

**GOVERNANCE AND AUDIT COMMITTEE**  
**2 JUNE 2021**

Minutes of the remote attendance meeting of the Governance and Audit Committee of Flintshire County Council held on Wednesday, 2 June 2021

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

Councillors: Janet Axworthy, Geoff Collett, Patrick Heesom, Joe Johnson, Martin White and Arnold Woolley

Co-opted members: Sally Ellis and Allan Rainford

**IN ATTENDANCE:**

Councillor Ian Roberts - Leader of the Council and Cabinet Member for Education, Councillor Billy Mullin - Deputy Leader (Governance) and Cabinet Member for Corporate Management and Assets, Councillor Paul Johnson - Cabinet Member for Finance, Social Value and Procurement, Chief Executive, Chief Officer (Governance), Internal Audit Manager, Corporate Finance Manager, Head of Democratic Services (for minute number 7), Civic & Member Services Officer and Democratic Services Officer

Gwilym Bury and Mike Whiteley from Audit Wales

**1. APPOINTMENT OF CHAIR**

Councillor Martin White proposed that Councillor Chris Dolphin be re-appointed as Chairman of the Committee. This was seconded by Councillor Arnold Woolley and on being put to the vote, was carried. No further nominations were received.

**RESOLVED:**

That Councillor Chris Dolphin be appointed as Chairman of the Committee.

(From this point, Councillor Dolphin chaired the remainder of the meeting)

**2. APPOINTMENT OF VICE-CHAIR**

The Chairman's nomination to appoint Sally Ellis as Vice-Chair was seconded by Councillor Martin White and on being put to the vote, was carried.

**RESOLVED:**

That Sally Ellis be appointed Vice-Chair of the Committee.

**3. COMMITTEE MEMBERSHIP**

The Committee was asked to approve changes to the Committee's membership to allow Councillors Joe Johnson and Martin White to take the places of Councillors Andy Dunbobbin and Paul Johnson following their recent

appointments to other roles. It was confirmed that both Members had completed the requisite training.

**RESOLVED:**

That Councillors Joe Johnson and Martin White replace Councillors Andy Dunbobbin and Paul Johnson on the Governance and Audit Committee.

**4. DECLARATIONS OF INTEREST**

None.

**5. MINUTES**

The minutes of the meeting held on 24 March 2021 were approved, as moved and seconded by Councillors Janet Axworthy and Joe Johnson.

**RESOLVED:**

That the minutes be approved as a correct record.

**6. CERTIFICATION OF GRANTS AND RETURNS 2019/20**

The Corporate Finance Manager introduced the Audit Wales annual report on grant claim certification for the year ending 31 March 2020. There was a significant reduction in the number of claims certified this year due to changes in external audit priorities set by Welsh Government (WG).

Of the overall grants total of £106.6m, the net adjustment to claims was a relatively small increase in the amount receivable to the Council of £133. The findings and recommendations from the report were being progressed through a series of actions contained in the agreed management action plan. Given the reduced number of grant claims, Internal Audit colleagues had been asked to review a sample of the remaining grants; those findings helped to provide additional assurance on controls, and compliance with terms and conditions.

Mike Whiteley of Audit Wales summarised the main findings and confirmed that audit work had not been impacted by two of the claims submitted after the deadline due to the emergency situation. He advised that the overall fee for the certification work was lower than anticipated and that there had been positive engagement with Council officers throughout the process. On the requirement by WG to establish the accuracy of landlord certification for Empty Property Relief (recommendation 5), discussions had taken place with officers on the approach taken by the Council which was considered reasonable and had not warranted any follow-up action.

In response to questions from Allan Rainford, Mike Whiteley summarised the sample testing method used for housing subsidy claims on which the issues were currently being resolved. Some errors on Housing Revenue Account (HRA) rent rebates were inevitable due to the number of claims and changes throughout

the year. However it was important to note there was clear evidence of ongoing training within teams to deal with those issues. In response to a query on recommendation 5 on non-domestic rates, it was reported that around 1,000 empty properties were included in the relevant section of the claim form.

On the Internal Audit review, the Corporate Finance Manager provided clarification on an issue relating to the Concessionary Travel Grant and confirmed that workforce training was in place and procedures reviewed to ensure that claims were certified at the required level.

The recommendation was moved by Councillor Martin White and seconded by Sally Ellis.

**RESOLVED:**

That the content of the Grant Claim Certification report for 2019/20 and the Internal Audit Review of Grants 2019/20 be noted.

**7. ANNUAL GOVERNANCE STATEMENT 2020/21**

The Internal Audit Manager presented the Annual Government Statement (AGS) 2020/21 which would accompany the Statement of Accounts. As requested, the approach for developing the AGS had been extended this year to include participation by Members of the Committee through a challenge workshop. The main changes to the AGS were summarised and outcomes from the workshop included agreement for further changes to the process for future years.

In welcoming the simplified format of the document, Sally Ellis gave examples of further improvements and she asked that the points raised at the workshop be more clearly reflected in the AGS. Officers agreed that comments raised at future workshops would be noted to demonstrate how they were applied.

