

# AUDIT AND GOVERNANCE COMMITTEE

## Minutes of the meeting held on 3 September, 2019

**PRESENT:** Councillor Peter Rogers (Chair)  
Mr Dilwyn Evans (Lay Member) (Vice-Chair for this meeting)

Councillors John Griffith, Richard Griffiths, G.O. Jones, R. Llewelyn Jones, Dylan Rees.

**IN ATTENDANCE:** Chief Executive  
Deputy Chief Executive  
Director of Function (Resources) and Section 151 Officer  
Director of Function (Council Business)/Monitoring Officer (for items 5,6 & 7)  
Head of Internal Audit & Risk (MP)  
Head of Housing Services (for item 3)  
Service Manager – Community Housing (LIW)(for item 3)  
Principal Auditor (NRW)  
Corporate Health and Safety Advisor (SN) (for item 8)  
Committee Officer (ATH)

**APOLOGIES:** Councillors Alun Roberts, Mrs Margaret M. Roberts, Jonathan Mendoza (Lay Member & Vice-Chair), Mr Alan Hughes (WAO), Mr Chris Tidswell (CIPFA)

**ALSO PRESENT:** Councillor Robin Williams (Portfolio Member for Finance), Mr Ian Howse (Engagement Partner - Deloitte)(for item 4), Accountancy Services Manager (BHO), Finance Manager (CK), Senior Auditor (JR), Head of Democratic Services, Programme and Business Planning Manager (GM)

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In the absence of the Vice-Chair, Mr Dilwyn Evans, Lay Member was elected Vice-Chair for this meeting of the Audit and Governance Committee only.

### 1. DECLARATION OF INTEREST

Councillor Richard Griffiths declared a personal interest in respect of item 3 on the agenda on the basis that he was related to an officer in the Housing Service.

### 2. MINUTES OF THE 27<sup>TH</sup> JULY, 2019 MEETING

The minutes of the previous meeting of the Audit and Governance Committee held on 27<sup>th</sup> July, 2019, were presented and were confirmed as correct.

### 3. MATTER ARISING ON THE MINUTES – TENANT PROFILING UPDATE

The report of the Head of Housing Services providing information on the work of the Community Housing Service with regard to tenant profiling was presented for the Committee's consideration. The information was presented following the submission of an internal audit report to the Audit and Governance Committee meeting of 23 July, 2019 which raised the lack of tenant profiling as an "Issue/Risk." The Committee had requested that the

Head of Housing Services attend its next meeting to provide an update on the tenant profiling position.

The Head of Housing Services reported that he appreciated the Committee's concern that not as much progress as hoped for had been made with tenant profiling and that there were valid reasons why this was so. The Officer accepted that making sure that the information which the Service holds regarding its tenants is current and up to date is vitally important in ensuring that the services provided are appropriate and meet the needs of tenants.

The Service Manager (Community Housing) informed the Committee that each council property is recorded on the Service's Orchard Client Relationship Management System and as well as holding information about each tenant, the Orchard system also captures tenancy history, arrears information, officer interactions, tenancy breach recording and financial inclusion analysis. Having accurate tenant profiling can support the department to develop future services alongside existing services, such as the response to Universal Credit. Operationally, tenant profiling is the responsibility of the customer service team which consists of six full time equivalent officers who deal with day to day maintenance response queries, first contact response for housing allocations, and homelessness in addition to tenant profiling. Customer care staffing levels have fluctuated throughout the year which has been a barrier to capturing tenant profiling on a continuous basis. Homelessness presentation levels have increased thus resulting in more incoming calls to the customer care team in order to support those who are, or are threatened with becoming homeless. Also, the customer service team currently operates from two offices split into three officers at each location per working day. Working from two offices is viewed as a challenge; having a dispersed team with fluctuating staffing levels means that the team's priority has been responding to incoming calls. Going forward, the Housing Senior Management team has agreed to have the Customer Care team working from one location with discussions underway to determine the most suitable office in the long-term. Once the team is settled in a single location, one officer will concentrate on profiling per day. The majority of tenants continue to contact Housing Services by phone meaning the service is continuously reactive to calls. From January, 2020, the focus will be on a 2 year plan whereby tenants will be able to report issues and manage their tenancies on a digital platform linked to the Orchard system. As further assurance to the Committee, Housing Services work closely with the Department for Works and Pensions, the O'Toole Centre and Citizens Advice on issues in connection with Universal Credit. The Council has commissioned policy into practice reports three times per year which flags up Universal Credit hot spot areas and the Universal Credit hub has been refreshed to focus on post-implementation UC factors including sharing information, intelligence data and information gathering in connection with those affected by the change in benefit circumstances.

The Officer referred to the approaches taken to tenant profiling pre-June 2019 prior to the audit review and subsequently post-June, 2019 following the audit review. Future tenant profiling approaches will include developing a tenant profiling strategy; launching the strategy internally and work on mainstreaming tenant profiling with housing services; launching the strategy externally with tenants, emphasising the importance both of tenant profiling and of keeping the Housing Service updated on changes to profile; encouraging tenants to complete their own profile on the digital tenant portal from January 2020 onwards and customer care officers targeting tenants through increasing visibility on housing estates.

