

## **GOVERNANCE AND AUDIT COMMITTEE**

Minutes of a meeting of the Governance and Audit Committee held in Video Conference on Wednesday, 22 September 2021 at 9.30 am.

### **PRESENT**

Councillors Ellie Chard, Tony Flynn, Barry Mellor (Chair) and Rhys Thomas

Lay Member – Paul Whitham

**Cabinet Members** – Councillor Bobby Feeley Lead Member for Well-being and Independence and Councillor Julian Thompson-Hill Lead Member for Finance, Performance and Strategic Assets.

**Observers** – Councillor Meirick Lloyd Davies and Councillor Gwyneth Kensler.

### **ALSO PRESENT**

Chief Executive (GB), Head of Legal, HR and Democratic Services – Monitoring Officer (GW), Head of Finance and Property Services (Section 151 Officer) (SG), Chief Accountant (Deputy Section 151 Officer) (RE), Chief Internal Auditor (LL), Corporate Health and Safety Manager (GL), Fire Safety Manager (DJ), Head of Community Support Services (PG), Principal Manager (DS), Traffic, Parking and Road Safety Manager (MJ) and Committee administrators (SJ and RTJ).

Audit Wales representatives David Williams and Jeremy Evans had also been in attendance.

#### **1 APOLOGIES**

Apologies for absence were received from Councillor Martyn Holland.

#### **2 DECLARATION OF INTERESTS**

No declarations of interest were raised.

#### **3 URGENT MATTERS**

There were no urgent matters raised.

#### **4 MINUTES**

The minutes of the Governance and Audit committee held on 28 July 2021 were submitted.

Matters of accuracy- None

Matters arising – Page 12 - Item 8 -Strategy for the prevention & detection of fraud, corruption & bribery and the fraud response plan – The Monitoring Officer confirmed that under the Code of Conduct, Members are required to register their interests and notify the authority of any change. This applied to members and co-opted members.

Page 13 – Item 9 – Internal Audit update – Members questioned if training would be provided before the next election process. The Chief Internal Auditor stated she would request information from CIPFA to see if it would be possible to hold a training session.

**RESOLVED** that subject to the above, the minutes of the Governance and Audit Committee held on 28 July be received and approved as a correct record.

## **5 ANNUAL CORPORATE HEALTH AND SAFETY REPORT**

The Lead Member for Finance, Performance and Strategic Assets introduced the Annual Corporate Health and Safety report (previously circulated). Members were informed the report contained a glossary of terms, assessment of 3 key areas and how the service had continued during Covid-19. The Lead Member stated the overall assessment for the health and safety team had been given medium assurance, with a good history of health and safety works in Denbighshire.

The Corporate Health and Safety Manager (CHSM) guided members through the Annual Health and Safety report. The first section of the report included the assessment of the health and safety performance in terms of how the culture works, a medium assurance rating had been provided. It was the opinion of the CHSM that Denbighshire had responded well to the restrictions and changes imposed on the service.

The Safety Health and Welfare culture in DCC had been on a continuous improvement path for a number of years. The most recent improvement was in employee involvement. This had the potential for a significant positive impact on “safety culture”.

Members heard that the Health and Safety team responded rapidly to government regulations and guidance. Risk assessments and safe working procedures were developed as soon as practicable and reflected the rapidly changing position. Work alongside the HSE guidance and Welsh Guidance ensured regulations were met. DCC’s approach to managing the risk from Covid – 19 was assessed as a high assurance.

It was highlighted that throughout the year 2020/21 none of our RIDDOR incidents were formally investigated by the HSE.

The CHSM highlighted improvement had been noted in many areas the main being found in:

- Schools.
- Community Support Services (CSS).
- Denbighshire Leisure Ltd.

- Waste management and collection.

Members were guided through the points of note during 2020/21, the main being the Covid-19 pandemic. The focus on one subject allowed the organisation to respond well to the changes. This opinion was concurred by the HSE.

Schools had been a media feature during the pandemic with guidance changing a number of times during the year. Every school in Denbighshire completed and shared a covid-19 risk assessment.

