

Public Document Pack

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, 22 November 2023 at 9.30 am.

PRESENT

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

Lay Members – David Stewart (Chair), Nigel Rudd and Paul Whitham

Lead Members – Councillor Gwyneth Ellis Lead Member for Finance, Performance and Strategic Assets and Councillor Julie Matthews Lead Member for Corporate Strategy, Policy and Equality.

ALSO PRESENT

Chief Executive (GB), Corporate Director: Governance and Business – Monitoring Officer (GW), Head of Finance and Audit (Section 151 Officer) (LT), Chief Accountant (RE), Chief Internal Auditor (BC), Head of Service for Corporate Support, Performance, Digital and Assets (HVE), Strategic Planning & Performance Officer (HBP), Corporate Health & Safety Manager (GL), Trainee Fire Safety Manager (HT), Property Health & Safety Manager (SW), Strategic Planning Team Manager (NK), Chief Digital Officer (BE), Committee Administrator (SW) (Zoom Host) and Committee Administrators (SJ).

Audit Wales representative Mike Whiteley was also in attendance.

1 APOLOGIES

Councillor Carol Holliday informed the Chair she may be late attending the meeting.

2 DECLARATION OF INTERESTS

Councillor Mark Young declared a personal interest as he was the Chair of Governors at Denbigh High School.

Councillor Arwel Roberts declared a personal interest as he was a Governor at Ysgol Castell.

Lay Member Nigel Rudd declared a personal interest as he was a member of the Conwy County Borough Council Governance and Audit Committee.

The Chair, Lay Member David Stewart declared a personal interest as he was a recipient of a Clwyd Pension fund pension noted in agenda item 12 and was a member on the Governance and Audit committee on Wrexham County Borough Council.

Lay Member Paul Whitham declared a personal interest in agenda item 12 as he was a recipient of a Clwyd Pension fund pension.

3 URGENT MATTERS

No urgent matters were raised.

4 MINUTES

The minutes of the Governance and Audit Committee meeting held on the 20 September 2023 were presented for consideration.

Matters of accuracy –

Page 9 – Minutes – it should read ‘the Chair asked was it to be presented’ and not ‘had it been’.

Page 9 – Item 5 Approval of Statement of Accounts – It should state ‘the audited accounts have to be formally approved by Governance and Audit members on behalf of the council.’ Not elected members are noted.

Page 11 – Update on draft Statement of Accounts 2022/23 – It should read the ‘Chair thanked the Head of Finance’ for the training session.

Matters arising –

Page 8 – Minutes – Internal Audit Update – The Chief Internal Auditor confirmed communications with the Chief Internal Auditor of Ceredigion Council had commences to arrange the Peer review. She had received the submitted work provided and apologised for the delay. The intention was she would attend a Governance and Audit Committee meeting and meet with the Chair.

Page 8 – Minutes - Annual Governance Statement – The Monitoring Officer confirmed he would be meeting with the Chief Internal Auditor before the next Annual Governance Statement report to discuss the addition of a commitment to good governance be included.

Page 13 – Draft annual report of Governance and Audit Committee – The Chair informed members he would raise any training sessions including self-assessment at the forward work programme agenda item.

Members were informed the Chair had presented the annual Governance and Audit report to County Council which was warmly received by elected members. The Chair thanked the support he received from the Monitoring Officer.

Page 16 – Governance and Audit Forward Work Programme – The Monitoring Officer confirmed Scrutiny Chairs and Vice Chairs group would discuss shared prosperity and levelling up funding at the next meeting.

Page 16 - Governance and Audit Forward Work Programme – The Chair thanked officers for arranging the Scrutiny training. He had been in attendance and both

sessions. He felt it was very beneficial to both elected Councillors and lay members.

Page 19 – Joint Inspection of Child Protection Arrangements – The Monitoring Officer confirmed he had a meeting arranged with the officers that had been present at the last committee meeting to discuss the feedback to Care Inspectorate Wales. He confirmed he would share the details with Members prior to submitting.

RESOLVED, *subject to the above that the minutes of the Governance and Audit committee held on 20 September 2023 be received and approved as a correct record.*

5 CORPORATE RISK REGISTER: SEPTEMBER 2023 REVIEW

The Chair thanked officers for the training session provided on risk management prior to the meeting. It was beneficial and very informative to all.

