

GOVERNANCE AND AUDIT COMMITTEE

Minutes of a meeting of the Governance and Audit Committee held in COUNTY CHAMBER, COUNTY HALL, RUTHIN AND BY VIDEO CONFERENCE on Wednesday, 26 April 2023 at 9.30 am.

PRESENT

Councillors Ellie Chard, Justine Evans, Carol Holliday and Mark Young (Vice-Chair)

Lay Members Nigel Rudd and David Stewart

ALSO PRESENT

Corporate Director: Governance and Business – Monitoring Officer (GW), Head of Finance and Property Services (Section 151 Officer) (SG), Chief Internal Auditor (BC), Committee Administrator (NH) (Zoom Host) and Committee Administrator (SJ).

Audit Wales representatives Mike Whiteley and Gwilym Bury was also in attendance.

1 APOLOGIES

Apologies were received from Lay Member Paul Whitham.

Councillor Gwyneth Ellis, Lead Member for Finance, Performance and Strategic Assets also sent her apologies.

2 DECLARATION OF INTERESTS

No interests of a personal or prejudicial nature were declared.

3 URGENT MATTERS

There were no urgent matters raised.

4 MINUTES

The minutes of the Governance and Audit Committee meeting held on the 08 March 2023 were presented for consideration.

Matters of accuracy –

Page 10 - Progress Update On Statement of Accounts 2021/22 – the Head of Finance apologised he had not circulated an update on the impact of the delay on the accounts. He confirmed the email was intended to be circulated to Governance and Audit Committee members.

Page 11 - Governance and Audit Committee Work Programme – The Chair confirmed the Annual Governance and Audit annual report would be presented in June not April as stated in the minutes

Matters arising –

The committee asked for an update on the progress on the Statement of Accounts 2021/22. Members heard work had progressed, information around the asset issue had been forwarded to Audit Wales. It was stressed officers were working towards the September deadline, to present to the Committee to be signed off. The Audit Wales representative echoed the comments made by the Head of Finance and commented he did not anticipate any issues.

Page 6 – Minutes – The Chair confirmed a training session had been arranged for 25th May on the new CIPFA. He encouraged all members to attend. Further training sessions would be arranged including one on the subject of Statement of Accounts.

Page 6 – Minutes – the Chair confirmed he had attended the most recent Chairs and Vice Chairs Scrutiny Group meeting and had raised the concern of Recruitment and Retention. It was agreed at that meeting that a report on recruitment and retention be presented to Performance Scrutiny Committee – 8th June 2023. The Chief Internal Auditor confirmed work had started in the area and an update report would be reported back to Governance and Audit Committee at the 14 June 2023.

Page 11 – Governance and Audit Committee Work Programme – the Monitoring Officer confirmed the Corporate Risk Register would be presented to Performance Scrutiny on the 27th April. The Papers were available for the public to view via the Denbighshire County Council website. Members were made aware the Chairs and Vice Chairs was not a public meeting it was an internal body. The meeting was for internal business that discussed proposals for areas for debate at Scrutiny meetings. A formal agenda was published along with minutes for each meeting. Members heard a link could be provided to access the documents.

RESOLVED, subject to the above that the minutes of the Governance and Audit committee held on 08 March 2023 be received and approved as a correct record.

5 INTERNAL AUDIT UPDATE

The Chief Internal Auditor (CIA) introduced the report (previously circulated). It was highlighted to members the dates on the report header should read January 2023. Members were updated 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. Confirmation that 7 Audits had been completed since the last committee meeting, all of which had received a high assurance rating. There had been six follow up reviews completed since the last update and summaries were included for information, all received a high or medium assurance ratings.

Members were guided through the table which provided details of the reports completed from the external regulators. Members were provided with details of the report status and links to access any papers. Details of three Audit Wales reports specific to Denbighshire had been included for reference. A further list of intended work would be provided from Audit Wales at a later date.

Members heard 43% of the Internal Audit's intended plan had been completed over the last 12 months. Due to recruitment and staffing issues over the 12 month period had impacted on the work completed. The department had been running at 66% workforce until February 2023. It was also noted 3 special investigations had been received in the last 12 months which impacted on officer's time. 23 reviews had been completed, 17 received a high assurance (74%), 6 medium assurance (26%) and 0 no or low assurance ratings had been issued. Six out of the 7 listed follow up reviews had been completed.

The Chief Internal Auditor highlighted the audit agreed actions that have been implemented by service figure had been left blank because currently School reviews had not been entered on Verto meaning not all actions were picked up and secondly, we had noted that not all Services were updating their action status on Verto. It was stressed it had been raised as a concern of Internal Audit at a recent Senior Leadership Team meeting. The Monitoring Officer added that along with the concerns raised by internal Audit, Strategic Planning and Performance Officers had also raised concerns with imputing actions on the system.