It was stressed Waste Management and Collection services had also performed well during the difficult time.

The HSE position was reflected in all guidance documents and communications relating to managing the risk from Covid-19 in our workplaces.

HSE carried out a number of Covid compliance spot checks in DCC workplaces throughout the year. No issues were raised during the checks.

The importance of Hand Arm Vibration monitoring was still a priority for the team. Members were provided with a detailed list of all the areas of work the Corporate Health and Safety were involved with. The timetable for work for 2021/22 had been included in the pack for members' information.

The Chair thanked the CHSM and the team for all the hard work that had been undertaken during the year and praised the work of the team to maintain a good standard of assessments.

#### **General debate –**

- The support from senior management and engagement is important.
- No evidence to suggest an increase in slips, trips and falls resulted from individuals not using handrails or support aids.
- The importance of physical training was vital in development of individuals.
- With any RIDDOR report an investigation was carried out, based on the information on the incident report. All the cases in the papers would have been investigated. Further training can be provided if needed. The team will ask all the necessary questions to resolve an incident.
- If a road traffic accident involved RIDDOR, we are included in the investigation. If no RIDDOR involvement, it is the police that would be involved. The Fleet manager would also be included along with the Road Risk Advisor.

On the incident report there was a section for the service manager to make comments.

Members and observers wanted to thank the CHSM for his dedicated work and detailed report.

**RESOLVED** that, the Governance and Audit Committee receive the report, note its contents and endorse the Corporate Health and Safety team Work plan for 2020/21.

## 6 ANNUAL FIRE SAFETY REPORT

The Lead Member for Finance, Performance and Strategic Assets introduced the annual fire safety report (previously circulated) to members. The report formed an element of the safety work carried out by Denbighshire. Within the report details the different types of fire risk assessment and information on some of the key performance indicators.

The Fire Safety Manager thanked the Lead Member for the introduction. It was confirmed that an increase in assessments conducted over the last 12 months had been made. The introduction of a new staff member to assist in making appointments with sites to conduct assessments had greatly improved the service. Regular meetings took place to ensure all needed assessments are completed on time.

Members were reminded that there were 3 categories of Fire Risk assessments. With care homes being the highest risk along with schools. Due to the Covid pandemic a number of physical site visits had been unable to take place. Desk top audits of paperwork had taken place.

Work with the housing service to risk assess communal areas of housing, currently assessments take place every 2 years but may need to be changed to annually. Members were also informed that an additional 28 sites would need assessments within multi applicant buildings, all of these had been scheduled for completion.

The Chair thanked the Lead Member and officer for the report. During the debate officers expanded on key areas of discussion:

- The Key priorities for 2021/22 had been developed as the programme of work had progressed and areas of where the service could be developed.
- Training on fire extinguisher equipment was currently being discussed with facilities.
- It was confirmed that non Denbighshire buildings are included in the assessment programme. The landlord would be responsible for conducting fire risk assessments of domestic buildings.
- The virtual meetings had only taken place during the lockdown, physical visits had since resumed.
- It was the responsibility of the occupant of retail or lease properties to provide copies of the fire risk assessments to the service.
- The intention within schools was for the nominated building manager or Head teacher to regularly monitor the fire risk assessment and provide information of any changes to the service.

Members,

**RESOLVED** that the Governance and Audit Committee receive the Fire Safety Annual report and note its contents.

## 7 DRAFT STATEMENT OF ACCOUNTS

The Lead Member for Finance, Performance and Strategic Assets introduced the Draft Statement of Accounts 2020/21 (previously circulated), the report provided an overview of the draft Statement of Accounts 2020/21 and the process underpinning

it. Presenting the draft accounts provided an early indication of the council's financial position and highlighted any issues in the accounts or the process prior to the accounts being audited.

It was confirmed to members that in order to accommodate both DCC and Audit Wales timetable the extended deadline for this year's accounts had been adopted. The attached report was the draft Statement of Accounts; the final Statement of Accounts would be presented back in November 2021 for sign off by the committee.

