

Pecyn Dogfen Gyhoeddus

Gareth Owens LL.B Barrister/Bargyfreithiwr
Chief Officer (Governance)
Prif Swyddog (Llywodraethu)



Swyddog Cyswllt:
Sharon Thomas 01352 702324
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At: Cyng Chris Dolphin (Cadeirydd)

Y Cynghorwyr: Janet Axworthy, Geoff Collett, Patrick Heesom, Joe Johnson,
Martin White ac Arnold Woolley

Aelodau Cyfetholedig:

Sally Ellis ac Allan Rainford

11 Tachwedd 2021

Annwyl Gynghorydd

HYSBYSIAD O GYFARFOD ANGHYSBELL
PWYLLGOR LLYWODRAETHU AC ARCHWILIO
DYDD MERCHER, 17EG TACHWEDD, 2021 AM 10.00 AM

Yn gywir

A handwritten signature in black ink, appearing to read 'Robert Robins'.

Robert Robins
Rheolwr Gwasanaethau Democraidd

Sylwch: Bydd hwn yn gyfarfod dros y we a bydd 'presenoldeb' wedi'i gyfyngu i Aelodau'r Pwyllgor a'r Aelodau hynny o'r Cyngor sydd wedi gofyn i Bennaeth y Gwasanaethau Democraidd am wahoddiad. Y Cadeirydd fydd yn penderfynu a yw'r rhain yn cael siarad ai peidio.

Bydd y cyfarfod yn cael ei ffrydio'n fyw ar wefan y Cyngor. Bydd recordiad o'r cyfarfod ar gael yn fuan ar ôl y cyfarfod ar <https://flintshire.publici.tv/core/portal/home>

Os oes gennych unrhyw ymholiadau, cysylltwch ag aelod o'r Tîm Gwasanaethau Democraidd ar 01352 702345.

R H A G L E N

1 YMDDIHEURIADAU

Pwrpas: I dderbyn unrhyw ymddiheuriadau.

2 DATGAN CYSYLLTIAD (GAN GYNNWYS DATGANIADAU CHWIPIO)

Pwrpas: I dderbyn unrhyw ddatganiad o gysylltiad a chynghori'r Aelodau yn unol a hynny.

3 COFNODION (Tudalennau 7 - 14)

Pwrpas: I gadarnhau, fel cofnod cywir gofnodion y cyfarfod ar 27 Medi 2021.

4 INCWM RHENT TAI - ARCHWILIO CYMRU (Tudalennau 15 - 30)

Adroddiad Prif Weithredwr -

Pwrpas: Cydnabod Adroddiad Archwilio Cymru a nodi'r argymhellion ar y casgliad o ddata ychwanegol ac adroddiad perfformiad.

5 ADOLYGIAD ARCHWILIO CYMRU O ADFYWIO CANOL TREFI (Tudalennau 31 - 58)

Adroddiad Prif Swyddog (Cynllunio, Amgylchedd ac Economi) - Aelod Cabinet Datblygu Economaidd

Pwrpas: Ystyried prif argymhellion adolygiad Archwilio Cymru o Adfywio Canol Trefi ac ymateb y Cyngor.

6 DIWEDDARIAD RHEOLI RISG (Tudalennau 59 - 80)

Adroddiad Prif Weithredwr, Prif Swyddog (Llywodraethu) -

Pwrpas: I gael sicrwydd bod y fframwaith rheoli risg diweddaraf yn gynhwysfawr ac yn weithredol.

7 GWAREDIAD ASED AU A DERBYNIADAU CYFALAF A GYNHYRCHWYD 2020/21 (Tudalennau 81 - 88)

Adroddiad Prif Weithredwr -

Pwrpas: Hysbysu Aelodau o Warediadau Asedau 2020/21.

8 **ADOLYGIAD CANOL BLWYDDYN RHEOLI'R TRYSORLYS 2021/22**

(Tudalennau 89 - 116)

Adroddiad Rheolwr Cyllid Corfforaethol - Aelod Cabinet dros Gyllid, Gwerth Cymdeithasol a Chaffael

Pwrpas: Cyflwyno drafft i Aelodau o Adolygiad Canol Blwyddyn Rheoli'r Trysorlys 1 Ebrill - 30 Medi 2021 am sylwadau ac argymhelliad i'w gymeradwyo i'r Cabinet.

9 **ADRODDIAD CYNNYDD ARCHWILIO MEWNOL** (Tudalennau 117 - 148)

Adroddiad Rheolwr Archwilio Mewnol, Perfformiad a Rheoli Risg -

Pwrpas: Cyflwyno diweddariad i'r Pwyllgor ar gynnydd yr Adran Archwilio Mewnol.

10 **HUNANASESIAD Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO**

(Tudalennau 149 - 162)

Adroddiad Rheolwr Archwilio Mewnol, Perfformiad a Rheoli Risg -

Pwrpas: Rhoi gwybod i'r Aelodau am ganlyniadau hunanasesiad y Pwyllgor, a fydd yn cyfrannu at Ddatganiad Llywodraethu Blyneddol. Bydd hefyd yn ffurfio'r sail ar gyfer darparu unrhyw hyfforddiant pellach sydd ei angen ar y pwyllgor.

11 **ADRODDIAD BLYNYDDOL Y PWYLLGOR ARCHWILIO** (Tudalennau 163 - 202)

Adroddiad Cadeirydd y Pwyllgor Llywodraethu ac Archwilio -

Pwrpas: I adrodd ar weithgareddau'r Pwyllgor yn ystod 2020/21.

12 **OLRHAIN GWEITHRED Y PWYLLGOR LLYWODRAETHU AC ARCHWILIO** (Tudalennau 203 - 206)

Adroddiad Rheolwr Archwilio Mewnol, Perfformiad a Rheoli Risg -

Pwrpas: Rhoi gwybod i'r Pwyllgor am y camau gweithredu sy'n codi o'r pwyntiau a godwyd mewn cyfarfodydd Pwyllgor Llywodraethu ac Archwilio blaenorol.

13 **RHAGLEN GWAITH I'R DYFODOL** (Tudalennau 207 - 214)

Adroddiad Rheolwr Archwilio Mewnol, Perfformiad a Rheoli Risg -

Pwrpas: Ystyried Rhaglen Gwaith i'r Dyfodol yr Adran Archwilio Mewnol.

**DEDDF LLYWODRAETH LEOL (MYNEDIAD I WYBODAETH) 1985 -
YSTYRIED GWAHARDD Y WASG A'R CYHOEDD**

Mae'r eitem a ganlyn yn cael ei hystyried yn eitem eithriedig yn rhinwedd Paragraff(au) 12, 13 Rhan 4 Atodiad 12A o Ddeddf Llywodraeth Leol 1972 (fel y cafodd ei diwygio).

Mae'r adroddiad yn cynnwys gwybodaeth yn ymwneud ag unigolion ac mae budd y cyhoedd mewn peidio â datgelu'r wybodaeth yn gorbwyso bydd y cyhoedd o'i ryddhau.

14 TREFNIADAU CYTUNDEBOL MAES GWERN (Tudalennau 215 - 226)

Adroddiad Rheolwr Archwilio Mewnol, Perfformiad a Rheoli Risg -

Pwrpas: I roi gwybod i'r Pwyllgor am yr adolygiad Archwiliad Mewnol o Drefniadau Cytundebol Maes Gwern.

Sylwch, efallai y bydd egwyl o 10 munud os yw'r cyfarfod yn para'n hirach na dwy awr.

Nodyn Gweithdrefnol ar redeg cyfarfodydd

Bydd y Cadeirydd yn agor y cyfarfodydd ac yn cyflwyno eu hunain.

Bydd nifer o Gynghorwyr yn mynychu cyfarfodydd. Bydd swyddogion hefyd yn mynychu cyfarfodydd i gyflwyno adroddiadau, gyda swyddogion Gwasanaethau Democrataidd yn trefnu a chynnal y cyfarfodydd.

Gofynnir i bawb sy'n mynychu i sicrhau bod eu ffonau symudol wedi diffodd a bod unrhyw sain gefndirol yn cael ei gadw mor dawel â phosib.

Dylai'r holl feicroffonau gael eu rhoi "ar miwt" yn ystod y cyfarfod a dim ond pan fyddwch yn cael eich gwahodd i siarad gan y Cadeirydd y dylid eu rhoi ymlaen. Pan fydd gwahoddedigion wedi gorffen siarad dylen nhw roi eu hunain yn ôl "ar miwt".

Er mwyn mynegi eu bod nhw eisiau siarad bydd Cynghorwyr yn defnyddio'r cyfleuster 'chat' neu yn defnyddio'r swyddogaeth 'raise hand' sy'n dangos eicon codi llaw electronig. Mae'r swyddogaeth 'chat' hefyd yn gallu cael ei ddefnyddio i ofyn cwestiynau, i wneud sylwadau perthnasol ac yn gyfle i'r swyddog gynghori neu ddiweddarau'r cynghorwyr.

Bydd y Cadeirydd yn galw ar y siaradwyr, gan gyfeirio at aelod etholedig fel 'Cynghorydd' a swyddogion yn ôl eu teitl swydd h.y. Prif Weithredwr neu enw. O bryd i'w gilydd mae'r swyddog sy'n cynghori'r Cadeirydd yn egluro pwyntiau gweithdrefnol neu'n awgrymu geiriad arall ar gyfer cynigion er mwyn cynorthwyo'r Pwyllgor.

Os, a phan y cynhelir pleidlais, mi fydd y Cadeirydd yn egluro mai dim ond y rheiny sy'n gwrthwynebu'r cynnig/cynigion, neu sy'n dymuno ymatal a fydd angen mynegi hynny drwy ddefnyddio'r swyddogaeth 'chat'. Bydd y swyddog sy'n cynghori'r Cadeirydd yn mynegi os bydd y cynigion yn cael eu derbyn.

Os oes angen pleidlais fwy ffurfiol, bydd hynny yn ôl galwad enwau – lle gofynnir i bob Cynghorydd yn ei dro (yn nhrefn yr wyddor) sut mae ef / hi yn dymuno pleidleisio.

Yng nghyfarfodydd Pwyllgorau Cynllunio a Chyngor Sir mae amseroedd siaradwyr yn gyfyngedig. Bydd cloch yn cael ei chanu i roi gwybod i'r siaradwyr bod ganddyn nhw funud ar ôl.

Bydd y cyfarfod yn cael ei ffrydio'n fyw ar wefan y Cyngor. Bydd recordiad o'r cyfarfod ar gael yn fuan ar ôl y cyfarfod ar <https://flintshire.publici.tv/core/portal/home>

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 3

GOVERNANCE AND AUDIT COMMITTEE **27 SEPTEMBER 2021**

Minutes of the Governance and Audit Committee of Flintshire County Council held remotely on Wednesday, 27 September 2021

PRESENT: Councillor Chris Dolphin (Chair)

Councillors: Janet Axworthy, Patrick Heesom, Joe Johnson, Martin White and Arnold Woolley

Co-opted members: Sally Ellis and Allan Rainford

APOLOGY: Chief Officer (Governance)

IN ATTENDANCE:

Councillor Ian Roberts - Leader of the Council and Cabinet Member for Education, Councillor Billy Mullin - Deputy Leader (Governance) and Cabinet Member for Corporate Management and Assets, Councillor Paul Johnson - Cabinet Member for Finance, Social Value and Procurement, Chief Executive, Chief Officer (Housing and Assets), Chief Officer (Education & Youth), Internal Audit Manager, Corporate Finance Manager, Strategic Finance Managers, Principal Accountant, Civic & Member Services Officer and Democratic Services Officer

Gwilym Bury and Matt Edwards (with Yvonne Thomas observing) from Audit Wales

21. DECLARATIONS OF INTEREST

Councillor Janet Axworthy declared a personal interest on the Statement of Accounts (agenda item 4) as a Board member of NEW Homes.

Councillors Janet Axworthy, Patrick Heesom and Martin White declared a personal interest on School Reserve Balances (agenda item 6) in their capacity as school governors. Sally Ellis declared a personal interest on the same item due to her son being employed by a school in Flintshire.

22. FEEDBACK FROM THE ALL WALES AUDIT COMMITTEE CHAIR NETWORK ATTENDED BY THE CHAIR, VICE-CHAIR AND INTERNAL AUDIT, PERFORMANCE & RISK MANAGER

As the Committee's Vice-Chair, Sally Ellis reported back from a national meeting of Governance & Audit Committee Members which she had attended with the Chair and Internal Audit, Performance & Risk Manager. The main issues discussed at the meeting related to new governance arrangements and performance duties for Governance & Audit Committees in Wales. To prepare for the changes, she highlighted the following:

- The benefits of a trial run on the Committee's self-assessment.
- Training on complaints handling and monitoring which required engagement with Overview & Scrutiny Committees.

- A detailed report on arrangements for the appointment of a lay Chairperson and appropriate support to help that individual in their role.
- Awareness of restrictions on the recruitment of lay members.

The points raised were endorsed by the Chair and the Internal Audit, Performance & Risk Manager who advised that complaints training was available from the Office of the Public Ombudsman for Wales. She also reported on national arrangements for the recruitment process for Committee lay members.

23. MINUTES

The minutes of the meeting held on 28 July 2021 were approved, as moved and seconded by Councillors Janet Axworthy and Arnold Woolley.

RESOLVED:

That the minutes be approved as a correct record.

24. STATEMENT OF ACCOUNTS 2020/21

The Corporate Finance Manager presented the final version of the Statement of Accounts 2020/21 incorporating changes agreed with Audit Wales (AW) during the course of the audit.

Following receipt of the draft accounts in July, responses to the questions raised by the Committee had been circulated and no further issues had been raised during the consultation period over the summer. There were no uncorrected misstatements and no significant issues had arisen during the audit which was nearing completion. A summary of corrected misstatements was appended to the report and it was noted that there would be a presentational change to note 15 on 'cash and cash equivalents' prior to final sign-off. The Committee was asked to approve the final version on that basis which was within the statutory deadline set by Welsh Government which had been extended due to the ongoing pandemic.

Matt Edwards of Audit Wales gave a presentation covering key areas and findings of the audit:

- Auditor General's responsibilities
- Audit position
- Overall findings
- Impact of COVID-19 on this year's audit
- Independence
- Looking ahead

During the presentation, Matt Edwards thanked Council officers for their work in producing the financial statements to a good standard and in a timely manner despite the challenges arising from remote working due to the Covid-19

pandemic. He said that subject to the Committee's approval, the Auditor General intended issuing an unqualified opinion on the financial statements.

Allan Rainford acknowledged work undertaken by officers to achieve this positive outcome. In response to a question, Matt Edwards explained the process for reviewing estimated figures on the Council's assets and pension liabilities and confirmed that no issues had been identified to raise with the Committee.

The Chief Executive said that the timetable for the annual accounts for next year - the current longer timetable or new shorter one - remained open as a question and would depend upon discussions with Audit Wales. He also spoke about positive outcomes from joint working with Audit Wales colleagues and the establishment of the Accounts Governance Group.

As Cabinet Member for Finance, Social Value and Procurement, Councillor Paul Johnson paid tribute to Council teams and Audit Wales colleagues for the way in which they had worked together during the emergency period to finalise the accounts.

In thanking Audit Wales colleagues for their professionalism throughout the process, the Corporate Finance Manager also expressed his appreciation to Finance colleagues across the organisation for helping to maintain the quality of the accounts and in particular key officers from Corporate Finance.

The recommendations were approved by Councillor Martin White and seconded by Sally Ellis.

RESOLVED:

- (a) That the final version of the Statement of Accounts 2020/21 be approved;
- (b) That the Audit Wales presentation 'Audit of the Group Financial Statements 2020/21 - Flintshire County Council' be noted; and
- (c) That the Letter of Representation be approved.

25. FLINTSHIRE FINANCIAL SUSTAINABILITY ASSESSMENT FINAL REPORT

The Chief Executive introduced the report on the findings of the Council's Financial Sustainability Assessment by Audit Wales following a review of all Councils across Wales. The report - which acknowledged the Council's strengths in financial planning and delivery of efficiencies - had been well received by the Corporate Resources Overview & Scrutiny Committee and Cabinet.

A formal response was not required as the report presented a fair reflection of the Council's financial position with no new issues raised. In recognising the scale of the anticipated financial challenge moving forward and reliance on fairer funding from Welsh Government (WG), the report would form part of a collective evidenced case by all Councils in Wales on the budget requirement for 2022/23.

Councillor Paul Johnson said that this was an important report which accurately reflected actions being taken by the Council to improve financial resilience through a robust strategy including the use of reserves.

Whilst finding financial management actions reassuring, Sally Ellis noted that reliance on an improved Settlement from WG was described as a high-risk approach. She asked Audit Wales colleagues for their view on what Councils could do differently to address this.

Gwilym Bury considered engagement with WG to be a reasonable step which had proved beneficial in the past and he commended the Council's strategic planning to identify significant budgetary pressures in high-risk areas such as Social Services which were national issues. He also noted that the Council's position on reserves had been impacted positively by WG emergency funding during the period. It was noted that reports for all Councils in Wales were being published on the Audit Wales website.

The Chief Executive said that a clear financial strategy communicated as part of the budget-setting process for 2022/23 was being supported by Overview & Scrutiny Committees. There was positive engagement with WG through the Welsh Local Government Association to make the collective case for an uplift in Revenue Support Grant, which reflected an equal position of risk across Wales.

In welcoming the report with no formal recommendations, Allan Rainford noted the level of usable reserves compared with other Councils and asked whether Council Tax collection projections presented a potential risk.

In response, Matt Edwards said that the challenging position on reserves was captured in the report and was acknowledged by the Council, whilst Gwilym Bury spoke about the Council's good track record on Council Tax collection.

The Corporate Finance Manager gave an update on improvement in Council Tax collection levels, as recently reported to Cabinet, which remained an area of focus.

The Chief Executive said that Council Tax collection forecasting for 2022/23 had been subject to robust risk assessments and could be shared privately on request.

Councillor Ian Roberts spoke about strong ongoing engagement between WG and Councils in Wales throughout the emergency. On Council Tax collection, he welcomed the shift in approach during the emergency to support residents in need.

The recommendation was moved by Councillor Joe Johnson and seconded by Sally Ellis.

RESOLVED:

That the Committee notes the report and confirms that there are no issues to be brought to the attention of Cabinet.

26. SCHOOL RESERVE BALANCES YEAR ENDING 31ST MARCH 2021

The Chief Officer (Education & Youth) presented the annual report on reserves held by Flintshire schools and the risks and internal processes associated with schools in deficit. The report had also been considered by the Education, Youth and Culture Overview & Scrutiny Committee.

In comparison with the previous year, there was an increase in reserve levels across all sectors held at 31 March 2021, partly due to a number of additional grants awarded for issues caused by the emergency situation. Grants awarded at a late stage had inflated balances at year-end and presented challenges for those managing school budgets. There had been a reduction in the number of primary and secondary schools in a deficit position and the robust processes for monitoring school balances through the Protocol for Schools in Financial Difficulty continued to provide challenge and target support where needed. There was regular engagement with Head Teachers on surplus balances which was an issue raised at national level. In recognising the significant challenges during the ongoing pandemic, schools were not expected to complete the annual return on their planned use of school balances exceeding the limits specified this year.

In noting the Council's additional investment in delegated schools budgets to manage the reduction in school budget deficits, Sally Ellis asked about the level of extra funding that was required to change the funding formula for schools.

It was clarified by the Chief Officer and Strategic Finance Manager that an additional £1m had been allocated to the secondary sector for 2021/22 which was recurring funding, as resources allowed. The requirement for more school funding was identified as a cost pressure in Stage 2 of budget reports to Overview & Scrutiny and was dependent on the Council's overall financial position following notification of the Provisional Settlement in December 2021. Plans to address changes in the school funding formula would take some time to resolve.

As Leader of the Council and Cabinet Member for Education, Councillor Ian Roberts cited other factors contributing to schools' deficit position.

The Chief Executive said that the Council's strategy to include the additional uplift for schools responded to the Estyn inspection recommendation to effectively manage the reduction in school budget deficits and was dependent on the increased Settlement from WG.

The Chief Officer assured the Committee of the overall strategy for high-performing schools across Flintshire and to encourage parents to choose local schools.

The recommendation was moved and seconded by Councillors Martin White and Joe Johnson.

RESOLVED:

That the school reserve levels as at 31 March 2021 be noted.

27. INTERNAL AUDIT PROGRESS REPORT

The Internal Audit, Performance & Risk Manager presented the regular update on progress against the Plan, final reports issued, action tracking, performance indicators and current investigations.

Since the last report, there were no Red (limited assurance) reports and two Amber Red (some assurance) reports on Notification of Payroll Leavers to Clwyd Pension Fund and CCTV. On overall action tracking, alternative ways of managing overdue actions were being explored to make more efficient use of officer time. Movements within the 2021/22 Audit Plan were summarised.

On the latter, Sally Ellis referred to references to audit work in Procurement & Contract Management/Monitoring and suggested more clarity in future reports to help understand different strands of work. The Internal Audit, Performance & Risk Manager provided an overview of the two separate pieces of work in that area.

The recommendation was moved by Sally Ellis and seconded by Councillor Martin White.

RESOLVED:

That the report be accepted.

28. ACTION TRACKING

The Internal Audit, Performance & Risk Manager presented an update on actions arising from previous meetings, and advised that the Committee's effectiveness workshop would take place remotely on 13 October 2021.

The recommendation was moved and seconded by Councillors Arnold Woolley and Janet Axworthy.

RESOLVED:

That the report be accepted.

29. FORWARD WORK PROGRAMME

The Internal Audit, Performance & Risk Manager presented the current Forward Work Programme for consideration, including movements since the last report.

Following the earlier update, Sally Ellis suggested items on the annual complaints report and preparations for the new legislation affecting the Committee.

The Internal Audit, Performance & Risk Manager advised that training requirements for the Committee identified at the workshop in October would feed into the forward work programme.

The recommendations in the report were moved and seconded by Councillors Arnold Woolley and Martin White.

RESOLVED:

- (a) That the Forward Work Programme be accepted; and
- (b) That the Internal Audit, Performance & Risk Manager, in consultation with the Chair and Vice-Chair of the Committee, be authorised to vary the Forward Work Programme between meetings, as the need arises.

30. ATTENDANCE BY MEMBERS OF THE PRESS

There were no members of the press in attendance.

The meeting started at 10am and finished at 11.30am

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Chair

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 4



GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday 17 November 2021
Report Subject	Housing Rent Income – Audit Wales Report
Report Author	Chief Executive

EXECUTIVE SUMMARY

This report provides the Committee with an operational update following the publication of a recent Audit Wales report on Housing Rent Income.

The Audit Wales review has acknowledged the proactive measures already taken by the Council in supporting tenants and stabilising rent collections during a period of unprecedented change, especially with the rollout of Universal Credit and the recent impacts of the coronavirus pandemic.

The review has concluded the Council had, by March 2020, successfully stopped the increase in Council tenant rent arrears.

In summary, the Audit Wales report now sets out two recommendations to collect additional performance measures to better understand the overall income and rent arrears performance and to build on the improvements already made. The two additional indicators being proposed are:

- Total rent collected during the year from both former and current tenants; and the amount written off during the financial year in unpaid rents
- The collection of more comprehensive datasets including strengthening integrated tenant engagement arrangements to better understand the needs and experiences of tenants and to inform future housing service delivery

RECOMMENDATIONS

1	That Members are requested to note the report.
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REPORT DETAILS

1.00	EXPLAINING THE AUDIT WALES REPORT ON RENTAL INCOME
1.01	Collection of rent during the rollout of Universal Credit and other welfare reforms, together with the recent impacts of the Covid pandemic, have been challenging for the housing service in the same way as it has for other social landlords.
1.02	Most tenants have maintained their rent payments, but the pandemic and continued rollout of Universal Credit has inevitably also impacted on the ability of some tenants to pay their rent on time.
1.03	As part of the Councils ongoing response and to mitigate the impacts on tenants and ensure the long term financial stability of the Housing Revenue Account, Audit Wales have undertaken a comprehensive review to assess the effectiveness of the Council in supporting tenants and the package of measures that have been put in place to maximise rent collection levels and minimise bad debts.
1.04	The Audit Wales report sets out many examples of good practice and the co-ordinated work being undertaken across the housing service to maintain rent collection levels. The report also acknowledges the proactive measures already taken by the Council during a period of unprecedented change, especially with the rollout of Universal Credit and the recent impacts of the coronavirus pandemic.
1.05	<p>In summary, the report confirms the Council has stopped the increase in council tenant rent arrears and the audit findings identify two specific recommendations for improving performance, to build on the improvements already made and to better understand the overall income and rent arrears performance.</p> <p>Audit Wales have identified two indicators that may assist in developing additional reporting information:</p> <ul style="list-style-type: none">• Total rent collected during the year from both former and current tenants; and the amount written off during the financial year in unpaid rents• The collection of more comprehensive datasets including strengthening integrated tenant engagement arrangements to better understand the needs and experiences of tenants and to inform future housing service delivery
1.06	The Housing service continues to develop strategies to increase collections and in respect of the collection of former tenant arrears, the service has recently deployed an additional software module specifically targeted at former tenant arrears – the software deploys existing analytical and predictive technologies using the Mobyssoft ‘Rent Sense’ solution to quickly identify former tenants who are at risk of not making repayments on time.

1.07	The deployment of new software for managing former tenant arrears, along with enhanced reporting tools, will now enable officers to make further improvements in the collection process and to also provide additional reporting information to Cabinet and to Scrutiny Committee on former tenant arrears, as well as better visual information on write off levels.
1.08	In addition to this, and in respect of the collation of data to capture tenants' feedback and to better understand the needs of tenants, the housing service is proposing to send out a detailed questionnaire to solicit customer feedback which will assist and support future models of service delivery.

2.00	RESOURCE IMPLICATIONS
2.01	None directly arising from the report.

3.00	CONSULTATIONS REQUIRED/CARRIED OUT
3.01	The Audit Wales report will be shared with the Corporate Resources Overview & Scrutiny Committee on 11 November.

4.00	RISK MANAGEMENT
4.01	To ensure financial risks to the HRA are minimised as far as possible, rent arrears continue to be tracked on a weekly basis and cases are identified as quickly as possible to ensure targeted intervention if provided to those tenants at highest risk of non-payment.

5.00	APPENDICES
5.01	Appendix 1 – Audit Wales Report - Rental Income – Flintshire County Council

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Audit Wales – Rental Income Report (document 2330A2021-22) Contact Officer: David Barnes, Revenues Manager Telephone: 01352 703652 E-mail: david.barnes@flintshire.gov.uk

7.00	GLOSSARY OF TERMS
7.01	<p>Housing Revenue Account (HRA): The Council is required to keep a HRA to record all income and expenditure relating to the provision of local authority housing. All rental income, including arrears, must be held with a ring fenced HRA account. This means that income can only be used for council housing purposes and not general expenditure. This also allows rental income to be invested locally to help improve and maintain council owned homes and also build new council homes.</p> <p>Welfare Reform: these are changes introduced to a range of social security benefits and tax credits which aim to ensure that the UK has an affordable benefits system.</p> <p>Audit Wales: is the statutory external auditor of most of the Welsh public sector, including local authorities. Audit Wales role includes examining how public bodies manage and spend money and how they achieve value in the delivery of public services.</p>

Rental Income – Flintshire County Council

Audit year: 2020-21

Date issued: March 2021

Document reference: 2330A2021-22

This document has been prepared as part of work performed in accordance with statutory functions.

In the event of receiving a request for information to which this document may be relevant, attention is drawn to the Code of Practice issued under section 45 of the Freedom of Information Act 2000. The section 45 code sets out the practice in the handling of requests that is expected of public authorities, including consultation with relevant third parties. In relation to this document, the Auditor General for Wales and Audit Wales are relevant third parties. Any enquiries regarding disclosure or re-use of this document should be sent to Audit Wales at infoofficer@audit.wales.

We welcome correspondence and telephone calls in Welsh and English. Corresponding in Welsh will not lead to delay. Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg. Ni fydd gohebu yn Gymraeg yn arwain at oedi.

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The Council had by March 2020 successfully stopped the increase in Council tenant rent arrears, but a greater range of information would help it evaluate service performance better 5

The Council has further opportunities for improving performance but support for tenants is fragmented 8

The Council has taken steps to engage with its tenants but there is opportunity to do more, particularly to understand equality and diversity in the tenant population 10

Summary report

Summary

The Council had by March 2020 stopped the increase in Council tenant rent arrears but has further opportunities for improving performance and engaging with tenants

- 1 We came to this conclusion because:
 - a. the Council had by March 2020 successfully stopped the increase in Council tenant rent arrears, but a greater range of information would help it evaluate service performance better;
 - b. the Council has further opportunities for improving performance but support for tenants is fragmented; and
 - c. the Council has taken steps to engage with its tenants but there is opportunity to do more, particularly to understand equality and diversity in the tenant population.

Proposals for improvement

Exhibit 1: proposals for improvement

Proposals for improvement	
P1	To better understand the overall income and rent arrears performance, the Council needs to collect and report additional performance indicators: <ul style="list-style-type: none">• total rent collected during the year from former and current tenants; and• the amount written off during the financial year.
P2	To inform the delivery of the service, through a better understanding of the needs and experiences of tenants, the Council should collect a more comprehensive range of data including information on equalities

Detailed report

The Council had by March 2020 successfully stopped the increase in Council tenant rent arrears but has further opportunities for improving performance and engaging with tenants

The Council had by March 2020 successfully stopped the increase in Council tenant rent arrears, but a greater range of information would help it evaluate service performance better

- 2 In 2011, the UK Government introduced a programme of welfare reform, with the phased introduction of Universal Credit across the UK from October 2013. Universal Credit aims to replace six means-tested benefits and tax credits for working-age people and families (known as 'legacy' benefits), which are:
 - Housing Benefit
 - Working Tax Credit
 - Child Tax Credit
 - Income-Based Jobseekers' Allowance
 - Income-Based Employment and Support Allowance
 - Income Support
- 3 In Flintshire, the rollout of Universal Credit by the Department of Work and Pensions (DWP) was introduced as a full-service rollout for new claims from April 2017 and was the first area in Wales to do so. The single Universal Credit payment includes a housing element for help with housing costs. Unlike the Housing Benefit system, it is paid monthly in arrears directly to the tenant and not to their rent account on a weekly basis. This phased introduction of Universal Credit is not complete¹, and many existing tenants still receive legacy benefits including Housing Benefit as do any new tenants, such as those aged over 65 or those aged over 50 living in sheltered housing accommodation.
- 4 The design of the Universal Credit system places an expectation on tenants to manage their own finances and budget to pay rent on time to their landlord. Under the previous Housing Benefit administration all benefit is paid weekly in advance directly into the tenant's rent account. However, a substantial amount of Universal

¹ Universal Credit Full Service (UCFS) is a digital interactive service that allows tenants to make and maintain their claim for Universal Credit, check the progress of their claim and payments and message their work coach and the service centre if they have questions. The Universal Credit full service finished rolling out across Wales in December 2018. However, new Universal Credit claims are still possible in all areas of the UK such as for sheltered housing tenants. In addition, tenants who are still receiving Housing Benefit do not yet have to claim Universal Credit.

Credit is paid directly to the Council where tenants are two months or more behind on their rent, and the Council has applied to have the housing costs part of Universal Credit paid directly to them. Universal Credit therefore imposes a big budgeting and prioritising responsibility on tenants. According to a Council progress report presented to scrutiny in July 2020, 1,370 Council tenants were receiving Universal Credit of which 1,167 had rent arrears with an average debt of £939. In addition, a total of 2,342 Council tenants were still receiving Housing Benefit of which 869 were in arrears.

- 5 Since the phased introduction of Universal Credit in Flintshire, Council tenant rent arrears have risen. Similar trends in rent arrears have occurred throughout the UK².

Exhibit 2: Flintshire Rent Arrears 2016-17 to 2019-20

Exhibit 2 shows the Rent Arrears financial year-end (end of March) position for outstanding current and former tenants and the amount of Former Tenant Arrears the Council is writing off each financial year.

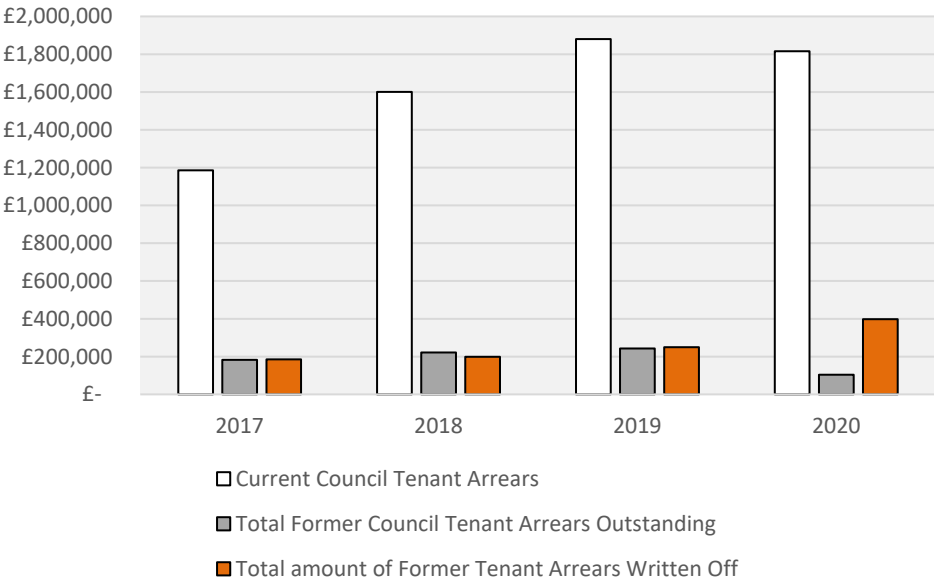


Exhibit source: Flintshire County Council Data

The Council’s current rent arrears data shows a deteriorating performance between 2016-17 and 2018-19, but an improvement in the year-end position for 2019-20. The current rent arrears at 31 March 2020 reduced to £1.815 million compared to the previous year position of £1.880 million, a reduction of £65,000.

² Audit Wales, **Managing the Impact of Welfare Reform Changes on Social Housing Tenants in Wales**, January 2015.