The Head of Housing Services also clarified in the interest of providing assurance that the issue is not whether the Service has information about its tenant population – which it has, but whether the information it holds is as complete and current as it could be. The Service has a programme for increasing its tenant profile information including asking new tenants to complete and bring their profiling questionnaire to a property sign-up and, given that the Orchard system has regular updates and has only this month produced a workflow to

facilitate tenant profiling, it is hoped that tenant profiling will now become an integral part of day to day work. Housing Services are committed to improving tenant profiling in order to support their services, and once the Customer Care team is located in one location, measures will be in place to ensure a more proactive approach to profiling. Additionally the Service reports on performance to the Housing Services Board and intends to include profiling as one of the areas reported on.

The Committee in welcoming the report - and in particular the intended development of a tenant profiling strategy - as addressing its concerns from the previous meeting, sought clarification of how the Service saw progress with tenant profiling six months hence. The Service Manager (Community Housing) said that realistically, and in light of the prioritisation of work on the STAR Customer Survey recently, it is envisaged that with a further mailshot to all tenants in the next few weeks the tenant profile position can be improved by 8% by the end of the year.

**It was resolved that the Audit and Governance Committee –**

- **Accepts that measures are in place to improve tenant profiling within the Housing Department;**
- **Agrees that a tenant profiling strategy needs to be developed to ensure this aspect is mainstreamed within the department; and**
- **Agrees also that tenant profiling needs to be reviewed by the internal Housing Services Board on a quarterly basis for an initial 12 month period.**

**NO ADDITIONAL ACTIONS WERE PROPOSED**

**4. STATEMENT OF THE ACCOUNTS 2018/19 AND ISA 260 REPORT**

**4.1** The report of the Director of Function (Resources)/Section 151 Officer incorporating the Final Statement of the Accounts for 2018/19 following audit was presented for the Committee's consideration.

The Director of Function (Resources)/Section 151 Officer reported that the statutory deadline for the completion of the 2018/19 audited accounts has again been met. Improvements which the audit process identified last year have been made and are continuing. All issues that have arisen throughout the audit were dealt with promptly and in a satisfactory manner.

The Officer said that details of the main amendments to the draft accounts are set out in External Audit's report on the Financial Statements below. All amendments which have been agreed as requiring restatement by the auditors, Deloitte have been processed and are contained within the Statement of the Accounts. The amendments to the draft Statement were not significant and have been largely confined to amendments to a small number of disclosure notes and the Cash Flow Statement. At this stage no financial changes have been made to revenue or capital meaning that the main financial statements remain the same. The Auditors' report highlights an ongoing uncorrected misstatement from 2017/18 in connection with the accounting treatment of the pension's lump sum for unfunded historic pension costs. This relates to differing interpretations of the accounting arrangements for the lump sum paid in 2017/18 for these costs which led to a saving of approximately £200k. This was not amended due the differences in the Authority's and the Auditor's interpretation of written guidance on the issue.

Following their work on the Statement of the Accounts, the Auditors have made 3 recommendations in relation to accounting and payroll control; 1 recommendation in relation to IT and 1 recommendation in relation to corporate controls which are detailed in their ISA 260 report.

With regard to the uncorrected misstatement, the Officer clarified that in 2017/18 the Authority made a lump sum payment of £3.66m to the Gwynedd Pension Fund to cover the three years to 2019/20 on the basis that this sum would be invested and the Authority would receive a discount (the return on investment as part of the pooled pension fund monies being greater than had the Authority invested the sum on its own). The Auditors are of the view that the payment should have been charged to the revenue account as expenditure in 2017/18 in the year it was made. The Authority takes a different view and consequently it was agreed that in order to lessen the impact of the payment on the Council's general fund balance, a negative reserve be created which will unwind over the course of the three years meaning that by next year the sum will have disappeared from the accounts.

**4.2** The report of External Audit on the audit of the Financial Statements for 2018/19 (ISA 260 report) was presented for the Committee's consideration.

Mr Ian Howse, Engagement Lead for the Financial Audit confirmed that subject to the satisfactory completion of outstanding work as outlined in paragraph 6 of the report, it is the Auditor General's intention to issue an unqualified audit report on the financial statements once the Authority has provided a Letter of Representation based on that set out in Appendix 1 to the report. In terms of audit outcomes, the report highlights a misstatement which has not been corrected by Management in relation to the classification of a contribution of £3.66m made by the Council to the Gwynedd Pension Fund to cover the fixed element of the employer contributions for the 3 year period 2017/18 to 2019/20 (Accounting standards requiring that certain items be recognised in the year the payment is made rather than spread over a period of time which is how the Authority has dealt with the pension contribution payment). Misstatements that have been corrected by Management are outlined in paragraph 10 of the report. The Financial Audit Plan submitted to Committee in April provided information regarding the significant audit risks that had been identified during the Auditors' planning process. The table at section 12 of the report sets out the outcome of the Auditors' audit procedures in addressing those risks. The audit was conducted in line with the Financial Audit Plan. The Auditors have no concerns about the qualitative aspects of the Council's accounting practices and financial reporting and found the information provided to be relevant, reliable, comparable, material and easy to understand. Accounting policies and estimates are appropriate and financial statement disclosures unbiased, fair and clear. No significant issues were encountered during the audit and there are no matters significant to the oversight of the financial reporting process that require reporting. The recommendations arising from the financial audit work along with Management's response to them are set out in Appendix 3. These are areas where External Audit has identified opportunities for improvement should resources permit, but have not impacted on the overall audit opinion. These will be followed up next year and any outstanding issues will be included in next year's audit report.

