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GOVERNANCE AND AUDIT COMMITTEE

Minutes of a meeting of the Governance and Audit Committee held via video conference on Wednesday, 16 March 2022 at 9.30 am.

PRESENT

Councillors Ellie Chard, Tony Flynn, Martyn Holland (Vice-Chair), Barry Mellor (Chair) and Rhys Thomas

Lay Member – Paul Whitham

Cabinet Members - Councillor Bobby Feeley Lead Member for Wellbeing and independence.

Observers – Councillor Meirick Lloyd Davies and Gwyneth Kensler

ALSO PRESENT

Head of Legal, HR and Democratic Services Monitoring Officer (GW), Head of Finance and Property Services (Section 151 Officer) (SG), Chief Internal Auditor (LL), Corporate Director: Communities (NS), Interim Head of Community Support Services (DS), Principal Manager - Support Services (AL), Statutory & Corporate Complaints Officer (KR), Chief Digital Officer (BE) and Committee administrators (SJ and SLW).

Audit Wales representatives David Wilson and David Williams were in attendance.

1 APOLOGIES

Apologies for absence were received from Councillor Huw Hilditch-Roberts Lead Member – Education, Children's Services and Public Engagement.

2 DECLARATION OF INTERESTS

Lay Member Paul Whitham declared a personal interest in agenda item 8 – Lat Members of the Governance and Audit Committee, as he was a current serving Lay Member of the committee.

3 URGENT MATTERS

No urgent items were raised.

4 MINUTES

The minutes of the Governance and Audit committee held on 26 January 2022 were submitted.

Matters of Accuracy – None

Matters arising – Lay member Paul Whitham – Minutes – Page 8 – asked if any issues raised in relation to the Contract Procedure Rules by CET would be presented back to the committee. The Monitoring Officer confirmed that any discussions raised at CET would be included in follow up Internal Audit reports presented to Governance and Audit Committee.

Page 12 - Internal Audit Follow Up - Project Management of Queen's Building – Members asked if the report presented to Cabinet was on Queen's building or contingency. The Monitoring Officer confirmed a report was presented to Cabinet in February regarding the project requiring extra funding. Members also heard a report had been presented to cabinet the previous day to request delegated authority to enter into the construction contract.

Councillor Martyn Holland- Page 12 – Project Management of Queen's Building – Asked for clarity that the contract for Verto had been signed. The Chief Internal Auditor confirmed enhancements to the Verto system had been agreed and work continued on the system and roll out for officers to adopt. It would provide better reporting and improved system facilities for project management.

RESOLVED, subject to the above that the minutes of the Governance and Audit committee held on 26 January 2022 be received and approved as a correct record.

5 REVIEW OF COMMISSIONING OLDER PEOPLE'S CARE HOME PLACEMENTS

David Wilson - Audit Wales representative, introduced the regional report (previously circulated) to members. He informed members the regional work had been carried out to assess how partners worked together and separately in the commissioning of care home placements for older people. The field work was conducted in February/ March 2021. He informed members Councils and Health boards were responsible for commissioning care home placements they do so within legislative and policy frameworks set out by Welsh Government. Key messages from the research was drawn together and illustrated the framework was encouraging a way of working that was impacting on health and social care professionals and the people that they served. From this research Audit Wales conducted two reports- one for Welsh Government and the second for North Wales Councils and Betsi Cadwalader University Health Board.

Members were guided through the main concerns raised by Audit Wales during the review. It was stressed Audit Wales had challenged Welsh Government to look at some of the key legislative requirements as they undertake a review of current policy to resolve some of the concerns raised from the Audit Wales report.

In conclusion the Audit Wales representative stressed the importance for partners to review the role they play in the process. Members need to be assured that public money was being spent wisely and work towards working building a more sustainable care sector with provision for the type of care needed.

Members heard 5 recommendations had been presented to Councils and Health Boards. Members were guided through the recommendations as set out in the covering report. All the reports produced by Audit Wales and Officers had been attached to the agenda for members information.

The Interim Head of Community Support Services guided members through the management response to the proposed recommendations detailed in the reports. He guided members through the proposals and officers responsible. It was stated the review of the pre-placed agreements would take some time, with the restrictions resulted from Covid work is taking a bit longer. Members were reminded that there was a number of alternative to residential and nursing care for the residents.

