

Public Document Pack



Cyngor Sir
CEREDIGION
County Council

Neuadd Cyngor Ceredigion, Penmorfa,
Aberaeron, Ceredigion SA46 0PA
ceredigion.gov.uk

Dear Sir / Madam

I write to inform you that a Meeting of the Governance and Audit Committee will be HELD REMOTELY VIA VIDEO-CONFERENCE on Thursday, 10 March 2022 at 9.30 am for the transaction of the following business:

1. **Apologies**
2. **Personal Matters**
3. **Disclosures of Personal / Prejudicial interest**
4. (a) To confirm the Minutes of the Governance and Audit Committee held on 17 January 2022 and to consider any matters arising from those Minutes (Pages 3 - 4)

(b) To confirm the Minutes of the Governance and Audit Committee held on 19 January 2022 and to consider any matters arising from those Minutes (Pages 5 - 12)
5. **Governance and Audit Committee Meeting Actions Log (Pages 13 - 20)**
6. **Regulatory & Inspectorate Reports and Updates (Pages 21 - 60)**
7. **Internal Audit Progress Report 2021-2022 (Quarter 3) (Pages 61 - 82)**
8. **Internal Audit Strategy and Plan 2022-2023 (Pages 83 - 96)**
9. **Internal Audit Report - Governance Framework Review 2021/2022 (Pages 97 - 100)**
10. **Report on Governance and Audit Committee Chair and Vice Chair Arrangements (Pages 101 - 104)**
11. **Self-assessment of good practice and evaluating effectiveness of Governance and Audit Committee (Pages 105 - 130)**
12. **Forward Work Programme (Pages 131 - 132)**
13. **Any other matter which the Chair decides is for the urgent attention of the Committee**

A Translation Services will be provided at this meeting and those present are welcome to speak in Welsh or English at the meeting.

Yours faithfully

A handwritten signature in black ink, appearing to read 'L Edwards', written in a cursive style.

Miss Lowri Edwards
Corporate Lead Officer: Democratic Services

To: Chairman and Members of Governance and Audit Committee
The remaining Members of the Council for information only.

Minutes of the Meeting of GOVERNANCE AND AUDIT COMMITTEE held remotely via video-conference on Monday, 17 January 2022

PRESENT; Councillor Elizabeth Evans (Chair), Councillors Peter Davies MBE, Keith Evans, Rowland Rees-Evans and Prof Ian Roffe

Also in attendance: Councillor Ellen ap Gwynn, Rhodri Evans, Catherine Hughes, Gareth Lloyd and Ray Quant (Cabinet Members) Councillor Ceredig Davies, Gethin Davies, Ifan Davies, Lyndon Lloyd MBE, Dai Mason, Lynford Thomas and Wyn Thomas

Officers in attendance: Mr Eifion Evans, Chief Executive, Mr Barry Rees, Corporate Director, Mr Russell Hughes-Pickering, Corporate Lead Officer – Economy and Regeneration, Miss Lowri Edwards, Corporate Lead Officer- Democratic Services, Ms Elin Prysor, Corporate Lead Officer-Legal and Governance & Monitoring Officer; Mrs Alex Jenkins, Corporate Manager- Internal Audit, Mrs Julie Brown
Ms Hannah Rees- Governance Officer, Mr Alan Davies, Corporate Manager – Planning Services, Mrs Sarah Groves-Phillips, Mrs Dana Jones, Democratic Services and Standards Officer

Audit Wales: Ms Non Jenkins, Audit Manager and Ms Bethan Hopkins, Senior Auditor.

1 Apologies

Councillor Matthew Woolfall-Jones and Gareth Davies apologised for their inability to attend the meeting.

2 Personal Matters

Sincere condolences were extended to Councillor Gareth Davies and his family on the loss of their son.

3 Disclosure of Personal/ Prejudicial Interest

Councillor Rowland Rees-Evans had received a dispensation to speak only on item 4, Report on Audit Wales Review of the Planning Service Ceredigion County Council 2020-21

Councillor Peter Davies MBE had received a dispensation to speak only on item 4, Report on Audit Wales Review of the Planning Service Ceredigion County Council 2020-21

4 Report on Audit Wales Review of the Planning Service Ceredigion County Council 2020-21

Consideration was given to the Report on Audit Wales on the review of the Council's Planning Service during April to July 2021. Ms Non Jenkins, Audit Manager & Ms Bethan Hopkins, Senior Auditor presented the report and recommendations broadly, in order to receive feedback from Members.

The Chair of the Development Control Committee, Councillor Lynford Thomas presented the views of the Committee regarding the report's findings and expressed his disappointment that the views from the meeting between AW and Councillors were not included in the report. In response, the Audit Manager stated that their views had been collated and were included in the context of the report. It was suggested that the points raised by Councillor Thomas be sent to the Corporate Lead Officer – Economy and Regeneration to discuss with AW for a full response on each point, to then be circulated to all Members and relevant officers accordingly.

Other Members of the Committee queried and commented on the content of the report to include issues in relation to the Corporate Strategy, Sustainability and Rurality. It was emphasised that a mechanism to better demonstrate the links to the Corporate Strategy and other key strategic documents in the reports presented to the Development Control Committee was required.

The Corporate Lead Officer – Economy and Regeneration presented the Council's Management Response in detail and emphasised the importance of the work and commitment of the Task and Finish Group which had been established prior to the publication of the AW report and that significant progress had been made.

The Task and Finish group chair, Councillor Rhodri Evans summarised the work of the group and the issues discussed. He reported on the 'cooling off' process which has been established to further consider the points raised by the Development Control Committee prior to making a recommendation to the Committee for further consideration. It was noted that this process had worked very well to date.

The Chair noted the work of the Task and Finish Group, welcoming the progress made to date and noted that there was clear direction of travel for addressing the report's recommendations.

Following question from the floor, it was AGREED:-

- (i) to note the content of the Audit Wales Review of the Council's Planning Service 2020-21 and the 10 recommendations provided;
- (ii) to note the Council's Management Response and Action Plan; and
- (iii) that the Committee to be provided with an update at the March meeting, in order that the new administration in May be informed of the current position in relation to the recommendations within the report

Confirmed at the Meeting of the Governance and Audit Committee held on 10 March 2022

Chairman:_____

Date:_____

This page is intentionally left blank

Minutes of the Meeting of GOVERNANCE AND AUDIT COMMITTEE held remotely via video-conference on Wednesday, 19 January 2022

PRESENT; Councillor Elizabeth Evans (Chair), Councillors Rowland Rees-Evans Gareth Davies, Peter Davies MBE, Keith Evans, Matthew Woolfall Jones and Prof Ian Roffe

Also in attendance: Councillors Rhodri Evans, Catherine Hughes, Gareth Lloyd, Ray Quant (Cabinet Members)

Officers in attendance: Ms Elin Prysor, Corporate Lead Officer-Legal and Governance & Monitoring Officer; Mr Alun Williams, Corporate Lead Officer- Policy, Performance and Public Protection, Mr Arwyn Morris, Corporate Lead Officer – Customer Contact, Mr Stephen Johnson, Corporate Lead Officer – Finance & Procurement, Ms Donna Pritchard – CLO Porth Gofal Targeted Intervention, Ms Nia Jones, Corporate Manager – Democratic Services, Mrs Alex Jenkins, Corporate Manager- Internal Audit, Legal and Governance Services, Mr Rob Starr, Performance and Research Manager, Ms Alison Hodgson- Corporate Performance and Improvement Officer, Ms Hannah Rees- Governance Officer, Mrs Julie Brown, Audit Manager, Ms Stephanie Land, Senior Auditor, Mrs Dana Jones, Democratic Services and Standards Officer

Audit Wales: Ms Non Jenkins, Audit Manager and Ms Bethan Hopkins, Senior Auditor.

(9:30am-1:05pm)

- 1 Apologies**
Mr Jason Blewitt, Audit Wales Audit Manager apologised for his inability to attend the meeting.
- 2 Personal Matters**
None.
- 3 Disclosures of Personal / Prejudicial interest**
None.
- 4 Regulatory & Inspectorate Reports and Updates**
Consideration was given to the Regulatory and Inspectorate Reports and Updates. The report had been presented in order to provide the Governance and Audit Committee with updates on the progress with studies Audit Wales have undertaken or are undertaking

An update was provided on the following reports:-
 - a) Audit Wales quarterly update to Governance and Audit Committee**
 - Quarter 2 Work Programme Timetable 2021-2022 – Ceredigion
 - b) Any local risk work issued/published since the last Governance and Audit Committee meeting**

- Certificate – Audit of Ceredigion County Council’s Assessment of 2020-21 Performance
- Project Brief – Assurance and Risk Assessment, Ceredigion County Council

c) Audit Wales National Reports

- National project brief – Equality Impact Assessments and their use in decision making
- National project brief – Springing Forward (2021-2022) (including Auditor General Privacy Notice)
- Regenerating Town Centres in Wales
- Audit Wales Letter – Auditor General for Wales Review of Town Centre Regeneration
- Picture of Public Services Report
 - A Picture of Local Government
 - A Picture of Social Care
 - A Picture of Healthcare
 - A Picture of Schools
 - A Picture of Higher and Further Education
- Care Home Commissioning for Older People Report
- Climate Change Decarbonisation Baseline Review
 - Letter from Attorney General for Wales Call for Evidence (November 2021)

It was AGREED to note the reports and updates for information and that an update on the programme table would be provided in the next few weeks from Audit Wales.

5 Council Responses to Regulatory & Inspectorate Reports

Consideration was given to the Council Responses & Inspectorate Reports. The report sets out the Council’s responses regarding Regulator and Inspectorate Reports and progress made regarding proposals and recommendations.

This Report had 2 parts:

- a) Council tracker of Regulator/Inspectorate proposals for improvement and recommendations; and*
- b) Other Council related matters.*

Current Position

a) Council tracker of Regulator/Inspectorate proposals for improvement and recommendations

- Council Management Response Forms 2019-2020, 2020-2021 Update:
 - Excel Spreadsheet of MRF Responses
 - Updated MRF – Rough Sleeping in Wales Everyone’s Problem; No-one’s Responsibility
 - MRF - The National Fraud Initiative in Wales 2018-21

- Council Management Response Forms 2021-2022 Update:
 - Audit Wales Recommendations Monitoring Spreadsheet 2021-2022
 - MRF for Regenerating Town Centres National Report)

b) Other Council related matters

- Response to:
 - Climate Change Decarbonisation Baseline Review (call for evidence)
 - Care Home Commissioning for Older People Report (National Report) (Verbal response from Service)

It was AGREED:-

- (i) to note the content of the Council's responses to Regulator and Inspectorate Report;
- (ii) that the Management Response Forms ('MRFs') that have had final responses presented to the Committee shall not be presented to the Committee again in the master spreadsheets, and only MRFs with updates (updates presented in red text) would continue to be presented to the Committee in the future. A record of all MRFs, including completed MRFs, shall continue to be kept internally.
- (iii) that the MRFs with updates shall also continue to be provided as word documents, which is more readable than the excel spreadsheet currently presented.

6 Ceredigion County Council Response to Audit Wales Financial Sustainability Report

Consideration was given upon the Report on Audit Wales Financial Sustainability Report 2020-21 and Report on Financial Sustainability of Local Government - Covid-19 Impact, Recovery and Future Challenges. The report had been presented in order to update the Governance and Audit Committee regarding the outcome of the 2020-21 Audit Wales Financial Sustainability Assessment of the Council and Audit Wales Report on Financial Sustainability of Local Government.