- 6 The Council had by March 2020 successfully stopped the increase in Council tenant current rent arrears. However, the COVID-19 pandemic has inevitably had a negative effect on rent collections, as some tenants have struggled to meet their payment obligations as a result of changes in their circumstances. According to a Council progress report presented to scrutiny in December 2020, the total Rent Arrears up to Monday 23 November 2020 were £2.49 million, compared to £2.31 million at the same point in 2019-20, a rise of £184,000.
- 7 The level of Council tenant rent arrears is reported at least every six months to scrutiny committees and the Cabinet. The reports provide an operational update and the latest rent arrears data on current tenant arrears. There are less frequent reports on the level of former tenant arrears and non-recoverable arrears which are written off. There is no reporting of the overall level of rent collected each year by the Council or benchmarking of performance against the other ten councils in Wales which operate Housing Revenue Accounts. The absence of such key management information may limit the ability of councillors and the public to consider if the Council is achieving overall value for money with its Rent Income Service.
- 8 We found that £398,288 of its Former Tenants Arrears was written off in 2019-20. It is more difficult to recover this debt, and the Council is writing off more each year. The Council should consider including the level of former tenant arrears, and its percentage in relation to the total level of arrears, as part of a suite of indicators. Since our fieldwork, the Council has told us that it is now working on developing additional performance information for 2021-22.
- 9 Reporting performance outcomes against a limited selection of indicators may not present a complete picture of the overall income and rent arrears performance. There is no apparent benchmarking process or comparative data being consistently used in the reporting of Council tenants' arrears. This results in limited contextual information to assist meaningful challenge of performance. The Council should consider enhancing its range of indicators and further develop its approach to benchmarking as a means of driving forward performance improvement.
- 10 The Council has introduced changes to working practices and targeted resources to try to maximise rent incomes and prevent overall arrears levels from escalating further. Before the introduction of Universal Credit, Council tenant rent arrears work was undertaken by officers in the Housing Department. This work is now undertaken by their New Customer Team which focuses on new Council tenants. This focus ensures that pre-tenancy assessments are carried out, and intensive support at the start and first few weeks of new tenancies to help minimise tenancy failures is available.
- 11 The Rent Income Team, part of the Revenues Department, is now responsible for collecting rent and managing rent arrears. The team mainly works with tenants via telephone, email or letters, and some face-to-face contact through interviews and home visits. This face-to-face contact has temporarily ceased during the COVID-19 pandemic.

- 12 In August 2018, the Housing Intervention Team (HIT) was launched to co-ordinate lower-level arrears through early intervention with tenants. This is a co-ordination team of four officers from both the Housing and Rent Income Service. Their role is to understand the nature of the tenant's debt and inform them of the support available.
- 13 In July 2019, the Council introduced MobySoft 'Rent Sense' software to help improve the efficiency of rent arrears work. The software analyses Council tenants' payment patterns, along with a predictive analytical application that then predicts which tenants will and will not pay their rent. It then produces a list for officers of tenants, in priority order, that need contacting regarding their rent payments.
- 14 The Council has clear policies and procedures for its rent income service:
- the Corporate Debt Policy sets out the standard procedures for the collection of debt;
 - the Fair Debt Collection Policy sets out the framework for a consistent and customer sensitive approach to the recovery of debt; and
 - the Housing Strategy sets out the Council's vision: 'to work with key stakeholders to inform and deliver the right type of quality housing and most appropriate support to meet the needs of our population'.
- 15 We understand that a Fair Debt Working Group has been established to monitor the effectiveness of the Fair Debt Collection policy. However, due to little information being provided it is unclear to what extent this working group is achieving its purpose. Some officers we spoke to were unaware of the policy. We would encourage the Council to set a policy review date and ensure that all officers that are involved with Council tenants are made aware of it.
- 16 The Council also collects water rates from its tenants with rent payments rather than expecting tenants to pay these bills separately to Dŵr Cymru. Relatively few councils in Wales offer this service but the tenants we spoke to find the arrangement helpful. The Council believes the commission it receives from Dŵr Cymru covers its administrative costs.

The Council has further opportunities for improving performance but support for tenants is fragmented

- 17 Management information systems are in place to help gather information to enable rent arrears performance to be monitored each week and intervention targeted. The introduction of 'Rent Sense' software enabled early identification and targeted intervention of those tenants at the highest risk of accruing further arrears. Income Officers reported that the software has significantly reduced manual processes, allowing them to focus their resources on supporting tenants more efficiently.
- 18 The Housing Intervention Team (HIT) is an example of joint working across the Council that has enabled early contact with Council tenants to ensure tenancies are sustained by preventing arrears building up.

- 19 The Housing Service and Rent Income Service offer ongoing advice and support to help Council tenants manage their rent arrears. Tenants are also signposted to advice agencies such as the Citizens Advice Bureau (CAB) and Shelter Cymru. This is important as arrears can arise at any stage of a tenancy, due to changes in financial, employment or personal circumstances.
- 20 However, we found that Council tenants could potentially have contact with several different Council officers about their rent, suggesting no clear single point of access for support and that in some respects current arrangements are fragmented:
- Housing Service:
 - New Customer team
 - Secure Tenancies Team
 - Supporting People
 - Housing Intervention Team (HIT)
 - Revenues:
 - Welfare Reform Team
 - Rent Income Officers
 - Rent Enforcement Officers
- 21 We understand that monthly case management meetings are set up to discuss issues arising regarding vulnerable tenants. The membership includes officers from the Housing Service, Housing Solutions Team and, more recently, Income Service. However, there are more examples where communication channels could be improved between teams. For example, if Housing Officers have concerns about a tenant's rent situation, they would refer them via the gateway process and not directly to the HIT team. The HIT team only receives referral from the Rent Income Service. This means that tenants might experience delays in getting support. The Council is aware that it needs to improve its current training to ensure that Housing Officers ensure they consistently access communications from Income Officers of notices served to tenants, as well as eviction dates.
- 22 From April 2019, the Department for Work and Pensions (DWP) withdrew funding to councils to provide Universal Support, which included personal budgeting and help with using a computer to make or maintain claims. As a replacement service, the DWP contracted Cheshire West CAB provide a 'Help to Claim Service' for the county. It aims to help people with their claim processes up to when they receive their first Universal Credit payment. Most officers and representatives of the local CAB and Shelter Cymru we spoke to were unaware of how effective the 'Help to Claim Service' is, and there appeared to be little contact with this service by the Council or local advice services.
- 23 Other officers that were aware of the arrangement said that Cheshire West CAB has not provided any information about the numbers of residents accessing the service. Due to the absence of this information, the Council cannot assure itself its residents are being provided with the support they require. Cabinet Report minutes from 18 February 2020 say, 'this was being escalated to ensure that information

was available'. Since April 2020, the provision has shifted to a national call centre which operates a telephone service.

- 24 The 'Help to Claim Service' does not provide personal budgeting support, instead the local Welfare Reform Team provides this. It helps tenants who are affected by Universal Credit and other Welfare Reform changes. Demand for budgeting support has increased since the introduction of Universal Credit. We were also told that Accommodation Support Officers also provided this at the Council's Connect Offices prior to the COVID-19 pandemic. This indicates possible duplication and may cause confusion to those requiring support.
- 25 The New Customer Team focuses on new Council tenants, ensuring that pre-tenancy assessments are carried out and support identified to help minimise tenancy failures. As well as Council tenants migrating from Housing Benefit to Universal Credit when their circumstances change, the impact of the COVID-19 pandemic is an additional challenge. The Council is seeing more of its tenants having to sign up for Universal Credit for the first time, increasing the demands on various Council teams. Waiting times for the first payment of Universal Credit can take as long as five weeks, meaning some Council tenants may find themselves in arrears from the start of their tenancies. Ensuring early support to help Council tenants manage their finances may help to mitigate the impact on rent arrears.
- 26 The Coronavirus Act 2020 ('the 2020 Act') includes a range of powers to both respond to and manage the transmission of the virus. The Act ensures landlords give increased notice³ to tenants facing eviction from rented properties before they can issue proceedings for possession. The effect will be to delay evictions meaning that fewer people face eviction into homelessness. Enforcement activity will be affected because of the Act, and the Council may face additional pressures once proceedings resume.
- 27 The Council recognises it will need to develop a new strategy to address the challenges the COVID-19 pandemic has presented. The Council is developing a corporate Recovery Strategy for the pandemic emergency response. We understand that reviews will take place to assess the ongoing impact of the COVID-19 pandemic on rent arrears.

The Council has taken steps to engage with its tenants but there is opportunity to do more, particularly to understand equality and diversity in the tenant population

- 28 The Council has taken steps to engage with its tenants about rent arrears. As well as the HIT team, Housing Officers and Rent Income Officers are in contact with tenants. However, there is little evidence of regular formal engagement with

³ The regulations now extend eviction notice periods granted under the Housing Act 1988 to six months in most cases, as opposed to the usual three months' notice for notices served in respect of secure tenancies and introductory tenancies. Since the second full lockdown in December 2020, evictions have again been halted.

tenants about the services they receive. It is unclear how the Council is measuring its effectiveness in this area.

- 29 We were told that a survey of Council tenants would be commissioned by the Housing Service, as the most recent survey we saw was undertaken in 2013-14. We were also informed that tenant surveys are undertaken, and the results are reported to the Housing Service Management team. The Rent Income Service does not have any arrangement in place to capture tenants' feedback. There is opportunity to strengthen integrated engagement arrangements to better understand the needs, experiences and aspirations of tenants to inform the delivery of the services in uncertain times.
- 30 Engaging with tenants might indicate where greater support is needed. We found there to be a lack of arrangements in place to gather and share information on vulnerable tenants especially in terms of communication. Information about tenants who have visual or hearing difficulties or English as a second language or a low level of literacy was not available. We found that such information can be captured in tenancy sign-up documents, by the relationships formed with Housing Officers and that their Housing Software system has the capability to record it.
- 31 The Council has identified risks as a result of welfare reforms. Universal Credit places an expectation on tenants to manage their own finances, but many tenants, especially those tenants considered to be vulnerable, cannot cope with the budgeting obligations of paying rent on time. In many cases, tenants with complex needs fall into arrears. More comprehensive equalities monitoring and tenant engagement could help the Council to improve how it supports its tenants.



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We welcome correspondence and telephone calls in Welsh and English.
Rydym yn croesawu gohebiaeth a galwadau ffôn yn Gymraeg a Saesneg.

Eitem ar gyfer y Rhaglen 5



AUDIT AND GOVERNANCE COMMITTEE

Date of Meeting	Wednesday 17 November 2021
Report Subject	Audit Wales review of Town Centre Regeneration
Cabinet Member	Cabinet Member for Economic Development
Report Author	Chief Officer (Planning, Environment and Economy)
Type of Report	Operational

EXECUTIVE SUMMARY

Audit Wales published a review of town centre regeneration in September 2021. The report sets out recommendations for all levels of government to respond to. In accordance with the Council protocol, the formal responses are to run through the Committee system before being submitted to Audit Wales.

RECOMMENDATIONS

1	That the Audit Wales recommendations to the Council are noted and the proposed response to Audit Wales is approved.
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REPORT DETAILS

1.00	EXPLAINING THE AUDIT WALES REVIEW OF TOWN CENTRE REGENERATION
1.01	Audit Wales published a review of town centre regeneration in September 2021 (link). It summarises the pressures and trends facing town centres in Wales and actions undertaken so far by the public sector to respond. The report includes recommendations for all levels of Government. Audit Wales have asked local authorities to review the recommendations relevant to them and to provide a formal response.

The report sets out six recommendations, three of which it asks local government to respond to. The response to each recommendation is set out below.

R1 Non-domestic rates have not been reviewed in recent years, and the levels charged do not reflect the current rents being achieved in many town centres. We recommend that the Welsh Government review non-domestic rates to ensure that the system better reflects town centre conditions when the payments holiday ends in March 2022.

R2 Many town-centre businesses are impacted adversely by charging for car parking, access to public transport and poor transport infrastructure. We recommend that the Welsh Government work with local authorities to review transport challenges facing town centres and agree how best to address these.

R3 The Welsh Government has directly provided and levered in just under £900 million through 13 funding schemes to help regenerate town centres. However, some aspects of the Welsh Government's management of the funding are considered problematic. To ensure local authorities are able to maximise the impact of funding and tackle the more difficult and longstanding problems that would help transform their town centres, we recommend that the Welsh Government:

- consolidate funding to reduce bureaucracy by streamlining processes and grant conditions and keeping requests for information and supporting materials to a minimum;
- move away from annual bidding cycles to multi-year allocations; and
- rebalance investment from capital to revenue to help local authorities address staff capacity and skills shortages.

R4 The Welsh Government has provided all 22 local authorities with training on how best to use existing enforcement, financial assistance and debt recovery powers, but they are not being consistently nor effectively utilised to support regeneration. We recommend that local authorities take appropriate action, using these existing powers and resources available to achieve the best possible outcome for town centres by:

- using alternative methods of enforcement before using Compulsory Purchase Orders as a last resort;
- integrating enforcement strategies with wider departmental strategies across housing, environmental health, planning and regeneration teams to make more effective use of existing skills and resources; and
- ensuring there is capacity and the right expertise to use the full range of powers, working in collaboration with other councils to achieve good outcomes.

R5 The Welsh Government's 'Town Centres First' approach looks to put the health of town centres at the heart of the decisions taken by the Welsh Government, local authorities, the wider public sector, businesses and communities. This requires a high degree of integration between cross-cutting policy frameworks and decision making to promote town centres above much else. We recommend that the Welsh Government sets out how it plans to deliver this in practice, its expectations of partners and the practical steps it will take to make this ambition a reality.

	<p>R6 Town centres are changing, and local authorities need to be receptive to these changes and plan to manage these shifts. We recommend that local authorities use our regeneration tool to self-assess their current approaches to identify where they need to improve their work on town-centre regeneration.</p> <p>The Council's proposed formal response follows.</p>
1.02	<p>R1 Non-domestic rates have not been reviewed in recent years, and the levels charged do not reflect the current rents being achieved in many town centres. We recommend that the Welsh Government review non-domestic rates to ensure that the system better reflects town centre conditions when the payments holiday ends in March 2022.</p> <p>Although the Council has not been asked to respond on this recommendation business rates are a frequent area for concern raised by businesses in town centres and the review process has been highlighted as needing action by Welsh Government.</p>
1.03	<p>R2 Many town-centre businesses are impacted adversely by charging for car parking, access to public transport and poor transport infrastructure. We recommend that the Welsh Government work with local authorities to review transport challenges facing town centres and agree how best to address these.</p> <p>The proposed response is:</p> <p>Parking has been free in Flintshire County Council operated car parks since March 2020 to support the local economy during the response to the pandemic. The normal charges remained suspended to help local businesses as they came out of lockdown last summer until recently.</p> <p>Now that the country is at Alert Level 0, and following the reopening of all town centre businesses and hospitality venues, parking charges were reintroduced from 1st October. As both Governments promote economic recovery and are bringing to a close national emergency funds on which public bodies have relied, councils can no longer continue to offset a resumption to some "normality".</p> <p>Charging for designated public car parks is adopted Council policy. The rationale for the original policy covers easing potential congestion and ensuring fair access to parking spaces in the short-stay car parks through a local traffic control system that includes charging. Our charges remain very competitive and we will consider options of special seasonal arrangements e.g. pre-Christmas. We are also open to working in partnership with Town Councils on local options where they are workable.</p> <p>In Flintshire, we have been instrumental over the last four years in leading on North Wales Metro projects and promoting Active Travel across the County with successful bids made to the Welsh Government each year to deliver transport schemes across the county. We have our own county-wide Integrated Transport Strategy for Flintshire, which forms a key element of the North East Wales Metro proposals which are supported and promoted by Welsh Government (WG). We recognise that, in order to</p>

	<p>provide a long term sustainable transport solution, it is essential that all modes of transport are successfully integrated, whilst maintaining and promoting at its heart, a sustainable, affordable and environmentally friendly public transport service, with links to all of Flintshire and the wider region.</p> <p>Active travel and sustainable travel options is a priority for us in the Council Plan and we will be looking to provide opportunities for increasing levels of walking and cycling, and enable access to other alternative and sustainable methods of travel. Additionally, ensuring effective transport connectivity and that the network facilitates and supports recovery and growth is a priority in the Council Plan.</p>
1.04	<p>R3 The Welsh Government has directly provided and levered in just under £900 million through 13 funding schemes to help regenerate town centres. However, some aspects of the Welsh Government’s management of the funding are considered problematic. To ensure local authorities are able to maximise the impact of funding and tackle the more difficult and longstanding problems that would help transform their town centres, we recommend that the Welsh Government:</p> <ul style="list-style-type: none"> • consolidate funding to reduce bureaucracy by streamlining processes and grant conditions and keeping requests for information and supporting materials to a minimum; • move away from annual bidding cycles to multi-year allocations; and • rebalance investment from capital to revenue to help local authorities address staff capacity and skills shortages. <p>Although the Council has not been asked to respond on this recommendation the current system of funding for regeneration is in need of review. Annual bidding cycles considerably reduce the ability of the Council to plan long term regeneration work programmes and the delivery of capital projects within the structure of inflexible financial years hampers delivery and increases costs. In the absence of longer term revenue funding from Welsh Government local government capacity to develop and deliver regeneration projects is limited and forms a significant constraint to progress.</p>
1.05	<p>R4 The Welsh Government has provided all 22 local authorities with training on how best to use existing enforcement, financial assistance and debt recovery powers, but they are not being consistently nor effectively utilised to support regeneration. We recommend that local authorities take appropriate action, using these existing powers and resources available to achieve the best possible outcome for town centres by:</p> <ul style="list-style-type: none"> • using alternative methods of enforcement before using Compulsory Purchase Orders as a last resort; • integrating enforcement strategies with wider departmental strategies across housing, environmental health, planning and regeneration teams to make more effective use of existing skills and resources; and • ensuring there is capacity and the right expertise to use the full range of powers, working in collaboration with other councils to achieve good outcomes.

	<p>The proposed response is:</p> <p>The Council already uses a range of regulatory powers to tackle empty and problem properties. However, use of these powers can be extremely time consuming and can ultimately place considerable financial burdens on the Council which cannot always be recouped. The Welsh Government support is therefore welcomed.</p> <p>This approach is featured within the Council’s agreed strategic approach to town centre regeneration adopted in March 2020 and included in the current Council Plan.</p> <p>Following the training provided by Welsh Government earlier in the year, the Council has developed a panel of officers from the different regulatory and regeneration services to ensure that:</p> <ul style="list-style-type: none"> • a shared list of vacant or problem properties is maintained and reviewed regularly; • action by the Council is co-ordinated effectively across the different teams; • owners of properties are offered effective support and encouragement before enforcement action is commenced; and • limited resources are managed through the careful prioritisation of enforcement action based on the length of time properties have been vacant and the scale of problems they are causing to neighbours and communities.
1.06	<p>R5 The Welsh Government’s ‘Town Centres First’ approach looks to put the health of town centres at the heart of the decisions taken by the Welsh Government, local authorities, the wider public sector, businesses and communities. This requires a high degree of integration between cross-cutting policy frameworks and decision making to promote town centres above much else. We recommend that the Welsh Government sets out how it plans to deliver this in practice, its expectations of partners and the practical steps it will take to make this ambition a reality.</p> <p>Although the Council has not been asked to respond on this recommendation the further clarity recommended by Audit Wales would be welcomed. The principle of “Town Centres First” is fully supported by the Council but a clear delivery plan and resources are needed to underpin the policy.</p>
1.07	<p>R6 Town centres are changing, and local authorities need to be receptive to these changes and plan to manage these shifts. We recommend that local authorities use our regeneration tool to self-assess their current approaches to identify where they need to improve their work on town-centre regeneration.</p> <p>The proposed response is:</p> <p>The Council has undertaken the self-assessment recommended by Audit Wales and has identified a number of areas for further development. Some of these are already in hand but not yet fully realised. Extra staff capacity to deliver these has been agreed by Cabinet and recruitment is underway. Particular areas for further development include:</p>

	<ul style="list-style-type: none"> • Further work is required to engage stakeholders in the individual towns and translate the County level strategic approach into local delivery plans. • Continue work on data gathering for town centres to improve Council, partner and business decision-making. <p>A copy of the self-assessment is included at appendix 1.</p> <p>The overall strategic approach to town centre regeneration will be reviewed to take account of these findings.</p>
1.08	<p>The reporting timetable for the response to Audit Wales, in line with the Council's protocol, is:</p> <ul style="list-style-type: none"> • Environment and Economy Overview & Scrutiny Committee 9 November 2021 • Cabinet 16 November 2021 • Audit and Governance Committee 17 November 2021

2.00	RESOURCE IMPLICATIONS
2.01	None arising from this report.

3.00	IMPACT ASSESSMENT AND RISK MANAGEMENT
3.01	None.

4.00	CONSULTATIONS REQUIRED/CARRIED OUT
4.01	None.

5.00	APPENDICES
5.01	Council self-assessment – Appendix 1

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	Audit Wales report

7.00	CONTACT OFFICER DETAILS
7.01	<p>Contact Officer: Niall Waller (Enterprise and Regeneration Manager)</p> <p>Telephone: 01352 702137</p> <p>E-mail: niall.waller@flintshire.gov.uk</p>

8.00	GLOSSARY OF TERMS
	These are provided corporately on the Infonet (link) and maintained by the Executive Office
	None.

Regenerating Town Centres in Wales

Self Evaluation Tool

Tudalen 37



Intention

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We have a long-term vision for all our town centres.</p>		<p>The Council has set out an ambitious long-term strategy for town centre regeneration. This is included in the Council Plan. However, this has not yet been translated into action plans for each of the towns in Flintshire. Development of an action plan for Shotton is underway. The Council has committed extra resources to the regeneration team to facilitate this work.</p>
<p>We have committed, highly visible political leaders for town centre regeneration.</p>		<p>The Council has set out a clear public leadership position on town centre regeneration, including within the Council Plan. However, more needs to be done to raise awareness of the Council's approach and to engage stakeholders locally in each town centre.</p>
<p>Our approach to town centre regeneration is integrated with our key strategies and plan – eg Wellbeing Plan, corporate priorities and other community, council and regional strategies.</p>	<p>The Council approach to regeneration is highlighted within the Council Plan alongside other strategic priorities.</p>	
<p>We have set SMART objectives for town centre regeneration.</p>		<p>Further work is needed to develop and articulate objectives with stakeholders in each town.</p>

We are clear on the benefits and risks of town centre regeneration for citizens, the local economy and local communities.

Further work is needed to develop and articulate objectives with stakeholders in each town.

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
We have a clear accountability framework to govern and scrutinise our decisions in regenerating town centres.	Progress on town centre regeneration is reported at both Cabinet and Overview and Scrutiny committees.	
We have agile and effective decision-making processes when approving our work on town centres.	Internal decision making processes have been able to respond effectively and efficiently to the needs of the towns both during the pandemic and as the recovery process begins. The Council has established both a multiagency Economic Recovery Group and an internal co-ordinating Places group to help with this.	
We act in a transparent way and everyone is clear on how decisions on town centre regeneration activities are made and by whom.	The work of the groups above and internal decision making processes are transparent and open to scrutiny.	
Those who make decisions on town centre regeneration are accountable for their choices and are held to account through clear governance arrangements.	The work of the groups above and internal decision making processes are transparent and open to scrutiny.	

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
We have enough staff and resources to undertake town centre regeneration work.		The team has been too small for some years to meet the regeneration aspirations of the Council. However, the Council has invested in extra staff resources to support the programme. Capital resources are scarce and WG funding is too limited to make a transformative impact. The Council bids for external resources wherever viable opportunities occur.
We have staff in the right services and with the required seniority to undertake town centre regeneration work.		Further recruitment is currently underway which will fill the remaining gap needed.
We have a can-do culture and entrepreneurial mindset within the council for town centre regeneration.	The culture and mindset within the Council facilitates innovation and experimentation in regeneration. Capacity (as above) has traditionally limited the ability to try new approaches rather than culture.	
We can recruit the right people with the right skills to deliver our town centre regeneration work.		This is extremely challenging. Regeneration posts can be very difficult to fill.

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We have embedded regeneration with programmes of long-term transformation and/or recovery from COVID-19.

Regeneration and wider economic and community recovery are fully integrated through the structures highlighted above.

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We are able to secure the resources we need to undertake town centre regeneration.</p>		<p>Limited staff resources have impacted on the ability of the Council to develop shovel-ready projects but this work is now underway. Capital and revenue resources are limited which reduces potential impact. External resources are bid for wherever viable opportunities arise. WG funding can often be short term, offered late in the financial year and with restrictive criteria which reduces availability of resources.</p>

Involvement

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We effectively communicate internally and externally about what the council and its partners are trying to achieve through our town centre regeneration work.</p>		<p>Further work is needed to articulate the Council's strategic approach to town centre regeneration. Development of action plans with stakeholders in each town is required. Internally, a Places Group facilitates effective communication about town centre regeneration across the relevant Council departments. The Council has appointed an officer to focus on communication with stakeholders, especially the town centre business communities.</p>
<p>We draw on the expertise and knowledge of partners, businesses, citizens and stakeholders when identifying and agreeing our priorities for town centre regeneration.</p>		<p>Development of action plans with stakeholders in each town is required. The Council has appointed an officer to focus on communication with stakeholders, especially the town centre business communities.</p>
<p>Our priorities for town centre regeneration reflect the feedback we receive from partners, businesses, citizens and stakeholders.</p>		<p>As above.</p>

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We enable all our stakeholders to be fully involved in identifying and agreeing town centre regeneration priorities:</p> <ul style="list-style-type: none"> • Elected Members • Welsh Government • Local Health Board • Fire and Rescue Authority • National Park Authority • Police • Police and Crime Commissioner • Town and Community Councils • Business Improvement Districts • Chamber of Commerce • Social Enterprises • Local community groups • Individual citizens 		<p>Development of action plans with stakeholders in each town is required. The Council has appointed an officer to focus on communication with stakeholders, especially the town centre business communities.</p>
<p>We encourage partners, businesses, citizens and stakeholders to develop solutions that help regenerate our town centres.</p>		<p>Development of action plans with stakeholders in each town is required. The Council has appointed an officer to focus on communication with stakeholders, especially the town centre business communities.</p>

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We support community-led regeneration and actively encourage our partners, businesses, citizens and stakeholders to lead on town centre regeneration by encouraging and working through:</p> <ul style="list-style-type: none"> • Business Improvement Districts • Town and Community Councils • Place Plans 		<p>Development of action plans with stakeholders in each town is required.</p>
<p>We draw on and utilise the skills and knowledge of our local partners, businesses and stakeholders to help us develop our regeneration programme.</p>		<p>As above.</p>
<p>We actively seek feedback from the community on an ongoing basis about our planned, ongoing and future town centre regeneration work.</p>		<p>As above.</p>

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We use a wide range of data to understand our town centres and identify the priorities for action.</p>		<p>The Council has a number of areas of work underway to improve availability of data for its decision making and to share with partners and businesses. This includes:</p> <ul style="list-style-type: none"> • Assessment of towns across North Wales including a wide range of data sets (including many of those suggested by Audit Wales). • Business mix and vacancy data for Flintshire towns 2010-21 commissioned. • Participating in WG Smart Towns programme to which will include footfall counters in all town centres. • Hoping to purchase mobile phone data as part of regional project to map demographics of town centre users, catchment areas and movement patterns.
<p>Our data covers:</p> <ul style="list-style-type: none"> • Footfall • Digital – Wi-Fi usage, social media interactions, travel movements, etc • Property – rent, profit margins and empty units • Catchment demographics • Interdependency of towns 		
<p>We make transparent decisions based on good quality information when deciding on town centre regeneration.</p>		<p>This will be the case once the above is in place.</p>

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We receive good quality information to:</p> <ul style="list-style-type: none"> • judge whether we should approve a town centre regeneration project; and • monitor and fully evaluate performance of our delivery of town centre regeneration 		<p>This will be the case once the above is in place.</p>
<p>We have a confident decision-making culture and elected members are not afraid of challenging officers and holding people to account.</p>	<p>The Council committee structure enables this to take place.</p>	
<p>We regularly review our town centre regeneration work to ensure our actions and decisions are the right ones.</p>		<p>Although this is reviewed at the County level further work is needed at the town level.</p>
<p>We amend our town centre regeneration programmes to reflect changing needs and demands.</p>	<p>The current strategic approach is reviewed and amended annually.</p>	

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We set targets and measures of success for town centre regeneration to judge improvement over time, and monitor these when they have been agreed.</p>		<p>Individual projects are monitored but, in the absence of the data sets above, assessment of overall improvement has not been possible. This will be easier in the future.</p>
<p>We jointly take corrective action as a result of our ongoing evaluation of town centre regeneration programmes.</p>		<p>Individual projects are monitored but, in the absence of the data sets above, assessment of overall improvement has not been possible. This will be easier in the future.</p>
<p>We share learning and draw on evidence from other councils in Wales and elsewhere to learn what does/does not work, the challenges we face and the potential rewards.</p>	<p>There is a strong regional partnership for town centre regeneration with active shared learning and joint working.</p>	
<p>We have robust performance management arrangements in place to monitor evaluation of past regeneration programmes.</p>		<p>There have been very few past regeneration programmes due to a historic lack of funding in the region. Where there have been programmes they have been for capital investment in public realm and building improvements which remain in place.</p>

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We review the effectiveness of our past decisions on town centre regeneration to understand what worked and what did not.</p>		<p>In the absence of the data sets above, assessment of overall improvement has not been possible. This will be easier in the future.</p>
<p>We undertake post-implementation evaluation of individual town centre regeneration schemes to check that the objectives we set were delivered.</p>		<p>There have been very few past regeneration programmes due to a historic lack of funding in the region. Where there have been programmes they have been for capital investment in public realm and building improvements which remain in place.</p>
<p>We can draw on robust information that shows how our regeneration work is:</p> <ul style="list-style-type: none"> • improving local people’s social and health wellbeing; • improving the quality of buildings and homes in our town centres; and • delivering carbon reduction targets and improving green infrastructure. 		<p>The Council, as it develops current projects, is able to articulate the benefits to these areas. Direct impacts cannot always be easily attributed though so further work is needed.</p>

Intervention

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We have defined and clarified roles, responsibilities and our legal powers to support our town centre regeneration work.</p>	<p>The Council has established a cross-department panel to co-ordinate and combine use of legal powers in respect of town centre property intervention.</p>	
<p>We can draw on and utilise the skills and knowledge of our partners, the Welsh Government and stakeholders to help us take legal action to regenerate town centres.</p>	<p>The Council has fully engaged the WG support for enforcement.</p>	

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p data-bbox="94 651 136 863" style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 52</p> <p data-bbox="129 504 674 612">We provide landlords, businesses, partners and stakeholders with good quality advice and guidance including:</p> <p data-bbox="129 644 685 715">Advice to landlords on options for sale, rent and ownership</p> <ul data-bbox="210 743 667 1139" style="list-style-type: none"> • List of agents to help sell/rent • Discounted fees through Auctioneer Scheme • Identify and list potential Investors/Developers • List of approved Builders/Architects • Free composite Schedule of Works 		<p data-bbox="1301 451 1899 647">The Council has established a cross-department panel to co-ordinate and combine use of legal powers in respect of town centre property intervention. This will also help to co-ordinate support to property owners. This is newly established.</p>

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We support landlords to tackle empty premises by offering a wide range of services including:</p> <ul style="list-style-type: none"> • Use LA website to promote/ advertise land/buildings for owners • Home Improvement Agency • Council run Private Sector Leasing scheme • Social lettings scheme to match applicants to private rented homes • Public Request Ordering Proposals • Direct purchase by LA or RSL • LOTS and HARPS to create homes above shops 		<p>The Council has used incentives for many years to support property owners, when recourses have been available to do so. These resources have fluctuated over time. Further work is required to structure these approaches as part of the overall approach to enforcement and town level action plans.</p>

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p data-bbox="100 651 136 863" style="writing-mode: vertical-rl; transform: rotate(180deg);">Tudalen 54</p> <p data-bbox="136 608 703 751">We provide landlords, businesses, partners and stakeholders with financial support to help regenerate town centres including:</p> <ul data-bbox="210 783 703 1086" style="list-style-type: none"> • Improvement grants linked to nominations to properties • Loans for improvement work (interest free or interest bearing) • Commercial lending advice • Discount VAT and/or Capital Allowance schemes 	<p data-bbox="745 555 1290 715">The Council, wherever resources allow, provides incentives to property owners for regeneration including grants and loans. Resources tend, though, to fluctuate over time.</p>	

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We proactively take enforcement action to regenerate town centres fully using:</p> <ul style="list-style-type: none"> • S.215 of the Town and Country planning Act 1990 – CPO • S.77-79 of the Building Act 1984 – dangerous structures, ruinous and dilapidated • Housing Acts 1985 and 2004 – improvement notices, EDMOs, demolition, clearance and CPO • S.79-80 of the Environmental Protection Act 1990 – statutory nuisance • S.4 of the Prevention of Damage by Pests Act 1949 – treat pests • S.29 Local Government (Miscellaneous Provisions) Act 1982 – boarding up • Listed Buildings/Urgent Works notice • Public Health Acts 1936 and 1961 – filthy and verminous • Naming and shaming landlords (publicity) 		<p>The Council already uses a range of regulatory powers to tackle empty and problem properties. However, use of these powers can be extremely time consuming and can ultimately place considerable financial burdens on the Council which cannot always be recouped.</p> <p>Following the training provided by Welsh Government earlier in the year the Council has develop a panel of officers from the different regulatory and regeneration services to ensure that:</p> <ul style="list-style-type: none"> • a shared list of vacant or problem properties is maintained and reviewed regularly; • action by the Council is co-ordinated effectively across the different teams; • owners of properties are offered effective support and encouragement before enforcement action is commenced; and • limited resources are managed through the careful prioritisation of enforcement action based on the length of time properties have been vacant and the scale of problems they are causing to neighbours and communities.

Action needed	Yes, we are good at this and no further work is required	No, there is more for us to do
<p>We use our powers to encourage empty buildings to be brought back into use in town centres:</p> <ul style="list-style-type: none">• Council Tax, Statutory Debts or Business Rates debt recovery (Bankruptcy, charging orders or Bailiffs)• County Court or Enforced Sales Procedure• Empty Homes and Holiday Homes Premium• Prosecution• Compulsory Purchase Order• Empty Management Dwellings Order• Enforced Sales Procedure• Direct Purchase		As above.



Tudalen 57

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Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 6



GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday, 17 th November 2021
Report Subject	Risk Management Update
Report Author	Chief Executive and Chief Officer Governance

EXECUTIVE SUMMARY

This report updates on the changes to the Risk Management Framework. Following Audit Committee in March, we have added the allocation of significant risks to the Overview and Scrutiny Committees for detailed review, and made changes to the text referring to Audit Committee for it to be correctly titled the Governance and Audit Committee.