The Lead Member for Wellbeing and Independence thanked the Audit Wales for the report. She stressed to members the local pressure of staffing levels in the care sector.

The Chair thanked all officers for the detailed report and appendices. It was very well detailed and provided members with a lot of information.

The following points were discussed in further detail:

- A number of processes were undertaken to produce the findings of the report. Communication with authorities was vital to achieve an agreed outcome and recommendations. An emphasis on the role Welsh Government policy and legislation was stressed within the report.
- It was noted within the report a number of positive, good practice areas was found. As a region a number of areas were demonstrating good practice and potentially sector leading in areas. The relationship with providers across a large geographical area and complex system was very good. Officers felt the second draft was more demonstrate of the positive aspects and more of a balanced review.
- A previous report had been presented to committee on pooled fund arrangements. An arrangement was in place which Denbighshire administrated. Quarterly the other local authorities and health board completed a transfer for the amount of money they had spent on residential and nursing care. The funds were then sent back to each party from Denbighshire. Denbighshire received funds to cover the administration of costs. The arrangement is very complex and difficult to explain to a member of the public. The Audit Wales representative stated included in the report to Welsh Government had been a challenge for them to make it clear to the public sector the benefits of such arrangements. The Corporate Director stressed both the complexities and positive aspects of pooled budgets.
- Members noted the complexity around the structure chart that fits around the operation of the RPB. Part of the complication was due to North Wales being one of the biggest RPB's with 6 local authorities and a health board.
- Placements in neighbouring authorities and England does happen, the aim is always to place individuals close to family if placements are available. Officers stressed the importance of communication between the family, individual and practitioner took place and account of all opinions.
- A report on the development of the new population needs assessment had been presented to Scrutiny and then reported to Cabinet. Providing members the opportunity to comment on the assessment.
- The risk register reflects the issues raised in the report. It was felt the issues raised were well sited issues around commissioning, the workforce and having resources. Members were informed in addition to the corporate risk

register there was a service risk register which the Interim Head of Community Support Services reviewed on a regular basis.

The Chair thanked all the officers for the detailed response to members concerns. It was noted a lot of work had been undertaken with the reports both to Welsh Government and North Wales Councils and partners.

RESOLVED that members note the recommendations made by Audit Wales within the report. Members requested that regular updates be presented to the Committee when a detailed update is available.

6 CONSTITUTION UPDATE

The Monitoring Officer (MO), introduced the Constitution Update report (previously circulated) to the committee.

Members heard the report set out the legal position required by the Local Government Act 2000 for every local authority to hold a constitution. The Local Government and Elections Wales Act had made a number of changes to the law relating to local authorities, which required a number of changes to the current constitution. It was confirmed under the terms of the constitution; the MO had delegated authority to make changes that are required to comply with legal provisions and Cabinet/Council decisions. The main changes were listed in 4.4 of the covering report with further details listed in the appendices. Members were guided through the appendices that detailed all the changes to the constitution proposed.

Members thanked the MO for the detailed explanation of all the changes. During the discussion the following points were expanded upon:

- The petition scheme was scheduled to be drafted and presented to Council in May 2022. It would be made available online for all.
- The MO confirmed members part of the role of the Standards committee was to observe meetings. The Denbighshire Standards Committee had focused on visiting City, Town and Community Councils. There would not be a right to speak at those meetings unless invited to do so.
- Members attendance at meetings will still be recorded and made public each year. Signing in to the building was still enquired by members attending the meeting in person.
- An additional definition could be added to section to state that when 'Leader' is noted in the report it included an individual Leader or a job share Leader.

The Chair thanked the MO for the report and the easy to view proposed changes to the constitution.

RESOLVED that members note the changes required to the Constitution as set out in the appendices to the report.

7 CONSTITUTION GUIDE

The Monitoring Officer (MO) guided members through the report (previously circulated). Members heard the Local Government and Elections (Wales) Act 2021 required that a local authority published an ordinary language guide to the Constitution. The guide would provide ease for officers, members and the public to understand the constitution. The proposed guide provides readers a brief description with a reference to the relevant section of the constitution. The Act stated regard to the statutory guidance in respect of the guide to the constitution, members heard that guidance had not yet been published but was needed to be in place by May 2022. Officers had seen the draft statutory guidance and informed committee; authorities should use the model guide to the constitution prepared by the Welsh Local Government Association in accordance with Lawyers in Local Government.