It was AGREED to

- (i) note the contents of the Audit Wales Financial Sustainability Assessment – Ceredigion County Council 2020-21,
- (ii) note the Council Response Form; and
- (ii) note the National Report as presented

7 Internal Audit Progress Report 2021-2022 (Quarter 2)

Consideration was given to the report of the Corporate Manager-Internal Audit on the Internal Audit Progress Report Quarter 2. The report had been presented to ensure that the Committee was satisfied that the Internal Audit Section was undertaking sufficient and appropriate work in order to provide a realistic assurance at year-end, whilst adding value and assisting the Council in achieving its objectives.

It was AGREED to note the work undertaken and current position of the Internal Audit Section.

8 Internal Audit Charter

Consideration was given to the report upon the Internal Audit Charter to provide Members of the Committee with an update to the Internal Audit Charter.

The following was highlighted as amended in the charter:-

- Point 4.7 – to take account of counter fraud arrangements that support the National Fraud Initiative (NFI) exercise;
- Point 5.2 – to provide assurance that the introduction of a Governance Officer post in the structure does not affect the CMIA and IA service's independence and objectivity;
- Points 6.1 to 6.3 – to take account of the change in CMIA on 1/1/2022.

It also reflects the change in the Committee's name to Governance and Audit Committee, the date the Council's Strategy to Counter Fraud, Bribery and Corruption (to include Anti-Money Laundering) was updated and approved (point 4.5) and makes reference to the continuing effect of the pandemic on IA 2021/22 work (points 2.3, 2.7 & 5.1).

It was AGREED to APPROVE the report and the updated Internal Audit Charter.

9 Internal Audit National Fraud Initiative Self-Appraisal

A copy of the self-appraisal undertaken was considered, following the 2021 NFI exercise, to provide assurance to the Committee that Ceredigion County Council was fully supportive of the exercise.

It was AGREED to note the self- appraisal.

10 Report on Draft Annual Governance Statement 2021/22 and Local Code of Corporate Governance (2022/2023)

Consideration was given to the Report on Draft Annual Governance Statement 2021-2022 Local Code of Corporate Governance 2022-23 and Governance Framework Document.

To present the most recent review of the Governance Framework 2021-2022, the Annual Governance Statement 2021-2022 and the Local Code of Corporate Governance 2022-2023.

The Committee recommends to Council to:

- i) endorse the Draft Annual Governance Statement 2021-22 and
- ii) endorse the Local Code of Corporate Governance 2022-2023

It was also agreed that consideration be given to providing at the top of the AGS document an explanation on the bands used in relation to scoring in line with CIPFA guidance, for an easy reference for the public reader. In addition, that a 'corporate memory' is established for continuity, and ensure

that there is a link between recommendations contained in reports, and the Council's policies, self-assessments and frameworks, and that this is reflected in the AGS to ensure tracking and monitoring. It was reported that this would also be addressed within the Governance and Audit Committee Meeting Actions Log.

The Chair also requested that Corporate Lead Officer- Policy, Performance and Public Protection be invited to the next meeting to provide an update on the Council's public engagement processes as concerns were raised that the information collated for these exercises were inadequate.

11 Report on WLGA Development Framework for Councillors and Framework Member Role Descriptions and Person Specifications

It was AGREED that the Governance and Audit Committee noted the contents of the WLGA Development Framework for Councillors in Wales April 2021 and Framework Member Role Descriptions and Person Specifications June 2021.

12 Annual Compliments, Complaints and Freedom of Information Report

Consideration was given to the Annual Compliments, Complaints and Freedom of Information Report. The report had been presented in order to provide the Committee with a comprehensive overview of the Compliments, Complaints and Freedom of Information (FOI) activity (including Environmental Information Regulations - EIR) received by the Authority during the previous financial year. The report also provided information about the complaints activity referred to the Public Services Ombudsman for Wales during 2020/2021.

It was AGREED to note the content of the Annual Report of Compliments, Complaints and Freedom of Information Activity – 2020/2021 and the Ombudsman's Annual Letter for 2020-2021.

It was also AGREED that next year that the report be presented to the Committee first for consideration prior to other fora; as the committee was the last fora to consider this report. It was reported by the Corporate Lead Officer-Legal and Governance & Monitoring Officer that this Committee was required to consider this report, in accordance with its new complaints functions, pursuant to the Local Government and Elections (Wales) Act 2021, Paragraph 115, 4 (da/db).

13 Report on Governance and Audit Committee Meeting Actions Log

Consideration was given to the Report on Governance and Audit Committee Meeting Actions Log that was presented in order for the Committee to gain assurances that effective arrangements are in place to manage the authority's financial affairs, risk management, internal control and corporate governance arrangements.

It was AGREED:-

1) that the Governance and Audit Committee Meeting Actions Log was welcomed on the agenda; and

2) that the Governance and Audit Committee Meeting Actions Log was to be included as a regular Agenda item on Committee's Forward Work Programme.

It was also suggested that the title wording of each column be provided on each page of the table to alleviate the user scrolling up and down the document. Also, consideration for this type of log be presented at all Overview and Scrutiny Committees.

14 Corporate Risk Register

It was reported that all risks had been reviewed and include updated commentary. Governance and Audit Committee were requested to note the following changes to the Register since the last update:

- R003 Improvement and Performance – the risk score had decreased from 12 to 6 to reflect the latest situation regarding the re-instatement of Business Planning and the Performance Board quarterly meetings following a period of suspension during 202/21 to respond to the Covid pandemic.
- R004 Business Continuity– the risk score had increased from 10 to 15 to reflect the risk of ransomware attacks on the council network and the impact this would have on the ability to continue council operations and deliver essential services.
- R016 Brexit – the risk score had increased from 12 to 16 to indicate the most recent concerns over the supply of labour and goods, particularly with reference to the lack of HGV drivers.
- R021 Phosphates – Phosphates was a new risk this quarter. Ceredigion County Council were obliged to regard advice from Natural Resources Wales (NRW) who recommend planning restrictions due to high levels of phosphates in the Teifi. This would significantly impact the county by preventing building development across 44.6% of Ceredigion, impacting economic growth

The remaining risks had no changes to risk scores since last reported, but the mitigating actions had been reviewed and the commentary updated.

It was AGREED to note the current position; and that Quarter 3 would not be presented to the committee in its March meeting; as it was envisaged that there would be no significant changes in the risks since this report.

An arrow at the top of each risk to ascertain if the risk was going up or down be also included in the document for easy reference for the reader.

15 Forward Work Programme

It was AGREED to note the content of the Forward Work Programme as presented.

It was also discussed that the next Forward Work Programme would start to include agenda items for the next municipal year.

16 To confirm the Minutes of the Governance and Audit Committee held on 25 November 2021 and to consider any matters arising from those Minutes

It was AGREED to confirm as a true record the Minutes of the Meeting of the Committee held on 25 November 2021.

17 Any other matter which the Chairman decides is for the urgent attention of the Committee

None.

18 Audit Wales Report on Cyber Resilience- The appendices relating to item 18 are not for publication as they contain exempt information as defined in paragraph 18 of Part 4 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) (Wales) Order 2007. If, following the application of the Public Interest Test, the Council resolves to consider this item in private, the public will be excluded from the meeting during such consideration, in accordance with Section 100B(2) of the Act.

It was AGREED to exclude the public during consideration of the appendices in line the paragraph of 18 of Part 4 Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) (Wales) Order 2007.

The meeting returned to the public domain and it was AGREED:-

- (i) to note the contents, conclusion and recommendation of the Audit Wales Cyber Resilience Report at Appendix 1; and
- (ii) that appropriate software was being tested to enable the use of iPads in a secure environment in the future

The meeting returned to the public domain and consideration was given to item 19 below:-

19 Coroner's Follow-On Report- Funeral Directors Services- The appendices relating to item 19 are not for publication as they contain exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) (Wales) Order 2007. If, following the application of the Public Interest Test, the Council resolves to consider this item in private, the public will be excluded from the meeting during such consideration, in accordance with Section 100B(2) of the Act.

It was AGREED to exclude the public during consideration of the appendices in line the paragraph of 19 of Part 4 Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) (Wales) Order 2007.

The meeting returned to the public domain and it was AGREED:-

(i) to note the contents and conclusions of the Follow-On Report (as Appendix 1) and the Report (as Appendix 2); and
(ii) to direct the Corporate Lead Officer-Legal and Governance & Monitoring Officer to pursue a response from regulators and relevant bodies on this matter; and to stipulate in the correspondence that a response be received in the next two weeks

**Confirmed at the Meeting of the Governance and Audit Committee held
on 10 March 2022**

Chairman: _____

Date: _____

Ceredigion County Council Governance and Audit Committee Meeting Actions Log 2021-2022*

The purpose of this Actions Log is to monitor Actions agreed by the Governance and Audit Committee at their Meetings e.g. where the Governance and Audit Committee have requested a future Report to be presented to them, or information sought at a future Meeting.

For further information regarding the Actions Log please contact the Governance Officer.

Last updated: 16th February 2022

*Municipal Year

Actions marked green and Completed ('Y') shall be removed from the subsequent Actions Log

Acronyms:

AW – Audit Wales	CM – Corporate Manager
CE: Chief Executive	CMIA – Corporate Manager, Internal Audit
CLO – Corporate Lead Officer	DPO – Data Protection Officer
DCC – Development Control Committee	GAC – Governance & Audit Committee
FWP – Forward Work Programme	L&G – Legal & Governance
GO – Governance Officer	N/A – Not Applicable
MO – Monitoring Officer	TBC – To Be Confirmed

No.	GAC Meeting Date	Item	Noted/ Comments	Action	Officer(s) responsible for Action	Progress Update	To next be Reported	Completed ? Y/N
1.	17.1.22	AW Review of Planning Service	Report noted.	Councillor Lynford Thomas, DCC Chair, to circulate queries and send to CLO Economy & Regeneration. Responses from AW to points raised by Councillor Thomas. GAC Chair also requested future update by CLO Economy & Regeneration & Chair of Task & Finish Group	Councillor Lynford Thomas, CLO Economy & Regeneration, Chair of Task & Finish Group and AW	CLO Economy & Regeneration to provide verbal update to GAC at 10th March 2022 GAC Meeting	10 th March 2022	N
2.	19.2.22	Responses to Regulator and	Report noted. GAC agreed that completed	Chair to discuss Word/Spreads	GAC Chair/GO	GO to only present updated	10th March 2022 (if any)	Y

No.	GAC Meeting Date	Item	Noted/ Comments	Action	Officer(s) responsible for Action	Progress Update	To next be Reported	Completed ? Y/N
		Inspectorate Reports	MRFs in spreadsheet will not be re-presented.	heet format with GO.		MRFs in Word format going forward. Record of all MRFs continue to be kept internally	updated MRFs)	
3.	19.2.22	Report on AGS 2021-2022	Report and appendices noted.	GO/CLO L&G/MO to include in Governance Framework Document and in AGS, explanation re Scoring. GO/CLO L&G/MO to consider text for insertion in future drafts re actions taken in light of AW review of Planning Service. Corporate Memory also achieved	GO/CLO L&G/MO	Governance Framework Document and AGS reference to scoring made in versions being presented to Council on 3.3.22. Reference also made in Council Report to additional text to be inserted in Governance Framework Document and AGS to	29 th June 2022	Y

