

AUDIT AND GOVERNANCE COMMITTEE 30/11/17

Present: Councillor R. Medwyn Hughes (Chair)

Councillors: Aled Ll. Evans, Alwyn Gruffydd, Aled Wyn Jones, Berwyn Parry Jones, Huw G. Wyn Jones, Sion Wyn Jones, Peter Read, Dewi Wyn Roberts, John Pughe Roberts, Paul Rowlinson, Angela Russell, Cemlyn Williams and Gethin Glyn Williams.

Lay Member: Sharon Warnes

Others invited: Peredur Jenkins (Cabinet Member for Finance)

Also in Attendance: Dafydd Edwards (Head of Finance Department), Dewi Morgan (Senior Revenue and Risk Manager), Luned Fôn Jones (Audit Manager), Aled Davies (Head of Adults, Health and Well-being Department - for Items 5 and 6 on the agenda), Ffion Madog Evans (Senior Finance Manager - for Items 9 and 10 on the agenda), Dewi Wyn Jones (The Council's Business Support Service Manager - for Item 11 on the agenda), Iwan Evans (Head of Legal Service / Monitoring Officer - for Item 12 on the agenda) and Bethan Adams (Member Support Officer).

Apologies: Councillors John Brynmor Hughes, Charles Wyn Jones and W. Gareth Roberts (Cabinet Member for Adults, Health and Well-being).

Welcome

Councillor Alwyn Gruffydd and Sion Wyn Jones, who were attending their first meeting, were welcomed.

1. DECLARATION OF PERSONAL INTEREST

Councillor Berwyn Parry Jones declared a personal interest in item 13 on the agenda - Non-Domestic Rates - Discretionary Relief, as he was a member of the Board of Cartrefi Cymunedol Gwynedd.

The member was of the opinion that it was a prejudicial interest, and withdrew from the meeting during the discussion on the item.

2. MINUTES

The Chair signed the minutes of the previous meeting of this Committee, held on 28 September 2017, as a true record.

3. DEPRIVATION OF LIBERTY SAFEGUARDS (DoLS) ARRANGEMENTS

It was noted in accordance with the Committee's decision at its meeting on 28 September 2017, the Head of Adults, Health and Well-being was present to discuss DoLS arrangements.

The Head of Adults, Health and Well-being Department noted that the Senior Enablement Manager had intended to attend the meeting but she was giving a presentation to Vaughan Gething AM, Cabinet Secretary for Health and Social Services, on the integration work with health at Ysbyty Alltwen.

The Head of Adults, Health and Well-being noted that he was giving the Committee assurance that the Department was taking this matter seriously and was committing the staffing resources that could be contributed towards the work. He explained that responding to the workload arising from DoLS assessments was challenging and that the Government may have sensed that the arrangements were more onerous than what was originally

intended. He noted that moving to work within five Well-being Areas had impacted the delivery of the assessments. It was confirmed that arrangements were in place to release officers who held the *Best Interest Assessors (BIA)* accreditation for a day each month to carry out one assessment. It was noted that the waiting list for an assessment was gradually reducing, but that officers had to respond to emergency cases and there were many occasions where there was a need to revisit after carrying out a basic assessment.

Attention was drawn to the fact that the possible impact of prioritising this work over other elements of the Department's daily work needed to be considered. It was emphasised that staffing arrangements and capacity in the Safeguarding and Quality Assurance Team were in place and that he was confident that the work's momentum would increase to seek to reduce the waiting list.