The Chair thanked the Chief Internal Officer for the detailed introduction. During the discussion –

- The majority of the reviews not completed this year would be carried over to 2023/24. A plan would be formulated detailing the potential list of reviews hoped to be completed next year. The Annual Governance Statement would not be impacted due to the number of reviews being postponed. At least one review had been completed in each service area.
- The priority of work for the list of reviews is completed with the Chief Internal Auditor and Heads of Service.
- Internal Audit were satisfied that all Head Teachers had a risk assessment in place for those members of the Governing body that had not completed the DBS check. It had been raised with the HR team to discuss with all schools.
- Throughout the year officers monitored the progress of completing reviews. All reviews that needed to be completed to provide assurance to committee were completed. It was the responsibility of the Chief Internal Auditor to ensure those reviews were completed.
- It was stressed the close working relationship between Section 151 Officer and the Chief Internal Officer had continued to discuss and monitor the completion of reviews to form an assurance for members.
- The Financial Systems budget monitoring report had previously P3 action attached to it. Members heard the reason the action had exceed the 6month period had been due to the new general ledger implemented over the next 12 months. It had been agreed to be a 12 month review date.

- Training of Internal Audit Officers would take place over the next 12 months and potentially would impact on the number of reviews completed. Members noted the issues around recruitment of officers and stressed it as an area of concern.
- Schools had been looked at over the previous 12 months. A rolling plan had been implemented to ensure all schools in Denbighshire were audited over a 4-5 year plan. A full school audit would be completed. Estyn reviewed other areas, but did not receive the reports completed by Internal Auditors.
- The assurances that had been provided were realistic. Members heard some audits had been completed at officer request. This illustrated the open relationship between Internal Audit and other services of the authority.
- A light touch audit in all service areas had been completed during the year. Going forward members heard the financial reviews would be split into two parts; high assurance reporting and low assurance.
- Close working with the Monitoring Officer with all whistleblowing complaints would continue. After an initial review work would be relevant departments to review areas that need addressing. Each case was reviewed on a case by case basis. The Monitoring Officer confirmed each whistleblowing complaint received was required to be consulted with the Chief Internal Auditor.

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

6 GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

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

The Chair stated the June 2023 meeting had heavily proposed agenda. The Chair informed the Committee he had discussed with Officers any potential deferrals of reports that would lighten the meeting.

It was suggested to defer the Draft Annual Governance Statement to July 2023, all members were in agreement.

The appointment of Chair and Vice Chair of the Committee would take place at the June meeting.

An update on the review of the Workforce Planning would also be available for the June meeting.

The Audit Wales Representative, Gwilym Bury informed the Committee a number of Audit Wales reports in relation to Denbighshire would be published in the near future.

It was also highlighted to members the September 2023 meeting looked like a heavy proposed agenda. The Chair suggested that no further items be added to the September meeting unless urgent.

The Monitoring Officer confirmed the SIRO Annual report and the RIPA Annual report need to be included on the November Committee meeting.

It was highlighted the final Statement of Accounts report of which the draft will be presented to the committee in September, will need to be included on the agenda for the first meeting in 2024.

The Chair informed the Committee he had requested a meeting with the Chief Executive to meet and discuss the committee. He suggested if members wanted any feedback from that meeting to email the Chair direct.

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

7 INFORMATION REPORT - AUDIT WALES - OUTLINE AUDIT PLAN 2023

The Chair introduced the Audit Wales report – Outline Audit Plan 2023 (previously circulated).

Gwilym Bury the Audit Wales representative, explained new arrangements had been agreed for the financial work which required more planning before Audit Wales could start work. The report set out the planned work primarily on Performance Audits. The full, detailed audit plan was intended to be issued in July 2023.

The Chair asked if due to the increase work with the Statement of Accounts 2021/22 would that have an impact on the fee. Mike Whiteley Audit Wales, informed members the reason no fee had been included in the Outline Audit Plan was due to the fee being in a scale fee that was based on a risk assessment. The risk assessment had not been completed yet, meaning the fee could not be accurately recorded.

The fee for 2021/22 work was still in progress, any potential changes would be discussed with the finance officers and brought to the committee for discussion.

Members heard ISA's were the International Standard for Auditing. ISA315 noted in the report was a revised Standard that had been updated in respect of the high profile audit failures.

Members noted Audit Wales were still outstanding an Audit Lead (Financial Audit) and encouraged if possible diversification within the workforce. The Audit Wales representatives acknowledged the comment and confirmed they endeavoured to do so where possible.

RESOLVED, that members note the information report – Audit Wales – Outline Audit Plan 2023.

The Chair offered on behalf of the Committee, offered best wishes and gratitude to Gwilym Bury on his upcoming retirement. He thanked him for his participation and attendance at Governance and Audit Committee meetings.

Gwilym Bury thanked officers and members for their well wishes and past on his best wishes for the financially challenging years to come.

The meeting concluded at 11.05 p.m.

