

CORPORATE GOVERNANCE AND AUDIT COMMITTEE

Minutes of a meeting of the Corporate Governance and Audit Committee held in by video conference on Wednesday, 18 November 2020 at 9.30 am.

PRESENT

Councillors Mabon ap Gwynfor, Tony Flynn, Martyn Holland (Vice-Chair), Alan James, Barry Mellor (Chair) and Joe Welch.

Lay Member – Paul Whitham.

Observers – Councillors Meirick Lloyd Davies and Gwyneth Kensler.

ALSO PRESENT

Councillor Julian Thompson-Hill, The Lead Member for Finance, Performance and Strategic Assets, Councillor Huw Hilditch-Roberts, Lead Member for Education, Children's Services and Public Engagement.

Head of Legal, HR and Democratic Services Monitoring Officer (GW), Head of Finance and Property Services (Section 151 Officer) (SG), Chief Internal Auditor (LL), Wales Audit Officers (DW, MB and DW), Corporate Director Communities (NS), Senior Auditor (LH), Principal Manager (JW), Strategic Planning & Performance Team Leader (IM), Committee Administrator (RTJ)

1 APOLOGIES

No apologies were received.

2 DECLARATION OF INTERESTS

None.

3 URGENT MATTERS

None.

4 MINUTES

The minutes of the Corporate Governance and Audit Committee meeting held on 9 September 2020 were submitted.

Matters of accuracy –

- The translation of the document was raised as there were some errors.
- Lay member Paul Whitham noted his attendance was not recorded within the minutes.

Matters Arising –

- Page 12 members queried whether there had been continued payments to other services as there had been with school transport. The committee were informed that it was the only similar decision taken by the Council.

RESOLVED that the minutes of the meeting held on 9 September 2020 be received and confirmed as a correct record.

5 INTERNAL AUDIT UPDATE

The Chief Internal Auditor presented the Internal Audit Update (previously circulated) the report provides an update for Corporate Governance and Audit Committee on Internal Audit's latest progress in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement. It also includes an update on progress with the CIPFA Good Practice for Audit Committees.

As a result of the coronavirus pandemic emergency, a key focus for the team had been providing advice and support to new activities and changes to arrangements that the Council was having to implement at pace to respond to the pandemic. Operationally, the Council has had to react quickly to rapidly changing circumstances, which has had an impact on the pace and progression of some of our audits. The audit team would continue to carry out audits and 2020/21 planned work with good engagement from services.

In addition to the planned audit work, the team had also been assisting the Council with grant payments (e.g. free school meals, social care workers bonus payments and business rate grants) through provision of support and advice. The team had also supported the Council's Test, Trace and Protect (TTP) Team in response to the Covid-19 pandemic, with a Senior Auditor seconded to the team.

Appendix 1 showed the impact on progress against the Audit Plan for 2020/21 in part due to temporary reduction in audit resource due to the redeployment and subsequent secondment of one Senior Auditor to the TTP team (from June 2020), and one Auditor retiring in October 2020. The audit team were currently advertising for a Senior Auditor for a 12 month temporary contract to backfill for the Senior Auditor and there remained uncertainty whether the council would support the recruitment into the vacant Auditor post. The Audit Plan would remain under review, as would the utilisation of available internal audit resource, in the context of the Council's ongoing response to the Covid-19 pandemic and to ensure we continue to focus our work on areas of greatest risk to the council.

As indicated previously, a reduction in resource would mean that the following projects would no longer be completed in 2020/21. These areas would continue to be assessed and high priority areas would be carried forward to the Audit Plan for 2021/22:

- Community Mental Health Team – on hold until 2021/22 by request of BCUHB
- Deprivation of Liberty Safeguards (DOLS) – on hold until WG guidance released
- Adoption Service – on hold. Wrexham CBC (host authority) also plan to audit.
- Youth Service – on hold
- Works in Defaults – no longer a priority
- Workforce Development – carry forward to 2021/22
- School Audits – on hold, carry forward to 2021/22
- Heritage Services – no longer a priority
- Additional Learning Needs – carry forward to 2021/22
- Empty Homes – no longer a priority
- Commercial Waste – on hold
- Exceptions and Exemptions with CPRs – on hold
- Equalities / Wellbeing and Impact Assessments – on hold

The senior auditor presented the review of Direct Payments as this area had not been reviewed for some time and as part of the proactive counter fraud measures. This review provided assurance for senior managers within the Education & Children's Services (ECS), the Annual Internal Audit Report and Annual Governance Statement.