During the ensuing discussion, the Head of Adults, Health and Well-being Department responded to the members' enquiries as follows:

- Information could be shared on the performance of completing DoLS assessments at the end of Quarter 3 with members of the Committee;
- Although 29 of the Department's staff had qualified as BIA officers, there was long-term sickness absence, part-time work agreements, maternity leave and appointments to other posts which meant that there were approximately 20 officers who were available to complete assessments;
- There was a full complement of staff at the Safeguarding Unit and it would be possible to assess whether the current assessments had been successful within approximately six months;
- The situation in terms of a waiting list for DoLS assessments was commonplace amongst councils across Wales. Some councils had committed new resources in order to significantly bring down their waiting lists.
- Focusing resources on reducing the waiting list could impact somewhat on the timetable of integrating services with health. There was a long waiting list for services in South Meirionnydd and it was difficult to recruit qualified care staff. Changing the timetable could have an impact therefore there was a need to strike a balance. It was accepted that the number on the waiting list for DoLS assessments was a risk but prioritising the work would impact other waiting lists. There was a need to weigh up and be logical;
- There was no ideal solution but priority would be given to emergency cases. The high risk cases would be identified and responded to. It was emphasised that most on the waiting list for DoLS assessments were revisits.

The Audit Manager noted that the timetable for revisits could vary, with some cases meriting a re-assessment within a month of the original assessment, depending on the needs of the individual. He added that the Council was holding training for private residential homes, leading to an increase in the number of referrals for DoLS assessments, therefore it was inevitable that the waiting list would increase.

The Head of Adults, Health and Well-being Department corroborated the above observations, noting that needs could change and when one case would arise in some private residential housing, approximately 30 applications for DoLS assessments would be submitted, and once they were submitted, they needed to be given appropriate attention.

RESOLVED:

- (i) to accept the report;**
- (ii) that the Controls Improvement Working Group receives an update from the relevant Senior Managers within six months on the DoLS arrangements.**

4. REPORT OF THE CONTROLS IMPROVEMENT WORKING GROUP

Submitted – the report of the Vice-Chair of the Committee on a meeting of the above-mentioned working group held on 23 October 2017 to consider the 'Plas Maesincla' audit that

had received a category B rating along with audits that received a category C rating, namely-

- a) Tan y Marian
- b) Plas Ogwen.

Officers had been invited to attend the meeting to discuss the matters that had arisen from the audits and the work undertaken since the audit reports had been published in order to reinforce the internal controls in question.

It was reported that in accordance with the Committee's decision at a meeting on 28 September, the Cabinet Member for Adults, Health and Well-being and the Head of the Adults, Health and Well-being Department had attended the Working Group meeting to consider the themes that were often highlighted in Residential Homes' audits.

A member referred to paragraph 2.7.9 of the report - "The Head of Adults, Health and Well-being Department expressed that 7 of 11 Gwynedd Council homes had received observations or recommendations by CSSIW in terms of staffing levels. 2 of the 7 are a lack of compliance. It is expected that 10 of 11 will receive observations on their staffing levels - the only exception is Plas Maesincla." It was asked what would be done to respond to this.

In response, the Head of Adults, Health and Well-being Department noted that more reports had been received from the Care and Social Services Inspectorate Wales (CSSIW). He referred to one residential home that complied with the requirements in terms of staffing levels because beds were kept empty. He explained that staff maternity leave and the density of the needs of two individuals meant that the beds needed to be kept empty in order to comply in terms of staffing levels. He noted that one other residential home had made changes to deal with matters arising from a CSSIW audit and this inevitably leads to an overspend.

The Head of Department elaborated that he had attended the Cabinet meeting on 21 November 2017 to discuss the Department's overspend. He noted that the staffing rota at residential homes had not evolved to respond to the increasing number of individuals coming to residential homes with profound needs. He explained that internal audit work raised matters that needed to be addressed, which was a good thing in order to be able to respond and ensure the quality of the service. He noted that there was a need to change medication arrangements at the residential homes and that a bid was currently going through the bidding process in terms of increasing the rota. It was confirmed that more resources would be placed in some residential homes in order to respond to specific problems, and decisions would have to be made with Managers and Deputy Managers prioritising work on the floor of the homes, rather than completing administrative work but this could lead to criticism by external auditors.