No.	GAC Meeting Date	Item	Noted/ Comments	Action	Officer(s) responsible for Action	Progress Update	To next be Reported	Completed ? Y/N
				through Meetings Actions Log.		establish link with AW recommendations, which shall then be represented to GAC and thereafter Council.		
4.	19.2.22	Report on Governance and Audit Committee Meetings Actions Log	Report and Meetings Actions Log noted.	GAC requested insertion of table header on each page for ease of reference	GO	Completed – see current Meetings Actions Log	10 th March 2022	Y
5.	19.2.22	Annual Compliments, Complaints and Freedom of Information Report	Contents of Report and Ombudsman's Annual Letter noted	GAC agreed that next year's Report shall be presented to the GAC first for consideration prior to other for a.	CLO Policy, Performance & Public Protection/ Corporate Complaints and Freedom of Information Manager	N/A to note for next year's report	N/A	Y
6.	19.2.22	FWP	FWP noted.	GAC requested that items for next	GO/CLO L&G/MO	Items for first meeting of next municipal	10 th March 2022	N

No.	GAC Meeting Date	Item	Noted/ Comments	Action	Officer(s) responsible for Action	Progress Update	To next be Reported	Completed ? Y/N
				municipal year added to FWP		year added to FWP. Once dates known for additional meetings shall develop further.		
7.	19.2.22	15 Coroner's Service Report (Exempt attachments)	Report noted.	CLO L&G/MO to pursue response from regulators and relevant bodies on this matter; and to stipulate in the correspondence that a response be received in the next two weeks	CLO L&G/MO, CMIA and GO	Completed		Y

This page is intentionally left blank

Cyngor Sir CEREDIGION County Council

REPORT TO:	Governance and Audit Committee
DATE:	10 March 2022
LOCATION:	Remotely by Video Conference
TITLE:	Regulator & Inspectorate Reports & Updates
PURPOSE OF REPORT:	To provide the Governance and Audit Committee with updates on the progress with studies Audit Wales have undertaken or are undertaking
For	Decision
Cabinet Portfolio and Cabinet Member:	Cllr Ray Quant MBE, Deputy Leader of the Council and Cabinet Member for Legal and Governance, People and Organisation, and Democratic Services

Introduction

This Report sets out Regulator and Inspectorate Reports and updates and has 3 parts:

- a) *Audit Wales quarterly update to Governance and Audit Committee;*
- b) *Any local risk work issued/published since the last Governance and Audit Committee meeting*
- c) *Audit Wales National Reports*

Current Position

a) Audit Wales quarterly update to Governance and Audit Committee

- o Quarter 3 Work Programme Timetable 2021-2022 – Ceredigion (**Appendix 1**)

b) Any local risk work issued/published since the last Governance and Audit Committee meeting

- Care Inspectorate Wales Inspection Report on Hafan Deg Residential Care Home (**Appendix 2**)
- Care Inspectorate Wales Inspection Report on Yr Hafod Residential Care Home (**Appendix 3**)
- Audit Wales – Ceredigion County Council Annual Audit Summary 2021 (**Appendix 4**)

c) Audit Wales National Reports

- o Joint working between Emergency Services (<https://www.audit.wales/publication/joint-working-between-emergency-services>)

RECOMMENDATIONS: To consider the Regulator and Inspectorate reports and updates

Reasons for Recommendation To keep the Governance and Committee informed of reports, proposals and work being undertaken

Appendices: **Appendix 1** - Quarter 3 Work Programme Timetable 2021-2022 – Ceredigion

Appendix 2 – Care Inspectorate Wales Inspection Report on Hafan Deg Residential Care Home

Appendix 3 – Care Inspectorate Wales Inspection Report on Yr Hafod Residential Care Home

Appendix 4 – Audit Wales – Ceredigion County Council Annual Audit Summary 2021

Contact Name: Elin Prysor
Designation: Corporate Lead Officer: Legal & Governance & Monitoring Officer
Date of Report 1/03/2022

Audit Wales Work Programme and Timetable – Ceredigion County Council

Quarterly Update: 31 December 2021

Annual Audit Summary

Description	Timetable	Status
A report summarising completed audit work since the last Annual Audit Summary, which was issued in January 2021.	February 2022	Finalising currently.

Financial Audit work

Description	Scope	Timetable	Status
Audit of the Council's 2020-21 statement of accounts	To confirm whether the statement of accounts provides a true and fair view.	Audit Opinion by 30 November 2021	Audit work complete. Audit Opinion by 30 November 2021.
Audit of the 2020-21 Return for Ceredigion Harbour	To confirm that the returns have been completed correctly.	Audit Opinion by 30 November 2021	Audit work complete. Audit Opinion by 30 November 2021.
Audit of the Council's 2020-21 Grants and Returns	Audit of claims as required by the terms and conditions of the grants.	In line with the individual deadlines for each grant claim.	Audit work to be performed October 2021 to February 2022

Description	Scope	Timetable	Status
Audit of the Council's 2021-22 statement of accounts	To confirm whether the statement of accounts provides a true and fair view.	Audit Opinion by 30 November 2022	Audit work to be performed February to November 2022.
Audit of the 2021-22 Return for Ceredigion Harbour	To confirm that the returns have been completed correctly.	Audit Opinion by 30 November 2022	Audit work to be performed February to November 2022.
Audit of the Council's 2021-22 Grants and Returns	Audit of claims as required by the terms and conditions of the grants.	In line with the individual deadlines for each grant claim.	Audit work to be performed October 2022 to February 2023

Performance Audit work

2020-21 Performance Audit Work	Scope	Timetable	Status
Financial Sustainability	A project common to all local councils that will assess financial sustainability in light of current and anticipated future challenges building on work undertaken during 2019-20.	Complete	<u>Published September 2021</u> <u>National Summary Report published September 2021</u>
Review of Planning Services	The review will provide assurance and insight as to whether the Planning Service is effectively and sustainably meeting its objectives and contributing towards the achievement of the priorities in the Council's Corporate Strategy.	Complete	<u>Published November 2021</u>

2021-22 Performance audit work	Scope	Timetable	Status
Well-being of Future Generations Act (Wales) 2015 (WFG Act) examinations	We will seek to integrate the delivery of our WFG examinations of steps to deliver wellbeing objectives with our other audit work. We will discuss this with the Council as we scope and deliver the audit projects listed in this plan	Ongoing	Ongoing
Improvement reporting audit	Audit of discharge of duty to publish an assessment of performance.	November 2021	Complete
Assurance and Risk Assessment	<p>Project to identify the level of audit assurance and/or where further audit work may be required in future years in relation to risks to the Council putting in place proper arrangements to secure value for money in the use of resources.</p> <p>At Ceredigion Council the project is likely to focus on:</p> <ul style="list-style-type: none"> • Financial position • Self-assessment arrangements • Recovery planning • Implications of the Local Government and Elections (Wales) Act • Carbon reduction plans • Performance Management 	Ongoing	Ongoing
Springing Forward – Examining the building blocks for a sustainable future	As the world moves forward, learning from the global pandemic, this review looks at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.	Autumn 2021 onwards – April 2022.	In Progress

Local government national studies planned/in progress

Study	Scope	Timetable	Status	Fieldwork planned at Ceredigion Council
Direct Payments	Review of how local authorities manage and promote the use of Direct payments	Publication Winter 2021-22	Drawing conclusions mid-October, drafting and publication early 2022	No – work being delivered via Direct Payment Forum and a selection of follow-up interviews
Emergency Services	Review of how well emergency services (blue light) collaborate	Publication winter 2021-22	Clearance with publication end of January 2022	N/A
Follow-up on People Sleeping Rough	Review of how local authorities responded to the needs of people sleeping rough during the pandemic following up on the AGW's report of July 2020	N/A	N/A	This work is not progressing in 2021-22
Poverty	Understanding how local authorities ensure they deliver their services to minimise or reduce poverty	Autumn 2021 – Autumn 2022	Fieldwork	Yes – interview with nominated officer at the Council

Study	Scope	Timetable	Status	Fieldwork planned at Ceredigion Council
Social Enterprises	Review of how local authorities are supporting and utilising social enterprises to deliver services	Autumn 2021 – Autumn 2022	Fieldwork	Yes – interview with nominated officer at the Council
Community Resilience	Review of how local authorities can build greater resilience in communities	Autumn 2021 – Autumn 2022	Fieldwork	Yes – interview with nominated officer at the Council

Estyn

Estyn planned work 2021-22	Scope	Timetable	Status
Local Government Education Services Inspections	Estyn have worked closely with Directors of Education to review their inspection guidance for local government education services to reflect the experiences of the pandemic. The updated guidance (published on 1 July) will be piloted on the first inspection and feedback will be sought on whether any further refinements need to be made.	LGES inspections to resume from late Autumn term	N/A
Curriculum Reform thematic review	Regional consortia and local authority support for curriculum reform.	Evidence collecting in September/October – publish in early February	N/A

Care Inspectorate Wales (CIW)

CIW planned work 2021-22	Scope	Timetable	Status
National Assurance Check 2020-21	CIW has now published all assurance check letters. CIW has published its national assurance check report highlighting key findings and recommendations.	Published	Complete
Programme 2022-23	CIW will run an annual programme of assurance checks, performance evaluation inspections and risk-based inspections.	April 2022 – March 2023	Planning
National review	Support for disabled children and their families.	Published	Complete
Follow-up	CIW will be following up on areas for improvement identified in the Assurance Checks or through risk-based inspection activity with individual local authorities where necessary.	Ongoing	One follow-up risk-based inspection has occurred and is due to be published. Two further follow-up assurance checks have occurred and are due to be published in due course.
Inspection	Risk-based inspection activity will continue where required.	As required	No inspections are scheduled at this time (up until April 2022)
Development	CIW will continue to develop its approach to inspection and review of local authorities.	April 2022	In progress

CIW planned work 2021-22	Scope	Timetable	Status
Deprivation of Liberty Safeguards Annual Monitoring Report for Health and Social Care 2020-21	Annual monitoring report in draft format currently – this is a joint report with Health Inspectorate Wales.	December 2021	In progress
Annual meeting with Statutory Directors of Social Services	CIW will meet with all Directors of Social Services.	December 2021 and January 2022	In progress

Audit Wales national reports and other outputs published since 1 April 2021

Report title	Publication date and link to report
Care Home Commissioning for Older People	December 2021
The Welsh Government's Warm Homes Programme	November 2021
Taking Care of the Carers? How NHS bodies supported staff wellbeing during the COVID-19 pandemic	October 2021
Financial Sustainability of Local Government	September 2021
NHS summarised accounts infographic	September 2021
Picture of Public Services¹	September 2021

¹ Main report published 15 September. Over the following six weeks we published five short sector commentaries: [A picture of local government](#), [A picture of healthcare](#), [A picture of social care](#), [A picture of schools](#), [A picture of higher and further education](#).

Report title	Publication date and link to report
Town Centre Regeneration	September 2021
Student finances	August 2021
NHS finances data-tool 2020-21	June 2021
Rollout of the COVID-19 vaccination programme in Wales	June 2021
Quality governance arrangements at Cwm Taf UHB – follow-up	May 2021
Welsh Health Specialised Services Committee governance arrangements	May 2021
At your Discretion – Local Government Discretionary Services	April 2021
Procuring and Supplying PPE for the COVID-19 Pandemic	April 2021

Audit Wales national reports and other outputs due to be published during 2021-22 (and other work in progress/planned)²

Title	Anticipated publication date
Welsh Government accounts commentary	February 2022
Welsh Government setting of well-being objectives	February 2022

² We will continue to keep our plans under constant review, taking account of the evolving external environment, our audit priorities, the context of our own resourcing and the capacity of audited bodies to engage with us. This includes maintaining some flexibility so that we can respond to developments in Welsh Government policy and areas of possible interest for the new Public Accounts and Public Administration Committee.