The Monitoring Officer thanked the Vice Chair for informing him of a couple of minor errors in the report. he confirmed the changes would be amended.

It was also highlighted that a structure diagram was required to be added to the guide.

The report would be presented to Council in May 2022 for approval.

The MO confirmed he would read through and ascertain if a definition of 'member' would be beneficial to the reader. If required, the MO confirmed he would include. An explanation was provided on the role of a member champion in the Council.

The MO agreed that the Welsh translated copy would be reviewed so a correct version mirroring the English version was made available.

RESOLVED, that the Committee note the contents of the Guide to the Constitution attached as Appendix 1 and recommend to Council that it be adopted.

8 LAY MEMBERS OF GOVERNANCE AND AUDIT COMMITTEE

The Monitoring Officer (MO) presented to members a report on the need to recruit lay persons to sit on the Committee following the local government election in May 2022 (previously circulated).

Members were reminded that the law required that a third of the Government and Audit Committee was required to be lay persons. A definition of a lay person was included in the report. Members heard the authority had participated in a nationwide advertising campaign, assisted by the Welsh Local Government Association. The adverts were released in National newspapers. The MO confirmed the authority had received applicants in response to that advertisement. The next stage was to shortlist and interview potential applicants. A panel was required from the committee to interview applicants for recommendations to Council in May for appointment. A total of 3 lay persons were required to sit on the committee. The current Lay member Paul Whitham had indicated to continue his membership on the committee so the committee panel would be interviewing to appoint a further 2 lay persons.

It was suggested a minimum of 3 members to sit on the recruitment panel.

RESOLVED that the committee appoint from its membership a panel to shortlist and interview candidates for the role of lay person on the Committee. Dates would be sought and circulated for members availability to sit on the panel.

9 INTERNAL AUDIT UPDATE

The Chief Internal Auditor (CIA) introduced the report (previously circulated) updating members on the Internal Audit Team's progress in terms of its service delivery, assurance provision, reviews completed, performance and effectiveness in driving improvement.

The report provided information on work carried out by Internal Audit since the last committee meeting. It allowed the committee to monitor Internal Audit's performance and progress as well as providing summaries of Internal Audit reports. Also included was a summary of the changes to the structure of Internal Audit for members reference.

Confirmation that 5 Audits and 1 follow up review had been completed since the last committee meeting. The completed audits had all received a high or medium assurance. The follow up review had received a low assurance, members heard the report and relevant officers had attended Partnership Scrutiny in December 2021 for debate.

Members were reminded details of each of the audits had been included as appendix 1 to the report. A brief background of each audit was presented to the committee with key points stressed to members. Members heard the two reviews of schools had been undertaken remotely using a self assessment and both received a high assurance rating. Certain checks were unable to be completed such as financial reviews. Members heard schools had responded well to the pressures following the pandemic.

Members were informed that 3 moderate and 1 major issue had been raised with the Housing Repairs & Maintenance audit, overall a medium assurance rating was awarded. A follow up review was scheduled for September 2022.

Members were guided to the information provided of the progress in delivering the audit assurance. Some key changes to the Internal Audit were discussed including changes to staffing and interim arrangements following the retirement of the current Head of Business, Improvement and Modernisation. The Internal Audit Charter would address these changes.

Members heard a principal auditor role had been created within the team. The post was senior role to the senior auditor.

The CIA informed members that she also leaving the authority in April 2022. Scheduled meetings had been arranged to hand over the Internal Audit work. The CIA role was currently being advertised.

During the discussion –

- Members thanked the CIA for all her support and guidance with the reports and meetings.
- The tenant's handbook would be circulated to members for information.

- Certain repairs at properties should be charged something that is not currently being executed. Members heard the department were going to undertake an assessment to ascertain the loss of revenue from not recharging tenants.
- It was confirmed that regular updates on the Provision for the Homelessness would be included in the regular updates presented to this committee. Members were assured good progress was being made.
- Further resources in Democratic Services had been successfully approved. Recruitment for the additional staff had begun.

RESOLVED that, members note the Internal Audit's progress and performance.

The meeting adjourned for a comfort break (11.50 a.m.).