The Committee considered the information presented and made points as follows -

- The Committee noted that there is a difference of opinion with regard to the treatment of the £3.66m payment made by the Council to the Gwynedd Pension Fund. The Committee sought assurance that External Audit is comfortable with the Authority's approach to the matter and the way in which it has accounted for the payment in the financial statements.

Mr Ian Howse confirmed that External Audit does not consider the misstatement to be material (the quantitative levels at which such misstatements are judged to material for the Isle of Anglesey County Council being £4.91m) in terms of affecting the views of readers of the accounts as regards the conclusions they might come to

on the overall financial position of the Authority, hence the recommendation that the Auditor General issues an unqualified opinion on the financial statements. Had the Auditors been uncomfortable with the misstatement then they would have recommended that a qualified audit opinion be issued.

- With reference to External Audit's recommendations with regard to password parameters, the Committee sought assurance that the Authority's approach to password security and password controls is suitably robust. The Officers clarified that staff are now advised to use a password of 9 characters (as opposed to the previous 7 characters) which whilst offering increased security is not so complicated as to make it difficult to memorise meaning that staff are less likely to write it down which is contrary to policy. Passwords also have a longer expiry period. Lockout happens after 3 failed login attempts at which point the user must contact the IT service Desk/Systems Administrator to request unlocking. With certain systems (but not Payroll) the system password is linked to the network password thereby dispensing with the need for two separate passwords.

With regard to the recommendations made by External Audit, the Director of Function (Resources)/Section 151 Officer assured the Committee that these are receiving attention but that the recommendations relating to payroll controls may take longer to address due to the restructuring of the Payroll/Payments function which is a lengthy process. The restructuring, once complete, will address the segregation of duties issues which the Auditors have highlighted. However, clear separation of duties can sometimes be more difficult to achieve in a smaller team and particularly so at times of staff absences meaning that on such occasions checks may have to be made after, rather than before payment has been made.

**It was resolved –**

- **To accept and to note the Statement of the Accounts for 2018/19 and to recommend its acceptance to the Full Council.**
- **To note External Audit's Report on the Financial Statements for 2018/19.**
- **To approve the Annual Governance Statement for 2018/19 and to refer the Statement to the Leader of the Council and the Chief Executive to be signed.**

**NO ADDITIONAL ACTION WAS PROPOSED**

**5. INFORMATION GOVERNANCE – ANNUAL REPORT OF THE SENIOR INFORMATION RISK OWNER (SIRO)**

The report of the Senior Information Risk Owner (SIRO) providing an analysis of the key information governance (IG) issues for the period from 1 April, 2018 to 31 March, 2019 was presented for the Committee's consideration. The report also included assurance of on-going improvement in managing risk to information during the period.

The Director of Function (Council Business)/Monitoring Officer and designated Senior Information Risk Owner (SIRO) reported on the main points as follows –

- 29 data security incidents were recorded during the reporting period (20 in 2017/18) of which 26 were at Level 0-1 (near miss or confirmed as a data security incident but no need to report to the Information Commissioner's Office (ICO) and other regulators) and 3 at Level 2 (data security incidents that must be reported to the ICO and other regulators as appropriate). The report provides an analysis of the nature of the incidents.
- 1,052 requests under the Freedom of Information Act were received during the reporting period which contained a total of 7,532 questions.