Title	Anticipated publication date
Unscheduled care – data tool and commentary	February/March 2022
Collaborative arrangements for managing local public health resources	February 2022
COVID response and recovery/Welsh Government grants management – third sector support	February 2022
NHS waiting times data-tool and planned care commentary	March 2022
Welsh Government workforce	February/March 2022
Orthopaedic services	March 2022
Curriculum reform	Spring 2022
Equality impact assessment	Spring 2022
Climate change – baseline review	Spring/summer 2022
COVID response and recovery/Welsh Government grants management – other	To be confirmed
Affordable housing	To be confirmed
Broadband infrastructure	To be confirmed
Flood risk management	To be confirmed

Forthcoming Good Practice Exchange events and publications

Title	Anticipated publication/event date
Post-event resources including session recordings for the Springing Forward event on organisational resilience held on 9 December 2021	Late January 2022
Direct Payments Event (title to be confirmed)	30 March 2022



Inspection Report on

Hafan Deg Residential Care Home

**Hafan Deg Old Peoples Home
Temple Terrace
Lampeter
SA48 7BJ**

Mae'r adroddiad hwn hefyd ar gael yn Gymraeg

This report is also available in Welsh

Date Inspection Completed

2 November 2021

Welsh Government © Crown copyright 2021.

*You may use and re-use the information featured in this publication (not including logos) free of charge in any format or medium, under the terms of the Open Government License. You can view the Open Government License, on the National Archives website or you can write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk
You must reproduce our material accurately and not use it in a misleading context.*

About Hafan Deg Residential Care Home

Type of care provided	Care Home Service Adults Without Nursing
Registered Provider	Ceredigion County Council Adults and Children's Services
Registered places	20
Language of the service	Both
Previous Care Inspectorate Wales inspection	
Does this service provide the Welsh Language active offer?	The service provides an 'Active Offer' of the Welsh language. It anticipates, identifies and meets the Welsh language and cultural needs of people who use, or may use, the service

Summary

This focused inspection is to review the two open Priority Action Notices (PAN) around the provider's oversight and the environment.

The provider has made steps towards improving the environment but the PAN will remain open. People who live and work at the home are looking forward to the completion of the work and the positive impact it will have.

The provider has improved the oversight of the service. The Responsible Individual (RI) has visited the home and involves people, their representatives and care workers in their visit and subsequent Quality of Care report.

Well-being

People receive person centered support and are able to do things they enjoy. An individual told us how much they appreciate having an outside area to access to chat with staff. Personal circumstances are considered and workers support people to maintain contact with loved ones. Individuals are respected a person spoke with pride about being able to do a reading on remembrance Sunday. They said *"it's so important for us to remember the fallen and I am proud to be able to read for us here in the home"*.

People are involved in decisions and express their views about the service. People are involved in decisions around the refurbishment of the service including colour schemes and are looking forward to the completion of the refurbishment and the benefits these will bring. When finished the environment aims to enhance well-being, helping people orientate around the home and to make the most of technology.

People are also able to express their views about the service because the Responsible Individual (RI) involves them and/or their representatives in quality assurance audits. Staff contribute with ideas and suggestions to improve the quality of service during RI quarterly visits. Information from internal audits and surveys enables the RI to monitor and assess the quality of the service. Clear actions and time frames enables the provider to enhance the overall service it offers to people.

Care and Support

Care and support was not a focus of this inspection, however our discussions with people who live and work at the home again show that the service is meeting people's health and well-being.

People spoke positively about the support offered and the working relationships with the whole staff team. Interactions were friendly and encouraging. We observed positive and effective support from care workers to reassure individuals with memory challenges. Everyone is looking forward to the completion of the refurbishment works and the positive impact it will have for people.

Good hygiene practices continue throughout the service. Staff wear the correct PPE and following Public Health Wales guidance.

Environment

People live in an environment that supports their safety. The provider has started a refurbishment programme that will improve individual's health and well-being.

The carpet replacement schedule has commenced, with the most urgent areas completed. Systematic refurbishment of communal spaces has started with inviting colour schemes and corresponding furniture. Updating of Individual rooms has commenced, those already decorated are now bright and fresh and robust wall coverings will improve infection control. Additional electrical sockets and fittings in bedrooms aim to better support the use of technology. People who live at the home are enthusiastic about the work already completed, one said *"the workmen are busy and I'm looking forward to the improvements"*. Staff are positive about the plan and the impact on the people in the service, a care worker told us *"the new brighter décor is going to be great for the residents"*.

Although the Priority Action Notice remains open we acknowledge that the provider has taken steps to address the environmental issues. We expect this action to continue and the refurbishment to be complete by February 2022.

We have also be advised that there are plans to transform an area of the home to improve the service it offers to people who live with dementia. This includes five bedrooms, communal spaces and the garden, the provider expects to complete this by March 2022.

Leadership and Management

The provider has improved its arrangements to monitor, review and improve the quality of the service. The latest Regulation 73 report is comprehensive and details many discussions with people and their representatives. Workers are positive about the opportunity to talk with the RI and have open conversations about improving the service. Workers speak positively about the RI's focus on their health and well-being during a recent team meeting.

The six month Quality of Care Review is detailed and contains feedback from people and their representatives. Information from internal audits and surveys enables the RI to monitor the service with clear actions on how to improve quality. The refurbishment programme is a key focus of the report along with future plans for the building.

We can conclude that the oversight of the service by the RI has improved and is positively focusing on the well-being of people who live and work in the service. We expect this level of oversight to continue and this will be tested in future inspections.

Summary of Non-Compliance

Status	What each means
New	This non-compliance was identified at this inspection.
Reviewed	Compliance was reviewed at this inspection and was not achieved. The target date for compliance is in the future and will be tested at next inspection.
Not Achieved	Compliance was tested at this inspection and was not achieved.
Achieved	Compliance was tested at this inspection and was achieved.

We respond to non-compliance with regulations where poor outcomes for people, and / or risk to people’s well-being are identified by issuing Priority Action Notice (s).

The provider must take immediate steps to address this and make improvements. Where providers fail to take priority action by the target date we may escalate the matter to an Improvement and Enforcement Panel.

Priority Action Notice(s)

Regulation	Summary	Status
44	Premises	Not Achieved
6	Requirements in relation to the provision of the service	Achieved

Where we find non-compliance with regulations but no immediate or significant risk for people using the service is identified we highlight these as Areas for Improvement.

We expect the provider to take action to rectify this and we will follow this up at the next inspection. Where the provider has failed to make the necessary improvements we will escalate the matter by issuing a Priority Action Notice.

Area(s) for Improvement

Regulation	Summary	Status
------------	---------	--------

N/A	No non-compliance of this type was identified at this inspection	N/A
-----	--	-----

Date Published 14/02/2022



Inspection Report on

Yr Hafod Residential Care Home

**Yr Hafod Old Peoples Home
Rhos Y Dre
Cardigan
SA43 1NT**

Mae'r adroddiad hwn hefyd ar gael yn Gymraeg

This report is also available in Welsh

Date Inspection Completed

30 November 2021

Welsh Government © Crown copyright 2021.

*You may use and re-use the information featured in this publication (not including logos) free of charge in any format or medium, under the terms of the Open Government License. You can view the Open Government License, on the National Archives website or you can write to the Information Policy Team, The National Archives, Kew, London TW9 4DU, or email: psi@nationalarchives.gsi.gov.uk
You must reproduce our material accurately and not use it in a misleading context.*

About Yr Hafod Residential Care Home

Type of care provided	Care Home Service Adults Without Nursing
Registered Provider	Ceredigion County Council Adults and Children's Services
Registered places	28
Language of the service	Both
Previous Care Inspectorate Wales inspection	
Does this service provide the Welsh Language active offer?	Yes. The service provides an 'Active Offer' of the Welsh language. It anticipates, identifies and meets the Welsh language and cultural needs of people who use, or may use, the service.

Summary

This focused inspection is to review the three open Priority Action Notices (PANs) around the provider's oversight and the internal and external environment.

The PAN for the external areas has been closed and provider has made steps towards improving the internal environment but the PAN will remain open. People who live and work at the home are looking forward to the completion of the work and the positive impact it will have.

The provider has improved the oversight of the service. The Responsible Individual (RI) has visited the home and involves people, their representatives and care workers in their visit and subsequent Quality of Care report. This PAN is now closed

Well-being

People receive person centered support and are able to do things they enjoy. An individual told us “[manager] and the staff are superb and in particular [care worker], she is fantastic”. Care workers encourage interactions within the communal areas of the home and arrange stimulating activities.

People are involved in decisions and express their views about the service. People are involved in decisions around the refurbishment of the service including colour schemes and wall art. When finished the environment aims to enhance well-being, helping people orientate around the home and to make the most of technology.

People are also able to express their views about the service because the Responsible Individual (RI) involves them and/or their representatives in quality assurance audits. Staff contribute with ideas and suggestions to improve the quality of service during RI quarterly visits. Information from internal audits and surveys enables the RI to monitor and assess the quality of the service. Clear actions and time frames enables the provider to enhance the overall service it offers to people.

Care and Support

Care and support was not a focus of this inspection, however our discussions with people who live and work at the home again show that the service is meeting people's health and well-being.

People speak positively about the whole staff team and the support they receive. Everyone we spoke with is looking forward to the completion of the refurbishment works and the positive impact it will have for people.

Good hygiene practices continue throughout the service. Staff wear the correct PPE and following Public Health Wales guidance.

Environment

People live in an environment that supports their safety. The provider has addressed all of the external issues identified in the last inspection and has started a refurbishment programme in communal areas.

The provider has replaced the temporary fence around the grounds with a permanent wooden one and maintenance of the gardens has improved. People can now access the grounds via the conservatory and a person who lives at the service told us *“I’m looking forward to getting back out there when the weather improves”*. We can conclude that the provider has taken action to address the issues with the external environment and the Priority Action Notice (PAN) is closed. Bedrooms affected by a water leak have been painted and look bright and fresh. The communal lounge/sunroom is being fully upgraded and the two smaller lounges are next on the re-decoration plan. People who live at the home are excited about the work, one said *“I’m really looking forward to the lounge being decorated”*. Staff are positive about the plan and the impact on the people in the service, a care worker told us *“work started in main lounge, ‘It’s nice and it will be nice for the residents”*.

Although the Priority Action Notice remains open we acknowledge that the provider has taken steps to address the environmental issues. We expect this action to continue and the refurbishment to be complete by April 2022.

Leadership and Management

The provider has improved its arrangements to monitor, review and improve the quality of the service. The latest Regulation 73 report is comprehensive and details many discussions with people and their representatives. A person who lives at the home confirmed they spoke with the RI and staff confirm the RI takes time to talk to people. When discussing the input people have a care worker told us *“They have taken on board what the residents would like, pictures of local beaches on the walls”*. Workers are positive about the discussions with the RI around improving the service. A care worker told us *“[RI], she’s really nice and very approachable and she will spend time speaking to residents”*.

The six month Quality of Care Review is detailed and contains feedback from people and their representatives. Information from internal audits and surveys enables the RI to monitor the service with clear actions on how to improve quality.

We can conclude that the oversight of the service by the RI has improved and is positively focusing on the well-being of people who live and work in the service. We have closed this PAN and expect this level of oversight to continue; this will be tested in future inspections.

Summary of Non-Compliance

Status	What each means
New	This non-compliance was identified at this inspection.
Reviewed	Compliance was reviewed at this inspection and was not achieved. The target date for compliance is in the future and will be tested at next inspection.
Not Achieved	Compliance was tested at this inspection and was not achieved.
Achieved	Compliance was tested at this inspection and was achieved.

