

## **GOVERNANCE AND AUDIT COMMITTEE**

**8 JUNE 2022**

Minutes of the Governance and Audit Committee of Flintshire County Council held remotely on Wednesday, 8 June 2022

### **PRESENT:**

Councillors: Glyn Banks, Ray Hughes and Andrew Parkhurst

Co-opted members: Sally Ellis, Reverend Brian Harvey and Allan Rainford

**APOLOGIES:** Councillors Bernie Attridge and Jean Davies

Apologies also received from Councillor Paul Johnson (Cabinet Member for Finance, Inclusion, Resilient Communities), Corporate Finance Manager and Gwilym Bury (Audit Wales)

**ALSO PRESENT:** Councillor Linda Thomas was present as an observer

**IN ATTENDANCE:** Councillor Billy Mullin (Cabinet Member for Governance and Corporate Services including Health and Safety and Human Resources), Chief Executive, Chief Officer (Governance), Internal Audit, Performance & Risk Manager and Democratic Services Officer

Mike Whiteley and Jeremy Evans from Audit Wales

### **Minute number 5**

Councillor Christine Jones (Deputy Leader and Cabinet Member for Social Services and Well-being), Chief Officer (Social Services) and Senior Manager for Safeguarding and Commissioning

### **Minute number 7**

Strategic Finance Manager

### **Minute number 8**

Strategic Finance Manager

### **Minute number 11**

Councillor Ian Roberts (Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure), Chief Officer (Education and Youth), Senior Auditor, Mark Biltcliffe (Head of Drury Primary School) and Simon Griffiths (Chair of Governors)

## **1. APPOINTMENT OF CHAIR**

Following explanation by the Chief Officer (Governance) on legislative requirements, Councillor Glyn Banks proposed that Sally Ellis be appointed as Chair for 12 months so that the role could be alternated between the three lay members over three years. This was seconded by Allan Rainford and on being put to the vote, was carried. No further nominations were received.

## **RESOLVED:**

That Sally Ellis be appointed as Chair of the Committee for 12 months and that the role be alternated between the three lay members over three years.

(From this point, Sally Ellis chaired the remainder of the meeting)

## **2. APPOINTMENT OF VICE-CHAIR**

In response to comments from Councillor Glyn Banks, the Chief Officer (Governance) provided clarification on the legislation.

Councillor Banks nominated Allan Rainford as Vice-Chair for 12 months (prior to him becoming Chair for the next 12 months) and that the role be rotated to allow Reverend Brian Harvey to become Vice-Chair for the following 12 months. He was seconded by Reverend Harvey. There were no further nominations and on being put the vote, the proposal was carried.

## **RESOLVED:**

That Allan Rainford be appointed as Vice-Chair of the Committee for 12 months and that the role be alternated between the three lay members over three years.

## **3. DECLARATIONS OF INTEREST**

None.

## **4. MINUTES**

The minutes of the meeting held on 14 March 2022 were approved, as moved and seconded by the Chair and Allan Rainford.

## **RESOLVED:**

That the minutes be approved as a correct record.

## **5. CARE INSPECTORATE WALES (CIW) - ASSURANCE CHECK**

The Chief Officer (Social Services) introduced a report to share the findings of the Care Inspectorate Wales (CIW) assurance check of the Council's performance during 2020/21. The report had also been considered by the Social & Health Care Overview & Scrutiny Committee and Cabinet in line with the regulatory reporting protocol.

The report detailed the wide scope of the inspection which had identified strengths in a number of areas including the Council's effectiveness in discharging its statutory duties relating to the safety and well-being of carers and those receiving care during the pandemic, as well as support for children in care. The findings also reflected the quality of staff and partnership working along with evidence of 'very good practice' across all areas of Social Services. Whilst the headlines for both Adult and Children's Services were positive, the Chief Officer provided a detailed update on progress with a range of actions to address three

areas for improvement, including recruitment challenges in Adult Services that were replicated across the UK.

The Senior Manager for Safeguarding and Commissioning explained that the Council's Social Services structure enabled a greater degree of independent monitoring of services. She also pointed out the strong political support for Adult and Children's Services in Flintshire referenced in the CIW report.

In response to questions from Allan Rainford, the Chief Officer confirmed that progress on the action plan would be subject to the reporting protocol. He said that Flintshire's performance generally compared well against that of other authorities and that the service was committed to identifying opportunities for improvement and building upon its strengths.

The findings of the inspection were welcomed by Councillor Christine Jones, in particular the positive feedback on partnership working and distribution of personal protective equipment (PPE) during the pandemic.

The Chief Officer responded to questions from Reverend Brian Harvey on maintaining good engagement with the local Health Board and third sector organisations throughout the pandemic and the development of residential care provision in Flintshire.

In response to a query by Councillor Andrew Parkhurst, it was explained that actions would be closely monitored including addressing recruitment pressures which remained an area of concern. Following comments by the Chair on the performance reporting mechanism within the Council, the Chief Officer said that indicators for Social Services were available upon request.