- There were 20 requests for an Internal Review of an FOIA response. In 9 cases the review upheld the original response; 1 case was not upheld and a new Section 1 response was sent, and 1 request was refused as a response had been sent prior to the receipt of the request for an internal review.
- 6 appeals were lodged with the ICO in the period. In 4 cases the Council was asked to send a response; 1 case was withdrawn and in 1 case the Council's response was upheld.
- 8 Data Protection Act complaints were made and investigated – 2 pre and 6 post GDPR. No DPA complaints were investigated by the ICO.
- 46 Subject Access Requests were received with 81% of responses being sent within the statutory deadline for SARs and complex SARs.
- The Investigatory Powers Commissioners Office (IPCO) oversees the conduct of covert surveillance and covert human intelligence sources by public authorities in accordance with the Police Act 1997 and the Regulation of Investigatory Powers Act 2000 (RIPA). The RIPA regime aims to ensure that directed surveillance is carried out in a way that is compliant with human rights. The Council makes very little use of covert surveillance and covert human intelligence sources (Appendix 1 to the report refers). The Council's processes and practices were inspected by the IPCO during September 2018 and this confirmed that the Council's compliance level meant that no physical inspection was necessary with the IPCO requiring only that the Council undertake a review of its extant CHIS authorisation, make minor amendments to the Council's policy documents and provide refresher training for authorising officers and applicants.
- Following on from the initial period of GDPR implementation, analysis of the Council's data protection assurance documents suggested key areas for further development and investigation. These elements were incorporated into a Data Protection Plan for the Year (Appendix 2 to the report). The Plan seeks to address issues which present the highest risks to the Council within the Services which are deemed to be high risk because of the nature of the personal data processing that occurs within them. This is why particular attention is given to Children and Families' Services, Adults' Services, Learning (which includes the Local Education Authority) and Housing.
- The importance of training as a safeguard of data protection compliance is clear. Whereas the Council has trained on data protection matters since 2013, the introduction of the new data protection legislation in 2018 required fresh training across the board. The report details the training provided via the E-learning module which was introduced to all staff to provide a foundational level of knowledge about the requirements of GDPR along with the participation level of each service. The participation of Elected Members and Co-opted Members with the data protection training is also documented.
- In addition, a training module was developed which was intended for staff roles which the Council's record of data security incidents demonstrate to have a key role to play in ensuring data security and compliance with the legislation. The training was delivered to frontline staff and middle managers as roles which are important in ensuring data security. A series of trainer led sessions was held for staff in the key roles identified by their Head of Service – attendance levels for each service are shown in the report and include only those nominated for attendance by their Heads of Service.
- Aside from training the most important key element of the Work-Plan was to audit the reliance of the Council's Services on consent as a basis for processing personal data. The new legislation places a duty on the Council to review its uses of consent and to take remedial action if consent is not the appropriate legal basis for processing personal data. The audit has resulted in increased intelligence about the Services' processes and whilst Social Services and Housing Services made excellent progress with the audit, the Learning Service was not able to put in the resources required to prioritise this work and so made little progress. The Service will be provided with support to ensure the work is completed by next March. Work to quality assure the audit continued after the period of the report.

- The report sets out the steps taken in respect of providing CCTV assurance noting also that the Council is not responsible for the compliance of schools with the legislation or the Surveillance Camera Commissioner's Code.

In discussing the report the Committee queried the cost of addressing the 1,052 Freedom of Information Act requests which the Council received during the period and whether the Council has the capacity to deal effectively with this work given the volume of requests. Additionally the Committee sought clarification of whether not being open or transparent enough in terms of the availability of information are factors in the increase in the number of FOI requests.

The Director of Function (Council Business)/Monitoring Officer said that an estimate of the cost in Officer time of dealing with Freedom of Information Requests has not been made since the Council is statutorily required to respond to the requests and to provide the information asked for unless there is a good reason not to (i.e. the information is classed as exempt). Much of the information that is requested is minutiae that the Council would not routinely publish. The Council is however obliged to have a publication scheme and to publish information that it is reasonable for it to publish. This has been reviewed in recent times. Although the more information the Council publishes routinely, the fewer the FOI requests, the difference it makes in terms of the numbers received is not significant. The introduction of GDPR has raised public awareness and consequently the increase in FOI requests is a pattern that is replicated across the public sector. The capacity to deal with FOI requests extends across the Authority in as much as the officers designated to deal with Freedom of Information are those who do the work in their areas and who respond to FOI requests as part of those duties. Whilst the capacity currently is deemed sufficient, Heads of Service have been asked to highlight any issues which may arise particularly as a result of more complex requests which can be time consuming.

**Having considered the report, it was resolved that the Audit and Governance Committee accepts and adopts the recommendations of the report as follows –**

- **That all Members who have yet to undertake the e-learning data protection module do so within three months of this meeting.**
- **That the Learning Service ensures that adequate resources are allocated to ensure that the consent audit is completed by the end of March, 2020.**
- **That the Council's audit of its CCTV systems is supported by the services;**
- **That the Data Protection Officer for Schools consider the risks of CCTV and provides support and guidance to schools on best practice.**
- **That the Committee endorses the remaining actions in the Data Protection Action Plan as reflecting the information governance risks currently facing the Council.**

**NO ADDITIONAL ACTION WAS PROPOSED**

## **6. ANNUAL REPORT: CONCERNS, COMPLAINTS AND WHISTLEBLOWING 2017/18**

The report of the Director of Function (Council Business)/Monitoring Officer providing information on issues arising under the Council's Concerns and Complaints Policy for the period 1 April, 2018 to 31 March, 2019 was presented for the Committee's consideration. The report also included Social Services complaints but only those where the complainant was not a service user. Service user complaints are dealt with under the Social Services Representations and Complaints Procedure and are reported annually to the Corporate Scrutiny Committee.

The Director of Function (Council Business)/Monitoring Officer reported on the main points as follows –

