

Public Document Pack

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To: Sally Ellis (Chair)

Councillors: Bernie Attridge, Glyn Banks, Allan Marshall, Ryan McKeown,
Andrew Parkhurst and Linda Thomas

Co-opted Members:

Allan Rainford and Rev Brian Harvey

21 September 2022

Dear Sir/Madam

NOTICE OF REMOTE MEETING
GOVERNANCE AND AUDIT COMMITTEE
WEDNESDAY, 28TH SEPTEMBER, 2022 at 10.00 AM

Yours faithfully

Steven Goodrum
Democratic Services Manager

The meeting will be live streamed onto the Council's website. The live streaming will stop when any confidential items are considered. 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 APOLOGIES

Purpose: To receive any apologies.

2 DECLARATIONS OF INTEREST (INCLUDING WHIPPING DECLARATIONS)

Purpose: To receive any Declarations and advise Members accordingly.

3 MINUTES (Pages 5 - 10)

Purpose: To confirm as a correct record the minutes of the meeting held on 27 July 2022.

4 AUDIT WALES REVIEW OF COMMISSIONING OLDER PEOPLE'S CARE HOME PLACEMENTS BY NORTH WALES COUNCILS AND BETSI CADWALADR UNIVERSITY HEALTH BOARD (Pages 11 - 82)

Report of Chief Officer (Social Services) - Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing

Purpose: To acknowledge the Audit Wales Report and note the recommendations in the Older People's Care Home Placements report.

5 SCHOOL RESERVE BALANCES YEAR ENDING 31 MARCH 2022 (Pages 83 - 94)

Report of Chief Officer (Education and Youth) - Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure

Purpose: To provide the Committee with details of the closing balances held by Flintshire schools at the end of the financial year.

6 INTERNAL AUDIT PROGRESS REPORT (Pages 95 - 130)

Report of Internal Audit, Performance and Risk Manager -

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

7 **EXTERNAL PUBLIC SECTOR INTERNAL AUDIT STANDARDS ASSESSMENT 2022** (Pages 131 - 138)

Report of Internal Audit, Performance and Risk Manager -

Purpose: To inform the Committee of the results of the external assessment of conformance with the Public Sector Internal Audit Standards (PSIAS).

8 **GOVERNANCE AND AUDIT COMMITTEE ACTION TRACKING** (Pages 139 - 144)

Report of Internal Audit, Performance and Risk Manager -

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

9 **FORWARD WORK PROGRAMME** (Pages 145 - 152)

Report of Internal Audit, Performance and Risk 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

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GOVERNANCE AND AUDIT COMMITTEE **27 JULY 2022**

Minutes of the Governance and Audit Committee of Flintshire County Council held as a remote attendance meeting on Wednesday, 27 July 2022

PRESENT: Sally Ellis (Chair)

Councillors: Bernie Attridge, Glyn Banks, Ryan McKeown, Andrew Parkhurst and Linda Thomas

Co-opted members: Reverend Brian Harvey and Allan Rainford

APOLOGIES: Councillor Jean Davies

Apologies also received from Councillor Ian Roberts (Leader of the Council and Cabinet Member for Education, Welsh Language, Culture and Leisure), the Internal Audit, Performance & Risk Manager and Gwilym Bury (Audit Wales)

IN ATTENDANCE: Councillor Paul Johnson (Cabinet Member for Finance, Inclusion, Resilient Communities), Chief Executive (minute numbers 17-19), Chief Officer (Governance), Corporate Finance Manager, Strategic Finance Manager and Democratic Services Officer

Mike Whiteley from Audit Wales

17. DECLARATIONS OF INTEREST

None.

18. MINUTES

The minutes of the meeting held on 8 June 2022 were approved, as moved and seconded by Councillors Linda Thomas and Andrew Parkhurst.

Minute number 12 - The Chair and Vice-Chair had shared the Committee's concerns about outstanding actions on red assurance reports at a recent meeting with the Chief Executive and Chief Officers where a number of actions had been agreed, including the option to invite the relevant senior officer to attend the Committee to provide explanation where appropriate. The Chair and Vice-Chair would be invited to meet with the Chief Officer team again to review progress.

RESOLVED:

That the minutes be approved as a correct record.

19. DRAFT STATEMENT OF ACCOUNTS 2021/22

The Corporate Finance Manager and Strategic Finance Manager presented the Draft Statement of Accounts 2021/22 (subject to audit) for information only at this stage. These comprised the Group accounts and its wholly owned subsidiaries, along with the Annual Governance Statement as reviewed at the

previous meeting. There would again be an open consultation period during the Summer for Members to raise any aspect of the accounts with officers prior to the Committee receiving the final audited version for approval.

A joint presentation covered the following:

- Purpose and Background of the Accounts
- Contents and Overview
- Responsibility for the Accounts
- Links to Budget Monitoring
- Changes to the Statement of Accounts for 2021/22
- Key Issues and Impacts
- COVID-19 Emergency Grant Funding
- Headlines - Council Fund (Revenue), Revenue Reserves, Significant Movements, Capital and Housing Revenue Account (HRA)
- Accounts Governance Group
- Timeline and Next Steps

It was confirmed that the draft accounts had been completed and submitted within the deadline which had been extended by Welsh Government (WG) in recognition of the impact of the pandemic. The deadline for submitting the final audited accounts had been extended to 30 November 2022.

Mike Whiteley highlighted a potential risk in the capacity of Audit Wales to meet the Committee's deadline to approve the final audited accounts at its meeting on 28 September 2022. Given the extended framework set by WG and the outstanding guidance on asset valuations awaited from the Chartered Institute of Public Finance and Accountancy (CIPFA), he sought the Committee's view on the final accounts being submitted for approval at the November meeting or that date being brought forward to enable the accounts to be signed off by the Auditor General for Wales within the revised deadline.

When asked by Councillor Glyn Banks about financial contributions to Theatr Clwyd, the Corporate Finance Manager advised that these formed part of Central & Corporate Financing elements of Revenue Budget Monitoring. Following clarification by the Chief Officer (Governance) on reporting arrangements of external partner organisations, it was agreed that officers would review wording in the final accounts to clearly differentiate arrangements for Theatr Clwyd as opposed to NEW Homes and Newydd which were wholly owned subsidiaries of the Council. Councillor Banks shared a note in which he suggested a brief explanation under the section on Associated Companies within the document.

In response to questions from Councillor Andrew Parkhurst on the increase in unearmarked reserves, the Corporate Finance Manager provided background on the base level of reserves maintained to protect against unforeseen circumstances, in addition to contingency reserves which were currently at a higher level than usual due to late notification of grants from WG. He spoke about the importance of protecting reserves to deal with unknown impacts of pay awards and inflationary increases. On comparing reserve levels with other councils, he

referenced the published Audit Wales review of financial sustainability which included comparison of reserve levels across Wales.

In referring to the complexity of Hardship Grant Funding and the regional role of the Council during the pandemic, Councillor Paul Johnson urged Members to consider the document in detail, noting the scale of future financial challenges.

In acknowledging the complex regulations involved in producing the accounts, Allan Rainford raised a number of queries on which there was clarification on earmarked reserves and the separate arrangements for signing off accounts for the County Council and Clwyd Pension Fund. It was noted that the increase in reserves during the pandemic in 2020/21 had been rolled forward for use in 2021/22 to complete schemes within the Capital Programme, with no projected impact on future years. The Council's long-standing prudent approach of maintaining a minimum level of 3% reserves meant that anything above was considered for future stock investment.

In response to further queries, it was confirmed that external audit fees for the Local Government Measure related to performance work by Audit Wales and an update was given on current rent arrears which were above the Welsh average. On the year-end net underspend on the Council Fund (revenue), the Corporate Finance Manager advised that there had been no significant operational or performance issues contributing to this position as detailed in the presentation. On potential future liabilities such as insurance, he spoke about the difference between contingency reserves for unforeseen costs and those set aside for specific reasons under earmarked reserves.

Reverend Brian Harvey asked whether any work was being undertaken to assess the effectiveness of key emergency grants received through the Hardship Fund to assist with the response and recovery phases of the pandemic. The Corporate Finance Manager said that the provision of emergency funding had impacted significantly on the financial outturn in claiming for additional cost pressures as a result of the response, including retrospective reimbursements and lost income across the Council. The Chief Officer (Governance) spoke about the role of the Recovery Committee in overseeing the recovery phase of the pandemic. He agreed to share information on support targeted to local businesses and communities during that period.

On the strategy to build up school reserves, the Corporate Finance Manager referred to work underway to understand school spending plans over the medium term. Whilst this was under the remit of the Education, Youth & Culture Overview & Scrutiny Committee, an annual update was shared with the Governance & Audit Committee and scheduled for the next meeting.

In response to queries from Councillor Bernie Attridge, the Corporate Finance Manager explained that asset valuation was a national issue and that discussions were taking place with Audit Wales to consider the best approach for Flintshire. He also advised that the year-end underspend had predominantly been reported through Revenue Budget Monitoring leading up to the Election period,

with the exception of late notification of some grants. He reminded the Committee that the positive position was mainly due to one-off grants received.

When asked by Councillor Andrew Parkhurst about the Clwyd Pension Fund, the Corporate Finance Manager provided explanation on the prescribed separate reporting standard within the Council's accounts. He also referred to the Actuarial valuation cycle with the outcome of the latest review due in the Autumn.

Councillor Parkhurst also remarked on the increased number of senior officers whose remuneration exceeded £60,000 and was informed that this threshold had not changed for some time which had resulted in the increase. He was also given information on the maintenance process which involved officers taking on additional duties.

During the discussion, the Chair and Committee Members expressed their gratitude to the teams responsible for producing the accounts and to the Accounts Governance Group for its important contributions. It was agreed that the November meeting date would be brought forward to enable the accounts to be approved and signed off within the deadline.

The recommendations, which were amended to reflect the debate, were moved and seconded by Councillors Bernie Attridge and Glyn Banks.

RESOLVED:

- (a) That the draft Statement of Accounts 2021/22 (which includes the Annual Governance Statement) be noted; and
- (b) That Members note the opportunity to discuss any aspect of the draft Statement of Accounts with officers or Audit Wales from July to August, prior to the final audited version being brought back to the Committee for final approval in November 2022.

20. SUPPLEMENTARY FINANCIAL INFORMATION TO DRAFT STATEMENT OF ACCOUNTS 2021/22

The Corporate Finance Manager presented the supplementary financial information to accompany the draft Statement of Accounts 2021/22 as required by the Notice of Motion approved by the Council in 2013.

In response to a question from Allan Rainford, the Chief Officer (Governance) provided clarification on the process for authorising the appointment of interim temporary staff and consultants.

The Chair asked about the increase in spend for temporary staff and comparison with other councils. Officers suggested that nationwide recruitment and retention issues could be the main factor. It was agreed that a response would be sought from the Corporate Manager (People and Organisational Development) and emailed to the Committee.

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

RESOLVED:

That the report be noted.

21. TREASURY MANAGEMENT ANNUAL REPORT 2021/22 AND TREASURY MANAGEMENT UPDATE QUARTER 1 2022/23

The Strategic Finance Manager presented the draft Treasury Management Annual Report 2021/22 for review and recommendation to Cabinet. The Quarter 1 update on matters relating to the Treasury Management Policy, Strategy and Practices 2022/23 was also shared for information, along with the reporting cycle. In accordance with the usual process, a training session for all Members would be scheduled for December 2022 prior to approving the Treasury Management Strategy for 2023/24.

An overview was provided of key sections of the Annual Report including the impact of economic issues during the period. The first quarterly update for 2022/23 provided an update on investments and borrowing activity with no breaches of the Treasury Management Strategy reported.

Allan Rainford welcomed the approach to minimising risk on investments and was provided with information on the investment strategy which prioritised liquidity and security whilst diversifying and spreading risk, in conjunction with advice from Arlingclose.

In response to a question from the Chair, it was explained that other councils across Wales took a similar approach to treasury management with a focus on short-term borrowing.

The recommendations were moved by Councillor Bernie Attridge and seconded by Councillor Linda Thomas.

RESOLVED:

- (a) That the draft Treasury Management Annual Report 2021/22 be noted, with no matters to be drawn to the attention of Cabinet in September; and
- (b) That the Treasury Management 2022/23 first quarter update be noted.

22. ATTENDANCE BY MEMBERS OF THE PRESS AND PUBLIC

None.

The meeting started at 10am and finished at 11.40am

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Chair

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Governance and Audit Committee

| | |
|------------------------|---|
| Date of Meeting | 28 September 2022 |
| Report Subject | Audit Wales Review of Commissioning Older People's Care Home Placements by North Wales Councils and Betsi Cadwaladr University Health Board |
| Cabinet Member | Deputy Leader of the Council and Cabinet Member for Social Services and Wellbeing |
| Report Author | Chief Officer (Social Services) |
| Type of Report | Operational |

EXECUTIVE SUMMARY

As part of its Audit programme, in August 2020, Audit Wales informed Local Authorities and the Betsi Cadwaladr University Health Board area that it would be undertaking a review of Commissioning of Older People's Care Home Placements by North Wales Councils and Betsi Cadwaladr University Health Board.

A workshop was held by Audit Wales with local authority and health board partners in September 2020. The workshop worked through the draft brief for the review and the final brief for the review was issued to Local Authorities in November 2020.

Having undertaken a series of engagement activities as detailed below, Audit Wales issued the draft final report to Local Authorities and the Health Board to comment on matters of accuracy and balance in July 2021. The Health Board prepared their own response and a collective response was prepared by the North Wales Local Authority CEOs and Directors of Social Services.

The CEOs and Directors of Social Services felt strongly that report was not balanced, contained some factual inaccuracies and was not fair reflection of commissioned care home placements for older people in North Wales. As a result further discussion with Audit Wales took place and Audit Wales published their final report on the 16th December 2021.

In response to this report, each of the North Wales Local Authorities and the Health Board have been asked to prepare an agreed collective management response detailing how they will work collectively to address each of the recommendations. This was submitted to Audit Wales by the 31st January 2022 deadline.

| RECOMMENDATIONS | |
|------------------------|---|
| 1 | Members note the recommendations in the Audit Wales report on Commissioning of Older People’s Care Home Placements by North Wales Councils and Betsi Cadwaladr University Health Board. |
| 2 | Members note the agreed actions in the Management Response to address these recommendations and receives regular updates on the implementation of the actions going forward. |

REPORT DETAILS

| 1.00 | EXPLAINING THE AUDIT WALES REVIEW REPORT |
|-------------|--|
| 1.01 | Adult Wales publish their annual Audit Programme and as part of this work in 2020, Audit Wales informed North Wales Local Authorities and the Health Board that they would be undertaking a review of Commissioning of Older people’s Care home Placements by North Wales Councils and Betsi Cadwaladr University Health Board. |
| 1.02 | Audit Wales held a workshops with all 7 partner agencies in September 2020 and shared the draft brief for the review, the final version of which was issues to the local authorities and the health board in November 2020. |
| 1.03 | <p>As identified in the final brief, the purpose of the review was: <i>“In our Assurance and Risk Assessments for North Wales councils we identified strategic commissioning of residential and nursing care placements as a risk to both councils and the Health Board for the following reasons:</i></p> <ul style="list-style-type: none"> <i>a) high level of spending on these services;</i> <i>b) forecast increases in numbers of older people expected to need these services;</i> <i>c) limited availability of new staff to support these services and recruitment competition with other health and social care providers; and</i> <i>d) as yet untapped potential benefits of strategic commissioning across North Wales public sector bodies.</i> <p><i>Since identifying strategic commissioning of residential and nursing care placements as a risk, COVID-19 has highlighted the fragility and current capacity of the care market and the need to plan strategically and manage the market”</i></p> |

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| 1.04 | <p>The brief explained that the review would seek to answer the question “<i>Are partners collaborating effectively to take account of demographic changes and other external pressures in the strategic commissioning of residential and nursing home care?</i>” and focused on the following key questions:</p> <ul style="list-style-type: none"> a) Are partners collaborating effectively to take account of demographic changes and other external pressures in the strategic commissioning of residential and nursing home care? b) Have partners formally committed to the strategic approach to commissioning residential and nursing home care? c) Have partners identified and secured commitment for the resources needed to deliver the strategy and is there commitment to manage these through the pooled budget arrangement? d) Does the strategy for commissioning residential and nursing home care align with other key strategies and meet legislative requirements? e) Is change related to delivery of this strategy being managed and reported effectively? |
| 1.05 | <p>The Audit Wales team undertook Fieldwork, Document reviews, Meeting observations and Interviews with staff and service users from November 2020 to February 2021.</p> |
| 1.06 | Report Detail |
| 1.07 | <p>Audit Wales issued the draft final report to Local Authorities and the Health Board to comment on matters of accuracy and balance in July 2021. The Health Board prepared their own response and a collective response was prepared by the North Wales Local Authority CEOs and Directors of Social Care. They felt strongly that report was not balanced, contained some factual inaccuracies and was not fair reflection of commissioned care home placements for older people in North Wales.</p> |
| 1.08 | <p>Following further discussion with Audit Wales regarding the feedback and key objections, they prepared a revised version of the report in November 2021 which was accepted by the Local Authority Chief Executives and Directors of Social Care. Audit Wales published the North Wales report on the 16th December 2021 as per their audit schedule [see Appendix 2].</p> |
| 1.09 | <p>Audit Wales prepared a corresponding report for Welsh Government in relation to the legislative and policy framework for regional partnership working, commissioning and funding care home placements with key national messages and recommendations for Welsh Government to consider. This report for Welsh Government was not shared but was published at the same time as the North Wales report and is given in Appendix 4.</p> |

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| 1.10 | <p>The Audit Wales report on the Commissioning of Older People’s Care Home Placements by North Wales Councils and Betsi Cadwaladr University Health Board makes 5 recommendations:</p> <ul style="list-style-type: none"> • R1 North Wales councils and Betsi Cadwaladr University Health Board need to ensure the consistent use of pre-placement agreements across the region. • R2 The current approach for commissioning care home places can cause tensions between partners and result in poor value and poor service user experience. North Wales councils and Betsi Cadwaladr University Health Board need to work together to review local arrangements for commissioning care home placements to eliminate avoidable adverse impacts on service users, and each other. • R3 Accountability is a cornerstone of public sector decision making. Governance arrangements need to scrutinise decisions and hold decision makers to account. North Wales councils and Betsi Cadwaladr University Health Board need to strengthen their partnership governance arrangements to ensure proper accountability and effective scrutiny. • R4 North Wales councils and Betsi Cadwaladr University Health Board through the Regional Commissioning Board need to develop a regionally agreed care home commissioning strategy and following this, develop an associated delivery plan. • R5 North Wales councils and Betsi Cadwaladr University Health Board need to review their commissioning arrangements for care home placements to ensure they fulfil their statutory responsibilities around the Welsh language, and the Well-being of Future Generations Act. |
| 1.11 | <p>In response to the report, each of the North Wales Local Authorities and the Health Board was asked to prepare an agreed collective management response detailing how they will work collectively to address each of the recommendations. Audit Wales asked for this collective response to be submitted by 31st January 2022. The Management Response submitted is in Appendix 3.</p> |

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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | Local and regional officer time will be required to ensure that the recommendations and management response actions are implemented. |

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| 3.00 | IMPACT ASSESSMENT AND RISK MANAGEMENT |
| 3.01 | <p>Officer capacity and time to implement the actions in the Management Response may delay meeting the deadlines given</p> <p>Mitigation: Allocated regional leads with dedicated time to undertake the work require have been put in place.</p> |

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| 3.02 | <p>Relationship between local commissioning plans and the required regionally agreed care home commissioning strategy and associated delivery plan.</p> <p>Mitigation: Regional mapping of the relationship between local and regional plans and clarity on which aspects of the delivery plan are implemented locally and which are implemented regionally have been put in place.</p> |
| 3.03 | <p>Failure to ensure that all partners fulfil statutory responsibilities around the Welsh language, and the Well-being of Future Generations Act in our care home placement provision.</p> <p>Mitigation: Mwy na Geiriau Framework implementation is in place for all partner agencies. The Local Wellbeing Assessments and 7 Wellbeing Goals inform our local and regional commissioning plan for the future as part of the Population Needs Assessment and Market Stability Report.</p> |

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| 4.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 4.01 | Audit Wales consulted with service users and providers in the research for the report. They also consulted with Local Authorities and Health Board officers on the circulation of the draft reports and took on board their feedback to inform revised drafts of the report. |

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| 5.00 | APPENDICES |
| 5.01 | Appendix 1 Audit Wales Project Brief for the review of the Commissioning of Older People's Care Home Placements by North Wales Councils and Betsi Cadwaladr University Health Board |
| 5.02 | Appendix 2 The Audit Wales report on the Commissioning of Older People's Care Home Placements by North Wales Councils and Betsi Cadwaladr University Health Board |
| 5.03 | Appendix 3 North Wales Local Authorities and the Health Board collective management response |
| 5.04 | Appendix 4 Audit Wales report to Welsh Government on Care Home Commissioning |

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| 6.00 | CONTACT OFFICER DETAILS |
| 6.01 | Contact Officer: Jane Davies Telephone: 01352 702503 E-mail: jane.m.davies@flintshire.gov.uk |

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|-------------|--|
| 7.00 | GLOSSARY OF TERMS |
| 7.01 | Audit Wales – is the trademark of two legal entities, the Auditor General for Wales and the Wales Audit Office. It's role is to assure the people of Wales that public money is being managed well as well as explaining how public money is being used and how it meets people's needs. |
| 7.02 | Mwy Na Geiriau Framework - A Strategic Framework for Promoting the Welsh Language in Health, Social Services and Social Care. It was published in 2016. |

Project Brief – Commissioning Older People’s Care Home Placements – North Wales Councils and Betsi Cadwaladr University Health Board

Audit year: 2020-21

Date issued: November 2020

Document reference: 1923A2020-21

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Project brief

Background to the review

- 1 The COVID-19 pandemic has had an unprecedented impact on Health and Social Care Services as they work to help contain this virus and avoid the spread to particularly vulnerable people, such as those who are elderly, or have underlying health problems. North Wales councils and [Betsi Cadwaladr University Health Board](#) (the Health Board) have worked hard to maximise bed capacity in hospitals and care homes and have commissioned and equipped three new rainbow hospitals to accommodate the increase in demand for care and treatment. The impact of this virus has highlighted the critical role that care homes have all year round and particularly when unexpected peaks in demand occur.
- 2 There is a cost to both human life and the sustainable financial viability of care home businesses. Business plans of these homes will rely on minimum occupancy levels and the COVID-19 virus, and other wider factors may affect demand for placements and numbers of residents going forward, resulting in the closure of some homes.
- 3 Notwithstanding the pressures on care homes described above, demand for these services from an ageing population continues to grow, increasing budgetary pressures on public bodies. There is a risk that care home provision is not shaped to meet demand, such as specialist provision.
- 4 The latest published data from [StatsWales](#) shows that North Wales councils spent approximately £66 million in 2018-19 on Nursing Placements and Residential Care Placements and NHS financial reports indicate that Betsi Cadwaladr is spending over £100 million per year on continuing healthcare. In addition to these costs, many councils have their own residential care provision.
- 5 The Well-being of Future Generations (Wales) Act 2015 requires public bodies in Wales to think about the long-term impact of their decisions, to work better with people, communities and each other, and to prevent persistent problems such as poverty, health inequalities and climate change. All 6 councils and the Health Board have a statutory responsibility to meet requirements set out in the act.
- 6 Any strategic approach to improve residential and nursing care should meet requirements of the Social Services and Well-being (Wales) Act 2014 (SSWBA), Well-being of Future Generations (Wales) Act 2015, Welsh Language (Wales) measure 2011 and the Equalities Act (2010). Under the SSWBA, councils and health boards have a statutory obligation to establish and maintain pooled fund arrangements in relation to the exercise of their care home accommodation functions. Our recent work in North Wales found that the pooled fund for older peoples care home placement did not provide value for money.
- 7 The North Wales Social Care and Wellbeing Services Improvement Collaborative published a [Market shaping statement – care homes for older people in North Wales](#) in 2018. Its content included what partners could expect in the future and

what partners would need from care homes and how partners would support developments.

- 8 This project brief sets out why we are undertaking the review in Anglesey, Conwy, Denbighshire, Flintshire, Gwynedd, Wrexham Councils and Betsi Cadwaladr University Health Board and outlines its focus, method, outputs and timing.

Purpose of the review

- 9 In our Assurance and Risk Assessments for North Wales councils we identified strategic commissioning of residential and nursing care placements as a risk to both councils and the Health Board for the following reasons:
 - a. high level of spending on these services;
 - b. forecast increases in numbers of older people expected to need these services;
 - c. limited availability of new staff to support these services and recruitment competition with other health and social care providers; and
 - d. as yet untapped potential benefits of strategic commissioning across North Wales public sector bodies.
- 10 Since identifying strategic commissioning of residential and nursing care placements as a risk, COVID-19 has highlighted the fragility and current capacity of the care market and the need to plan strategically and manage the market.