The Head of Finance and Property Services reminded members that a report had been submitted in July to explain the circumstances with the delay in completion of the draft statement of accounts. The group accounts could not be fully completed due to delays in receiving DLL accounts. A report in the new year would be presented to the committee to assure members the schedule of work for the next financial year would be back on track.

Within the report the statutory deadline dates of 31<sup>st</sup> May 2022 and 31<sup>st</sup> July were stated. Members heard Welsh Government send out a directive providing instructions of the course of action required if those dates could not be met.

The Final Statement of Accounts would be presented to the committee at the 24 November 2021 meeting. It was noted that no concerns had been raised to date from the Audit.

The Head of Finance and Property Services highlighted the key points in the report including the new section of Group Accounts. It was confirmed that DLL complete its accounts separate to DCC and have their accounts audited separately to the accounts of the authority. Once completed the accounts were included in the overall report.

Further information was provided on the Narrative Report. This section summarised the position of the council, providing a link to the Final Outturn report which provided details of the management of accounts and performance.

The Head of Finance and Property Services stressed the year had been a worrying year, and confirmed a Covid mitigation strategy had been presented to Cabinet at the earliest opportunity. Which contemplated the worst case scenario if no government funding was offered.

The budget setting for the next financial year, the balance sheet remained in a positive position.

It was confirmed that the statement of accounts had been publically available for questions and comments from 2<sup>nd</sup> September 2021 and would close on 29<sup>th</sup> September 2021.

The Head of Finance and Property Services wanted to thank all for work that had been undertaken in completing the Draft Statement of Accounts. Members were introduced to Rhian Evans, Chief Accountant, who had taken the lead on the detail included in the Statement of Accounts. He offered his thanks to Rhian and her team for the work involved in producing the report.

Members wanted to echo the thanks to the finance officers and audit team for the detailed work involved in the Draft Statement of accounts.

During the discussion the following was discussed in more detail:

- The total underspend was £9.5m of which £7m was schools related. School balances are treated differently to other services in Denbighshire. The school underspend had resulted from grants received later in the school year and genuine underspends from schools as buildings remained closed. The underspend observed would be carried forward in school budgets to the next financial year. The remaining underspend had been made up from earmarked reserves £1.6m from services underspend and the £721k which was the moved into the Budget Mitigation Reserve.
- Denbighshire County Council are the sole shareholder of Denbighshire Leisure Limited. An agreed management fee was confirmed at the beginning of each year and was not set to change. DLL would have to fund any inflationary increases. Any changes to the governance arrangements would follow the necessary procedures.
- Grant income received last year from Welsh Government had been emergency financial help to help cope with the impact of covid. At the beginning of the year, Welsh Government gave the full recompense for the full impact for the reduction in car park income. Later in the year it became a local authority decision to charge for parking and financial funding was reduced. This financial year no support for a reduction in parking income from Welsh Government was to be received. The income generated from car parks was reinvested into car parks in the authority.
- When DLL was created the Strategic Governance Board was established to scrutinise DLL. The board oversees the relationship between DCC and DLL and had the power to refer items to scrutiny.
- Audit Wales representatives assured members Audit Wales hoped to present the completed Audit in the November committee meeting.

The Chair thanked members and all officers for the detailed discussion.

**RESOLVED** that the Governance and Audit Committee note the position presented within the Draft Statement of Accounts 2020/21.

## **8 SUPPORT BUDGETS & DIRECT PAYMENTS- FOLLOW UP REPORT**

The Chief Internal Auditor (CIA) guided members through the follow up report (previously circulated). The report provided members with an update on the progress in implementing the action plan that accompanied the Internal Audit report on the Support Budgets & Direct Payments (to adults) dated August 2019 which was first presented to this committee in September 2019.