In response to a question by a member regarding empty beds, the Head of Adults, Health and Well-being Department noted that the available beds at the Council's residential homes varied from 21 to 40. The residential home referred to had approximately 30 beds, with six empty beds and a waiting list of between 10 and 15 individuals. He noted that care could possibly be provided in an alternative way and that capacity was needed in the home for individuals with more profound needs.

RESOLVED to accept the report.

6. INTERNAL AUDIT OUTPUT 16/9/17 - 17/11/17

Submitted - the report of the Audit Manager outlining the Internal Audit section's work for the period. It was noted that 15 reports on audits from the action plan and one grant audit had been completed.

Reference was made to the follow-up work. It was noted on 17 November 2017 that acceptable action had been taken on 46.34% of the agreed steps, i.e. 95 out of 205. Thus far, updates had only been requested for 112 of the agreed actions, and there had been acceptable action on 95 of them, namely 84.8%.

Each individual report was considered and, during the discussion, reference was made to the following matters –

Health and Safety - Ysgol Dyffryn Ardudwy

A member noted that the Headteacher possibly did not understand the importance of health and safety matters and that he needed support.

A member referred to the Health and Safety inspections of other primary schools, noting that they highlighted a lack of knowledge by Headteachers across the schools in terms of health and safety arrangements.

A member enquired about who was responsible for checking that Health and Safety arrangements were in place. In response, the Audit Manager noted that the Council's Property Unit had a role to play in terms of asbestos arrangements and that the schools' governing bodies had a role to ensure that arrangements were in place.

In response to a member's observation about the fact that the Headteachers of primary schools had not received IOSH Managing Safely training, the Audit Manager noted that arrangements were in place for Headteachers to attend the training.

In response to a member's question, the Audit Manager noted that specific templates were available for schools in terms of undertaking risk assessments, and support was available from a Health and Safety Officer in the Education Department in addition to an officer in the Corporate Support Department.

RESOLVED:

- (i) to accept the report on the work of Internal Audit for the period of 16 September 2017 to 17 November 2017 and to support the agreed actions that have already been submitted to the managers of the relevant services;**
- (ii) that the Chair and Vice-chair of the committee, Councillors Berwyn Parry Jones and Huw G. Wyn Jones along with Sharon Warnes to serve on the Working Group to consider the audits that have received opinion category 'C';**
- (iii) that it was the responsibility of any member unable to attend the Working Group to arrange a substitute.**

7. INTERNAL AUDIT PLAN 2017/18

The report of the Audit Manager was submitted, providing an update on the current situation in terms of completing the 2017/18 internal audit plan.

It was reported that the Internal Audit Unit, up to 17 November 2017, had completed 43.07% of the plan, and that 28 of the 65 audits in the 2017/18 plan had been released in a finalised version. The Audit Manager noted that she was confident that the target for quarter 3 would be reached. Attention was drawn to amendments made to the Plan.

RESOLVED to accept and note the contents of the report as an update of progress against the 2017/18 audit plan.

8. REVENUE BUDGET 2017/18 – SECOND QUARTER REVIEW

Submitted - the report of the Head of Finance Department noting, in accordance with the requirements of the Local Government (Wales) Measure 2011, that the Audit and Governance Committee was expected to scrutinise some financial matters including budget monitoring reports, where appropriate.

The Cabinet Member for Finance set out the context and elaborated on the content of the report submitted to the Cabinet on 21 November 2017. He noted that there was close

collaboration between the Finance Department and the Departments in order to ensure robust management. He explained that the relevant Cabinet Members and the Heads of Departments who were overspending were present at the Cabinet meeting to discuss the situation. He provided details on the content of the minutes of the Cabinet meeting which were shared with the members at the meeting.