RECOMMENDATIONS

1	To be assured that the updated risk management framework is comprehensive and functional.
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REPORT DETAILS

1.00	EXPLAINING THE RISK MANAGEMENT FRAMEWORK
1.01	<p><u>Progress Update</u></p> <p>Joint working was undertaken with Internal Audit at the end of 2019 to produce an updated Risk Management Framework and a simplified User Guide. The updated Framework was shared with the Audit Committee as work in progress in March 2020. This Risk Management Framework continues to be developed and updated in line with recommended practice and experiential learning.</p> <p>The Risk Management Framework is attached as Appendix 1.</p> <p>The implementation of the revised Framework Guide was due to take place over a 6-12 month period with training, guidance and support provided. The distraction of the response to the pandemic meant that original plans for implementation had to change. However, the urgency for a new type of risk registers and mitigating actions during the emergency stimulated new activity and a contingent approach to risk management.</p> <p>As part of the pandemic response phase we developed a new risk register both for the corporate and the portfolios. These risk registers have been shared with Committee members for information. The speed, quality and impact of mitigating actions for the risks posed by both response to and recovery from the emergency has been credited by members and regulators as giving a high level of assurance. These risk registers are maintained and now reported to the Recovery Committee by exception.</p> <p>In July a meeting of the Governance & Audit and Overview & Scrutiny Committee Liaison Group was held to consider the allocation of significant recovery risks to the relevant Audit & Governance Committee and Overview & Scrutiny Committees. The allocations are set out Appendix 2.</p> <p>In total 37 risks were identified of significance and reported to the Governance & Audit and Overview & Scrutiny Committee Liaison Group. Each of these risks identified have been placed into a forward work programme for the relevant overview and scrutiny committee. A number of the risks identified have since been closed by the Recovery Committee following recommendation by officers due to risk no longer live, duplication and the original risk title was no longer appropriate and has been superseded by risks on our current registers.</p> <p>A number of the identified risks have already been reported to overview and scrutiny committees as part of this work, and their forward work programmes. A report is being presented to Recovery Committee to give updates on the progress to date. This will continue over the coming months and another update will be shared in due course.</p>
1.02	<p><u>Risk Management Framework Update</u></p> <p>Since the draft Risk Management Framework was shared in March 2020, there have been a number of updates:-</p>

	<ul style="list-style-type: none"> • Risk Escalation section added and endorsed (report shared at Audit Committee in March 2021) • All risks of significance have been allocated out to relevant Overview and Scrutiny Committees • Audit Committee replaced by Governance and Audit Committee • Risk Allocation added to 'Reassurance of process & management' section
1.03	<p><u>Next Steps</u></p> <p>In May 2021 a new Performance, Risk and Project Management System was purchased to replace the incumbent CAMMS system. The new system has more functionality and is currently in stage one of its implementation for performance planning, actions, tasks and measures. Stage two which includes risk management is to begin in January 2022 and a presentation of the system and its functions will be made at a later date.</p>

2.00	RESOURCE IMPLICATIONS
2.01	There are no specific resource implications for this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	<p>Portfolio Performance Leads, Chief Officers and Internal Audit have been consulted throughout the review.</p> <p>Governance & Audit and Overview & Scrutiny Committee Liaison Group have been consulted to consider the allocation of risks to the relevant Audit & Governance Committee and Overview & Scrutiny Committees</p>

4.00	RISK MANAGEMENT
4.01	The subject of this report is risk management.

5.00	APPENDICES
5.01	<p>Appendix 1: Risk Management Framework & User Guide v5</p> <p>Appendix 2: Council Plan & Governance Risk Mapping – Reporting to Committees</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None

7.00	CONTACT OFFICER DETAILS
7.01	Contact Officer: Jay Davies, Strategic Performance Advisor Telephone: 01352 702744 E-mail: jay.davies@flintshire.gov.uk



**RISK MANAGEMENT FRAMEWORK
AND USER GUIDE**

**OCTOBER 2021
V5**

Risk Definition

Risk is defined as the **possibility that an event will occur, which will impact on our service delivery**. A 'risk' is made up of an event, which if left unmanaged will have an impact on the Council and our service delivery.

What is Risk Management?

Risk management is the process of identifying risks, evaluating their potential impact and mitigating them. The aim is to minimise the severity of their impact and likelihood of occurring where possible.

Defining a Risk

When defining a risk it should be very clear what the risk is to the Council and/or service delivery. If you have defined the risk and it is still not clear what the risk is it requires further refinement. The risk should be given an explicit risk title. Risks can lead to many different consequences e.g. – financial, reputational, performance. At this point you should use Risk Categories (table below) to help categorise the risk identified.

Risk Type

There are three main risk types, they are:

- **Strategic** - risks that have implications to the operation of the organisation for example Health and Safety, Systematic IT Failure and GDPR.
- **Operational** - risks that affect the successful delivery of individual service objectives/delivery plans which are controlled by a single portfolio.
- **Project Risks** – risks that prevent the successful delivery of a project or programme on time and on budget and to achieve the desired outcomes e.g. a capital investment project for a new school

Risk Categories

Category	Examples
Regulatory	<ul style="list-style-type: none">- Non-compliance with legislation- Data Protection/Freedom of Information Acts/ Human rights,- TUPE regulations- Health & Safety- Legal challenges- Corporate Governance- Licences- External Regulatory- Equality Act 2010
Environmental	<ul style="list-style-type: none">- Recycling / Green issues- Energy efficiency, Pollution, Carbon emissions- Climate Change; flooding and adaptation- Land use- Waste Strategy- Land and Property
Financial	<ul style="list-style-type: none">- Financial performance and management- Efficiencies- Financial procedural rules- Ability to meet financial commitments including internal budgetary pressures

Category	Examples
	<ul style="list-style-type: none"> - Insurance cover/claims - Procurement - Contract standing orders - Fraud
Reputational	<ul style="list-style-type: none"> - Negative publicity - Legal challenges - Member support - Local/General election changes - Community Leadership - Project failure - External regulatory reports - Democratic Governance/Management - National Policy change
Social Impact	<ul style="list-style-type: none"> - Welsh Language - Social Justice - Equality Act 2010 - Impact on customer - Access to services - Safeguarding - Consultation/engagement/communication - Customer Feedback - Community cohesion - Community Strategy
Service Delivery	<ul style="list-style-type: none"> - Effective operations - Equipment, technology, information, employees - Performance - External Regulatory - Fraud
Health & Safety	<ul style="list-style-type: none"> - Vehicles - Hazardous Chemicals - Working Environment - Customer Health and Well-being - Plant Equipment

Escalation of Risk Protocol

When does a risk need to be escalated?

- When the risk tolerance¹ level is breached – this will be informed by risk evidence²
- When risk mitigation (action) cannot be resolved within the portfolio and;
 - a Council Plan/Strategy priority is compromised and/or
 - service operations or performance will be seriously compromised and/or
 - the financial, legal or reputational position of the Council might be compromised and/or
 - an emergency situation might develop

What is the process for dealing with escalation?

1. Accountable officers escalate risk to their respective Senior Management Team when risk cannot be mitigated or its rating managed/lowered

¹ Risk tolerance is the level of risk that the Council is willing to accept to achieve its service delivery.

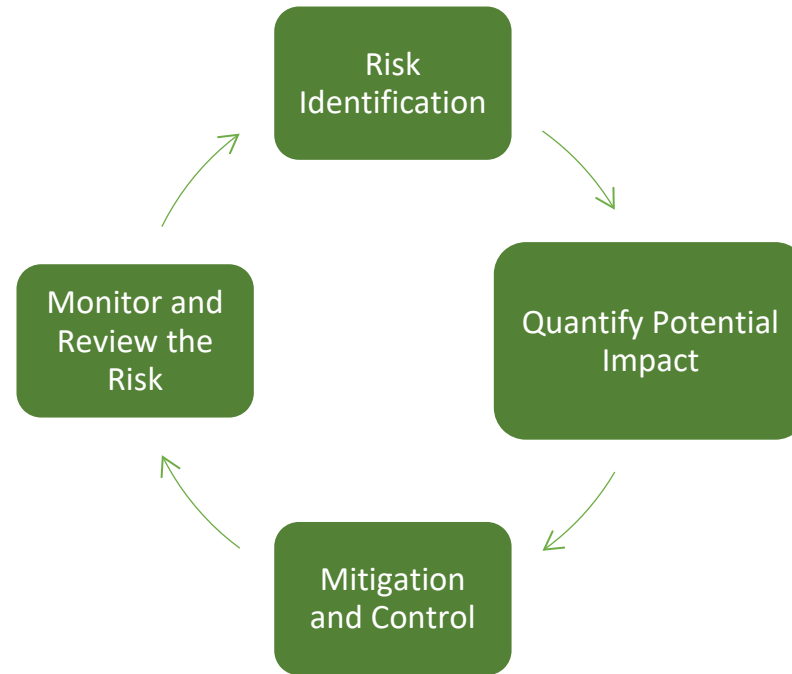
² Risk evidence is used to assess and manage risk, this includes performance indicators, financial data, actions and milestones.

2. Senior Management escalate to the Chief Executive Officer/Chief Officer Team if the risk cannot be mitigated or its rating managed/lowered
3. The Chief Executive Officer/Chief Officer Team escalate to Cabinet and Overview and Scrutiny where they believe the risk in its current state/predicted state is of corporate significance



Reassurance of process & management

- Officer 1:1s Chief Officers/line reports with Chief Executive
- Chief Officers to determine if aggregate risk needs to be referred to Chief Officer Team & corporately owned
- Risk Management is a standing item on all Senior Management Team Meetings (SMTs) agendas
- Revised Risk Management Framework and User Guide reported to Governance and Audit Committee – for periodic reviews
 - Case studies pulled out and challenged/scrutinised
- All risks of significance have been allocated out to relevant Overview and Scrutiny Committees
- Mid-year and Annual review by Governance and Audit Committee to ensure effective risk management
- Regular periodic review of portfolio risks (operational and strategic)
- Periodic reviews by internal audit



- Step 1: Risk Identification** – Risk identification is a continuous process which is embedded in Council Planning, Portfolio Business Planning, Project Management and day to day service delivery. Risk should be identified by using qualitative (milestones & actions) and quantitative (performance indicators, financial) data. This is called Risk Evidence and will be used to quantify the risk scoring and also be used to measure against risk tolerance.
- **Step 2: Quantify Potential Impact** – What would the impact of the risk be without any mitigating controls or actions? Using the risk matrix below score the risk evidence gathered to provide the impact severity and likelihood. Definitions can be found for impact severity and likelihood below.

Risk Matrix & Definitions

Impact Severity	Examples					
Catastrophic	<ul style="list-style-type: none"> No confidence in Senior Management / Leadership Formal WG intervention/exercise of their powers Multiple fatalities Complete/critical service failure Exceedingly negative <i>national</i> publicity Serious impact on workforce across more than one Portfolio 			<ul style="list-style-type: none"> Legal action almost certain, unable to defend Serious financial impact to budget, not manageable within existing funds and may impact on reserves Non-compliance with law resulting in imprisonment Over £3m 		
Critical	<ul style="list-style-type: none"> Limited confidence in Senior Management/Leadership Significant service failure Negative <i>national</i> publicity Impact on workforce across more than one Portfolio Legal action almost certain and difficult to defend 			<ul style="list-style-type: none"> Serious financial impact to budget, manageable across the authority Negative external regulatory reports impacting on Corporate Governance Single fatality Over £1m but less than £3m 		
Significant	<ul style="list-style-type: none"> Significant service under performance Negative <i>local</i> publicity Expected impact on workforce, but manageable within Portfolio contingency arrangements Legal action expected Expected financial impact to budget, manageable within Portfolio 			<ul style="list-style-type: none"> Non-compliance with law resulting in fines Negative external regulatory reports Extensive, permanent/long term injury or long term sickness Over £100k but less than £1m 		
Marginal	<ul style="list-style-type: none"> Some risk to normal service delivery but manageable within contingency arrangements Legal action possible but unlikely and defensible Possible financial impact to budget, manageable within service 			<ul style="list-style-type: none"> Non-compliance with regulations / standards or local procedures resulting in disciplinary action First Aid or medical treatment required Previous risk mitigated by completed action plan Up to £100k 		
Likelihood	Unlikely	Very Low	Low	High	Very High	Extremely High
Definition	Highly unlikely, but it may occur in exceptional circumstances. There is no evidence to suggest that it will happen.	Not expected to occur. There is little evidence to say it is likely to happen.	There is a small possibility that it may occur. There is evidence that it will happen.	There is a good possibility that it may occur. There is clear evidence which supports that it will happen	There is strong possibility it will occur. There is evidence which support an expected occurrence	Highly likely to occur. There is clear evidence which supports a definite occurrence
Likelihood of risk happening						

Impact Severity	Catastrophic	Y	A	R	R	B	B
	Critical	Y	A	A	R	R	R
	Significant	G	G	Y	A	A	R
	Marginal	G	G	G	Y	Y	A
		Unlikely	Very Low	Low	High	Very High	Extremely High
Likelihood of risk happening							

- Step 3: Mitigation and Control** – What are you going to do about it? - Management controls, action plans, day to day processes which are already or need to be put in place to either reduce the risk or keep the risk from escalating further (may not always be able to reduce the likelihood with management controls, however we would always look to reduce the impact). Apply the identified mitigation (action) and control measures. Have clear evidence (performance data, financial data, action and milestones) which indicate the mitigation (action) and control measures are working effectively. Reassess the risk against the Risk Matrix & Definitions above to give a current risk assessment.
- Step 4: Monitor and Review the Risk** – Risks are to be regularly reviewed at the appropriate levels (Team Meetings, Senior Management Team, and Chief Officer Team Meetings). Performance of the associated controls, actions and measures should be monitored regularly. Risk monitoring is live and needs to be continuously monitored and escalation process followed where an increase in risk has been identified.

Capturing Risk

A risk method statement is to be completed for all risks and scored. The risk method statement is to be stored in an identified folder and uploaded onto the Performance Management System. The risk method statement should be completed by the risk owner/lead officer and have a supporting officer identified. When risk reviews take place the risk method statements should be reviewed at the same time. The detail on the risk method statement should be sufficient so that in the event the risk owner leaves the organisation or changes job role, the replacement would be able to read the method statement and have an understanding of the current position of the risk and all of its details and management controls.

Accountability for Risk

The basic requirements of the Risk Management Framework are:

- Chief Officer Team owning and leading the process.
- Ownership and understanding at every level and by every officer.
- Defined allocation of responsibilities and strong reporting lines.
- Risk identification evaluation and assessment.
- Mechanism for escalation and de-escalation.
- Active involvement by elected members.
- A monitoring role.

Statutory Officers

Head of Paid Service, Statutory Monitoring Officer, S151 Officer, Chief Officer - Education and Youth, Chief Officer - Social Services all have a responsibility to:

- Ensure that risks are managed within their relevant statutory roles
- Set strategic risk management levels
- Monitor and review risks within statutory roles

Chief Officer Team is responsible for:

- Setting strategic risk management initiatives/projects/action plans
- Discussing the appropriate level of risk for the Council (risk appetite)
- Identification and assessment of significant levels of risks
- Challenging the outcomes of risk management
- Monitoring and reviewing the Council Plan
- Assurance of Business Continuity Planning

Role of Elected Members

- Cabinet are responsible for:
 - Ensuring that the Council's risks are managed effectively
 - Setting the appropriate level of risk for the Council
 - Recommends the Council Plan to Council, its priorities and objectives with risks identified
- Overview & Scrutiny committees are responsible for challenging the detail of individual risks related to priorities or service/functions. All high level risks (red/black and increasing) are to be reviewed by the relevant scrutiny committees for assurance and monitoring of mitigating actions to reduce risk levels. This will be included in the forward work programme.
- Governance and Audit Committee is responsible for reviewing the effectiveness of the Council's Risk Management processes and systems. Governance and Audit Committee to receive a bi-annual risk monitoring report detailing risks being considered by scrutiny committees and their assurance

Role of Officers

It is the responsibility of Chief Officers and Performance Leads to ensure that Risk Management is implemented effectively in their areas.

Specific responsibilities are:

- Implementation of the Risk Management process and related policies.
- Ensuring that continuous risk identification, evaluation and escalation takes place and that action plans are developed, implemented and subjected to regular monitoring and review.
- Ensuring that all risks are updated in line with the Council's business planning and risk management arrangements.

Service Managers are responsible for:

- Informing Chief Officers of risks and completing relevant risk assessments.
- Maintaining the management of risks identified on a regular basis.
- Sharing relevant information with colleagues in other service areas.
- Providing feedback on their experience of strategy implementation and perceptions of strategy effectiveness to the senior management team.

All employees have a responsibility to:

- Maintain an awareness of risk factors in their workplace.
- Comply with Council policies and procedures.
- Notify their line manager of identified risk and suggested mitigation (action).
- Report all incidents to their manager/supervisor of risk tolerance breach.



Risk Method Statement

Step 1: Risk Identification

What do you want to achieve:	Insert here what you are trying to achieve? What is your ambition? What is your objective?
Risk Title:	<i>What is a short concise title of the risk? i.e. 'Council Tax Income'</i>
Risk Description:	<i>What is the name of the Risk? i.e. 'The Risk is....'</i>
Risk Type:	Strategic / Operational / Project
Risk Category (APPENDIX A):	Regulatory, Environmental, Financial, Reputational, Social Impact, Service Delivery, Health and Safety
Risk code:	What is the code you wish to allocate the risk? i.e. 'CF01, ST01, PE01
Lead Officer (Risk Owner):	Who is the Lead Officer for this Risk?
Service Area:	<i>Which service area does the Risk belong to?</i>
Council Plan/Strategy Link:	What Link does the Risk have to Council Plan / Strategies / Projects?
Performance Lead:	Who is the accountable Performance Lead?
Supporting Officer:	Who is the Supporting Officer (secondary contact) for this risk?

Step 2: Quantify Potential Impact

Use Risk Matrix (appendix B) to complete below:	Likelihood	Impact	Risk Score (Raw)
Raw Risk Assessment (without any management controls):	Choose an item.	Choose an item.	Choose an item.

Step 3: Mitigation and Control

Use Risk Matrix (appendix B) to complete below:	Likelihood	Impact	Risk Score (Target)
Target Risk Assessment: <i>(Think about your appetite for these risks. Give each one a target risk score that reflects the level of risk you'd be happy to accept)</i>	Choose an item.	Choose an item.	Choose an item.
Supporting Comments:	<i>Include any details here which will support your target score. This is the area you are setting your tolerance for this risk</i>		

Use Risk Matrix (appendix B) to complete below:	Likelihood	Impact	Risk Score (Controlled)
Current Risk Assessment (with current management controls):	Choose an item.	Choose an item.	Choose an item.
Management Controls:	<i>How is this Risk being managed and controlled? List all controls/actions you currently have in place to reduce and control the risk</i>		
Indicators: (which indicators will show you these expected controls ARE working and therefore your assessment of progress towards target risk score is reasonable)	<i>List all key indicators which show current controls are working effectively</i>		
Action Plan required: (If your current risk score is higher than your target risk score (ie current controls don't reduce the risk to a level you're happy with), list the additional actions needed to reduce the risk further)	<i>here is your action plan - the information here will depend on the degree of difference between current and target</i>		
Action Plan Indicators: (which indicators will show you these expected controls ARE working and therefore your assessment of progress towards target risk score is reasonable)	<i>Should be a list, specifics and not just we plan to have a meetings - these should show an impact on current performance and therefore a reduction /increase in current score</i>		

Step 4: Monitor and Review

Frequency of Reporting:	Choose an item.		
Reporting to (DMT, COT, Cabinet etc.):	Where will you be reporting the Risk to?		
Date Risk reviewed:		Next Risk review date:	
Risk reviewed by:		Risk review agreed by Lead Officer:	

Impact Severity	Catastrophic	Y	A	R	R	B	B
	Critical	Y	A	A	R	R	R
	Significant	G	G	Y	A	A	R
	Marginal	G	G	G	Y	Y	A
		Unlikely	Very Low	Low	High	Very High	Extremely High
Likelihood of risk happening							

Council Plan & Governance Risk Mapping – Reporting to Committees

CORPORATE RESOURCES / CROSC

Council Plan Theme	Risk Title	Risk		FWP's			Outcome
		Origin of Risk CP / RR / AGS / RC	Aspect of the Risk to Monitor going forward	Topic	Date	Linked to Other Topic and to be considered at the same time.	To provide the outcome following consideration of the risk
	<ul style="list-style-type: none"> CF08 - A reduction in Council Tax collection impacts on (1) cash-flow and (2) annual budget. 	AGS	Council Tax Income	Revenue Budget Monitoring out-turn 2020/21	08.07.21		
	<ul style="list-style-type: none"> CF19 - A reduction in Business Rates collection impacts on (1) cash-flow and (2) the stability of the National Collection Pool. 	AGS	Business Rate collection	Interim Revenue Budget Monitoring 2021/22	08.07.21		
	<ul style="list-style-type: none"> CF05 - An increase in the level of debt owed to the Council. 	AGS	Level of Debt	Interim Revenue Budget Monitoring 2021/22	08.07.21		
	<ul style="list-style-type: none"> HA06 - Impacts on income stream based on delayed/non recovery of housing benefit overpayment 	AGS	Process being managed and financial support and advice being provided to those affected.				
Poverty	<ul style="list-style-type: none"> CG04 - Diversion of resource to emergency management delays implementation of key digital and infrastructure projects 	AGS	Key Digital and Infrastructure project updates	Digital Flintshire report	08.07.21 and annual updates		

Council Plan Theme	Risk Title	Risk Details		FWP's			Outcome To provide the outcome following consideration of the risk
		Origin of Risk CP / RR / AGS / RC	Aspect of the Risk to Monitor going forward	Topic	Date	Linked to Other Topic and to be considered at the same time.	
	<ul style="list-style-type: none"> CF14 - Increase in rent arrears impacts on the stability of the Housing Revenue Account (HRA) Business Plan 	AGS	Level of rent Arrears	Housing Rent Income - Year end outturn and latest position for 2021/22	16.06.21		
Poverty	<ul style="list-style-type: none"> HA04 - Increased financial risk due to business failures and ability to anticipate Council Tax Refund Scheme (CTRS) due to business closure, unemployment, reduced hours of work. 	AGS	Impacts of additional demand				
Poverty	<ul style="list-style-type: none"> HA27 - Increasing service demands to respond to HA04 	RR	Anticipated service demand as protections come to an end i.e. furlough, evictions etc.				
Tudalen 76	<ul style="list-style-type: none"> HA30 - Weak performance and reputational damage as development programmes are slow to commence (DFGs) 	RR	Performance against the Welsh Adaptation Service Standards.	Disabled Facilities Grant (DFG)	13.10.21		
	<ul style="list-style-type: none"> HA33 - People not having suitably safe and adapted accommodation due to the delay of service reinstatement. Quality of life issues customers and reputational damage (DFGs) 	RR	Number of urgent cases are still being reviewed jointly by Occupational Therapist and DFG team to assess risk in delivery of adaptation vs. deterioration of customers' health.	Disabled Facilities Grant (DFG)	13.10.21		
	<ul style="list-style-type: none"> Rental Income continues to be impacted by the pandemic and when furlough and other protections end the situation worsens. 	RC	Impact of the ending of furlough and other protections.	Housing Rent Income – Mid-year outturn and latest position for 2022/23	08.12.21		
	<ul style="list-style-type: none"> Homelessness presentations increase as current protections around evictions and furlough end and landlords take measures to commence and follow through on stalled evictions. 	RC	Impact of protections around evictions ending.				
	<ul style="list-style-type: none"> Raw material supplies shortages lead to increased costs, programme delays and increased cases of contractual disputes. 	RC	Market supply shortages	Raw Material Supplies	13.10.21		The Community, Housing & Assets OSC considered a verbal update from the Chief Officer (Housing & Assets) at the Committee meeting held on 13 th October. The Committee were assured that the risk was being adequately managed.

Education, Youth & Culture OSC (EY&C OSC)

Council Plan Theme	Risk Title	Risk Details		FWP's			Outcome	
		Origin of Risk CP / RR / AGS	Aspect of the Risk to Monitor going forward	Topic	Date	Linked to Other Topic and to be considered at the same time.	To provide the outcome following consideration of the risk	
	<ul style="list-style-type: none"> EY01 - Secondary schools are not financially viable due to insufficient base funding. 	AGS	Lobbying of WG for better base funding for secondary schools – to include teachers' pay element and how this will be funded	School Reserve Balances Year Ending 31 st March 2021	16.09.21			
Tudalen 77	<ul style="list-style-type: none"> Managing uncertainty around operational changes which may need to be implemented for the start of the new term. 	RC	Operational changes required for the new term	Covid-19 Schools Operational Update	16.09.21		<p>The Education, Youth & Culture OSC considered a report at its meeting on 16th September which provided an overview of the revised COVID-19 measures for the safe operation of schools. The Committee were congratulatory of schools for the positive way in which they had re-opened in September.</p> <p>The Committee also received a verbal update from the Chief Officer (Education & Youth) at the Committee meeting on 21st October. The Committee noted the update but raised concerns around the shortage of supply teachers, teaching assistants and caretakers at Schools.</p>	
	<ul style="list-style-type: none"> The impact the pandemic has had on children and young people, specifically on their health and emotional well-being and their ability to engage with learning 	RC	Health and emotional well-being of learners	The Impact the Pandemic has had on Children and Young People		21.10.21		The Committee received a verbal update from the Chief Officer (Education & Youth) at the Committee meeting on 21 st October. Whilst the Committee were concerned on the pressure being put on Officers and Schools, they supported and appreciated that the Chief Officer Team were doing everything in their power to manage the risk.
	<ul style="list-style-type: none"> The resilience of schools in managing a significant number of changes i.e. the new curriculum, Additional Learning Needs transformation and the introduction of school inspections. 	RC	Resilience of schools in managing change	The Resilience of Schools in managing a significant number of changes		21.10.21		The Committee received a verbal update from the Chief Officer (Education & Youth) at the Committee meeting on 21 st October. Whilst the Committee were concerned on the pressure being put on Officers and Schools, they supported and appreciated that the Chief Officer Team were doing everything in their power to manage the risk.

Council Plan Theme	Risk Title	Risk Details		FWP's			Outcome
		Origin of Risk CP / RR / AGS / RC	Aspect of the Risk to Monitor going forward	Topic	Date	Linked to Other Topic and to be considered at the same time.	To provide the outcome following consideration of the risk
Personal and Community Well-being	<ul style="list-style-type: none"> SS01 - Expenditure on out of county placements increases as placement costs increase in a demand led market 	AGS	Out of County placement expenditure	Arosfa update Mocking Bird Programme	March & May 21		
Tudalen 78	<ul style="list-style-type: none"> Recruitment of staff to work in the sector, encompassing social work, occupational therapy and direct social work. 	RC	Recruitment and retention of staff	Budget 2022/23 - Stage 2	30.09.21		The Social & Health Care OSC considered the stability of the social care market (to include fees and funding) and Social Care workforce pressures and responses at the special Committee meeting on 30 th September. Assurance was given that work was ongoing locally, regionally and nationally to respond to the challenges faced.
	<ul style="list-style-type: none"> The fragility of the market around Elderly Mentally Infirm (EMI) nursing and the recruitment of staff. 	RC	EMI nursing				
	<ul style="list-style-type: none"> Funding and fees linked to market stability. 	RC	Funding of service				

Tudalen 78

Council Plan Theme	Risk Title	Risk Details		FWP's			Outcome To provide the outcome following consideration of the risk
		Origin of Risk CP / RR / AGS / RC	Aspect of the Risk to Monitor going forward	Topic	Date	Linked to Other Topic and to be considered at the same time.	
	PE12 - The implications of Ash Die back on finances and reputation of the Council due to the scale of the problem and the ability to make safe Highways and Council amenity land.	AGS		Ash Die back surveys update	06.05.21		
Green Society and Environment	ST28a - Unable to gain regulatory approval (planning; Drainage; environmental permitting) to progress key infrastructure projects in a timely manner due to delays in processing applications	AGS	Regulatory Approval update				
	<ul style="list-style-type: none"> Funding will not be secured for priority flood alleviation schemes – Carried forward from 2019/20 	AGS					
	<ul style="list-style-type: none"> PE14 - Non-compliance with Sustainable Urban Drainage System legislation due to capacity of the team 	AGS	Team capacity update				
Economy	<ul style="list-style-type: none"> PE03 - Unable to regenerate Town Centres through implementation of the Town Centre Strategy due to insufficient resources and the compound economic consequences of the emergency situation 	AGS		Town Centre Regeneration Town Centre Markets	12.05.21 06.07.21		
Tidaldalen 79	<ul style="list-style-type: none"> PE16 - Capacity within the Community and Business Protection teams to resume planned and reactionary programmes of inspections whilst also enforcing national and local Covid-19 restrictions, Covid-19 regulatory activity and supporting the TTP work. 	RR	Current Risk Rating has increased to red due to the current number of rising infections and the re-prioritisation of work to the Covid response. Reflects the workloads of the team dealing with response whilst not in lockdown.			Lead Environment & Economy OSC and Sub-lead Other committees to pick up other priorities	
	<ul style="list-style-type: none"> ST10 - Increased expenditure on contract, labour, plant, vehicles and materials due to changing work patterns in response to pandemic 	AGS	Expenditure levels				
	<ul style="list-style-type: none"> ST17a - Increased risk of ill health due to mental health and well-being, personal and/or family issues. 	AGS	Workforce update on sickness levels	Employment & Workforce Year-end report	08.07.21		
	<ul style="list-style-type: none"> ST35 - Lack of preparedness to respond to multiple emergencies or major incidents during pandemic (severe weather event, fire, major transport accident) due to resource focused on delivering key services 	AGS	Current resources level	NWCREPS Annual Report	11.11.21		
	<ul style="list-style-type: none"> PE07 - Impact on service delivery due to the resilience of staff and succession planning 	AGS	Potential impact and action plan	Employment & Workforce Quarterly reports - ma	16.09.21; 11.11.21; 13.01.22		

	<ul style="list-style-type: none"> The resilience of various teams due to unprecedented demand to services during the emergency situation. 	RC		Planning and Enforcement	14.09.21		The Environment & Economy OSC considered a report on Planning & Enforcement at its meeting on 14 th September which provided an update on the performance of the planning enforcement service and demonstration of the new software system AGILE. A further update had been requested which would be considered at the March 2022 meeting to monitor progress.
	<ul style="list-style-type: none"> The delivery of the Local Development Plan and the implementation of the back-office system. 	RC					
	<ul style="list-style-type: none"> Public Protection service where resources had been in overwhelming demand during the emergency. 	RC					
	<ul style="list-style-type: none"> Reduced numbers of frontline workers and contractors to deliver services safely due to the requirement for self-isolation. 	RC					
	<ul style="list-style-type: none"> Unable to progress with key infrastructure improvement projects due to lack of resilience in staff, contractors and supply chain. 	RC			09.11.21		
Tudalen 80	<ul style="list-style-type: none"> Unable to gain regulatory approval (planning; drainage; environmental permitting) to progress key infrastructure projects in a timely manner due to delays in processing applications. 	RC			09.11.21		

Eitem ar gyfer y Rhaglen 7



GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday 17 November 2021
Report Subject	Asset Disposal and Capital Receipts Generated 2020/21
Report Author	Chief Executive

EXECUTIVE SUMMARY

In relation to the report and attached information, this flows from interest received from Committee members previously in land disposals and the realisation of capital receipts.

Capital receipts arise when operational Council assets are declared surplus to requirements and are put forward for disposal, or where it is felt appropriate to dispose of assets from the non-operational estate.

Total asset disposals in 2020/21 amounted to £0.968m, of which £0.873m was from general properties and £0.095m from the agricultural estate. Corresponding figures for 2019/20 were £1.618m (£0.506m general, £1.112m agricultural estates). Disposals are lower than the previous year, due to the sale of a high value asset in 2019/20, the impacts of COVID-19 and residual impacts of Brexit.

The information in this report refers to Council Fund (CF) capital receipts only.

RECOMMENDATIONS

1	Members are requested to note the report.
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REPORT DETAILS

1.00	EXPLAINING THE ASSET DISPOSALS
1.01	Background The Council's Capital Programme is set according to the Council's strategic objectives and priorities, ensuring that the Council's capital assets are aligned to current and future service delivery, operating in the most cost efficient way.
1.02	Capital expenditure creates revenue implications for the longer term in the form of running costs and loan repayments if that expenditure is funded from borrowing and must therefore be considered carefully within the wider strategic context.
1.03	In recent years the availability of capital resources has diminished with Welsh Government (WG) reducing the amount of support for capital expenditure that Councils receive. For Flintshire, this support has reduced from £10.364m in 2010/11 to £8.156m in 2020/21, a percentage reduction over this period of 21%. Capital receipts generated from asset disposals (assets and land) are therefore a key capital resource and are critical to the Council in supporting its overall strategic priorities.
1.04	Capital receipts, together with other sources of funding, are aggregated and applied to fund the capital programme as a whole regardless of where they have been generated or by which service and are not therefore 'ring-fenced' to any particular portfolio.
1.05	When considering the disposal of an asset, its best and most valuable disposal method is considered with advice including a valuation sought from either the District Valuer or the private sector. When this has been received the optimum method of disposal is reported to the Capital and Asset Programme Board. Once support is received, the sale is progressed generally through the Council's in house resources.
1.06	The Council's policy regarding the Agricultural Estate is to sell to existing sitting tenants only, or on the open market if already vacant.
1.07	In line with current Council Policy, capital receipts are only available to fund capital expenditure once the asset has been disposed of and the receipt has been realised.
	Considerations
1.08	In relation to the report and attached information, this flows from interest received from Committee members previously in land disposals and the realisation of capital receipts.

1.09	Appendix 1 lists assets disposed of in financial years 2018/19 to 2020/21, by Ward and within bands of the capital receipt value realised. This layout is consistent with previous reports; more detailed reports regarding capital expenditure and capital schemes are reported at Corporate Resources Overview and Scrutiny Committee.
1.10	Sale proceeds for individual disposals are not included as they can be commercially sensitive, particularly if future disposals are being considered for similar assets.

2.00	RESOURCE IMPLICATIONS
2.01	Further details on the resource implications of capital receipts can be found in the Capital Programme Monitoring 2020/21 (Outturn) report to Cabinet on 13 July, 2021.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None as a result of this report.

4.00	RISK MANAGEMENT
4.01	Whilst the realisation of capital receipts continues to be a risk for the future funding of the capital programme, the information provided in this report is retrospective and therefore carries no future risk.
4.02	Asset disposals involve an element of risk, especially during times of property market volatility, however, the Council has a rigorous process which it follows when assets are disposed of, with careful consideration given to the strategic long term future service needs and the assets needed to deliver those services. This consideration includes references to Business Plans, Improvement Plans and the Medium Term Financial Strategy.