- During the period covered by the report, 62 concerns were received and 76 complaints were made. Of the 76 complaints, one (Housing) remains open as the required works have not been completed and another (Planning) is on hold as the Council is waiting to hear from the Public Services Ombudsman for Wales (PSOW). Therefore, 74 complaints have been investigated and responded to during this period. The number of complaints received remains at around the same level as in 2017/18.
- Of the 74 complaints dealt with during the period, 16 were upheld in full, 7 were partly upheld and 51 were not upheld. 9 complaints were escalated to the PSOW, 5 were rejected by the PSOW and 4 complaints (Resources) were resolved by early resolution. Each of the 9 complaints escalated to the PSOW had been through the internal process. A breakdown of the concerns and complaints by service is provided in the report.
- The overall rate of responses to complaints issued within the specified time limit (20 working days) was 92.6%. 9% of the complaints received (up from 5% in 2017/18) resulted from escalated concerns which continues to indicate that services are dealing effectively with concerns thereby limiting formal complaints.
- The Concerns and Complaints Policy places an emphasis on learning lessons from complaints and thereby improving services. Enclosure 1 to the report explains what lessons have been learnt and any practice which has evolved as a consequence of these findings.
- Where the complainant remains dissatisfied with the Council's response to a complaint, the Concerns and Complaints Policy includes the option of escalating the complaint to the PSOW. There were 18 complaints relevant to this process within the timescale of the report lodged with the PSOW – only 1 was considered sufficiently serious to warrant an investigation; this was a Highways matter which was dealt with by way of the Council agreeing to an early voluntary resolution.
- During 2018/19, 1 code of conduct complaint was received by the PSOW against a County Councillor but was closed after initial assessment. There were no investigations against County Councillors.
- Whilst there were no formal language related complaints during the year, 4 expressions of concern were received and recorded relating to the matters documented in the report. All 4 issues were resolved without being escalated into formal complaints.
- During 2018/19, 1 whistleblowing concern under the Council's Whistleblowing Policy was received and is noted in the report.

**It was resolved –**

- **To accept the report as providing reasonable assurance that the Council is compliant with the processes required under its Concerns and Complaints Policy and Whistleblowing Policy/Guidance.**
- **To accept and to note the Lessons Learnt Table as at Enclosure 1 to the report.**

**NO ADDITIONAL ACTION WAS PROPOSED**

## **7. POLICY ACCEPTANCE – YEAR 1 COMPLIANCE DATA**

The report of the Director of Function (Council Business)/Monitoring Officer was presented for the Committee's consideration. The report provided details of compliance for the second round of policies introduced for acceptance via the Council's Policy Portal management system as well as the Learning Service's compliance levels for the first round of policies. The data presented is based on the information available at 16/17 and 19 July, 2019.



The Director of Function (Council Business)/Monitoring Officer reported on the main points as follows –

- That 8 policies – Data Protection Policy; IT Security Policy, Financial Procedure Rules, IT Acceptable Usage Policy, Safeguarding Policy, Officers' Code of Conduct, E-mail and Instant Messaging Usage Policy and the Whistleblowing Policy – were made available for acceptance between 2 July, 2018 and 3 June, 2019 as determined by the Senior Leadership Team (SLT). The final policy in the current series – Equality and Diversity Policy – was introduced for acceptance on 29 July and the six week acceptance period will close on 9 September, 2019.
- Details of compliance levels for the 8 policies both across the Council and by service are provided in Appendix 1 to the report. Average compliance for all policies across the Council is 95% which is the same as last year. This is compared with an average of 87% at the end of the six week acceptance period set for each policy which is an improvement on last year's 79%.
- That it was reported last year that compliance in Children's Services had improved significantly with an average compliance rate of 99% as at 24 July, 2018 compared with an average of 57% at the end of the six week acceptance period. The service has continued to improve and has achieved a compliance rate of 100% for all 8 policies and 100% at the end of the six week acceptance period for the last 4 policies.
- A significant improvement can also be seen in Adults' Services as at July, 2019 with the service achieving a 92% compliance average compared with 78% as July, 2018. The Learning Service staff have been part of the corporate process since July 2018 and were required to catch up by accepting the first 7 policies in addition to accepting the second round of policies as they are released for acceptance. Appendix 2 sets out the service's compliance levels showing an average compliance rate of 99%.
- Following review by the SLT, the number of policies in the core set will be reduced from 16 to the 9 policies listed in paragraph 4.1 of the report. These 9 policies will be subject to acceptance only once in every 2 year period but will be available throughout that time for new staff.
- The Policy Portal relies on the Council's Active Directory (AD) and includes around 1,000 active users. The Portal's reliance on the AD was recognised as a weakness from the outset with this Committee raising concerns that staff who are not AD users are not included in the process. It has been acknowledged that different approaches may be required to reach the various categories of non-AD connected staff, and in order to progress this issue, discussions will take place with each relevant Head of Service to identify the highest categories of risk and possible workable and proportionate solutions to address the risk.
- Staff who are not technically employed by the Council who work for agencies partnerships etc. are expected to work in accordance with the Council's policies and procedures particularly in terms of data protection, security, confidentiality and conduct. The Authority therefore needs assurance that these individuals are aware of and comply with key Council policies. To this end, it is proposed to introduce a statement asking staff who are not technically Council employees to ensure that they are aware of and abide by certain corporate policies.

The Committee sought clarification of how compliance levels are monitored across the Council. The Director of Function (Council Business)/Monitoring Officer confirmed that compliance levels on a service by service basis are submitted to the SLT at the end of the 6 week acceptance period assigned for each policy. Weekly e-mail reminders generated by the Policy Portal automatically list all outstanding policies for each user. All Heads of Service also have direct access to the Portal to monitor compliance within their own services. However, the Policy Portal is not used by schools' staff who have their own system to reflect the different policies that apply within schools.