The Head of Corporate Support: Performance, Digital & Assets introduced the report (previously circulated). The report provided an update on the September 2023 Review of the Corporate Risk Register and the Risk Appetite Statement.

The Head of Corporate Support: Performance, Digital & Assets advised members that the Corporate Risk Register update report had been compiled following a review in September where a number of changes had been made. Appendices to the report highlighted:

1. Appendix 1 – summary of significant changes
2. Appendix 2 - table and trend analysis of the Corporate Risks
3. Appendix 3 – detailed information on the 13 Corporate Risks
4. Appendix 4 – a reminder of the Risk Appetite Statement - agreed November 2022 to be reviewed in February 2024.

The Strategic Planning and Performance Officer provided further detail of the process of how the risk register had reviewed and updated. The report sought committee's assurance that a robust management process within the Council with a view to find any governance related risks that warrant further consideration.

It was noted that following the review the number of risks had reduced from 20 risks to 13. A number of the risks had been amalgamated and a number deescalated with two new additions. Details of the risks were provided in the papers.

The Chair thanked the officers for the report and also for the guidance information that was issued to Members following the training session on managing risks for better service delivery.

In his opinion the report demonstrated a proper and robust approach to risk management. This was a tool, that was understood and used by Members and officers to prioritise the risks faced by the council.

Following the introduction, officers responded to Members questions as follows:

- Risk 18: The risk that programme and project benefits were not fully realised had been removed. It was to be incorporated in the Financial Risk 51.

- The risk appetite statement was agreed by the Corporate Executive Team and was based on various impact level determined the risk appetite. Given the uncertain financial future it was important for officers monitor the risk appetite against risks. The Head of Finance stated the risk appetite for the council was lower. The context of which the authority was operating was outside the council's control. The financial context at present is higher to what the authority would want at this point in time.
- All budget saving schemes are required to complete a wellbeing impact assessment. Those would be collated to identify any impacts on key goals on the authority, the findings would be presented alongside the budget proposals in the new year. The wellbeing assessments were lie reports and could be updated and amended over time.
- Officers agreed to provide Members with some additional information on independent schools in relation to risk 01.
- Members agreed that following an update to the Corporate Risk Register a brief summary be provided as an information report to Governance and Audit committee. Members also suggested a single summary report be presented on a more regular basis to illustrate any changes to identified risks. The Monitoring Officer stated if committee wanted information on a more regular basis that could be requested to officers. Officers suggested taking the comments back to the team for observations in ways of providing more regular information to the committee.
- The risk of flooding was covered in Risk 11 – Ineffective response to a serious event.
- Members were encouraged to contact Lead Members with any concerns they felt should be included for specific concerns such as the Welsh Language and Culture. There were different ways of managing risks, each service area also had a risk register which detailed certain specific risks.
- Members were pleased to see fraud and corruption were still included as a risk to the authority.
- Members asked if the detail of cyber-attacks in Risk 11 needed further detail. Officers stressed greater detail had been placed on this particular risk in the service risk register although it still merited being included in the Corporate Risk Register.
- The correct scoring for the residual risk score remains unchanged as C2 for Risk45. Officers thanked members for identifying the discrepancy.
- Members asked if the details listed on the anticipated direction of travel were accurate. In response the Monitoring Officer stating with fewer vacant posts the authority would be less likely to recruit to those posts or retain staff.

The Chair thanked all officers and Members for the detailed discussion and it was;

RESOLVED, that

- I. Governance and Audit Committee note the review process of the Corporate Risk Register;*
- II. The guidance notes related to risk management be adjusted to reflect the Governance and Audit Committees role and*
- III. Officers to review and devise a more frequent summary report in respect of the Corporate Risk Register.*

6 BUDGET PROCESS UPDATE

The Chair welcomed Liz Thomas the Head of Finance and Audit to the Committee. He wished the Head of Finance and Audit best wishes in her new role.

The Lead Member for Finance, Performance and Strategic Assets presented the report (previously circulated) to Members. She stressed to Members the financial situation Denbighshire along with all other authorities across Wales was unprecedented in terms of the financial void. Thus meaning the process of setting a balanced budget was to be far more difficult than previously witnessed. A number of discussions had taken place and would take place to review and monitor the situation of balancing the authorities budget.

The Head of Finance and Audit echoed the comments made by the Lead Member. She expanded by saying the report was presented to committee to update and provide assurance on the processes on setting the budget for 2024/25.