Focus of the review

- 11 We will use the 'Market shaping statement – care homes for older people in North Wales' which was published in 2018 as a starting point for the review. We facilitated a scoping workshop on 29 September 2020 with representatives from the councils and Health Board to hear an update of progress in delivering the strategic aims and to inform the shape of this review. Our review will consider the following areas:
 - a. Adjustments to the strategic commissioning plans as a result of COVID-19 to support short, medium and longer term sustainability of care homes;
 - b. Sustainability of financing strategic intentions, including COVID-19 impacts such as increased care needs for patients discharged from hospital, increased costs associated with Personal Protective Equipment (PPE) and modification of care home environment as a result of the pandemic and use of the Welsh Government emergency care home fund;
 - c. Robustness of the data that underpins the strategy;
 - d. Impact of this strategy on other regional and local strategies;
 - e. Workforce planning for example in light of Brexit and COVID-19;

- f. The extent to which councils and the Health Board are working to reduce demand/need for residential care such as with extra care housing or integrated community care packages;
 - g. Partnership governance; and
 - h. Change and programme management.
- 12 The review will seek to answer the question: **Are partners collaborating effectively to take account of demographic changes and other external pressures in the strategic commissioning of residential and nursing home care?**

Legislative basis for the review

- 13 This project is being carried in line with duties set out under sections 17 and 61 of the Public Audit (Wales) Act 2004.
- 14 It is also being undertaken to help discharge the Auditor General’s duties under section 18 of the Local Government (Wales) Measure 2009 to assess whether improvement authorities are meeting their improvement duties and may also inform an examination undertaken under section 15 of the Well-being of Future Generations (Wales) Act 2015.

Method

- 15 The review will involve interviews with officers and councillors, document reviews and meeting observations. We also anticipate running remote workshops when required. Our approaches will be in line with Government advice on COVID-19 at the point we carry out the work. Although we anticipate the majority of activities will be undertaken remotely.

Exhibit 1: attendees at the scoping workshop

The table below sets out the people who took part at the Scoping Workshop.

| Organisation | Name | Title |
|---|-------------------|--|
| Anglesey CBC | Iola Richards | Head of Adult Services |
| Betsi Cadwaladr University Health Board | Grace Lewis Parry | Assistant Director of Primary and Community Care |

| Organisation | Name | Title |
|-----------------|-----------------|--|
| Conwy CBC | Claire Lister | Head of integrated Adult and Community Services |
| Denbighshire CC | Phil Gilroy | Head of Community Support Services |
| | Katie Newe | Service Manager - Client Services |
| | Catrin Perry | Regional Collaboration Team |
| Flintshire CC | Jane Davies | Senior Manager Safeguarding and Commissioning |
| | Neil Ayling | Chief Officer Social Services |
| Gwynedd CBC | Morwena Edwards | Corporate Director & Statutory Director of Social Services |
| Wrexham CBC | Mark Jones | Interim Senior Head of Service - Older People |

Main review questions

- 16 To inform the design of the work, we undertook a scoping workshop with the audited bodies. This helped us focus the review and also incorporate any changes, risks or other factors that needed to be considered as a result of the COVID-19 pandemic response. **Exhibit 1** sets out the key questions we will seek to answer during the review.

Exhibit 1: main review questions

The table below sets out the main questions we will seek to answer in undertaking this review.

| Level 1 |
|---|
| <ul style="list-style-type: none">• Are partners collaborating effectively to take account of demographic changes and other external pressures in the strategic commissioning of residential and nursing home care? |
| Level 2 |
| <ul style="list-style-type: none">• Have partners formally committed to the strategic approach to commissioning residential and nursing home care?<ul style="list-style-type: none">– Is the strategic intent underpinned by sound data and clear workforce plans?– Is the strategic approach changing in light of the COVID-19 pandemic?– Is the strategic approach considering the risks to the sector (for example fees, workforce, sustainability of care homes, changing demand and service quality)?– Is the strategic approach considering alternative forms of care?• Have partners identified and secured commitment for the resources needed to deliver the strategy and is there commitment to manage these through the pooled budget arrangement?<ul style="list-style-type: none">– Are commitments to resourcing the strategy sustainable?– Is there collective accountability and responsibility to deliver a strategic solution?– How well do partners deal with barriers (e.g. structural differences, loss of control, individual vs partner commissioning, varying standards and expectations)?• Does the strategy for commissioning residential and nursing home care align with other key strategies and meet legislative requirements?<ul style="list-style-type: none">– Are partners considering alternatives other than residential and nursing home care placements?– Are partners working to understand and address any inappropriate regional variations (cost, contributions and access to a range of services)?– Can partners demonstrate consideration of key legislation as part of strategy design? |

- Is change related to delivery of this strategy being managed and reported effectively?
 - Are partnership governance structures supporting delivery?
 - Are programme management arrangements in place to deliver the strategic change required?

Output

- 17 The findings from this review will be set out in a report that will also include recommendations where relevant.

Timetable

Exhibit 2: timetable

The table below sets out a proposed timetable for the review at the Council.

| Proposed timetable | |
|--|--|
| Scoping workshop | 29 September 2020 |
| Sign off of the final project brief with scoping session representatives | October 2020 |
| Set up meetings | October- December 2020 |
| Project brief issued | November 2020 |
| Fieldwork <ul style="list-style-type: none"> • Document reviews • Meeting observations • Interviews | November/December 2020 November 2020 – January 2021 January/February 2021 (unless requested earlier) |
| Report issued | April 2021 |

Fieldwork schedule

Interviews

Exhibit 3: interviewees

The table below sets out the initial list of people we would like to interview as part of this review.

| Name | Title |
|--|--|
| Iwan Davies | Chief Executive – Conwy (selected to give a Chief Executive perspective as Accountable Officer) |
| Anglesey – Fôn Roberts Conwy – Jenny Williams * Denbighshire – Nicola Stubbins Flintshire – Neil Ayling Gwynedd – Morwena Edwards Wrexham – Alwyn Jones | Director of Social Services (Chief officers) We will also speak to Jenny Williams about Regional Workforce perspectives |
| Anglesey – Iola Richards Conwy – Claire Lister Denbighshire – Phil Gilroy Flintshire – Jane Davies Gwynedd – Aled Davies Wrexham – Mark Jones | Heads of Adult Social Care |
| Betsi Cadwaladr: Chris Stockport Ffion Johnstone Bethan Jones Rob Smith Kathryn Titchen Jane Trowman | Executive Director for primary and community care Area Director Area Director Area Director Head of CHC Lead for Care Homes |
| Betsi Cadwaladr – Sue Hill/Rob Nolan Anglesey – Marc Jones | Director/Assistant Director of finance Section 151 officers |

| Name | Title |
|---|---|
| Conwy – Andrew Kirkham Denbighshire – Steve Gadd Flintshire – Gary Ferguson Gwynedd – Dafydd Edwards Wrexham – Mark Owen | |
| Betsi Cadwaladr – Sue Green Anglesey – Carys Edwards Conwy – Phil Davies Denbighshire – Gary Williams Flintshire – Sharon Carney Gwynedd – Geraint Owen Wrexham – Sue Robin | Head of Human Resources/workforce planning |
| Denbighshire – Bethan Jones-Edwards | Regional Head of Collaboration |
| Anglesey – Cllr Llinos Medi Conwy – Cllr Louise Gail Emery Denbighshire – Cllr Bobby Feeley Flintshire – Cllr Christine Jones Gwynedd – Cllr Dafydd Meurig Wrexham Cllr Joan Lowe | Lead Member for portfolio covering Adult Social Care |
| Anglesey – Cllr Aled Morris Jones Conwy – Cllr Penny Andow Denbighshire – Cllr Jeanette Chamberlain-Jones Flintshire – Cllr Hilary McGuill Gwynedd – Cllr Dewi Wyn Roberts Wrexham – Cllr Derek Wright | Chairs of Scrutiny Committees covering Adult Social Care |
| Teresa Owen | Chair of the Regional Partnership Board |
| Judith Greenhalgh | Chair of the North Wales Health and Social Care Recovery Group; and Chief Executive of Denbighshire |

| Name | Title |
|--|--|
| Morwena Edwards | Chair of the NW Regional Commissioning Board |
| Catrin Perry | Business Manager – Commissioning |
| Grace Lewis-Parry | Vice Chair of the NW Regional Commissioning Board |
| Betsi Cadwaladr – Jonathan Lloyd Anglesey – Emma Edwards Conwy – Fran Lewis Denbighshire – Nicola Kneale Flintshire – Jay Davies Gwynedd – Rhion Glyn Wrexham – Suzanne Price | Lead officers – performance management and data analysis |
| Anglesey – Sandra Thomas Conwy – Fran Lewis and Emma Roberts Denbighshire – Alan Smith Flintshire – TBC Gwynedd – Hawis Jones Wrexham – TBC | Change and programme managers |
| Betsi Cadwaladr – Kamala Williams Anglesey – Fôn Roberts & Iola Richards Conwy – Fran Lewis and Emma Roberts Denbighshire – Phil Gilroy & David Soley Flintshire – TBC Gwynedd – Morwena Edwards & Aled Davies Wrexham - TBC | Key health board and council managers responsible for the strategic planning of services |
| Heléna Herklots CBE | Older People's Commissioner for Wales |
| Mary Wimbury Clare Budden | Care Forum Wales ClwydAlyn Housing Association |

| Name | Title |
|--|---------------------|
| Carer representative on Regional Partnership Board Community Health Council | Voice of the People |

Workshops and focus groups

Exhibit 4: focus groups and workshops

The table below sets out the list of workshops and focus groups we would like to run with officers and councillors as part of this review.

| Focus groups and workshops |
|--|
| Focus group with selection of Regional Partnership Board Members – to explore the RPB’s actual and potential involvement in the strategic commissioning of residential and nursing home placements. |
| Focus group with members of the NW Regional Commissioning Board – to explore the RCB’s actual and potential involvement in the strategic commissioning of residential and nursing home placements. |
| Focus group with Chair of Care Forum Wales and up to 6 local care home providers – one from each council area to explore the potential benefits or disbenefits of strategic commissioning from a care home perspective. |
| Focus group with strategic commissioners at North Wales councils and the Health Board – to understand the current approach to strategic commissioning of residential and nursing home placements and future plans. |
| Action planning workshop with the Regional Commissioning Board – to consider the review findings and potential way forward. |
| Feedback workshop with the Regional Partnership Board – to outline the key findings and enable challenge and discussion about the evidence captured during the review. |

Meeting observations

Exhibit 5: meeting observations

The table below sets out the list of meetings that we would like to observe during our review.

| |
|---------------------------------------|
| NW Regional Partnership Board |
| NW Regional Commissioning Board |
| Health and Social Care recovery Group |

Document request

Prior to on-site interviews and observations, we will undertake a review of the documents identified below. However, we would be grateful if you could supply us with any additional documents which you feel may be relevant to our work in this area. The list is not exhaustive and requests for additional documents may be made during the course of the review. Where documents in the list below are publicly available on the Health Boards or Council's website, we would be grateful if you could please direct us to where we can find them.

We will also review the findings and evidence relating to councils from our previous local government study undertaken during 2013-14.

Exhibit 5: the table below sets out the documents we would like to request initially as part of this review

| Document Title |
|---|
| <ul style="list-style-type: none">• Relevant and recent Welsh Government reports covering care homes.• Relevant and recent Care Inspectorate Wales reports covering care homes.• Progress reports related to the 'Market shaping statement – care homes for older people in North Wales'.• Council/Health Board/RPB reports demonstrating commitment to and progress in acting on 'Market shaping statement – care homes for older people in North Wales'.• Agenda and minutes of RCG, RPB and Health and Social Care recovery group. |

Audit Wales contacts

Exhibit 6: Audit Wales contacts

The table below sets out the Audit Wales team that will be working on this review at the councils and Health Board.

| Title | Contact details |
|----------------------------|--|
| Performance Audit Director | Huw Rees: Huw.Rees@audit.wales Dave Thomas: Dave.Thomas@audit.wales |
| Performance Audit Manager | Jeremy Evans: Jeremy.Evans@audit.wales |
| Audit Leads | Dave Wilson: David.Wilson@audit.wales Andrew Doughton: Andrew.Doughton@audit.wales Gwilym Bury: Gwilym.Bury@audit.wales Alan Hughes: Alan.Hughes@audit.wales |

Appendix 1

Fair Processing Notice: Auditor General for Wales

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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Commissioning Older People's Care Home Placements – North Wales Councils and Betsi Cadwaladr University Health Board

Audit year: 2020-21

Date issued: December 2021

Document reference: 2467A2021-22

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 the Wales Audit Office are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at 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.

Mae'r ddogfen hon hefyd ar gael yn Gymraeg. This document is also available in Welsh.

Contents

Partners are working individually and collectively to provide care home placements for vulnerable service users, this is made more difficult by complex national processes, resulting in a significant focus on costs, which causes division amongst partners and has the potential to impact adversely on service users and their families. Strengthening accountability and developing a regional strategy and delivery plan has the potential to drive positive change and better partnership working, especially in relation to complex and more specialist care.

Summary report

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Partners are working together to provide care for vulnerable service users but are carrying significant risks associated with market stability, workforce, and pre-placement agreements, along with a reliance on spot purchasing 6

The Regional Partnership Board's 2018 Market Shaping Statement set out some aspirations for care home commissioning which were added to by the RPB's response to 'A Healthier Wales' in 2019, however, neither of these have driven the development of a clear regional strategy for commissioning care home placements for older people in North Wales or a delivery plan to take forward the aspirations that have been identified 9

Whilst the RPB network brings partners together to 'think regionally', its structures, largely set out by the Welsh Government, are extensive and complex, and lines of accountability need to be strengthened 12

Nationally set fee structures are complex and result in a significant focus on cost which causes division amongst partners and has the potential to impact adversely on service users and their families 14

Partners need to do more to demonstrate they are meeting their statutory responsibilities around the Welsh language, and the Well-being of Future Generations Act, when commissioning care homes provision and making individual placements 17

Recommendations

Appendix 1 – Regional Partnership Board structure chart 21

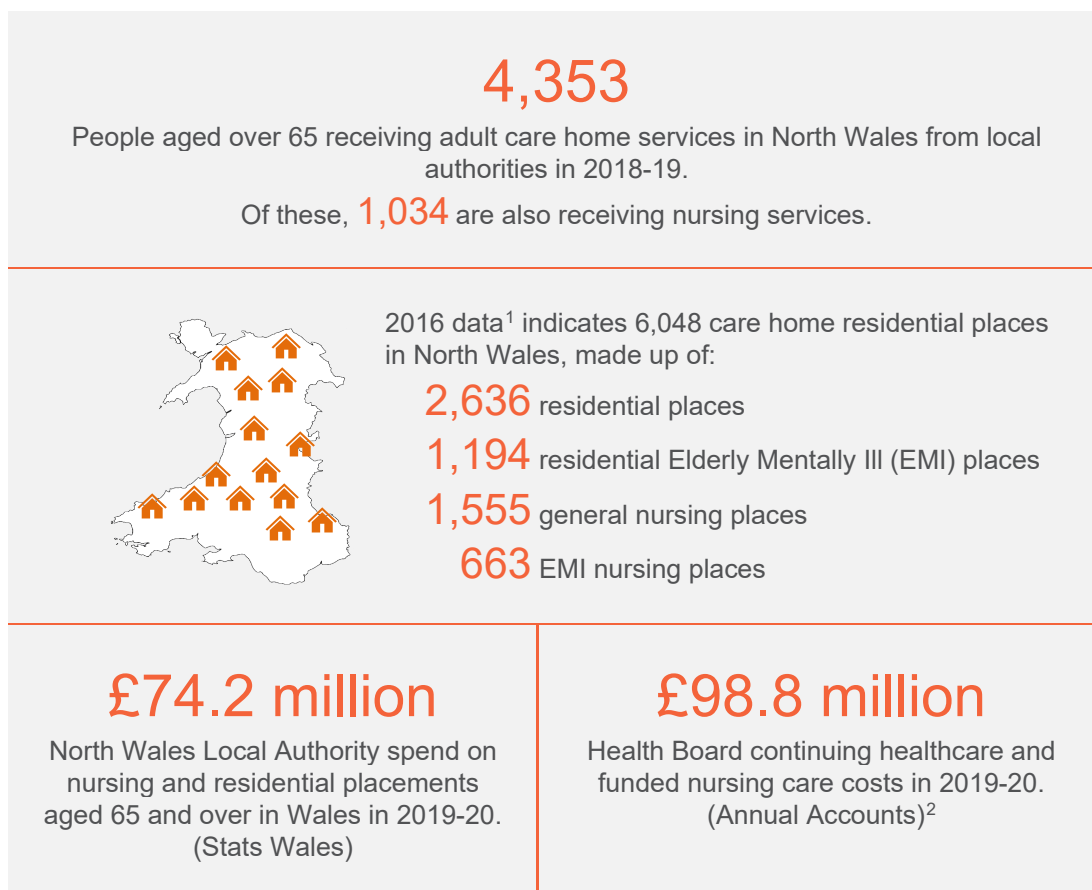
Summary report

Background

- 1 The Social Services and Well-being (Wales) Act 2014 (the Act) came into force on 6 April 2016. The Act provides the legal framework for improving the wellbeing of people who need care and support and for transforming social services in Wales.
- 2 Across Wales, the costs of care home commissioning for older people run into several hundreds of millions of pounds each year and many thousands of people are affected.

Exhibit 1: key facts about care home commissioning

The exhibit sets out some key facts about adult care home services in North Wales.



¹ [Market Shaping Statement: Care homes for older people in North Wales](#)

² Data sourced from Health Board Annual Accounts. The majority but not all Continuing Healthcare costs relate to care home placements.

- 3 The Act requires councils and health boards to work together to assess the care and support needs of the population in their area. Partners are to identify what services are needed and to use their resources effectively; for example, by establishing and maintaining pooled fund arrangements in relation to the exercise of their care home accommodation functions.
- 4 The Act established Regional Partnership Boards (RPBs) to prioritise the integration of services including for older people with complex needs and long-term conditions, including dementia. In North Wales, the RPB includes the statutory partners – Isle of Anglesey, Conwy, Denbighshire, Flintshire, Gwynedd and Wrexham Councils and Betsi Cadwaladr University Health Board.
- 5 In early 2020, we identified strategic commissioning of care home placements for older people was a risk to both councils and the Health Board for the following reasons:
 - high level of spending on these services;
 - forecast increases in numbers of older people expected to need support;
 - recruitment and retention competition between health, social care providers and parts of the independent sector as well as retail and hospitality employers; and
 - potential untapped benefits of strategic commissioning across North Wales public sector bodies.
- 6 During 2020-21, the COVID-19 pandemic has highlighted the fragility and issues around capacity of the care market and the need to plan strategically on a regional level.

About this report

- 7 This report sets out the findings from the Auditor General's review of care home commissioning arrangements across North Wales. The work has been undertaken as a part of our statutory programme of local audit work at each of the local authorities in North Wales and the Betsi Cadwaladr University Health Board. Reflecting the cross-sector focus of this review we have presented our findings as a single report that includes recommendations for strengthening the pan-North-Wales approach to care home commissioning and associated partnership working. We have used the term care homes to reflect all types of residential and nursing care homes in a generic sense although where we specifically refer to one type we have noted that in the text.

Key messages and overall conclusions

- 8 Care home commissioning requires collaboration between councils, the Health Board, and providers to ensure that service users are accommodated in suitable placements.

- 9 **In overall terms, our review found that partners are working individually and collectively to provide care home placements for vulnerable service users; this is made more difficult by complex national processes, resulting in a significant focus on costs, which causes division amongst partners and has the potential to impact adversely on service users and their families. Strengthening accountability and developing a regional strategy and delivery plan has the potential to drive positive change and better partnership working, especially in relation to complex and more specialist care.**
- 10 Whilst some of the significant issues and challenges for care home commissioning that we identify in this report may be unique to North Wales, many exist because of the frameworks, policy and legislation which are nationally set out. While there is need for regional improvement, there is real opportunity to consider both the extent of these issues in other regions, and how national reform may help provide a platform for sustainable services. We have reported separately to the Welsh Government, recommending action that they should take to improve the framework within which regional partners operate. Private sector care home providers are not audited by the Auditor General per se, but public money paid to such providers is subject to the Auditor General's examination as part of the audit of public bodies. As part of commissioning and procurement activities, the Welsh Government and local authorities should consider how private sector providers can be encouraged further to support public bodies to improve care home provision. The findings that underpin the above conclusions are considered in the following sections.

Partners are working together to provide care for vulnerable service users but are carrying significant risks associated with market stability, workforce, and pre-placement agreements, along with a reliance on spot purchasing

- 11 At an operational level, officers continue to work through and around the complexities of the national funding structure to get the best they can from the care home market. When commissioning care home placements, operational managers work hard to ensure service users receive the best care to meet their needs, but those with budget responsibilities must also balance this against costs.
- 12 Sustainability of the care home market is a key issue for North Wales. There are publicly and privately owned care homes and income is dependent on demand and fee rates. The funding approach is short term in nature and does not address the longer-term financial viability of the market. Nor does it properly anticipate long-term changes in need and how to adapt the market to meet that need.
- 13 In business it is essential that supply and demand are closely aligned, and in North Wales, care home provision does not reflect demand. Managers told us that there is a lack of some specialist provision such as for people with dementia and some

parts of the region have an oversupply of care homes that are not specialist in focus. Where there is an under supply of suitable care homes in an area, a person may be placed some way from their home and local community, or it could result in a delayed discharge from hospital. If a placement was made, this could be in other parts of Wales or sometimes outside Wales altogether. Placement outside of Wales may well be sensible for residents of more easterly counties and at times, a placement away from where the resident lived is the correct decision: for example, to be nearer to relatives or to ensure that the resident can live in a home where the staff are predominantly Welsh speaking. However, this can also lead to relatives having long journeys to visit their relatives.

- 14 The care home market in North Wales also has some vulnerabilities. Some care-home owners are nearing retirement and will want to sell their businesses. Some homes do not currently meet the environmental standards required under the regulations³. Once sold, the new owners may need to comply if the homes are unoccupied at the point of sale. This will affect the marketability of their businesses, and the cost of building work to comply with the standards may not be reflected sufficiently in the fee toolkit methodology. Officers continue to contract with these care homes even though they do not fully meet the environmental standards, as without using them capacity would be too limited.
- 15 Partners, through the Care Home Operational Group, have supported care homes to improve quality standards such as practice development nursing support, monitoring officer support in development processes and improvement action plans and business continuity plans, recruitment and advertising vacancies, environmental health support with food hygiene, health and safety officers and Welsh learning courses for care home staff.
- 16 In addition, partners provide support to help people to stay well, be self-caring and to prevent escalation to managed care. This support includes falls prevention services and community wellbeing programmes.
- 17 Commissioners and providers continue to work together despite the obvious challenges posed by the current complexities of the market. Managers meet regularly with providers, and the Chief Executive of Care Forum Wales which represents providers is now the chair of the RPB. Frustrations are mainly around the process and fee structure, but providers and commissioners continue to work through this imperfect arrangement.
- 18 The social care workforce is another vulnerability and one that has been clearly documented in the North Wales Social Care and Community Health Workforce Strategy 2018-2021, developed by the North Wales Workforce Board (NWWB), which sets out its priorities as:
 - stabilising the workforce – recruitment and retention;

³ The Regulated Services (Service Providers and Responsible Individuals) (Wales) Regulations 2017

- learning and development – develop a workforce across the sector that has the skills, knowledge, and competencies to deliver high quality personalised services; and
- workforce planning and development in the care home sector.

Whilst the NWWB reports to the RPB and has undertaken work to begin delivery of these priorities, these are not part of a comprehensive regional delivery plan.

- 19 In line with other regions in Wales, the challenges that currently exist include a high turnover of staff, vacancies in both the health and social care sectors, variable pay in identical posts within the Health Board and councils, the impact of BREXIT, qualification requirements and the large sums paid out for agency staff by providers. The NWWB is working on the Foundation Economy Challenge Fund project which is developing a business model for a not-for-profit staffing agency to help tackle the workforce challenges across North Wales around recruitment, retention and training of the region’s social care and health workers.
- 20 The Social Care Workforce Development Partnership circulates information on training and recruitment which informs and encourages staff and potential recruits to get involved across North Wales. And Flintshire is working on value-based recruitment to attract people who want to work in the care sector.
- 21 The region is currently in the process of agreeing a new North Wales pre-placement agreement (PPA) and has extended the current version where these are in place, until the new version can be introduced. However, some placements are not covered by a PPA because those providers have decided not to sign the agreement. PPAs cover things like registration requirements, quality monitoring, reference to payment processes and payments after death. Service specifications are also not in place across the region. In working to introduce a new version of the PPA, partners should be aiming to limit and ideally eliminate instances where providers refuse to sign the new PPA. Not having these agreements and specifications in place poses a significant risk to the service users’ placement especially where disputes arise.
- 22 Councils and the Health Board commission on a spot purchase basis, generally within a pricing framework. Whilst this means that they only pay for the services they use, it also means that if there are potential financial benefits from block contracts or cost and volume contracts, they are not realised. As a result, service users and partners could be paying more than they should.