The audit team had previously carried out a review of support budgets and direct payments within Community Support Services (CSS), which was reported to Corporate Governance & Audit Committee in September 2019.

Staff within the Children with Disabilities team have been provided with training on direct payments, but the Service would benefit from having documented guidance to ensure staff were clear of the process and it is followed consistently. It is planned for this to be coordinated with the CSS to produce common guidance for direct payments. Similarly, the Service did not have documented guidance for parents or carers, instead commissioning a third party provider to supply this information and advice to citizens.

Officers responded that they acknowledged internal audit for improvement, however the legislation makes certain things difficult, such as control of those who were in receipt for the money. The families who the audit team worked with were through an intervention method, with children with disabilities there were further challenges, there was no significant reason to go through all the process, however if social workers needed to see the information, they could receive the information.

General Discussion –

- The committee queried whether the NRF grants within the AONB were audited. Officers responded by informing the committee that there had been an audit of the AONB, however grants could be included in any future audits.

- The acronym for PLASC was queried and what it meant, officers clarified it stood for pupil level annual school census – it was the pupil and school level data.
- Members highlighted concerns with parking income, although the current circumstances with COVID made it difficult to audit. There have been issues raised with income, new arrangements for collecting cash had been put in place. There was also changes with payment method, through phone and card. Members requested that a further report be brought back to committee to assure that required improvements have been made given previous low assurance report in this area a few years ago.
- The committee raised the strain on the audit team, and whether the officer who was relocated to the track and trace team whether they could be moved back to audit. The officers clarified that Bob Chowdhury was redeployed in June, he oversaw the contract tracing and advising those on the phones. In September there was budget available, this was external, the auditor was named lead with the tracing and Welsh Government had covered the cost.
- The committee wanted to ensure that the importance of the audit team was noted with the budget savings process of the council, to ensure no additional strain to the department.
- In response to the Direct Payments report members agreed the matter was a complex one and it would be beneficial for a full report to be presented to the committee in the spring, alongside case studies for members to have a better understanding.

RESOLVED – *that*

- The committee note the Internal Audit's progress and performance.*
- The Committee recommended that resources available to the Chief Internal Auditor should not be reduced.*
- The Internal Audit of Direct Payments for Children report be brought back to the committee in 2021.*

6 CARE INSPECTORATE WALES (CIW) LOCAL AUTHORITY PERFORMANCE REVIEW APRIL 2019 - MARCH 2020

The Corporate Director Communities presented the Care Inspectorate Wales (Ciw) Local Authority Performance Review (previously circulated). The report sets out the key issues arising from the Care Inspectorate Wales (CIW) review of Denbighshire County Council's performance in carrying out its statutory social services functions

The meetings which would have been carried out with CIW was not possible due to COVID pandemic. Overall officers were happy with the review. Past reviews had highlighted adult care, however the current report highlighted the improvements which had been carried out from past reviews.

The content of this letter was informed by the performance evaluation activity undertaken by the inspectorate during the course of the year. This activity included:

- inspection of older adults services – May 2019
- meetings with senior managers
- focused activity in adults services – January 2020

- engagement activity with older adults services
- focused activity in children's services December 2019
- feedback/intelligence received
- review of performance information

Some of these issues had slipped however there was constant dialogue with the CIW.

The committee commended the letter, however they highlighted some areas, especially with regard Welsh Independent Living Grant (WILG) and the potential loss of independence of those receiving the grants, as the issuing of the grants were passed from Welsh Government to local government. Could the Council ensure that people would not lose their independence. The recruitment of Welsh speakers was highlighted as being challenging, how Denbighshire could ensure that Welsh speakers are attracted to the sector.