5.00	APPENDICES
5.01	Appendix 1 – Capital Receipts 2018/19 – 2020/21

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Capital Programme 2020/21 monitoring papers</p> <p>Contact Officer: Chris Taylor, Strategic Finance Manager Telephone: 01352 703309 E-mail: christopher.taylor@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Capital Expenditure: Expenditure on the acquisition of Non-current Assets or expenditure that extends the life or value of an existing asset.</p> <p>Capital Programme: The Council’s financial plan covering capital schemes and expenditure proposals for the current year and a number of future years. It also includes estimates of the capital resources available to finance the programme.</p> <p>Capital Receipt: Receipts (in excess of £10,000) from the disposal of an asset.</p> <p>Capital Scheme: An individual capital project which is monitored and managed in isolation. The aggregate of all schemes comprises the Capital Programme.</p> <p>Council Fund: The fund to which all the Council’s revenue and capital expenditure is charged.</p> <p>District Valuer: The District Valuer is a member of staff within the District Valuer Services (DVS). The DVS is the specialist property arm of the Valuation Office Agency (VOA). It provides independent valuation and professional property advice to bodies across the entire public sector, and where public money or public functions are involved.</p> <p>Financing: The process of allocating resources to meet the cost of capital expenditure, which can be done on a project, asset or whole programme basis. This contrasts with making the invoice payments relating to capital expenditure, which should be managed within the authority’s overall treasury management policy.</p> <p>Non-current Asset: A resource controlled (but not necessarily owned) by an authority, from which economic benefits or service potential are expected to flow to the authority for more than 12 months.</p> <p>Unhypothecated Supported Borrowing (USB), commonly referred to as Supported Borrowing: Each year Welsh Government provide Council’s with a Supported Borrowing allocation. Council’s borrow to fund capital expenditure equivalent to that annual allocation, Welsh Government then include funding to cover the revenue costs associated with the borrowing for future years within the Revenue Support Grant. The Council decides how this funding is spent.</p>

<p>Unsupported Prudential Borrowing: Borrowing administered under the Prudential Code, whereby authorities can set their own policies on acceptable levels and types of borrowing. The Prudential Framework allows authorities to take out loans in response to overall cash flow forecasts and other factors provided they can show that the borrowing is to meet planned capital expenditure in the current year or the next three years.</p>
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Mae'r dudalen hon yn wag yn bwrpasol

APPENDIX 1

VALUE £000	2018/19		2019/20		2020/21	
	ASSET	AREA	ASSET	AREA	ASSET	AREA
Up to £100k	Land & Property Land	Holywell Bagillt	Land	Buckley	Land Land	Mold Hope
£100k - £150k			Land & Property	Higher Kinnerton		
£150k - £200k					Land & Property	Flint
£200k - £250k						
£250k - £300k						
£300k - £350k						
£350k - £400k	Land & Property	Sealand				
£400k - £450k						
£450k - £500k			Land & Property	Sandycroft		
£500k - £550k						
£550k - £600k						
£600k - £650k						
£650k - £700k					Land & Property	Sealand
£700k - £750k						
£750k - £800k						
£800k - £850k						
£850k+	Land & Property	Connahs Quay	Land & Property	Hope		
Annual Total (£k)		2,295		1,618		968

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 8



GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday 17 th November 2021
Report Subject	Treasury Management Mid-Year Review 2021/22 & Quarter 2 update
Report Author	Corporate Finance Manager

EXECUTIVE SUMMARY

This report presents the draft Treasury Management Mid-Year Report 2021/22 for review and seeks the Committee's recommendation for approval to Cabinet.

The report provides an update on matters relating to the Council's treasury management activity during the period 1st June to 30th September 2021.

RECOMMENDATIONS

1	Members review the draft Treasury Management Mid-Year Report 2021/22 and identify any matters to be drawn to the attention of Cabinet at its meeting in December.
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REPORT DETAILS

1.0	EXPLAINING THE MID YEAR REVIEW
1.01	The Council has nominated the Governance and Audit Committee to be responsible for ensuring effective scrutiny of the treasury management strategy and policies. The Governance and Audit Committee has previously agreed to include treasury management as a standing item on each quarterly agenda to receive an update.
1.02	On 16 th February 2021, the Council approved the Treasury Management Strategy 2021/22, following the recommendation of the Cabinet and consideration by the Audit Committee.

	<u>Treasury Management Mid-Year Report 2021/22</u>
1.03	The draft Treasury Management Mid-Year Report for 2021/22 is attached as Appendix 1 for review. As required by the Council's Financial Procedure Rules, this review will be reported to the Cabinet and Council.
1.04	<p><u>Summary of Key Points</u></p> <p>The economic recovery from the coronavirus pandemic continued to dominate the first half of the financial year.</p> <p>The Bank of England have maintained the base rate at 0.1% since March this year, and the potential use of negative interest rates has not been ruled out. In the light of recent meetings of the Monetary Policy Committee, the Council's treasury advisor Arlingclose expects the Bank Rate to rise slightly in the short-term but continue to remain relatively low in the longer-term.</p>
1.05	One PWLB loan of £0.582m was taken out during the period and was on-lent to NEW Homes, the Council's wholly owned subsidiary, to fund the building of affordable homes in Flintshire. The Council continues to regularly review the position on its long-term borrowing requirement in conjunction with Arlingclose. Short term borrowing was undertaken as necessary in accordance with the 2021/22 borrowing strategy. The average interest rate for short-term borrowing undertaken in the period was 0.09%. Section 4 provides more information on borrowing and debt management during the period.
1.06	Interest rates on investments have been very low throughout the period, the average rate of return for the period being 0.013%. Section 5 of the report provides more information on the Council's investments.
1.07	The treasury function has operated fully within the limits detailed in the Treasury Management Strategy 2021/22.
	Treasury Management 2021/22 – Quarter 2 update
1.08	<p><u>Investments Update</u></p> <p>A statement setting out the Council's investments as at 30th September 2021 is attached at Appendix 2. The investment balance at this time was £16.5m, spread across 7 counterparties. The average interest rate for the period was 0.01%.</p>
1.09	<p><u>Borrowing Update</u></p> <p>Appendix 3 shows the Council's long term borrowing as at 30th September 2021. The total amount of loans outstanding was £288.2m with an average interest rate payable of 4.61%.</p> <p>No long term borrowing was arranged during the quarter.</p> <p>Appendix 4 shows the Council's short term borrowing as at 30th September 2021. The total amount of loans outstanding was £17.0m with an average interest rate payable of 0.02%.</p>

1.10	The Council's capital expenditure plans will continue to be monitored throughout 2021/22 to inform and assess the Council's long term borrowing need. This is to ensure that the Council does not commit to long term borrowing too early and refinance unnecessarily which will be costly and have significant revenue implications. The continued use of short-term borrowing will assist with this.
1.11	Arlingclose expect interest rates to increase in the short-term but remain relatively low in the longer-term. The Council will continue to monitor forecasts closely with Arlingclose to ensure we don't miss the opportunity to secure low long-term rates. The affordability of long-term borrowing in the short term needs to be balanced against the savings made over the life of the loan. For the moment short-term borrowing continues to be significantly cheaper than long-term.
1.12	<u>Member Training – Treasury Management</u> Treasury management Member training workshops have been arranged for 8th December 2021 to be presented by Arlingclose Ltd. One session will be held at 2pm, the other at 6pm. The sessions will be hosted by the Governance and Audit Committee but will be open to all Members. Due to ongoing Government guidance on social distancing both sessions will be via online video conferencing.
1.13	<u>Treasury management advisory services – tender</u> In September 2021 Arlingclose Ltd were reappointed as the Council's advisors for a period of 3 years, following a competitive tendering exercise. This period can be extended a further 2 years as per the contract terms to September 2026.

2.00	RESOURCE IMPLICATIONS
2.01	Financial implications are addressed in the report; no other resource implications directly as a result of this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Arlingclose Ltd, being the Council's treasury management advisors.

4.00	RISK MANAGEMENT
4.01	Risk Management directly addressed within the report and appendices including identification of risks and measures to mitigate likelihood and impact of risks identified.

5.00	APPENDICES
5.01	<ol style="list-style-type: none"> 1. Draft Treasury Management Mid-Year Report 2021/22 2. Investment Portfolio as at 30th September 2021 3. Long term borrowing as at 30th September 2021 4. Short term borrowing as at 30th September 2021

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Chris Taylor - Strategic Finance Manager Telephone: 01352 703309 E-mail: Christopher.taylor@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Authorised Limit: A statutory limit that sets the maximum level of external debt for the Council.</p> <p>Balances and Reserves: Accumulated sums that are held, either for specific future costs or commitments (known as earmarked) or generally held to meet unforeseen or emergency expenditure.</p> <p>Bank Rate: The official interest rate set by the Bank of England's Monetary Policy Committee and what is generally termed at the "base rate".</p> <p>Basis Point: A unit of measure used in finance to describe the percentage change in the value or rate of a financial instrument. One basis point is equivalent to 0.01% (1/100th of a percent). In most cases, it refers to changes in interest rates and bond yields. For example, if interest rates rise by 25 basis points, it means that rates have risen by 0.25% percentage points.</p> <p>Bond: A certificate of debt issued by a company, government, or other institution. The bond holder receives interest at a rate stated at the time of issue of the bond. The price of a bond may vary during its life.</p> <p>Capital Expenditure: Expenditure on the acquisition, creation or enhancement of capital assets.</p> <p>Capital Financing Requirement (CFR): The Council's underlying need to borrow for capital purposes representing the cumulative capital expenditure of the local authority that has not been financed.</p> <p>Certificates of Deposits (CD's): A savings certificate entitling the bearer to receive interest. A CD bears a maturity date, a specified fixed interest rate and can be issued in any denomination. CDs are generally issued by commercial banks. The term of a CD generally ranges from one month to five years.</p>

Consumer Price Index (CPI): The UK's main measure of inflation (along with Retail Price Index or 'RPI') The Monetary Policy Committee of the Bank of England set the Bank Rate in order to try and keep CPI at or close to the target set by the Government. The calculation of CPI includes many items of normal household expenditure but excludes some items such as mortgage interest payments and Council Tax.

Corporate Bonds: Corporate bonds are bonds issued by companies. The term is often used to cover all bonds other than those issued by governments in their own currencies and includes issues by companies, supranational organisations and government agencies.

Cost of Carry: The "cost of carry" is the difference between what is paid to borrow compared to the interest which could be earned. For example, if one takes out borrowing at 5% and invests the money at 1.5%, there is a cost of carry of 3.5%.

Counterparty List: List of approved financial institutions with which the Council can place investments.

Credit Rating: Formal opinion by a registered rating agency of a counterparty's future ability to meet its financial liabilities; these are opinions only and not guarantees.

Debt Management Office (DMO): The DMO is an Executive Agency of Her Majesty's Treasury and provides direct access for local authorities into a government deposit facility known as the Debt Management Account Deposit Facility (DMADF). All deposits are guaranteed by HM Government and therefore have the equivalent of a sovereign credit rating.

Federal Reserve: The US central bank, the equivalent of the Bank of England. (Often referred to as "the Fed").

Financial Instruments: Financial instruments are tradable assets of any kind. They can be cash, evidence of an ownership interest in an entity, or a contractual right to receive or deliver cash or another financial instrument

Gilts: Gilts are bonds issued by the UK Government. They take their name from 'gilt-edged'. They are deemed to be very secure as the investor expects to receive the full face value of the bond to be repaid on maturity.

IFRS: International Financial Reporting Standards.

LIBID: The London Interbank Bid Rate (LIBID) is the rate bid by banks on Eurocurrency deposits (i.e. the rate at which a bank is willing to borrow from other banks).

LIBOR: The London Interbank Offered Rate (LIBOR) is the rate of interest that banks charge to lend money to each other. The British Bankers' Association (BBA) work with a small group of large banks to set the LIBOR rate each day. The wholesale markets allow banks who need money to borrow from those with surplus amounts. The banks with surplus amounts of money are keen to lend so that they can generate interest which it would not otherwise receive.

LOBO: Stands for Lender Option Borrower Option. The underlying loan facility is typically very long-term - for example 40 to 60 years - and the interest rate is fixed. However, in the LOBO facility the lender has the option to call on the facilities at pre-determined future dates. On these call dates, the lender can propose or impose a new fixed rate for the remaining term of the facility and the borrower has the 'option' to either accept the new imposed fixed rate or repay the loan facility.

Low Volatility Net Asset Value Money Market Funds (LVNAV MMFs): refers to highly liquid money market funds which aim to maintain the level of their worth by investing in very secure instruments.

Maturity: The date when an investment or borrowing is repaid.

Maturity Structure / Profile: A table or graph showing the amount (or percentage) of debt or investments maturing over a time period.

Minimum Revenue Provision (MRP): An annual provision that the Council is statutorily required to set aside and charge to the Revenue Account for the repayment of debt associated with expenditure incurred on capital assets.

Monetary Policy Committee (MPC): Government Body that sets the Bank Rate. Its primary target is to keep inflation within 1% of a central target of 2%. Its secondary target is to support the Government in maintaining high and stable levels of growth and employment.

Money Market Funds (MMF): Pooled funds which invest in a range of short term assets providing high credit quality and high liquidity.

Non Specified Investment: Investments which fall outside the WG Guidance for Specified investments (below).

Operational Boundary: This linked directly to the Council's estimates of the CFR and estimates of other day to day cash flow requirements. This indicator is based on the same estimates as the Authorised Limit reflecting the most likely prudent but not worst case scenario but without the additional headroom included within the Authorised Limit.

Premiums and Discounts: In the context of local authority borrowing,
(a) the premium is the penalty arising when a loan is redeemed prior to its maturity date and
(b) the discount is the gain arising when a loan is redeemed prior to its maturity date.

Prudential Code: Developed by CIPFA and introduced in April 2004 as a professional code of practice to support local authority capital investment planning within a clear, affordable, prudent and sustainable framework and in accordance with good professional practice.

Prudential Indicators: Indicators determined by the local authority to define its capital expenditure and asset management framework. They are designed to support and record local decision making in a manner that is

publicly accountable; they are not intended to be comparative performance indicators

Public Works Loans Board (PWLB): The PWLB is a statutory body operating within the United Kingdom Debt Management Office, an Executive Agency of HM Treasury. The PWLB's function is to lend money from the National Loans Fund to local authorities and other prescribed bodies, and to collect the repayments.

Quantitative Easing (QE): In relation to the UK, it is the process used by the Bank of England to directly increase the quantity of money in the economy. It does not involve printing more banknotes. Instead, the Bank buys assets from private sector institutions – that could be insurance companies, pension funds, banks or non-financial firms – and credits the seller's bank account. So the seller has more money in their bank account, while their bank holds a corresponding claim against the Bank of England (known as reserves). The end result is more money out in the wider economy.

Retail Price Index (RPI): A monthly index demonstrating the movement in the cost of living as it tracks the prices of goods and services including mortgage interest and rent.

Revenue Expenditure: Expenditure to meet the continuing cost of delivery of services including salaries and wages, the purchase of materials and capital financing charges.

Specified Investments: Term used in the Welsh Assembly Guidance for Local Authority Investments. Investments that offer high security and high liquidity, in sterling and for no more than one year. UK government, local authorities and bodies that have a high credit rating.

Supported Borrowing: Borrowing for which the costs are supported by the government or third party.

Supranational Bonds: Instruments issued by supranational organisations created by governments through international treaties (often called multilateral development banks). The bonds carry an AAA rating in their own right. Examples of supranational organisations are the European Investment Bank, the International Bank for Reconstruction and Development.

Temporary Borrowing: Borrowing to cover peaks and troughs of cash flow, not to fund capital spending.

Term Deposits: Deposits of cash with terms attached relating to maturity and rate of return (Interest).

Treasury Bills (T-Bills): Treasury Bills are short term Government debt instruments and, just like temporary loans used by local authorities, are a means to manage cash flow. They are issued by the Debt Management Office and are an eligible sovereign instrument, meaning that they have an AAA-rating.

Treasury Management Code: CIPFA's Code of Practice for Treasury Management in the Public Services, initially brought in 2003, subsequently updated in 2009 and 2011.

Treasury Management Practices (TMP): Treasury Management Practices set out the manner in which the Council will seek to achieve its policies and objectives and prescribe how it will manage and control these activities.

Unsupported Borrowing: Borrowing which is self-financed by the local authority. This is also sometimes referred to as Prudential Borrowing.

Yield: The measure of the return on an investment instrument.



FLINTSHIRE COUNTY COUNCIL

DRAFT TREASURY MANAGEMENT

MID YEAR REPORT 2021/22

1.00 PURPOSE OF REPORT

- 1.01 To provide Members with a mid-year update on matters relating to the Council's Treasury Management function.

2.00 BACKGROUND

- 2.01 Treasury management comprises the management of the Council's cash flows, its banking, money market and capital market transactions; the effective control of the risks associated with those activities; and the pursuit of optimum performance consistent with those risks.
- 2.02 The Council's primary objectives for the investment of its surplus funds are to protect the principal sums invested from loss, and to ensure adequate liquidity so that funds are available for expenditure when needed. The generation of investment income to support the provision of local authority services is an important, but secondary, objective.
- 2.03 The Council's policy is to appoint external consultants to provide advice on its treasury management function. In September 2021 Arlingclose Ltd were reappointed as the Council's advisors for a period of 3 years, following a competitive tendering exercise. This period can be extended a further 2 years as per the contract terms to September 2026.
- 2.04 The Council has adopted the 2017 edition of the CIPFA Treasury Management in the Public Services: Code of Practice, which requires the Council to approve a treasury management strategy before the start of each financial year, a mid-year report, and an annual report after the end of each financial year.
- 2.05 In addition, the Welsh Government (WG) issues guidance on local authority investments that requires the Council to approve an investment strategy before the start of each financial year. WG updated this guidance in November 2019 and it came into force on 1st April 2020.
- 2.06 This report fulfils the Council's legal obligation under the Local Government Act 2003 to have regard to both the CIPFA Code and the WG Guidance.
- 2.07 The Council approved the 2021/22 Treasury Management Strategy at its meeting on 16th February 2021.

3.00 ECONOMIC & INTEREST RATE REVIEW APRIL – OCTOBER 2021.

Provided by Arlingclose Ltd, the Council's treasury management advisors.

Economic background: The economic recovery from coronavirus pandemic continued to dominate the first half of the financial year. By the end of the period over 48 million people in the UK had received their first dose of a COVID-19 vaccine and almost 45 million their second dose.

The Bank of England (BoE) held Bank Rate at 0.1% throughout the period and maintained its Quantitative Easing programme at £895 billion, unchanged since the November 2020 meeting. In its September 2021 policy announcement, the BoE noted it now expected the UK economy to grow at a slower pace than was predicted in August, as the pace of the global recovery had shown signs of slowing and there were concerns inflationary pressures may be more persistent. Within the announcement, Bank expectations for GDP growth for the third (calendar) quarter were revised down to 2.1% (from 2.9%), in part reflecting tighter supply conditions. The path of CPI inflation is now expected to rise slightly above 4% in the last three months of 2021, due to higher energy prices and core goods inflation. While the Monetary Policy Committee meeting ended with policy rates unchanged, the tone was more hawkish.

Government initiatives continued to support the economy over the quarter but came to an end on 30th September 2021, with businesses required to either take back the 1.6 million workers on the furlough scheme or make them redundant.

The latest labour market data showed that in the three months to July 2021 the unemployment rate fell to 4.6%. The employment rate increased, and economic activity rates decreased, suggesting an improving labour market picture. Latest data showed growth in average total pay (including bonuses) and regular pay (excluding bonuses) among employees was 8.3% and 6.3% respectively over the period. However, part of the robust growth figures is due to a base effect from a decline in average pay in the spring of last year associated with the furlough scheme.

Annual CPI inflation rose to 3.2% in August, exceeding expectations for 2.9%, with the largest upward contribution coming from restaurants and hotels. The Bank of England now expects inflation to exceed 4% by the end of the calendar year owing largely to developments in energy and goods prices. The Office of National Statistics' (ONS') preferred measure of CPIH which includes owner-occupied housing was 3.0% year/year, marginally higher than expectations for 2.7%.

The easing of restrictions boosted activity in the second quarter of calendar year, helping push GDP up by 5.5% q/q (final estimate vs 4.8% q/q initial estimate). Household consumption was the largest contributor. Within the sector breakdown production contributed 1.0% q/q, construction 3.8% q/q and services 6.5% q/q, taking all of these close to their pre-pandemic levels.

The US economy grew by 6.3% in Q1 2021 (Jan-Mar) and then by an even stronger

6.6% in Q2 as the recovery continued. The Federal Reserve maintained its main interest rate at between 0% and 0.25% over the period but in its most recent meeting made suggestion that monetary policy may start to be tightened soon.

The European Central Bank maintained its base rate at 0%, deposit rate at -0.5%, and asset purchase scheme at €1.85 trillion.

Financial markets: Monetary and fiscal stimulus together with rising economic growth and the ongoing vaccine rollout programmes continued to support equity markets over most of the period, albeit with a bumpy ride towards the end. The Dow Jones hit another record high while the UK-focused FTSE 250 index continued making gains over pre-pandemic levels. The more internationally focused FTSE 100 saw more modest gains over the period and remains below its pre-crisis peak. Inflation worries continued during the period. Declines in bond yields in the first quarter of the financial year suggested bond markets were expecting any general price increases to be less severe, or more transitory, than was previously thought. However, an increase in gas prices in the UK and EU, supply shortages and a dearth of HGV and lorry drivers with companies willing to pay more to secure their services, has caused problems for a range of industries and, in some instance, lead to higher prices.

The 5-year UK benchmark gilt yield began the financial year at 0.36% before declining to 0.33% by the end of June 2021 and then climbing to 0.64% on 30th September. Over the same period the 10 year gilt yield fell from 0.80% to 0.71% before rising to 1.03% and the 20-year yield declined from 1.31% to 1.21% and then increased to 1.37%.

The Sterling Overnight Rate (SONIA) averaged 0.05% over the quarter.

Credit review: Credit default swap spreads were flat over most of period and are broadly in line with their pre-pandemic levels. In late September spreads rose by a few basis points due to concerns around Chinese property developer Evergrande defaulting but are now falling back. The gap in spreads between UK ring-fenced and non-ring-fenced entities continued to narrow, but Santander UK remained an outlier compared to the other ring-fenced/retail banks. At the end of the period Santander UK was trading the highest at 53bps and Lloyds Banks Plc the lowest at 32bps. The other ring-fenced banks were trading between 37-39bps and Nationwide Building Society was 39bps.

Over the period Fitch and Moody's upwardly revised to stable the outlook on a number of UK banks and building societies on our counterparty list, recognising their improved capital positions compared to last year and better economic growth prospects in the UK.

Fitch also revised the outlooks for Nordea, Svenska Handelsbanken and

Handelsbanken plc to stable from negative. The rating agency considered the improved economic prospects in the Nordic region to have reduced the baseline downside risks it previously assigned to the lenders.

The successful vaccine rollout programme is credit positive for the financial services sector in general and the improved economic outlook has meant some institutions have been able to reduce provisions for bad loans. While there is still uncertainty around the full extent of the losses banks and building societies will suffer due to the pandemic-related economic slowdown, the sector is in a generally better position now compared to earlier this year and 2020.

At the end of the period Arlingclose had completed its full review of its credit advice on unsecured deposits. The outcome of this review included the addition of NatWest Markets plc to the counterparty list together with the removal of the suspension of Handelsbanken plc. In addition, the maximum duration for all recommended counterparties was extended to 100 days.

As ever, the institutions and durations on the Authority's counterparty list recommended by treasury management advisors Arlingclose remain under constant review.

Outlook for the remainder of 2021/22

Arlingclose expects Bank Rate to rise in Q2 2022. We believe this is driven as much by the Bank of England's desire to move from emergency levels as by fears of inflationary pressure.

Investors have priced in multiple rises in Bank Rate to 1% by 2024. While Arlingclose believes Bank Rate will rise, it is by a lesser extent than expected by markets.

The global economy continues to recover from the pandemic but has entered a more challenging phase. The resurgence of demand has led to the expected rise in inflationary pressure, but disrupted factors of supply are amplifying the effects, increasing the likelihood of lower growth rates ahead. This is particularly apparent in the UK due to the impact of Brexit.

While Q2 UK GDP expanded more quickly than initially thought, the 'pingdemic' and more latterly supply disruption will leave Q3 GDP broadly stagnant. The outlook also appears weaker. Household spending, the driver of the recovery to date, is under pressure from a combination of retail energy price rises, the end of government support programmes and soon, tax rises. Government spending, the other driver of recovery, will slow considerably as the economy is taken off life

support.

Inflation rose to 3.2% in August. A combination of factors will drive this to over 4% in the near term. While the transitory factors affecting inflation, including the low base effect of 2020, are expected to unwind over time, the MPC has recently communicated fears that these transitory factors will feed longer-term inflation expectations that require tighter monetary policy to control. This has driven interest rate expectations substantially higher.

The supply imbalances are apparent in the labour market. While wage growth is currently elevated due to compositional and base factors, stories abound of higher wages for certain sectors, driving inflation expectations. It is uncertain whether a broad-based increase in wages is possible given the pressures on businesses.

Government bond yields increased sharply following the September FOMC and MPC minutes, in which both central banks communicated a lower tolerance for higher inflation than previously thought. The MPC in particular has doubled down on these signals in spite of softer economic data. Bond investors expect higher near-term interest rates but are also clearly uncertain about central bank policy.

The MPC appears to be playing both sides, but has made clear its intentions to tighten policy, possibly driven by a desire to move away from emergency levels. While the economic outlook will be challenging, the signals from policymakers suggest Bank Rate will rise unless data indicates a more severe slowdown.

	Dec 21	Mar 22	Jun 22	Sept 22	Dec 22	Mar 23	Jun 23	Sept 23	Dec 23	Mar 24	Jun 24	Sept 24	Dec 24
Upside Risk (%)	0.00	0.15	0.00	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25	0.25
Interest Rate (%)	0.10	0.10	0.25	0.25	0.25	0.50	0.50	0.50	0.50	0.50	0.50	0.50	0.50
Downside Risk (%)	0.00	0.00	0.15	0.15	0.15	0.40	0.40	0.40	0.40	0.40	0.40	0.40	0.40

4.00 BORROWING REQUIREMENTS AND DEBT MANAGEMENT

4.01 PWLB (Public Works Loans Board) Certainty Rate Update.

The Authority submitted its application to WG along with the 2021-22 Capital Forecast Return to access this reduced rate for a further 12 months from 1st April 2021.

- 4.02 The long term borrowing outstanding at 30th September 2021 totals £288.2 million.
- 4.03 Loans with the Public Works Loans Board are in the form of fixed rate (£264.2m). £18.95m is variable in the form of LOBOs (Lender’s Option, Borrower’s Option) and £5.0m are interest free loans from government. The Council’s average long term borrowing rate is currently 4.61%.

	Balance 01/04/2021 £m	Debt Maturing £m	New Debt £m	Balance 30/09/2021 £m
Long Term Borrowing	283.87	(1.27)	0.58	283.18
Government Loans	5.14	(0.24)	0.10	5.00
TOTAL BORROWING	289.01	(1.51)	0.68	288.18
Other Long Term Liabilities *	3.93	0.00	0.00	3.93
TOTAL EXTERNAL DEBT	292.94	(1.51)	0.68	292.11
Increase/ (Decrease) in Borrowing £m				(0.83)

* relates to finance leases in respect of Deeside Leisure Centre and Jade Jones Pavilion

- 4.04 During the period April – September 2021, the following loan was taken out –

Start date	Maturity Date	Amount	Rate	Loan Type
30 th Apr 2021	30 th Apr 2061	£582k	2.15%	Annuity

This loan has been lent on to New Homes, the Council’s wholly owned subsidiary, to fund the building of affordable homes in Flintshire.

Affordability (interest costs charged on new loans) and the “cost of carry” (costs associated with new long term loans) remain important influences on the Council’s borrowing strategy alongside the consideration that, for any borrowing undertaken ahead of need, the proceeds would have to be invested in the money markets at rates of interest significantly lower than the cost of long term borrowing.

- 4.05 Internal Borrowing and Short Term Borrowing

Given the significant cuts to local government funding putting pressure on Council finances, the borrowing strategy is to minimise debt interest payments without compromising the longer-term stability of the portfolio. With short-term interest rates currently lower than long-term rates, it has been more cost effective in the

short-term to use internal resources, and to borrow short-term rather than long-term.

The differential between the cost of new longer-term debt and the return generated on the Council's temporary investment returns was significant at around 1.78%.

The use of internal resources in lieu of borrowing has therefore continued to be used over the period as the most cost effective means of funding capital expenditure. This has lowered overall treasury risk by reducing both external debt and temporary investments.

Short term borrowing was undertaken as necessary. The total short term borrowing as at 30th September 2021 was £17m with an average rate of 0.02%.

The Council's capital expenditure plans will continue to be monitored throughout 2021/22 to inform and assess the Council's long term borrowing need. This is to ensure that the Council does not commit to long term borrowing too early and refinance unnecessarily which will be costly and have significant revenue implications. The continued use of short-term borrowing will assist with such. This will be balanced against securing low long term interest rates currently being forecast and assessing the affordability of long-term borrowing in the short term against the savings made over the life of the loan.

4.06 Lender's Option Borrower's Option Loans (LOBOs)

The Authority holds £18.95m of LOBO loans where the lender has the option to propose an increase in the interest rate at set dates, following which the Authority has the option to either accept the new rate or to repay the loan at no additional cost. The option to change the terms on £18.95m of the Council's LOBOs was not exercised by the lender. The Authority acknowledges there is an element of refinancing risk even though in the current interest rate environment lenders are unlikely to exercise their options.

4.07 Debt Rescheduling

The premium charge for early repayment of PWLB debt remained relatively expensive for the loans in the Authority's portfolio and therefore unattractive for debt rescheduling activity. No rescheduling activity was undertaken as a consequence.

The Corporate Finance Manager, in conjunction with the Council's treasury advisors, will continue to review any potential opportunities for restructuring the Council's debt in order to take advantage of potential savings as interest rates change and to enhance the balance of the long term portfolio (amend the maturity profile and/or the balance of volatility).

4.08 Borrowing Update

Local authorities can borrow from the PWLB provided they can confirm they are not planning to purchase 'investment assets primarily for yield' in the current or next two financial years, with confirmation of the purpose of capital expenditure from the Section 151 / Section 95 Officer. Authorities that are purchasing or intending to purchase investment assets primarily for yield will not be able to access the PWLB except to refinance existing loans or externalise internal borrowing.

Acceptable use of PWLB borrowing includes service delivery, housing, regeneration, preventative action, refinancing and treasury management.

Competitive market alternatives may be available for authorities with or without access to the PWLB. However, the financial strength of the individual authority and borrowing purpose will be scrutinised by commercial lenders. Further changes to the CIPFA Prudential Code expected in December 2021 are likely to prohibit borrowing for the primary purpose of commercial return even where the source of borrowing is not the PWLB.

The Authority is not planning to purchase any investment assets primarily for yield within the next three years and so is able to fully access the PWLB

Revised PWLB Guidance. HM Treasury published further guidance on PWLB borrowing in August 2021 providing additional detail and clarifications predominantly around the definition of an 'investment asset primarily for yield'. The principal aspects of the new guidance are:

- Capital expenditure incurred or committed to before 26th November 2020 is allowable even for an 'investment asset primarily for yield'.
- Capital plans should be submitted by local authorities via a DELTA return. These open for the new financial year on 1st March and remain open all year. Returns must be updated if there is a change of more than 10%.
- An asset held primarily to generate yield that serves no direct policy purpose should not be categorised as service delivery.
- Further detail on how local authorities purchasing investment assets primarily for yield can access the PWLB for the purposes of refinancing existing loans or externalising internal borrowing.
- Additional detail on the sanctions which can be imposed for inappropriate use of the PWLB loan. These can include a request to cancel projects, restrictions to accessing the PLWB and requests for information on further plans.

Changes to PWLB Terms and Conditions from 8th September 2021. The settlement time for a PWLB loan has been extended from two working days

(T+2) to five working days (T+5). In a move to protect the PWLB against negative interest rates, the minimum interest rate for PWLB loans has also been set at 0.01% and the interest charged on late repayments will be the higher of Bank of England Base Rate or 0.1%.

Municipal Bonds Agency (MBA): The MBA is working to deliver a new short-term loan solution, available in the first instance to principal local authorities in England, allowing them access to short-dated, low rate, flexible debt. The minimum loan size is expected to be £25 million. Importantly, local authorities will borrow in their own name and will not cross guarantee any other authorities.

If the Authority intends future borrowing through the MBA, it will first ensure that it has thoroughly scrutinised the legal terms and conditions of the arrangement and is satisfied with them.

UK Infrastructure Bank: £4bn has been earmarked for on-lending to local authorities by the UK Infrastructure Bank which is wholly owned and backed by HM Treasury. The availability of this lending to local authorities, for which there will be a bidding process, is yet to commence. Loans will be available for qualifying projects at gilt yields plus 0.6%, which is 0.2% lower than the PWLB certainty rate.

5.0 **INTERIM INVESTMENT AND PERFORMANCE REPORT**

- 5.01 The maximum investments the Authority had on deposit at any one time totalled £68.1m. The average investment balance for the period was £45.9m and the average rate of return was 0.013%, generating investment income of £2.8k.
- 5.02 Up to 30th September, investments were made in the Debt Management Office Deposit Account, banks, other local authorities and money market funds
- 5.03 The average of long and short-term borrowing was £325.3m generating interest payable of £6.664m, in line with budget forecasts to date.

	Investments		Long Term Borrowing		Short Term Borrowing	
	Interest received £k	Interest rate %	Interest paid £k	Interest rate %	Interest paid £k	Interest rate %
2021/22 Apr – Sept	2.8	0.01	6,664	4.61	16	0.09
2020/21 Apr – Sept	10.9	0.05	6,629	4.70	171	0.92
Difference	-8.1		35		-155	

Year-end projections are as follows:

	Investments		Long Term Borrowing		Short Term Borrowing	
	Interest received £k	Interest rate %	Interest paid £k	Interest rate %	Interest paid £k	Interest rate %
2021/22 est	4.3	0.01	13,276	4.61	62	0.11
2020/21 act	12.3	0.03	13,252	4.61	206	0.56
Difference	(8.0)		(182)		-144	

5.04 Credit Risk (security)

Counterparty credit quality was assessed and monitored with reference to credit ratings (the Authority's minimum long-term counterparty rating for institutions defined as having "high credit quality" is A- across rating agencies Fitch, S&P and Moody's); credit default swap prices, financial statements, information on potential government support and reports in the quality financial press.

5.05 Liquidity

In keeping with the WG's Guidance on Investments, the Council maintained a sufficient level of liquidity through the use of money market funds.

5.06 Yield

The Council sought to optimise returns commensurate with its objectives of security and liquidity. The Council's investment yield is outlined in 5.01.

Ultra-low short-dated cash rates which have been a feature since March 2020 when Bank Rate was cut to 0.1% have resulted in the return on sterling low volatility net asset value money market funds (LVNAV MMFs) being close to zero even after some managers have temporarily waived or lowered their fees. At this stage net negative returns are not the central case of most MMF managers over the short-term, and fee cuts or waivers should result in MMF net yields having a floor of zero, but the possibility cannot be ruled out.

Deposit rates with the Debt Management Account Deposit Facility (DMADF) are also largely around zero.

6.00 **COMPLIANCE**

6.01 The Council can confirm that it has complied with its Prudential Indicators for the period April to September 2021. These were approved on 16th February 2021 as

part of the Council's 2021/22 Treasury Management Strategy.

6.02 In compliance with the requirements of the CIPFA Code of Practice this report provides Members with a summary report of the treasury management activity during the period April – September 2021. None of the Prudential Indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

7.00 OTHER ITEMS

7.01 Other treasury management related activity that took place during April – September 2021 includes:

- The Treasury Management Annual Report 2020/21 was reported to Governance and Audit Committee on 28th July 2021, Cabinet on 21st September 2021 and will be reported to Council on 7th December 2021.
- The Quarter 1 Treasury Management update was reported to the Governance and Audit Committee.

7.02 Revisions to CIPFA Codes

In February 2021 CIPFA launched two consultations on changes to its Prudential Code and Treasury Management Code of Practice. These followed the Public Accounts Committee's recommendation that the prudential framework should be further tightened following continued borrowing by some authorities for investment purposes. In June, CIPFA provided feedback from this consultation.