The first section of the report provided details of where the authority currently was in relation to the financial position. Members were guided to the table included in appendix 1 of the report, provided the latest forecast. It demonstrated the difficulty in forecasting the potential level of funds. An additional column had been included in the table with the latest estimate figures which the team were working towards.

The table indicated the authority had budgetary pressures for 2024/ 25 totalling a predicted £26 million. The majority of those pressures were pay and inflation related, from demand led services. The majority of the risks were due to inflation and an increase in pay. Officers were constantly monitoring the inflation predictions and current figures.

The authority had not been required to find such a high balance void in recent years, it was stressed the council had a good history of making efficiencies and savings.

Officers were assuming Welsh Government would provide 3% to support the funding gap. Which was not in keeping with the high levels of inflation and demand. It was stressed the working assumption; officers were working to a council tax increase figure of 7%. No decisions had been made yet. With all these initial assumptions that would leave a funding gap of £15 million to find.

The strategy to review ways to close the gap was detailed in the appendix. An increase to fees and charges in line with the fees and charges policy would appropriately made. Heads of Service and Corporate Directors had put forward large scale savings proposals for consideration. Those proposals were being reviewed by the Corporate Executive Team. If any proposals were deemed a

possible savings a formal process would begin with a number of stages before any formal decisions are made.

There were a number of nonstrategic savings proposals put forward which were being reviewed. All areas of overspends within authority were being reviewed to review those areas to prevent future overspends.

Discussions with schools in relation to the position had taken place. The authority would continue to fund inflation increases within schools but there would still be a requirement for schools to source savings of between 2-4%.

All the suggested savings put forward would save an additional £8 million which would leave a remaining gap of £7.5 million to balance the budget. A lot of work and communication was being done to discuss options and potential savings had taken place. A number of meetings were taking place to review potential savings area.

Members heard a staff suggestion scheme had been initiated. That scheme had resulted in 150 suggestions submitted by employees which were being reviewed by finance officers and Heads of Service. The Lead Member along with Head of Finance and Audit were due to meet with all political group leaders to consider and develop and suggestions.

All staff, schools and trade unions were kept abreast with the changing situation and figures.

Going forward officers were working of a revision to the forecast which would be provided to members in the new year. It was stressed 2024/25, 2025/26 and 2026/27 were all looking equally as challenging.

The Chair stressed the Governance and Audits role was to review the process of the budget process and balancing the budget. Assurance was needed that all was being done to achieve a balanced budget in 2024/25 and subsequent years. Assurance was also needed that all saving proposals were achievable and were being achieved. Monitoring and tracking of those savings would be required.

The Committee would want to be made aware of any impacts on the governance of the authority as a result of the savings measures.

Following the detailed introduction, the Lead Member and Officers expanded on the following points raised:

- Members appreciated the difficulties faced by the authority over the coming years to balance budgets. They noted the large funding gap that was needed to be filled. Concerns were raised that certain service areas were currently over budget and would struggle to find savings they could commit to. Officers stressed there would have to be a process set over the medium term to review and monitor balancing the budget.
- Officers were working through the savings proposals, some were further ahead than others with some being developed and progressed. There would need to be a savings tracking process in place to ensure savings are being met.
- The savings identified to date identified a saving of £8million it was hoped that during the process additional savings would be identified.

- Services that currently were experiencing overspends were areas of high demand, they would also be required to assess any savings that could be made to reduce overspends and make savings proposals.
- The gap of £7.5 million reported today was not how officers intended to propose to balance the budget. Work was needed and further discussions to reduce that by the close down of accounts.
- Internal Audit would be reviewed and how best to work going forward. It was felt internal audit would need to work closely with the Head of Finance and Audit to monitor the proposed savings and completing savings proposed during the next months and years. Any issues would be presented to members in the audit reports presented to committee.
- A number of savings proposals were being put forward. One of those was looking at the roll in which City, Town and Community Councils could play in some of the savings proposals. Officers needed to review and assess going forward.
- The staff suggestion process had been extremely worthwhile. The level of engagement had been good with a number of suggestions offering areas that could be progressed to reduce the funding gap. It was important to ensure all staff felt involved and able to suggest areas for savings.
- It was confirmed the Section 151 Officer within the authority served the Section 114 notice on the authority and the external auditor. The Governance and Audit Committee was a prime link to the relationship between the external auditor and the authority.
- In recent years there had been no Welsh Authorities that had issued a Section 114 notice. When looking at services in the authority that would continue, officers would look at those services that were statutory and those non-statutory.
- Members heard the Medium Term Financial Plan covered three years and was currently being developed. Officers would look beyond the three-year plan to project future budget but it was stressed the further ahead you look the less reliant you can be on events.
- A budget mitigation reserve would cover the overspend for the financial year 2023/24.
- Capital programme was one of the major savings proposals that was being considered. In the report a savings figure of £500,000 was provided for investments and borrowing this was directly linked to new borrowing for capital projects.
- Data on the Capital proposals and projects going forward in terms of the authority's ambition was available. It may need to be reviewed to align what can be delivered and what was affordable to manage expectations.