The WG undertook a review of those who received the WILG and had these changes had been carried out with those receiving the grant, within Denbighshire the system was good and some packages were reduced with agreement of those receiving the grants. There were challenges with recruitments with the Welsh language however the Council encourage staff to improve any skills with Welsh. We acknowledge the challenge and would always strive to be better.

RESOLVED that the Corporate Governance and Audit Committee note the content Care Inspectorate Wales (CIW) Local Authority Performance Review April 2019 - March 2020

7 SOCIAL SERVICES BUDGETARY COST PRESSURES

Welsh Audit officer David Wilson presented the Audit Wales Report – Social Services Budgetary Cost Pressures (previously circulated).

This report summarised the Audit Wales Report of the Social Services Budgetary Cost Pressures in Denbighshire and provided officers' responses to the Proposals for Improvement

In February 2020, Wales Audit Office (now Audit Wales) undertook a review of the commissioning and administering arrangements of care homes for older people. The final report was issued in August 2020 and reached the conclusion that the Council has been unable to maximise the potential benefits of partnership working when commissioning and administering residential and nursing home care placements.

The Social Services and Well-being (Wales) Act 2014 (SSWBA) came into force on 6 April 2016. 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 by 6 April 2018. During Audit Wales's fieldwork, we were made aware that the Welsh Government was undertaking a review assessing Regional Partnership Boards' progress in implementing pooled funds. We understand that the Welsh Government would be

making recommendations to strengthen and improve the existing arrangements. Denbighshire requested the deadline be extended and it was extended for one year.

The Corporate Director Communities felt it was important for the committee to see the report, and acknowledged the matters raised, the issues raised were not Denbighshire's alone, and therefore could not be dealt with by Denbighshire alone, with regards to the pooled budget partnership working, we recognised that it had proved difficult.

The Head of Finance also added that the arrangements have been in place since last financial year, and the cost of administrating the money and not the money itself. These processes had been tested robustly during the COVID pandemic, the matter has been a learning curve, and the region wishes to go further with the matter.

General Debate –

- Members were grateful for the report and agreed with numerous points within the Audit Wales report, the matter of moving money around within the partnership seemed as an unnecessary exercise. Officers responded that due to the movement of the money the partnership had a more financial data and could implement upon decision making.
- The committee highlighted the uncertainty of the role Betsi Cadwaladr University Health Board (BCUHB) had throughout the whole process. BCUHB were members alongside the other 6 North Wales Councils, they were to assess how the money was spent as a collective, and the aim was for better integrated working and the use of resources.
- The committee highlighted that there were two issues, the money being moved and the feeling it was an unneeded exercise, and what was the end aim of the partnership work. The Audit Wales officers responded the matter was not going to be left alone, the matter was in the audit plan for 2021, starting to look at the issues with social services and get a better understanding of the issues.
- The committee queried whether there would be a follow up report, the timeframe for this piece of work was uncertain, the people who Audit Wales want to speak with were currently battling the second wave of the pandemic, with COVID need to be flexible with the matter, would likely report back in the summer.

RESOLVED that Corporate Governance and Audit Committee note the content of the report and request a follow up report be brought back to the committee in 2021.

8 CORPORATE RISK REGISTER REVIEW SEPTEMBER 2020

The Strategic Planning & Performance Team Leader presented the Corporate Risk Register Review, September 2020 (previously circulated).

The Corporate Risk Register was developed and owned by SLT alongside Cabinet. It was formally reviewed twice yearly by Cabinet at Cabinet Briefing. Following each

formal review, the revised register was presented to Performance Scrutiny Committee, and was shared with Corporate Governance. The last review was undertaken in February 2020. The Corporate Governance and Audit Committee have a responsibility to be satisfied as to the robustness of processes in place to manage risk within the authority.

Based on feedback from officers, and coinciding with the application of new accessible templates, we have made the Risk management guide more explicit in how risk scoring relates to the escalation criteria, and then in turn the level of risk severity that we are willing to accept within each risk appetite criteria. For example, a cautious appetite means we will only tolerate minor or moderate risks. Our new scoring matrix and appetite summary can be seen in appendix 3, as well as in the Risk

During our discussions with Management Guide risk owners over the February and this September review, it had become clear that risks concerning Safeguarding did not sit comfortably within a cautious appetite for Compliance and Regulation. Following agreement with the Senior Leadership Team, a new category has been included to cover Safeguarding, where our appetite was minimalist. This addition can be seen in appendix 3 to this report, but also within the Risk Management Guide.