During the ensuing discussion, officers and the Cabinet Member responded to members' enquiries as follows:

- The member would have to contact the Head of Highways and Municipal Department to receive confirmation of the percentage received when selling recycling material. It was explained that the prices received for recycling material had dropped in recent years and this was not unique to this Council;
- The reasons for the overspend were noted in the report and it did not mean a lack of service provisions;
- The figures in terms of how many had taken advantage of the opportunity to have up to four garden waste bins were not known to them, the member should contact the Head of Highways and Municipal Department to receive confirmation. It was explained that the fee charged for collecting garden waste meant that the residents' choice to receive it would be cost neutral for the Council, and it would mean a saving whether residents would take advantage of the provision or not. Following the decision of the Full Council, as a result of the Gwynedd Challenge consultation, to reduce the frequency of grass cutting, the Highways and Municipal Department were overspending because the Department was cutting grass more often than what had been decided;
- In terms of predicting transportation costs in the Education Department due to children moving into the area, the difficulties which meant that it was hard to predict were noted. The pattern of the number of pupils from secondary to primary could be predicted in terms of transportation, but there was an exception in terms of pupils with additional learning needs when the local school did not have the necessary provision and support. It would mean that pupils would travel further, with a number travelling from South Meirionnydd to Ysgol Hafod Lon. It was noted that the Education Department and the Environment Department were to consider the matter with a view of discovering alternative solutions;
- There had been a reduction in the grant the Council received to provide free breakfast at schools, and as a result, the Council charged a fee of £4 per week for the care element in the mornings in order to be able to continue with the provision that was available in some schools;
- In context, of the gross expenditure of over £5m, the overspend of £146,000 under the 'Catering and Cleaning' heading in the Education Department was not a substantial sum;
- The Councillors and the Council were aware of the financial situation and this Council's wise financial planning was acknowledged as good practice by the Wales Audit Office and others.

RESOLVED to note the situation and the relevant risks in the context of the Council's budgets and those of its departments.

9. CAPITAL BUDGET 2017/18 – SECOND QUARTER REVIEW

Submitted - the report of the Head of Finance Department noting that in accordance with the requirements of the Local Government (Wales) Measure 2011, that the Audit and Governance Committee was expected to scrutinise some financial matters including budget monitoring reports, where appropriate.

The Cabinet Member for Finance set out the context and elaborated on the content of the report submitted to the Cabinet on 21 November 2017. It was noted that there had been an increase of £0.217m in the funding sources since the last review. It was explained there were firm plans in place to invest approximately £33.4m in 2017/18 with £5.4m of it funded through

grants, which reflected the departments' hard work in attracting grants. Attention was drawn to an increase in other borrowing, and that it did not cause additional liabilities to the Council's revenue budgets, this was a technical change in the Government's funding arrangements.

RESOLVED to note the situation and the relevant risks in the context of the Council's capital programme.

10. RECOMMENDATIONS AND PROPOSALS FOR IMPROVEMENT OF EXTERNAL AUDIT REPORTS

The Senior Revenue and Risk Manager set the context, noting that the Committee was responsible for considering external audit reports (national, and local to Gwynedd), the recommendations included in them, and the implications of these to governance, managing risk or management. The members were reminded that the Committee's role was to satisfy itself that arrangements and processes were in place in order to ensure that the improvement proposals were being implemented. It was added that the report included information in narrative form under the headings in line with the Chief Executive's request.

The Council's Business Support Manager referred to Appendix 1 of the report which included a chronological list of the inspections undertaken by external auditors between 2012/13 and 2016/17 along with their improvement proposals, and the progress made by the Council against these proposals. It was explained that the relevant Department's observations was noted under the 'Progress against improvement proposals' heading, with the independent opinion of officers from the Council's Business Support Unit noted under the 'Conclusion' heading. It was explained that the improvement proposals noted as "completed" were removed from the list and it was intended to report on the progress to the Committee within six months.