In September CIPFA issued the revised Codes and Guidance Notes in draft form and opened the latest consultation process on their proposed changes. The changes include:

- Clarification that (a) local authorities must not borrow to invest primarily for financial return (b) it is not prudent for authorities to make any investment or spending decision that will increase the Capital Financing Requirement, and so may lead to new borrowing, unless directly and primarily related to the functions of the authority.
- Categorising investments as those (a) for treasury management purposes, (b) for service purposes and (c) for commercial purposes.
- Defining acceptable reasons to borrow money: (i) financing capital expenditure primarily related to delivering a local authority's functions, (ii) temporary management of cash flow within the context of a balanced budget, (iii) securing affordability by removing exposure to future interest rate rises and (iv) refinancing current borrowing, including replacing internal borrowing.

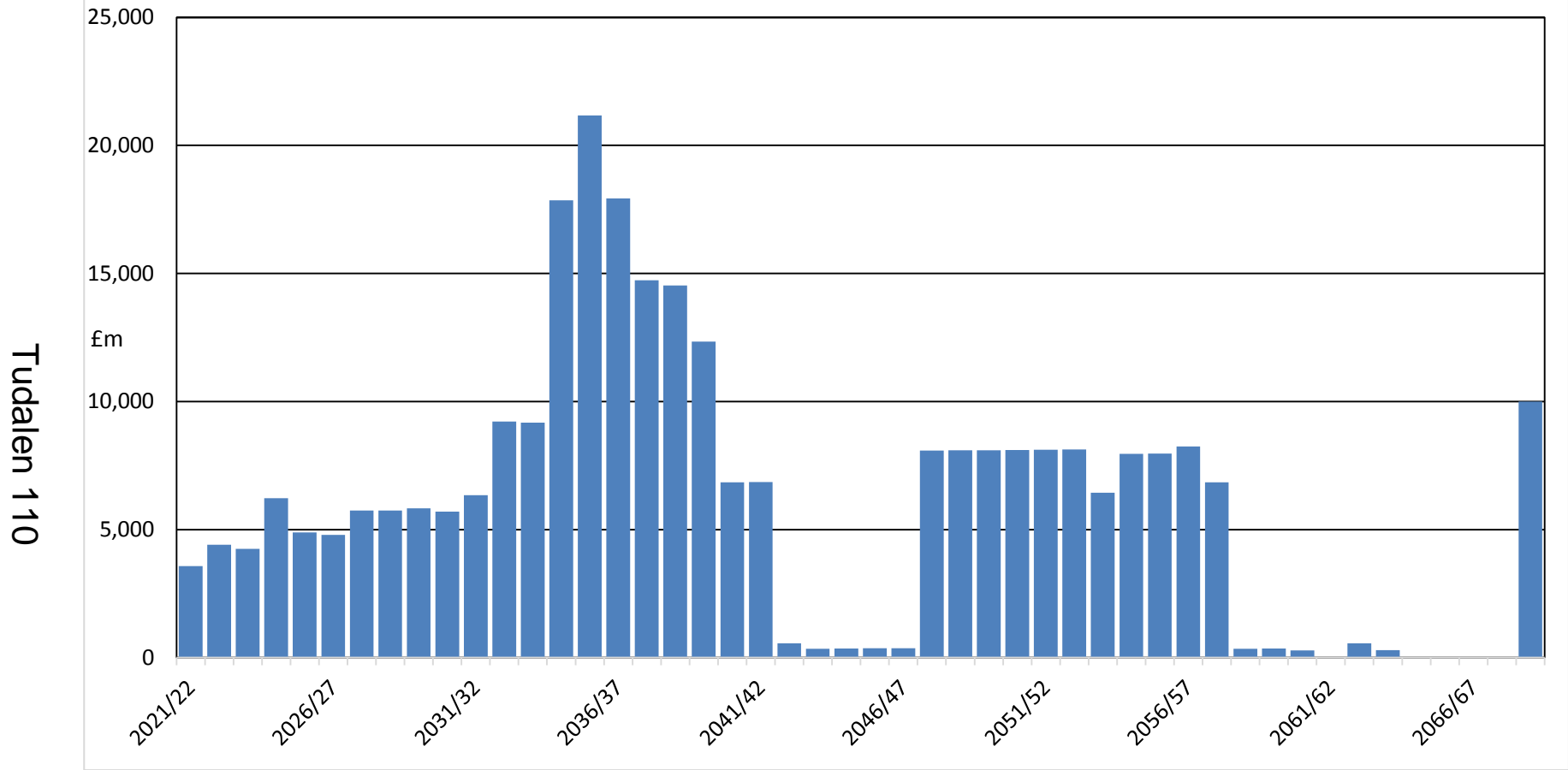
- For service and commercial investments, in addition to assessments of affordability and prudence, an assessment of proportionality in respect of the authority's overall financial capacity (i.e. whether plausible losses could be absorbed in budgets or reserves without unmanageable detriment to local services).
- Prudential Indicators
 - New indicator for net income from commercial and service investments to the budgeted net revenue stream.
 - Inclusion of the liability benchmark as a mandatory treasury management prudential indicator. CIPFA recommends this is presented as a chart of four balances – existing loan debt outstanding, loans CFR, net loans requirement and liability benchmark – over at least 10 years and ideally cover the authority's full debt maturity profile.
 - Excluding investment income from the definition of financing costs.
- Incorporating Environmental, Social and Governance (ESG) issues as a consideration within TMP 1 Risk Management.
- Additional focus on the knowledge and skills of officers and elected Members involved in decision making

8.00 CONCLUSION

8.01 In compliance with the requirements of the CIPFA Code of Practice this report provides Members with a summary report of the treasury management activity during the first half of 2021/22.

8.02 As indicated in this report none of the prudential indicators have been breached and a prudent approach has been taken in relation to investment activity with priority being given to security and liquidity over yield.

Debt Maturity Profile - Sept 2021



FLINTSHIRE COUNTY COUNCIL - INVESTMENT PORTFOLIO

At 30th September 2021

APPENDIX 2

Tudalen 111

Counterparty Name	Amount Invested £m	Start Date	Maturity Date	Interest Rate	Investment Interest £	Type of Investment	Period to Maturity
LLOYDS BANK	2.0	16/10/20	31/10/21	0.01%	208	UK BANK	1 month or less
LLOYDS BANK	2.0						
NATIONAL WESTMINSTER BANK	2.0	04/01/21	31/10/21	0.01%	164	UK BANK	1 month or less
NATIONAL WESTMINSTER BANK	2.0						
ABERDEEN LIQUIDITY FUND	0.5	01/06/21	31/10/21	0.01%	21	MMF	1 month or less
ABERDEEN LIQUIDITY FUND	0.5						
BNP PARIBAS SECURITIES SVCS	3.0	01/06/21	31/10/21	0.01%	131	MMF	1 month or less
BNP PARIBAS SECURITIES SVCS	3.0						
CCLA PUBLIC SECTOR DEPOSIT	3.0	01/06/21	31/10/21	0.02%	285	MMF	1 month or less
CCLA PUBLIC SECTOR DEPOSIT	3.0						
FEDERATED INVESTORS (UK)	3.0	01/06/21	31/10/21	0.01%	125	MMF	1 month or less
FEDERATED INVESTORS (UK)	3.0						
MORGAN STANLEY	3.0	01/06/21	31/10/21	0.03%	375	MMF	1 month or less
MORGAN STANLEY	3.0						
TOTAL	16.5			0.02%	1,309		
PREVIOUS REPORTS TOTALS (30th June 2021)	27.0			0.02%	854		
PREVIOUS YEARS REPORTS TOTALS (30th September 2020)	24.5			0.09%	6,549		

FLINTSHIRE COUNTY COUNCIL - INVESTMENTS SUMMARISED BY TYPE & MATURITY

At 30th September 2021

APPENDIX 2

Tudalen 112

Type of Investment	Total Amount Invested £m	% of Total Portfolio	Period to Investment Maturity			
			1 month or less £m	1 - 3 months £m	3 months + £m	12 months + £m
Debt Management Office (DMO)	0.0	0%				
UK Bank	4.0	24%	4.0			
UK Building Society (UK BS)	0.0	0%				
Overseas	0.0	0%				
Local Authorities	0.0	0%				
CD's	0.0	0%				
T-Bills	0.0	0%				
Money Market Funds (MMF)	12.5	76%	12.5			
Total (£)	16.5		16.5	0.0	0.0	0.0
Total (%)		100%	100%	0%	0%	0%

FLINTSHIRE COUNTY COUNCIL - LONG TERM BORROWING ANALYSIS

At 30th September 2021

APPENDIX 3

Loan Start Date	Principal Loan Outstanding £	Interest Rate %	Annual Interest £	Loan Maturity Date
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PWLB Fixed Rate Maturity Loans				
20/03/86	2,436,316	9.50	231,450	30/11/25
01/04/86	1,392,181	9.13	127,036	30/11/23
01/04/86	1,218,158	9.13	111,157	30/11/21
24/03/88	696,090	9.13	63,518	30/11/27
25/08/88	696,090	9.50	66,129	31/03/28
26/10/88	870,113	9.25	80,485	30/09/23
26/05/89	1,044,135	9.50	99,193	31/03/25
26/05/89	1,044,135	9.50	99,193	31/03/29
28/09/95	561,642	8.25	46,335	30/09/32
28/09/95	181,120	8.63	15,622	30/09/32
28/09/95	348,045	8.25	28,714	30/09/27
28/09/95	696,090	8.25	57,427	30/09/28
28/09/95	1,740,226	8.25	143,569	30/09/29
28/09/95	1,740,226	8.25	143,569	30/09/30
28/09/95	1,740,226	8.25	143,569	30/09/31
28/09/95	696,090	8.25	57,427	30/09/24
28/09/95	1,740,226	8.25	143,569	30/09/26
28/09/95	1,000,282	8.63	86,274	30/09/22
18/04/97	2,000,000	7.75	155,000	18/10/27
18/04/97	2,000,000	7.75	155,000	18/10/28
18/04/97	2,000,000	7.75	155,000	18/10/29
18/04/97	2,000,000	7.75	155,000	18/10/30
17/07/97	4,000,000	7.13	285,000	31/03/55
17/07/97	4,000,000	7.13	285,000	31/03/56
17/07/97	4,492,873	7.13	320,117	31/03/57
17/07/97	3,500,000	7.00	245,000	31/03/55
17/07/97	3,500,000	7.00	245,000	31/03/56
17/07/97	3,278,252	7.00	229,478	31/03/57
20/05/98	1,333,332	5.75	76,667	18/04/31
20/05/98	1,050,000	6.00	63,000	18/04/26
09/06/98	2,000,000	5.75	115,000	30/09/32
09/06/98	3,000,000	5.75	172,500	30/09/33
09/06/98	4,000,000	5.75	230,000	30/09/34
17/09/98	3,850,000	5.25	202,125	31/03/58
08/12/98	1,200,000	4.75	57,000	31/03/54
08/12/98	2,500,000	4.75	118,750	31/03/58
08/12/98	4,800,000	4.50	216,000	31/03/54
01/04/99	6,000,000	4.63	277,500	31/03/53
22/04/99	4,000,000	4.50	180,000	31/03/52
10/08/99	1,700,000	4.50	76,500	31/03/53
10/08/99	3,700,000	4.50	166,500	31/03/52
10/08/99	7,700,000	4.50	346,500	31/03/51
10/08/99	7,700,000	4.50	346,500	31/03/50
10/08/99	7,700,000	4.50	346,500	31/03/49
10/08/99	7,700,000	4.50	346,500	31/03/48
05/04/01	2,500,000	4.75	118,750	21/03/25
15/11/01	1,400,000	4.50	63,000	21/03/23
15/11/01	1,350,000	4.50	60,750	21/03/22
02/08/05	1,700,000	4.45	75,650	18/04/31
02/08/05	4,900,000	4.45	218,050	18/04/32
02/08/05	4,600,000	4.45	204,700	18/04/33
02/08/05	1,800,000	4.45	80,100	18/04/34
02/08/05	2,244,611	4.45	99,885	18/04/35
02/04/15	8,000,000	4.17	333,600	02/10/36
02/04/15	7,000,000	4.18	292,600	02/04/37
02/04/15	7,000,000	4.19	293,300	02/10/37
02/04/15	7,000,000	4.20	294,000	02/04/38
02/04/15	7,000,000	4.21	294,700	02/10/38
02/04/15	5,448,094	4.22	229,910	02/04/39
02/04/15	10,800,000	4.11	443,880	02/10/34
02/04/15	9,000,000	4.13	371,700	02/04/35
02/04/15	9,000,000	4.14	372,600	02/10/35
02/04/15	9,000,000	4.16	374,400	02/04/36
06/12/18	10,000,000	2.64	264,000	06/12/68
Total	230,288,553	5.12	11,796,947	

PWLB Fixed Rate Annuity Loans				
06/12/18	7,312,163	2.79	204,009	06/01/63
07/01/20	572,544	3.06	17,520	07/01/60
30/03/20	288,049	2.65	7,633	30/03/60
30/03/20	1,047,658	2.65	27,763	30/03/60
02/11/20	1,394,799	2.55	35,609	02/11/57
09/02/21	2,528,064	1.79	45,252	09/02/58
30/04/21	582,191	2.15	12,517	30/04/61
	13,725,468	2.55	350,304	

PWLB Fixed Rate Equal Instalment of Principal Loans				
01/04/19	8,666,667	1.65	162,250	01/04/34
13/08/19	6,666,667	1.28	85,333	13/08/37
16/12/20	4,886,364	1.16	56,682	16/12/42
	20,219,697	1.41	304,265	

Market Fixed Rate Loans (LOBOS)				
24/07/07	6,350,000	4.48	284,480	24/01/40
24/07/07	6,300,000	4.53	285,075	24/01/41
24/07/07	6,300,000	4.58	288,540	24/01/42
Total	18,950,000	4.53	858,095	

Other Government Loans				
21/09/17	267,718	0.00	0.00	01/04/22
19/12/17	350,000	0.00	0.00	01/04/23
27/03/18	1,729,128	0.00	0.00	01/10/28
21/10/15	460,000	0.00	0.00	21/03/30
20/10/16	400,000	0.00	0.00	21/03/31
04/12/18	46,125	0.00	0.00	01/10/22
27/03/19	1,183,173	0.00	0.00	01/04/29
05/05/20	461,500	0.00	0.00	31/03/26
09/07/21	103,000	0.00	0.00	31/03/29
	5,000,644	0	0	

Totals				
Fixed Rate	264,233,718		12,451,516	
Variable Rate	0		0	
LOBOs	18,950,000		858,095	
Other	5,000,644		0	
Grand Total	288,184,362	4.61	13,309,611	

Mae'r dudalen hon yn wag yn bwrpasol

FLINTSHIRE COUNTY COUNCIL - SHORT TERM BORROWING

At 30th September 2021

APPENDIX 4

Tudalen 115

Counterparty Name	Amount Borrowed £m	Start Date	Maturity Date	Interest Rate	Interest due £	Brokerage due £	Period to Maturity
HEREFORDSHIRE COUNCIL	5.0	28/09/21	28/01/22	0.02%	334	1,170	3 months +
HEREFORDSHIRE COUNCIL	5.0						
NORTH SOMERSET DISTRICT COUNCIL	2.0	30/09/21	06/01/22	0.02%	107	376	3 months +
NORTH SOMERSET DISTRICT COUNCIL	2.0						
SOLIHULL MD COUNCIL	5.0	28/09/21	28/01/22	0.03%	501	1,671	3 months +
SOLIHULL MD COUNCIL	5.0						
SWANSEA COUNCIL	4.0	23/09/21	23/12/21	0.02%	199	997	1-3 months
SWANSEA COUNCIL	4.0						
WEST BERKSHIRE COUNCIL	1.0	23/09/21	23/12/21	0.03%	75	75	1-3 months
WEST BERKSHIRE COUNCIL	1.0						
TOTAL	17.0			0.02%	1,217	4,289	
PREVIOUS REPORTS TOTALS (30th June 2021)	34.0			0.04%	5,230	6,513	
PREVIOUS YEARS REPORTS TOTALS (30th September 2020)	30.0			0.47%	98,555	11,649	

SHORT TERM BORROWING SUMMARISED BY TYPE & MATURITY

At 30th September 2021

APPENDIX 4

SHORT TERM BORROWING TYPE	Total Amount Borrowed £m	% of Total Portfolio	Period to Maturity			
			1 month or less £m	1 - 3 months £m	3 months + £m	12 months + £m
UK Bank	0.0	0%				
UK Building Society (UK BS)	0.0	0%				
Local Authorities	17.0	100%	0.0	5.0	12.0	
Total (£)	17.0		0.0	5.0	12.0	0.0
Total (%)		100%	0%	29%	71%	0%

Eitem ar gyfer y Rhaglen 9



GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday, 17 th November 2021
Report Subject	Internal Audit Progress Report
Report Author	Internal Audit, Performance and Risk Manager
Type of Report	Assurance

EXECUTIVE SUMMARY

Internal Audit produces a progress report for the Governance and Audit Committee every quarter. This shows the position of the team against the plan, changes to the plan, final reports issued, action tracking, performance indicators and current investigations. This meets the requirements of the Public Sector Internal Audit Standards, and also enables the Committee to fulfil the Terms of Reference with regards to Internal Audit. The current progress report is attached.

RECOMMENDATIONS

1	To consider and accept the report.
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REPORT DETAILS

1.00	EXPLAINING THE INTERNAL AUDIT PROGRESS REPORT
1.01	Internal Audit gives a progress report to the Governance and Audit Committee every quarter as part of the usual reporting process. The report is divided into several parts.
1.02	The level of audit assurance for standard audit reviews is detailed within Appendix A. All reports finalised since the last committee meeting are shown in Appendix B.
1.03	Appendix C provides an oversight to Audit Committee on the cumulative assurance throughout the year; however, it should be noted this will be fluid.

	A footnote has been included to list those reports issued with a Red / Amber Red assurance.
1.04	Since the last report on progress to committee in September, there has been one Red / Limited assurance report issued. This will be covered in part 2 of the committee meeting.
1.05	<p>The automated tracking of actions is completed through the use of the integrated audit software. All actions are tracked automatically and the system allows Managers and Chief Officers to monitor their own teams' outstanding actions and confirm they are being implemented.</p> <p>At the last committee September, 44 actions were overdue. This has decreased to 34 for this reporting period. Overall 40% of live actions are overdue of which there is one High priority action and 21 Medium priority actions. Overall 84 actions are live.</p> <p>As agreed, only those High or Medium priority actions are to be reported to Committee, of which there are 22. Actions overdue are listed in Appendix F. Appendix G lists 10 high or medium actions that are six months and older from the original due date.</p>
1.06	Appendix H shows the status of current investigations into alleged fraud or irregularities. There are no ongoing investigations.
1.07	<p>Appendix I shows the range of performance indicators for the department.</p> <p>Overall performance remains good however there are two PIs where performance has reduced this being:</p> <ol style="list-style-type: none"> 1. Time taken from end of fieldwork to debrief meeting 2. Total time taken to complete a review. <p>For the first PI mentioned above, performance has been impacted due to the number of reports issued between the reporting period September and early November and the availability of officers to attend these meetings.</p> <p>The last PI will always be impacted by the first given it is an overall performance.</p>
1.08	Appendix J shows the current position of the 2021/22 audit plan. The plan will continue to be reviewed on a regular basis and reprioritised to accommodate any new requests for work, or to respond to emerging issues. Since the last committee in September, there has been no request for additional work.

2.00	RESOURCE IMPLICATIONS
2.01	None

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	None required.

4.00	RISK MANAGEMENT
4.01	The work of Internal Audit provides assurance to the Council that adequate and effective controls are in place to mitigate risks.

5.00	APPENDICES
5.01	<p>Appendix A Levels of Audit Assurance</p> <p>Appendix B Final Reports Issued Since September 2021</p> <p>Appendix C Audit Assurance Summary</p> <p>Appendix D Red Assurance Provided</p> <p>Appendix E Action Tracking – Portfolio Statistics</p> <p>Appendix F High & Medium Overdue Actions (including actions older than 6 months if overdue)</p> <p>Appendix G Actions older than six months from original due date and not overdue</p> <p>Appendix H Investigation Update</p> <p>Appendix I Performance Indicators</p> <p>Appendix J Operational Plan 2021/22</p>

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>Contact Officer: Lisa Brownbill, Internal Audit, Performance and Risk Manager</p> <p>Telephone: 01352 702231</p> <p>E-mail: Lisa.brownbill@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Internal Audit:</p> <p>Audit Wales: works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p> <p>Corporate Governance: the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p>

	Operational Plan: the annual plan of work for the Internal Audit team.
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Flintshire Internal Audit

Progress Report



November
2021

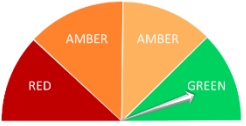
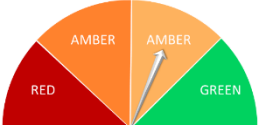
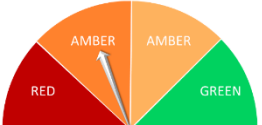
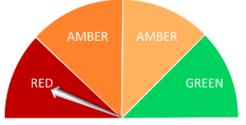
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Amber Red / Some Assurance Opinion Issued	Appendix D
Action Tracking – Portfolio Statistics.....	Appendix E
High & Medium Actions Over Due.....	Appendix F
Actions with a Revised Due Date Six Months Beyond Original Due Date....	Appendix G
Investigation Update.....	Appendix H
Internal Audit Performance Indicators.....	Appendix I
Internal Audit Operational Plan 2021/22.....	Appendix J

Levels of Assurance – Standard Audit Reports

Appendix A

The audit opinion is the level of assurance that Internal Audit can give to management and all other stakeholders on the adequacy and effectiveness of controls within the area audited. It is assessed following the completion of the audit and is based on the findings from the audit. Progress on the implementation of agreed actions will be monitored. Findings from **Red** assurance audits, and summary findings from Amber Red audits will be reported to the Governance and Audit Committee.

Level of Assurance	Explanation
<p style="text-align: center;">Green – Substantial</p> 	<p>Strong controls in place (all or most of the following)</p> <ul style="list-style-type: none"> • Key controls exist and are applied consistently and effectively • Objectives achieved in a pragmatic and cost effective manner • Compliance with relevant regulations and procedures • Assets safeguarded • Information reliable <p>Conclusion: key controls have been adequately designed and are operating effectively to deliver the key objectives of the system, process, function or service.</p> <p>Follow Up Audit: 85%+ of actions have been implemented. All high priority actions have been implemented.</p>
<p style="text-align: center;">Amber Green – Reasonable</p> 	<p>Key Controls in place but some fine tuning required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls exist but there are weaknesses and / or inconsistencies in application though no evidence of any significant impact • Some refinement or addition of controls would enhance the control environment • Key objectives could be better achieved with some relatively minor adjustments <p>Conclusion: key controls generally operating effectively.</p> <p>Follow Up Audit: 51-85% of actions have been implemented. All high priority actions have been implemented.</p>
<p style="text-align: center;">Amber Red – Some</p> 	<p>Significant improvement in control environment required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls exist but fail to address all risks identified and / or are not applied consistently and effectively • Evidence of (or the potential for) financial / other loss • Key management information exists but is unreliable • System / process objectives are not being met, or are being met at an unnecessary cost or use of resources. <p>Conclusion: key controls are generally inadequate or ineffective.</p> <p>Follow Up Audits - 30-50% of actions have been implemented. Any outstanding high priority actions are in the process of being implemented.</p>
<p style="text-align: center;">Red – Limited</p> 	<p>Urgent system revision required (one or more of the following)</p> <ul style="list-style-type: none"> • Key controls are absent or rarely applied • Evidence of (or the potential for) significant financial / other losses • Key management information does not exist • System / process objectives are not being met, or are being met at a significant and unnecessary cost or use of resources. <p>Conclusion: a lack of adequate or effective controls.</p> <p>Follow Up Audit - <30% of actions have been implemented. Unsatisfactory progress has been made on the implementation of high priority actions.</p>
<p>Categorisation of Actions</p>	<p>Actions are prioritised as High, Medium or Low to reflect our assessment of risk associated with the control weaknesses</p>
<p>Value for Money</p>	<p>The definition of Internal Audit within the Audit Charter includes ‘It objectively examines, evaluates and reports on the adequacy of the control environment as a contribution to the proper economic, efficient and effective use of resources.’ These value for money findings and recommendations are included within audit reports.</p>

Final Reports Issued Since September 2021

Appendix B

The following reports and advisory work have been finalised since the last Governance and Audit Committee. Action plans are in place to address the weaknesses identified.

Project Reference	Portfolio	Project Description	Audit Type	Level of Assurance	New Actions		
					High	Med	Low
01-2021/22	Cross Portfolio	Part 2 Paper	Risk Based	R	3	4	0
33-2021/22	Cross Portfolio	Organisational Ethics and Values	Risk Based	AG	0	1	3

Audit Assurance Summary

Appendix C

Tudalen 125

Portfolio	Number of Reports & Assurance						Priority & Number of Agreed Actions			
	Red	Amber Red	Amber Green	Green	Advisory / Grant - No Opinion Given	In Total	High	Medium	Low	In Total
Corporate			2			2		1	3	4
Education & Youth			1			1		3		3
Governance						0				0
Housing & Assets					1	1				0
People & Resources		1	1			2	2	4	4	10
Planning, Environment & Economy						0				0
Social Services			2			2	1	4	5	10
Streetscene & Transportation				1		1				0
Cross Cutting Portfolio's	1	1				2	3	8	1	12
External						0				0
Total	1	2	6	1	1	11	6	20	13	39

Footnote:	
Red Assurance:	Maes Gwern
Amber Red Assurance:	CCTV (cross cutting) and Notification of Leavers to CPF

Red Assurance Opinion

Appendix D

This will be covered under Part 2 of the Committee meeting.

Action Tracking – Portfolio Performance Statistics

Appendix E

Tudalen 127

Portfolio	Nov 2021 Statistics			Live Actions – Nov 2021				Actions beyond <u>Original</u> due date		
	Number of Actions Raised Since January 2016	Actions Implemented since Jan 2016 <i>(including Actions No Longer Valid)</i>	% of Actions Cleared To Date	Live Actions	Actions Beyond Due Date <i>(excludes Actions with revised due date)</i>			Actions between 6 & 12 months	Actions Greater than 12 Months (13+)	
					H	M	L			
Chief Executives *	69	63	94%	6	0	2	2	4	1	3
Education & Youth	94	89		5	0	2	0	3	0	0
Governance *	163	140		23	0	2	1	8	1	6
Housing & Assets *	161	153		8	0	0	1	8	0	5
People & Resources	268	252		16	1	9	3	10	0	6
Planning, Environment & Economy *	110	105		5	0	2	2	3	0	3
Social Services	131	122		9	0	2	3	6	2	0
Streetscene & Transportation	112	104		6	0	2	0	6	0	1
External *	81	81		0	0	0	0	0	0	0
Individual Schools	248	242		6	0	0	0	6	3	1
Total	1437	1351		84	1	21	12	63	10	10
					34					
					<i>See Appendix F & G</i>					

* Actions removed and relocated within External e.g. Clwyd Pension Fund

* Actions removed from Community & Enterprise and reallocated between Governance, Housing & Assets and Strategic Programmes & Planning, Environment & Economy

High and Medium Actions Overdue

Appendix F

Tudalen 128

Audit	Ref	Action	Priority	Original Due Date	Revised Due Date	Age of Action from Original Due Date (Months)	Last Update Provided	Reason for Revised Due Date and Current Position	How Risk is Being Managed
Chief Executives									
Voluntary Sector Grants - 2019/20	2765	A formal signed agreement will be put in place between the Council and the relevant third party organisation which defines the roles and responsibilities of all parties in	M	31/03/2020	31/07/2021	19	12/05/2021	This was delayed because of the capacity issues created by Covid-19.	Formal signed agreements to be put in place with CFIW re the Welsh Church Act Fund and Flintshire Endowment Fund.
Voluntary Sector Grants - 2019/20	2807	Invoices or equivalent documentation will be requested to support the fees and charges levied by the CFIW.	M	31/03/2020	31/07/2021	19	12/05/2021	This was delayed because of the capacity issues created by Covid-19.	Formal signed agreements to be put in place with CFIW re the Welsh Church Act Fund and Flintshire Endowment Fund.
Education and Youth									
21/22 Capital Grant Childcare Offer	3197	A Project risk register incorporating strategic and operational risks to be compiled and reviewed monthly to assess impact on project deliverables. Risks outside of appetite to be reflected in the Corporate Education and Youth Risk register with detailed mitigating actions. Alignment between the Corporate Education and Youth Risk register and it's supporting method statement.	M	31/08/2021	-	2	27/10/2021	Additional time needed to complete the action. Supporting documentation sent by the service to support the progress made.	Additional time needed to complete the action. Supporting documentation sent by the service to support the progress made.
21/22 Capital Grant Childcare Offer	3216	A detailed and approved project plan to be utilised going forward when delivering programmes of this nature.	M	31/08/2021	-	2	27/10/2021	Additional time needed to complete the action. Supporting documentation sent by the service to support the progress made.	Additional time needed to complete the action. Supporting documentation sent by the service to support the progress made.

Governance									
Contract Management Follow Up 2020/21	3022	<p>The Chief Officer Governance, will raise the issues identified within the findings and implications and will consider enhanced controls in future processes at COT in 2021. These will include:-</p> <ul style="list-style-type: none"> • Data from the P2P and Proactis systems to be analysed to provide a more detailed understanding of the extent to which contractors are used across services / portfolios (to understand the extent of the risk). • Alternative controls to enhance Contractor performance across the Council to be considered. • Performance expectations (and impact of failing to meet expectations) to be clear in all contract documentation. • Contractor performance (and available remedies) to be highlighted in Contract Management training events. 	M	31/03/2021	30/06/2021	5	-	No update provided	No update provided
20/21 Right of Access	3072	<p>Potentially there is a lack of resource within the Portfolios to deal with IRR. This will be discussed at COT and their potential lack of resource will be highlighted.</p>	M	30/06/2021	-	2	-	No update provided	No update provided
People and Resources									
Corporate Grants 19/20	2802	<p>The necessary training will be provided with the new alternative CGD solution. e.g. Manager Grants Database workshops.</p> <p>Communication and awareness to be provided to relevant officers in the Portfolios to ensure the requirements for grant funding/bids are known and shared with Finance. Consideration of grant funding streams already forms part of the normal budget monitoring process involving finance and the service lead.</p>	M	30/06/2020	30/06/2021	16	25/10/2021	<p>Training is still outstanding for the schools finance team and Social Services Finance Team. Hoping to schedule training dates before the end of May 2021 - on this basis (and allow for delay in the roll out of training) the due date has been revised to 30.06.21.</p>	-

20/21 Health & Safety and Wellbeing of Employees	3026	Quarterly reports to be tabled at COT highlighting excessive credit balances on Etarmis / average working hours exceeding Working Time Policy. Caveat to be included highlighting potential data inaccuracies within reports. Individual Chief Officers to determine action to be taken following consideration of reports.	M	30/06/2021	-	4	-	No update provided	No update provided
20/21 Health & Safety and Wellbeing of Employees	3027	HR to be included in the working group for the roll out of a new time management system. Management to liaise with Social Services Business Support to establish timetable for roll out. Commitment to be sought for use of a single time recording system across the council.	M	30/06/2021	-	4	-	No update provided	No update provided
20/21 Collaborative Planning	3038	Management is confident that other controls are in place and there is no wider risk to the Council's budget monitoring processes In relation to this specific scope and review: Finance will produced a formal procedure to compliment the already available CP user guide and advice from accounts. A reminder of roles and responsibilities will be communicated to budget holders and will be made available on the Finance infonet page	M	30/06/2021	-	4	25/10/2021	No update provided	For CP, the roles and responsibilities document is being developed and was discussed further in a recent Systems User Group meeting.
20/21 Collaborative Planning	3043	Management is confident that other controls are in place and there is no wider risk to the Council's budget monitoring processes In relation to this specific scope and review The roll out of the CP self-service was intended to continue to all but the most high risk budgets. Recently a System User Group has been set up to look at the use of financial systems across the Council	M	30/06/2021	-	4	-	No update provided	No update provided

		and provide suggestions on improvements of use to Chief Officers and Chief Executive. As a result of this audit and feedback from accountants and budget managers, a review of the roll out plan will take place, and an action plan will be presented to Chief Officers.							
20/21 Collaborative Planning	3061	A Financial Systems User group has been set up, to allow those with responsibility for how financial systems are used to be able to recommend improvements of use and share concerns of lack of discipline of use. These will be shared with COT.	M	30/06/2021	-	4	-	No update provided	No update provided
Main Accounting AP&P2P	2621	Council no longer publish this data but it is available and from 2019/20 it will be included in the Key Performance Indicators reported as part of the MTFs.	M	30/09/2019	30/09/2021	25	-	No update provided	No update provided
Main Accounting (AR)	2734	Write offs will be recommended and actioned on a quarterly basis to ensure the Council can track BDP and adjust provision where necessary. To ensure there are adequate management controls and separation of duties, responsibility for recommending the write offs will remain in the Corporate Debt Team but carrying out the write off transactions will revert back to Corporate Finance. Debbie Griffiths will discuss with Gary Ferguson where the process for actioning Write Offs will be best suited.	M	31/03/2020	30/09/2021	19	17/05/2021	As part of the pandemic response a detailed review of all bad debt provision has been undertaken and adjustments made where necessary. Finance and Revenues teams continue to work closely on all aspects of the process but write off are still actioned within Revenues. This will be reviewed in the first half of 2021/22. Revised due date 30.09.21.	-
21/22 Notification of Leavers to CPF	3181	KPIs will be reviewed and agreed periodically between the parties and consideration should be given to introducing additional controls as part of the Employer Liaison Agreement to oversee and manage the accuracy of the work being delivered through the employer liaison team.	H	30/07/2021	29/10/2021	3	-	No update provided	No update provided

		Monthly/Quarterly reporting should also be provided by CPF and reviewed by the Council in line with contract management procedures.							
21/22 Notification of Leavers to CPF	3185	A review will be completed by CPF and the Council to map the current reason for leaving codes on the HR leaver form to the termination codes utilised in CPF ensuring an awareness in HR of the implication of utilising a specific reason for leaving code from the HR form on the payment of pension benefits. New reasons for leaving will be added to Trent and the HR Forms Database as/when new situations arise rather than using existing ones which may have unintended consequences	M	31/08/2021	29/10/2021	2	-	No update provided	No update provided
Planning, Environment & Economy									
Corporate Health and Safety-Use of Plant, Machinery and Equipment 2018/19	2468	Job specific training requirements are clearly shown on the safe method of work document for each Streetscene task to ensure that operatives only undertake roles for which they are trained. HAV's awareness training attendance has now been recorded on the current skills matrix and documented on the individuals training file. Implement the migration of all training records to itrent to ensure data security and prompt reporting.	M	31/12/2019	01/04/2020	22	19/08/2021	The agreed action of migrating all training records to itrent seemed feasible at the time of this audit however due to unforeseen difficulties it has been discussed and realised that the itrent system may not be suitable solution to supersede the current master training record to satisfy the needs of the service. Further discussions have taken place with internal audit in the meantime as part of a separate internal audit for Statutory Training which is currently ongoing and this action will be picked up as part of this audit with an appropriate and efficient system to be implemented for additional control.	-

								Statutory Training Audit to Supersede this action as the action to implement training into itrent is no longer a feasible solution and has not been possible to move forward despite efforts.	
Houses to Homes 2019	2815	A quarterly reconciliation to take place between service area Houses to Homes tracker, the information available on the CIVICA system for the Houses to Homes Loans and the	M	30/06/2020	30/06/2021	19		No updated provided	No updated provided
Social Services									
20/21 Adoption Services	3092	The PARIS team will have designed a new PARIS information system to capture and produce key information. Relevant social work teams and managers will receive an internal communique (known as a Practice Directive) setting out the requirements and timeframes to meet Measure 20a. This measure will be complete by the time the child and their potential adopters are presented at the Matching Panel.	M	30/04/2021	31/07/2021	6	30/04/2021	Practice Directive in place, information being collected in PARIS currently and will be available for first reporting at quarter end (July). Discussed lack of assurance currently that the development to PARIS sufficiently mitigates risk.	-
20/21 Adoption Services	3095	The performance management team have devised a system to capture key activities to ensure Measure 20 is compliant. The PARIS team will have designed a new PARIS information system to capture and produce key information. Relevant social work teams and managers will receive an internal communique (known as a Practice Directive) setting out the requirements and timeframes to Measure 20. This measure will be complete by the time the child is subject to their second Looked After / Adoption Review, with the Independent Reviewing Officer ensure compliance has been achieved.	M	30/04/2021	31/07/2021	6	30/04/2021	Discussed lack of assurance currently that the development to PARIS sufficiently mitigates risk.	-
Streetscene & Transport									

21/22 Interim Review: Highway Structures	3149	<p>Policy for Highway & Car Park Safety Inspections to be updated to reflect the Impact of risk on inspection intervals; in particular the scope for inspection intervals to change / special inspections to be undertaken in line with consultant engineer recommendations.</p> <p>References in the policy to be reviewed to ensure they accurately reflect Flintshire Bridge principal inspection and strand testing requirements.</p> <p>Management reporting requirements, including scheduled reporting to the HAMP group, to be reflected in the policy.</p>	M	31/05/2021	30/09/2021	5	18/06/2021	<p>The updated highway inspection policy has been presented and accepted by Cabinet on 18th May 2021.</p> <p>Interim inspections can now be addressed through "Special Inspections" and/or "Safety Inspections" as described in the updated policy. (Completed)</p> <p>Flintshire Bridge is not specifically addressed in this policy as the detail on the inspections regime is recorded within the asset management system as like all other assets. (Completed)</p> <p>The need for reporting of inspection data to HAMP will be captured in the protocol for the management of AMX in conjunction with the Structures Manager. (By 30/09/2021)</p>	-
21/22 Interim Review: Highway Structures	3150	Procedural guidance to be developed to support implementation of the revised 'Policy for Highway & Car Park Inspections, Intervention Criteria & Response Times' and ongoing service delivery.	M	31/05/2021	30/09/2021	5	18/06/2021	A set of protocol documents will be drafted by the Structures Manager, to specific address the resilience and redundancy concerns in relations to Database management, asset management, inspection regimes, remedial works, and performance reporting.	-

Appendix G

High and Medium Priority Actions with a Revised Due Date Six Months Beyond Original Due Date and Not Overdue

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Governance									
Joint Corporate Procurement Unit 2017/18 Tudalalen 135	2253	Our review of Governance arrangements identified; <ul style="list-style-type: none"> There is inadequate scrutiny of JCPU objectives and outcomes by Joint Procurement Board (JPB) and by relevant Council committees to address lack of progress with achieving the primary objectives of the JCPU business case around Efficiency, Capacity and Markets (1.1). Delays in the alignment of procurement strategy and procurement activity across the two Councils. Recent changes, e.g. board membership and corporate priorities, means that the strategy contains out of date information (1.2). Limited processes in place for measuring and recording efficiency savings achieved through collaborative procurement. There is no evidence that efficiency savings and benefits have 	M	31/10/2018	31/12/2021	11/03/2021	Due to the unprecedented events occurring as a result of COVID19 this will have to be put back as priority of future work is currently unknown. See comments above, CPR's are in the process of being revised, currently out for consultation but there may be further changes required as a result of Brexit. No immediate risk to be managed as existing CPR's will remain in place whilst the revision is ongoing.	Due to interim management arrangements in place the timescale for updating CPR's will definitely need to be extended, to the end of this year by the time a new manager is appointed and they have opportunity to review CPR's.	