- All areas including service delivery were under review and considerations when reviewing potential savings.
- The authority operated a housing revenue account which was reported to Cabinet as part of the budget monitoring report. The housing revenue account activity was reported to Cabinet and Communities Scrutiny and potentially Performance Scrutiny depending on the nature of the report. Officers confirmed it would look at the role of the Governance and Audit Committee in relation to the Housing Revenue Account to see where the role of the Committee would be.

Members asked if any variations or issues arose during the course of the coming months the committee were made aware of those issues and a report be presented at a meeting for discussion before the next scheduled update in June 2024.

RESOLVED that Governance and Audit Committee note the contents of the budget strategy agreed by Cabinet for setting the budget 2024/25. Members requested any significant events or deviations from the current projection be shared with the Committee.

At this juncture (11.55 a.m.) there was a 15 minute comfort break.

The meeting reconvened at 12.10 pm.

7 TREASURY MANAGEMENT UPDATE

The Head of Finance guided Members through the Treasury Management update report (previously circulated).

The report provided Members with assurance about the treasury management activity. The activity around investment and borrowing was in line with the policy and strategy that had been set.

It was stressed any surplus cash was being invested securely and not exposed to any unnecessary risk and cash was available if and when needed.

The majority of investments had been made to the UK Government's Debt Management Office (DMO) in order to minimise these risks. Cash flow was continually monitored by officers.

Members heard the authority only borrowed for capital purposes. Large coastal defence projects were currently being implemented and that was driving the authorities borrowing requirements. Close working with the treasury advisors Arlingclose Ltd to ascertain the best time to borrow continued.

The committee heard all the prudential indicators set for treasury management were currently being met.

The Chair thanked the Lead Member and Head of Finance for the update. Members discussed the following points in more detail:

- Previous years authorities had good availability of short term cash funds. Given the current level of authorities experiencing financial difficulties there was more scrutiny around short term borrowing and more questions being asked by lenders.
- There was a process to support schools in financial difficulty. Schools have to inform both the finance team and the education department when they are in a budget deficit. Recovery plans would be required and support provided when possible. There will be separate processes for the educational difficulties.
- Officers were unaware of any restrictions in the policies for not entering into financial transaction with authorities who had issued Section 114 notices. Denbighshire County Council wouldn't enter any such arrangements but there is nothing to say it could not be done. The Head of Finance stated she would raise the comments with Arlingclose Ltd as part of the strategy meeting.
- Members noted a panorama programme on an authority that had taken out a number of questionable investments in relation to treasury management activity. The advisors noted in that programme were Arlingclose Ltd, members asked for assurance that Denbighshire officers were made aware of any issues around that particular situation were known. Training was due for Governance and Audit. The Head of Finance stated she would request some of the points could be addressed at that session.
- The Chair directed members to a recent CIPFA report that had been published on 4 English authorities that had issued Section 114 notices.
- The Housing Revenue Accounts formed part of the Statement of Accounts. It was part of the Audit Wales testing to form the audit opinion.
- The Head of Finance stated as with all services she would have to seek savings in her service areas. She did not envisage any changes to the treasury management team.

RESOLVED that members note the Treasury Management update report for performance to date in 2023/24 and that it had read, understood and taken account of the Well-being Impact Assessment as part of its consideration.

8 INTERNAL AUDIT UPDATE

The Lead Member for Finance, Performance and Strategic Assets along with the Chief Internal Auditor (CIA) introduced the report (previously circulated). 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 4 Audits had been completed since the last committee meeting in July 2023, all four audits had received a high assurance rating. The number of completed audits was lower than usual due to a number of special investigations taking place at the same time. since publication of the agenda 3 further audits had been completed.