The Head of Finance Department referred to improvement proposal 2 under the 'Financial resilience of local authorities in Wales 2015-16' report - "Local Authorities should develop corporate income generating and fee charging policies" that had been noted as "in progress". He noted that work associated with the improvement proposal would permanently be in progress and that he, the Chief Executive and the Cabinet look at strategic headings.

The Council's Business Support Manager noted that he accepted the observation that many improvement proposals could be permanently in progress and that similar ones had been removed.

A member noted that the improvement proposal had been "completed" because a policy was in place and it should not be re-submitted before the Committee.

RESOLVED to accept the report, subject to noting that improvement proposal 2 under the 'Financial resilience of local authorities in Wales 2015-16' report has been "completed".

11. REVIEW OF THE CONSTITUTION

The background and context of the report were presented by the Monitoring Officer, noting that since adopting the Constitution in its current form in July 2014, adaptations had been made quite regularly, mainly due to legislative changes or developments such as the recent scrutiny review. However, when using the new Constitution, it was appropriate to reflect on the document in its entirety and see whether changes were needed to reflect the Authority's procedures and experience.

It was explained that the report included recommendations for amendments. Some of them were matters of bringing the house into order or clarity with others suggesting alternative routes for decision-making arrangements, etc. It was noted that the recommendations had been discussed with a Sub-group of the Audit and Governance Committee. He guided the

members through Appendix 1 which included the specific amendments recommended and he elaborated on the content.

In regards to the recommendation to amend paragraph 15.3.5 of the Constitution to set up a provision that would, on the one hand, create a system of supporting members' ability to respond to the budget but, on the other, would mean that the Chief Finance Officers specifically had the opportunity to respond and consult on improvement. The Head of Finance Department noted that his door was open to discuss any amendment and the provision in the Constitution would mean that a meaningful discussion could be had at the Full Council meeting when determining the budget.

RESOLVED to recommend that the Full Council amends the Constitution in accordance with the report subject that the amendment to paragraph 9.12.3 comes into force after the Councils annual meeting in May 2018.

12. NON-DOMESTIC RATES - DISCRETIONARY RELIEF

The Senior Revenue and Risk Manager submitted the report, noting that it had been decided at the Committee's meeting on 28 September 2017 to set up a working group to investigate the Council's Policy on allowing discretionary relief. It was explained that the report notified the Committee of the Working Group's discussion and outlined the Working Group's recommendations in regards to forming a new policy framework for the Council.

He drew attention to the Working Group's conclusions, noting that the Working Group was eager for the new framework to give an overriding consideration to the financial position of charities, and was eager for the Finance Department to look into the feasibility of placing a floor and ceiling on the support provided through discretionary relief.

In response to an observation by a member regarding the amendment to relief category 11, the Senior Risk and Revenue Manager noted that leisure hostels that were open to everyone would receive mandatory relief with some "local use" used by Gwynedd tax-payers being eligible for discretionary relief.

A member noted in reference to relief category 9 that a number of charity shops included a restaurant as part of grant applications in order to make them sustainable and they were able to take advantage of this, whereas local businesses could not. In response, the Senior Revenue and Risk Manager noted that the Council was holding discussions with the District Valuer's Office in terms of distributing buildings according to use in order to make a separate valuation of all uses of the building. The Head of Finance Department added that it was a matter beyond the Council's control and it would take time to change this.

In response to an enquiry by a member regarding whether the National Pool should form guidelines and how free the Council was to implement its own policies, the Senior Revenue and Risk Manager noted that the Localism Act 2011 included a discretion for local authorities to make their own decisions. He explained that Regulations were in place which enabled the Council to hold back the National Pool's contribution to the discretionary relief, rather than transfer it. He noted that the External Auditor, as part of its annual work, looked at the Council's return to the Pool, and assessed whether it complied with the requirements.

RESOLVED to submit the observations of the Working Group as recommendations for the Cabinet Member for Finance to consider when adopting a new Policy Framework.

The meeting commenced at 10:05am and concluded at 12:25pm.

CHAIR