The Regional Partnership Board's 2018 Market Shaping Statement set out some aspirations for care home commissioning which were added to by the RPB's response to 'A Heathier Wales' in 2019, however, neither of these have driven the development of a clear regional strategy for commissioning care home placements for older people in North Wales or a delivery plan to take forward the aspirations that have been identified

- 23 The Social Services and Well-being (Wales) Act 2014 'codes and guidance' state that local health boards and councils should, in relation to care homes, agree an appropriate integrated regional market position statement and regional commissioning strategy. These should specify the outcomes required of care homes, including the range of services required. There should also be an agreement on the methods of commissioning (for example, some services may require a block contract, step up, step down intermediate care services, respite care, etc).
- 24 Partners in North Wales hold considerable data locally on their service users, the range of services across the region such as service users in care homes, those receiving domiciliary care support, extra care housing provision and other support services. Whilst the Statement projects potential increased care home placements based on current numbers and population forecasts, it does not provide any data or projections of the impact of preventative services on care home placements.
- 25 In North Wales, partners' preferred model of care home provision for older people differs. The demographics across the region vary considerably, which means that demand and commissioning needs vary. Some councils have retained their in-house care homes whilst others rely on the independent sector for care home placements. Those remaining councils have a mix of in-house and independent provision. Some parts of the region have an oversupply of some types of care home places although others lack capacity in specialist areas such as dementia care. Whilst some partners may prefer larger, newer care homes others prefer smaller care homes, but choice is largely down to what is actually available, or what could be supported in the locality. Most see extra care housing replacing some of the current care home capacity.
- 26 Despite these differences, to comply with the Act, North Wales regional partners developed their Market Shaping Statement – **Care homes for older people in North Wales** (the Statement) in 2018 based on its population assessment. The statement commits to tackling a range of issues including workforce skills, the Welsh language, and the fee methodology. The Market Shaping Statement stated

that: 'There may need to be a rationalisation of provision across North Wales; for example, in some areas there is a shortage of residential care provision and in others there is an over-supply – this will require joined-up strategic development to ensure that home owners are aware of projected future demand and that commissioners and owners work together to develop the workforce to meet the anticipated needs (dementia and complex physical health conditions).' Whilst it set out some of the issues, and aspirations for care, it did not provide a clear regional strategy or delivery plan for care for older people in care homes in the future.

- 27 Of course, a regional strategy does not mean that everything must be done on a regional footing. A regional approach may be appropriate where there is an explicit need for services to be commissioned and delivered consistently or where demand is low for very specialised services. A regional approach may also provide the platform for a North Wales solution and prevent costly and sometimes poor service-user experiences from out of area placements. There may also be opportunities to create economies of scale through regional commissioning and delivery. On the other hand, a sub-regional approach could be achieved where partners want to work together to shape and adapt services to meet local circumstances. A local approach could continue where things work well, but could benefit by alignment with regionally agreed standards, processes, and fee structures. Whilst national policy assumes a regional approach, partners will need to agree how a regional approach can benefit North Wales and what remains best managed locally. In North Wales, partners operate with a mix of regional, sub-regional and local arrangements but the merits and limitations of each have not been formally considered by the RPB.
- 28 Partners will need to be bold if they are to shape the care home market. This starts with an agreed vision, an understanding of the shape of the care market in the future and transparency in how they will deliver the transition, engaging meaningfully with providers.
- 29 Although the Market Shaping Statement committed to publishing a delivery plan to underpin it, this work has not been completed. Whilst the COVID-19 pandemic had major capacity implications for social care and health partners during 2020 and to date, it should be noted that the Statement was approved in 2018. Partners could therefore have been developing a delivery plan during 2018 and 2019 to set out how the important issues it raised would be addressed.
- 30 While the RPB through its response to 'A Healthier Wales', in 2019, talks about the potential changes needed in the volume and type of care home placements needed for older people, it did not capture this in an overall care home commissioning strategy or a delivery plan to explain how it will get from where it is now to where it needs to be.
- 31 We observed the North Wales Commissioning Board meeting on 24 February 2021 as part of this review. At this meeting attendees agreed the Board's priorities for 2020-2022 in respect of planning for the next iteration of the Market Shaping Statement. This gives the RPB an opportunity to update the Statement and

develop a clear strategy and delivery plan, to shape the market and pattern of care home provision especially in relation to the more complex and specialist care, which for some users is currently provided out of region.

As previously reported, the current pooled fund arrangement does not provide value for money or any of the intended benefits associated with the pooled fund model

- 32 As referred to earlier in this report, partners are required under the Act to establish and maintain a pooled fund arrangement to support the delivery of their care home accommodation functions. In 2020, Audit Wales raised concerns about how the six North Wales councils and Health Board had sought to meet these obligations. We concluded that whilst the current pooled fund arrangement meets the minimum technical compliance, as agreed by the Welsh Government, it does not provide value for money. The Auditor General wrote to each North Wales council and the Health Board in September 2020, proposing that they should review the current pooled fund arrangement for residential care for older people, to ensure that transfers of funds between public bodies have a tangible benefit such as better, more integrated commissioning of residential and nursing home care. The Auditor General also wrote to the Welsh Government raising his concerns.
- 33 The RPB was also advised about recommendations made in a separate Welsh Government commissioned report⁴ on pooled budget arrangements for older people's residential care across Wales. All RPB chairs have been asked by the Welsh Government for their improvement plans detailing how they will address the nine recommendations set out in that report, including how they will use the Association of Directors of Social Services Cymru toolkit, which has been available since summer 2019, to support the development of pooled funds. These plans were expected to strengthen pooled fund arrangements and identify the steps which can be taken at an all-Wales level to share learning. To support this approach, the Welsh Government asked the National Commissioning Board to work with RPBs to develop regional commissioning and pooling of resources.
- 34 The RPB chair replied to the Welsh Government on 1 March 2021 setting out partners' reasons for delaying any progress with the pooled fund arrangement until the Welsh Government had considered responses to the White Paper – **Rebalancing Care and Support** because of its potential impact on the role and function of the RPB. The RPB has clearly stated its view that pooled budgets should be based locally and not on a larger regional footprint. It is understood that

⁴ Welsh Government, [Welsh Government Pooled Budgets Evaluation Framework focusing on the use of pooled budgets relating to care home accommodation for people aged over 65](#), June 2020.

the RPB is in ongoing dialogue with the Welsh Government on the best way to implement the Act more broadly, and not just in relation to the use of pooled budgets.

- 35 Whilst the stance of partners on pooled budgets at the regional level up to this point is noted, there has been a recent Ministerial Statement setting out the next steps following the consultation on the White Paper. The Statement sets out an expectation of effective partnership working at all levels, including regionally. It also highlights the benefits of a regional approach in providing care to service users with complex needs. With that as context, the existing recommendation we made to all North Wales RPB partners in respect of pooled budgets remains in place. This stated that RPB partners should review the current pooled budget arrangement for residential care for older people, to ensure that transfers of funds between public bodies have a tangible benefit such as better, more integrated commissioning of residential and nursing home care.

Whilst the RPB network brings partners together to ‘think regionally’, its structures, largely set out by the Welsh Government, are extensive and complex, and lines of accountability need to be strengthened

- 36 The Act sets out RPB membership; it can comprise a councillor from one council in the region, Directors of Social Services, a Local Health Board member, a council housing and an education representative, a registered social landlord, a member of the public and a carer. Additional members can be co-opted as necessary such as members from the Wales Ambulance Service, Fire Service and Police. With the North Wales RPB comprising six councils and the Health Board, this routinely results in over 30 people attending each meeting.
- 37 The RPB structure has evolved over time; whilst it is subject to local context, much is as set out by the Welsh Government. The North Wales RPB is supported by a Regional Leadership Group and Regional Collaboration Team. Four Transformation Boards covering Learning Disabilities, Community Services and Children and Young People and the Together for Mental Health Board underpin the work of the RPB. There are three Local Implementation Teams, specific to mental health and three Area Integrated Service Boards operating sub regionally, covering Wrexham and Flintshire, Gwynedd and Anglesey, and Conwy and Denbighshire. The establishment of these boards and Local Implementation Teams shows that partners recognise the benefits of sub-regional working and have developed arrangements that cover local differences whilst supporting the regional approach. The RPB is further supported by groups, boards and networks as follows:
- Carers Operational Group
 - Commissioning Board

- Workforce Board
- Mwy na Geiriau Forum
- Dewis Cymru network
- Pooled Budgets Group
- Welsh Community Care Information System Board
- Social Value Steering Group
- Integrated Care Fund Operational Group
- Research Innovation and Improvement Hub
- Integrated Autism Service Strategic Group

Appendix 1 sets out these groups in an organisation chart.

- 38 The establishment of these groups shows that partners come together to address some of the detailed aspects of RPB business. Attendance at these meetings can be considerably time consuming but demonstrates commitment to partnership working across the region. Although this shows that the RPB is maturing in the way it conducts its business, the scale of the RPB structure and operation makes it quite unwieldy and presents challenges for the way it operates.
- 39 The Welsh Government has set out its expectations for integrated services clearly in legislation and supplementary guidance, which includes the role of the RPB in delivering this change. We identified barriers to more regional integration in North Wales as follows:
- organisational difference – priorities, approaches, and accountability;
 - perceived reduction in accountability presented by the additional layer of governance;
 - funding source and additional costs;
 - local control versus regional control;
 - scale and diversity of the region;
 - lack of willingness to share resources; and
 - lack of trust amongst some partners.
- 40 When taking part in RPB meetings, officers, and councillors, may not have delegated authority to commit their own organisation's resources or decide on policy and strategic direction. Whilst RPB members are accountable within their own organisational governance arrangements, there is no evidence to demonstrate decisions are taken back for approval, or that the RPB business is subject to formal scrutiny to hold it to account or challenge its proposals.
- 41 The Regional Leadership Board is briefed by members of the RPB on the activities and proposals made. However, this Board does not have the delegated authority to commit individual councils' resources or decide on policy and strategic direction. In addition, the RPB is not held to account for delivering impact or meeting legislative requirements by partners or the Welsh Government.

Nationally set fee structures are complex and result in a significant focus on cost which causes division amongst partners and has the potential to impact adversely on service users and their families

The fees paid for care home placements fluctuate depending on the service user's own resources, which public body makes the placement and contractual arrangements with providers, and fee rates do not necessarily reflect the complexity of residents' care needs

- 42 The funding arrangements for care homes are complex. At a high level, responsibility for care home fees is straightforward. A person can choose to move to a care home at their own expense if they have the resources to pay. If a person has primary health needs, then the health board is responsible for meeting the full costs. If a person has social care needs, the council is responsible for meeting these costs, but the service user will be assessed to determine how much they should pay towards their care. And if a person has a combination of health and care needs then the council and health board will share the costs. However, the detail that sits behind how this works in practice is complex and confusing.
- 43 For example, if a council contracts for the placement, the maximum amount a service user pays for their care per week varies depending on where they live. For example, a person with over £50,000 capital, living in Anglesey or Gwynedd, receiving the lowest level of care in a care home would pay £586.32 per week if they were placed in Anglesey or Gwynedd. However, if the same person were placed in Conwy, they would pay £611 per week, a difference of £1,283 per year. Alternatively, if placed in Wrexham, they would pay £608.72 per week, a difference of £1,164 per year. Some people may choose to move into a care home outside their area; but if the decision is made because of limited local care home capacity, service users are directly affected financially by market capacity.
- 44 Councils and the Health Board negotiate with providers each year to agree fees for residential care and nursing home placements. Councils pay an enhanced rate in each category for people with mental health problems.
- 45 The fees are calculated using a toolkit originally adapted in 2013 for North Wales. This toolkit is designed to set out the costs that have been considered in the calculation of the care home fees. It provides transparency in the process and should provide a fair fee structure, although some providers do not routinely share their business accounts to support the process. We were told during the review that over a third of providers consider that their costs are not covered by the toolkit

assumptions, so they renegotiate their fees separately with each council. One council told us that a provider in their area had six homes all with different fee rates and around 20% of providers in that area had renegotiated their fees in 2019-20. If a council places one of its residents into the home in a neighbouring council, it will pay the rate set by that council, whether it be higher or lower, not the rate it has agreed with that provider for in-county placements.

- 46 Where councils commission the placement, these should be at the agreed rates or the individually renegotiated weekly rate. Service users will be financially assessed in line with Welsh Government guidance to determine how much they should pay per week towards their care costs, and if they are able to pay the full cost themselves then they will pay the rate agreed by the council. Under the Welsh Government's COVID-19 hardship fund, a £50 per week per resident temporary fee uplift was awarded for council commissioned residential care and in-house residential care provision; this is in addition to the care home fees.
- 47 If a service user chooses a care home where the provider will not accept the prices agreed with the councils, another person, normally a relative or a friend may agree to pay a third-party top up which is the difference between the care home fees and the amount the Council would normally pay. If the third-party ceases to pay the top up amount there are three choices:
- the care home accepts the lower agreed rate;
 - the service user moves to a care home that accepts the agreed fees; or
 - the Council agrees to pay the top up in addition to the fees it has agreed to pay.

We understand that often councils agree to pay the top up to avoid disruption to the service user.

- 48 If the service user is entitled to Funded Nursing Care⁵, the Health Board pays £179.79 per week in addition to the Council's agreed fees. And if the Health Board makes a placement under its Continuing Health Care (CHC) arrangements, it will pay different fees again.
- 49 In 2019, the Health Board had started to review its fees and the method used to set the CHC rate. The review of fees is set to take up to three years. If the service user has higher than average complex care needs, the Health Board will assess the additional costs and agree a rate above the standard CHC rates.
- 50 In some cases, councils and the Health Board will agree to jointly fund a placement. This sometimes increases the complexity of the placement process. In such cases this may require a separate agreement with a different fee.
- 51 In some cases, the Health Board may place a person in a nursing home and their health might improve, resulting in the Health Board no longer being liable for the

⁵ NHS-funded Nursing Care (FNC) is funding provided by the NHS to cover the cost of care by a registered nurse in a care home or nursing home. The rate is set nationally.

costs. In these cases, councils may come under pressure to pay the same rates as agreed with the Health Board, which may exceed the agreed standard rate.

- 52 The Health Board has also been allocated additional COVID-19 hardship funding and has been able to use some of this funding to speed up discharge from hospital. Having another funding stream adds further complexity to the care home fee structures. However, it may in turn add further pressures to councils where they take over responsibility for the placement for which providers have been receiving a higher weekly rate but now need to drop to agreed rates.
- 53 When a service user's needs change, this can result in changes in funding packages, at which stage responsibility for funding may change from council to health board. In line with national policy, care funded by a health board is free to the service user. The Health Board is planning work to support care homes to help the homes better identify and evaluate when changes to care packages are needed.

Providers consider the fees paid to be unfair and inequitable

- 54 The public sector in Wales has been dealing with the consequences of financial austerity for many years. The emphasis has therefore been on providing and commissioning services at the lowest possible cost. For care homes this has resulted in scrutiny of their fees to set affordable rates balanced against the need for providers to remain viable as businesses. In North Wales, this is done using the fee setting toolkit.
- 55 Providers we spoke to during this review raised concerns about the toolkit used to calculate the fee levels. The size of the homes differs considerably, therefore economies of scale may vary. Providers accepted that there needs to be a transparent process to agree fees but questioned the extent to which the toolkit satisfies this need, and we noted that many providers do not share their accounts. The need for change is recognised within the Statement where in 2018, partners committed to 'Reviewing the true (full) cost of council homes & cost of care at home in relation to value for money comparisons and to develop an urgent response procedure to react to changes in the cost of running homes or when the providers identify a financial problem.' The Unit Cost and Financial Modelling Subgroup which includes providers' representatives has begun work to assess the true cost of care in line with the Welsh Government's 'Let's Agree to Agree' Framework.
- 56 Some providers have several homes in different parts of North Wales where the agreed fees are different for what they see as the same service level and infrastructure costs. And some providers may have homes in other parts of Wales where fees are higher than in North Wales. While in many cases this will be because of local differences in costs, in some cases these variations could

potentially result in other councils effectively cross subsidising the lower care home fees paid by North Wales councils and the Health Board.

- 57 Providers recognise that they compete when recruiting staff but raised the perceived inequalities in the toolkit calculation. The toolkit includes carer costs based on the minimum wage⁶ whereas councils and the Health Board pay their own staff the living wage⁷ or above.

Commissioners consider they have little control over the fees they pay

- 58 Care home costs are considerable. For example, basic care in a Denbighshire or Gwynedd care home would cost £30,489 per year, increasing to £48,776 for nursing home care with continuing health care in Conwy or Denbighshire. In some cases, councils are sometimes left with no choice other than to accept responsibility for commitments made by the Health Board or relatives or friends who discontinue third-party top up payments at higher rates than those described here. This is a symptom of two separate national funding models across Health and Social Care as well as an interface between partners that is not truly integrated. It is unsurprising therefore that public sector bodies have such a keen focus on managing cost.

Partners need to do more to demonstrate they are meeting their statutory responsibilities around the Welsh language, and the Well-being of Future Generations Act, when commissioning care homes provision and making individual placements

The Well-being of Future Generations (Wales) Act 2015 is not fully embedded in practice

- 59 The Well-being of Future Generations (Wales) Act 2015 (WFG Act) places a well-being duty on public bodies. To do this, they need to consider the sustainable development principle, acting in a manner which seeks to ensure that the needs of the present are met without compromising the ability of future generations to meet their own needs. The WFG Act requires public bodies to implement five ways of

⁶ A 23-year-old and over would be entitled to £8.91 per hour living wage.

⁷ The UK Living Wage is £9.50 per hour for 2021-22.

working in respect of their future decision making. Our observations on the five ways of working in respect of care home commissioning is as follows:

- **Long-term.** Partners are facing considerable growth in the North Wales older population as referred to in the Shaping the Market Statement, but partners have not yet set out their plans for meeting the consequential increasing care home needs.
- **Prevention.** Under the WFG Act, public bodies are required to deploy resources to prevent problems occurring or getting worse. In the case of older people's need for care home placements, partners face a clear challenge with the forecast increases in the older population in North Wales. The Market Shaping Statement lacks detail about how partners plan to reduce the demand for care home placements by investment in preventative services, although preventative action is evident through the RPB demonstrating that partners are meeting the prevention obligations under the Act.
- **Integration.** Whilst the precise wording of well-being objectives varies across public sector bodies in North Wales, there is commonality around care for vulnerable people, suitability of where people live and addressing inequalities. North Wales partners have developed a Dementia Strategy and a Carers Strategy, which demonstrates integrated planning in these areas, however, the lack of a strategy or delivery plan linked to the Shaping the Market Statement indicates that integrated planning to meet the needs of older people requiring care home accommodation is in its early stages.
- **Collaboration.** The WFG Act states that a public body must take account of how acting in collaboration with others could assist the body to meet its well-being objectives or assist another body to meet its objectives. Partners meet in a range of settings to consider the challenges they face in relation to the increasing older population, however, what is less clear is how partners are 'acting' collaboratively to address the challenges within the commissioning process.
- **Involvement.** In North Wales, the RPB includes a carer, and they can contribute to the business based on their experiences. However, in practice many discussions take place outside the RPB meetings between statutory partners or in sub-groups, forums or boards which will not generally involve the carer representative. North Wales partners have processes in place to seek the views of people living in the care home. Whilst those involved in the commissioning of care home placements are aware of service users' experiences, such as the costs they bear through third-party top ups, partners do not collate, report, or quantify these experiences and have not acted effectively as partners to learn from this feedback.

Service user language requirements are sometimes not protected, leading to communication difficulties

- 60 The Welsh Language Act 1993 put the Welsh language on an equal footing with the English language in Wales, and the Welsh Government has subsequently set legally binding standards⁸ to improve the bilingual service that the people of Wales can expect to receive from certain public and statutory bodies. The Language Standards are divided into five different categories that include service delivery and policy making. Partners are working with providers to improve access to care services in the service user's language of choice.
- 61 The North Wales More Than Just Words Regional Forum was awarded a special commendation for their work which promotes collaboration, to fulfil the requirements of the Welsh Government's strategic framework relating to the quality and availability of the Welsh Language in social care and health settings.
- 62 However, as described earlier in this report, the shape of the care home market in North Wales sometimes results in service users being placed in other parts of Wales or in England, because the specialist nature of the care is not available locally or to accommodate family links elsewhere. For relatives and friends this can mean long journeys to visit the service user and for people whose preferred language is Welsh, this makes communication difficult if the home does not employ Welsh-speaking staff, with potential consequences for the quality of care for the individual. This also represents a break in culture and a sense of place.

⁸ www.welshlanguagecommissioner.wales/public-organisations/welsh-language-standards

Recommendations

Exhibit 2: recommendations

Exhibit 2 sets out recommendations for North Wales councils and Betsi Cadwaladr University Health Board arising from this review.

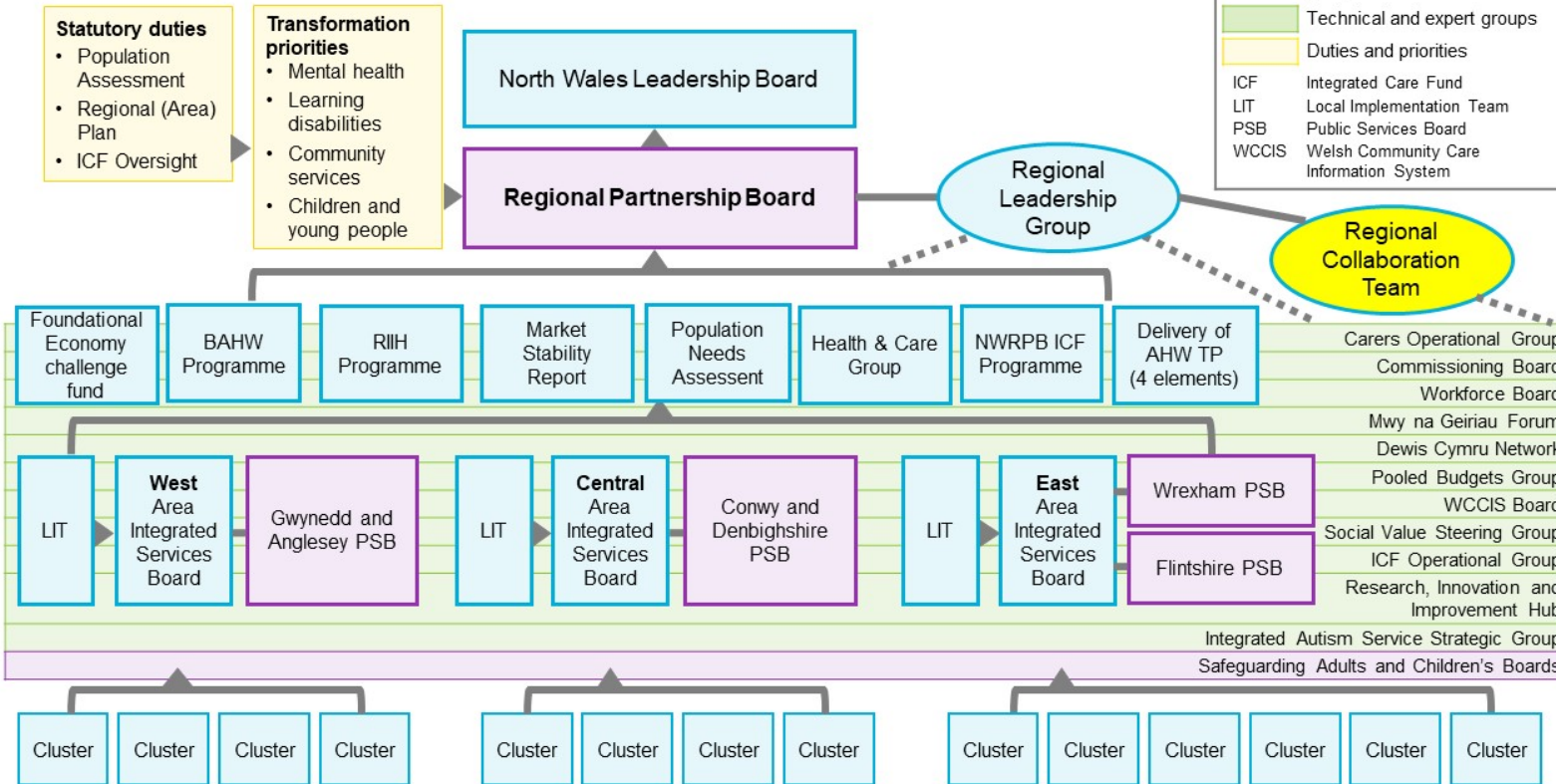
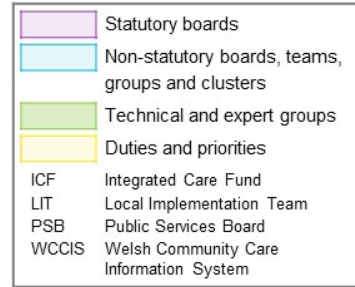
| Recommendations | |
|-----------------|--|
| R1 | North Wales councils and Betsi Cadwaladr University Health Board need to ensure the consistent use of pre-placement agreements across the region. |
| R2 | The current approach for commissioning care home places can cause tensions between partners and result in poor value and poor service user experience. North Wales councils and Betsi Cadwaladr University Health Board need to work together to review local arrangements for commissioning care home placements to eliminate avoidable adverse impacts on service users, and each other. |
| R3 | Accountability is a cornerstone of public sector decision making. Governance arrangements need to scrutinise decisions and hold decision makers to account. North Wales councils and Betsi Cadwaladr University Health Board need to strengthen their partnership governance arrangements to ensure proper accountability and effective scrutiny. |
| R4 | North Wales councils and Betsi Cadwaladr University Health Board through the Regional Commissioning Board need to develop a regionally agreed care home commissioning strategy and following this, develop an associated delivery plan. |
| R5 | North Wales councils and Betsi Cadwaladr University Health Board need to review their commissioning arrangements for care home placements to ensure they fulfil their statutory responsibilities around the Welsh language, and the Well-being of Future Generations Act. |

Appendix 1

Regional Partnership Board structure chart

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North Wales Regional Partnership Board (NWRPB):
Delivering Transformation Regional Structure





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

Management response

Report title: Commissioning Older People's Care Home Placements – North Wales Councils and Betsi Cadwaladr University Health Board