We respond to non-compliance with regulations where poor outcomes for people, and / or risk to people’s well-being are identified by issuing Priority Action Notice (s).

The provider must take immediate steps to address this and make improvements. Where providers fail to take priority action by the target date we may escalate the matter to an Improvement and Enforcement Panel.

Priority Action Notice(s)

Regulation	Summary	Status
44	Premises	Not Achieved
44	Premesis	Achieved
6	Requirements in relation to the provision of the service	Achieved

Where we find non-compliance with regulations but no immediate or significant risk for people using the service is identified we highlight these as Areas for Improvement.

We expect the provider to take action to rectify this and we will follow this up at the next inspection. Where the provider has failed to make the necessary improvements we will escalate the matter by issuing a Priority Action Notice.

Area(s) for Improvement

Regulation	Summary	Status
N/A	No non-compliance of this type was identified at this inspection	N/A

Date Published 27/01/2022

Ceredigion County Council Annual Audit Summary 2021

This is our audit summary for Ceredigion County Council. It shows the work completed since the last Annual Audit Summary, which was issued in January 2021. Our audit summary forms part of the Auditor General for Wales' duties.



More information about these duties can be found on our [website](#).

About the Council

Some of the services the Council provides



Key facts

The Council is made up of 42 councillors who represent the following political parties:

- Plaid Cymru: 20
- Independent: 11
- Welsh Liberal Democrats: 7
- Independent Voice: 3
- Ungrouped: 1

The Council spent £149.9 million on providing services¹ during 2020-21, the 19th highest spending of the 22 unitary councils in Wales.

¹ We define spending on services as the cost of services charged to the general fund from the Expenditure Funding Analysis, less any Housing Revenue Account cost of services, plus precepts, levies and debt interest.

Key facts

As at 31 March 2021, the Council had £44.6 million of useable financial reserves². This is equivalent to 29.7% of the Council's annual spending on services, the 9th highest percentage of the 22 unitary councils in Wales³.

Ceredigion County Council has 1 out of 46 areas deemed as the most deprived 10% of areas in Wales, this is the fourth lowest of the 22 unitary councils in Wales⁴.

The County's population is projected to decrease by 4% between 2020 and 2040 from 71,897 to 69,009, including a predicted 14.4% decrease in the number of children, a 12.3% decrease in the number of the working-age population and a 20.9% increase in the number of people aged 65 and over⁵.

The Auditor General's duties

We completed work during 2020-21 to meet the following duties

- **Continuous improvement**
The Council had to put in place arrangements to make continuous improvements, including related plans and reports, and the Auditor General had to assess whether the Council met these requirements during 2020-21.
- **Audit of Accounts**
Each year the Auditor General audits the Council's financial statements to make sure that public money is being properly accounted for.
- **Value for money**
The Auditor General examines whether the Council has put in place arrangements to get value for money for the resources it uses, and he has to be satisfied that it has done this.
- **Sustainable development principle**
Public bodies need to comply with the sustainable development principle when setting and taking steps to meet their well-being objectives. The Auditor General must assess the extent to which they are doing this.

² We define useable financial reserves as reserves usable for revenue costs, where the purpose is not protected by law. This is the total of the general fund, earmarked reserves and schools balances. It excludes Housing Revenue Account reserves, capital receipts and capital grants unapplied.

³ Source: 2020-21 Statement of Accounts

⁴ An area in this context is defined as a 'Lower Super Output Area'. Source: Stats Wales.

⁵ Source: Stats Wales



We continue to recognise the huge strain on public services and to work in a way that seeks to reduce the impact on public bodies' response to COVID-19, while still meeting our statutory duties.



To meet the Auditor General's duties we complete specific projects, but we also rely on other audit work, and the work of regulators such as Care Inspectorate Wales and Estyn (the education inspectorate). We take the findings of our audit work into account when assessing whether the Council has put in place arrangements to secure value for money. Our findings and conclusions are summarised below.

What we found

Audit of Ceredigion County Council's 2020-21 Accounts

Each year we audit the Council's financial statements.

For 2020-21:

- the Auditor General gave an unqualified true and fair opinion on the Council's financial statements on 29 November 2021 in line with the statutory deadline.
- the Council's Annual Governance Statement and Narrative Report were prepared in line with the CIPFA Code and relevant guidance. They were also consistent with the financial statements prepared by the Council and with our knowledge of the Council.
- the quality of the draft statements presented for audit on 3 August 2021 was good.
- a number of changes were made to the Council's financial statements arising from our audit work, which were reported to the Audit Committee in our Audit of Financial Statements Report on 25 November 2021.
- the Auditor General issued the certificate confirming that the audit of accounts for 2020-21 has been completed.
- in addition to the Auditor General's responsibilities for auditing the Council's financial statements, he also has responsibility for the certification of a number of grant claims and returns. Our work to date has not identified any significant issues.

Our work in response to the COVID-19 pandemic

In response to the COVID-19 pandemic, we changed the approach and focus of our performance audit work in local government and other bodies. Below is a summary of some of the work we have undertaken in response to the pandemic across a number of sectors, much of which is of relevance to local government.

We undertook a project to support public sector efforts by sharing learning through the pandemic. The project aims to help prompt some thinking, and practise exchange. [Further information is available on our website.](#)

In March 2021, we published a [national report](#) setting out an overview of progress to date on Test, Trace, Protect in Wales. In December 2020, we also published some [observations](#) of the Auditor General on procurement and supply of PPE during the COVID-19 pandemic, followed by a [report](#) in April 2021. In June 2021, we also published our [report](#) on the rollout of the COVID-19 vaccination programme in Wales.

Continuous improvement

The Auditor General certified that the Council had met its remaining Local Government (Wales) Measure 2009 duties for the financial year 2020-21, as saved by an order made under the Local Government and Elections (Wales) Act 2021.

Financial sustainability

During 2020-21, we examined the financial sustainability of each council in Wales. In June 2021 Council we concluded that: **The Council remains financially stable and is focussed on future challenges.** The report can be viewed [here](#).

We also published two national summary reports: the [first report](#) in October 2020 and the [second report](#) in September 2021.

Recovery planning

During 2020-21, we reviewed the arrangements that each council in Wales was putting in place to support recovery planning. In Ceredigion County Council we undertook this work on an ongoing basis, providing real-time feedback where appropriate.

Local projects

- We published our Review of Planning Services in November 2021. The report can be viewed [here](#). Our review sought to answer the question: **Is the Planning Service effectively and sustainably meeting its objectives and contributing towards the achievement of the priorities in the Council's Corporate Strategy?** Overall, we found that: Whilst Council members and senior officers view the planning service as strategically critical, significant longstanding weaknesses in the Development Control Committee's governance arrangements are not sustainably or cohesively supporting the Council to improve performance and achieve its strategic objectives and priorities. The Council are currently working through their action plan in response to our recommendations.

Other inspectorates

We also took into account the reports of Care Inspectorate Wales (CIW) and Estyn as well as any subsequent actions taken by the Council in response.

Care Inspectorate Wales undertook an Assurance Check in Ceredigion County Council in May 2021. A letter was issued to the Council on its findings. The letter can be viewed [here](#).

No reports have been issued by Estyn related to Ceredigion County Council since our last Annual Audit Summary letter.

Local government studies

As well as local work at each council, each year we also carry out studies across the local government sector to make recommendations for improving value for money. Since the last annual improvement report, we have published the following reports:

Discretionary services (April 2021)

Financial pressures have led to councils reducing spending and cutting services, but the pandemic has shown local government services are essential to keeping people safe and healthy. We focussed on how councils define services, the systems and processes they have used to review services and how robust these are. Demand for some essential services is continuing to increase and councils are not confident that they can continue to deliver these services in the face of this rising and complex demand. Councils need to take the opportunity to refresh, reevaluate and reset what they do and to learn from the pandemic to build a better future. Our [report](#) was published in April 2021.

Regenerating town centres in Wales (September 2021)

Between 1950 and 1980, local authorities prioritised regeneration of town centres creating new and greater retail space. However, past policy choices, changing consumer expectations and technological advances are now adversely affecting many Welsh town centres. And the pandemic has created challenges for local government and central government, with one in seven shops on Welsh high streets now empty, despite the Welsh Government investing and leveraging in £892.6 million in the last seven years. Local authorities do not have the capacity to respond to this situation and are not always using the powers they have to help regenerate towns. To deliver the best local outcomes, policies and joint working need to be aligned and integrated, and resources prioritised on town centres. Our [report](#) was published in September 2021.

Planned work for 2021-22

We also looked at the key challenges and opportunities facing the Council. These could have an effect on the Council's ability to meet its legal obligations in relation to the sustainable development principle and the use of its resources.

The most significant risk and issue facing councils and the wider public sector during 2021-22 continues to be the COVID-19 pandemic. We have shaped our work to provide assurance and challenge in a way which helps to support the Council through this period. Our planned work for 2021-22 includes:

- Assurance and risk assessment including a focus on:
 - The Local Government and Elections Act (Wales) 2021
 - Recovery planning
 - Carbon reduction plans
 - Self-assessment arrangements
 - Financial position
 - Performance Management
- Springing Forward – as the world moves forward, learning from the pandemic, this review looks at how effectively councils are strengthening their ability to transform, adapt and maintain the delivery of services, including those delivered in partnership with key stakeholders and communities.
- Improvement reporting audit.

The Auditor General is independent of government, and is appointed by Her Majesty the Queen. The Auditor General undertakes his work using staff and other resources provided by the Wales Audit Office, which is a statutory board established for that purpose and to monitor and advise the Auditor General. The Wales Audit Office is held to account by the Senedd.

The Auditor General audits local government bodies in Wales, including unitary authorities, police, fire and rescue authorities, national parks, and community councils. He also conducts local government value for money studies, assesses compliance with the remaining requirements of the Local Government (Wales) Measure 2009 and may undertake special inspections under the Local Government and Elections (Wales) Act 2021.

Beyond local government, the Auditor General is the external auditor of the Welsh Government and its sponsored and related public bodies, the Senedd Commission, and National Health Service bodies in Wales.

Audit Wales is the non-statutory collective name for the Auditor General for Wales and the Wales Audit Office, which are separate legal entities with their own legal functions, as described above. Audit Wales is not a legal entity.

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.

This document is also available in Welsh.

This page is intentionally left blank

CEREDIGION COUNTY COUNCIL

Report to:	Governance and Audit Committee
Date of meeting:	10 March 2022
Title:	Internal Audit Progress Report 1/10/21 – 31/12/21
Purpose of the report:	To provide Members with an update on the work undertaken by internal audit during the above period
Cabinet Portfolio and Cabinet Member:	Cllr Ray Quant MBE, Deputy Leader of the Council and Cabinet Member for Legal and Governance, People and Organisation, and Democratic Services

The Committee considered the annual Internal Audit Strategy 2021/22 at its meeting in February 2021 which also identified the main areas of work for the 2021/22 interim operational audit plan. The Plan included reviews carried forward from the previous year's audit plan, routine audits eg grant certifications and work prioritised dependant on risk, on which the Internal Audit Section can form its assurance opinion.

For 2021/22, the usual risk assessment was not undertaken as the pandemic has introduced new risks to the Council, which are constantly changing. IA will therefore assess its work on an on-going basis, considering the Council's changing needs and priorities regularly.