The Chief Internal Auditor was pleased to say the audit department was now at full capacity. The team was still in it's infancy with a number of employees on career pathways. The Chief Internal Auditor was pleased with the work the team were producing.

Over the coming months it was stressed Internal Audit would need to work closely with Heads of Service and Head of Finance to assess how audit go forward and complete audits. Assurance would need to be provided to ensure members are aware that any cuts are being met in line of budget proposals to enable the accounts to balance.

The Chair thanked the Chief Internal Officer for the detailed introduction.

During the discussion –

- Work was ongoing to complete the 2023/24 programmed audit work. The Chief Internal Auditor had to review the list of proposed work to prioritise audits that were required this financial year and those that could be deferred or not required. Meetings with Heads of Service would be arranged following the new plan being completed.
- Capacity of the team and workload of the team was currently at a satisfactory level. In the new financial year, the plan would potentially change to ensure all cuts are reviewed to provide committee assurance that the service area was still providing need.
- The special investigations process involves numerous officers including the Monitoring Officer and Chief Internal Auditor reviewing each case and decide the best course of action. Not all special investigations are reviewed by internal audit.
- A previous piece of work on partnership arrangements in Denbighshire would be reviewed and included in the new financial year. Members asked if the paper was more a mapping exercise to illustrate the key governance responsibilities and where they lie.
- The Chief Internal Auditor confirmed he would present the outcomes of the special investigations as a confidential report following completion of the investigation.

- All audit reports completed in schools were shared with the Head of Education. Internal Audit look at schools per cluster and if they were made aware of any trends further discussions with relevant officers would take place. He informed Members he was due to meet with the Chairs and Vice Chairs of Governing Bodies in the new year.
- Over the summer the internal audit team, contacted each school that had received an audit since January 2020, to review any outstanding actions. Officers with services ensured verito had been updated correctly against any outstanding actions or highlight any actions still needing completion. Further correspondence and discussions with schools would take place if actions remained outstanding.
- Members were made aware internal audit offered issues, each service designed the actions.

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

9 ANNUAL SIRO REPORT

The Head of Corporate Support Service: Performance, Digital & Assets along with the Chief Digital Officer and Interim Senior Information Risk Owner April 2022-Sept 2023 introduced the report to the Committee (previously circulated).

The report covered the period April 2022 to March 2023 and provided information on the Council's information governance including data breaches of the Data Protection Act, Freedom of Information, Environmental Information and Data Protection requests received.

The report allowed the committee an oversight of information governance arrangements and performance.

Members heard there were 27 data incidents involving personal data, a decrease on last year (2021/22) when there were 35. Most of the data incidents were minor. It was felt the new ways of working had imbedded with employees and people were more mindful of the ways of working.

There were three incidents considered reportable to the Information Commissioner's Office (ICO), all of the reports resulted in no further action against the Council. The underlying cause of the majority of issues were human error, new procedures for remote 'checking' was being explored especially useful in the context of increased home working of most office-based staff.

There was a total of 1,057 Freedom of Information and Environmental Information Regulation requests during the 12 months to 31st March 2022.

Higher levels of data protection requests were received during 2022/23 compared to 2021/22 (203 total) these were likely because Data Protection cases for Children's Services which were now routinely recorded centrally. Internal reviews had taken place 16 in total 8 of which were all or partially upheld.

The Chair thanked the officers for the detailed report and thanked the officers for the right level of assurance for members of the Governance and Audit committee. Members suggested that annual reports such as this should be considered as an information item unless any concerns or issues officers felt warranted member discussion. The report provided members with the level of assurance that they were happy with.

The Monitoring Officer stressed the importance of such annual reports being presented to Members for their attention. Members could always request further details or reports following an information item if they wished.

He informed Members that the authority was in receipt of thousands of pieces of correspondence annually. The authority took its responsibility seriously with processes in place to resolve any breaches.

Data protection forms part of the mandatory training for all staff. It had to be reviewed every three years. There was also an information governance group, where communication and awareness was fed through. Officers had assurance in some of the high risk areas that mitigations were in place to reduce the risk of breaches. Services with a higher risk of data breaches receive extra training. When a breach is recorded the individual concerned is required to fully complete all data protection training.