Completion date: December 2021

Document reference: 2467A2021-22

| Ref | Recommendation | Intended outcome/benefit | High priority (yes/no) | Management response | Completion date | Responsible officer |
|-----|---|--|------------------------|--|-----------------|---|
| R1 | North Wales councils and Betsi Cadwaladr University Health Board need to ensure the consistent use of pre-placement agreements across the region. | Increased transparency of roles and responsibilities to support the contracting process. Additional level of service user protection. | Yes | <p>We are currently finalising the review of the North Wales PPA. A new PPA agreed with CFW will be in place by April 2022.</p> <p>Following this LA and HB commissioners will issue the new PPA to their providers and track providers who have signed and returned the PPA.</p> <p>We will also develop an agreed consistent approach and process for dealing with those providers who refuse to sign the PPA.</p> | Sept 2022 | <p>Lead: Joint Chairs of Regional Commissioning Board</p> <p>Operational: Local Authority Commissioning Managers</p> <p>Health Board Commissioning Managers Regional</p> <p>Supported by: Business Manager – Commissioning & Workforce</p> |

| Ref | Recommendation | Intended outcome/benefit | High priority (yes/no) | Management response | Completion date | Responsible officer |
|-----|--|---|------------------------|--|-----------------|---|
| R2 | The current approach for commissioning care home places can cause tensions between partners and result in poor value and poor service user experience. North Wales councils and Betsi Cadwaladr University Health Board need to work together to review local arrangements for commissioning care home placements to eliminate avoidable adverse impacts on service users, and each other. | Identification of organisational blockages within the process to aid resolution | Yes | We will hold workshops with all Local Authority and Health board commissioners to review their current care home commissioning arrangements in order to: <ul style="list-style-type: none"> - ensure all commissioners are aware of each other's processes - to identify and share process improvement ideas and learning - to identify common practice and why / where different commissioning practice and processes occur. | Sept 2022 | <p>Lead: Local Authority Commissioning Managers</p> <p>Health Board Commissioning Managers</p> <p>Supported by: Regional Business Manager – Commissioning & Workforce</p> |

| Ref | Recommendation | Intended outcome/benefit | High priority (yes/no) | Management response | Completion date | Responsible officer |
|-----|--|--|------------------------|---|-----------------|--|
| R3 | Accountability is a cornerstone of public sector decision making. Governance arrangements need to scrutinise decisions and hold decision makers to account. North Wales councils and Betsi Cadwaladr University Health Board need to review and strengthen their partnership governance arrangements to ensure proper accountability and effective scrutiny. | Better accountability of people working in partnership by increasing transparency and opportunity for robust challenge and scrutiny of decisions by sponsoring organisations. This will also reduce the potential for external challenge and/or judicial review. | Yes | Review of RPB membership, terms of reference, accountability and decision making scope is currently underway. This will look at the link between local decision making and RPB decision making with a focus on how to ensure and evidence local decision making input in to the RPB's decisions and also how the RPB is accountable to local democratic structures in the Local Authorities and the Health Board. | Dec 2022 | <p>Lead: Chair of Regional Partnership Board</p> <p>Operational: Head of Regional Collaboration</p> <p>Advice from: Regional Legal Service & Local Authority Governance leads</p> |

| | | | | | | |
|----|--|---|-----|--|------------|--|
| R4 | North Wales councils and Betsi Cadwaladr University Health Board through the Regional Commissioning Board need to develop a regionally agreed care home commissioning strategy and associated delivery plan. | A clear, agreed and approved approach for public sector partners in North Wales to address the major strategic challenges experienced both currently and projected in the longer term in relation to care home commissioning. Together with an approved plan detailing how they intend to get from where they are today to where they want to be in the future. | Yes | We will build on work undertaken to develop the Regional PNA and MSR documents and the Steering Group will remain in place to move forward with the themes from the PNA-MSR in to the Regional Commissioning Strategy for Care Home Commissioning. They will also be responsible for developing the delivery plan which will cover regional, sub-regional and local actions and link in to the local MSR and PNA documents / analysis. | March 2023 | <p>Lead: Joint Chairs of Regional Commissioning Board</p> <p>Operational: MSR-PNA Steering Group Members</p> <p>Regional Business Manager – Commissioning & Workforce</p> <p>Local Authority Commissioning Managers</p> <p>Health Board Commissioning Managers</p> |
|----|--|---|-----|--|------------|--|

| | | | | | | |
|----|---|--|-----|--|------------|--|
| R5 | North Wales councils and Betsi Cadwaladr University Health Board need to review their commissioning arrangements for care home placements to ensure they fulfil their statutory responsibilities around the Welsh language, and the Well-being of Future Generations Act. | Clear and upfront consideration of statutory responsibilities around the Welsh language, and the Well-being of Future Generations Act in strategic planning of care home placements. | Yes | <p>The Mwy Na Geiriau Steering Group are already looking at way to improve staff confidence and capabilities in providing services in Welsh. Recruitment of Welsh speaking staff is a priority and a focus in the Regional We Care campaign.</p> <p>The Regional PNA-MSR Steering Group will build on their existing links with the Wellbeing Assessments and embed the delivery of the WFGA wellbeing goals in to their commissioning of care home placements and wider social care and community health provision.</p> | March 2023 | <p>Lead: LA Directors of Social Care and Health Board Welsh Language Lead</p> <p>WFGA Goals = PNA_MSR Steering Group members</p> <p>Operational: Local Authority Commissioning Managers</p> <p>Health Board Commissioning Managers</p> <p>LA and Health Board Workforce Managers</p> <p>Supported by: Regional Business Manager –</p> |
|----|---|--|-----|--|------------|--|

| Ref | Recommendation | Intended outcome/ benefit | High priority (yes/no) | Management response | Completion date | Responsible officer |
|-----|----------------|------------------------------|---------------------------|---------------------|-----------------|------------------------------|
| | | | | | | Commissioning & Workforce |

Responsible Officer / Key Leads

| | |
|---|--------------------------------------|
| Regional Partnership Board | |
| RPB Chair | Mary Wimbury |
| Regional Commissioning Board | |
| Joint Chair of Regional Commissioning Board | Morwena Edwards and Clare Darlington |
| Local Authority Commissioning Managers | |
| Mon Local Authority | Bethan Williams / Iola Richards |
| Gwynedd Local Authority | Rhion Glyn / Hawis Jones |
| Conwy | Mark Bowler |
| Denbighshire | Lianna Duffy |
| Flintshire | Jane Davies and Dawn Holt |
| Wrexham | Victoria Bishop and Angharad Owen |
| Health Board Commissioning Managers | |
| Contracts and Commissioning | Tracy Pope |
| CHC Commissioning | Kath Titchen |
| Regional Collaboration Team | |
| Head of Regional Collaboration | Catrin Roberts |
| Regional Business Manager | Catrin Perry |
| Regional Legal Support lead | ?? |
| PNA-MSR Steering Group leads | |
| Mon | Emma Edwards |
| Gwynedd | Hawis Jones |
| Conwy | Mark Bowler |
| Denbighshire | Sue Hudson |
| Flintshire | Emma Murphy |
| Wrexham | Victoria Bishop |
| BCUHB | Wendy Hooson |
| Mwy Na Geiriau Steering Group members | |
| TBC | ?? |

Care Home Commissioning for Older People

Report of the Auditor General for Wales

December 2021



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.

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This document is also available in Welsh.

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Summary report

Current arrangements for commissioning older people's care-home placements are not resolving some long-standing issues; the Welsh Government must assure itself that proposed policy reforms go far enough

About this report

- 1 We have recently completed a review of the commissioning of care-home placements for older people in North Wales. Our work involved a range of commissioning partners but focused primarily on the six local authorities¹ and Betsi Cadwaladr University Health Board. We have prepared a detailed report for these organisations to help drive improvement specifically in North Wales: Commissioning Older People's Care Home Placements – North Wales Councils and Betsi Cadwaladr University Health Board. Our review enabled us to consider in more detail, across the region, issues raised in previous audit work on social services budgetary pressures in two of the local authorities².
- 2 We have prepared this short report to draw out from our work in North Wales some issues of wider national significance and to make recommendations for the Welsh Government to consider. Our aim is to highlight challenges that should be considered as part of planned policy reform and to secure meaningful change and better outcomes for people across Wales. The report is rooted in evidence from our work in North Wales, but we have also drawn on our wider audit intelligence such as from our all-Wales review of the Integrated Care Fund in July 2019 and publicly available data on spending and activity.

1 The councils involved are Isle of Anglesey, Conwy, Denbighshire, Flintshire, Gwynedd and Wrexham.

2 In 2020, we reported on social services budgetary pressures in Conwy County Borough Council and Denbighshire County Council.

Across Wales, the costs of care-home commissioning for older people run into several hundreds of millions of pounds each year and many thousands of people are affected

- 3 Care-home commissioning is the result of assessing population need, planning, shaping, procuring, and sometimes providing care-home services. It involves monitoring and managing service quality. It should be undertaken with the aim of delivering sufficient good-quality care-home capacity to meet current and expected future need. It should focus on value for the taxpayer and outcomes for service users. It is much more than the spot purchasing of care-home placements.
- 4 The public funds involved with care-home commissioning flow from local-authority and health-board budgets. Care-home commissioning also draws on large parts of individuals' life savings. At a high level, responsibility for care-home fees is straightforward:
 - a person can choose to move to a care home at their own expense;
 - if a person has continuing healthcare needs, then the health board is responsible for meeting the full costs;
 - if a person has social care needs only, the local authority is responsible for meeting these costs, but the service user will be assessed to determine how much they should pay towards their care; and
 - if a person has a combination of health and care needs then the council and health board will share the costs.

Complexity can arise when health boards and local authorities need to agree on eligibility for funding.

- 5 **Exhibit 1** provides some key facts and figures relevant to care-home commissioning across Wales. The figures are for different years depending on the latest available published data, as at the end of June 2021. We have reported 2019-20 costs for health boards for the purpose of comparison with local authorities. **Appendix 1** includes an additional breakdown of certain costs for individual local authorities and health boards relative to their populations. The data used in this report is the latest information available from before the pandemic; to use more recent data would not reflect normal activity levels.

Exhibit 1: some key facts relevant to care-home commissioning

6.24 million days

Total number of days adults aged 65 or over were supported in residential care homes in 2018-19 (StatsWales)



£297 million

Local authority spending on nursing and residential placements aged 65 and over in Wales in 2019-20 (StatsWales)



16,144

Aged over-65 receiving adult care-home services from local authorities in 2018-19.

Of these, 5,534 are also receiving nursing services.

Latest data indicates:

677 care homes in Wales

263 of these provide nursing care

96 Welsh local-authority-run care homes

22,706 care-home beds in Wales (CMA 2017)

25,500 residential care staff

£415 million

Health Board continuing healthcare and funded nursing-care costs in 2019-20 (Annual Accounts)



833 days

Average period that adults over 65 were supported in residential care homes as recorded in 2018-19 (StatsWales)

Sources:

- [Social Care Wales – workforce profile 2018](#)
- [The future of care in Wales, Wales Fiscal Analysis](#)
- Health Board Annual Accounts. The majority but not all continuing healthcare costs relate to care-home placements
- Competitions and Market Authority (CMA) – [Care-homes market study 2017](#)
- [StatsWales](#)

The Welsh Government expects local authorities and health boards to collaborate effectively as they deliver their care-home commissioning duties

- 6 The Social Services and Well-being (Wales) Act 2014 (SSWB Act) came into force on 6 April 2016. The Act provides the legal framework for improving the wellbeing of people who need care and support and for transforming social services in Wales. It includes some key requirements around care-home commissioning. The SSWB Act requires local authorities and health boards to work together to assess the care and support needs of the population in their area³. Local authorities and health boards were required to publish their first combined population assessments as required by April 2017. Thereafter, local authorities and local health boards are required to prepare one combined population assessment report per local government electoral cycle.
- 7 As well as existing specific public-sector equality duties⁴ for public authorities in Wales, the socio-economic duty which commenced on 30 March 2021 in Wales places a legal responsibility on relevant bodies. These include certain local authorities and local health boards⁵, when they are taking ‘strategic decisions’ to have due regard to the need to reduce the inequalities of outcome resulting from socio-economic disadvantage. Welsh Government guidance states strategic decisions are those which help a relevant body fulfil its intended statutory purpose. There is not an exhaustive list of decisions that will engage the duty, although examples include strategic policy development, major commissioning decisions such as those for care home commissioning and the setting of well-being objectives⁶.
- 8 The SSWB Act requires local authorities to undertake market stability reviews but did not set a commencement date for these. Regulations introduced in April 2021 have set specific requirements to publish the stability report by 1 June 2022, six years after the Act came into force. Therefore, the impact of these requirements on the care-home commissioning for older people remains to be seen.

3 Code of Practice in relation to measuring social services performance issued under section 145 of the Social Services and Well-being (Wales) Act 2014

4 The Public Sector Equality Duty Section 149 of the Equality Act 2010; The Equality Act 2010 (Statutory Duties) (Wales) Regulations 2011

5 Section 2(6) of the Equality Act 2010; The Equality Act (Authorities subject to the Socio-economic Inequality Duty) (Wales) Regulations 2021, relevant bodies include Local Health Boards and a County Council or County Borough Council

6 Welsh Government Guidance – A More Equal Wales – The Socio-economic Duty Equality Act 2010

- 9 The SSWB Act Statutory Guidance relating to partnerships arrangements⁷ states that local health boards and local authorities should in relation to care homes undertake a population needs assessment and market analysis to incorporate the needs of self-funders. They should also agree an appropriate integrated regional market position statement and regional commissioning strategy. These should specify the outcomes required of care homes, including the range of services required, and consensus on the methods of commissioning. In addition, the guidance states that local authorities and health boards should:
- agree a common contract and specification.
 - agree common contract monitoring criteria and processes that include service user feedback.
 - develop an integrated approach to agreeing fees with providers.
 - develop an integrated approach to quality assurance.
 - adopt a transparent use of resources. Budgets must be aligned with overall expenditure identified, together with the financial commitments of both agencies to the commissioning of care homes. These arrangements will need to be subject to a written agreement.
- 10 The Well-being of Future Generations (Wales) Act 2015 requires bodies covered by the Act – including health boards and local authorities – to work differently. They must show they are applying the sustainable development principle. This includes balancing short and long-term needs, considering how their objectives integrate with other partners, working in collaboration, involving stakeholders, and seeking preventative approaches. As mentioned above, when carrying out existing duties which could be strategic, such as the setting of well-being objectives, relevant bodies are also now required to demonstrate paying due regard to the socio-economic duty in their decision making.
- 11 In our recent regional report on Commissioning Older People’s Care Home Placements, we recommended that North Wales Councils and Betsi Cadwaladr University Health Board review their commissioning arrangements for care-home placements to ensure they fulfil their statutory responsibilities around the Welsh language, and the Well-being of Future Generations Act in particular.

7 Welsh Government ‘Social Services and Well-being (Wales) Act 2014’ Codes and guidance: Part 9 Statutory Guidance (Partnership Arrangements) Issued under Section 169 of the Social Services and Well-being (Wales) Act 2014

The Auditor General has raised concerns previously with the Welsh Government about whether regional pooled funds in relation to care homes for older people are delivering value for money

- 12 Our July 2019 report on the Welsh Government's Integrated Care Fund noted that before the SSWB Act and the introduction of the fund in 2014, health and social care partnerships had explored the potential to pool funds to develop integrated services. However, there had been only a handful of practical examples and the willingness of key public bodies to release funds into joint arrangements was a key barrier.
- 13 The SSWB Act led to statutory Regional Partnership Boards (RPBs) being established and with an expectation that they would develop pooled funds. Our report on the Integrated Care Fund noted that pooled funds for the commissioning of adult care-home provision had been in place across Wales since April 2018. The report reflected the view of Welsh Government officials that the maturing of partnership arrangements because of the Integrated Care Fund had provided a solid basis for taking pooled funding arrangements forward. However, it also found that there was little evidence of successful projects being mainstreamed and funded as part of public bodies' core service delivery.
- 14 In September 2020, the Auditor General wrote to the Welsh Government and copied the letter to all local-authority and health-board chief executives in Wales, raising concerns about regional pooled funds in relation to care homes for older people. These concerns emerged from audit work at two of the local authorities in North Wales earlier that year (**paragraph 1**). We had found that while funding from the relevant organisations was initially deposited into a pooled fund administered by Denbighshire County Council, each contributor got their funding returned to them 24 hours later.
- 15 Our findings raised some significant concerns around the practical application of pooled budgets for care-home provision in North Wales, and potentially more widely in Wales. While we had not tested the arrangements in other regions, we believed that they were of a similar nature. From speaking to Welsh Government officials at the time, we understood that the arrangement in North Wales met the minimal technical requirements under the SSWB Act. However, we concluded that the arrangement neither offered value for money, nor any of the intended wider benefits of a pooled fund. Welsh Government officials also emphasised to us that they did not regard this type of arrangement as a satisfactory response to the policy intention of enabling closer co-operation between care-home commissioners to benefit care and support recipients.

- 16 In response to the Auditor General's letter, he was informed that the [then] Deputy Minister for Health and Social Services had already discussed these matters with RPB chairs and had challenged regional partners to step up delivery.
- 17 In November 2020, the Welsh Government published a Pooled Budgets Evaluation Framework report (the Framework). The Welsh Government had commissioned the report to assess the progress each of the seven RPBs had made in developing pooled funds. The review focused on the use of pooled budgets relating to care-home accommodation for older people (aged 65 or over).
- 18 The review concluded that RPBs were predominantly meeting the minimum requirement in relation to the pooled funds for care homes for older people, but many RPBs did not physically pool the budgets or share risks for care homes for older people. Only two of the seven regions in Wales physically pool funds for older people's care homes, and most RPBs highlighted care homes for older people as a challenging first area to pool funds, under the legislation which demonstrates different levels of maturity across the RPBs. Some of the key challenges that were highlighted in the Framework were around managing a diverse cohort of need across localities as opposed to specialist services, which they deemed to be more suited to a pooled-fund approach, and the risk of cross-subsidisation across local-authority boundaries.
- 19 We found through our regional work in North Wales that the response to the Deputy Minister by the North Wales RPB provided no assurance that partners intended to act in the short term to address the Auditor General's concern. The response indicated that the RPB did not intend to make any changes to its pooled-budget arrangements until the Welsh Government had progressed further its White Paper proposals on Rebalancing care and support. We understand that the RPB is in ongoing dialogue with the Welsh Government on the best way to implement the Act more broadly, and not just in relation to pooled funds.
- 20 In 2020-21, we have seen many examples of partners effectively coming together in incredibly complex and challenging environments. For example, to develop the new COVID-19 test, trace and protect, and vaccination services. Goodwill and commitment of partners have led to improvement.
- 21 This, and some of our earlier work on the Integrated Care Fund, suggests that where partners come together to jointly manage additional funding, they have had some success but when they come together to share their own core resources, they have had much less success. Although the Welsh Government has directed local authorities and health boards to work collaboratively and pool funds for older people's care homes, progress is limited with little if any benefit seen by the service user.

Our work on commissioning older people's care-home placements across North Wales identified some fundamental issues that are likely to be reflected throughout Wales to some degree

- 22 Based on the findings from our previous Integrated Care Fund review and the Welsh Government's Pooled Budgets Evaluation Framework report, we anticipate that the findings from our North Wales review will be reflected throughout Wales to some degree. In our most recent work in North Wales, we concluded that **partners are working individually and collectively to provide care home placements for vulnerable service users; this is made more difficult by complex national processes, resulting in a significant focus on costs, which causes division amongst partners and has the potential to impact adversely on service users and their families. Strengthening accountability and developing a regional strategy and delivery plan has the potential to drive positive change and better partnership working, especially in relation to complex and more specialist care.**
- 23 While there is room for improvement in North Wales, where regional partners are responsible for the way that national legislation, frameworks and policy are implemented, some of the underpinning issues arise because of long-standing national legislative frameworks and policy and funding arrangements.

- 24 The findings from our regional work and our additional all-Wales analysis are summarised as follows:
- **Access to care homes by older people is complex and hard to navigate.** Commissioners are aware of the impact on service users but have not been able to simplify the process; the overall policy and guidance is set out by the Welsh Government.
 - **Public-sector funding approaches for different aspects of care can create division among partners.** Care-home placements are costly which can encourage an overemphasis on cost; while the implementation of the approach at a local level can increase tensions, the basis of the funding responsibilities is set out by the Welsh Government.
 - **The intended benefits and actual achievement have not been quantified.** Performance information collected and reported relating to health and social-care commissioning is fragmented across sectors and does not provide a good indicator of whether policy aims are being achieved, well-being goals delivered and there is no evidence of changes to service-user outcomes. Welsh Government officials and the Deputy Minister for Social Services meet RPB chairs and partners regularly to assess progress in implementing national policy but neither the Welsh Government nor regional partners have developed a performance framework to assess outcomes.
 - **Minimum technical compliance with the pooled-fund requirement fails to deliver any tangible benefit.** To comply with the law without achieving any benefits from the arrangement is a poor use of public money and poor value for money. The Welsh Government is aware of the overall progress in the implementation of pooled fund arrangements for older people's care home placements. It has developed a tool kit launched through the Association of Directors of Social Services Cymru to help tackle the challenges. However, this has had little impact and pooled fund arrangements are in general not being strengthened while the rebalancing care and support white paper is developed.
 - **The governance and operation of RPBs is maturing but, in line with legislation, structures are extensive and complex, and there are still issues about their accountability.** Following our Integrated Care Fund work, RPBs were expected (in line with [2020-21 ICF Guidance](#)) to have been putting in place arrangements to support effective scrutiny of their decisions. In addition, our work in North Wales has challenged governance and accountability more widely. The Welsh Government has a role in setting out how they should be held to account and to hold them to account for delivering on Welsh Government policy. However, RPB partners also have a responsibility to ensure suitable scrutiny and approval of key agreements takes place using their own organisations' governance arrangements.

- **There is inexplicable variation in expenditure on residential care and continuing healthcare costs, suggesting inequitable application of policy across Wales.** Factors such as local decision making and availability of preventative services to support people to live in the community will affect local spending on care-home placements. **Appendix 1** shows these variations in more detail.
- **The charging cap on service user contributions is different for care-home placements compared to people supported in the community.** This provides a potential perverse incentive for commissioners to place a person in a care home, or for a person to choose to remain at home, as many would prefer.

25 While most local-authority and health-board officers we spoke to during our North Wales review were able to describe the problems from their experiences, none felt able to have any influence or impact on the scale of changes needed within the national policy framework. As a result, they collectively accepted the need to make the best of the current situation and hope for change.

There is a timely opportunity for the Welsh Government to ensure planned reform resolves some of the long-standing and challenging issues around care-home commissioning and integrated care

- 26 In April 2021, the Welsh Government completed the consultation on its white paper Rebalancing care and support (**paragraph 20**). The white paper proposed a national framework, regional organisation and more powers for the RPBs. We responded to the Welsh Government as part of its consultation, drawing on relevant evidence from our audit work.
- 27 The issues highlighted from our most recent work on care-home commissioning in North Wales indicate that current legislation and policy are not having the desired positive effect. However, they also point to some practical issues and cultural reluctance that might question whether the proposals in the white paper go far enough to address these fundamental issues. At the heart of our findings, discrete and separate budgetary responsibilities and accountabilities create division, result in a focus on cost, require complex pathways to navigate and can have a negative impact on the wellbeing of service users and their families. We acknowledge that the Welsh Government is proposing reform to the foundation of legislation and policy that causes these issues, but it needs to assure itself that the changes go far enough to resolve them.

- 28 The pandemic has exposed the fragility of care services across Wales, but most of the issues now faced were there before to some degree. The issues include the capacity and capability of RPBs to facilitate regional working and, for example, concerns around fee levels, which are considered by councils to be local issues rather than regional or national. We were told during our review that a regional approach does not always suit commissioning of care homes. It is unclear whether the solutions proposed by the rebalancing care and support white paper around regional working are practical and will deliver the required change.
- 29 There is now an opportunity to build consensus amongst providers, commissioners, service users and the public, about the changes that are necessary to deliver much needed improvements, ensuring these fully address all the issues that remain in the sector.

Recommendations

Exhibit 2: recommendations

Recommendations

We recommend that the Welsh Government:

- R1 considers what the findings from our work in North Wales mean for planned policy reform and whether these reforms will go far enough to tackle the root causes of the issues; and
- R2 more specifically that it:
- should reduce the complexity of the funding responsibilities across partners to streamline arrangements;
 - clearly describes and communicates how it expects pooled funds to operate across health and social care partners;
 - takes measures to require strengthened scrutiny arrangements and accountability of Regional Partnership Boards (following through with further action in response to a recommendation in our previous report on the Integrated Care Fund); and
 - develops a framework for outcome-based performance reporting, which links to policy ambition and the seven well-being goals for Wales.