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Tudalen 136		<p>been reported to the JPB (1.3).</p> <ul style="list-style-type: none"> • Limited evidence of reporting of KPI's to the JPB / no robust targets in place for KPI's (1.4). • Insufficient systems for recording and monitoring the split of procurement staff time across the two Councils (1.5). • Meetings of the JPB not taking place on a regular basis, agendas for the JPB meetings not prepared and circulated in advance of meetings and JPB minutes not available for all meetings / minutes not circulated on a timely basis (1.6). • Limited monitoring and evaluation of expenditure by category and aggregated spend (across services and/or Councils) by the JCPU to ensure opportunities for efficiency savings through collaborative procurement exercises are identified (1.7). • Due to limited availability of data, monitoring of contract end dates by the JCPU cannot take place to ensure opportunities for efficiency savings through collaborative procurement or alternative procurement models are appropriately explored (1.8). 							
Deferred Charges on	2412	A spreadsheet will be set up which records all legal charges that relate to the Council.	M	31/07/2019	30/11/2021	17/05/2021	Refer to Update	This needs to be prioritised. In the meantime notification of completed charges are	Refer to Update

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Properties 2018/19								retained on the legal file and also client departments as notified.	
Procurement Contract Management 2018/19 Tudalen 137	2726	<p>"In addition to delivery of the Action Plans developed by Chief Officers following the portfolio reviews agreed at finding (1);</p> <p>Development of a formal training programme for contract managers to ensure;</p> <p>Appropriate awareness of the issues to be considered in ensuring effective delivery of Community Benefits / Social Value.</p> <p>Appropriate awareness of the risks around the use of sub-contractors in the delivery of contracts & understanding of the activity which should be carried out as part of the contract management process to ensure terms and conditions around the use of sub-contractors are being complied with.</p> <p>Appropriate awareness of the use of performance indicators / performance data requirements within contract terms and conditions & the robustness of processes in place for the validation and monitoring of performance data.</p> <p>Appropriate awareness of the requirement to include all contracts on the Proactis Contract Register and to ensure a robust understanding of the</p>	M	31/03/2020	31/03/2022	09/03/2021	<p>Organisational capacity to train all the contract managers does not exist due to the pandemic, and this will take a long time to complete based on reduced availability of employees</p> <p>Legal has been tasked with providing training and this was to commence in March but due to Covid has been delayed.</p>	The COG has started to complete a training programme for the delivery of Contract Management training across FCC.	Audit and Legal met in Sept and went through in some detail the package or training to deliver and this has altered somewhat as he will be delivering this over the internet, Web Ex currently.

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
		processes for uploading signed contracts onto Proactis. Use of the Proactis Contract Management module."							
Legal Case Management System Tudalen 138	2212	Procedural guidance specific to the way the system operates for the Section in 2018 should be compiled and issued to the users of the system. These procedures should state which specific areas of the system officers are supposed to be using and which areas are mandatory i.e. all chargeable time should be recorded on the lken system. Consideration should also be given to getting users to confirm that they have received the procedural guidance and agree to comply with it.	M	31/03/2019	30/11/2021	05/10/2021	Refer to follow up note	There are multiple new training guides and manuals including full guides, crib sheets, training videos covering basic, super user and specific functions which are available to access by all members of the team in a shared administrative folder containing over 60 separate documents/videos. Documentation in relation to complex and specific user journeys not covered is underway (i.e. new starters, troubleshooting) and will be added to the shared matter as they are completed. Collaborative data-cleansing is not an option –work is underway to perform a data-cleanse to "clean-up" existing data, following which a FCC specific manual covering procedural guidance will be circulated including what matter types we will use, references, naming conventions, case reviews, retention schedules etc.	Refer to follow up note
Data Protection Act	2594	Guidance on drafting a Privacy Notice is available to all staff via the Infonet. When requested and as part of the Data Protection	M	31/12/2019	31/12/2021	12/05/2021	Agreed at GDPR Project Board. All forms available for printing/downloading	This is part of a wider programme of work looking at digital transformation. Before the privacy notices	Project to review all PDF forms on website and Infonet continues. Reliant on service

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Compliance 2018/19		<p>Impact Assessment process, the Information Governance Team review Privacy Notices.</p> <p>The Phase 2 GDPR Action Plan includes the following task:</p> <p>Update system to allow copies of privacy notices to be held against information assets.</p> <p>The Denbighshire privacy notice is a compliance issue for Denbighshire as the data controller and not Flintshire as the data processor.</p>					<p>on the FCC website and Infonet to be identified and privacy notice reviewed. This review will be jointly conducted by web team to remove obsolete forms and develop electronic versions of the forms.</p>	<p>will be amended each service will need to confirm whether the form is still required. Once confirmation has been received the form is still required, advice will be given on the adequacy of the privacy notice and it will be for each service to amend the form.</p>	<p>areas confirming that each form is still required and then updating the privacy notice to be compliant</p>
<p>Procurement Contract Management 2018/19</p> <p style="writing-mode: vertical-rl; transform: rotate(180deg);">Flintshire 139</p>	2772	<p>Chief Officers to review contract management within their portfolios to ensure;</p> <p>Staff have appropriate skills and experience, and have received appropriate training where required.</p> <p>All contracts over £25k are recorded on the Proactis Contract Register / all contracts on Proactis e-sourcing have been closed down and 'pushed through' to the Proactis Contract Register.</p> <p>Signed contracts are in place to support all contracts on the Proactis Contract Register.</p> <p>Contract Management activity is recorded in the Proactis Contract Management module where appropriate.</p> <p>The evidence retained to support contract management activity is appropriate and robust.</p>	M	31/12/2021	31/12/2021	09/03/2021	No Update Provided	Organisational capacity does not exist to complete this work across the council due to the ongoing response to the pandemic	No Update Provided

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Tudalen 140		<p>Delivery of Community Benefits / Social Value is appropriately monitored.</p> <p>Compliance with contract clauses around the use of sub-contractors is appropriately monitored.</p> <p>Appropriate inclusion of performance indicators / performance data requirements within contract terms and conditions, and appropriate monitoring of contractor performance data.</p> <p>Chief Officers will develop Action Plans for each of their portfolios to ensure any issues identified in the reviews carried out (above) are appropriately addressed.</p>							
	Housing & Assets								
Travellers 2018/19	2352	<p>Significant work is being undertaken by the Council to bring forward transit sites following the endorsement of this work by the Community and Housing Scrutiny Committee in December 2017. The Council has identified a number of sites for detailed appraisal and at the time of the audit, was awaiting comments from Arc4 who had been commissioned on their suitability. It should be noted that no local authority in Wales has a Transit Site.</p>	M	30/09/2020	30/11/2021	19/08/2021	<p>Delays caused by Covid, however the local development plan review is expected to be completed in October. Due date set to end of November to ensure the service has the</p>	No update provided	No update provided
People & Resources									

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Payroll 2017/18	2218		M	30/09/2018	31/03/2022	26/10/2021	Staff capacity issues	The functionality still requires testing, further issues/defects may be found during testing and would need reporting to MHR for their investigation.	-
Schools									
Schools Audit 2019/20 - Maes Garmon	2947	The school will arrange for an Information Asset Register to be in place as soon as possible.	M	30/09/2020	31/12/2021	25/10/2021	Clarification requested from David Bridge at GDBR on the document required.	No Information Asset Register in place whilst waiting for DB to provide support.	We were unable to make any contact with David Bridge and decided to find a replacement. We have received some recommendations of other providers from our Primary colleagues and are awaiting quotations.
Procurement									
Procurement Contract Management 2018/19	2771	<p>Chief Officers to review contract management within their portfolios to ensure;</p> <ul style="list-style-type: none"> Staff have appropriate skills and experience, and have received appropriate training where required. All contracts over £25k are recorded on the Proactis Contract Register / all contracts on Proactis e-sourcing have been closed down and 'pushed through' to the Proactis Contract Register. Signed contracts are in place to support all contracts on the Proactis Contract Register. 	M	31/12/2019	31/12/2021	27/10/2021	Scheduled meeting between Sally Gee and Kelly Oldham-Jones 4.11.21 to progress. Due date revised to 31.12.21 to allow this meeting to take place and to reflect the new Chief Executive coming into post on 1.11.21.		

Audit	Ref:	Action	Priority	Original Action Due Date	Revised Due Date	Date of Last Update Provided by Service	Reason for Revised Due Date	Current Status	How Risk is Being Managed
Tudalen 142		<ul style="list-style-type: none"> • Contract Management activity is recorded in the Proactis Contract Management module where appropriate. • The evidence retained to support contract management activity is appropriate and robust. • Delivery of Community Benefits / Social Value is appropriately monitored. • Compliance with contract clauses around the use of sub-contractors is appropriately monitored. • Appropriate inclusion of performance indicators / performance data requirements within contract terms and conditions, and appropriate monitoring of contractor performance data. <p>Chief Officers will develop Action Plans for each of their portfolios to ensure any issues identified in the reviews carried out (above) are appropriately addressed.</p>							

Investigation Update

Appendix H

Ref	Date Referred	Investigation Details
1. New Referrals		
1.1		Nil received
2. Reported to Previous Committees and still being Investigated		
2.1		N/A
3. Investigation Completed		
3.1	N/A	

Internal Audit Performance Indicators

Appendix I

Tudalen 144

Performance Measure	20/21	Qtr 1 21/22	Qtr 2 21/22 (as at 13/9)	Qtr 3 21/22 (as at 04/11)	Qtr 4 21/22	Target	RAG Rating	
Audits completed within planned time	84%	88%	86%	100%	-	80%	G	↑
Average number of days from end of fieldwork to debrief meeting	8	6	9	44	-	20	R	↓
Average number of days from debrief meeting to the issue of draft report	7	3	4	7	-	5	A	↓
Days for departments to return draft reports	7	4	9	8	-	7	A	↑
Average number of days from response to issue of final report	2	1	2	2	-	2	G	→
Total days from end of fieldwork to issue of final report	26	12	29	61	-	34	R	↓
Productive audit days	76%	61%	65%	85%	-	75%	G	↑
Client questionnaires responses as satisfied	97%	100%	100%	100%	-	95%	G	→
Return of Client Satisfaction Questionnaires to date	47%	33%	67%	100%	-	80%	G	↑

-Key					
R	Target Not Achieved	A	With-in 20% of Target	G	Target Achieved
↑	Improving Trend	→	-No Change	↓	Worsening Trend

Internal Audit Operational Plan 2021/22

Appendix J

Audit – 2020/21	Priority	Status of Work	Supporting Narrative
Corporate			
Organisational Ethics (with HR)	H	Complete	
Income from Fees & Charges	H	In Progress	
Risk Management	H	Not Started	Quarter 4
Education & Youth			
Schools Risk Based Thematic Reviews	H	In Progress	Quarter 3
Drury CP	H	In Progress	
Schools Budgeted Licensed Deficit	H	In Progress	
Capital Grant Childcare Offer (Governance)	H	Complete	
Repairs & Maintenance to School Estate	H	Not Started	Quarter 4
Education Grants – Professional Development Grant (PDG)	Annual	No Longer Required	
Governance			
Protection against Ransomware Attack	H	Not Started	Quarter 4
Contact Management - Maes Gwern Residential Development	H	Complete	
CCTV (Cross Cutting)	M	Complete	
Implementation of the Local Government and Elections (Wales) Act 2021	M	In Progress	
Data Protection (GDPR)	Annual	In Progress	
Council Tax and NNDR (including grant)	Biennial	In Progress	
Housing & Assets			
Landlord Health & Safety Obligations	H	In Progress	
Homelessness & Temporary Accommodation	H	In Progress	
Rent Income / Arrears Management - Industrial Units	M	In Progress	Quarter 4
Tenancy Enforcement	M	In Progress	Quarter 3
Housing Benefits (including Subsidy Grant)	Annual	In Progress	
Supporting People Grant	Annual	Complete	
People & Resources			
MFTS & supporting Method Statements / Budget Challenge	H	In Progress	

Audit – 2020/21	Priority	Status of Work	Supporting Narrative
Insurance	M	Complete	
Main Accounting – Accounts payable (AP) & P2P	Biennial	In Progress	
Corporate Grants (replacement of AW work)	Annual	In Progress	Quarter 4
Use of Agency, Relief, Self-Employed & Supply Teachers (including IR35 Compliance)	H	In Progress	Quarter 3
Notification of Leavers to CPF	H	Complete	
Planning, Environment & Economy			
Ash Die Back	H	In progress	
House of Multiple Occupancy	H	Deferred	Deferred until 2022/23
Planning Enforcement	H	In Progress	
Environmental Health Strategy	M	Not Started	Quarter 4
Social Services			
Employment Support Allowance	H	Not Started	Quarter 4
Single Point of Access (SPOA)	H	In Progress	Quarter 3
Legal Status of a Child in care	H	Complete	
Extra Care Facility : Llys Eleanor	M	Not Started	Quarter 3
Micro Care	M	Not Started	Quarter 4
Streetscene & Transportation			
Highways Structures (Bridges) (2 nd Stage review)	H	Not Started	Quarter 4
North and Mid Wales Trunk Road Agent (NMWTRA) Income Collection	M	In Progress	
Environmental Permits	M	Not Started	Quarter 4
Statutory Training	M	In Progress	
Parc Adfer - Contract Management and Associated Risks	Annual	Complete	
External			
Clwyd Pension Fund – Pension Administration & Contributions	Biennial	In Progress	
SLA - Aura - 10 days per annum	Annual	Not Started	Quarter 4
SLA - NEWydd - 10 days per annum	Annual	Not Started	Quarter 4
Clwyd Theatre Trust - 10 days per annum	Annual	No Longer Required	
Advisory / Project Groups			
GDPR Project Board	Ongoing	Ongoing	
Corporate Governance Working Group	Ongoing	Ongoing	
Accounts Governance Group	Ongoing	Ongoing	

Audit – 2020/21	Priority	Status of Work	Supporting Narrative
Council's Constitution	Ongoing	Ongoing	
Financial Procedures Rules	Ongoing	Ongoing	
Programme Coordinating Group	Ongoing	Ongoing	
Corporate Health & Safety Group	Ongoing	Ongoing	
Corporate Data Protection Group	Ongoing	Ongoing	
Financial System	Ongoing	Ongoing	
Regional Anti-Fraud and Corruption Network	Ongoing	Ongoing	
Electronic Court Bundling Project Group	Ongoing	Ongoing	
COVID19 - TTP Regional Tracing, Operation and Performance Group	Ongoing	Ongoing	
COVID19 - TTP Regional Oversight Group	Ongoing	Ongoing	
COVID19 – TTP Flintshire Project Group	Ongoing	Ongoing	
COVID19 – TTP FCC Oversight Group	Ongoing	Ongoing	
COVID19 – Emergency Management Response Team	Ongoing	Ongoing	
COVID19 – Governance and Legal Silver Tactical Group	Ongoing	Ongoing	
COVID19 – Logging at Tactical Group	Ongoing	Ongoing	

Glossary

Risk Based Audits	Work based on strategic and operational risks identified by the organisation in the Improvement Plan and Service Plans. Risks are linked to the organisation's objectives and represent the possibility that the objectives will not be achieved.
Annual (System Based) Audits	Work in which every aspect and stage of the audited subject is considered, within the agreed scope of the audit. It includes review of both the design and operation of controls.
Advice & Consultancy	Participation in various projects and developments in order to ensure that controls are in place.
VFM (Value For Money)	Audits examining the efficiency, effectiveness and economy of the area under review.
Follow Up	Audits to follow up actions from previous reviews.
New to Plan	Audits added to the plan at the request of management. All new audits to the plan are highlighted in red.
Audits to be Deferred	Medium priority audits deferred. These audits are highlighted in green within the plan.

Mae'r dudalen hon yn wag yn bwrpasol

Eitem ar gyfer y Rhaglen 10



GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday, 17 November 2021
Report Subject	Audit Committee Self-Assessment
Report Author	Internal Audit, Performance and Risk Manager
Type of Report	Assurance

EXECUTIVE SUMMARY

This report shows the results of the Audit Committee self-assessment carried out in October 2021 during an online workshop. The workshop was well attended by all members of the Governance and Audit Committee and the level of contribution highlighted opportunities for further improvement.

The results of the self-assessment will also form the basis of training or development required by the Committee and it will feed into the preparation of the Annual Governance Statement 2021/22 and the Governance and Audit Committee Annual Report.

The results of the workshop and self-assessment are detailed in Appendix A.

RECOMMENDATIONS

1	That the Committee considers the results and reaches a decision on any action required, further information needed, and identifies development or training required for individuals or collectively.
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REPORT DETAILS

1.00	EXPLAINING THE GOVERNANCE AND AUDIT COMMITTEE SELF ASSESSMENT REPORT
1.01	The Chartered Institute of Public Finance and Accountancy (CIPFA) published 'Audit Committee – Practical Guidance for Local Authorities and Police' in May 2018, with the aim of providing CIPFA's view of best practice for Audit Committees and of supporting them in operating effectively.

	In 2019 CIPFA, as part of a Chairs and Vice Chairs Audit Committee network group produced an assessment on improvement the performance of the Committee. This has been used as the basis to self-assess the committee.																																																																
1.02	The Governance and Audit Committee is part of the governance framework of the Authority. It is therefore appropriate for the results of the self-assessment undertaken as part of the facilitation workshop to be incorporated into the Annual Governance Statement for 2021/22 which reports on overall governance within the Authority and will be published with the annual accounts.																																																																
1.03	<p>To evaluate the effectiveness of the Audit Committee a self-assessment was undertaken by Governance and Audit Committee members answer a series of questions covering the following specific areas:</p> <ul style="list-style-type: none"> • Good Governance • Internal Control • Risk • Assurance Framework • Internal and External Audit • Assurance Arrangements • Ethics and Values • Transparency and Accountability <p>The table below demonstrates the overall result of the evaluation over the effectiveness of the Committee is positive. Appendix A of the report covers in detail the 39 questions and responses to these questions.</p> <table border="1"> <thead> <tr> <th rowspan="2">No</th> <th rowspan="2">Topics</th> <th colspan="4">Questions Answered</th> </tr> <tr> <th>Strongly Agree</th> <th>Agreed and identified further areas for improvement</th> <th>Disagree and action required</th> <th>Not Applicable</th> </tr> </thead> <tbody> <tr> <td>1</td> <td>Good Governance</td> <td>3</td> <td>2</td> <td>0</td> <td>0</td> </tr> <tr> <td>2</td> <td>Internal Control</td> <td>3</td> <td>2</td> <td>0</td> <td>0</td> </tr> <tr> <td>3</td> <td>Risk</td> <td>4</td> <td>1</td> <td>0</td> <td>0</td> </tr> <tr> <td>4</td> <td>Assurance Framework</td> <td>3</td> <td>1</td> <td>0</td> <td>1</td> </tr> <tr> <td>5</td> <td>Internal and External Audit</td> <td>4</td> <td>1</td> <td>0</td> <td>0</td> </tr> <tr> <td>6</td> <td>Assurance Arrangements</td> <td>3</td> <td>3</td> <td>0</td> <td>0</td> </tr> <tr> <td>7</td> <td>Ethics and Values</td> <td>3</td> <td>1</td> <td>0</td> <td>0</td> </tr> <tr> <td>8</td> <td>Transparency and Accountability</td> <td>3</td> <td>0</td> <td>0</td> <td>1</td> </tr> <tr> <td></td> <td></td> <td>26</td> <td>11</td> <td>0</td> <td>2</td> </tr> </tbody> </table> <p>During the workshop the Governance and Audit Committee discussed opportunities for further improvement, these actions are also detailed within Appendix A.</p>	No	Topics	Questions Answered				Strongly Agree	Agreed and identified further areas for improvement	Disagree and action required	Not Applicable	1	Good Governance	3	2	0	0	2	Internal Control	3	2	0	0	3	Risk	4	1	0	0	4	Assurance Framework	3	1	0	1	5	Internal and External Audit	4	1	0	0	6	Assurance Arrangements	3	3	0	0	7	Ethics and Values	3	1	0	0	8	Transparency and Accountability	3	0	0	1			26	11	0	2
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		26	11	0	2																																																												

2.00	RESOURCE IMPLICATIONS
2.01	None from the report itself. Resources may be required to address any actions or development needs identified.
3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Summary results compiled from facilitation workshop attended by the Governance and Audit Committee members.
4.00	RISK MANAGEMENT
4.01	The Governance and Audit Committee is part of the governance framework for the Authority. It therefore must function effectively to fulfil its role. This process allows the committee to assess how effective it is and take action to mitigate any deficiencies.
5.00	APPENDICES
5.01	Appendix A – Results of Governance and Audit Committee Self-Assessment and Action Plan
6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	None. Contact Officer: Lisa Brownbill, Internal Audit, Performance and Risk Manager Telephone: 01352 702231 E-mail: Lisa.brownbill@flintshire.gov.uk
7.00	GLOSSARY OF TERMS
7.01	Corporate Governance: the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basis principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.

Mae'r dudalen hon yn wag yn bwrpasol

Tudalen 153

No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
1. Good Governance : Promoting the principles of good governance and its application to decision making						
1.1	How does the Committee promote the principles of good governance within the organisation?		Y		Through training, self-assessment and Audit Wales. However the Committee was unsure about 'promoting' the committee. Given the new Act will require a Lay Member as Chair this will need to be given further consideration. The committee also identified that it would be good to benchmark forward work programmes of other LAs to theirs.	As a result of the new Act, consideration needs to be given as to how the Chair will be able to fulfil their role and form a relationship with officers and members of the Council. To benchmark other G&AC work programmes.
1.2	What work does the Committee carry out to satisfy itself that the WFG Act, five ways of working, are in evidence in the organisation's decision-making (long-term, integration, involvement, collaboration & prevention)?	Y			Yes via various reports. Reference made to the report template to be completed	No action required
1.3	How does the Committee promote and encourage openness and transparency in decision making?		Y		The Committee encourages consultation when an issue arises. All reports are open and transparent, available to the public. A discussion took place over how O&SC's see and/or know about the G&AC. This was picked up in the previous self-assessment. Going forward a questionnaire will also be sent to the O&SC chairs. G&AC feel there is little communication between the committee and the O&SC's presently however appreciated the liaison group has only just been reconvened	As part of the self-assessment process next year the Overview & Scrutiny Committees, Cabinet Members and Chief Officers will be consulted.

Tudalen 154

No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
					following the pandemic and therefore will reassess at a later date.	
1.4	Does the Committee consider whether key organisational decisions are aimed at optimising the achievement of the organisation's intended outcomes?	Y			The committee feels they have sight of treasury management / financial information which is used to inform decisions. There is a sense that there is some tension between senior officers of the Council and the G&AC about why we are looking into this, however members felt their questions were justified in order to fulfil the role and responsibilities of the Committee.	No action required
1.5	Does the Committee ensure that key organisational decisions are based on proper considerations and are evidence based?	Y			Yes it does. Reports are reviewed and scrutinised and challenged in depth.	No action required
2.	Internal Control : Raising awareness of the need for sound internal control and contributing to the development of an effective control environment					
2.1	Does the Committee actively promote the need for and benefits of good governance within the organisation?	Y			Yes we do – consider the relevant report and ask probing questions to get behind some of the issues	No action required
2.2	Does the Committee formally report the findings of its work and its recommendations for improving internal control to the Council?		Y		Yes through its Annual report to Council. The Committee did recognise that it would be helpful if they made more recommendations than accepting reports as this would help with visibility.	Where appropriate the Committee to make recommendations rather than accepting reports.
2.3	Does the Committee periodically revisit its recommendations to confirm they have been implemented?	Y			Though action tracking	No action required

Tudalen 155

No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
2.4	Is the Committee recognised within the Council as an agent for improvement?		Y		It difficult to determine this (by lay members) Chair also has a question regarding this – area to explore with the appointment of the new chair. It was also raised that refresher training for G&AC members could be beneficial as well as an awareness session for non G&AC members.	Refer to action 1.1 Develop the training available for the new members of the G&AC and an awareness session for non G&AC members.
2.5	Does the Committee ensure that the organisation’s Annual Governance Statement is consistent with the Committee knowledge of the control environment and the findings of the Committee’s work?	Y			Yes in general they do this. The Committee always asked about evidence and for the first time this year were part of the AGS process and attended a challenge workshop.	No action required
3.	Risk : Supporting arrangement for governance of risk and for effective arrangements to manage risk					
3.1	Does the Committee’s work programme include review of the organisation’s risk management arrangements?	Y			Yes it does.	No action required
3.2	Does the Committee examine the strategic risk register and seek assurances that the register is complete and that risks are being effectively managed?	Y			The committee does ask questions about risks falling under the radar.	No action required
3.3	Does the Committee periodically deep-dive into a specific risk/risk area to confirm that risk management and mitigation arrangements are fit for purpose?		Y		The Committee feel this should be done however recognise that there is a degree of sensitivity around this. There is also a cross over between G&AC and O&S. G&AC do receive Red reports / Limited assurance reports in full and the Chief Officer / Services will also attend.	Invite individual managers to meeting re risk owners from the risk register to deepen own understanding and promote / awareness.

Tudalen 156

No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
					The review of risks is also picked up as part of the audit planning process.	
3.4	Does the Committee, where considered necessary, invite individual risk owners to appear before the Committee to explain and clarify the arrangements in place?	Y			Yes where Red / Limited Assurance audit reports are reported the Chief Officer and / or Service Managers will attend.	No action required
3.5	Does the Committee review the Internal Audit Plan to ensure that risk management arrangements are subject to audit review?	Y			Yes, the Committee spends a lot of time considering and reviewing the audit plan and its content.	No action required
4.	Assurance Framework : Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively					
4.1	Does the Committee have oversight of and report on the organisation's entire assurance framework?	Y			Yes it does through the Annual Governance Statement, Internal Audit's Annual Report, External Audit's report and other external regulatory reports.	No further action required
4.2	Does the Committee assess and report on the adequacy of the organisation's assurance framework?	Y			Yes as above.	No further action required
4.3	Is the Committee involved in the Annual Governance Statement (AGS) process throughout the year and able to satisfy itself that the process is comprehensive and that the statements in the AGS are evidence based?	Y			Yes the Committee is involved in the process asking searching questions through a workshop session.	No action required
4.4	Does the Committee have good relationships and able to share information with other parts of the assurance framework, eg Scrutiny, Internal Audit, Complaints		Y		Yes with Internal audit and there is an escalation process in place with the O&SCs. There is a Chairs and Vice Chairs Liaison group in place but feels this is the lowest	To arrange training for G&AC member on corporate complaints.

Tudalen 157

No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
					priority for everyone. However appreciates that it has only just been reconvened as result of the pandemic. Currently complaints is reported to CROSC however from April 2022 this will fall under the remit of the Committee. Training in this area has been identified by the members.	
4.5	Does the Committee go beyond simply confirming the existence of assurance mechanisms to confirming that those mechanisms are operating effectively?	N/A			This Committee feels by doing this the boundaries between A&GC and O&SCs would be blurred	No action required.
5.	Internal and External Audit: Reinforcing the objectivity, importance and independence of internal audit and external audit and therefore the effectiveness of the audit functions.					
5.1	Does the Committee have a clear understanding of the distinct roles, remits and functions of internal and external audit?	Y			Yes it does	No action required.
5.2	Does the Committee give detailed consideration to the work of internal and external audit to gain insight into the effectiveness of the internal control environment?	Y			Yes it does	No action required.
5.3	Does the Committee review and comment on audit plans to satisfy itself that they are designed to address key risk areas?	Y			Yes it does	No action required.
5.4	Does the Committee ensure that internal and external audit recommendations are addressed and implemented by the organisation?		Y		This is always an area for improvement, however proportionality needs to be considered here.	The Internal Audit Manager to review alternative approaches for actions tracking with Management.

Tudalen 158

No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
5.5	Does the Audit Committee Chair have a good relationship with his auditors which allows for free and frank exchange of views and sharing of information?	Y			There is a good relationship in place. Private meetings also take place with internal and external auditors	No action required.
6.	Assurance Arrangements: Aiding the achievement of the Authorities goals and objectives through helping ensure appropriate governance, risk, control and financial assurance arrangements.					
6.1	Is the Committee focused on ensuring that appropriate governance, risk, control and financial assurance arrangements are in place, whilst setting aside individual views on the merits of policy?	Y			Yes however, unsure whether the Council's leadership sees it this way	No action required.
6.2	Does the Committee examine matters prospectively, as well as retrospectively, ie does the Committee seek to provide input on appropriate governance, risk, control and financial assurance arrangements before policy initiatives are implemented or projects go live?	Y			Very rarely consider matters prospectively. Need to review this in line with the Committee TOR. Further update to the question is that the TOR set by CIPFA do not ask this of the Committee.	No action required.
6.3	Does the Committee develop its work programme (and timetable for delivery) to align with the organisation's key governance, risk, control and financial assurance needs?	Y			Yes it does	No action required
6.4	Do members of the Committee have strong working relationships with members of the Executive which provide the Committee with early warning of planned developments / projects, and enable the Committee to ensure that appropriate governance, risk, control and		Y		Strong working relationship is there however with the new arrangement for the Chair this will need to be considered carefully. The committee questioned the reference to early warnings. Since the session, the CIPFAs model TOR has since been reviewed and currently	Relationship of the future chair to be considered given the position will be a lay member.