During the item, the Chair and Committee Members commended the findings of the report and progress on the action plan. Councillor Glyn Banks asked that the Committee's thanks be conveyed to the teams for their efforts during the pandemic.

The recommendation in the report was supported.

**RESOLVED:**

- (a) That the positive feedback received from CIW be noted, following the Assurance Check in April 2021; and
- (b) That the Committee's thanks be extended to Social Services' teams for their work relating to the inspection and during the pandemic.

**6. ANNUAL GOVERNANCE STATEMENT 2021/22**

The Chief Officer (Governance) presented the Annual Government Statement (AGS) for 2021/22 which provided assurance on governance arrangements and risk management, to accompany the Statement of Accounts. In explaining the purpose and development of the AGS, the Chief Officer said that this was a positive document reflecting the transition from the response to the recovery phase of the pandemic. As part of the mid-year review and

preparations for the 2022/23 AGS, there would be opportunities for more involvement by Committee Members.

The Internal Audit, Performance & Risk Manager provided clarification on the main changes and key sections within the AGS which followed a prescribed format.

In response to a query from Councillor Andrew Parkhurst, information on the latest review of the Corporate Anti-Fraud Strategy would be shared with the Committee.

Allan Rainford asked about the impact of recent CIPFA guidance on governance and was informed that whilst this had been issued after completion of the AGS, it would help to inform the mid-year review. It was also confirmed that governance issues identified during 2021/22 would form part of the risk management action plan.

The recommendations were moved by Allan Rainford and seconded by Councillor Glyn Banks.

**RESOLVED:**

- (a) That the Annual Governance Statement 2021/22 be attached to the Statement of Accounts and recommended to Council for adoption; and
- (b) That views from all Committee Chairs will be sought for the next Annual Governance Statement.

**7. CERTIFICATION OF GRANTS AND RETURNS 2020/21**

The Strategic Finance Manager introduced the Audit Wales annual report on grant claim certification for the year ending 31 March 2021. There were no significant adjustments to any of the three claims and only one minor positive adjustment to the Housing Benefits Subsidy Return. Following consideration of specific findings by the Finance Management Team and relevant service areas, progress was underway on actions to address the recommendations and to enhance systems for the 2021/22 audit.

In summarising the key findings, Mike Whiteley of Audit Wales said that the Council had demonstrated generally adequate arrangements for the production and submission of grant claims, with scope for improvement. Overall performance was good and there had been good engagement and co-operation from officers throughout the audit.

In response to a question from Reverend Brian Harvey about risks relating to workforce pressures, the Chief Executive gave examples of the range of support mechanisms available to staff as well as a greater emphasis on well-being within the employee appraisal system in recognition of this important issue.

In welcoming the positive report, Allan Rainford spoke about the complexity of housing benefit subsidy claims and suggested that more detail would help to provide more clarity on the scale of caseload compared with cases

tested. This was noted by Mike Whiteley who gave an overview of the sample testing method used by Audit Wales.

Following a comment by the Chair on qualified grant claims, Mike Whiteley said that although not significant, a similar level of errors was identified each year within similar areas. He added that substantial workload in processing housing benefit subsidy claims inevitably led to errors arising which impacted year on year.

The Chief Executive agreed that information on the volume of housing benefit subsidy cases would be shared to provide context to the Committee.

The recommendation was moved and seconded by Reverend Brian Harvey and Councillor Glyn Banks.

**RESOLVED:**

That the content of the Grant Claim Certification report for 2020/21 be noted.

**8. AUDIT WALES 2022 AUDIT PLAN**

The Strategic Finance Manager introduced the Audit Wales Plan for 2022 comprising proposed financial and performance audit work for the Council including timescales, costs and the audit teams responsible.

The Chief Executive took the opportunity to thank colleagues from Audit Wales for their engagement with officers in developing the Plan.

In summarising the key sections of financial audit work, Mike Whiteley of Audit Wales drew attention to the audit risks including the management override of controls which was a default significant risk present in all Audit Plans. Jeremy Evans provided an overview of the performance audit programme which took a risk-based approach to topics nationally and locally. He advised that the second thematic review in Exhibit 2 would be around digital services and that the local review on commissioning out of county placements had been changed to homelessness prevention as agreed with officers.

In response to queries from Allan Rainford, it was explained that any additional work on asset valuations from the previous year's audits was unlikely to affect the proposed audit fee for this year. Whilst audit fees were based on the level of risk and work to be undertaken, they could be influenced by additional work identified in audits during the year. On the challenges of comparing performance data with other organisations during the pandemic, a resumption of benchmarking activities would be required as restrictions eased.

The recommendation was moved and seconded by Allan Rainford and Reverend Brian Harvey.

**RESOLVED:**

That the draft Audit Wales Plan 2022 be noted.

9. **VARIATION IN ORDER OF BUSINESS**

The Chair indicated that there would be a slight change in the order of business to bring forward agenda item 14 to enable third party representatives to take part. The remainder of the items would be considered in the order shown on the agenda.

10. **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 12 and 14 of Part 4 of Schedule 12A of the Local Government Act 1972 (as amended).