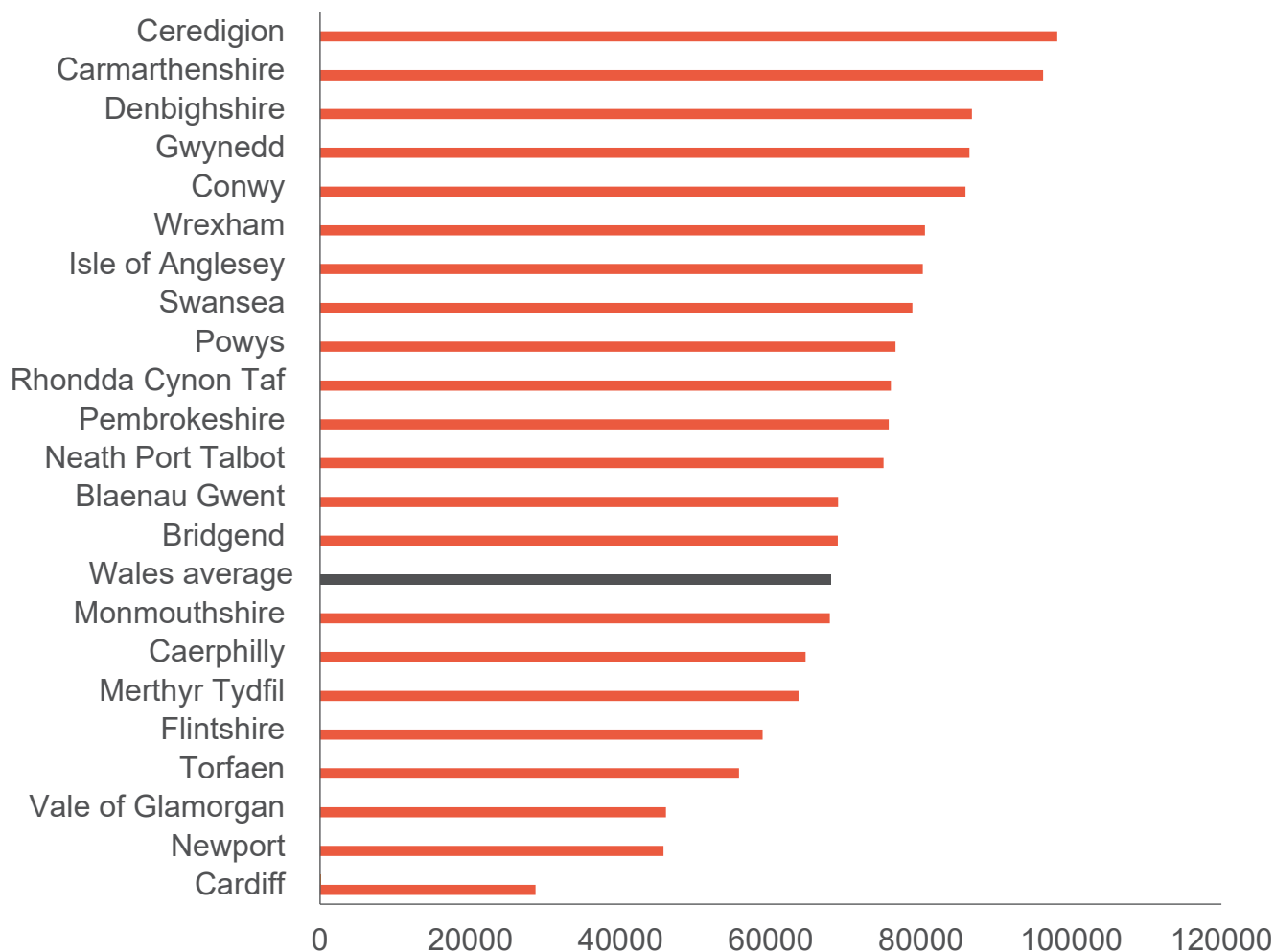


Appendices

- 1 **Spending on commissioned care-home placements across Wales**

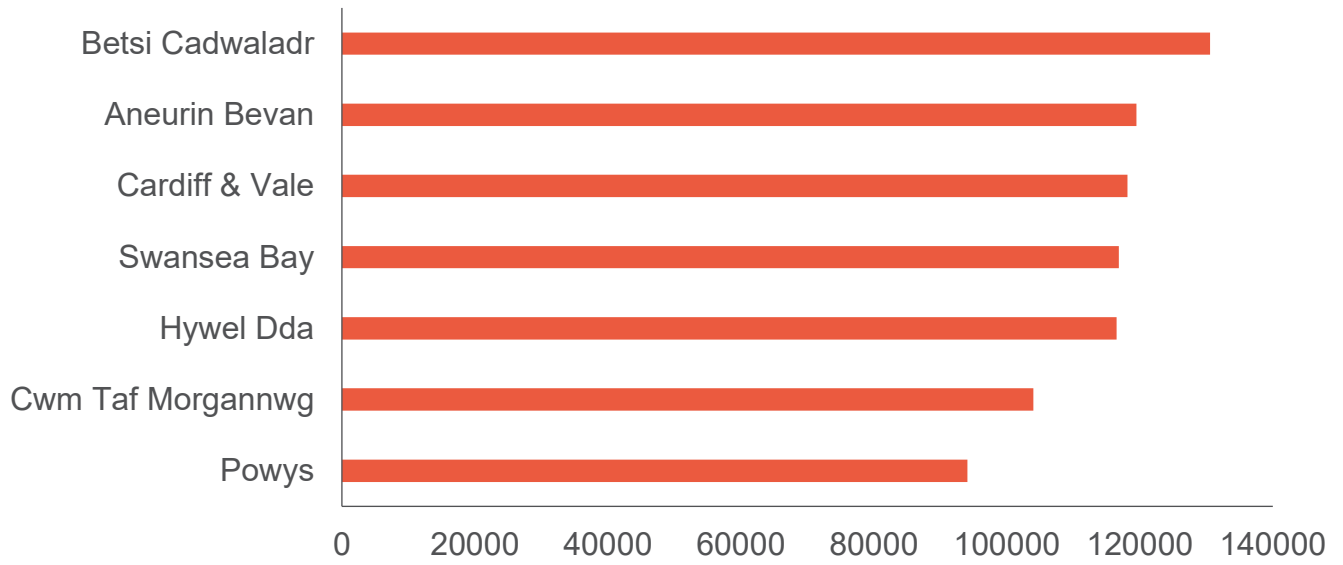
1 Spending on commissioned care-home placements across Wales

Exhibit 3: net expenditure (£) on residential-care placements (excluding nursing care) for those aged 65 years and over per 1,000 population (2019-20)



Source: StatsWales – Social services revenue outturn expenditure by client group (Older People, residential care placements) and 2019 mid-year population estimates (latest available information as at 31 August 2021)

Exhibit 4: continuing healthcare expenditure (£) per 1,000 population, 2019-20



Source: Health Board Annual Accounts and Stats Wales population statistics



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GOVERNANCE AND AUDIT COMMITTEE

| | |
|------------------------|--|
| Date of Meeting | Wednesday, 28 th September 2022 |
| Report Subject | School Reserves Year Ending 31 March 2022 |
| Report Author | Chief Officer (Education and Youth) |

EXECUTIVE SUMMARY

The overall level of reserves held by Flintshire schools was £12.555m at 31 March 2022, an increase of £5.652m compared with the previous year.

A summary of the position at the end of March 2022 is shown in table 1 below.

Table 1

| Sector | Reserves 31st March 2021 (£) | % of Budget | Reserves 31st March 2022 (£) | % of Budget | Variance (£) | Variance (%) |
|--------------|------------------------------|-------------|------------------------------|--------------|------------------|--------------|
| PRIMARY | 6,025,937 | 11.4% | 8,445,703 | 16.2% | 2,419,766 | 4.84% |
| SECONDARY | 472,112 | 1.1% | 3,488,879 | 7.3% | 3,016,767 | 6.23% |
| SPECIALIST | 404,402 | 9.4% | 620,330 | 14.7% | 215,928 | 5.27% |
| TOTAL | 6,902,451 | 6.8% | 12,554,912 | 12.1% | 5,652,461 | 5.23% |

The level of school reserves has increased considerably across all sectors over the past year and continues the trend seen at the end of the last financial year, however this is a reversal of trends prior to 2020/21.

A factor contributing significantly to the increase in school reserves is the volume of additional grants being awarded to schools by Welsh Government in recognition of the significant effect the pandemic has had on our learners and the need for schools to provide additional support. Whilst additional grant funding is to be welcomed and notification of grants was generally earlier than received last year, a number of grants were awarded during the last quarter of the financial year and have the impact of inflating the level of school reserves at the year end.

Higher levels of uncertainty around future pay and utility costs due to levels of inflation not seen for decades will mean setting future balanced budgets at a Council, and at an individual school, level will be very challenging in the medium term. Prudent management of school reserves will be an important component in assisting schools to achieve balanced budgets over this difficult period.

RECOMMENDATIONS

| | |
|---|--|
| 1 | To review the report and level of school reserves as at the 31 March 2022. |
|---|--|

REPORT DETAILS

| 1.00 | EXPLAINING SCHOOL RESERVES | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|--------------|--|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|------------------------------|--------------|-----------|-----------|-----------|-----------|-----------|-----------|------------|------------|------------|---------|-----------|------------|-----------|---------|------------|---------|---------|--------------|------------------|------------------|----------------|------------------|-------------------|-------------|-------------------|--------------|------------------|--------------|
| 1.01 | <p>The overall level of reserves held by Flintshire schools was £12.555m at 31 March 2022, an increase of £5.652m compared with the previous year.</p> <p>A summary of the position at the end of March 2022 is shown in table 1 below.</p> <p>Table 1</p> <table border="1"> <thead> <tr> <th>Sector</th> <th>Reserves 31st March 2021 (£)</th> <th>% of Budget</th> <th>Reserves 31st March 2022 (£)</th> <th>% of Budget</th> <th>Variance (£)</th> <th>Variance (%)</th> </tr> </thead> <tbody> <tr> <td>PRIMARY</td> <td>6,025,937</td> <td>11.4%</td> <td>8,445,703</td> <td>16.2%</td> <td>2,419,766</td> <td>4.84%</td> </tr> <tr> <td>SECONDARY</td> <td>472,112</td> <td>1.1%</td> <td>3,488,879</td> <td>7.3%</td> <td>3,016,767</td> <td>6.23%</td> </tr> <tr> <td>SPECIALIST</td> <td>404,402</td> <td>9.4%</td> <td>620,330</td> <td>14.7%</td> <td>215,928</td> <td>5.27%</td> </tr> <tr> <td>TOTAL</td> <td>6,902,451</td> <td>6.8%</td> <td>12,554,912</td> <td>12.1%</td> <td>5,652,461</td> <td>5.23%</td> </tr> </tbody> </table> <p>The level of reserves each school in Flintshire held at the end of March 2022 is shown at appendix 1 along with the total amount of additional grant funding each school received during 2021/22 and 2020/21 financial years.</p> <p>Please note that the figures in Table 1 for March 2022 includes a total of £0.263m that schools are required to set aside in the ICT HwB Reserve held centrally on schools behalf. This is to fund future investment in schools ICT and was a requirement by Welsh Government as part of the conditions of the HwB grant to ensure levels of ICT investment in schools in recent years funded by grants are sustained.</p> | Sector | Reserves 31st March 2021 (£) | % of Budget | Reserves 31st March 2022 (£) | % of Budget | Variance (£) | Variance (%) | PRIMARY | 6,025,937 | 11.4% | 8,445,703 | 16.2% | 2,419,766 | 4.84% | SECONDARY | 472,112 | 1.1% | 3,488,879 | 7.3% | 3,016,767 | 6.23% | SPECIALIST | 404,402 | 9.4% | 620,330 | 14.7% | 215,928 | 5.27% | TOTAL | 6,902,451 | 6.8% | 12,554,912 | 12.1% | 5,652,461 | 5.23% |
| Sector | Reserves 31st March 2021 (£) | % of Budget | Reserves 31st March 2022 (£) | % of Budget | Variance (£) | Variance (%) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PRIMARY | 6,025,937 | 11.4% | 8,445,703 | 16.2% | 2,419,766 | 4.84% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SECONDARY | 472,112 | 1.1% | 3,488,879 | 7.3% | 3,016,767 | 6.23% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SPECIALIST | 404,402 | 9.4% | 620,330 | 14.7% | 215,928 | 5.27% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 6,902,451 | 6.8% | 12,554,912 | 12.1% | 5,652,461 | 5.23% | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 1.02 | <p>Overall, the total level of primary schools reserves increased by £2.420m, the total level of secondary schools reserves increased by £3.017m and the total level of specialist schools reserves increased by £0.216m.</p> <p>This is a continuation of the situation at the last year end with reserves increasing, however this is a reversal of trends seen in recent years. Table 2 below illustrates and shows the level of school reserves at the year-end over the past 5 years.</p> <p>Table 2</p> <table border="1"> <thead> <tr> <th>Sector</th> <th>Reserves 31st March 2018 (£)</th> <th>Reserves 31st March 2019 (£)</th> <th>Reserves 31st March 2020 (£)</th> <th>Reserves 31st March 2021 (£)</th> <th>Reserves 31st March 2022 (£)</th> </tr> </thead> <tbody> <tr> <td>PRIMARY</td> <td>2,402,461</td> <td>2,565,109</td> <td>1,901,956</td> <td>6,025,937</td> <td>8,445,703</td> </tr> <tr> <td>SECONDARY</td> <td>-1,285,856</td> <td>-1,454,811</td> <td>-2,076,302</td> <td>472,112</td> <td>3,488,879</td> </tr> <tr> <td>SPECIALIST</td> <td>168,193</td> <td>224,789</td> <td>286,303</td> <td>404,402</td> <td>620,330</td> </tr> <tr> <td>TOTAL</td> <td>1,284,798</td> <td>1,335,087</td> <td>111,956</td> <td>6,902,451</td> <td>12,554,912</td> </tr> </tbody> </table> | Sector | Reserves 31st March 2018 (£) | Reserves 31st March 2019 (£) | Reserves 31st March 2020 (£) | Reserves 31st March 2021 (£) | Reserves 31st March 2022 (£) | PRIMARY | 2,402,461 | 2,565,109 | 1,901,956 | 6,025,937 | 8,445,703 | SECONDARY | -1,285,856 | -1,454,811 | -2,076,302 | 472,112 | 3,488,879 | SPECIALIST | 168,193 | 224,789 | 286,303 | 404,402 | 620,330 | TOTAL | 1,284,798 | 1,335,087 | 111,956 | 6,902,451 | 12,554,912 | | | | | |
| Sector | Reserves 31st March 2018 (£) | Reserves 31st March 2019 (£) | Reserves 31st March 2020 (£) | Reserves 31st March 2021 (£) | Reserves 31st March 2022 (£) | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PRIMARY | 2,402,461 | 2,565,109 | 1,901,956 | 6,025,937 | 8,445,703 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SECONDARY | -1,285,856 | -1,454,811 | -2,076,302 | 472,112 | 3,488,879 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SPECIALIST | 168,193 | 224,789 | 286,303 | 404,402 | 620,330 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| TOTAL | 1,284,798 | 1,335,087 | 111,956 | 6,902,451 | 12,554,912 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

The common factor affecting both financial years 2020/21 and 2021/22 is the significant additional funding all schools have received in the form of specific grants.

1.03 Additional Grants

In recognition of the challenges the pandemic presented to both schools and learners, Welsh Government over the past 2 years have provided significant additional funding to schools in the form of grants which must be spent on specific activities and targets. The challenges continue as the effects of school closures during the pandemic, on our learners becomes clearer. To assist schools and councils in planning services Welsh Government have indicated that ‘catch up’ programmes will continue into 2022/23, 2023/24 and 2024/25 albeit at a reduced funding level.

Additional grants have also been awarded to support other ongoing developments in schools including the introduction of the new curriculum and the phased implementation of new legislation for learners with additional learning needs.

Table 3 below shows the level of grants schools have received in the last 3 financial years split across the 3 sectors. Demonstrating the total amount of additional funding being awarded to schools all with specific terms and conditions that must be adhered to.

Table 3

| Sector | Grants 2021/22 | Grants 2020/21 | Grants 2019/20 |
|--------------|-------------------|-------------------|-------------------|
| PRIMARY | 14,370,115 | 11,404,009 | 8,852,568 |
| SECONDARY | 10,898,836 | 9,222,854 | 8,018,691 |
| SPECIALIST | 364,503 | 197,703 | 203,801 |
| TOTAL | 25,633,455 | 20,824,566 | 17,075,060 |

A number of additional grants in 2021/22 were announced in the last quarter. These announcements were earlier than last financial year. Due to their notification dates being in the last quarter, combined with other issues such as difficulties in recruiting suitable employees, this can have the effect of displacing expenditure already incurred and act to release planned use of general schools funding. This inflates the level of school reserves as at 31st March 2022, as the school allocations are carried forward into 2022/23 financial year to fund spending in 2022/23.

Whilst additional funding is welcomed, it is important to note that grants come with specific terms and conditions which must be adhered to, and therefore schools are restricted to what they can use the funding for. Grants also create an administrative burden on schools and councils in the form of returns, monitoring outcomes, tracking expenditure etc, which is generally unfunded.

1.04 Council’s role in monitoring the level of School Reserves.

The School Funding (Wales) Regulations 2010 require local authorities to have the following provisions in their Scheme for Financing Schools:

| | |
|------|--|
| | <p>The use that a governing body proposes to make of a surplus in the school balance which exceeds 5% of the school budget share or £10,000, whichever is the greater.</p> <p>A provision under which–</p> <p>(a) the authority may direct the governing body as to how to spend a surplus in the school balance for a funding period, if–</p> <p style="padding-left: 40px;">(i) in the case of a primary school the surplus is £50,000 or more, and</p> <p style="padding-left: 40px;">(ii) in the case of a secondary school or a special school the surplus is £100,000 or more;</p> <p>(b) the authority may, if the governing body do not comply with such a direction, require the governing body to pay all or part of that surplus to the authority to be applied as part of their schools budget for the funding period in question.</p> |
| 1.05 | <p>In accordance with the Regulations, the Council’s Scheme for Financing Schools requires a spending plan from schools as to the use that the governing body proposes to make of a school balance which exceeds the limits specified.</p> <p>Given the level of uncertainty within which schools were preparing to set their 2022/23 budget, and the impact of grants in recent years from Welsh Government, the Council notified all schools in January 2022 that it would not be automatically clawing back school reserves in excess of 5% of school budget share at 31st March 2022. However, schools were advised that the Council would require more detailed information to better understand each school’s financial position at 31st March 2022 and each governing body’s plan for spending reserves in excess of the 5% level over the medium term (3 years).</p> <p>Schools were required to complete a revised ‘School Reserve Declaration Form’, by 30th June, alongside setting their annual budget. An example form is attached at Appendix 2 for information.</p> <p>Analysis of the completed forms shows that the main reasons schools gave for balances being excess of the 5% of school budget recommendation are as follows:</p> <ul style="list-style-type: none"> • Grants from Welsh Government acting to replace spending from school reserves. • A challenging labour market with conditions generally making it difficult to recruit, especially employees on a supply or temporary basis. • Building / premises projects that schools had planned and had set reserves aside to fund haven’t been able to take place due to issues and delays related to the pandemic. It is difficult to find contractors and some materials, and works also need to coincide with school holidays. • Reserves built up due to a combination of additional resources and savings from periods of school closures during the pandemic. • Reserves purposefully built up to fund a predicted shortfall in funding in future years due to falling pupil numbers. |

- Reserves purposefully built up due to concerns over ability to afford future energy price increases.

Plans schools have for spending their reserves over the medium term are as follows:

- Reserves to be used in balancing future budgets.
- Increasing levels of employees to reduce class sizes and raise standards / focus on catch up learning as a result of the pandemic.
- Staff release time, training, purchasing resources required to introduce the new Additional Learning Needs legislation which is being phased in.
- Preparing for the introduction of the new curriculum.
- Purchasing additional resources and ICT equipment.
- Building and premises projects e.g. a numbers of schools have indicated that they need to invest in their outdoor learning environments.

1.06 Secondary Schools

During the year there has been a general increase in reserves in the secondary sector. Overall secondary reserves stood at £3.489m - an increase of £3.017m. This equates to 7.3% of secondary budgets and is an increase from 1.1% at 31st March 2021.

Table 4 categorises school reserves by number in various percentage brackets.

Table 4

| No. of Secondary Schools | Reserves 31st March 2021 | Reserves 31st March 2022 |
|---|--------------------------|--------------------------|
| In Deficit Reserves | 4 | 2 |
| Reserves between 0% and 5% of School Budget | 1 | 1 |
| Reserves between 5% and 10% of School Budget | 6 | 4 |
| Reserves between 10% and 15% of School Budget | 0 | 2 |
| Reserves in excess of 15% of School Budget | 0 | 2 |
| TOTAL | 11 | 11 |

2 schools out of 11 were in a deficit position compared with 4 the previous year. Deficits amounted to £0.745m compared with £1.912m the previous year. In line with the Protocol for Schools in Financial Difficulty school support and challenge meetings will be continue to be held with these schools.

In general, the financial resilience of the secondary school sector in Flintshire is still of concern. The total level of reserves across the sector has risen to 7% at 31st March 2022 however at 31st March 2021 it was just 1.1% of secondary budgets, and for the previous 3 years the sector was in deficit overall.

Demographic changes in the distribution of pupils across the primary and secondary sectors have taken place in recent years, with secondary pupil numbers declining whilst primary pupil numbers were increasing. This resulted in a redistribution of funding between sectors. However, this trend is now reversing and pupil numbers in the secondary sector are now increasing

which will have a positive financial impact on the secondary sector going forward. There is still concern for our smaller secondary schools with deficit reserves.

Under the Protocol for Schools in Financial Difficulty rigorous reviews have taken place during the past year to fully understand the financial position of each school in deficit. The schools in deficit cannot set an in year balanced budget from the resources allocated through the funding formula whilst delivering a broad and balanced curriculum. This elicits the question as to whether the funding formula provides sufficient resource for schools, particularly smaller schools, and those serving our most deprived communities, to operate sustainably. As part of the response to the Estyn recommendation to manage the reduction in school budget deficits more effectively, additional funding was allocated to secondary schools in 2021/22 for this purpose and initial work was conducted with secondary schools to review the funding formula. The funding remains in the base budget and the work on the formula continues to ensure every secondary school receives an allocation that allows them to operate sustainably.

1.07 Primary Schools

During the year there has been a general increase in reserves in the primary sector. Overall primary reserves stood at £8.446m an increase of £2.420m. This equates to 16.2% of primary budgets, an increase from 11.4% at 31st March 2021.

Table 5 categorises school reserves by number in various percentage brackets.

Table 5

| No. of Primary Schools | Reserves 31st March 2021 | Reserves 31st March 2022 |
|---|--------------------------|--------------------------|
| In Deficit Reserves | 1 | 0 |
| Reserves between 0% and 5% of School Budget | 7 | 3 |
| Reserves between 5% and 10% of School Budget | 17 | 7 |
| Reserves between 10% and 15% of School Budget | 21 | 20 |
| Reserves between 15% and 20% of School Budget | 13 | 16 |
| Reserves in excess of 20% | 5 | 18 |
| TOTAL | 64 | 64 |

At the end of the financial year there were no primary schools in deficit compared with 1 in the previous year.

Demographic changes in the distribution of pupils across the primary and secondary sectors have taken place in recent years, with secondary pupil numbers declining whilst primary pupil numbers increased. This resulted in a redistribution of funding between sectors. However, this trend is now reversing and pupil numbers in the secondary sector are now increasing with pupil numbers in the primary sector declining. Funding will need to be redistributed from Primary to Secondary which will have a negative financial impact on the primary sector going forward.

| | |
|-------------|---|
| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | No direct resource implications as a result of this report. The impact of high levels of inflation on the financial resilience of schools is an area of concern. |

| | |
|-------------|--|
| 3.00 | RISK MANAGEMENT |
| 3.01 | As budgets come under increasing pressure from high levels of inflation and reduced financial settlements from Welsh Government compared with recent years, there is a risk that more schools will slip into a deficit position. The Schools Accounting Team have developed a risk rating process to identify schools where the financial position is a cause for concern so that they can target their support. |
| 3.02 | To balance budgets schools may need to review their employment structures which may result in redundancies. |
| 3.03 | Continued pressure on school finances may result in increased class sizes, a reduced curriculum and falling standards. |

| | |
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| 4.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 4.01 | This report has been circulated to all Headteachers and will be reviewed by the Schools Budget Forum and the Education, Youth and Culture Overview and Scrutiny Committee at their September 2022 meetings. |

| | |
|-------------|---|
| 5.00 | APPENDICES |
| 5.01 | Appendix 1 - School Reserves 2021-22 Appendix 2 – School Reserves Declaration Form 31 st March 2022 |

| | |
|-------------|--|
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | None. |

| | |
|-------------|--|
| 7.00 | CONTACT OFFICER DETAILS |
| 7.01 | Contact Officer: Liz Thomas, Strategic Finance Manager - Schools Telephone: 01352 702289 E-mail: liz.thomas@flintshire.gov.uk |

| | |
|------|---|
| 8.00 | GLOSSARY OF TERMS |
| 8.01 | <p>School Reserves – Reserves are sums of money that schools carry forward from one year to the next. They arise from underspends and overspends against school allocations over time. Schools are responsible for managing their own finances. The level of reserves held by an individual school will depend on a number of factors. These will include the timing of receipt of income and of payments, and the level of contingency fund the school governing body considers appropriate and the particular plans each school has for expenditure.</p> |
| | <p>Flintshire County Council's Scheme for Financing Schools – The Scheme defines the financial relationship between Flintshire County Council and its maintained schools. The Scheme details the financial management arrangements to which the Authority and its schools are required to adhere. The framework for this Scheme is based on legislative provisions contained in sections 45-53 of the School Standards and Framework Act, 1998 and as further detailed in The School Funding (Wales) Regulations 2010.</p> |

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Please return your signed form to your school's Finance Officer by no later than **30th June 2022**

| | |
|----------|-----------------------|
| 0 | EXAMPLE SCHOOL |
|----------|-----------------------|

The School Funding (Wales) Regulations 2010 requires:

A statement as to the use that a governing body proposes to make of a surplus in the school balance which exceeds 5% of the school budget share or £10,000, whichever is the greater.

