSMENT - ACTION PLAN

The Chairman and Sally Ellis (former Chair) presented a report and action plan to address the findings of the self-assessment undertaken by the Committee in December 2022. The action plan would be used to demonstrate the effectiveness of the Committee and inform future development needs. A range of actions were identified along with timescales which would lead to further improvement within the Council.

The Chairman highlighted action 2.2 which reiterated the current practice for the Committee to invite responsible officers to provide explanation on key actions and risks, as demonstrated in the previous agenda item.

Councillor Bernie Attridge thanked the Chairman and Sally Ellis for their work on the report and welcomed the process to show accountability for actions. The Chairman advised that the Leader of the Council had agreed to meet with himself and the Vice-Chair on a quarterly basis.

The recommendation was moved and seconded by Councillor Bernie Attridge and Rev Brian Harvey.

RESOLVED:

That the action plan be accepted.

15. ACTION TRACKING

The Internal Audit, Performance & Risk Manager presented an update on actions arising from previous meetings.

Cllr Andrew Parkhurst welcomed the information on the use of consultants and asked about the threshold for referral to this Committee if there was a

substantial increase in spend. It was explained that the Committee had previously received reports on this matter until it had been satisfied that processes and controls had been strengthened. The Committee was able to make a request if there was a specific concern, however the matter was under the remit of the Corporate Resources Overview & Scrutiny Committee.

The Corporate Finance Manager reminded the Committee that consultancy spend formed part of the supplementary financial report which was received annually alongside the Statement of Accounts.

The recommendation was moved and seconded by Councillor Bernie Attridge and Sally Ellis.

RESOLVED:

That the report be accepted.

16. FORWARD WORK PROGRAMME

The Internal Audit, Performance & Risk Manager presented the current Forward Work Programme for consideration. She agreed to schedule the items requested at this meeting.

On that basis, the recommendations were moved and seconded by Councillors Bernie Attridge and Linda Thomas.

RESOLVED:

- (a) That subject to the changes, the Forward Work Programme be accepted; and
- (b) That the Internal Audit, Performance & Risk 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.

17. LOCAL GOVERNMENT (ACCESS TO INFORMATION) ACT 1985 - TO CONSIDER THE EXCLUSION OF THE PRESS AND PUBLIC

RESOLVED:

That the press and public be excluded from the meeting as the following item was considered to be exempt by virtue of paragraph 18 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

18. CYBER RESILIENCE

The Chief Officer (Governance) presented the report on the national letter and reports issued by Audit Wales which summarised learning from recent cyber-attacks in the public sector and the results of follow-up work. Whilst the report made no recommendations, Audit Wales had requested that local authorities in Wales discuss the content with their respective Governance & Audit Committees in private session without making the reports public.

In presenting the report, the Chief Officer provided information on arrangements within the Council to manage risks. He responded to questions and confirmed that the Council had undertaken an assessment against the findings, welcoming the suggestion for an action plan.

Sally Ellis highlighted the importance of monitoring strategic risks such as these and the need for political leadership, especially through Cabinet. As it was clarified that responsibility for monitoring strategic risks was with the Corporate Resources Overview & Scrutiny Committee, Councillor Bernie Attridge proposed that the report be shared with that Committee to highlight the risks involved.

The recommendation, as amended, was moved and seconded by Councillors Linda Thomas and Andrew Parkhurst.

RESOLVED:

- (a) That the report be accepted; and
- (b) That the item is scheduled for the Corporate Resources Overview & Scrutiny Committee to give assurance on the findings of the Audit Wales report and preparedness of the Council.

19. ATTENDANCE BY MEMBERS OF THE PRESS AND PUBLIC

None.

The meeting started at 10am and finished at 1.15pm

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Chairman