**It was resolved to accept the report and to note the current position with regard to policy acceptance across the Council.**

## **NO ADDITIONAL ACTION WAS PROPOSED**

### **8. CORPORATE HEALTH AND SAFETY ANNUAL REPORT 2018/19**

The report of the Director of Place and Community Well-being incorporating the Corporate Health and Safety Annual Report for 2018/19 was presented for the Committee's consideration. The report followed the format and guidance developed by the Welsh Local Government Association which provide a series of headings for reporting health and safety performance which should assist in identifying the commitment, ability and direction of the management of occupational health and safety.

The report included data on all accidents and incidents reported in 2018/19 classified into minor, serious and RIDDOR (Reporting of Injuries, Diseases and Dangerous Occurrences Regulations) which are incidents which meet specific criteria that require reporting to the Health and Safety Executive. The table at page 7 of the report provides an analysis of incidents by type broken down further into sub-categories for certain incidents. The tabular format allows comparison with the data for the previous three years.

The Committee was informed that the data shows that violence and aggression and falls appear to be the most significant type of incident. With regard to violence and aggression (total number of incidents – 287 compared with 237 in 2017/18), the highest number of incidents are those involving challenging behaviour where the intent to harm may not be present (106). Abuse from members of the public is also a significant figure (103 incidents compared with 53 in 2017/18). Whilst the majority of these involve telephone calls some include face to face incidents. The increase may be attributable to a combination of factors including societal pressures, the economic climate and increased demand for the services provided by the Council. Falls incidents relate mainly to school pupils and clients in homes with the majority not being due to supervision issues or issues with the environment. The "Another Kind of Accident" category also shows a high number of incidents (135) and includes awareness reports of situations such as "hoarding" in housing stock; possible safeguarding issues and information provided by external agencies which may impact on the Council's duty of care. This will be reviewed to establish whether these incidents may be recorded as near miss incidents or whether an additional method of recording is required.

In discussing the report, the Committee raised the following matters –

- The Committee sought clarification of what determines whether an incident is reported as a RIDDOR incident, whether all such incidents are very serious and whether the Council benchmarks its performance in this respect against other authorities. The Corporate Health and Safety Advisor clarified that there are specific criteria which determine whether an incident is reportable as RIDDOR and he gave examples of incidents that meet the RIDDOR definition e.g. injuries to workers which result in their incapacitation for over 7 days. Occasionally, an incident will be serious but will not be reportable to RIDDOR but would be subject to a more in-depth internal investigation. Investigating RIDDOR incidents is one of the Service's performance targets. Under RIDDOR, injuries to non-Council workers which results in them being taken directly to hospital (be they serious or not) must also be reported. The Officer confirmed that currently the Council does not undertake any benchmarking against other authorities with regard to health and safety but in the past when comparisons were being made, its performance in respect of RIDDOR reporting (used as a benchmark because its standards are consistent to all councils) was generally on a par with that of the other

North Wales Authorities. The North Wales Corporate Health and Safety Group has not met for some years although there has been a request for it to be reinstated.

- The Committee sought clarification of who is responsible for Councillors' personal safety especially in a climate where they may be at increased risk because of the nature of their duties and the interactions they have with the public. The Corporate Health and Safety Advisor advised that the Council is responsible for Councillor safety when they are carrying out duties on its behalf. The Officer said that he had been asked to contribute to training for councillors on personal safety and to that end he was working on a presentation. The Committee requested that the training be expedited.
- The Committee was concerned about the increase in violent incidents highlighting 8 incidents where an employee had been struck, and it also noted the rise in the number of violent incidents where a member of the public had been verbally abusive to staff members which had almost doubled from 53 to 103. The Committee sought clarification of whether violent incidents were being reported to the Police, whether in the interest of safeguarding staff, there should be a clear notice in the Council's main reception area that violent behaviour against staff will be reported to the Police and whether the Authority is satisfied that staff are getting the support they need when they have been subjected to violence or abuse when carrying out their work. The Committee noted additionally that it would be helpful if the data could be broken down further into incidents by service since abuse by housing tenants for example could potentially be a breach of their tenancy which could be countered by positive action. The Corporate Health and Safety Advisor clarified that the majority of violent incidents take place within the school environment potentially pupil on pupil but that he was not aware of their being reported to the Police. Although the majority of physical assault incidents relate to challenging behaviour where there are mental capacity issues and where it could not be established that there was intent to harm, the number of general physical assaults where no mental capacity issues have been identified have also risen. The Officer said that although he was not aware of any resulting prosecutions, there were 2 incidents in which the Police had been involved. Signage highlighting that violence and aggression will not be tolerated is displayed in Cyswllt Môn (the Council's public reception area); the inclusion of a reference to the Police is a matter for discussion. For staff who have suffered abuse in the course of their work there is support and awareness at Line Manager level in addition to which resulting revisions to the Managing Contact – Unacceptable Actions by Customers Policy and the Risk of Violence Marker Policy and Procedure have been made.

The Chief Executive confirmed that staff have the right to terminate a telephone call if the caller is being abusive and to report such calls to the Head of Service. If this happens repeatedly then the Risk of Violence Marker Policy allows for the caller to be flagged up as one who is abusive/threatening.