A provision under which

(a) an authority may direct the governing body as to how to spend a surplus in the school balance for a funding period, if

(i) in the case of a primary school the surplus is £50,000 or more, and

(ii) in the case of a secondary school or a special school the surplus is £100,000 or more;

(b) the authority may, if the governing body do not comply with such a direction, require the governing body to pay all or part of that surplus to the authority to be applied as part of their schools budget for the funding period in question.

School Reserve Information - 31st March 2022

| | | | |
|---|--------------|-----------------------------|--------------|
| School Reserve at 31st March 2022 | £ 150,000 | Includes ICT HwB reserve of | £ 5,000 |
| 5% of 2021/22 School Budget Share | £ 50,000 | | |
| Greater of £10,000 or 5% of School Budget Share | | | £ 50,000 |
| Level of School Reserve above WG guidelines | | | £ 100,000 |

Please outline below the reasons below for exceeding WG guidelines

Please continue on a separate sheet as necessary

Please outline below the planned use of reserves to bring reserves back in line with WG guidelines

| | Financial Year 2022/23 £ | Financial Year 2023/24 £ | Financial Year 2024/25 £ |
|--|--------------------------------|--------------------------------|--------------------------------|
| Balancing budget - spending plan to funding allocation | | | |
| Employee related | | | |
| Premises related | | | |
| ICT related | | | |
| Resources related | | | |
| Grant c/fwd to be spent by 31/8/22 - ALN New System Implementation (All) | | | |
| Grant c/fwd to be spent by 31/8/22 - Transition Funding AY 21/22 (Secondary) | | | |
| Grant c/fwd to be spent by 31/8/22 - Post 16 Learner Recovery&Progression | | | |
| Other - please specify | | | |
| Other - please specify | | | |
| Other - please specify | | | |
| Other - please specify | | | |
| Projected School Reserve at Financial Year End | 150,000 | 150,000 | 150,000 |

Please use the space below to include a narrative to accompany the figures above

Please continue on a separate sheet as necessary

Please use the space below to include any other comments relevant to school reserves

Please continue on a separate sheet as necessary

Signatures

Headteacher

Chair of Governors

Scrutinising carefully the level of reserves each school holds is part of the Council's role in monitoring the management of school budgets. Schools with excessive reserves, that are consistently above the prescribed limits, will be required to invite the Strategic Finance Manager for Schools to a meeting of



GOVERNANCE AND AUDIT COMMITTEE

| | |
|------------------------|--|
| Date of Meeting | Wednesday, 28 th September 2022 |
| Report Subject | Internal Audit Progress Report |
| Report Author | Internal Audit, Performance and Risk Manager |
| Type of Report | 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. |
|---|------------------------------------|

REPORT DETAILS

| | |
|-------------|--|
| 1.00 | EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT |
| 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 | Appendix C provides an oversight to Governance & Audit Committee on the cumulative assurance for 2022/23 audit plan; however, it should be noted this will be fluid. A footnote has been included to list those reports issued with a Red / Amber Red assurance opinion. |

| | |
|------|---|
| 1.04 | <p>Since the last report on progress to committee in June, there has been one Amber Red / Some Assurance report and no Red / Limited assurance reports. Appendix D details the Amber Red report. Copies of all final reports are available for members if they wish to see them.</p> |
| 1.05 | <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 last committee in June, 52 actions were overdue. This has remained the same for this reporting period. However the percentage of overdue actions has reduced from 49% to 38% of live actions of which seven are High priority actions and 26 Medium priority actions. Overall 135 actions are live.</p> <p>In July the Chair and Vice Chair of the Governance and Audit Committee attended the Chief Officer Team meeting to discuss the matter of audit actions. Specific actions coming from the meeting were:</p> <ol style="list-style-type: none"> 1. More realistic timescales from managers for actions; 2. More officers to attend Governance and Audit Committee to explain the circumstances in their services and why they haven't been able to complete actions. This has been communicated formally with Chief Officers; 3. More detailed/better quality written updates on actions; 4. Resume the liaison group meetings, focusing on a more shared sense of responsibility and co-ordination rather than the process. <p>The next liaison group meeting has been arranged for 19th October.</p> <p>For reporting purposes to Governance and Audit Committee those High or Medium priority actions are to be reported of which there are 33. Actions overdue are listed in Appendix F. Appendix G lists 2 high and 7 medium actions that are older than six months from the original due date.</p> |
| 1.06 | <p>Appendix H shows the status of current investigations into alleged fraud, irregularities or concerns raised. There are two ongoing investigations.</p> |
| 1.07 | <p>Appendix I shows the range of performance indicators for the department.</p> <p>Overall performance remains good however there is a reduction in performance in days between end of fieldwork and debrief meeting and productive time. This is largely due to the coordinated availability of those involved in the audits. Due to the time of the year (leave etc) this is an expected impact on the PIs.</p> |
| 1.08 | <p>Appendix J shows the current position of the 2021/22 audit plan. Only one audit remains in progress and is near completion. Appendix K shows the current position of the 2022/23 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.</p> |

| 1.09 | <p>Since the last report to the Committee in June there has been a need to review and revise the audit plan to reflect the reduction in available audit days as a result of a vacancy and long-term sickness. The impact on the plan is detailed below and also shown within Appendix J where any 'deferred' or 'no longer relevant' audits have been highlighted in green.</p> <p>To ensure continued coverage the reduction in audits has been across all portfolios. Where possible audits deferred were medium audit priority however there are three high priority which after reviewing the plan again it is felt these are appropriate to defer.</p> | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
|-------------|--|-----------|--------------------------|----------|--------|------|-----------------------------------|---|----------------|------|--------------------|---|----------------|-----|-----------------------------------|---|--------------------|-----|--|--------|--------------------|-----|------------------------|--------|--------------------------|-----|--------------------|---|----------------|-----|-------------------------|---|----------------|-----|--------------------------------------|---|----------------|-----|------------------------|---|----------------|-----|-----------------------------------|---|----------------|------|---------------------------|---|----------------|----|-------------------------------|---|----------------|-----|-------------------|---|----------------|
| | <table border="1"> <thead> <tr> <th>Portfolio</th> <th>Audit</th> <th>Priority</th> <th>Action</th> </tr> </thead> <tbody> <tr> <td>CORP</td> <td>Social Value / Community Benefits</td> <td>M</td> <td>Defer to 23/24</td> </tr> <tr> <td>CORP</td> <td>Use of Consultants</td> <td>M</td> <td>Defer to 23/24</td> </tr> <tr> <td>E&Y</td> <td>After School Club Salary Payments</td> <td>H</td> <td>No Longer Relevant</td> </tr> <tr> <td>E&Y</td> <td>Education Grants – Education Improvement Grant (EIG)</td> <td>Annual</td> <td>No Longer Relevant</td> </tr> <tr> <td>GOV</td> <td>Data Protection (GDPR)</td> <td>Annual</td> <td>Defer – Move to Biennial</td> </tr> <tr> <td>H&A</td> <td>Capital Components</td> <td>M</td> <td>Defer to 23/24</td> </tr> <tr> <td>P&R</td> <td>Housing Revenue Account</td> <td>H</td> <td>Defer to 23/24</td> </tr> <tr> <td>P&R</td> <td>Supply Teachers (previously E Teach)</td> <td>M</td> <td>Defer to 23/24</td> </tr> <tr> <td>P&R</td> <td>Learning & Development</td> <td>M</td> <td>Defer to 23/24</td> </tr> <tr> <td>P&R</td> <td>Apprenticeships / Apprentice Levy</td> <td>M</td> <td>Defer to 23/24</td> </tr> <tr> <td>PE&E</td> <td>Corporate Health & Safety</td> <td>H</td> <td>Defer to 23/24</td> </tr> <tr> <td>SS</td> <td>Single Point of Access (SPOA)</td> <td>M</td> <td>Defer to 23/24</td> </tr> <tr> <td>S&T</td> <td>Recycling Targets</td> <td>M</td> <td>Defer to 23/24</td> </tr> </tbody> </table> | Portfolio | Audit | Priority | Action | CORP | Social Value / Community Benefits | M | Defer to 23/24 | CORP | Use of Consultants | M | Defer to 23/24 | E&Y | After School Club Salary Payments | H | No Longer Relevant | E&Y | Education Grants – Education Improvement Grant (EIG) | Annual | No Longer Relevant | GOV | Data Protection (GDPR) | Annual | Defer – Move to Biennial | H&A | Capital Components | M | Defer to 23/24 | P&R | Housing Revenue Account | H | Defer to 23/24 | P&R | Supply Teachers (previously E Teach) | M | Defer to 23/24 | P&R | Learning & Development | M | Defer to 23/24 | P&R | Apprenticeships / Apprentice Levy | M | Defer to 23/24 | PE&E | Corporate Health & Safety | H | Defer to 23/24 | SS | Single Point of Access (SPOA) | M | Defer to 23/24 | S&T | Recycling Targets | M | Defer to 23/24 |
| Portfolio | Audit | Priority | Action | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CORP | Social Value / Community Benefits | M | Defer to 23/24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| CORP | Use of Consultants | M | Defer to 23/24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E&Y | After School Club Salary Payments | H | No Longer Relevant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| E&Y | Education Grants – Education Improvement Grant (EIG) | Annual | No Longer Relevant | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| GOV | Data Protection (GDPR) | Annual | Defer – Move to Biennial | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| H&A | Capital Components | M | Defer to 23/24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| P&R | Housing Revenue Account | H | Defer to 23/24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| P&R | Supply Teachers (previously E Teach) | M | Defer to 23/24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| P&R | Learning & Development | M | Defer to 23/24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| P&R | Apprenticeships / Apprentice Levy | M | Defer to 23/24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| PE&E | Corporate Health & Safety | H | Defer to 23/24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| SS | Single Point of Access (SPOA) | M | Defer to 23/24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| S&T | Recycling Targets | M | Defer to 23/24 | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.00 | RESOURCE IMPLICATIONS | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |
| 2.01 | None | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | | |

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| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | None required. |

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

| 5.00 APPENDICES | |
|-----------------|---|
| 5.01 | <p>Appendix A Levels of Audit Assurance</p> <p>Appendix B Final Reports Issued Since June 2022</p> <p>Appendix C Audit Assurance Summary</p> <p>Appendix D Amber Red / Some Assurance Provided</p> <p>Appendix E Action Tracking – Portfolio Statistics</p> <p>Appendix F High & Medium Overdue Actions (including actions older than 6 months if overdue)</p> <p>Appendix G Actions older than six months from original due date and not overdue</p> <p>Appendix H Investigation Update</p> <p>Appendix I Performance Indicators</p> <p>Appendix J Operational Plan 2021/22</p> <p>Appendix K Operational Plan 2022/23</p> |

| 6.00 LIST OF ACCESSIBLE BACKGROUND DOCUMENTS | |
|--|--|
| 6.01 | <p>Contact Officer: Lisa Brownbill, Internal Audit, Performance and Risk Manager</p> <p>Telephone: 01352 702231</p> <p>E-mail: Lisa.brownbill@flintshire.gov.uk</p> |

| 7.00 GLOSSARY OF TERMS | |
|------------------------|---|
| 7.01 | <p>Internal Audit: 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> <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.</p> <p>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.</p> <p>Operational Plan: the annual plan of work for the Internal Audit team.</p> |

Flintshire Internal Audit

Progress Report



September
2022

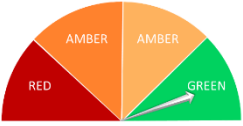
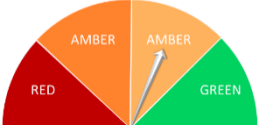
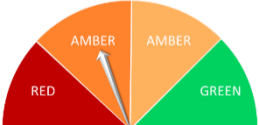

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Levels of Assurance – Standard Audit Reports

Appendix A

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;">Green – Substantial</p>  | <p>Strong controls in place (all or most of the following)</p> <ul style="list-style-type: none"> • Key controls exist and are applied consistently and effectively • Objectives achieved in a pragmatic and cost effective manner • Compliance with relevant regulations and procedures • Assets safeguarded • Information reliable <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>Follow Up Audit: 85%+ of actions have been implemented. All high priority actions have been implemented.</p> |
| <p style="text-align: center;">Amber Green – Reasonable</p>  | <p>Key Controls in place but some fine tuning required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact • Some refinement or addition of controls would enhance the control environment • Key objectives could be better achieved with some relatively minor adjustments <p>Conclusion: key controls generally operating effectively.</p> <p>Follow Up Audit: 51-85% of actions have been implemented. All high priority actions have been implemented.</p> |
| <p style="text-align: center;">Amber Red – Some</p>  | <p>Significant improvement in control environment required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively • Evidence of (or the potential for) financial / other loss • Key management information exists but is unreliable • System / process objectives are not being met, or are being met at an unnecessary cost or use of resources. <p>Conclusion: key controls are generally inadequate or ineffective.</p> <p>Follow Up Audits - 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;">Red – Limited</p>  | <p>Urgent system revision required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls are absent or rarely applied • Evidence of (or the potential for) significant financial / other losses • Key management information does not exist • System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources. <p>Conclusion: a lack of adequate or effective controls.</p> <p>Follow Up Audit - <30% of actions have been implemented. Unsatisfactory progress has been made on the implementation of high priority actions.</p> |
| <p>Categorisation of Actions</p> | <p>Actions are prioritised as High, Medium or Low to reflect our assessment of risk associated with the control weaknesses</p> |
| <p>Value for Money</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 June 2022

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 |
| 2021/22 Audit Plan | | | | | | | |
| 3-2021/22 | H&A | Housing Benefits (including Subsidy Grant) | Risk | G | 0 | 0 | 1 |
| 5-2021/22 | EXT | SLA - Aura | SLA | AG | 0 | 2 | 4 |
| N/A | E&Y | CRSA - Schools Governance | Advisory | Advisory | 0 | 4 | 1 |
| 2022/23 Audit Plan | | | | | | | |
| 03-2022/23 | P&R | Domestic Energy | Risk | AR | 1 | 5 | 0 |
| 01-2022/23 | E&Y | Drury Primary - After School Salary Payment | Advisory | Advisory | - | - | - |
| AC 05-2022/23 | E&Y | Scheme for Financing Schools / School Financial Regulations | Advisory | Advisory | - | - | - |
| AC 07-2022/23 | CORP | Supply and Demand Risk and Shocks | Advisory | Advisory | - | - | - |
| 55-2022/23 | H&A | Housing Support Grant (Previously Supporting People Grant) | Grant | Grant | - | - | - |

Audit Assurance Summary for 22/23

Appendix C

| Portfolio | Number of Reports & Assurance | | | | | | Priority & Number of Agreed Actions | | | |
|---------------------------------|-------------------------------|-----------|-------------|----------|-------------------------------------|----------|-------------------------------------|-----------|----------|-----------|
| | Red | Amber Red | Amber Green | Green | Advisory / Grant - No Opinion Given | In Total | High | Medium | Low | In Total |
| Corporate | | | | | 1 | 1 | | | | 0 |
| Education & Youth | | | | | 3 | 3 | - | 4 | 1 | 5 |
| Governance | | | | | | 0 | | | | 0 |
| Housing & Assets | | | | 1 | 1 | 2 | - | - | 1 | 1 |
| People & Resources | | | | | | 0 | | | | 0 |
| Planning, Environment & Economy | | 1 | | | | 1 | 1 | 5 | - | 6 |
| Social Services | | | | | | 0 | | | | 0 |
| Streetscene & Transportation | | | | | 1 | 1 | - | - | - | 0 |
| Cross Cutting Portfolio's | | | | | | 0 | | | | 0 |
| External | | | 1 | | | 1 | | 2 | 4 | 6 |
| Total | 0 | 1 | 1 | 1 | 6 | 9 | 1 | 11 | 6 | 18 |

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| Footnote: | |
|-----------------------------|------------------------|
| Red Assurance: | - |
| Amber Red Assurance: | Domestic Energy (PE&E) |

Planning Environment and Economy: Domestic Energy - 03-2022/23

| Areas Managed Well | Areas Identified for Further Improvement |
|---|---|
| <ul style="list-style-type: none"> Documented procedures are in place to define the actions to be taken when delivering all domestic energy efficiencies. A spreadsheet is in place which identifies the efficiency address, costs, PO and related invoice to facilitate budget reconciliation. Processes and controls to raise and pay invoices have been deemed adequate. Resource costs associated with the delivery of the service are self-funded. | <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"> Management information utilised for decision making and to provide updates on service delivery and progress of council priorities is not accurate and is not reconciled. Agreed Management Action: Produce schedule of management information to be collected to support Council Plan reporting, senior management monitoring and project and contract management. Create KPI monitoring framework to support Council Plan reporting. Management information to be produced quarterly and provided to senior management. Monthly KPI reporting to be produced and performance reviewed. Senior admin post to be advertised & filled to support review of management information. Budget reconciliation to be completed monthly and provided to service manager. Formally reconcile data across multiple systems utilised by the service. Review Agile system functionality and whether it supports automated reporting. Due date for this action: 31/1/23 Service Level Agreements (SLAs) with the councils' partners are out of date. Agreed Management Action: A process to be introduced to monitor contracts which are coming up for renewal. All service level agreement to be reviewed and renewed in readiness for the new financial year. Due date for this action: 31/12/22 Established processes are labour intensive, manual and lack management oversight. A system is not in place to capture all documentation in relation to efficiency delivery. Agreed Management Action: Monthly meeting to be held between DEEP Team Manager and Service Manager with a standard agenda will be introduced and a set of management information with supporting evidence will be presented to review KPI performance, contractual requirements and budget performance and reconciliation. Contract and SLA meetings to be formalised with ToRs, agendas, KPIs and highlight reports presented. Schedule to be produced for all external grant conditions, KPIs, claim dates and milestones. Due date for this action: 31/12/22 Wall Lag is the sole contractor utilised to deliver the domestic energy efficiencies leaving the service unable to demonstrate value for money or ensure continuity of service in the event the company were to go out of business. The Wall Lag contract is also out of date since 2019/20. Agreed Management Action: A procurement exercise has been completed to identify the contractor to be utilised to deliver the domestic energy work. Outcome of the procurement exercise will be communicated in October and a revised contract will be in place. This will assist with evidence of value for money. Management information to be structured to monitor contract deliverables in line with agreement. Management to establish a process to review financial viability of contract provider. Due date for this action: 31/12/22 Monthly budget reconciliations have not been undertaken to ensure departmental records (kept manually) reconcile to those held by Finance. Agreed Management Action: Monthly meeting with standard agenda and supporting documents to be held between DEEP team manager and service manager to review KPI performance, contract oversight reporting and budget reconciliation. Due date for this action: 31/12/22 Health and Safety risks and controls have not been documented. There is no evidence the controls to mitigate the health and safety risks associated with the delivery of this work are being applied and are effective. Agreed Management Action: A random sample of the efficiencies delivered to be reviewed by the Housing Services team in line with SLA agreement. Evidence of visits and findings to be kept for audit purposes. Due date for this action: 31/12/22 |

Action Tracking – Portfolio Performance Statistics

Appendix E

| Portfolio | Live Actions – September 2022 | | | | Actions beyond <u>Original</u> due date | |
|---------------------------------|-------------------------------|--|-----------|-----------|---|--------------------------------------|
| | Live Actions | Actions Beyond Due Date <i>(excludes Actions with revised due date)</i> | | | Actions between 6 & 12 months | Actions Greater than 12 Months (13+) |
| | | H | M | L | | |
| Chief Executives | 4 | 0 | 1 | 3 | 1 | 1 |
| Education & Youth | 4 | 0 | 0 | 0 | 3 | 0 |
| Governance | 15 | 0 | 5 | 0 | 4 | 3 |
| Housing & Communities | 27 | 4 | 8 | 4 | 21 | 7 |
| People & Resources | 19 | 0 | 9 | 5 | 13 | 2 |
| Planning, Environment & Economy | 7 | 0 | 0 | 0 | 1 | 0 |
| Social Services | 0 | 0 | 0 | 0 | 0 | 0 |
| Streetscene & Transportation | 9 | 3 | 1 | 3 | 7 | 0 |
| External | 3 | 0 | 0 | 0 | 3 | 0 |
| Individual Schools | 47 | 0 | 2 | 4 | 12 | 0 |
| Total | 135 | 7 | 26 | 19 | 65 | 16 |
| | | 52 | | | | 32 |

See Appendix F & G

High and Medium Actions Overdue

Appendix F

| 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 | | | | | | | | | |
| 2021/22 Income from Fees and Charges - Carelink / Telecare fees and charges | 3276 | <p>"We recognise that Carelink / Telecare is a complicated area and the service may require additional support in order to define and calculate accurate full cost recovery.</p> <p>The need to review full cost recovery to actual costs charged for Carelink / Telecare will be reported to the Strategic Finance Manager, Management Accounting and Principal Accountants immediately.</p> <p>All costs are due to be reviewed as part of the annual review of fees and charges for 2022.</p> <p>Any issues will be reported to the Chief Officer in line with the Income Generation Policy."</p> | M | 31/07/2022 | - | 1 | - | No update provided. | No update provided. |
| Governance | | | | | | | | | |
| Procurement Contract Management 2018/19 | 2772 | <p>Chief Officers to review contract management within their portfolios to ensure; Staff have appropriate skills and experience, and have received appropriate training where required. 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. Signed contracts are in place to support</p> | M | 31/12/2019 | 31/12/2021 | 32 | 04/11/2020 | Organisational capacity does not exist to complete this work across the council due to the ongoing response to the pandemic | <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</p> |

| | | | | | | | | | |
|---|------|---|---|------------|------------|----|------------|---|--|
| | | <p>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> | | | | | | <p>of portfolios (Social Services; Housing & Assets; Planning, Environment & Economy; Streetscene & 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 developed.</p> | |
| 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</p> | M | 31/03/2020 | 31/03/2022 | 29 | 03/11/2020 | <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>The COG has started to complete a training programme for the deliver of Contract Management trg across FCC. Sandy Burrows has been tasked with providing he trg and this was to commence in March but due to Covid has been</p> |

| | | | | | | | | | |
|----------------------------|------|---|----------|------------|------------|----|------------|---|---|
| | | <p>around the use of sub-contractors in the delivery of contracts & 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 & 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 Contract Register and to ensure a robust understanding of the processes for uploading signed contracts onto Proactis.</p> <p>Use of the Proactis Contract Management module.</p> | | | | | | | delayed. |
| 20/21 Right of Access | 3072 | <p>Potentially there is a lack of resource within the Portfolios to deal with IRR. This will be discussed at COT and their potential lack of resource will be highlighted.</p> | M | 30/06/2021 | - | 14 | - | No update provided | No update provided |
| 21/22 CCTV (Cross Cutting) | 3201 | <p>Chief Officer, Housing & Assets to table a COT report to facilitate discussion around oversight and control of CCTV. Consideration to be given to:</p> <p>Overarching responsibility for CCTV camera systems;</p> <p>Development of a live asset register of all CCTV cameras to be used as a basis for ensuring Council wide regulatory compliance);</p> <p>Oversight and reporting of cross Council compliance with the Surveillance Camera Code;</p> <p>Oversight and reporting of cross Council completion of Data Protection Impact Assessments (DPIA);</p> <p>Appropriateness of protocols in place (contracts / SLA's, etc.) to support partnership arrangements with third parties.</p> | M | 30/09/2021 | 29/04/2022 | 11 | 04/10/2021 | Need to obtain third party information relating to the Alltami CCTV system. Monitored remotely by Crime Prevention Ltd. | Need to obtain third party information relating to the Alltami CCTV system. Monitored remotely by Crime Prevention Ltd. |

| | | | | | | | | | |
|--------------------------------------|------|--|---|------------|------------|----|------------|--|---|
| | | Control around the purchasing of CCTV cameras. the Public Realm CCTV Manager will continue to provide cross portfolio operational support to officers responsible for CCTV to ensure compliance with the Protection of Freedoms Act 2012. | | | | | | | |
| 21/22 Organisational Ethics & Values | 3262 | Key ethical policies & guidance owned by the Governance Portfolio to be reviewed and refreshed in accordance with defined review dates, specifically; Declaration of Interest guidance notes on the Infonet (for officers) not updated since May 2003. Employee Privacy Policy & Statement 2018-2020. Email and Internet Usage Policy (not updated since July 2012). | M | 31/12/2021 | - | 8 | - | No update provided | No update provided |
| People and Resources | | | | | | | | | |
| Main Accounting AP&P2P | 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 | 35 | 17/05/2021 | 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. | The Council has implemented its 'Fast Track' Programme from 1st April which provides available discounts for early payment to suppliers. |
| Main Accounting (AR) | 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. Debbie Griffiths will discuss with Gary Ferguson where the process for actioning Write Offs will be best suited. | M | 31/03/2020 | 30/07/2022 | 29 | 10/06/2022 | To allow time to collate the evidence and send across I have amended the due date to 31.7.22. | A review of roles and responsibilities has been undertaken with Revenues and Corporate Finance. Debt Recovery are responsible for recommending write-offs and the corporate finance manager is responsible for authorising write-offs in line with Finance Procedure Rules. The |