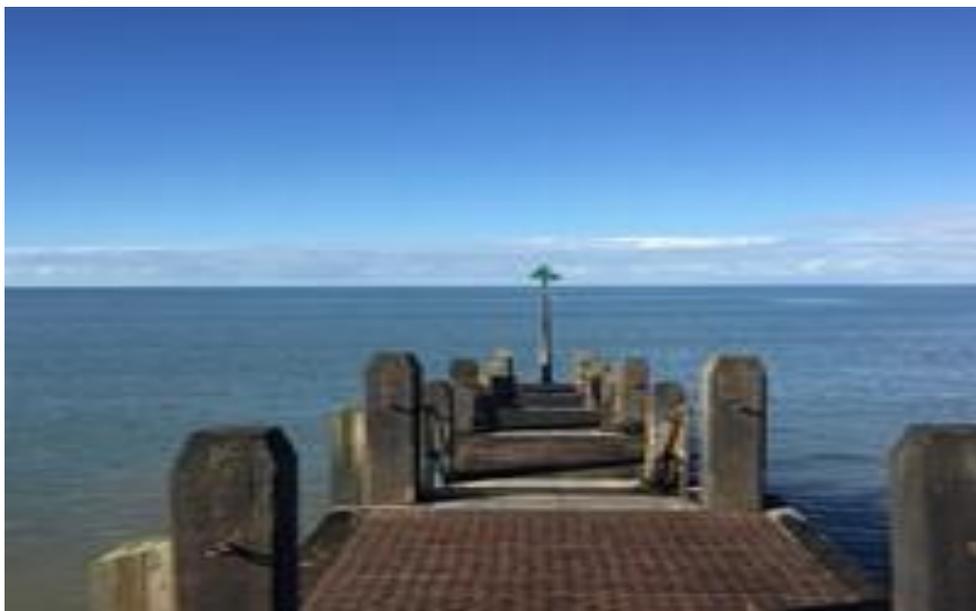
This progress report notes the steps made to date toward delivery of the audit strategy, by providing a summary of the work undertaken. It also documents the current resource position, and the Section's improvement plan.

Recommendation(s):	To consider the work undertaken and current position of the Internal Audit Section
Reasons for decision:	That the Committee is satisfied that the Internal Audit Section is undertaking sufficient and appropriate work in order to provide a realistic assurance at year-end, whilst adding value and assisting the Council in achieving its objectives.
Appendices:	Internal Audit Progress Report 1/10/21-31/12/21
Corporate Lead Officer:	Elin Prysor CLO-Legal and Governance / Monitoring Officer
Reporting Officer:	Alex Jenkins Corporate Manager – Internal Audit
Date:	3 February 2022

Mae'r adroddiad yma ar gael yn Gymraeg.
This report is available in Welsh.

Gwasanaethau Cyfreithiol a Llywodraethu Legal and Governance Services

Gwasanaeth Archwilio Mewnol
Internal Audit Service



Adroddiad Cynnydd Archwilio Mewnol
Internal Audit Progress Report
1 October 2021 – 31 December 2021



Cyngor Sir
CEREDIGION
County Council

Report Prepared by: Alex Jenkins,
Corporate Manager – Internal Audit

Date of Issue: 3 February 2022

Presented to Governance & Audit
Committee: 10 March 2022

ADRODDIAD CYNNYDD ARCHWILIO MEWNOL

INTERNAL AUDIT PROGRESS REPORT

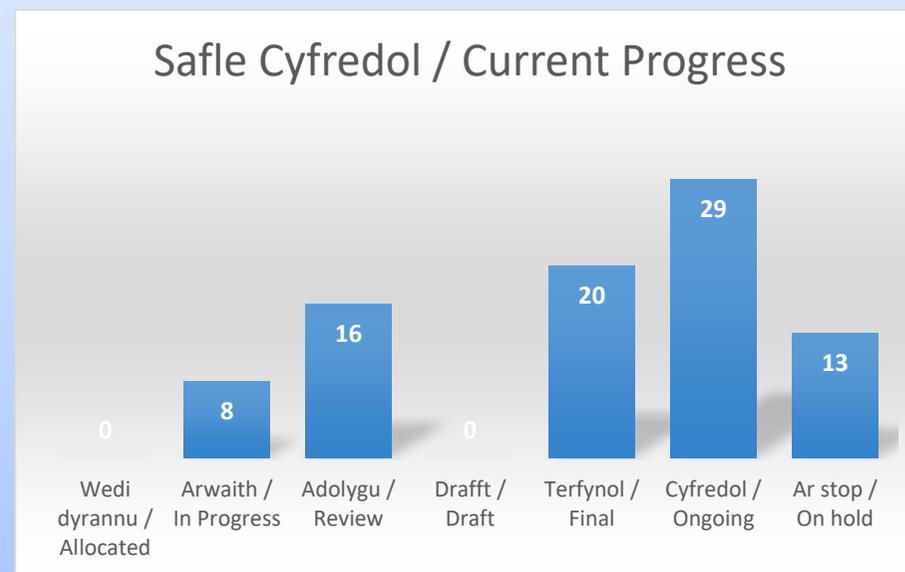
01/10/2021 – 31/12/2021

1 INTRODUCTION

- 1.1 The Internal Audit Strategy and Annual Plan for 2021/22 was approved by the Committee (GAC) on 24 February 2021.
- 1.2 The usual initial risk assessment was not undertaken by the Corporate Manager – Internal Audit (CMIA) to compile the operational plan for 2021/22, as the pandemic had introduced new risks to the Council, which were constantly changing. The CMIA has therefore assessed the work on an on-going basis, considering the Council’s changing needs and priorities regularly.
- 1.3 The purpose of this report is to update the GAC on the work undertaken by the Internal Audit (IA) service during the third quarter of the 2021/22 financial year, and to highlight any areas of concern that may have arisen whilst completing the audits. A copy of the Interim Audit Plan as at 31/12/21 is attached in Appendix 1.

2 AUDIT WORK UNDERTAKEN

2.1 Audit Plan Progress:



- 2.2 As at 31/12/2021 a total of 94 items appear in the operational Interim Audit Plan. These are made-up of 70 items that have mainly either been carried-forward from the previous year (eg audits that are already in progress) or are annual pieces of work (eg grants) which have been included as 'planned' items. The remaining 24 items have been added during the first three quarters, ie unplanned. (The unplanned items are highlighted in Appendix I).
- 2.3 Four pieces of work were finalised during the quarter, as per table below, which will be considered in determining the IA annual opinion:

Audit Area	Type of Audit	Assurance
<p>EIG/RCSIG - 2020/21 final EOY audit Scope: Grant audit. Completing an End of Year Audit Checklist and Testing Schedule to provide assurance that the grant is spent and administered in accordance with WG's guidelines. Also, to certify the Year-end Claim Form to confirm the funding provided by the grantor in 2020/21 has been duly allocated to the purposes of the grant, in line with the grant terms and conditions of funding and in line with the Council's compliance and audit requirements.</p>	Grant	High
<p>PDG - 2020/21 final EOY audit Scope: Grant audit. Completing an End of Year Audit Checklist and Testing Schedule to provide assurance that the grant is spent and administered in accordance with WG's guidelines. Also, to certify the Year-end Claim Form to confirm the funding provided by the grantor in 2020/21 has been duly allocated to the purposes of the grant, in line with the grant terms and conditions of funding and in line with the Council's compliance and audit requirements.</p>	Grant	High
<p>AW MRF - NFI 2018-21 Scope: Complete, monitor & update AW Management Response Form re NFI.</p>	Assurance	High
<p>General Powers of Competence Regulations Scope: IA input to consultation.</p>	Advisory	N/A

2.4 Examples of good practice noted from this quarter's finalised audits have been listed below, which also form part of the annual assurance process:

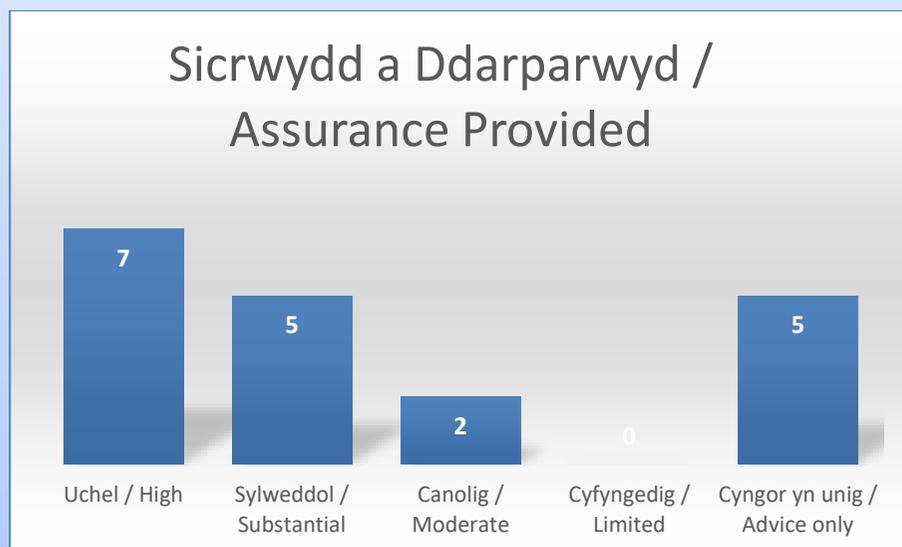
- **AW MRF - NFI 2018-21**

- The Council has a good awareness of emerging fraud risks by:
 - Monitoring and responding to fraud alerts e.g. NAFN, wider networks & peers
 - Membership and active participation in professional networks and groups such as Tisonline & KHub
 - Covid-19 grant payments audited prior to payment (easier to stop a payment than recover)
- The Council recognises that where NFI outcomes have been low in the past, this may not be the case in subsequent exercises.
 - NFI is run at full capacity on every occasion
 - Assurances gained from low outcomes are also reported on.

2.5 A total of 29 items are on-going pieces of work (as noted in Appendix I), from which IA have extracted examples of good practice achieved during the third quarter, which again will be considered in forming the IA annual opinion:

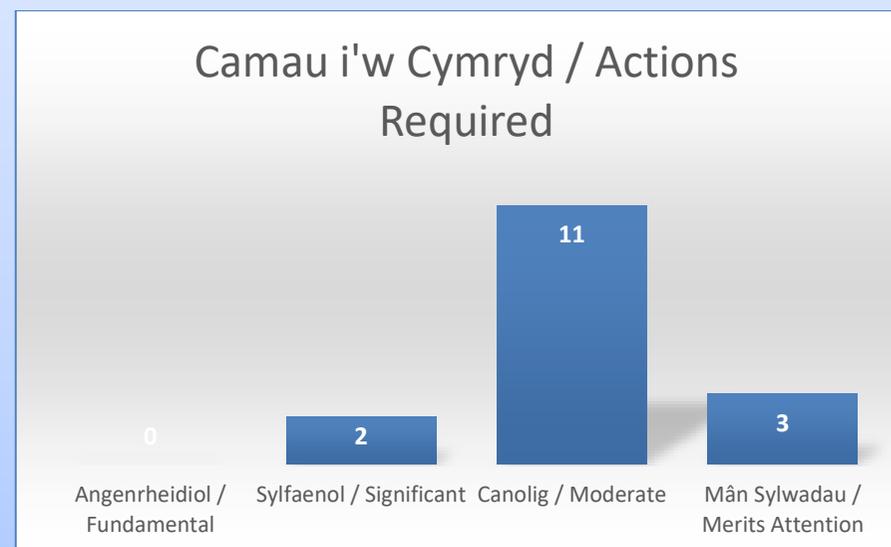
- **Tenancy Hardship Grants** – internal audit input provided (due to benefit of Business Rates Grants assistance) to check claims prior to payment in order to reduce the risk of need to recover incorrect / fraudulent payments; use of ‘ActiveData’ data analytics system will also enabled payments to be checked against intel received from National Anti-Fraud Network and other sources.
- **SC Economic Adjustment** – acknowledged by attendees as being a good collective forum re regeneration and revitalisation of town centres.
- **Annual Governance Statement** – arrangements in place to commence the governance framework review and subsequent improvement plan.
- **Emergency Planning & Business Continuity (EPBC)** – updated template provided to enable all services to bring business continuity plans up to date; Council major incident plan in review; representative attended local resilience forum to ensure consistency between organisations and that any good practice is shared.
- **Risk Management** – overview of risk register also on EPBC agenda; mitigating actions put in place to address new identified risks 19 (climate change and coastal erosion / flooding) and 20 (ash dieback).
- **Code of Conduct** – internal audit and governance officer input provided to assist Learning & Development in the production of a training e-module on Code, Ethics & Fraud.
- **LG & Elections (Wales) Act 2021** – arrangements in hand to ensure correct split of Elected Members / Lay Members on GAC from May, as required by Act.
- **Brexit** – representative attended WLGA transition coordinators meeting to collect & disseminate appropriate information.
- **Corporate Project Management Panel** – new project proposals put forward & actions requested by panel where appropriate.
- **Corporate Management Workshop** – updates to managers re ways of working, carers policy, wellness strategy and wellbeing objectives for information and role development.
- **Cyber Resilience & Information Governance Group** – the Group will provide operational support, preparedness and direction to address and reduce cyber risks and improve the Council’s cyber security, information security and governance. It shall act as a source of knowledge and expertise and will oversee and monitor the Information Governance and Cyber Security Risks and Action Plans.
- **NMWAG - North & Mid Wales Auditor Group - Fraud**: aims to share knowledge & skills re countering fraud to build resilience throughout LAs. Fraud responses to Audit Wales shared to determine future direction of group.
- **Data Audit** – arrangements in place to improve data management and ensure compliance with Information Commissioner.
- **Clic** – training offered to services by Customer Services Manager to raise awareness of system facilities.

2.6 The levels of assurance provided for the total audits completed are as follows:



2.7 A guide to the criteria used to determine the overall assurance is shown in Appendix II.

2.8 A total of 16 'actions required' are recommended in the finalised reports issued of which none were deemed fundamental and two were significant:



2.9 The criteria used to determine the 'actions required' is outlined in Appendix III.

2.10 The significant action required in IA's Quarter 1 work was reported to GAC in the exempt report. The one issued in the second quarter was in respect of petty cash procedures, mainly surrounding the non-receipt of declarations from imprest holders. IA is currently working with Finance to address this issue. There were no recommended actions required from quarter 3 work.

3 RESOURCES

- 3.1 The IA Structure, as noted in Appendix IV, has been fully resourced during the first three quarters of 2021/22.
- 3.2 A total of 631 days have been dedicated to audit work during the period 1 April 2021 to 31 December 2021, representing 74% of the assessed days estimated as required to complete the audit plan to year-end (or 106% of days required to complete the audit plan for the first three quarters).
- 3.3 The CMIA continues to support the Welsh Chief Auditors Group (WCAG) which ensures best practice and consistency between all authorities; and the North & Mid Wales Chief Auditors Group (NMWCAG) to compare practices and share generic documentation. These meetings are now held using 'Teams'.
- 3.4 During the year, the NMWCAG introduced a Counter Fraud Sub-Group, which dedicates more time to specific subject. This Sub-Group is attended by the Audit Manager (via Teams).
- 3.5 All members of staff ensure they meet any continuous professional development conditions, and complete the Council's mandatory training requirements. During this year:
- All members of audit staff have undertaken the required Council's webinars and e-learning training modules, to include a Code, Ethics & Fraud webinar and two on Cyber Security;
 - The CMIA has 'attended' CIPFA's regular Audit updates; and continues to view ILM's webinars on the identified components of leadership; and
 - Two members of staff are continuing their Institute of Internal Auditors' qualification, although problems have arisen during the year due to the pandemic.
- 3.6 Arrangements are also in place to continuously develop IA staff's audit / digital / ICT and counter fraud skills via training and subscribing to information sources such as CIPFA's Better Governance Forum.
- 3.7 A new CMIA will be in place from 1 January 2022, who has considerable experience in IA, has a 6-week window to 'shadow' the existing CMIA, and is supported by a knowledgeable & skilled Audit Manager.
- 3.8 All IA staff are currently working from home.

4 IMPROVEMENT PLAN 2021/22

Ref	Conformance with Standard	Action Required	Target Date
Std 1311	5.4.5 Does ongoing performance monitoring include obtaining stakeholder feedback? No QCQs issued during pandemic.	Once Audit Plan in place, QCQs to be issued to auditees. Comments received from managers following an audit noted where QCQs not required.	During 2021/22
Std 2010	6.1.1 Has the CAE determined the priorities of the internal audit activity in a risk-based plan? Currently audits / reviews undertaken on an on-going risk assessed basis. No set operational Audit Plan in place.	Produce risk-based audit plan in accordance with services' road plans. Interim audit plan in place, as per Progress Report Q3. Arrangements commenced for full risk assessment of 2022/23 plan.	During 2021/22
Std 2050	6.1.15 Using other sources of assurance. Assurance mapping system in place – needs updating on a regular basis.	Assurance mapping system to be updated and monitored at weekly Team meetings. Assurance map is now a standard agenda item in team meetings, & updated accordingly.	Throughout 2021/22
Std 2500	6.6.1 Where issues have arisen during the follow-up process has the CAE considered revising the internal audit opinion? Due to the pandemic, no follow-ups were conducted in 2020/21.	The follow-up audits due will be carried forward to 2021/22. 'Follow-ups' are included in the interim audit plan in place.	31 March 2022
Annual Report	Pentana (MKI) system not found as useful when working reactively. Pentana (MKI) will be used where possible, but reactive work will continue to be conducted & recorded using shared electronic folders.	The system will be evaluated once IA resumes usual duties. N/A in current circs.	31 March 2022

<u>Interim Audit Plan 2021/22</u>		
Audit Area	Scope / Notes	Status
Changes due to Pandemic		
Risk assessed reactive work due to pandemic	IA will undertake reviews of systems and procedures and any other work where it is identified that the Service can add value to the Council's operations during the pandemic.	
- Business Rates Grants, etc bfw	Scope: Business Rates Grants – checking a sample applications prior to payment; validating information and documentation; other testing as appropriate; sitting on queries / appeals panel. The majority of this work completed 2020/21, but a few applications with queries still awaiting decisions.	On-going
- Covid Grants - 2021	Scope: 2021 Grants – checking a sample applications prior to payment; validating information and documentation; other testing as appropriate; sitting on queries / appeals panel.	Unplanned On-going
- Tenancy Hardship Grant - Aug 2021	Scope: Similar to 2021 Grants ie checking a sample applications prior to payment; validating information and documentation; other testing as appropriate; sitting on queries / appeals panel.	Unplanned On-going
- Registration Service - income collection	Scope: Registration Service – independent verification of payments received and banked during office closure. To be undertaken once staff return to offices.	On Hold
- Free School Meals	Scope: Free School Meals – check sample of allowances paid (voucher & cash); plus claim made to WG. Initial testing completed - awaiting further review by AM/CMIA.	In Review
- Personal Protection Equipment (PPE)	Scope: Independent check of stock levels transferred during transition from stock-taking spreadsheets to computerised system.	Unplanned
Economic Adjustment - Silver Command	Scope: A member of IA staff attends the group tasked with ensuring arrangements are in place within CSC, to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. Group continues to meet fortnightly.	On-going
Key Control Audits:		
Main Accounting System	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for: monitoring, reconciliation, compliance with policy, authorisation, separation of duties and contingency plans for the Council's main accounting system. It does NOT include the ICT system. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review

Council Tax	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for processing council tax payments: separation between creating and collecting a debit; methods of payment; reconciliation of debit to valuation list; promptness of processing amendments; daily postings to accounts; unidentified items posted to suspense; missed payments; monitoring of collection rates; payments reconciled to ledger; security of system. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
Treasury Management	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for both investments and loans: monitoring registers, reconciliation with MAS, compliance with policy, authorisation, separation of duties and contingency plans. It does NOT include the ICT system. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
Housing Benefits	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for processing housing benefit applications: business continuity arrangements, compliance with National Verification Framework, fraud awareness, speed of processing, system parameter files, system data, exception reporting, reconciliation to feeder systems, independent verification of sample calculations, security of IT system.	Completed Quarter 1
Housing Benefit - Quality Review 2021-22	Scope: Quality assurance. Completed annually (normally as part of key control audit). Complete run-through of sample of HBen claims to ensure completeness & accuracy, as required by Ombudsman report following a client complaint in 2014/15.	Unplanned In Progress
National Non-Domestic Rates	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for processing NNDR payments: separation between creating and collecting a debit; methods of payment; reconciliation of debit to valuation list; promptness of processing amendments; daily postings to accounts; unidentified items posted to suspense; missed payments; monitoring of collection rates; payments reconciled to ledger; security of system. It does NOT include the ICT system. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
Creditors	Scope: Key financial risk area. Normally completed every 3-years. The review considers the arrangements for: authorising and paying costs incurred by the Council and the controls over the payment process. The scope does NOT include consideration of the nature of the expenditure or whether VFM was achieved. Added to this year to ensure key controls still in place whilst working from home. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review

Sundry Debtors	Scope: Key financial risk area. Normally completed every 3-years. The review considers the arrangements for raising invoices to recover debt owed to the Council: accuracy of value and coding; promptness of raising bills; monitoring of collection rates; debt independently reconciled to ledger; arrears recovery in progress; invoices accountable; security of system. Added to this year to ensure key controls still in place whilst working from home. Audit in progress.	Unplanned In Progress
Payroll	Scope: Key financial risk area. Completed every 3-years. The review considers the arrangements for processing payroll: separation between creating and amending job roles and staff details and processing payroll; security of system. It does NOT include the ICT system. Audit in progress.	Unplanned In Progress
Follow-up of Recommended Actions 2018/19 onwards	Scope: Assurance that previous recommended actions made have been implemented where appropriate. Spreadsheet produced of all actions to be re-addressed which is updated regularly. To be addressed once staff return to offices.	On hold
Corporate Governance		
Annual Governance Statement	Scope: Governance Framework runs on a rolling review basis. Contribute to finalising 2020/21 AGS & 2021/22 procedures, as necessary, throughout the year.	On-going
AGS Framework Review 2021/22	Scope: Governance review which considers the effectiveness of the Governance Framework, especially in the areas specifically addressed in the AGS action plan. Planned for Q4.	
Emergency Planning & Business Continuity Management Group	Scope: A member of IA staff attends the group tasked with ensuring arrangements are in place within CSC, to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. Group superseded by GC/SC during pandemic, but meetings resumed in April 2021 - meets quarterly.	On-going
Emergency Rest Room Boxes	Scope: IA input into service audit of emergency rest room boxes, to ensure security of boxes placed in specified locations.	Unplanned Completed Quarter 2
Business Continuity	Scope: Risk review which considers the arrangements in place re Business Continuity. Assurance assessed re procedures in place in Corporate and Service Business Continuity Plans.	In Review
Constitution review	Scope: Constitution is continuously reviewed & updated by Monitoring Officer & Governance Officer to ensure it is kept up to date & relevant. IA input provided when required. Assurance assessed re procedures in place.	On-going