The meeting reconvened at 12.05 p.m.

10 ANNUAL COMPLAINTS REPORT 2020-21

The Chief Internal Auditor (CIA) guided members through the report (previously circulated). Members heard the report provided members with assurance on the complaints handling process. The constitution change, following the implementation of the Local Government and Elections Wales Act, required Governance and Audit Committee to have oversight of the complaints handling process.

Members were made aware complaint information was presented to Performance Scrutiny on a regular basis. It was made clear Performance Scrutiny reviewed performance in detail and Governance and Audit committee sought assurance that the process was robust and effective.

Detailed in the report the CIA highlighted the Ombudsman's Principles of Good Administration and Good Records Management and the six principals.

The Statutory & Corporate Complaints Officer provided a brief overview of the process the authority has in place. The process adopted by the Council is robust and effective. He confirmed there was very light intervention from the Ombudsman, regarding complaints received. The majority of complaints received are investigated and resolved at stage 1. Members heard very few complaints progressed to stage 2 investigations another indication of robust procedures.

Members felt it important as an authority it was vital to learn from complaints and make improvements and changes were possible. Members were pleased to note the majority of complaints were resolved at stage 1. Members heard that a breakdown to department was fed down to managers to address any trends in complaints. The findings of those reports was presented to Performance Scrutiny. Members heard over the past 5 years the number of complaints has dropped.

RESOLVED that, members note the Annual Complaints Report 2020-21.

11 ANNUAL AUDIT SUMMARY

The Audit Wales representative David Williams introduced the report (previously circulated) to members. He informed members the report demonstrated the work completed by Audit Wales over the previous 12 months. The report summarised the work previously reported and presented to the committee. The summary formed part of the Auditor General for Wales duties detailed in the pack.

The summary provided further information on the Audit of Denbighshire County Council's 2020-21 Accounts. A previous report had been presented to the committee in November 2021.

David Wilson – Audit Wales explained included in the report was local government studies published in the last 12 months. Officers assessed the studies and were expected to raise any concerns associated with Denbighshire County Council and present to members.

It was confirmed there were a number of performance work outstanding. That work was related to annual assurance and risk assessment work. 2 reviews were yet to be reported and would be presented to committee once completed.

The Chair thanked the Audit Wales representatives and for the work completed over the year.

RESOLVED, that members note the Audit Wales, Annual Audit Summary for Denbighshire County Council.

12 GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

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

The Chief Internal Auditor suggested an additional line for regular updates on the Commissioning Older People's Care Home Placements be included as an ongoing update on the FWP.

The Monitoring officer informed members that the Annual Whistleblowing report was due to be presented to members, it was agreed to include on the FWP for June 2022.

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

13 FOR INFORMATION - AUDIT WALES REPORT

The Chief Internal Auditor (CIA) informed members that an action plan response from the service was scheduled for the upcoming June meeting. The report attached (previously circulated) was for information.

RESOLVED that members note the contents of the information report.

14 CYBER SECURITY UPDATE

EXCLUSION OF PRESS AND PUBLIC

In order to receive and discuss the confidential Cyber Security report it was –

RESOLVED that under Section 100A of the Local Government Act 1972, the Press and Public be excluded from the meeting on the grounds that it would involve the disclosure of exempt information as defined in Paragraph 18 of Part 4 of Schedule 12A of the Act.

A confidential report by Chief Digital Officer (previously circulated), provided information an update on the current position in relation to Cyber Security measures in place with the authority. Members were reassured officers were working to ensure systems were resilient. Regular monitoring took place. It was noted members concerns on the number of scams and potential issues especially with the increased reliance of I.T. following the pandemic.

It was,

RESOLVED that members note the contents of the confidential report.

The Chair wished to thank the members of the committee for the support and hard work during his time as Chair. He expressed his thanks to officers in particular to Gary Williams (Monitoring Officer) and Lisa Lovegrove (Chief Internal Auditor) for all the guidance and support over his term as Chair.

A special thanks was offered to Audit Wales representatives for the contribution to the committee and detailed reports.

Councillor Martyn Holland (Vice-Chair), thanked Councillor Barry Mellor for his Chairing of the committee. He applauded his dedication to ensure all meetings were conducted professionally and with ease. He offered the thanks from all members of the committee.

The meeting concluded at 12. 35 p.m.

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