**It was resolved that the Audit and Governance Committee accepts the Corporate Health and Safety Annual Report and recommends that the report be considered by the Authority and the Development Plan implemented.**

**NO ADDITIONAL PROPOSAL WAS MADE**

## **9. INTERNAL AUDIT UPDATE**

The report of the Head of Internal Audit and Risk which provided an update on Internal Audit's latest progress with regard to service delivery, assurance provision, and reviews completed was presented for the Committee's consideration.

The Head of Audit and Risk reported as follows –

- That three Internal Audit reports were finalised during the period two of which resulted in a Substantial Assurance rating – these were Grant Certification Audits in relation to Rent Smart Wales and the Pupil Development Grant. The third review relating to Corporate Safeguarding produced a Reasonable Assurance rating and identified 4 major issues/risks that need to be addressed. The issues/risk were designated major because of their potential impact in this area. However, overall the review concluded that the Council has implemented a number of effective controls to manage the risk of serious safeguarding error causing or contributing to harm to those who it has a responsibility to protect and consequently, Internal Audit was able to provide reasonable assurance of the governance, risk management and control in this area.
- That three reports with a Limited Assurance rating are scheduled for a follow-up review as detailed in paragraph 15 of the report. Two Follow-up reviews are currently in progress – Primary Schools Income Collection (first Follow-Up) and Sundry Debtors (second Follow-Up) .The Follow-Up to the Logical Access and Segregation of Duties review has been postponed pending the completion of the Payroll/Payments function restructure.
- That the Council's IT Service has confirmed that the “4 action” corporate action tracking system upgrade to which Internal Audit's quarterly reports have referred to in recent months has now been configured and is being tested. This process has identified some issues which are currently with the supplier for resolution. These have been chased up and it is hoped they can now be progressed.
- That there has been little change with regard to the Operational Plan for 2019/20 in the six weeks since the last Committee update. Although progress has been hampered by the holiday season, a number of draft reports have been issued which are awaiting management response and work has continued on several audits as detailed in paragraph 19 of the report as well as a consultation piece on staff car loans.

In considering the report the Committee queried whether in view of the potential impact of the 4 issues/risks identified in an area as sensitive as safeguarding, the review should have resulted in a Limited Assurance thereby ensuring it would be formally followed up and the outcome reported to this Committee.

The Head of Audit and Risk clarified that Internal Audit had worked very closely with Senior Management with responsibility for safeguarding as well as with the Education Service and schools and that the actual picture is more positive than the corporate monitoring position reflects. In practice, DBS checks and renewals are being undertaken and the issues identified pertain to routine housekeeping around DBS e.g. lack of formal meeting minutes for the strategic safeguarding board, and the absence of an integrated system to record and monitor DBS compliance and renewals with reliance being placed instead on service based manual processes which were seen to be causing some issues particularly for school staff. Work was ongoing during the audit and the issues highlighted have been taken on board with the Head of Profession (HR) and Transformation advising that the Council will shortly be procuring the DBS e-bulk system for this purpose. The Head of Audit and Risk confirmed that although the review will not be followed up in the same way as for a Limited Assurance review, Officers will be required to update the corporate tracking system on their progress in managing the risks identified and these will not be closed down until Internal Audit is satisfied that they have been fully mitigated or addressed. Should any of the Issues/Risks remain unaddressed, then as major or amber rated risks they will come to the Committee's attention as part of the biannual reporting of outstanding Internal Audit Issues/Risks. Corporate Safeguarding is also reviewed annually as an element of the Corporate Risk Register.

**It was resolved to accept and to note the latest progress by Internal Audit in terms of service delivery, assurance provision, reviews completed and its performance and effectiveness in driving improvement.**

**NO ADDITIONAL ACTION WAS PROPOSED**

## **10. OUTSTANDING INTERNAL AUDIT RECOMMENDATIONS**

The report of the Head of Audit and Risk on the status and detail of the outstanding risks that the Internal Audit Service has raised was presented for the Committee's consideration. These were detailed in Appendix A to the report and contained also a progress update from the Managers responsible for addressing the issues/risks documented.

The Principal Auditor reported as follows –

- That there are no High or Red Issues/Risks currently outstanding, and performance in addressing Amber rated issues/risks has improved since the previous update in July with the overall implementation percentage for High/Red/Amber issues/risks at 92%.
- That there has also been a small improvement in performance for the Medium/Yellow risks with an overall reduction in the number of outstanding actions by 5, spread across services.
- As at 11 August, 2019 the implementation rate was 100% for High/Red issues/risks; 83% for Amber issues/risks; 97% for Medium issues/risk; 80% for Yellow risks/issues.
- That 2 Follow-up review – Sundry Debtors and Schools Income Collection are currently underway and these two reviews account for 6 out of the 9 outstanding Medium Issues/Risks.
- That confirmation has been received that the required action under item 9 in Appendix A – PCI DSS Compliance relating to the Transformation Service has now been completed.
- That implementation of the new upgraded corporate action tracking system provides an opportunity to review the Internal Audit Service's reporting framework to ensure that the information provided to senior management and the Audit and Governance Committee is in line with the new audit approach and is useful, concise, relevant and timely. As it will be easier to configure the new system's reporting parameters from the outset rather than make changes once operational, it was considered prudent to consult with the Committee about its reporting requirements prior to the upgrade so that these can be built into the system. It is anticipated that the new system can be configured to more easily report on areas as listed in paragraph 14 of the report - that currently require significant manual intervention.