| | | | | | | | | | |
|--|------|--|---|------------|------------|----|------------|---|--|
| | | | | | | | | | cashier team process the write offs and corporate finance will account for the bad debt provision. |
| Corporate Grants 19/20 | 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. Consideration of grant funding streams already forms part of the normal budget monitoring process involving finance and the service lead. | M | 30/06/2020 | 30/06/2021 | 26 | 07/06/2022 | Due date revised to allow time to forward the evidence of training. | All the necessary training for the Corporate Revenue Grants Spreadsheet has since been provided by Mark Hanson. |
| 20/21 Health & Safety and Wellbeing of Employees | 3026 | Quarterly reports to be tabled at COT highlighting excessive credit balances on Etarmis / average working hours exceeding Working Time Policy. Caveat to be included highlighting potential data inaccuracies within reports. Individual Chief Officers to determine action to be taken following consideration of reports. | M | 31/12/2021 | - | 8 | 04/11/2021 | Not implemented as yet but this is something which can be put in place quite quickly with the caveat that huge pockets of the workforce are not on Etarmis so will not be picked up in this reporting. Due date to be revised to 31.12.21 to allow reports to be put in place. | Not implemented as yet but this is something which can be put in place quite quickly with the caveat that huge pockets of the workforce are not on Etarmis so will not be picked up in this reporting. |
| 20/21 Health & Safety and Wellbeing of Employees | 3027 | HR to be included in the working group for the roll out of a new time management system. Management to liaise with Social Services Business Support to establish timetable for roll out. Commitment to be sought for use of a single time recording system across the council. | M | 30/06/2021 | 31/03/2022 | 14 | 04/11/2021 | Implementation schedule is being developed with HFX however there is no capacity within Flintshire IT to begin work on this project until September 2022. IT managers meeting scheduled for 17.11.21 at which this will be discussed further, Sharon will also flag this with the Chief Executive (NC). Due date to be revised to 31.3.22 pending outcomes of further | A business case has been submitted to the Digital Strategy Board for the purchase of Imperago as a replacement system for Etarmis. The business case was approved and funding is in place. |

| | | | | | | | | | |
|--|------|---|---|------------|------------|----|------------|---|---|
| | | | | | | | | discussion with IT. | |
| 20/21 Collaborative Planning | 3061 | A Financial Systems User group has been set up, to allow those with responsibility for how financial systems are used to be able to recommend improvements of use and share concerns of lack of discipline of use. These will be shared with COT. | M | 30/06/2021 | 31/07/2022 | 14 | 07/06/2022 | The outcome will be referred to in a paper to be shared soon with COT on options for a new system - revised deadline to end of July 2022 | The review by the Systems user Group has been completed and Chris can share a paper if needed. |
| 21/22 Main Accounting | 3293 | Assurance to be sought from Oxygen Finance that the FreePay eligibility errors which resulted in ineligible suppliers being added to the FreePay list have been appropriately addressed to prevent any further issues. Logic reviews of the FreePay list to be diarised and undertaken by the AP team with spot checks to ensure accuracy and appropriateness of inclusion of suppliers. | M | 31/03/2022 | - | 5 | 29/03/2022 | Regular checks will be carried out to ensure the data is correct. This will be carried out until the end of this year and after the full annual review. | Regular checks will be carried out to ensure the data is correct. This will be carried out until the end of this year and after the full annual review. |
| 2021/22 Use of Agency, Relief, Self Employed & Supply Teachers (including IR35 Compliance) | 3334 | A piece of work is being undertaken by HR to understand why long-term agency contracts are in place and any barriers to applying to permanent job vacancies. | M | 30/06/2022 | - | 2 | - | No update provided. | No update provided. |
| 2021/22 Use of Agency, Relief, Self Employed & Supply Teachers (including IR35 Compliance) | 3335 | "Management confirmed that as at 17.05.2022 placements exceeding 12 weeks had reduced to 56% of total placements. Reporting of Matrix and off-contract agency placements to be brought to COT quarterly by Senior Manager HR&OD. Engagement with HR from hiring managers around the use of non-Matrix staff to establish reasons why services | M | 30/06/2022 | - | 2 | - | No update provided. | No update provided. |

| | | | | | | | | | |
|---|------|--|---|------------|------------|----|------------|---|--|
| | | are going off contract and to improve oversight of these placements. Enhanced reporting to CROSC around risk of agency placements and extent to which placements are properly managed." | | | | | | | |
| Housing & Communities | | | | | | | | | |
| 21/22 Maes Gwern Contractual Arrangement | 3140 | A process to be introduced to monitor the overage sum in line with the agreed calculation stated in the overarching agreement. | H | 29/10/2021 | 31/03/2022 | 10 | 19/11/2021 | Due date is revised to 31.03.22 to allow time for the review meetings to be set up, tasks allocated and outcomes to be reviewed. | The process of calculating the overage will be addressed through the review meetings outlined above. The overage calculation was always predicated on the scheme being completed. To date assumed construction costs have been monitored. Hereafter actual costs will be included in the monitoring of the costs by our QS advisors. |
| 21/22 Maes Gwern Contractual Arrangements | 3159 | A process and a process owner to be devised and introduced to identify any discrepancies in changes to property type and chase any remaining funds and interest due to the Council since the completion date. Any risks to the achievement of the agreed capital receipts should be considered and escalated to Chief Officer. | H | 29/10/2021 | 31/12/2021 | 10 | 18/01/2022 | Three documents were sent to internal audit on 18/1/22. After review by SA, it is unclear what the process which has been set up to deal with these changes going forward, the impact on capital receipts as a result of the review and whether any remaining funds are outstanding. Need to discuss further with PC. | The team have completed a review of the property types per plot based on the information provided. |
| 21/22 Maes Gwern Contractual Arrangements | 3174 | A review to be complete of all current processes and these be aligned with the requirements stipulated in the Development Agreement. | H | 29/10/2021 | 31/03/2022 | 10 | 19/11/2021 | Due date is revised to 31.03.22 to allow time for the review meetings to be set up, tasks allocated and | Regular review meetings with key council departments and Wates from December onwards |

| | | | | | | | | | |
|--|------|---|---|------------|------------|----|------------|--|--|
| | | <p>Management information to be reviewed at established governance routines to ensure programme deliverables are on track in line with Development Agreement.</p> <p>Identified changes to capital receipts should be escalated to the Chief Officer of Housing and Assets.</p> | | | | | | outcomes to be reviewed. | until the project is completed later in 2022. This will include Sales data/values, and scheme costs/abnormals. Quarterly reports to COT, and an outturn report/contract review will take place later in Sept/October 2022. |
| Homelessness & Temporary Accommodation 21/22 | 3255 | <p>"The response will be delivered in the medium term. All actions are assigned to the Service manager to be delegated across team.</p> <p>Medium term (June 2022)</p> <p>Introduce management information to:</p> <p>Monitor performance timescales at the various stages in Void Management Process. Information to be timely reviewed to identify and address process impediments/ opportunities for improvement.</p> <p>Provide oversight of all offers for permanent accommodations, those that were declined and the reason for decline.</p> <p>Oversee length of stays in interim accommodation which is being developed in In-Phase.</p> <p>Oversee rent collection activities.</p> <p>Monitor SLA agreement KPIs."</p> | H | 30/06/2022 | - | 2 | - | No update provided. | No update provided. |
| SARTH Follow Up 2019/20 | 3008 | <p>Ensure that there is regional oversight for "overrides" through the SARTH Operational Panel, and that opportunities for service improvement are identified for action at the local level.</p> <p>Explore opportunities for improvements within the Open Housing System to reduce the number of overrides through changes or enhancements to the Allocations Module.</p> | M | 31/07/2021 | 31/12/2021 | 13 | 07/09/2021 | New manager re SARTH/Housing Register. Need to develop plan for Homelessness. SJ Revised due date on this basis. | Request to revise date to 31/12/21 - new manager re SARTH/Housing Register. Need to develop plan for Homelessness. |

| | | | | | | | | | |
|------------------------------|------|--|---|------------|------------|----|------------|--|--|
| | | Ensure all staff allocating properties via SARTH (FCC and Housing Partners), have regular training on the matching process. When overrides are necessary they should be recorded accurately with reason codes and detailed narrative for justification. | | | | | | | |
| SARTH Follow Up 2019/20 | 3009 | <p>Embed the periodic review process within routine operational practice of the Housing Register Team.</p> <p>Explore opportunities to use technology such as text, and online engagement to assist with the applications and periodic review process.</p> <p>Ensure robust management oversight of periodic reviews through monthly monitoring reports and a clearly documented process.</p> | M | 31/07/2021 | 31/12/2021 | 13 | 07/09/2021 | New manager re SARTH/Housing Register. Need to develop plan for Homelessness. SJ Revised due date on this basis. | Request to revise date to 31/12/21 - new manager re SARTH/Housing Register. Need to develop plan for Homelessness. |
| SARTH Follow Up 2019/20 | 3010 | <p>Review the pre tenancy approach with SARTH Partners to develop a consistent way of undertaking "pre tenancy checks". Clearly document the outcome of any changes to practice and formalise through a documented procedure</p> <p>Develop an internal transfer's procedure for FCC, which picks up on those applicants who are existing FCC tenants, in order to assess their suitability for a move (not housing need, but picking up on arrears and property condition) as well as helping tenants to prepare for a move.</p> <p>Develop a Tenancy Ready / Home Starter Support Matrix which will identify households who may require additional support with setting up home and managing the practicalities of a move in order to target support services at those with greatest support needs</p> | M | 31/07/2021 | 31/12/2021 | 13 | 07/09/2021 | New manager re SARTH/Housing Register. Need to develop plan for Homelessness. SJ Revised due date on this basis. | Request to revise date to 31/12/21 - new manager re SARTH/Housing Register. Need to develop plan for Homelessness. |
| 21/22 Maes Gwern Contractual | 3137 | Abnormal costs to be tracked in line with the figure stated in the Development Agreement. Impact to be assessed | M | 29/10/2021 | 31/03/2022 | 10 | 19/11/2021 | Due date is revised to 31.03.22 to allow time for the review meetings to be set up, tasks allocated and | Intend to address issues with regular review meetings with key council |

| | | | | | | | | | |
|---|------|--|---|------------|------------|----|------------|--|---|
| arrangements | | whether abnormal costs will be met. | | | | | | outcomes to be reviewed. | departments and Wates from December onwards until the project is completed later in 2022. This will include Sales data/values, and scheme costs/abnormals. Quarterly reports to COT, and an outturn report/contract review will take place later in Sept/October 2022. |
| 21/22 Maes Gwern Contractual Arrangements | 3141 | A process to be introduced to oversee and compare the unit completion date and time with the date and time of when the payments are received by the council to highlight instances where interest may be due in line with the Overarching Agreement. | M | 29/10/2021 | 31/03/2022 | 10 | 19/11/2021 | Due date is revised to 31.03.22 to allow time for the review meetings to be set up, tasks allocated and outcomes to be reviewed. | Intend to address issues with regular review meetings with key council departments and Wates from December onwards until the project is completed later in 2022. This will include Sales data/values, and scheme costs/abnormals. Quarterly reports to COT, and an outturn report/contract review will take place later in Sept/October 2022. |
| 21/22 Maes Gwern Contractual Arrangements | 3158 | Adequate accounting records to be kept for all payments received and these to be monitored in line with the figures stipulated in the Development Agreement. Any discrepancies to be raised with management and rectified in a timely manner. | M | 29/10/2021 | 31/03/2022 | 10 | 19/11/2021 | Due date is revised to 31.03.22 to allow time for the review meetings to be set up, tasks allocated and outcomes to be reviewed. | Intend to address issues with regular review meetings with key council departments and Wates from December onwards until the project is completed later in 2022. This will include Sales data/values, and scheme |

| | | | | | | | | | |
|--|------|--|----------|------------|------------|----|------------|--|--|
| | | | | | | | | | costs/abnormals. Quarterly reports to COT, and an outturn report/contract review will take place later in Sept/October 2022. |
| 21/22 Maes Gwern Contractual Arrangements | 3160 | A full review to be completed by the newly appointed SHARP Project Manager to ensure contractual requirements are being met and roles and responsibilities have been defined | M | 29/10/2021 | 31/03/2022 | 10 | 19/11/2021 | Due date is revised to 31.03.22 to allow time for the review meetings to be set up, tasks allocated and outcomes to be reviewed. | The overall SHARP scheme and partnership with Wates over Maes Gwern was a massive undertaking and thus far a successful one. The review undertaken suggests that this was achieved with a minimum of resources and recommendations to strengthen the development team capacity have been recommended to the Chief Officer. |
| Homelessness & temporary Accommodation 21/22 | 3236 | <p>A weekly review of temporary accommodation capacity and those individuals/families likely to move on (leaving temporary accommodation) takes place. Capacity is increased if required; emergency accommodation can be achieved through booking bed and breakfasts through block booking arrangements.</p> <p>Additional pressures have been observed due to Covid, housing market pressures and the need to increase capacity immediately. Welsh Government Covid Hardship Grant has enabled this as part of the emergency homeless and public health response.</p> <p>It is not possible to accurately forecast homelessness numbers. Trend analysis</p> | M | 31/03/2022 | - | 5 | - | No updated provided | No updated provided |

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| | | <p>prior to Covid19 is not applicable and would deliver limited value due to the significant change the pandemic has had on the landscape.</p> <p>Achievement of deliverables in line with the Rapid Rehousing Transition Plan is the ultimate aim.</p> <p>Short term (March 2022) Identification of reasons for refusal of permanent accommodation and action process to manage “unreasonable refusals” to be documented.</p> | | | | | | | | |
| Streetscene & Transportation | | | | | | | | | | |
| 2020/21- Loss of O license | 3118 | <p>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.</p> <p>Repeat offender reporting to be devised in order to identify and manage underperformance, with compliance checks to be undertaken regularly alongside professional competency checks.</p> <p>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.</p> | H | 31/07/2021 | - | 13 | 07/02/2022 | <p>The newly recruited Fleet Manager has reviewed the processes and consulted the stakeholders to agree the measures and timescales for the capturing, recording and distributing tach information. This process is captured in the attached document. Request for newly devised repeat offender reporting to be uploaded for review and to allow for action to be marked as completed.</p> | <p>Work continues with recording processes, key contacts, responsibilities and standard documentation, however following key changes to key personnel for the contractor and FCC Fleet completion has been delayed.</p> | |
| 2020/21- Loss of O license | 3119 | <p>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</p> | H | 31/07/2021 | 31/01/2022 | 13 | 07/02/2022 | <p>Need the full set of documented procedures (1st bullet), evidence of the compliance checks completed (2nd bullet), and what training is required or has been provided to ensure critical roles are not covered by</p> | <p>Work continues with recording processes, key contacts, responsibilities and standard documentation, however following key changes to key personnel for the</p> | |

| | | | | | | | | | |
|---|------|--|---|------------|------------|---|------------|---|---|
| | | <p>the assignment of roles and responsibilities this will assist with the identification of single person dependencies and support service resilience.</p> <p>Compliance checks to be regular conducted to ensure that the processes are being delivered correctly and in a timely manner.</p> <p>Training to be provided to additional staff in critical roles to ensure business continuity in the event the individual responsible is not available.</p> | | | | | | <p>just one individual (3rd bullet). Also an observation from the Fleet Task Duty spreadsheet review is that there are quite a number of items in the various tabs which are solely reliant on one person and in some cases it's the same person for a large number of tasks. This may result in an issue when the individual is on holiday or off sick and was the point bullet 1 was trying to address. Advised action would remain open until this information provided.</p> | <p>contractor and FCC Fleet completion has been delayed.</p> |
| 21/22 Statutory Training | 3223 | <p>Once the training matrix has been developed (see 3254), the information will be used to help restructure the training spreadsheet (see also 3239). Data protection regulations will be observed in how the spreadsheet will be made available to all relevant managers and supervisors. With these two documents there will be a process for managers and supervisors to show which training is required and which operative has the relevant, up to date skills.</p> | H | 30/04/2022 | 31/08/2022 | 4 | - | <p>Due to staff absence and limited available resource the due date has been extended.</p> | <p>The training spreadsheet is in the final stages or re-configuration. This will allow for improved accessible and available training records for staff and operatives.</p> |
| 21/22 North and Mid Wales Trunk Road Agent (NMWTRA) Income Collection | 3248 | <p>Review appendices (to SDA 2016 Vol D) to confirm appropriateness of reclaim.</p> <p>Liaise with NMWTRA to ensure fixed cost reclaim is maximised.</p> | M | 31/03/2022 | 31/07/2022 | 5 | 05/04/2022 | <p>Date revised due to year end constraints within service.</p> | <p>Review of the Appendices has taken place for financial year 2021.22, where some Plant/vehicle costs had been identified as unclaimed, working with our finance contact in NMWTRA we have amended our claim. Review of the fleet vehicle weightings against our contract with</p> |

| | | | | | | | | | |
|--|------|--|---|------------|------------|----|------------|--|--|
| | | | | | | | | | Go Plant have been arranged for end of April, this will ensure maximization of the fleet claim against NMWTRA for upcoming years, Appendices are due to start June 2022, in light of this further investigation has been paused to enable focus on our financial year end. |
| Schools | | | | | | | | | |
| 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 | 31/12/2021 | 23 | 22/10/2021 | No Information Asset Register in place whilst waiting for contractor to provide support. | No Information Asset Register in place whilst waiting for contractor to provide support. |
| 21/22 Schools Risk Based Thematic Review - Elfed High School | 3319 | <p>The school uses P2P and authorisation limits are defined and applied within the system.</p> <p>Ensure that the scheme of delegation includes authorisation limits for the school's finances and delegation. Guidance can be found from the Schools Financial Procedures (Council's recommended policies).</p> <p>The Scheme of Delegation will be updated as required and approval of the records will be obtained from the governing body.</p> | M | 30/06/2022 | - | 2 | - | No update provided. | No update provided. |

Appendix G

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

| 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 |
|--------------------------------------|------|--|----------|--------------------------|------------------|---|--|---|---|
| Education and Youth | | | | | | | | | |
| 20/21 School Attendance & Exclusions | 3101 | DP training to be updated on iTrent. ISPs to be put in place, with appropriate awareness sessions to ensure staff within the team are aware of, and comply with the protocols. Privacy notices will be reviewed and updated following changes to the service delivery model. | M | 31/08/2021 | 31/12/2022 | 13/09/2022 | Staff must complete the mandatory Learning Pool modules by 31 12 22. | A standing item on Service Development Agenda is in relation to Audit and Estyn targets and these factors are cross checked with Business Support Records. Outline ISP has been completed and submitted for the Progression Service and a meeting with IT is booked to finalise EWO version. This will facilitate privacy notice aspect of the audit requirements when completed. | The staff in my portfolio receive regular supervision either by their Manager or from myself in the case of each Manager. Staff compliance with required training modules is part of tis discussion and the area of GDPR is a key priority. |
| 20/21 School Attendance & Exclusion | 3105 | Periodic exception reporting will be undertaken from the CAPITA ONE system to identify all children with a recent end date – these records will be reviewed to ensure new in-county educational settings have been updated where appropriate. | M | 31/08/2021 | 31/03/2023 | 13/09/2022 | This work is complex and incremental and will continue right throughout the school year. | The strategic sample and review system has now been implemented and review meetings will take place on a termly basis | . Pupils at risk of being lost to the system as a result of CME or NEET status are identified at the earliest opportunity to attempt to locate and engage them. Schools based EWO staff now actively look for pupils that are not accounted for in their allocated schools. |

| 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 |
|--------------------------------------|------|---|----------|--------------------------|------------------|---|---|---|---|
| 20/21 School Attendance & Exclusions | 3110 | Detailed action plan will be developed to support the roll out of the new service model. | M | 31/08/2021 | 31/03/2022 | 13/09/2022 | These processes have been impacted upon by limited capacity in partner services such as Legal Services and the protracted closure of schools during 20/21. However, the outline action plan will be available by 1 11 21 and the updated policies should be in place by 31 12 21. | A generic schools model Attendance P[policy was shared with all schools on 9 9 22 utilizing the revised FCC format expectations. Further documents to highlight the profile of the engagement support services and the revised EOTAS process are due back from translation this week and will be shared with schools and partners in the days ahead This incremental approach ensures that schools have clear documentation that underpins the new service model. These models and policies will be subject to regular review and update. | The revised service action plan has now been adopted but is being supplemented with a range of policies and practice documents to ensure that schools and parents are aware of the services that are available to support them. |
| Housing & Communities | | | | | | | | | |
| Travellers 2018/19 | 2352 | 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. | M | 30/09/2020 | 01/10/2022 | 20/07/2022 | Delays caused by Covid, however the local development plan review is expected to be completed in October. | Any decision regarding the development of a transit site at Flint has been deferred until the Planning Inspector's LDP report is received. Unable to progress any application for planning permission until they have received the final report from the LDP Inspection. This action will have to be deferred for another three months | Any decision regarding the development of a transit site at Flint has been deferred until the Planning Inspector's LDP report is received. |
| People & Resources | | | | | | | | | |

| 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 122 Notification of Leavers to CPF | 3181 | KPIs will be reviewed and agreed periodically between the parties and consideration should be given to introducing additional controls as part of the Employer Liaison Agreement to oversee and manage the accuracy of the work being delivered through the employer liaison team. Monthly/Quarterly reporting should also be provided by CPF and reviewed by the Council in line with contract management procedures. | H | 30/07/2021 | 31/12/2022 | 01/08/2022 | Date extended until end of year to allow IT time to implement Pop Up buttons. | To close out this action we need IT colleagues to add pop-up buttons to HR forms which advise managers of what each leaver reason triggers (i.e. redundancy, pension etc).' | A list of matched leaver reasons had now been agreed between FCC and CPF. |
| | 3178 | A quality assurance process to be devised to ensure information keyed which has an impact on pension benefits payment is checked for accuracy against supporting information and not just the leaver form. A set of information buttons (pop-ups) be added to the HR Forms Database to help educate and assist managers on the completion of the respective HR form. | H | 31/08/2021 | 31/12/2022 | 01/08/2022 | Date extended until end of year to allow IT time to implement Pop Up buttons. | To close out this action we need IT colleagues to add pop-up buttons to HR forms which advise managers of what each leaver reason triggers (i.e. redundancy, pension etc).' | A list of matched leaver reasons had now been agreed between FCC and CPF. |
| 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 | 31/03/2022 | 23/03/2022 | PMJ requested to move the revised due date to 31.03.2022 due to shortage of staff. | In discussion with regards to the need/provision of an additional testing environment. Update meeting are scheduled to take place up until the end of the year. | Preparations are in place to build and test redaction in a test environment, including reviewing those records we are required to keep longer in relation to safeguarding and running the redaction process - this will be helped by the issues |

| 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 |
|-----------------------------------|------|---|----------|--------------------------|------------------|---|--|--|--|
| | | | | | | | | | previously found with work undertaken where numbers requested to be redacted didn't match following the process being run. |
| 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 administering organisation. | M | 31/03/2020 | 31/05/2022 | 07/09/2022 | CFIW refused to use the FCC contract and have insisted on using their own contract, there have been some difficulties in progressing this but it is hoped that a signed contract will be in place by the end of the current financial year. Due date has been revised to reflect this. | The development of the contract for the Flintshire Community Endowment Fund remains in progress. | The development of the contract for the Flintshire Community Endowment Fund remains in progress. |
| 20/21 Collaborative Planning | 3038 | Management is confident that other controls are in place and there is no wider risk to the Council's budget monitoring processes In relation to this specific scope and review: Finance will produce a formal procedure to complement the already available CP user guide and advice from accounts. A reminder of roles and responsibilities will be communicated to budget holders and will be made available on the Finance infonet page | M | 30/06/2021 | 30/09/2022 | 07/06/2022 | Roles and Responsibilities document is still not finalised. In need to liaise with Suzy Rogers in the Systems team. Suggest the action date is moved to the end of September 2022 | For CP, the roles and responsibilities document is being developed and was discussed further in a recent Systems User Group meeting. | For CP, the roles and responsibilities document is being developed and was discussed further in a recent Systems User Group meeting. |
| Social Services | | | | | | | | | |

| 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 |
|-------------------------|------|--|----------|--------------------------|------------------|---|--|--|--|
| 20/21 Adoption Services | 3092 | <p>The performance management team have devised a system to capture key activities to ensure Measure 20a is compliant. The PARIS team will have designed a new PARIS information system to capture and produce key information. Relevant social work teams and managers will receive an internal communique (known as a Practice Directive) setting out the requirements and timeframes to meet Measure 20a. This measure will be complete by the time the child and their potential adopters are presented at the Matching Panel.</p> | M | 30/04/2021 | 30/09/2022 | 06/06/2022 | The collection of data has yet to captured on a PARIS ,this is pending its production. | A manual record (the numbers are very small) indicates that the measure is being achieved with good quality and timely outcomes noted. | A manual record (the numbers are very small) indicates that the measure is being achieved with good quality and timely outcomes noted. |
| 20/21 Adoption Services | 3095 | <p>The performance management team have devised a system to capture key activities to ensure Measure 20 is compliant. The PARIS team will have designed a new PARIS information system to capture and produce key information. Relevant social work teams and managers will receive an internal communique (known as a Practice Directive) setting out the requirements and timeframes to Measure 20. This measure will be complete by the time the child is subject to their second Looked After / Adoption Review, with the Independent Reviewing Officer ensure compliance has been achieved.</p> | M | 30/04/2021 | 31/07/2021 | 06/06/2022 | The collection of data has yet to captured on a PARIS ,this is pending its production. | A manual record (the numbers are very small) indicates that the measure is being achieved with good quality and timely outcomes noted. | A manual record (the numbers are very small) indicates that the measure is being achieved with good quality and timely outcomes noted. |

| Ref | Date Referred | Investigation Details |
|--|---------------|--|
| 1. New Referrals | | |
| 1.1 | 05.09.2022 | An anonymous whistleblowing referral has been received |
| 2. Reported to Previous Committees and still being Investigated | | |
| 2.1 | 24.05.2022 | Investigation underway |
| 3. Investigation Completed | | |
| 3.1 | N/A | |