The first follow-up review concluded in April 2021, it was noted that due to the impact of Covid-19 and the pressures affecting the service, some major risk actions had still been outstanding, therefore the assurance rating increased to medium. A second follow up review had been carried out during August 2021, to ascertain progress made to date. The audit opinion stated that while there have been delays in progressing with some of the outstanding actions due to the ongoing impact of Covid-19 and resulting pressures that have been put on the service, progress was being made with the remaining actions. A further two actions had been completed

since the first follow up review, and the remaining four actions were progressing and the service anticipate that these would all be completed by the end of October 2021. Confirmation that one of the four outstanding actions had been completed since the publication of the agenda report.

A further follow-up had been scheduled to take place in November 2021.

The Principal Manager reiterated that work on the outstanding actions continued and was on plan to be completed within the timescales.

Members agreed that an update report be included in the standing Internal Audit report presented to committee following the next follow up report.

**RESOLVED** that members note the contents of the follow up report of Support Budgets & Direct Payments and an update be included in the Internal Audit standing item report following the next review.

## **9 PARKING INCOME - FOLLOW UP REPORT**

The Chief Internal Auditor (CIA) guided members through the follow up report (previously circulated). The report provided members with an update on the progress in implementing the action plan that accompanied the Internal Audit report on the Parking Income dated November 2020 which was presented to this committee in November 2020. It was a medium assurance rating and members requested a follow- up review.

Confirmation that 5 of the 10 agreed actions had been completed and implemented. The 5 remaining were in progress, details of which were included in the report. Internal Audit officers were pleased with the work that had taken place and confirmed that a further follow up was scheduled for November 2021.

The Traffic, Parking and Road Safety Manager confirmed that 5 actions had been completed. The remaining 5 actions had been delayed due to pressures put on the system due to the covid-19 pandemic. Members heard that meetings had been scheduled to progress the outstanding actions.

Members thanked the officers for the detailed report and update to the Internal Audit report.

The Chief Internal Auditor confirmed that the results from the next follow up report would be included in the standing Internal Audit report.

**RESOLVED** that the committee note the follow up report and an update be included in the Internal Audit standing item update report following the follow up review on Parking Income.

## **10 AUDIT WALES PERFORMANCE REPORT**

The Chair welcomed Jeremy Evans from Audit Wales to the meeting to present to members the Q1 Audit Wales work plan.

Members were guided through the report (previously circulated). It was explained to members the Audit work plan and timetable was a new initiative introduced by Audit Wales to ensure Governance and Audit committees across Wales have sight to the Audit Wales work of the work delivered by Audit Wales.

The report included the full programme of work conducted by Audit Wales including Financial and Performance Audits. It was confirmed that this report would be issued to the committee quarterly for discussion.

The Chair thanked the Audit Wales representative and thanked him for the clear report. Members were pleased to note the report and it to be included on the FWP quarterly. Members asked what and how they would identify any reports that would need further discussion by the committee.

The Monitoring Officer confirmed members could request further details of any report that they feel would assist in identifying areas within the authority that members wanted to concentrate on.

Jeremy Evans stated Audit Wales could assist the committee on reports that had content the committee needed to be aware of. The reports do vary with relevance to Denbighshire.

Members thanked the officer for the report.

**RESOLVED** that members note the contents of the report.

## **11 GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME**

The Governance and Audit Committee's Forward Work Programme (FWP) was presented for consideration (previously circulated).

It was agreed to amend the FWP as following:

- A change to the title on the November meeting to include the proposed amendments to the terms of reference for the committee in line with the Local Government Elections Wales Act requirements.
- Members agreed that medium assurance internal audit updates could be included in the Internal Audit update report.
- Financial resilience be included on the November FWP
- North Wales Economic Ambition Board accounts and audit, as one agenda report for information in November 2021.
- Reports on the changes to the constitution would need to be scheduled into the January, March and April 2022 meetings.
- Members agreed for a report on complaints be included on the FWP for January 2022.
- The Annual Governance Statement action plan be included on the January agenda.

**RESOLVED** that, subject to the inclusion of the above additions the Governance and Audit Committee's forward work programme be noted.

**The meeting concluded at 12 noon.**