Sally Ellis sought assurance that feedback from the workshop on the risks around a particular service were being addressed in the most appropriate way. The Chief Officer (Governance) said that this specific risk and associated mitigating actions had been identified as a strategic issue in the second part of the AGS.

The Chief Executive gave assurance that actions on this risk would be recorded in more detail and that he was leading work on scoping a performance review with the service. Whilst this was not under the remit of the Governance & Audit Committee, the Internal Audit Manager would provide support on the assessment of performance. In acknowledging the need to improve the readability of the AGS, he referred to the prescribed format and the importance of delivering the key issues within the document.

In response to questions from Allan Rainford on actions for defining outcomes in terms of sustainable economic, social and environmental benefits (Principle C in the AGS), the Internal Audit Manager provided clarification on changes implemented due to the emergency period.

On the mitigation of risks on strategic issues within the AGS for 2019/20, the Chief Executive said that information previously shared with the Committee on recovery objectives and risk management had been subject to regular review by Overview & Scrutiny. The role of the newly formed Recovery Committee would be to oversee risk management to full recovery during the next year and the recently adopted Council Plan demonstrated forward planning despite disruptions to strategy and continuity.

The Chief Officer (Governance) and Corporate Finance Manager responded to specific queries on actions taken to replenish reserve levels held by the Council and managing financial risks during the emergency period.

The recommendation was moved and seconded by Councillors Janet Axworthy and Martin White.

**RESOLVED:**

That the Annual Governance Statement 2020/21 be attached to the Statement of Accounts and recommended to Council for adoption.

**8. INTERNAL AUDIT ANNUAL REPORT**

The Internal Audit Manager presented the report which summarised the outcome of audit work undertaken during 2020/21, compliance with standards and the results of the quality assurance and improvement programme.

Based on the work undertaken by Internal Audit, the direct assurance from management and external assurance from Audit Wales, the audit opinion was that the Council had an adequate and effective framework of governance, risk management and internal control. In reaching this opinion, the Internal Audit Manager had taken into consideration a number of factors including the results of work undertaken by Internal Audit and Audit Wales. Amongst the key areas highlighted were the level of audit coverage during the year and overall position of assurance opinions and actions raised across portfolios.

The Chief Officer (Governance) said that the emergency situation had led to more proactive auditing throughout that period which contributed towards the audit opinion stated.

The Chief Executive said that the report was reassuring in demonstrating the Council's resilience in the control environment during the emergency situation and that it reflected well on the Internal Audit service which was held in high regard.

The Internal Audit Manager responded to a question from Sally Ellis about the challenges during the emergency situation and spoke about the effectiveness of moving to different ways of working. The Chief Executive's lead role on risk management during the emergency was noted.

In response to a question from Allan Rainford, the Internal Audit Manager confirmed that the deferred audits had been included in available resources within the Audit Plan for 2021/22. She provided an update on resources within her team.

Councillor Paul Johnson took the opportunity to commend the Internal Audit team for their continuity of work during the emergency period.

The recommendation was moved by Councillor Joe Johnson and seconded by Sally Ellis.

**RESOLVED:**

That the report and Internal Audit annual opinion be noted.

**9. INTERNAL AUDIT PROGRESS REPORT**

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

Since the last report, there were no Red (limited assurance) reports and only one Amber Red (some assurance) report on the loss of O Licence in Streetscene & Transportation. Following concerns raised at the previous meeting, the number of overdue actions had been reviewed and raised with the Chief Officer Team for investigation, resulting in significant progress. Whilst this was a positive outcome, the review had been time consuming for the Internal Audit team and reinforced the need for managers to keep their portfolio actions under regular review.

This action for managers would be picked up by the Chief Executive who said that the outcome demonstrated that many of the actions had in fact been completed but not confirmed as such.

Sally Ellis thanked officers for their work on this. She queried why the Amber/Red report did not appear to be included on the relevant Overview & Scrutiny forward work programme and asked that the item be referred to ensure monitoring of progress on actions. The Internal Audit Manager agreed to liaise with Overview & Scrutiny.

The recommendation was moved by Allan Rainford and seconded by Councillor Joe Johnson.

**RESOLVED:**

That the report be accepted.

**10. ACTION TRACKING**

The Internal Audit Manager presented an update on actions arising from previous meetings.

The recommendation was moved by Councillor Janet Axworthy and seconded by Allan Rainford.

**RESOLVED:**

That the report be accepted.

**11. FORWARD WORK PROGRAMME**

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

Sally Ellis referred to some items within the Action Tracking report that were due to be reported back to the Committee. The Internal Audit Manager agreed to schedule items into the forward work programme where possible, noting that some were ongoing.

The recommendations in the report were moved and seconded by Councillors Joe Johnson and Martin White.

**RESOLVED:**

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

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

There were no members of the press in attendance.

The meeting commenced at 10am and finished at 11.10am

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**Chairman**