Internal Audit Performance Indicators

Appendix I

| Performance Measure | 21/22 | June 22 | Sept 22 | Jan 23 | Mar 23 | Target | RAG Rating | |
|--|-------|---------|---------|--------|--------|--------|------------|---|
| Audits completed within planned time | 76% | 85% | 100% | - | - | 80% | G | ↑ |
| Average number of days from end of fieldwork to debrief meeting | 15 | 16 | 25 | - | - | 20 | G | ↓ |
| Average number of days from debrief meeting to the issue of draft report | 4 | 1 | 0 | - | - | 5 | G | ↑ |
| Days for departments to return draft reports | 7 | 6 | 5 | - | - | 7 | G | ↑ |
| Average number of days from response to issue of final report | 1 | 1 | 1 | - | - | 2 | G | → |
| Total days from end of fieldwork to issue of final report | 32 | 25 | 10 | - | - | 34 | G | ↑ |
| Productive audit days | 76% | 68% | 62% | - | - | 75% | R | ↓ |
| Client questionnaires responses as satisfied | 100% | 100% | 100% | - | - | 95% | G | → |
| Return of Client Satisfaction Questionnaires to date | 71% | 100% | 100% | - | - | 80% | G | → |

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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 – 2021/22 | Priority | Status of Work | Supporting Narrative |
|--|----------|----------------|----------------------|
| Education & Youth | | | |
| Schools Control Risk Self-Assessment - Summary | Annual | Complete | |
| Housing & Assets | | | |
| Housing Benefits (including Subsidy Grant) | Annual | Complete | |
| Streetscene & Transportation | | | |
| Highways Structures (Bridges) (2 nd Stage review) | H | In Progress | |
| External | | | |
| SLA - Aura - 10 days per annum | Annual | Complete | |

| Audit – 2022/23 | Priority | Status of Work | Supporting Narrative |
|---|-----------|--------------------|----------------------|
| Corporate | | | |
| Climate Change & Environmental Sustainability / ESG (Environmental Social Governance) | H | In Progress | |
| Supply and Demand Risk and Shocks | H | Complete | |
| Social Value / Community Benefits | M | Defer | |
| Core Funding 3 rd Sector | M | In Progress | |
| Section 106 Agreements (cross cutting) | M | | Quarter 4 |
| Use of Consultants | M | Defer | |
| Education & Youth | | | |
| Schools Risk Based Thematic Reviews | H | In Progress | |
| School Funds | H | In Progress | |
| After School Club Salary Payments | H | No Longer Relevant | |
| Integrated Youth Service | M | | Quarter 4 |
| Scheme for Financing Schools / School Financial Regulations | M | Complete | |
| Schools Control Risk Self-Assessment (CRSA) | Annual | | Quarter 4 |
| Education Grants – Education Improvement Grant (EIG) | Annual | No Longer Relevant | |
| Governance | | | |
| Protection against Ransomware Attack | H | In Progress | |
| Corporate Debt Management (including bad debt provision and write offs) | H | In Progress | |
| Information Technology Governance | H | In Progress | |
| Corporate Complaints | H | In Progress | |
| Enforcement Agents / Bailiffs | M | In Progress | |
| Procurement Legal Advice | M | In Progress | |
| Cyber Security & Data Security | M | | Quarter 4 |
| Data Protection (GDPR) | Annual | Defer | |
| Housing & Assets | | | |
| Housing Rent & Arrears | H | In Progress | |
| Maes Gwern Follow Up | Follow Up | | Quarter 4 |
| Carelink / Telecare | H | In Progress | |
| Housing Demand | H | In Progress | |

| Audit – 2022/23 | Priority | Status of Work | Supporting Narrative |
|--|----------|----------------|--|
| Complaints (Housing and Assets) | M | In Progress | |
| Temporary Accommodation | M | | Quarter 4 |
| Capital Components | M | Defer | |
| Supporting People Grant | Annual | Complete | |
| People & Resources | | | |
| MFTS & supporting Method Statements / Budget Challenge | H | | Quarter 3 |
| Housing Revenue Account | H | Defer | |
| Main Accounting – General Ledger | H | In Progress | Quarter 3 |
| Financial Management Accounting within Portfolios | H | In Progress | |
| Compliance with the CIPFA FM Code | M | | Quarter 3 |
| Corporate Grants (replacement of AW work) | Annual | | Quarter 3 |
| Pay Modelling | H | In Progress | |
| Payroll | Biennial | In Progress | |
| Supply Teachers (previously E Teach) | M | Defer | |
| Learning & Development | M | Defer | |
| Apprenticeships / Apprentice Levy | M | Defer | |
| Planning, Environment & Economy | | | |
| Flood Alleviation Scheme | H | In Progress | |
| Houses of Multiple Occupancy | H | | Quarter 4 |
| Corporate Health & Safety | H | Defer | |
| Domestic Energy | H | Complete | |
| Planning – Prioritisation & Activities (including Enforcement) | H | | Quarter 4 |
| Carbon Emissions – Data Collection methodology | M | Defer | Combined with Climate Change & ESG Audit |
| Social Services | | | |
| Placements | H | In Progress | |
| Safeguarding | H | | Quarter 3 |
| Childcare Development | M | | Quarter 4 |
| Deputyship | M | | Quarter 4 |
| Single Point of Access (SPOA) | M | Defer | |
| Streetscene & Transportation | | | |

| Audit – 2022/23 | Priority | Status of Work | Supporting Narrative |
|--|----------|----------------|----------------------|
| Integrated Transport Unit | H | Complete | |
| Loss of O Licence | H | In Progress | |
| Regional Transport / Transport Operator Supply Chain Risks | H | | Quarter 3 |
| Recycling Targets | M | Defer | |
| Complaints Handling | M | In Progress | |
| Parc Adfer | Annual | | Quarter 4 |
| External | | | |
| Clwyd Pension Fund - Investment, Management & Accounting | Biennial | | Quarter 4 |
| SLA - Aura - 10 days per annum | Annual | | Quarter 4 |
| SLA - NEWydd - 10 days per annum | Annual | In Progress | |

Glossary

| | |
|-------------------------------------|---|
| Risk Based Audits | 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. |
| Annual (System Based) Audits | 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. |
| Advice & Consultancy | Participation in various projects and developments in order to ensure that controls are in place. |
| VFM (Value For Money) | Audits examining the efficiency, effectiveness and economy of the area under review. |
| Follow Up | Audits to follow up actions from previous reviews. |
| New to Plan | Audits added to the plan at the request of management. All new audits to the plan are highlighted in red. |
| Audits to be Deferred | Medium priority audits deferred. These audits are highlighted in green within the plan. |



GOVERNANCE AND AUDIT COMMITTEE

| | |
|------------------------|--|
| Date of Meeting | Wednesday, 28 September 2022 |
| Report Subject | External Assessment - Public Sector Internal Audit Standards (PSIAS) |
| Cabinet Member | Not Applicable |
| Report Author | Internal Audit, Performance and Risk Manager |
| Type of Report | Assurance |

EXECUTIVE SUMMARY

Internal Audit must conform to the Public Sector Internal Audit Standards (PSIAS). There must be an assessment every year which must be reported to the Governance and Audit Committee. These assessments are normally carried out internally as self-assessments, but there must be an external assessment every five years.

Internal assessments have been carried out every year since the Standards were introduced and reported to Governance and Audit Committee following each assessment. The first external assessment took place in March 2017 and the second in September 2022. This report shows the results of the external assessment, to demonstrate compliance with the components of the Standards.

The requirement for external assessment can be met by an external assessor validating an internal assessment. They can be carried out as peer reviews, providing that the reviews are not reciprocal and the reviewer is sufficiently independent. In order to minimise costs, within the Wales Chief Auditors Group the Chief Auditors for 18 Councils in Wales have agreed to follow this route, each one reviewing the other Council. The Chief Internal Auditor from Pembrokeshire County Council assessed Flintshire Internal Audit Service in September 2022 and this report and Appendix A shows the results of the external assessment.

RECOMMENDATIONS

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|---|--|
| 1 | The Committee is requested to note the report. |
|---|--|

REPORT DETAILS

| | |
|-------------|--|
| 1.00 | EXPLAINING THE EXTERNAL ASSESSMENT REPORT |
| 1.01 | In December 2012 the Chartered Institute of Public Finance and Accountancy (CIPFA) and the Chartered Institute of Internal Auditors (CIIA) published new Public Sector Internal Audit Standards (PSIAS) for internal audit across the public sector. The Standards apply to Central Government departments including Scotland, Wales and Northern Ireland, Local Authorities across the UK, the NHS, Police and Fire Authorities, and National Parks. These Standards replaced the CIPFA Code of Practice for Internal Audit in Local Government published in 2006. The Standards are based on the CIIA Standards and came into force on 1 st April 2013 and were last updated 2019. The Standards and the Local Government application note set out the basis for an adequate and effective internal audit function. |
| 1.02 | Internal Audit departments must report their level of conformance with the PSIAS to the Audit Committee. It should then be reported in the Internal Audit Annual Report and stated in every audit report. |
| 1.03 | PSIAS includes the Definition of Internal Audit, a Code of Ethics, four Attribute Standards and seven Performance Standards, leading to the overall level of conformance. Internal Audit departments should achieve General Conformance with the PSIAS. |
| 1.04 | The external assessment (Appendix A) reports: There are 305 best practice lines within the PSIAS. The Internal Audit, Performance and Risk Manager undertook a self-assessment review of conformance against the PSIAS during February 2022. The self-assessment and corresponding improvement plan was presented to the Governance and Audit Committee in March 2022. Following validation of the self-assessment by Pembrokeshire County Council, the Internal Audit Service of Flintshire County Council generally conforms with all 305 (100%) of the requirements. |
| 1.05 | Any non-conformance with the Standards and their impact must be disclosed to Senior Management and the Governance and Audit Committee. There were no areas of non-conformance identified. Overall, Flintshire County Council's Internal Audit Service complies with the Standards in all significant areas and operates independently and objectively. |

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|-------------|------------------------------|
| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | None. |

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|-------------|---|
| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | None. |

| | |
|-------------|--|
| 4.00 | RISK MANAGEMENT |
| 4.01 | Internal Audit is part of the governance framework for the Council. It is important that it meets the required operational Standards to give assurance to the Council that it is functioning properly. This paper shows the results of the assessment of the department against those Standards. |

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| 5.00 | APPENDICES |
| 5.01 | Appendix A – External Assessment Report |

| | |
|-------------|--|
| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | None. Contact Officer: Lisa Brownbill, Internal Audit, Performance and Risk Manager Telephone: 01352 702231 E-mail: Lisa.brownbill@flintshire.gov.uk |

| | |
|-------------|--------------------------|
| 7.00 | GLOSSARY OF TERMS |
| 7.01 | None. |

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Audit, Risk & Information Service
PRIVATE AND CONFIDENTIAL

Flintshire County Council –
External Assessment of Internal Audit Service

Final Report

Audit No. 22038 (2022-23)

| | |
|--------------------------|---|
| Report issued to: | Lisa Brownbill, Internal Audit, Performance and Risk Manager |
| Report copied to: | Gareth Owens, Chief Officer - Governance |
| Assessor: | Matthew Holder ACCA, Audit, Risk & Counter Fraud Manager |

| | |
|------------------------------|-------------------|
| Fieldwork Assessment: | 12-09-2022 |
| Draft report issued: | 12-09-2022 |
| Management comments: | 13-09-2022 |
| Final report issued: | 13-09-2022 |

Flintshire County Council
External Assessment of Internal Audit Service

This report may contain data as defined by the General Data Protection Regulation 2016 and the Data Protection Act 2018, which must be treated as strictly private and confidential.

1.0 Introduction

1.1 The Public Sector Internal Audit Standards (PSIAS) became effective from 01 April 2013 and introduced a requirement for an external assessment of all internal audit services, which must be conducted at least once every five years by a qualified, independent reviewer from outside of the organisation. The standards have been revised from 01 April 2017 to incorporate new and revised international standards and consequent amendments to the additional public sector requirements and interpretations. It is against the amended 2017 standards that the external assessment has been benchmarked against.

1.2 The two possible approaches to external assessments outlined in the standard included either a full external assessment or an internal self-assessment which is validated by an external reviewer.

1.3 Members of the Welsh Chief Internal Auditors Group (WCIAG) elected to adopt the self-assessment approach, with another member of the WCIAG undertaking the validation.

2.0 Purpose

2.1 The purpose of the external assessment is to help improve delivery of the audit service to Flintshire County Council. The assessment is designed to be a supportive process that identifies opportunities for development, which ultimately helps to enhance the value of the audit function.

3.0 Results

3.1 In summary, there are 305 best practice lines within the PSIAS. The Internal Audit, Performance and Risk Manager undertook a self-assessment review of conformance against the PSIAS during February 2022. The self-assessment and corresponding improvement plan was presented to the Governance and Audit Committee in March 2022.

3.2 Following validation of the self-assessment by Pembrokeshire County Council, the Internal Audit Service of Flintshire County Council generally conforms with all 305 (100%) of the requirements.

3.3 The table below summarises the results.

| Standard | | Conformance | | | Total |
|----------|--|-------------|----------|----------|------------|
| | | Yes | Partial | No | |
| 1 | Mission of Internal Audit | 1 | - | - | 1 |
| 2 | Definition of Internal Auditing | 2 | - | - | 2 |
| 3 | Core Principles | 10 | - | - | 10 |
| 4 | Code of Ethics | 13 | - | - | 13 |
| 5 | Attribute Standards | | | | |
| | 1000: Purpose, Authority & Responsibility | 20 | - | - | 20 |
| | 1100: Objectivity & Independence | 29 | - | - | 29 |
| | 1200: Proficiency & Professional Due Care | 21 | - | - | 21 |
| | 1300: Quality Assurance & Improvement Programme | 24 | - | - | 24 |
| 6 | Performance Standards | | | | |
| | 2000: Managing the Internal Audit Activity | 38 | - | - | 38 |
| | 2100: Nature of Work | 28 | - | - | 28 |
| | 2200: Engagement Planning | 52 | - | - | 52 |
| | 2300: Performing the Engagement | 15 | - | - | 15 |
| | 2400: Communicating Results | 46 | - | - | 46 |
| | 2500: Monitoring Progress | 4 | - | - | 4 |
| | 2600: Communicating the Acceptance of Risks | 2 | - | - | 2 |
| | Total | 305 | 0 | 0 | 305 |

4.0 Impact of non-compliance and steps to be taken to ensure compliance.

4.1 Any non-conformance with the Standards and their impact must be disclosed to Senior Management and the Governance and Audit Committee. There were no areas of non-conformance identified. Overall, Flintshire County Council's Internal Audit Service complies with the standards in all significant areas and operates independently and objectively.

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GOVERNANCE AND AUDIT COMMITTEE

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| Date of Meeting | Wednesday, 28 th September 2022 |
| Report Subject | Action Tracking |
| Report Author | Internal Audit, Performance and Risk Manager |
| Category | 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

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

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| 1.00 | EXPLAINING THE ACTION TRACKING REPORT |
| 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. |
| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | None as a result of this report. |

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

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| 4.00 | RISK MANAGEMENT |
| 4.01 | None as a result of this report. |

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| 5.00 | APPENDICES |
| 5.01 | Appendix A – Action Points. |

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| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | <p>None.</p> <p>Contact Officer: Lisa Brownbill, Internal Audit, Performance and Risk Manager</p> <p>Telephone: 01352 702231</p> <p>E-mail: lisa.brownbill@flintshire.gov.uk</p> |

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| 7.00 | GLOSSARY OF TERMS |
| 7.01 | None. |

GOVERNANCE AND AUDIT COMMITTEE – ACTION SHEETPresented Wednesday 28th September 2022

| 27 th January 2021 | | | | |
|-------------------------------|--------------------|---|---------------------|---|
| Agenda Item No. | Report | Action Required | Responsible Officer | Action Taken |
| 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 review on school funds has been completed. |

| 24 th November 2021 | | | | |
|--------------------------------|--|---|---------------------|--|
| Agenda Item No. | Report | Action Required | Responsible Officer | Action Taken |
| 39. | Governance and Audit Committee Self-Assessment | That preparations for the Annual Report should incorporate a review of the Committee's Terms of Reference to ensure that the remit was being met in full. | L Brownbill | This will be undertaken in preparation for the Governance and Audit Committee's Annual report in the Autumn. |
| 39. | Governance and Audit Committee Self-Assessment | That the outcomes and training requirements identified in the action plan from the self-assessment be noted and progressed. | L Brownbill | A training programme will be developed and updated to support the Committee's future self - assessment |

14th March 2022

| Agenda Item No. | Report | Action Required | Responsible Officer | Action Taken |
|------------------------|-------------------------------|---|----------------------------|--|
| 59. | External Regulation Assurance | To include progress on external actions in the Annual Report and AGS process, and to include an appendix to future External Regulation Reports. | L Brownbill | Process updated for Internal Audit Annual Report, AGS and Reporting on External Regulations. |

6th June 2022

| Agenda Item No. | Report | Action Required | Responsible Officer | Action Taken |
|------------------------|--|--|----------------------------|---|
| 5. | CIW - Assurance Check | That the Committee's thanks be extended to Social Services' teams for their work relating to the inspection and during the pandemic. | N Ayling | All staff within Social Services Adults and Children were emailed to express thanks following GAC on the 8 th June 2022. |
| 6. | AGS 2021/22 | To share information on the latest review of the Corporate Anti-Fraud Strategy with the Committee (Cllr Parkhurst's question). | L Brownbill | The Corporate Anti-Fraud Strategy together with the Anti Money Laundering Statement, Whistleblowing Policy, Fraud Response Plan and the Financial Procedural Rules was emailed to Cllr Parkhurst on 8 th June 2023 |
| 7. | Certification of Grants 2020/21 | To share information on housing benefit subsidy caseload with the Committee. | D Ledsham | Information on housing benefit subsidy caseloads was shared with committee members on 9 th June 2022 |
| 11. | Drury PS – Financial Management Arrangements | A follow up report to be scheduled for January 2023 | L Brownbill | A report on the progress made by Drury PS will be presented to GAC in January 2023 |

27th July 2022

| Agenda Item No. | Report | Action Required | Responsible Officer | Action Taken |
|-----------------|-------------------------------------|---|-----------------------|---|
| 19. | Draft Statement of Accounts 2021/22 | To clarify within the final accounts the separate legal arrangements of Theatr Clwyd as opposed to NEW Homes (Cllr Banks suggested in the chat that a brief explanation and link be included under 'Associated Companies' on p.48). | G Ferguson / C Taylor | Following a review of the Code, it would not be categorised as a relationship that gives rise to related parties. The Code states "transactions do not themselves create a related party relationship: there has to be some element of control or influence by one party over another" We do not have this with the Theatr. |
| 19. | Draft Statement of Accounts 2021/22 | To share information on financial support to local businesses and communities during the pandemic. | D Barnes | Information emailed to Committee 01/08/22 |
| 19. | Draft Statement of Accounts 2021/22 | To bring forward the November meeting to accommodate the approval of the accounts. | Committee Services | Meeting has been moved to 14/11/22 |
| 20. | Supplementary financial info to SoA | That information on the significant increase in interim/temporary contracts (Table 2) and how this compares to other councils be emailed to the Committee. | S Carney | Information emailed to Committee 04/08/22 |

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GOVERNANCE AND AUDIT COMMITTEE

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| Date of Meeting | Wednesday, 28 th September 2022 |
| Report Subject | Forward Work Programme |
| Report Author | Internal Audit, Performance and Risk Manager |
| Category | 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

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| 1 | That the Committee considers the draft Forward Work Programme and approve/amend as necessary. |
| 2 | That the Internal Audit, Performance and 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. |

REPORT DETAILS

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| 1.00 | EXPLAINING THE FORWARD WORK PROGRAMME |
| 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. |

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| 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"> 1. Will the review contribute to the Council's priorities and/or objectives? 2. Is it an area of major change or risk? 3. Are there issues of concern in governance, risk management or internal control? 4. Is it relevant to the financial statements or financial affairs of the Council? 5. Is there new government guidance or legislation? 6. Is it prompted by the work carried out by Regulators/Internal Audit? |
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1.03 Following the Committee meeting in July there are a couple of changes to the Forward Work programme. This is listed below.

| Report | Reason for Movement | Original Date | New Report Date |
|--|--|----------------|-----------------|
| External PSIAS Assessment 2022 | New to the FWP | N/A | September 2022 |
| Budget 2023/4 – Stage 2 | This was a one-off report last year | September 2022 | N/A |
| Grant Certification | This was presented to Committee in June 2022 | September 2022 | June 2023 |
| Corporate Self-Assessment Draft Report | New to the FWP | N/A | November 2022 |

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| 2.00 | RESOURCE IMPLICATIONS |
| 2.01 | None as a result of this report. |

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| 3.00 | CONSULTATIONS REQUIRED / CARRIED OUT |
| 3.01 | Publication of this report constitutes consultation. |

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|-------------|----------------------------------|
| 4.00 | RISK MANAGEMENT |
| 4.01 | None as a result of this report. |

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| 5.00 | APPENDICES |
| 5.01 | Appendix A - Draft Forward Work Programme. |

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| 6.00 | LIST OF ACCESSIBLE BACKGROUND DOCUMENTS |
| 6.01 | None. |

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| | <p>Contact Officer: Lisa Brownbill Internal Audit, Performance and Risk Manager</p> <p>Telephone: 01352 702231</p> <p>E-mail: lisa.brownbill@flintshire.gov.uk</p> |
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| 7.00 | GLOSSARY OF TERMS |
|------|--|
| 7.01 | <p>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.</p> <p>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.</p> <p>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.</p> <p>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.</p> <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.</p> |

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GOVERNANCE AND AUDIT COMMITTEE - FORWARD WORK PROGRAMME 2022/23Presented to Committee – Wednesday 28th September 2022

| Meeting Date | Agenda Item | Author |
|---------------------------------------|---|---------------------------------|
| 28th September 2022 | Commissioning Older People's Care Home Placements – Audit Wales External Assurance Report | Jay Davies / Audit Wales |
| | School Reserves – Annual Report on School Balances | Claire Homard / Liz Thomas |
| | External PSIAS Assessment 2022 | Lisa Brownbill |
| | Internal Audit Progress Report 2022/23 | Lisa Brownbill |
| | Audit Committee Action Tracking | Lisa Brownbill |
| | Forward Work Programme | Lisa Brownbill |
| 14th November 2022 | Statement of Accounts 2021/22 | Gary Ferguson |
| | Corporate Self-Assessment Draft Report | Neal Cockerton / Lisa Brownbill |
| | Climate Change and Decarbonisation Report | Alex Ellis |
| | Asset Disposals and Capital Receipts | Neal Cockerton |
| | Treasury Management Mid-Year Review Q2 2022/23 | Christopher Taylor |

| Meeting Date | Agenda Item | Author |
|---------------------|--|--|
| | Corporate Complaints – Annual Report Governance and Audit Committee Self-Assessment 2022/23 Governance and Audit Committee Annual Report Forward Work Programme Audit Committee Action Tracking | Rebecca Jones / Gareth Owens Lisa Brownbill Chair of G&AC / Lisa Brownbill Lisa Brownbill Lisa Brownbill |
| January 2023 | Treasury Management 2022/23 Q3 Update and 2023/24 Strategy Risk Management Update Code of Corporate Governance Annual Governance Statement 2021/22 – Mid-year Review Internal Audit Charter Internal Audit Progress Report 2022/23 Audit Committee Action Tracking Forward Work Programme | Christopher Taylor Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill |
| March 2023 | Annual Audit Summary (AW) (2021/22) Audit Plan (AW) | Audit Wales / Gary Ferguson Audit Wales |

| Meeting Date | Agenda Item | Author |
|------------------|---|--|
| | Treasury Management 2022/23 Q4 Update Annual Report on External Inspections 2022 Internal Audit Strategic Plan 2023/2026 Public Sector Internal Audit Standards Compliance 2022/23 Internal Audit Progress Report 2022/23 Audit Committee Action Tracking Forward Work Programme Private Meeting (AW and Internal Audit) | Christopher Taylor Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill |
| June 2023 | Certification of Grants and Returns Report (AW) Draft Annual Governance Statement Internal Audit Annual Report 2022/23 Internal Audit Progress Report 2023/24 Audit Committee Action Tracking Forward Work Programme | Gary Ferguson Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill |
| July 2023 | Draft Statement of Accounts 2022/23 Supplementary Financial Information to Draft Statement of | Gary Ferguson / Christopher Taylor Christopher Taylor |

| Meeting Date | Agenda Item | Author |
|--------------|---|--------------------|
| | Accounts 2022/23 Treasury Management 2023/24 Q1 Update and Annual Report 2022/23 | Christopher Taylor |

Biennial Reviews

| Meeting Date | Agenda Item | Author |
|----------------------|--|----------------|
| November 2022 | Financial Procedural Rules (Biennial) | Sara Dulson |
| January 2023 | Anti-Fraud and Corruption Strategy & Fraud Response Plan | Lisa Brownbill |
| January 2023 | Whistleblowing Policy | Lisa Brownbill |