Officers were monitoring the impact of homeworking and the number of breaches around flexible working. Members were keen to monitor the current working policies and if that impacted on the number of breaches recorded.

Members asked if school staff were required to complete the data protection training and additional refresher 3 year modules. The Head of Corporate Support Service: Performance, Digital & Strategic Assets informed members she would seek the answer and circulate to members.

RESOLVED that the Governance and Audit Committee note the contents of the annual Senior Information Risk Owner report and in addition, future reports would be presented to the Committee for information.

10 ANNUAL CORPORATE HEALTH AND SAFETY REPORT

The Lead Member for Corporate Strategy, Policy and Equalities along with the Corporate Health & Safety Manager guided members through the annual Corporate Health and Safety report (previously circulated).

The report provided information regarding Health and Safety management within Denbighshire County Council during 2021-2022. Included as part of the paper was details including data of a number of areas in the authority.

Good levels of health and safety was expected in all areas of the local authority.

The first section of the report included the assessment of the implementation of health and safety systems, a medium assurance rating had been provided along with a medium assurance for employee involvement in health and safety.

Members were provided with key points provided in the report. These included:

- Agile working – guidance documents had provided to employees
- Hand arm vibration monitoring – an action plan had been created to monitor and was currently being implemented
- Health surveillance – working with occupational health a questionnaire was carried out for all employees to complete.

The report detailed all the areas and services health and safety have inputted in over the year. Members heard there was a dedicated health and safety team within property services that were responsible elements for building safety.

Details of the future work for the health and safety team for 2024 were provided. Including the next 2-year training action plan.

The reports were reported to the Senior Leadership Team when needed but were reported on a quarterly business to the Joint Consultative Committee for Health and Safety and Employee Relations.

Training was provided

The Chair thanked the officer for the detailed information and introduction. He suggested going forward the report would provide members with any major incidents or exceptions to the norm be highlighted to committee.

Members were grateful for the honest information regarding the hand am vibration monitoring. It was felt work was being done to monitor the situation and reduce the potential for any instances.

It was highlighted to Members that training included sections of agile working and working from home. If training was provided for a specific group of employees all working out the same environment the training was provided looking at that way of working. Training and requirements of responsibilities was made clear. Managers were responsible for employees completing training requirements. Support was provided to managers to ensure all training needs were met.

RESOLVED that, the Governance and Audit Committee receive the report, note its contents.

11 PROPERTY COMPLIANCE REPORT

Head of Corporate Support Service: Performance, Digital & Assets along with the Property Health & Safety Manager introduced the Property Compliance report) previously circulated).

Members heard monthly reports were composed, with a combination of those reports compiled into the report presented to the committee. The report provided Members with information regarding how property compliance was being proactively managed within the authority's corporate property stock.

Details of the key performance indicators were provided in the papers. It was highlighted the two higher areas were asbestos and gas safety. Both seen as high risk areas.

Each section within the report set out the legislative requirements, structure of the team, yearly performance and priorities.

Officers were pleased with the service performance and had no concerns. Work was ongoing to monitor and improve services where possible.

The Chair thanked the officers for the report and as stated earlier in the meeting, going forward annual assurance reports such as this would be presented to committee as information items. Allowing members sight of any concerns or officers to raise any areas for member's attention.

Members heard the properties leased by Denbighshire Leisure Limited were the responsibility of Denbighshire Leisure Limited to maintain but agreements are in place that they call off from the authority to support maintenance. An example of the SLA in place was provided to members as part of the park.

Further detail around the revenue budget for the management of Legionella was provided. Members heard an allocation of £161,000 had been set aside in the revenue budget for the work around Legionella. That included the work required for risk assessments, monthly monitoring, quarterly monitoring, biannually monitoring, annually monitoring and expansion vessels and servicing. In addition, there was a small amount of funding available to repair any additional items identified. There were 11,000 assets across the council that required monitoring, council investment had been secured to repair those assets. It was hoped in two years all repairs would be complete and officers would just be required to monitor and maintain a compliance level.

RESOLVED, that members note the contents of the Annual Property Compliance Report.

12 AUDIT WALES - TIMETABLE OF WORK

The Audit Wales representative, Mike Whiteley introduced the Audit Wales timetable of work report (previously circulated).

The report provided members with the detailed audit plan, which set out Audit Wales' planned work for the coming year. Members were guided to some of the key items detailed in the report including Audit Wales' key responsibilities, details of financial statements audit work and a summary setting out key information of each audit.