Tudalen 159

No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
	financial assurance arrangements are considered at an early stage?				does not require the G&AC to be made aware of early warning.	
6.5	Do the quarterly Treasury Management reports provide members with the information they need? Is there too much information or too little? Is there anything else that would be useful to include?		Y		Reports are comprehensive Treasury Management training sessions could be developed as the last one was complex. May be one put on internally. The committee also raised a point that external audit are placing more emphasis on value for money work and questioned whether this would be part of the G&AC remit.	The approach to delivering Treasury Management training to be review to reflect the feedback from the committee. Accountancy to liaise with external audit over the role of G&AC and value for money work
7.	Ethics and Values: Helping the Authority to implement the value of ethical governance, including effective arrangements for countering risks of fraud and corruption.					
7.1	Does the Committee's remit look at the Council's ethical governance arrangements, eg values, counter-fraud arrangements, whistleblowing, management of interests etc?	Y			Yes it does	No action required
7.2	What evidence does the Committee draw on to assess the adequacy and effectiveness of the ethical governance and its counter-fraud arrangements?	Y			Within the internal Audit Annual report the Council's effectiveness against its counter fraud arrangements are reported.	No action required
7.3	How does the Committee obtain assurance that values and ethical governance arrangements have been effectively communicated across the organisation and have been embedded?		Y		In terms of ethical values, this is an area the committee has not been involved in, in detail. An audit has been completed. The full report is to be shared with the G&AC for information. The Committee did highlight that it would be useful to see the annual report from the Standards Committee for oversight.	Audit report on Ethical Values to be shared in full with the Governance and Audit Committee. Annual report from standards committee to be shared to the Governance and Audit Committee for oversight

Tudalen 160

No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
7.4	How does the Committee report its findings on the organisation's ethical governance and counter-fraud arrangements and recommendations for improvement?	Y			Annual report from the Governance and Audit Committee and Internal Audit Annual Report.	No action required
8.	Transparency & Accountability: Promoting measures to improve transparency and accountability and effective public reporting to the Authority's stakeholders and the local community.					
8.1	Does the Committee consider, as part of its work programme, whether the organisation's public reporting is transparent and accountable?	Y			There was discussion over what is considered public reporting. All audit papers are online. The AGS has become more accessible. Each meeting now recorded and streamed.	No action required
8.2	Does the Committee have a clear understanding of the various ways in which the organisation publicly reports, and how it caters for those with accessibility requirements?	Y			Yes it does	No action required
8.3	Has the Committee considered evidence that could show the organisation does not report transparently and accountably, e.g. complaints information, use of Freedom of Information, subject access requests, adverse findings of Public Services Ombudsman, Information Commissioner etc?	N/A			The committee doesn't consider this their role. Specifically O&SCs would cover this as well as the standards committee.	No action required
8.4	Does the Committee consider whether the Council's accounts are accessible to members of the public?	Y			Yes it does	No action required

Summary of Governance and Audit Committee’s Self-Assessment 2021/22

Tudalen 161

No	Topic	Questions Answered			
		Strongly Agree	Agree but identified areas for improvement	Disagree and action required	Not Applicable
1.	Good Governance : Promoting the principles of good governance and its application to decision making	3	2	0	0
2.	Internal Control : Raising awareness of the need for sound internal control and contributing to the development of an effective control environment	3	2	0	0
3.	Risk : Supporting arrangement for governance of risk and for effective arrangements to manage risk	4	1	0	0
4.	Assurance Framework : Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	3	1	0	1
5.	Internal and External Audit : Reinforcing the objectivity, importance and independence of internal audit and external audit and therefore the effectiveness of the audit functions.	4	1	0	0
6.	Assurance Arrangements : Aiding the achievement of the Authorities goals and objectives through helping ensure appropriate governance, risk, control and financial assurance arrangements.	3	3	0	0
7.	Ethics and Values : Helping the Authority to implement the values of ethical governance, including effective arrangements for countering risks of fraud and corruption.	3	1	0	0
8.	Transparency & Accountability : Promoting measures to improve transparency and accountability and effective public reporting to the Authority’s stakeholders and the local community.	3	0	0	1
	Overall Summary	26	11	0	2

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Eitem ar gyfer y Rhaglen 11



GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday, 17 th November 2021
Report Subject	Governance and Audit Committee Annual Report
Report Author	Chair of the Governance and Audit Committee
Type of Report	Assurance

EXECUTIVE SUMMARY

In accordance with CIPFA's best practice 'Audit Committees – a Practical Guidance for Local Authorities 2018', there is a requirement for the Audit Committee to be held to account by the Council for the work they undertake. To support this the Audit Committee's terms of reference were amended in 2018 to include a requirement for the Committee to prepare a yearly report to the Council on its achievements and demonstrate its accountability.

The Governance and Audit Committee's Annual Report for 2020/21 (Appendix A) provides the Council with the necessary information to meet this requirement.

RECOMMENDATIONS

1	The Committee considers and endorses the annual report for 2020/21 prior to its submission to Council for approval on 07 December 2021.
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REPORT DETAILS

1.00	EXPLAINING THE GOVERNANCE AND AUDIT COMMITTEE ANNUAL REPORT
1.01	<p>In accordance with CIPFA's best practice 'Audit Committees – a Practical Guidance for Local Authorities 2018', the Governance and Audit Committee has an important role within the Council's governance structure and in promoting the principles of good governance.</p> <p>An equally significant part of this role is for the Governance and Audit Committee to demonstrate its accountability. Accountability should be considered under three aspects:</p>

	<ol style="list-style-type: none"> 1) Supporting the Council's accountability to the public and stakeholders; 2) Supporting accountability within the Council; and 3) Holding the Governance and Audit Committee to account.
1.02	<p>The Governance and Audit Committee's Annual Report (Appendix A) is designed to provide assurance to the Council in holding the Committee to account. In particular:</p> <ol style="list-style-type: none"> 1) Supporting the Council's accountability to the public and stakeholders <ul style="list-style-type: none"> – For the last twelve months each Governance and Audit Committee meeting has been held remotely and webcast with all Committee papers available on the Council's website. 2) Supporting accountability within the Council <ul style="list-style-type: none"> – Through the review of those reports received by Governance and Audit Committee, the Committee holds to account those responsible for the implementation of recommendations and action plans. In addition to this, the Committee oversees the process for evaluating and improving governance, risk, financial management and control. 3) Holding the Governance and Audit Committee to account <ul style="list-style-type: none"> – The Committee has fulfilled its agreed Terms of Reference and adopted the recommended best practice; – Members of the Governance and Audit Committee have assessed their own development needs and taken the opportunity to attend briefing and training sessions; – The Committee has assessed its own effectiveness, developed an action plan and monitors progress; and – The Committee demonstrates they have a positive impact on the improvement of governance, risk, financial management and control within the Council.
1.03	<p>The annual report provides the Council with an overview of the:</p> <ul style="list-style-type: none"> • Work undertaken by the Committee and its effectiveness against the main areas of the Committees' Terms of Reference; • Internal Audit opinion for 2020/21; • Committees membership and attendance; • Self-Assessment, Training and Development; and • Future Priorities.
1.04	<p>Once the Committee has endorsed this report, the Annual Report will be presented to Council for consideration and approval at the 07 November 2021 meeting.</p>

2.00	RESOURCE IMPLICATIONS
2.01	None as a result of this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	The draft annual report for the Governance and Audit Committee has been shared with the Chief Executive, Chief Officer Governance, Democratic Services Manager and Chair of the Audit Committee.

4.00	RISK MANAGEMENT
4.01	The Governance and Audit Committee is integral to promoting an effective risk management framework within the Council.

5.00	APPENDICES
5.01	Appendix A – Governance and Audit Committee Annual Report.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Lisa Brownbill, Internal Audit, Performance and Risk Manager</p> <p>Telephone: 01352 702231</p> <p>E-mail: Lisa.brownbill@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Corporate Governance: the system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p>Risk Management: the process of identifying risks, evaluating their potential consequences and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.</p> <p>Internal Control: Appropriate procedures and processes are in place to mitigate any risk which may prevent the organisation from achieving its objectives and service delivery.</p> <p>Financial Management: the planning, organising, directing and control of the financial activities of the Council to ensure sufficient resources are available to delivery its intended outcomes.</p>

Mae'r dudalen hon yn wag yn bwrpasol

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Date	Approved By	Version
17/11/2021	Governance and Audit Committee	Draft
12/2021	Flintshire County Council (planned)	Final

1 Foreword by Councillor Chris Dolphin, Chair of the Governance and Audit Committee

I am pleased to present the Annual Report of the Governance and Audit Committee which outlines the Committees' work and activities for the year ending 31st March 2021.

This has been an extraordinary year for the Council and the Committee. The Governance and Audit Committee is a key part in the Council's governance framework to provide an independent oversight on the effectiveness of the Council's governance, risk, financial management, and internal control arrangements. This has continued throughout the pandemic.

Despite the challenges, once Committees resumed in July, the Committee has continued to receive valued professional reports, support and advice from Accountancy, Treasury Management, Risk Management, Corporate Business and Communications, Internal Audit and External Audit (Audit Wales). Additionally, we have invited Chief Officers and Service Managers to attend Governance and Audit Committee to respond to concerns raised by members or through various reports, such as those presented by Internal and External Audit.

At each meeting we have reviewed our Forward Work Programme ensuring the work mirrors the level of risks and priorities of the Council. Any actions raised during previous Committee meetings are reviewed for completeness.

I would like to thank members and officers who have supported the work of this Committee by presenting, discussing, challenging, and debating solutions to the governance, risk, financial, and control environment of the Council. The Committee has been well attended throughout the year and where apologies have been given a trained substitute member has attended on the members' behalf.

Finally, I would like to confirm that there are no areas of concern for the Committee to note or report back on which is reassuring for the Council.



Cllr Chris Dolphin
Chair of Governance and Audit Committee

2 Introduction

- 2.1 The Governance and Audit Committee is a key part in the Council's Governance Framework. It provides independent governance assurance over the adequacy of the Council's governance and risk management frameworks, the internal control environment, and the integrity of the financial reporting. By overseeing internal and external audit and other regulators, the Committee makes an important contribution by ensuring effective assurance arrangements are in place.
- 2.2 How the Governance and Audit Committee fulfils this role is detailed within the Committee Terms of Reference (March 2021). It states that the Governance and Audit Committee's role and functions will be to:
- A** Review the effectiveness of the Authority's systems of corporate governance, internal control, [complaints](#), [performance \(self-assessment and peer review\)](#) and risk management, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements.

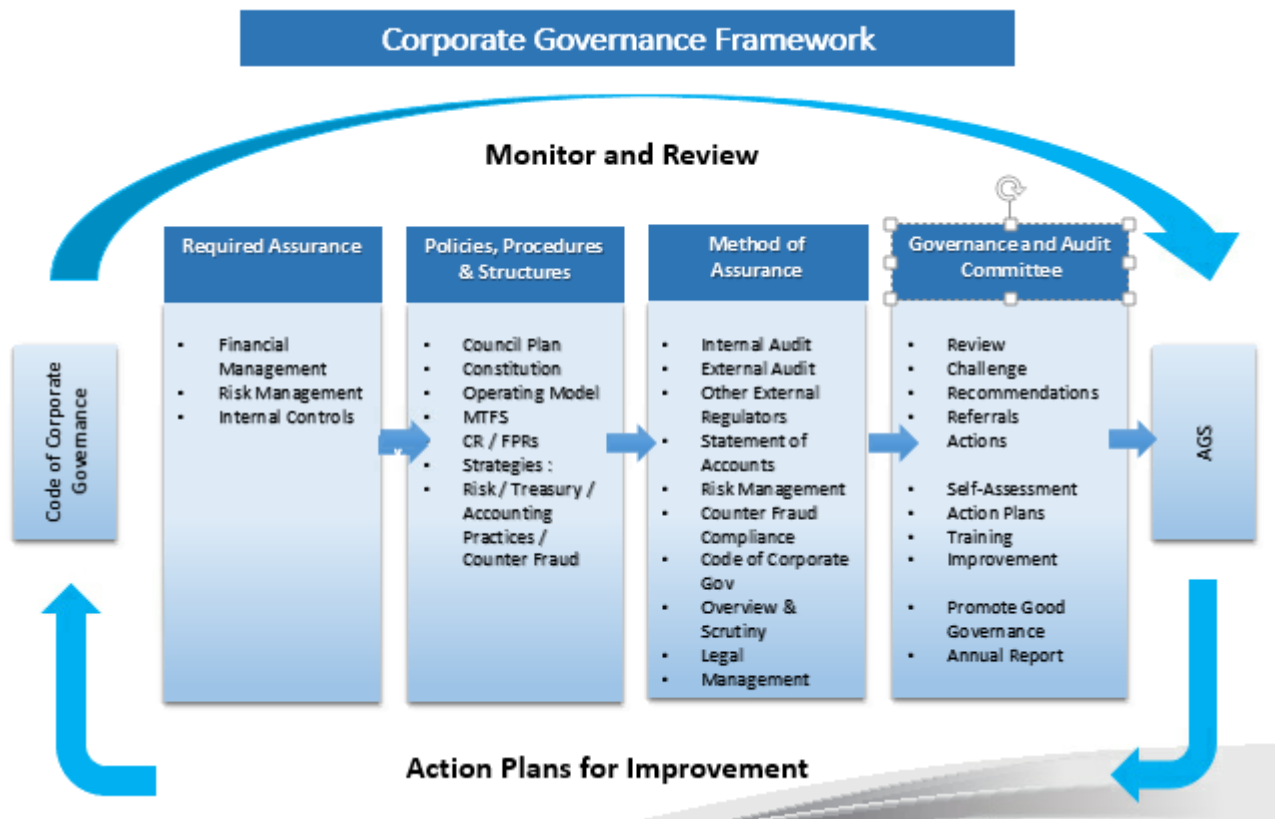
Please note the Committee will not need to review the effectiveness of complaints or performance [highlighted in blue](#) until April 2022 when this part of the new Local Government and Elections (Wales) Act 2021 comes into force.
 - B** Oversee the reporting of the statutory financial statements to ensure the balance, transparency and integrity of published financial information, as well as the review of the financial statements prepared by the authority and recommended to County Council; and

Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the Committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees.
 - C** Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context.
 - D** Report to the Council annually, summarising the Committee's activities and recommendations.
- 2.3 The full Terms of Reference for Governance and Audit Committee are detailed at Appendix A.
- 2.4 In supporting the Governance and Audit Committee deliver its terms of reference, there is a strong contribution from the independent member, the external advisors and regulators and the Internal Audit Team.

3 Work of the Governance and Audit Committee and its Effectiveness

- 3.1 The Committee has worked within its Terms of Reference, which includes the requirement to monitor and review governance, risk management, financial management and internal controls within the Council to ensure there is an appropriate and effective framework in place. This process is demonstrated in Graphic 1 below.
- 3.2 The Governance and Audit Committee provides the Council with an independent opinion of the effectiveness of the Governance arrangements within the Council including those of the internal and external audit function.

Graphic 1 – Corporate Governance Framework



- 3.3 As referred to at 2.2, the Governance and Audit Committee’s Terms of Reference is split into four main areas referenced A-D. Within tables 1-4 below the Governance and Audit Committee demonstrates how it has met and fulfilled its Terms of Reference by receiving, reviewing, challenging and approving the following reports.

Table 1 – Terms of Reference A

TOR A : To review the effectiveness of the Authority's systems of corporate governance, internal control and risk management		
Committee Date	Report Received	Committees Resolution
23/07/2020	Annual Governance Statement (AGS) 2019/20	That the Annual Governance Statement 2019/20 includes the commitment to increase Member involvement from next year, and be endorsed and attached to the Statement of Accounts for adoption.
23/07/2020	Pandemic Emergency Response: Governance and Control Arrangements	No resolution required. The Chairman thanked the Chief Executive for sharing regular updates with Members on the Council's response throughout the emergency period.
23/07/2020	Assurance and the Internal Control Environment	No resolution required. The Chairman thanked the Chief Executive for sharing regular updates with Members on the Council's response throughout the emergency period.
09/09/2020	External Regulation Assurance	That the Committee is assured over the Council's response to pieces of external regulation work.
09/09/2020	Internal Audit Strategic Plan 2020/21	That the Flintshire Internal Audit Strategic Plan 2020-2023 be approved.
09/09/2020	Internal Audit Annual Report	That the report and Internal Audit annual opinion be noted.
09/09/2020	Wales Audit Office Audit Plan 2020	That the Audit Wales Audit Office report be noted.
09/09/2020	Quarterly update on the Response to the Pandemic	That the Committee is assured by the arrangements in place for the emergency response and recovery phases.
18/11/2020	Emergency Situation Briefing (verbal)	That the verbal update be received.
18/11/2020	Asset Disposal and Capital Receipts Generated 2019/20	Report is noted.
18/11/2020	Risk Management Framework	That the Committee is assured by the renewed risk management framework and the progress of its implementation.
18/11/2020	Approach to the 2020/21 Annual Governance Statement	That the proposed approach for the involvement of Governance & Audit Committee Members in the Annual Governance Statement process be endorsed.
18/11/2020	Internal Audit Progress Report	Report is accepted.
27/01/2021	Code of Corporate Governance	That the updated Code of Corporate Governance be endorsed for adoption as part of the Council's Constitution.
27/01/2021	Annual Audit Summary for Flintshire County Council 2019/20	That the Committee is assured by the Auditor General for Wales' Annual Audit Summary report for 2019/20.
27/01/2021	Local Government & Elections (Wales) Bill	<ul style="list-style-type: none"> • That the briefing report be received; • That the Committee notes the constitutional and other implications of the Act, and supports internal plans for their implementation as necessary; and • That officers liaise with the Chairman to write to Welsh Government to express the Committee's concerns on the requirement to appoint lay

		<p>members as both Chair and Vice-Chair of the Governance & Audit Committee.</p> <p>NB After the meeting the Chief Officer (Governance) confirmed that the Vice Chair of the Committee could be an elected member. The Committee therefore agreed that resolution (c) did not need to be actioned.</p>
27/01/2021	Internal Audit Progress Report	That the report be accepted.
24/03/2021	Internal Audit Strategic Plan 2021/24	That having considered the areas covered, including those prioritised for the first year, and the level of audit resources, the Committee approves the Flintshire Internal Audit Strategic Plan for 2021-2024.
24/03/2021	Internal Audit Progress Report	That the report be accepted.
24/03/2021	Audit Wales Audit Plan 2021	That the Audit Wales Plan be noted.
24/03/2021	External Regulation Assurance	That the Committee is assured by the Council's response to external regulatory reports.

Table 2 – Terms of Reference B

TOR B : To Oversee the reporting of the statutory financial statement's process and review and scrutinise the County Council's financial affairs		
Committee Date	Report Received	Committees Resolution
23/07/2020	Draft Statement of Accounts 2019/20	<ul style="list-style-type: none"> • That the draft Statement of Accounts 2019/20 (which includes the Annual Governance Statement) be noted; and • That Members note the opportunity to discuss any aspect of the Statement of Accounts with officers or Audit Wales from July to September, prior to the final audited version being brought back to the Committee for final approval on 9 September 2020.
23/07/2020	Supplementary Financial Information to Draft Statement of Accounts 2019/20	Report is noted.
23/07/2020	Treasury Management Annual Report 2019/20 and Treasury Management Quarter 1 Update 2020/21	<ul style="list-style-type: none"> • That the draft Treasury Management Annual Report 2019/20 be noted, with no matters to be drawn to the attention of Cabinet in September; and • That the Treasury Management 2020/21 first quarter update be noted.
09/09/2020	Statement of Accounts 2019/20	<ul style="list-style-type: none"> • That the final version of the Statement of Accounts 2019/20 be approved, incorporating the updated position on emergency grant funding; • That the Audit Wales report 'Audit of the Financial Statements – Flintshire County Council' be noted; and; • That the Letter of Representation be approved.
18/11/2020	School Reserves Balances Year End 31 March 2020	<ul style="list-style-type: none"> • That the school reserve balances as at 31 March 2020 be noted; and • That the changes to the Protocol for Schools in Financial Difficulty be noted.
18/11/2020	Asset Disposal and Capital Receipts Generated 2019/20	Report is noted.
18/11/2020	Treasury Management Mid-Year Review and Quarter 2 Update 2020/21	That the Committee notes the draft Treasury Management Mid-Year Report 2020/21 and confirms that there are no matters to be drawn to the attention of Cabinet on 15 December 2020.
27/01/2021	Treasury Management Strategy & Treasury Management Quarter 3 Update 2020/21	<ul style="list-style-type: none"> • That having reviewed the draft Treasury Management Strategy 2021/22, the Committee has no specific issues to be reported to Cabinet on 16 February 2021; and • That the Treasury Management 2020/21 quarterly update be noted.
28/10/2021	Quarter 4 Treasury Management Update 2020/21	<ul style="list-style-type: none"> • That the Treasury Management 2020/21 quarterly update be endorsed; and • That officers investigate options on how best to present the data in future reports.

Table 3 – Terms of Reference C

TOR C : To monitor the performance and effectiveness of the internal and external audit functions		
Committee Date	Report Received	Committees Resolution
09/09/2020	Public Sector Internal Audit Standards	<ul style="list-style-type: none"> • That the report be noted; and • That the Committee formally thanks officers and Audit Wales colleagues for their extraordinary work over the emergency period.
09/09/2020	Internal Audit Strategic Plan 2020/21	That the Flintshire Internal Audit Strategic Plan 2020-2023 be approved.
09/09/2020	Internal Audit Annual Report	That the report and Internal Audit annual opinion be noted.
09/09/2020	Wales Audit Office Audit Plan 2020	That the Audit Wales Audit Office report be noted.
18/11/2020	Approach to the 2020/21 Annual Governance Statement	That the proposed approach for the involvement of Audit Committee Members in the Annual Governance Statement process be endorsed
18/11/2020	Internal Audit Progress Report	Report is accepted.
18/11/2020	Private meeting between members, Internal Audit Manager and Audit Wales	N/A
27/01/2021	Annual Audit Summary for Flintshire County Council 2019/20	That the Committee is assured by the Auditor General for Wales' Annual Audit Summary report for 2019/20.
27/01/2021	Internal Audit Charter	That the updated Internal Audit Charter be approved.
27/01/2021	Internal Audit Progress Report	That the report be accepted.
24/03/2021	Internal Audit Strategic Plan 2021/24	That having considered the areas covered, including those prioritised for the first year, and the level of audit resources, the Committee approves the Flintshire Internal Audit Strategic Plan for 2021-2024.
24/03/2021	Public Sector Internal Audit Standards	That the Committee accepts the report and its findings on the self-assessment.
24/03/2021	Internal Audit Progress Report	That the report be accepted.
24/03/2021	Audit Wales Audit Plan 2021	That the Audit Wales Plan be noted.

Table 4 – Terms of Reference D

TOR D : To report to the Council annually, summarising the Committee's activities and Recommendations (demonstrating the Committees' effectiveness)		
Date of Committee	Report Received	Committees Resolution
18/11/2020	Audit Committee Annual Report	That the annual report for 2019/20 be endorsed prior to its submission to Council for approval on 8 December 2020.
27/01/2021	Local Government & Elections (Wales) Bill	<ul style="list-style-type: none"> • That the briefing report be received; • That the Committee notes the constitutional and other implications of the Act, and supports internal plans for their implementation as necessary; and • That officers liaise with the Chairman to write to Welsh Government to express the Committee's concerns on the requirement to appoint lay members as both Chair and Vice-Chair of the Governance & Audit Committee. <p>NB After the meeting the Chief Officer (Governance) confirmed that the Vice Chair of the Committee could be an elected member. The Committee therefore agreed that resolution (c) did not need to be actioned.</p>
27/01/2021	Recruitment of the Lay Member to the Audit Committee	<ul style="list-style-type: none"> • That one additional lay member be recruited to the Audit Committee in place of an elected member with effect from May 2022; and • That the recruitment panel consisting of the Chair of the Council, Chair of the Audit Committee plus the Cabinet Member for Finance and two other Audit Committee members makes a recommendation to Council for appointment.
24/03/2021	Review of the Terms of Reference of the Audit Committee	That the amended name of Council's Audit Committee be acknowledged and the new functions set out in the Act included within the Terms of Reference of the renamed Committee.

- 3.4 Any actions raised by Governance and Audit Committee after reviewing and considering these reports are detailed at Appendix B. Where actions remain open (3 of the 26 raised), these have been delayed due to either the pandemic or that the action is not due to be presented to committee in line with the Forward Work programme.
- 3.5 The Committee's Forward Work programme for 2021/22 is detailed at Appendix C.

4 Internal Audit Opinion

- 4.1 The Internal Audit Service to Flintshire County Council is required to provide the Council (through the Governance and Audit Committee) with an opinion on the overall adequacy and effectiveness of the organisation's framework of governance, risk management and control. In giving that opinion it should be noted that assurance can never be absolute. The most that the Internal Audit Service can provide to the Council is a reasonable assurance that there are no major weaknesses in risk management, governance and control processes.
- 4.2 The matters raised in this report are only those which came to our attention during our Internal Audit work and are not necessarily a comprehensive statement of all the weaknesses that exist, or of all the improvements that may be required.
- 4.3 In mid-March 2020 the Coronavirus Pandemic started resulting in the Council invoking its Business Continuity Plan. Given the unprecedented nature of the pandemic and its impact on the Council's service delivery and its workforce, all Internal Audit work was paused to allow the organisation to respond to the emergency. For the period April to August 2020 the Internal Audit Service supported the Council's response to this emergency. The work of internal audit during this period included the review of direct management assurance, key financial decisions, risk method statements, review and challenge of new business processes to aid alternative service delivery, validation and challenge of complex business support grants saving the Welsh Government circa £180K, working with multi-agency partner to deliver Test Trace Protect and Deeside Rainbow Hospital within Flintshire as well as attendance that the various emergency tactical working groups providing guidance and advice.
- 4.4 In September the original Internal Audit Plan for 2020/21 – 2022/23 was revised to reflect on the work of the Internal Audit service for the first part of the year and to re-evaluate the service's work for the remainder of the year. The revised Strategic Audit Plan for 2020/21-2022/23 was presented and approved by the Governance and Audit Committee in September 2020. Due to the in-depth work Internal Audit were involved with during April to August and the revised Audit Plan in September sufficient work had been completed during the year to allow an assurance opinion to be provided.
- 4.5 There have been no limitations made on the scope of Internal Audit coverage during the year.

For the year ending 31 March 2021, based on the work the Internal Audit Service has undertaken, the direct assurance from management and external assurance from Audit Wales, my opinion is that Flintshire County Council has an adequate and effective framework of governance, risk management and internal control.

- 4.6 During 2020/21 we have not issued a 'Red / Limited assurance' opinion compared to previous years (2019/20 one audit, 2018/19 two audits, 2017/18 three audits, 2016/17 four audits & 2015/16 six audits), where an urgent system revision was required.
- 4.7 Overall 82% of assurance opinions issued were either Green or Amber Green providing the Committee assurance that of the audits undertaken this year in the main there are effective arrangements in place for governance, risk management and internal control.
- 4.8 In order for the Internal Audit team to be in position to undertake such work and deliver this audit opinion, it has an unfettered high profile role within the Council, and has

developed and holds an excellent trusted working relationship with portfolios. The breadth of the work has grown in recent years seeing a significant increase in requests for advisory, consultancy and commissioned work.

5 Governance and Audit Committee Membership and Attendance

- 5.1 The Council has determined that the membership of its Governance and Audit Committee will consist of seven elected Members and two Independent Lay Members (as required by the Local Governance (Wales) Measure 2011). The Independent Lay Members are appointed for a period of four years and Council Members are reappointed annually. The first lay member was appointed in 2017 and the second in September 2019.
- 5.2 The Committee is serviced by Council Officers, principally the Chief Executive, the Chief Officer, Governance (Council’s Monitoring Officer), the Corporate Finance Manager (Section 151 Officer) and the Internal Audit Manager. Representatives from Corporate Finance, Corporate Business and Communications, and Audit Wales also attend Audit Committee.
- 5.3 The Governance and Audit Committee met on five separate occasions during 2020/21 as the first meeting of the financial year was cancelled due to the emergency of the pandemic. For each meeting, the Committee were quorate and there were sufficient Elected Members to generate an informed discussion on the matters raised. The attendance by members demonstrates their continued commitment to the Governance and Audit Committee by their 100% attendance.

Table 5 – Governance and Audit Committee Meeting 2020/21

Present	03/06/20	23/07/20	09/09/20	18/11/20	27/01/21	24/03/21	Total Meetings Attended
Cllr C Dolphin (Chair)	Cancelled due to the Pandemic	Yes	Yes	Yes	Yes	Yes	5
S Ellis (Lay Member & Vice-Chair)		Yes	Yes	Yes	Yes	Yes	5
Cllr G Collett		Yes	Apology	Yes	Yes	Yes	4
Cllr A Dunbobbin		Yes	Yes	Yes	Yes	Yes	5
Cllr P Johnson		Yes	Yes	Yes	Yes	Yes	5
Cllr A Woolley		Yes	Yes	Yes	Yes	Yes	5
Cllr P Heesom		Yes	Yes	Yes	Yes	Yes	5
Cllr J Axworthy		Yes	Yes	Yes	Yes	Yes	5
A Rainford (Lay Member)		Yes	Yes	Yes	Yes	Yes	5
Cllr J Johnson (Substitute)		N/A	Yes	N/A	N/A	N/A	1
Total for Committee	0	9	9	9	9	9	
Other Members Present as Observers	0	2	2	3	3	3	
Attendance Ratio for 2020/21				100%			
Attendance Ratio for 2019/20				97.5%			
Attendance Ratio for 2018/19				95.8%			
Attendance Ratio for 2017/18				87.5%			

- 5.4 All members of the Committee, including any substitutes have received the required Governance and Audit Committee training prior to attending their first Governance and Audit Committee meeting. Due to the pandemic all meetings were held remotely, meetings were recorded and papers are available on the Council's website. Officers from the Council's External Auditors, Audit Wales (AW) were present at each of the meetings.

6 Self-Assessment, Training & Development

Governance and Audit Committee Self-Assessment

- 6.1 Due to the pandemic a review of the effectiveness of the Governance and Audit Committee was delayed until October 2021 where an online awareness session took place to review the period 2020/21. The Committee reviewed its effectiveness and performance against the best practice set out by CIPFA. The online session was interactive with a positive discussion taking place regarding the delivery of the Committee's core role and function. Following the self-assessment an action plan (Appendix D) was developed and will be used to monitor performance.
- 6.2 In October 2019, new to Wales, a Chair and Vice Chairs of Governance and Audit Committee Network was established and held in Llandrindod Wells. During 2020/21 this was moved online. During 2020/21, two sessions have been held and both attended by the Chair and Vice Chair of the Governance and Audit Committee and the Internal Audit Manager. Due to the success of the network group and to reflect the changes of the new Act, it is proposed going forward that all members of the Governance and Audit Committee would be invited to attend the all Wales network sessions.

Governance and Audit Committee Training and Development

- 6.3 Due to the pandemic, training was reduced this year compared to previous years. Table 6 provides details of the training courses attended.

Table 6 – Governance and Audit Committee Training & Development

Topic	Date	Type of Training	Coverage
Chair and Vice Chairs of Audit Committee's Network Seminar	30/11/2020	Overview to Audit Committees; Risk Management and Annual Governance Statement	Full day session covering: <ul style="list-style-type: none"> Audit Wales Counter Fraud Work Local Government and Elections (Wales) Bill Audit Committee role in Risk Management & AGS Making an Impact Role of the Lay Member
Chair and Vice Chairs of Audit Committee's Network Seminar	06/09/2021	Governance; Risk Management and Annual Governance Statement	Half Day Session covering: <ul style="list-style-type: none"> Local Government and Elections (Wales) Act 2021 Complaints Handling in Local Authorities Policy in Practice.
Treasury Management	09/12/2020	Financial	Half day external training session provided on the Council's approach to Treasury Management.
Statement of Accounts	23/07/2021	Accounts	Presentation and explanation of the Statement of Accounts.
WebEx Training	May / June 2020	Information Technology	To support members to access remote training.

7 Future Priorities

- 7.1 The Committee's Forward Work Programme (Appendix C) will continue to be reviewed to ensure the contribution to governance, risk management, financial management and internal control is maximised.

Appendix A

Governance and Audit Committee's Terms of Reference

The Terms of Reference for the Governance and Audit Committee was updated to reflect the name change and the new responsibilities as a result of the Local Government and Elections (Wales) Act 2021. Whilst the act will be phased in over a period of time it was agreed to update the Terms of Reference once. **Where text is highlighted blue, these roles and responsibilities will not come into force until April 2022.**

7.00 Statement of Purpose:

The terms of reference sets out the Governance and Audit Committee's position in the governance structure of the Council.

The Governance and Audit Committee is a key component of Flintshire County Council's (the Council's) corporate governance. It provides an independent and high level focus on the audit, assurance and reporting arrangements that underpin good governance and financial standards.

7.01 Role:

The Governance and Audit Committee's role and functions will be to:

- A.** Review the effectiveness of the Authority's systems of corporate governance, internal control, **complaints, performance (self-assessment and peer review)** and risk management, and to make reports and recommendations to the County Council on the adequacy and effectiveness of these arrangements;
- B.** Oversee the reporting of the statutory financial statement's process to ensure the balance, transparency and integrity of published financial information, and to review the financial statements prepared by the authority and recommend them to County Council; and

Review and scrutinise the County Council's financial affairs, and to make reports and recommendations on them. The role of the Committee is to assure the budgetary control systems of the Council rather than the scrutiny of the use and value for money of expenditure which is the role of the respective Overview and Scrutiny Committees.
- C.** Monitor the performance and effectiveness of the internal and external audit functions within the wider regulatory context.
- D.** Report to the Council annually, summarising the Committee's activities and recommendations.

A. Corporate Governance, Internal Control, Complaints, Performance and Risk Management

1. Evaluate whether Senior Accountable Officers and service teams are setting the appropriate “control culture” by communicating the importance of internal control and risk management.
2. Consider and assure the annual update of the Code of Corporate Governance against the ‘Delivering Good Governance Framework (Wales)’.
3. Consider and assure the draft Annual Governance Statement and make appropriate recommendations/observations prior to its submission to the Council’s Regulators.
4. Evaluate the overall effective development and operation of the internal control and risk management frameworks and consider whether actions raised by the internal and external auditors have been implemented by Senior Accountable Officers.
5. Review and assure the Risk Management Strategy through regular reports on risk management and business continuity plans, processes and outcomes.
6. Monitor progress in addressing risk related issues reported to the Committee.
7. Consider the Council’s framework of assurance and ensure that it adequately addresses the risks and priorities of the Council.
8. To review and assess the Council’ ability to effectively handle complaints.
9. To make reports and recommendations in relation to the Council’s ability to handle complaints effectively.
10. To consider the Council’s draft Annual Performance Self-Assessment report and if necessary make any recommendations for changes to the Council.
11. To receive the Council’s finalised Annual Self-Assessment report for the respective financial year as soon as reasonably possible after the end of the financial year.
12. At least once during the period between two consecutive ordinary elections of councillors to the Council, consider the independent Panel Performance Assessment report on whether the Council is meeting its performance requirements.
13. To receive and review the Council’s draft response to the report of the independent Panel Performance Assessment and if necessary make

recommendations for changes to the statements made in the draft response to the Council.

14. Keep under review the Council's Anti-Fraud and Corruption Strategy, Fraud Response Plan and Whistleblowing Policy and the assessment of fraud risks and potential harm to the Council from Fraud and Corruption.
15. Consider the Council's arrangements to secure value for money and review assurances and assessment on the effectiveness of these arrangements.
16. Receive reports on all fraud identified and any other special investigations, and action taken.
17. Consider how Senior Accountable Officers are held to account for the security of computer systems and applications to protect against computer fraud or misuse.
18. Ensure the rigorous application of the agreed protocol for the reporting and decision making over business cases for collaborative projects, the management of the transition for approved collaborations, and the subsequent performance management arrangements for the new collaborative services.
19. Obtain regular updates from Senior Accountable Officers and legal advice regarding compliance matters, and be satisfied that all compliance matters have been considered in preparing the financial statements.
20. The Chair and Vice Chair of the Governance and Audit Committee together with the Chairs and Vice Chairs of the six Overview and Scrutiny Committees will attend the Chair and Vice Chair Liaison Group with the primary aim to reduce duplication of work, ensure there is a shared coverage of the Council's risk profile and escalate poor performance between respective Committees.