The Committee in considering the report and the type of information it would like to be provided with under the new action tracking system indicated that whilst incorporating all the elements in paragraph 14 would be useful, the separation of red and amber risks would be particularly helpful.

**It was resolved that the Audit and Governance Committee –**

- **Notes the Council's progress in addressing the outstanding Internal Audit recommendations and risks, and**
- **Supports the inclusion of the elements noted in paragraph 14 of the report as part of future reporting to the Committee under the new 4action actions tracking system.**

**NO ADDITIONAL ACTION WAS PROPOSED**

## **11. INTERNAL AUDIT CHARTER**

The report of the Head of Audit and Risk incorporating an updated Internal Audit Charter was presented for the Committee's consideration and approval.

The Head of Audit and Risk reported that although the Audit Charter is not due for full formal review until April, 2020, a review conducted to ensure its continued appropriateness has identified the two following minor changes –

- The amendment of all references to the Head of Function (Resources)/Section 151 Officer within the document to reflect the re-designation of the post as Director of Function (Resources)/Section 151 Officer.
- The addition of Paragraph 30 to reflect CIPFA's Statement on the Head of Internal Audit (2019).

**It was resolved to approve the amendments to the Internal Audit Charter.**

**NO ADDITIONAL ACTION WAS PROPOSED**

## **12. FORWARD WORK PROGRAMME**

The Committee's Forward Work Programme was presented for review **and was approved with the following amendments –**

- New item for the Committee's December 2019 meeting – Introduction of Risk Based Verification (RBV) – Housing Benefits/Council Tax Reduction.
- Re-scheduling of the Annual ICT Security Report 2018/19 from the Committee's September to its December, 2019 meeting.

**NO ADDITIONAL ACTION WAS PROPOSED**

## **13. EXCLUSION OF THE PRESS AND PUBLIC**

**It was resolved Under Section 100 (A)(4) of the Local Government Act 1972 to exclude the press and public from the meeting during the discussion on the following item on the grounds that it involved the disclosure of exempt information as defined in Schedule 12A of the said Act and in the Public Interest Test presented.**

## **14. CORPORATE RISK REGISTER**

The report of the Head of Audit and Risk incorporating the revised Corporate Risk Register was presented for the Committee's consideration.

The Head of Audit and Risk reported that in May, 2019 the Senior Leadership Team (SLT) reviewed the corporate risk register and considered that a number of risks were no longer relevant and that some risks could be amalgamated being mindful also of the recommendations made during the recent Zurich Municipal Risk Management Health Check about the Corporate Risk Register being overpopulated with risks. The outcome of the SLT's review resulted in the net closure of 19 risks – these comprised of risks where significant progress has been made to mitigate the risk, risks of a similar nature which have been merged, and risks that are no longer considered a risk because circumstances have changed. Details of the individual risks thereby affected are provided in the report. The SLT has identified the top (red) residual risks to the Council as YM28, YM40 and YM41. Additionally, the SLT has also agreed that rather than reviewing the entire corporate risk register quarterly, it will review a small number of risks every month.

The Committee considered the information presented and raised the following matters –

- The Committee queried how the SLT would determine which risks it would be reviewing each month.

The Head of Audit and Risk clarified that risks have been prioritised according to their inherent and residual risk rating with priority being given to Red Inherent/Red Residual risks followed by Red Inherent /Amber Residual risks; Red Inherent/Yellow Residual risks and Red Inherent/Green residual risks. Whilst mitigating actions are key to reducing residual risk it is considered that Red inherent risks need to be monitored on a regular basis.

- The Committee queried whether the Council is happy to tolerate 3 major risks that remain Red as residual.

The Head of Audit and Risk clarified that there are times when a risk will remain red and that it is not unusual for a risk register to contain red inherent and red residual risks. This reflects the Council's risk appetite as set out in the risk matrix but does not mean that the risks are not being managed.

- The Committee discussed the use of the term “catastrophic” to describe the highest level of impact were a risk to materialise and whether it overstated the potential effects; the Committee queried whether it would be sensible to focus on identifying measures to reduce any residual risks to below the catastrophic level.

The Head of Audit and Risk explained that the use of the term catastrophic is not uncommon; she clarified that with all risks, the SLT has determined that the amount of resources that it is willing/able to put in to manage risks is at the level reflected in the risk matrix which is the level it is willing to tolerate.

- The Committee queried at what point did the Council intend to introduce measures to mitigate Brexit.

The Committee was informed that the Council has a designated Brexit Officer and that regular meetings are held across North Wales to consider Brexit related issues and how these are, and will be mitigated across the region. The Brexit Officer also maintains a separate Brexit risk register down to service level and regular reports are made to the Welsh and UK Governments.

**It was resolved to note the contents of the report and that the Committee takes assurance that the risks to the Council's aims and objectives are being recognised and managed by the Senior Leadership Team.**

**NO ADDITIONAL ACTION WAS PROPOSED.**

**Councillor Peter Rogers  
Chair**