Members were guided through the information detailed in the papers including the specifics on materiality and how it applied to audits of accounts, group accounts and the council's single entity accounts. The paper also identified the risks associated with the audits, it was stressed no risks were specific to Denbighshire. If Audit Wales identifies any risks specific to Denbighshire during the course of the planned work these would be identified and reported to committee.

The Audit Wales representative was pleased to inform the committee the vacant post in the team of the performance audit lead role had been filled.

He informed Members of the two threats to the independence of the team which related to Matthew Edwards and a team member, as both have a relative employed by the Council. As a result, they would not be involved in any work in relation to the relevant services and only be permitted following a risk assessment.

The Chair thanked the representative for the detailed summary of the paper and open the debate for further discussion.

Lay Member Nigel Rudd, asked if there was any indication of a timescale when work on the thematic review – financial sustainability of local government would be available for committee. The representative stated his understanding was the financial sustainability work was in the final scoping stages to be rolled out as soon as possible. It was important that timing was given to the scoping aspect of that work.

The Chief Internal Auditor commented within in his report the financial stability reviews were due to take place between March-June 2024.

Members noted the appointment of the new performance audit lead and was pleased to hear the vacancy had been filled. It was also highlighted the team consisted of all male auditors. Audit Wales thanked officers for the observations. Members heard within the structure of the team in North Wales there were female auditors employed by the company.

It was stressed the aim to deliver the audited accounts by March 2024 was still the plan and resources were in place to support that target.

RESOLVED, that Members note the contents of the Audit Wales report.

13 GOVERNANCE AND AUDIT COMMITTEE WORK PROGRAMME

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

The Chair thanked officers for the early sight of the agenda to assess the weight of the meeting prior to the agenda being published.

It was noted the Draft Statement of Accounts and Statement of Accounts would need to be included in the FWP. He stressed the importance of being mindful of heavy agendas when adding additional reports to the FWP.

It was agreed that along with the annual report on the Corporate Risk Register, following the update presented to Cabinet and Scrutiny an information report be circulated with Governance and Audit Members.

The Monitoring Officer suggested the agenda item listed in January on any Constitution updates be presented as a report then reviewed as how best to present to the committee going forward.

The Chair suggested the Internal Audit update and the Internal Audit Annual Report be combined at the June meeting.

It was confirmed the Annual Governance Statement was listed for the June meeting.

Members were reminded that a training session was to be arranged before the January meeting. Officers would be in contact with all Members. The Chair asked Members to consider any additional areas of training they felt would be beneficial to all.

Lay Member Mr Paul Whitham suggested a session on the self-assessment requirement of the committee be included as a potential training need. The Chief Internal Officer suggested a session be arranged for the end of March/ April, this meaning the outcome of the self-assessment could be included in the Annual Internal Governance Statement.

Members suggested delegated authority be given to the Monitoring Officer, Chair and relevant Officers to review the contents of the work programme. Members stressed the importance of a number of reports received by the committee and the potential for capacity during a particularly heavy agenda.

The Chair was in agreement the proposal. He suggested as part of the briefing provided for the Chair and Vice-Chair a section of the briefing be on the work programme for future meetings.

The Monitoring Officer suggested a one off meeting be arranged for a discussion on the FWP then going forward it could form part of the Chair and Vice Chair's briefing prior to each meeting.

A report on the current position and assurances on the HRA would be included in the work programme.

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

14 AUDIT WALES CERTIFICATION OF GRANTS

The Chair introduced the Audit Wales information report on Certification of Grants and Returns 2021-22 – Denbighshire County Council (previously circulated).

The Chair informed Members at a pre-meeting he had raised questions on the housing benefit subsidy that Audit Wales had identified errors. He assured Members, Audit Wales stressed the errors found were found annually and across numerous authorities and were not unexpected.

The Audit Wales Representative concurred with the Chair and stressed the work load that officers were currently under along with a number of changes taking place with processing work. The report provided reflected an improvement from previous years and did not raise any concerns with Audit Wales. He thanked the Denbighshire officers for implementing changes to make the improvements identified.

RESOLVED, that Members note the information report.

The Chair thanked all Members and officers for the discussions and contributions during the meeting and through the year. He wished all a merry Christmas and all the best for the New Year.

The meeting concluded at 13.55 pm.

This page is intentionally left blank