During this latest review, the impact of Covid-19 has been forefront, and a number of risks had been updated to reflect the impact thus far and future implications. Some risks have seen their scores increase in severity as a result.

General Debate –

- Members were concerned with the new risk, risk 46 – Failure to progress the replacement Local Development Plan (LDP) to adoption. Where would that leave us as a Council, lastly there had been a form of extension granted by WG, the longer the process went on the less relevant the previous LDP would be. Work was ongoing with the LDP and timescales had been changed.
- Risk 1 were County lines considered as a risk as it was growing. Risk 14 accident registers and schools and as they're autonomous should they be the register. Risk 41 fraud and grants and what has been managed, Risk 44 the ash dieback risk, the council were already losing trees, and who owns the trees. Responding officers clarified that county lines would be raised with the risk owner to include it, risk 14 it would not be included, however the authority did cover safeguarding in schools. The ash dieback risk was being mapped by the newly appointed tree officer and to progress discussions with landowners.

RESOLVED *that the Corporate Governance and Audit Committee endorse the changes made to the Risk Management Guide, including the addition of Safeguarding to our Risk Appetite Statement.*

The Head of Legal, HR and Democratic Services presented the Annual Report of Corporate Governance Committee (previously circulated) to seek Members' approval of a draft report to be submitted to Council in respect of the Committee's work for the municipal year 2019/2020.

The Constitution requires that the Committee prepares and submits a report each year to the Council on the Committee's performance and effectiveness.

The draft report attached seeks to set out the main issues that the Committee has considered during the Municipal Year 2019/20 and the recommendations made by the Committee.

The draft report explains the role of the Committee, the standing items that it considers, and some of the important issues that it has considered during this period. Members are asked to consider whether the content of the report reflects the work of the Committee and make any suggestions to improve the style and content of the report.

General Debate –

- Members suggested the following changes should be carried out in the report –
 - 4.4.2 Should have noted that fire safety was its own report.
 - 4.4.5 The whistleblowing report not yet been received.
 - 4.7.6 The charter, and when it would be accepted as the original meeting has been cancelled.
- Members were assured the matter were raised were being looked into however the whole situation with the pandemic made things difficult.
- Members raised that the audit team's contribution and work should be noted within the report, the Head of Legal, HR and Democratic Services could include another paragraph to highlight this. However it was clarified that usually there was additional notes to the chair to also recognise the work which has been carried out by the audit team whilst presenting at full council.

RESOLVED that the Corporate Governance and Audit Committee approve the Annual Report of Corporate Governance Committee and its submission to Council following the above points raised.

10 ANNUAL RIPA REPORT

The Head of Legal HR and Democratic Services presented the Annual RIPA report (previously circulated).

The Council has the power to undertake certain surveillance activities where it considers that these are necessary and proportionate for the prevention and detection of crime or for the prevention of disorder. These activities include obtaining access to communications data, directed surveillance and the use of a covert human intelligence source. These activities are defined in more detail in the Council's Corporate Policy and Procedures.

There have been no applications for authorisation of surveillance activity in the period covered by this report which is the period from the date of the last annual report on 5th June 2019 and the writing of this report.

RESOLVED that the Corporate Governance and Audit Committee receive and note the Annual RIPA report.

11 CORPORATE GOVERNANCE COMMITTEE WORK PROGRAMME

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

Officers apologised to members that the FWP looked rather sparse, however the standing report would be added.

- A parking income report would be brought back to the committee either in September or November 2021.
- Social Services Budgetary Cost Pressures to be brought back in September or November 2021.
- The annual whistleblowing will be coming in Jan and would cover longer period time.
- The Early Budget Process would be hopefully be presented to the committee in April.
- The Draft Statement of Accounts was planned for June and the final statement was planned for July.

RESOLVED that Corporate Governance and Audit Committee's forward work programme be noted.