11. **DRURY PRIMARY SCHOOL - FINANCIAL MANAGEMENT ARRANGEMENTS**

The Internal Audit, Performance & Risk Manager introduced a report on the Internal Audit review of Drury Primary School - as requested by the Chief Officer (Education & Youth) - on which a Red (limited assurance) opinion had been issued. The Senior Auditor detailed the scope of the review which had been agreed with the Chief Officer and the school, along with a summary of the key findings and recommendations.

Mark Biltcliffe (Head Teacher) and Simon Griffiths (Chair of Governors) of Drury Primary School were in attendance to provide an update on progress with implementing the recommendations.

In response to questions, the Chief Officer (Education & Youth) provided clarification on communications and engagement with the school throughout the period and had requested a regular update on actions from the school to give assurance of progress.

The Internal Audit Manager explained that a follow-up audit would be undertaken and evidence reviewed before each recommendation could be closed down. The Internal Audit team would work closely with Education colleagues and the school to ensure that actions were implemented and a further report would be scheduled for the Committee's meeting in January 2023. Progress would also be reported as part of action tracking.

The Chair took the opportunity to thank contributors for their attendance including the school representatives and Chief Officer.

The recommendation was moved and seconded by Councillor Glyn Banks and Reverend Brian Harvey.

**RESOLVED:**

That the report be accepted and a follow-up report scheduled for January 2023.

*The remaining agenda items were considered in open session.*

## **12. INTERNAL AUDIT ANNUAL REPORT**

The Internal Audit, Performance & Risk Manager presented the report which summarised the outcome of audit work undertaken during 2021/22, compliance with standards and the results of the quality assurance and improvement programme.

Based on the work undertaken by Internal Audit, the direct assurance from management and external assurance from Audit Wales, the audit opinion was that the Council had an adequate and effective framework of governance, risk management and internal control for the period. In reaching this opinion, the Internal Audit Manager had taken into consideration a number of factors including the results of work undertaken by Internal Audit and Audit Wales. Amongst the key areas highlighted were the level of audit coverage during the year, auditing of third parties and the overall position of assurance opinions and actions raised across portfolios. The Internal Audit Manager also reported on the effectiveness of her service's performance including her lead role on a Task & Finish Group to review and collate benchmarking data across Wales.

Allan Rainford welcomed the report and was provided with information on the approach to increasing the number of completed post-audit client questionnaires whilst prioritising action tracking.

Councillor Andrew Parkhurst asked about the three red assurance reports and was informed of reporting arrangements to both this Committee and the relevant Overview & Scrutiny Committee with appropriate action plans.

In response to the Chair's comments on trends, the Internal Audit Manager said there were no current concerns and that the Audit Plan focussed on areas of high risk across the organisation.

The recommendation was moved by Councillor Andrew Parkhurst and seconded by Reverend Brian Harvey.

### **RESOLVED:**

That the report and Internal Audit annual opinion be noted.

## **13. ACTION TRACKING**

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

The recommendation was moved and seconded by Councillors Glyn Banks and Andrew Parkhurst.

### **RESOLVED:**

That the report be accepted.

#### **14. FORWARD WORK PROGRAMME**

The Internal Audit, Performance & Risk Manager presented the current Forward Work Programme for consideration, including movements since the last report.

With the inclusion of the update on the earlier red audit report, the recommendations were moved and seconded by Allan Rainford and Reverend Brian Harvey.

#### **RESOLVED:**

- (a) That the Forward Work Programme, as amended, 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.

#### **15. INTERNAL AUDIT PROGRESS REPORT**

The Internal Audit, Performance & Risk Manager presented the regular report showing progress against the Plan, final reports issued, action tracking, performance indicators and current investigations. An overview was provided of the two Amber Red (some assurance) reports issued during the period on Risk Management and Use of Agency Workers, with the only Red (limited assurance) report included as a separate agenda item.

The Chair raised concerns about the lack of progress on some high priority overdue actions including the loss of 'O' licences. The Internal Audit Manager reported some movement on actions since publication of the report which would be closed down once evidence had been reviewed. She clarified that the increased number of red actions on the audit for Maes Gwern Contractual Arrangements were likely to be a result of the overdue date maturing.

The Chair's concerns were shared by Councillor Andrew Parkhurst who commented on the revised target dates. The Internal Audit Manager acknowledged that more improvement was needed to reduce the number of outstanding actions which remained a priority for the team. She provided explanation on the process including escalation of overdue actions to Chief Officers and the reporting of progress on which the Committee had oversight.

In response to the Chair's suggestion that the Committee continue to monitor the situation closely, the Chief Executive gave assurance that discussions took place to set realistic targets for completing actions. He informed the Committee that he took a personal interest in the matter, in recognition of the importance of risk management within the organisation.

The recommendation was moved by Councillor Andrew Parkhurst and seconded by Councillor Glyn Banks.



**RESOLVED:**

That the report be accepted.

**16. ATTENDANCE BY MEMBERS OF THE PRESS AND PUBLIC**

None.

The meeting started at 10am and finished at 1pm

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**Chair**