Appendix A of the Audit Charter provides a diagram of the co-ordination of work between the Overview and Scrutiny Committees and Governance and Audit Committee.

B. Financial:

Statutory Financial Statements

1. Receive the draft annual Statement of Accounts, together with the underlying accounting policies for information. Consider and comment on the final statement of accounts following the receipt of the proposed audit opinion from the Wales Audit Office prior to recommending their approval to the Council.
2. Understand the controls and processes implemented by Senior Accountable Officers to ensure the financial statements derive from the underlying financial

systems, comply with relevant standards and requirements, and are subject to appropriate review.

3. Meet with management and external auditors to review the financial statements, the key accounting policies and judgements, significant accounting and reporting issues and their impact on financial reports, and the results of the audit.
4. Ensure that significant adjustments, unadjusted differences, disagreements with Senior Accountable Officers and critical accounting policies and practice are discussed with the external auditor.

Financial Affairs

5. Understand the internal control systems implemented by Senior Accountable Officers and service team for the approval of transactions and the recording and processing of financial data.
6. Gain an understanding of the current areas of greatest risk around financial controls and advise and assure on risk management.
7. Keep under review the Council's financial procedure rules and contract procedure rules and all other corporate directions concerning financial control.
8. Review and assure the Treasury Management Strategy and Policy and consider quarterly updates on Treasury Management and make appropriate recommendations / observations to the Cabinet.

C. Internal and External Audit

1. Keep under review the joint working arrangements of the Council's Internal and External Auditors.

Internal Audit

2. Promote the role of internal audit within the Council, as a key element of its control environment.
3. Review and approve the Internal Audit Charter, outlining the role, scope, independence, authority, responsibility and reporting of the department.
4. Keep under review the organisational structure and resource requirements of the Internal Audit Section and consider any impairments to independence or objectivity arising from additional roles or responsibilities outside of internal auditing of the Internal Audit Manager. To approve and periodically review safeguards to limit such impairments.

5. Make appropriate enquiries of both Senior Accountable Officers and the Internal Audit Manager to determine if there are any inappropriate scope or resources limitations.
6. Review, approve (but not direct) and monitor the delivery of the risk-based internal audit plan, the approach to using other sources of assurance and any work required to place reliance upon those other sources and ensure the plan considers changes arising from Government, Assembly or Council initiatives.
7. Approve significant interim changes to the risk based internal audit plan and resources requirements.
8. Receive summaries of all internal audit reports issued, highlighting key actions with corporate control implications.
9. Consider reports from the Internal Audit Manager on internal audit's performance during the year, including the performance of external providers of internal audit services. These will include:
 - Updates on the work of internal audit including key findings, issues of concern including monitoring the implementation of agreed actions contained within internal audit reports, receive report on actions not implemented within good timescales and seek explanations from officers where required.
 - Regular reports on the results of the Quality Assurance Improvement Programme (QAIP);
 - Reports on instances where the internal audit service does not conform to the Public Sector Internal Audit Standards (PSIAS) and Local Governance Advice Note (LGAN), considering whether the non-conformance is significant enough that it must be included in the AGS.
10. Receive and consider the Internal Audit Managers annual report:
 - The statement of the level of conformance with the PSIAS and LGAN and the results of the QAIP that support the statement – these will indicate the reliability of the conclusions of internal audit.
 - The opinion on the overall adequacy and effectiveness of the Council's framework of governance, risk management and control together with the summary of the work supporting the opinion – these will assist the Committee in reviewing the Annual Governance Statement (AGS).
 - Keep performance indicators under review and evaluate, on an annual basis, the performance and effectiveness of internal audit and its compliance with best practice.
11. Consider summaries of specific internal audit reports as requested.

12. Receive reports outlining the action taken where the Internal Audit Manager has concluded that Senior Accountable Officers and service teams have accepted a level of risk that may be unacceptable to the Council or there are concerns about progress with the implementation of agreed actions.
13. Contribute to the Quality Assurance Improvement Programme (QAIP) and in particular, to the external quality assessment of internal audit that takes place at least once every five years.
14. Meet separately with the Internal Audit Manager to discuss any matters that the Committee or internal auditors believe should be discussed privately.
15. Should the needs arise, arbitrate in the event of any failure to agree between a Senior Accountable Officers and internal audit.
16. Discuss with the external auditor the standard of work of internal audit.

External Audit and External Regulatory Bodies

External Audit

17. Support the independence of external audit through consideration of the external auditor's annual assessment of its independence.
18. Review the external auditors' proposed audit scope and approach for the current year in the light of the Authority's present circumstances and changes in regulatory and other requirements arising from Government, Assembly or Council initiatives.
19. Ensure that the annual audit is undertaken in compliance with statutory requirements.
20. Receive all audit reports, and the annual audit letter, issued by the external auditor, and ensure that all agreed recommendations are implemented.
21. Consider specific reports as agreed with the external auditor.
22. Discuss with the external auditor any audit problems encountered in the normal course of audit work, including any restriction on audit scope or access to information.
23. Meet separately with the external auditors to discuss any matters that the Committee or auditors believe should be discussed privately. Ensure the auditors have access to the chair of the Governance and Audit Committee when required.
24. Review, annually, the performance of external audit and co-ordinate any feedback requested from the Wales Audit Office.

External Regulation: Performance

25. External arrangements for regulation and assurance are provided by a number of statutorily appointed bodies such as the Wales Audit Office (WAO), Estyn and the Care Inspectorate Wales (CIW), plus a number of other external regulatory bodies. To examine how the organisation manages and spends public money including achieving value in delivery. This work is co-ordinated by the Chief Executive's Business and Communications team and a shared protocol for these working arrangements is in place.
26. To gain assurance and confidence of the Council's response to the external regulatory findings the Governance and Audit Committee will:
 - a) Receive periodic reports from external regulators which will include the Council's response to the reports and ensure that effective processes are in place for setting and monitoring against proportionate and effective action plans.
 - b) Receive an annual report collating external regulatory activity on improvement assessment work which is supplemented by local risk based audit work; and
 - c) Receive the Annual Improvement Report from the Auditor General

D. Accountability Arrangements

1. Require the attendance at the Committee of any officer or member, or the submission of a report from any officer, to provide further explanation in connection with any of the above terms of reference.
2. Evaluate the Committee's own performance, both of individual members and collectively, on a regular basis.
3. The Committee must meet at least once a year and must also do so if the Council decides or if at least a third of the Committee's members require a meeting. Beyond those requirements the Committee can meet whenever it likes.
4. The Governance and Audit Committee will keep the above terms of reference under annual review and propose any amendment to the County Council.
5. Report to full council and publish an annual report on the Committee's performance in relation to the terms of reference and the effectiveness of the Committee in meeting its purpose.

7.02 Composition

1. The Chair and Vice-Chair of the Governance and Audit Committee will be chosen by the Committee itself at its first meeting following each annual general meeting. The Chair and Vice Chair of the Governance and Audit Committee will be chosen from amongst the opposition group(s), non-aligned Councillors or lay member on the Council (that is to say from among the group(s) none of whose members are

included in the Cabinet). From May 2022 the appointment of the Chair must be from one of the Lay Members appointed to sit on the Committee.

2. The County Council shall appoint two (three from May 2022) people who are neither a serving Councillor nor an officer of the County Council or any other Council to serve as lay members of the Committee with full voting rights. The lay member's term of office shall be from the first County Council meeting following the annual general meeting following the County Council elections until the first County Council meeting after the annual general meeting following the next County Council elections. No more than one member of the Committee shall be on the Council's Cabinet. The Council Leader cannot be a member of the Committee.
3. It is the express wish of the Council that there should be continuity of membership of the Governance and Audit Committee so as to build up a body of expertise and maintain a consistency of approach.
4. In recognising the express wish of the Council, but observing the requirements of the legislation for political balance, the Governance and Audit Committee will comprise seven (six from May 2022) Members with the seats allocated in accordance with the legislation to the appropriate political groups and one lay member. Any proposed substitution shall comply with Council Procedure Rule 22.4 and the proposed substitute shall have attended relevant training. Substitutes will only be permitted where the Governance and Audit Committee, at the commencement of its meeting, agrees that good reasons exist for substitution.
5. Members will receive induction training on appointment to the Committee. Ongoing training will be provided as necessary to meet the requirements of the Committee, based on the skills and experience of the members.
6. The business of the Committee shall be conducted apolitically.

Governance and Audit Committee Actions Raised – 2020/21

Appendix B

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Item No.	Report	Action Required	Action Taken	Status
23rd July 2020				
62.	Draft Statement of Accounts 2019/20	An up-to-date figure for the NHS debt in note 13	This information was provided to members of the Committee on 07/08/2020.	Closed
62.	Draft Statement of Accounts 2019/20	Clarification on £374k payments in note 28 for Related Parties - Officers	The accounts have been updated to reflect this and they will be presented to committee in September for approval.	Closed
62.	Draft Statement of Accounts 2019/20	The reason for fluctuating management and supervision costs on the HRA Income & Expenditure Sheet (p.70 of the accs).	This information was provided to members of the Committee on 07/08/2020.	Closed
62.	Draft Statement of Accounts 2019/20	To receive a report in Sept (on a quarterly basis) to give assurance to the Committee on how the Council is proportionately responding to the pandemic emergency and making risk-assessed decisions.	The first report was be provided at the September 2020 Audit Committee meeting.	Closed
62.	Draft Statement of Accounts 2019/20	To share Audit Wales contact details with the Committee.	This information was provided to the Committee on 23/07/2020	Closed
64.	Annual Governance Statement 2019/20	That the Annual Governance Statement 2019/20 includes the commitment to increase Member involvement from next year, and be endorsed and attached to the Statement of Accounts for adoption. The process and timescale for more Member involvement on the AGS during Q4 to be shared with the Committee in the Autumn.	Update provided to members	Closed
64.	Annual Governance Statement 2019/20	To share the six recovery risk registers and business plans with the Committee.	These were circulated to the Audit Committee members on 17/09/2020.	Closed
67.	Treasury Management Annual Report 2019/20 and Q1	To provide a response to the Committee on any reason for the difference in brokerage fees (App 5)	A response was provided to Audit Committee members on 18/08/2020.	Closed

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Item No.	Report	Action Required	Action Taken	Status
	2020/21 Update	since 2019.		
9th September 2020				
76.	PSIAS	To ensure that benchmarking data against other authorities is shown in future PSIAS reports.	Benchmarking data to be included in future PSIAS reports. Due to the pandemic benchmarking has not taken place to date. This has resumed. If the data is available this will be included within the Internal Audit Annual Report 2020/21.	Open
16.	Quarterly update on response to the pandemic	Presentation slides from Cabinet 15/09/20 to be shared with the Audit Committee.	These were circulated to the Audit Committee members on 17/09/2020.	Closed
16.	Quarterly update on response to the pandemic	Updated risk registers to be shared with the Audit Committee later in the month.	These were circulated to the Audit Committee members on 17/09/2020.	Closed
18th November 2020				
6.	School Reserve Balances y/e 31/3/2020	To include data over a three year period in future annual reports on school balances.	Future report to include three year period.	Closed
9.	Risk Management Framework	To clarify the escalation of high level risks to Cabinet, Overview & Scrutiny committees and Audit Committee within the document.	The escalation process has been revised within the Risk Management User Guide.	Closed
10.	Approach to the 2020/21 AGS	To check availability of the Chair, Cllr Heesom, Cllr Johnson, Sally Ellis and Allan Rainford for the workshop in March/April 2021.	This workshop is has been provisionally booked for 21/03/2021.	Closed
11.	Audit Committee Annual Report	That the annual report for 2019/20 be endorsed prior to its submission to Council for approval on 08/12/20.	The Audit Committee Annual report was approved by Council on 08 December 2020.	Closed
14.	Forward Work Programme	To consider how best to share the approach to managing risks identified during budget-setting to give assurance to the Committee.	This will be included within the Audit Committee Forward Work Programme	Closed

Item No.	Report	Action Required	Action Taken	Status
21st January 2021				
19.	Treasury Management Strategy 2021/22 and Q3 Update 2020/21	To consider the suggestion of a future briefing session on the use of bond investments.	Treasury Management attended the members workshop for members to review their effectiveness on the 13 th October 2021.	Closed
20.	Code of Corporate Governance	To consider for future versions of the Code (i) retaining Section 2 as an appendix and (ii) to reinforce references to organisational resilience.	This will be include in the 2021/22 Code of Corporate Governance which will be presented to Governance and Audit Committee in January 2022.	Open
25.	IA Progress Report	To circulate the Planning Enforcement report (Environment & Economy OSC).	An email providing an update on Planning Enforcement was circulated to all member on 3 rd February 2021	Closed
25.	IA Progress Report	To circulate an update on the position on school funds.	This will be provided to the committee once the school reviews have been completed.	Open
24th March 2021				
31.	Minutes 27/01/2021	The remaining two places on the recruitment panel for the additional lay member to be filled by either Sally or Allan plus an elected Member of the Committee.	Interview date of 13 th November 2021 has been confirmed	Closed
32.	Terms of Reference for the Governance and Audit Committee	To remove 'on the Council' from the second sentence in para 7.02 of the Terms of Reference.	The Terms of Reference were amended to reflect this change.	Closed
35.	IA Progress Report	To liaise with the Chief Officer Team so that an update on the current status of high priority outstanding actions can be reported to the Committee	All outstanding actions (High priority, actions with no update and actions where an update had not been provided in 3 months) were presented to the Chief Officers Team 14 th April. Work has been undertaken since this meeting by action owners to provide feedback / evidence on the current position of these actions. A further update on this work is included within the Internal Audit Progress Report presented to the June committee.	Closed

Item No.	Report	Action Required	Action Taken	Status
38.	Q4 Treasury Management Update 2020/21	That officers investigate options on how best to present the data in future reports.	This was explored as part of the members workshop on reviewing their effectiveness session held on the 13 th October 2021.	Closed
41.	External Regulation Assurance	To share the report with OSC Chairs & Vice-Chairs to help them identify areas of interest for their forward work Programmes.	This was completed on 27 th July 2021 and reported to Recovery Committee on the 9 th September 2021.	Closed
41.	External Regulation Assurance	To arrange the next meeting of the Audit/OSC liaison group.	This was held on 27 th July 2021.	Closed

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Governance and Audit Committee Forward Work Programme – 2021/22

Appendix C

Meeting Date	Agenda Item	Assurance Type	Int. / Ext. Assurance
02/06/2021	Certification of Grants and Returns Report (AW)	Financial Management	External
	Draft Annual Governance Statement	Governance, Risk, Financial & Control	Internal
	Internal Audit Annual Report 2020/21	Governance, Risk, Financial & Control	Internal
	Internal Audit Progress Report 2021/22	Governance, Risk, Financial & Control	Internal
	Audit Committee Action Tracking	-	Internal
Forward Work Programme	-	-	
28/07/2021	Treasury Management 2021/22 Q1 Update and Annual Report 2020/21	Financial Management	Internal
	Supplementary Financial Information to Draft Statement of Accounts 2020/21	Financial Management	Internal
	Risk Management update 2021/20	Governance, Risk, Financial & Control	Internal
	Audit Wales – Raising our Game Tackling Fraud in Wales	Governance, Risk, Financial & Control	External
27/09/2021	Statement of Accounts 2020/21	Financial Management	Internal
	School Reserves – Annual Report on School Balances	Financial Management	Internal
	Budget 2022/23 - Stage 2	Financial Management	Internal
	Internal Audit Progress Report 2020/21	Financial Management	Internal
	Audit Committee Action Tracking	Governance, Risk, Financial & Control	Internal
	Forward Work Programme	-	Internal
	Private Meeting (AW and Internal Audit)	-	-
17/11/2021	External Assurance Report – Audit Wales, Housing Rent	Governance, Risk, Financial & Control	External
External Assurance Report – Audit Wales, Town Centres	Governance, Risk, Financial & Control	External	
Audit Committee Annual Report	Corporate Governance	Internal	

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Meeting Date	Agenda Item	Assurance Type	Int. / Ext. Assurance
	Treasury Management 2021/22 – Mid Year Report	Financial Management	Internal
	Asset Disposals and Capital Receipts	Financial Management	Internal
	Grant Claims Certification	Financial Management	Internal
	Risk Management Update – Mid Year Report	Governance, Risk, Financial & Control	Internal
	Internal Audit Progress Report 2020/21	Governance, Risk, Financial & Control	Internal
	Audit Committee Action Tracking	-	Internal
	Forward Work Programme	-	-
26/01/2022	Annual Audit Summary (AW) (2020/21)	Corporate Governance	External
	Treasury Management 2021/22 Q3 Update and 2022/23 Strategy	Financial Management	Internal
	Code of Corporate Governance	Corporate Governance	Internal
	Internal Audit Charter	Governance, Risk, Financial & Control	Internal
	Internal Audit Progress Report 2021/22	Governance, Risk, Financial & Control	Internal
	Audit Committee Action Tracking	-	Internal
	Forward Work Programme	-	-
23/03/2022	Risk Management Update	Risk Management	Internal
	Treasury Management 2021/22 Q4 Update	Financial Management	Internal
	Audit Plan (AW)	External Audit	External
	Annual Report on External Inspections 2020	Corporate Governance	External
	Internal Audit Strategic Plan 2022/2025	Governance, Risk, Financial & Control	Internal
	Public Sector Internal Audit Standards Compliance 2021/22	Governance, Risk, Financial & Control	Internal
	Internal Audit Progress Report 2021/22	Governance, Risk, Financial & Control	Internal
	Audit Committee Action Tracking	-	Internal
	Forward Work Programme	-	-
	Private Meeting (AW and Internal Audit)	-	Internal & External

Audit Committee Self-Assessment Summary and Action Plan 2020/21

Appendix D

Summary of Governance and Audit Committee's Self-Assessment 2021/22

No	Topic	Questions Answered			
		Strongly Agree	Agree but identified areas for further improvement	Disagree and action required	Not Applicable
1.	Good Governance : Promoting the principles of good governance and its application to decision making	3	2	0	0
2.	Internal Control : Raising awareness of the need for sound internal control and contributing to the development of an effective control environment	3	2	0	0
3.	Risk : Supporting arrangement for governance of risk and for effective arrangements to manage risk	4	1	0	0
4.	Assurance Framework : Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	3	1	0	1
5.	Internal and External Audit : Reinforcing the objectivity, importance and independence of internal audit and external audit and therefore the effectiveness of the audit functions.	4	1	0	0
6.	Assurance Arrangements : Aiding the achievement of the Authorities goals and objectives through helping ensure appropriate governance, risk, control and financial assurance arrangements.	3	3	0	0
7.	Ethics and Values : Helping the Authority to implement the values of ethical governance, including effective arrangements for countering risks of fraud and corruption.	3	1	0	0
8.	Transparency & Accountability : Promoting measures to improve transparency and accountability and effective public reporting to the Authority's stakeholders and the local community.	3	0	0	1
	Overall Summary	26	11	0	2

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Action Plan - Governance and Audit Committee's Self-Assessment 2021/22

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No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
1. Good Governance : Promoting the principles of good governance and its application to decision making						
1.1	How does the Committee promote the principles of good governance within the organisation?		Y		Through training, self-assessment and Audit Wales. However the Committee was unsure about 'promoting' the committee. Given the new Act will require a Lay Member as Chair this will need to be given further consideration. The committee also identified that it would be good to benchmark forward work programmes of other LAs to theirs.	As a result of the new Act, consideration needs to be given as to how the Chair will be able to fulfil their role and form a relationship with officers and members of the Council. To benchmark other G&AC work programmes.
1.3	How does the Committee promote and encourage openness and transparency in decision making?		Y		The Committee encourages consultation when an issue arises. All reports are open and transparent, available to the public. A discussion took place over how O&SC's see and/or know about the G&AC. This was picked up in the previous self-assessment. Going forward a questionnaire will also be sent to the O&SC chairs. G&AC feel there is little communication between the committee and the O&SC's presently however appreciated the liaison group has only just been reconvened following the pandemic and therefore will reassess at a	As part of the self-assessment process next year the Overview & Scrutiny Committees, Cabinet Members and Chief Officers will be consulted.

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No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
					later date.	
2.	Internal Control : Raising awareness of the need for sound internal control and contributing to the development of an effective control environment					
2.2	Does the Committee formally report the findings of its work and its recommendations for improving internal control to the Council?		Y		Yes through its Annual report to Council. The Committee did recognise that it would be helpful if they made more recommendations than accepting reports as this would help with visibility.	Where appropriate the Committee to make recommendations rather than accepting reports.
2.4	Is the Committee recognised within the Council as an agent for improvement?		Y		It difficult to determine this (by lay members) Chair also has a question regarding this – area to explore with the appointment of the new chair. It was also raised that refresher training for G&AC members could be beneficial as well as an awareness session for non G&AC members.	Refer to action 1.1 Develop the training available for the new members of the G&AC and an awareness session for non G&AC members.
3.	Risk : Supporting arrangement for governance of risk and for effective arrangements to manage risk					
3.3	Does the Committee periodically deep-dive into a specific risk/risk area to confirm that risk management and mitigation arrangements are fit for purpose?		Y		The Committee feel this should be done however recognise that there is a degree of sensitivity around this. There is also a cross over between G&AC and O&S. G&AC do receive Red reports / Limited assurance reports in full and the Chief Officer / Services will also attend. The review of risks is also picked up as part of the audit planning process.	Invite individual managers to meeting re risk owners from the risk register to deepen own understanding and promote / awareness.

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No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
4. Assurance Framework : Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively						
4.4	Does the Committee have good relationships and able to share information with other parts of the assurance framework, eg Scrutiny, Internal Audit, Complaints		Y		Yes with Internal audit and there is an escalation process in place with the O&SCs. There is a Chairs and Vice Chairs Liaison group in place but feels this is the lowest priority for everyone. However appreciates that it has only just been reconvened as result of the pandemic. Currently complaints is reported to CROSC however from April 2022 this will fall under the remit of the Committee. Training in this area has been identified by the members.	To arrange training for G&AC member on corporate complaints.
5. Internal and External Audit: Reinforcing the objectivity, importance and independence of internal audit and external audit and therefore the effectiveness of the audit functions.						
5.4	Does the Committee ensure that internal and external audit recommendations are addressed and implemented by the organisation?		Y		This is always an area for improvement, however proportionality needs to be considered here.	The Internal Audit Manager to review alternative approaches for actions tracking with Management.
6. Assurance Arrangements: Aiding the achievement of the Authorities goals and objectives through helping ensure appropriate governance, risk, control and financial assurance arrangements.						
6.4	Do members of the Committee have strong working relationships with members of the Executive which provide		Y		Strong working relationship is there however with the new arrangement for the Chair this will need to be considered carefully.	Relationship of the future chair to be considered given the position will be a lay member.

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No	Question	Agree	Agree & identified areas for improvement	Disagree	Response to Question	Action
	the Committee with early warning of planned developments / projects, and enable the Committee to ensure that appropriate governance, risk, control and financial assurance arrangements are considered at an early stage?				The committee questioned the reference to early warnings. Since the session, the CIPFAs model TOR has since been reviewed and currently does not require the G&AC to be made aware of early warning.	
6.5	Do the quarterly Treasury Management reports provide members with the information they need? Is there too much information or too little? Is there anything else that would be useful to include?		Y		Reports are comprehensive Treasury Management training sessions could be developed as the last one was complex. May be one put on internally. The committee also raised a point that external audit are placing more emphasis on value for money work and questioned whether this would be part of the G&AC remit.	The approach to delivering Treasury Management training to be review to reflect the feedback from the committee. Accountancy to liaise with external audit over the role of G&AC and value for money work
7.	Ethics and Values: Helping the Authority to implement the value of ethical governance, including effective arrangements for countering risks of fraud and corruption.					
7.3	How does the Committee obtain assurance that values and ethical governance arrangements have been effectively communicated across the organisation and have been embedded?		Y		In terms of ethical values, this is an area the committee has not been involved in, in detail. An audit has been completed. The full report is to be shared with the G&AC for information. The Committee did highlight that it would be useful to see the annual report from the Standards Committee for oversight.	Audit report on Ethical Values to be shared in full with the Governance and Audit Committee. Annual report from standards committee to be shared to the Governance and Audit Committee for oversight

Mae'r dudalen hon yn wag yn bwrpasol

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GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday, 17 th November 2021
Report Subject	Action Tracking
Report Author	Internal Audit, Performance and Risk Manager
Category	Advisory

EXECUTIVE SUMMARY

The report shows the action points from previous Governance and Audit Committee meetings and the progress made in completing them. The majority of the requested actions have been completed, with some still outstanding. They will be reported back to a future meeting.

RECOMMENDATIONS

1	The committee is requested to accept the report.
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REPORT DETAILS

1.00	EXPLAINING THE ACTION TRACKING REPORT
1.01	In previous meetings, requests for information, reports or actions have been made. These have been summarised as action points. This paper summarises those points and provides an update on the actions resulting from them. Full action tracking details within Appendix A.
2.00	RESOURCE IMPLICATIONS
2.01	None as a result of this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Action owners contacted to provide an update on their actions.

4.00	RISK MANAGEMENT
4.01	None as a result of this report.

5.00	APPENDICES
5.01	Appendix A – Action Points.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Lisa Brownbill, Internal Audit, Performance and Risk Manager</p> <p>Telephone: 01352 702231</p> <p>E-mail: lisa.brownbill@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	None.

GOVERNANCE AND AUDIT COMMITTEE – ACTION SHEETPresented Wednesday, 17th November 2021

29 th January 2020				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
52	Treasury Management Strategy 2020/21	To report back to the Committee later in the year on actions to meet the new requirements on non-treasury investments and compliance with disclosures on skills, culture and climate change.	L Thomas	Discussions ongoing with Treasury Management Advisors. Update to be given later in this calendar year.

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27 th January 2021				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
19.	Treasury Management Strategy 2021/22 and Q3 Update 2020/21	To consider the suggestion of a future briefing session on the use of bond investments.	G Ferguson / P Vaughan	Treasury Management attended the members workshop for members to review their effectiveness in October 2021.
25.	IA Progress Report	To circulate an update on the position on school funds.	L Brownbill	This will be provided to the committee once the school reviews have been completed.

24 th March 2021				
Agenda Item No.	Report	Action Required	Responsible Officer	Action Taken
31.	Minutes 27/01/2021	The remaining two places on the recruitment panel for the additional lay member to be filled by either Sally or Allan plus an elected Member of the Committee.	G Owens / L Brownbill	Interview date has been confirmed as 13 th December 2021.
38.	Q4 Treasury Management Update 2020/21	That officers investigate options on how best to present the data in future reports.	G Ferguson / P Vaughan	This was explored as part of the members workshop on reviewing their effectiveness. In October 2021.
41.	External Regulation Assurance	To share the report with OSC Chairs & Vice-Chairs to help them identify areas of interest for their forward work Programmes.	G Owens	This was completed on 27 th July 2021 and reported to Recovery Committee on the 9 th September 2021.
41.	External Regulation Assurance	To arrange the next meeting of the Audit/OSC liaison group.	G Owens / L Brownbill	This was held on 27 th July 2021.

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GOVERNANCE AND AUDIT COMMITTEE

Date of Meeting	Wednesday, 17 th November 2021
Report Subject	Forward Work Programme
Report Author	Internal Audit, Performance and Risk Manager
Category	Advisory

EXECUTIVE SUMMARY

The Governance and Audit Committee presents an opportunity for Members to determine the Forward Work Programme of the Committee of which they are Members. By reviewing and prioritising the Forward Work Programme, Members are able to ensure it is Member-led and includes the right issues. A copy of the Forward Work Programme is attached at Appendix A for Members' consideration which has been updated following the last meeting.

The Committee is asked to consider, and amend where necessary, the Forward Work Programme for Governance and Audit Committee.

RECOMMENDATION

1	That the Committee considers the draft Forward Work Programme and approve/amend as necessary.
2	That the Internal Audit, Performance and Risk Manager, in consultation with the Chair and Vice-Chair of the Committee, be authorised to vary the Forward Work Programme between meetings, as the need arises.

REPORT DETAILS

1.00	EXPLAINING THE FORWARD WORK PROGRAMME
1.01	Items feed into a Committee's Forward Work Programme from a number of sources. Many items are standard every quarter, six months or annually, and Members can also suggest topics for review by the Committee. Items can also be referred by the Cabinet, County Council or Chief Officers.

1.02	<p>In identifying topics for future consideration, it is useful for a 'test of significance' to be applied. This can be achieved by asking a range of questions as follows:</p> <ol style="list-style-type: none"> 1. Will the review contribute to the Council's priorities and/or objectives? 2. Is it an area of major change or risk? 3. Are there issues of concern in governance, risk management or internal control? 4. Is it relevant to the financial statements or financial affairs of the Council? 5. Is there new government guidance or legislation? 6. Is it prompted by the work carried out by Regulators/Internal Audit? 			
1.03	<p>Following the Committee meeting in September there have been two additional papers added to November which were required as part of the protocol in place for receiving external assurance reports.</p>			
	Report	Reason for Movement	Original Date	New Report Date
	External Assurance Report – Audit Wales, Housing Rents	New report – as part of the external assurance reporting protocol	N/A	Nov 2021
	External Assurance Report – Audit Wales, Town Centres	New report – as part of the external assurance reporting protocol	N/A	Nov 2021

2.00	RESOURCE IMPLICATIONS
2.01	None as a result of this report.

3.00	CONSULTATIONS REQUIRED / CARRIED OUT
3.01	Publication of this report constitutes consultation.

4.00	RISK MANAGEMENT
4.01	None as a result of this report.

5.00	APPENDICES
5.01	Appendix A - Draft Forward Work Programme.

6.00	LIST OF ACCESSIBLE BACKGROUND DOCUMENTS
6.01	<p>None.</p> <p>Contact Officer: Lisa Brownbill Internal Audit, Performance and Risk Manager</p> <p>Telephone: 01352 702231</p> <p>E-mail: lisa.brownbill@flintshire.gov.uk</p>

7.00	GLOSSARY OF TERMS
7.01	<p>Governance - The system by which local authorities direct and control their functions and relate to their communities. It is founded on the basic principles of openness and inclusivity, integrity and accountability together with the overarching concept of leadership. It is an inter-related system that brings together the underlying set of legislative requirements, governance principles and management processes.</p> <p>Risk Management - The process of identifying risks, evaluating their potential consequences and managing them. The aim is to reduce the frequency of risk events occurring (wherever this is possible) and minimise the severity of their consequences if they occur. Threats are managed by a process of controlling, transferring or retaining the risk. Opportunities are managed by identifying strategies to maximise the opportunity or reward for the organisation.</p> <p>Internal Control - Appropriate procedures and processes are in place to mitigate any risk which may prevent the organisation from achieving its objectives and service delivery.</p> <p>Financial Management - The planning, organising, directing and control of the financial activities of the Council to ensure sufficient resources are available to delivery its intended outcomes.</p> <p>Audit Wales - Works to support the Auditor General as the public sector watchdog for Wales. They aim to ensure that the people of Wales know whether public money is being managed wisely and that public bodies in Wales understand how to improve outcomes.</p>

Mae'r dudalen hon yn wag yn bwrpasol

GOVERNANCE AND AUDIT COMMITTEE - FORWARD WORK PROGRAMME 2021/22Presented to Committee – Wednesday, 17th November 2021

Meeting Date	Agenda Item	Author
17th November 2021	External Assurance Report – Audit Wales, Housing Rents	Audit Wales / David Barnes
	External Assurance Report – Audit Wales, Town Centres	Audit Wales / Niall Waller
	Risk Management update 2021/22 and Mid-Year report	Jay Davies
	Asset Disposals and Capital Receipts	Neal Cockerton
	Treasury Management Mid-Year Review Q2 2021/22	Christopher Taylor
	Internal Audit Progress Report 2021/22	Lisa Brownbill
	Governance and Audit Committee Self-Assessment 2020/21	Lisa Brownbill
	Governance and Audit Committee Annual Report	Cllr Chris Dolphin / Lisa Brownbill
	Forward Work Programme	Lisa Brownbill
	Audit Committee Action Tracking	Lisa Brownbill
26th January 2022	Annual Audit Summary (AW) (2020/21)	Jay Davies / Gary Ferguson

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Meeting Date	Agenda Item	Author
	Treasury Management 2021/22 Q3 Update and 2022/23 Strategy Code of Corporate Governance Internal Audit Charter Internal Audit Progress Report 2021/22 Audit Committee Action Tracking Forward Work Programme	Christopher Taylor Robert Robins / Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill
23rd March 2022	Treasury Management 2021/22 Q4 Update Risk Management Update Audit Plan (AW) Annual Report on External Inspections 2020 Internal Audit Strategic Plan 2022/2025 Public Sector Internal Audit Standards Compliance 2021/22 Internal Audit Progress Report 2021/22 Audit Committee Action Tracking Private Meeting (AW and Internal Audit) Forward Work Programme	Christopher Taylor Jay Davies Audit Wales Jay Davies Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill

Meeting Date	Agenda Item	Author
June 2022	Certification of Grants and Returns Report (AW) Draft Annual Governance Statement Internal Audit Annual Report 2021/22 Internal Audit Progress Report 2022/23 Audit Committee Action Tracking Forward Work Programme Private Meeting (AW and Internal Audit)	Gary Ferguson Robert Robins / Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill Lisa Brownbill
July 2022	Treasury Management 2022/23 Q1 Update and Annual Report 2021/22 Supplementary Financial Information to Draft Statement of Accounts 2021/22 Risk Management update 2022/23	Christopher Taylor Christopher Taylor Jay Davies
September 2022	Statement of Accounts 2021/22 School Reserves – Annual Report on School Balances Budget 2023/24 - Stage 2 Grant Certification Claim	Gary Ferguson Claire Homard / Liz Thomas Gary Ferguson Gary Ferguson

Meeting Date	Agenda Item	Author
	Internal Audit Progress Report 2022/23	Lisa Brownbill
	Audit Committee Action Tracking	Lisa Brownbill
	Forward Work Programme	Lisa Brownbill

Biennial Reviews

Meeting Date	Agenda Item	Author
January 2021	Anti-Fraud and Corruption Strategy & Fraud Response Plan	Lisa Brownbill
January 2021	Whistleblowing Policy	Lisa Brownbill
November 2022	Financial Procedural Rules (Biennial)	Sara Dulson

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Yn rhinwedd paragraff(au) 12, 13 of Part 4 of Schedule 12A
o Ddeddf Llywodraeth Leol 1972.

Dogfen Gyfyngedig - Ni ddylid ei chyhoeddi

Mae'r dudalen hon yn wag yn bwrpasol

Yn rhinwedd paragraff(au) 12, 13 of Part 4 of Schedule 12A
o Ddeddf Llywodraeth Leol 1972.

Dogfen Gyfyngedig - Ni ddylid ei chyhoeddi

Mae'r dudalen hon yn wag yn bwrpasol