Risk management & Corporate Risk Register:		
Risk Management	Scope: Risk Framework arrangements are monitored & reported periodically to GAC. IA contribute to RM & procedure, as necessary.	
Risk Register: Check mitigating controls in place for risks	Scope: Risk management review which assesses the effectiveness of controls in place for ALL risks identified in the corporate risk register. Elements will be selected and the effectiveness of the stipulated mitigating controls will be reviewed. The scope is limited to the arrangements noted in the report.	On-going
Brexit Group	Scope: A member of IA staff attends the group tasked to ensure awareness of any major changes in systems within CSC, to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. Meets quarterly.	On-going
Brexit	Scope: Risk review which considers the arrangements in place re monitoring arrangements due to Brexit. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	Unplanned In Review
Well-Being of Future Generations / Equalities		
Embedding of WFGA within Services	Scope: WFGA review which considers the arrangements in place for ensuring services have regard for corporate objectives in their plans, and that satisfactory procedures are in place to ensure WFGA requirements are considered in decision-making.	Completed Quarter 2
IIA Review & Assessment	Scope: WFGA review which considers the arrangements in place for preparing and submitting IIAs, and the consistency in approach and compilation.	
New Socio-Econ requirements	Scope: WFGA review which considers the arrangements in place for preparing to comply with the new socio-econ requirements. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
Welsh Standards	Scope: WFGA review which considers the arrangements in place for compliance with the Welsh Standards requirements.	Unplanned In Review
General Data Protection Regulation / DP		
GDPR / DP Compliance (ICO Guidance)	Scope: GDPR. The Regulation became effective in May 2018 and has a significant effect on how data is held and protected. There are reputational implications as well as financial penalties for non-compliance. The review will assess the Council's arrangements for compliance with various elements of the Regulation such as privacy notices, and data audits. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review

GDPR in schools	Scope: GDPR. All schools processing personal data must pay a fee to the Information Commissioner's Office. The review consists of a periodic registration check, to ensure all CSC schools hold a valid and up to date registration with the ICO. The review does NOT include a review of the data provided to the ICO.	Completed Quarter 1
GDPR in schools - follow-up	Scope: GDPR. Follow-up to above. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	Unplanned In Review
Information Governance Team	Scope: GDPR. The Information Governance Team meets monthly. A member of IA does not attend the meetings, but has a catch-up with the DPO periodically for assurance purposes.	On-going
Projects		
Corporate Project Management Panel	Scope: New projects. A member of IA staff attends the panel to ensure awareness of any major changes in systems, and to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Panel is adequately supported and achieves its objectives. Meets fortnightly.	On-going
Development Group	A member of IA staff attends the meetings to ensure awareness of any major changes in systems, and to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. Meets quarterly.	On-going
Corporate Management		
Corporate Management Workshop	Scope: The CMIA attends the meetings to ensure awareness of any major changes in systems, and to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. Meets quarterly.	On-going
Grants		
Post-16 Funding - 2020/21	Scope: Grant audit. Covering correspondence and evidence is collected and forwarded to WG to support the declarations made. Planned for Q4.	
Education Improvement Grant - 2020/21 final End of Year audit	Scope: Grant audit. Completing an End of Year Audit Checklist and Testing Schedule to provide assurance that the grant is spent and administered in accordance with WG's guidelines. Also, to certify the Year-end Claim Form to confirm the funding provided by the grantor in 2020/21 has been duly allocated to the purposes of the grant, in line with the grant terms and conditions of funding and in line with the Council's compliance and audit requirements.	Completed Quarter 3

Pupil Development Grant - 2020/21 final End of Year audit	Scope: Grant audit. Completing an End of Year Audit Checklist and Testing Schedule to provide assurance that the grant is spent and administered in accordance with WG's guidelines. Also, to certify the Year-end Claim Form to confirm the funding provided by the grantor in 2020/21 has been duly allocated to the purposes of the grant, in line with the grant terms and conditions of funding and in line with the Council's compliance and audit requirements.	Completed Quarter 3
Other Services & Systems		
CLIC	Scope: An evaluation of the service provided - scope to be agreed. To be undertaken once staff return to offices.	On hold
Credit Cards	Scope: System audit. To concentrate on new system / cards issued. Documentation of systems; ascertain risks in system; and evaluate governance & controls required; test. Queries arose following quality review that need to be addresses once staff return to offices. Report issued 25/3/21 due to actions required. Assurance not provided until additional audit work undertaken.	On hold
Change Floats & Petty Cash imprests	Scope: A review of the year-end procedures re the reconciliation of actual imprests issued to services, against the record held on the Council's financial ledger; to include a scrutiny of the declarations provided by services re 2019/20 and 2020/21.	Completed Quarter 2
Change Floats & Petty Cash imprests	Scope: Follow-on to above. Assist in set-up of new system as per IA actions required.	Unplanned In Progress
Harbours account 2020/21	Scope: Account audit. The Council must prepare annual accounts following proper practices as set out in the One Voice Wales/SLCC publication Governance and accountability for local councils in Wales – A Practitioners' Guide (the Practitioners' Guide). The Practitioners' Guide states that bodies may prepare their accounts in the form of an annual return prepared by Audit Wales, which includes internal audit input regarding account preparation. This was in respect of the 2020/21 account.	Completed Quarter 1
Harbours review (Finance)	Scope: Testing undertaken to support Harbours account, as stipulated by AW form: appropriate books of account maintained, financial regulations met, risks assessed, adequate budgetary process, expected income fully received, salaries and deductions properly applied, asset and investment registers maintained, accounting statements properly prepared.	Unplanned Completed Quarter 1
Harbours review (ES)	Scope: Testing undertaken to support Harbours account, as stipulated by Audit Wales form. Initially provided to Finance & Procurement in Quarter 1 to support Harbour Account work. Draft also prepared for Environmental Health who administer Harbours on a day to day basis, in order to address actions required stemming from the account sampling.	Unplanned Completed Quarter 2

VAT	Scope: Testing undertaken on calculation and coding of VAT payments to include creditor & debtor invoices and property transactions. To consider whether VAT guidance is in line with HMRC requirements. Check that VAT is calculated at correct rate and issued within basic tax point and VAT return is completed correctly and submitted promptly.	In Progress
Lampeter Wellbeing Centre - Reception	Scope: New service provision at Lampeter Wellness Centre (previously Leisure Centre). Advice requested re controls & security of cash taking procedures at reception area.	Unplanned Completed Quarter 1
Lampeter Wellbeing Centre	Scope: New service provision at Lampeter Wellness Centre (previously Leisure Centre). Further to request received re cash taking procedures at reception area (see above), service will involve IA re new systems to incl replacement for current booking system.	Unplanned
Ceredigion Sports Council	Scope: Honorary audit. Historically, IA prepares and audits the body's annual accounts in time for its AGM.	
HR - JustGiving Collection	Scope: Request from HR to oversee & audit the collection procedures re donation to be paid to foodbanks by staff.	Completed Quarter 2
Waste	Scope: An evaluation of the procedures introduced for waste collection, as discussed with WAO. Consider governance of current system - especially situ re new Strategy. How have problems been dealt with eg seagulls - were they successful - if not, why? What is planned? Public engagement? SLR Group Limited (SLR) has been appointed by Ceredigion County Council (CCC) to explore meaningful options for the future management of waste within Ceredigion. The need for the completed strategy to form the baseline for a Best Value Review of Waste Management also forms part of the Brief.	On hold
Sustainable Drainage Systems (SUDS)	Scope: Check arrangements Council currently has in place, to comply with requirements. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
Environmental Audit	Scope: Check arrangements Council currently has in place, to comply with requirements. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
Estates - Communication breakdown with AW	Scope: An investigation to discover reason for breakdown in communication between the Estates service and Audit Wales during the external audit of the Council's accounts; as requested by GAC.	Unplanned Completed Quarter 2

Museum	Scope: System audit. To concentrate on new 'cash' & 'stock' services introduced to Museum ie café, shop & bar. (Document systems. Ascertain risks in system; and governance & controls required. Test) Queries arose following quality review which will be addressed once staff return to offices.	On hold
Houses to Homes - general	Empty property initiative. Request to review procedures. Scope to be agreed. To be undertaken once staff return to offices.	On hold
Coroners - Summary Report	Scope: Summary of previous VFM audit reports.	Unplanned Completed Quarter 1
Coroners - Follow-on to above.	Scope: Follow-on to the report dated 23/6/21 which was presented as an exempt paper to GAC on 9/9/21. Additional information provided, as requested, for comparison purposes.	Unplanned Completed Quarter 2
Coroners - New system	Scope: Introduction of new system to bring service in line with Council's Purchase Order / Payment system.	On-going
Coroners - Comparisons of fees to other LGA's	Scope: Governance & Audit Committee requested a comparison of Ceredigion Funeral Director fees against Funeral Director fees of other Welsh Local Authorities. Audit in progress.	In Progress
Safeguarding		
Section Safeguarding procedures	Scope: Assurance that all services have introduced an internal safeguarding policy for staff, which is periodically reviewed. To be undertaken once staff return to offices.	On hold
Corporate Safeguarding procedures	Scope: system audit, based on CIPFA's TISonline guidance. Some testing not undertaken due to pandemic. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
Direct Payments	Scope: Ensure controls in new payments system from April 2021.	In Progress
Counter Fraud (incl NFI)		
National Fraud Initiative	Scope: The review provides assurance against reputational damage and financial losses due to fraudulent activity by partaking in the National Fraud Initiative, which is an exercise that matches electronic data within and between public and private sector bodies to prevent and detect fraud.	On-going
Counter Fraud Strategy	Scope: Three-yearly review due 2021. Updated Strategy co-ordinated by IA; endorsed by GAC 3/6/21 & presented to Council 17/6/21 for final approval. Updated Strategy now on website.	Completed Quarter 1
Code, Ethics & Fraud Training eModule	Scope: Following successful presentation by Zurich to Managers Workshop 28/5/21 arrangements currently in progress with L&D to incorporate this info into an e-learning module for all staff.	In Progress

Audit of Ethics	Scope: system audit, based on CIPFA's TISonline guidance. Some testing not undertaken due to pandemic. Audit testing complete, draft report produced and awaiting quality review by AM/CMIA.	In Review
Code of Conduct review	Scope: Code is currently being reviewed & updated by Monitoring Officer & Governance Officer to ensure it remains up to date & relevant. IA input provided when required. Assurance assessed re procedures in place.	On-going
Active Data	Data matching / analysing. The review provides assurance against reputational damage and financial losses due to fraudulent activity by using the 'Active Data' data analytics system.	
- Business Rates Grants, Hardship Grants, etc	Scope: Utilise ActiveData by checking Grant payment records against any identified suspicious records eg NAFN intel alerts.	On-going
Audit Scotland Paper	Scope: Questionnaire for managers regarding fraud, risk management etc. To be circulated once staff return to offices.	On hold
Mandate fraud	Scope: Provide assistance re incidents; ie when someone impersonates a third party such as a supplier and demands urgent payment eg creditor change of bank details. Need to be reported to National Cyber Security Centre.	On-going
Mandate fraud - Guidance	Scope: Service operational guidance is currently being reviewed & updated to ensure it remains up to date & relevant. IA input requested.	Completed Quarter 1
Procurement	Scope: Check a sample of new creditors to ensure they are genuine businesses.	On-going
Recruitment	Scope: Check a sample of new appointments to ensure all details required have been provided. To be undertaken once staff return to offices.	On hold
Payroll	Scope: Check a sample of new appointments to ensure person in post.	On-going
Travelling	Scope: Check a sample of travelling claims to ensure appropriate & correct mileage undertaken	On-going
ICT Audit		
PCI Standard	Scope: Check compliance with the Standard's requirements. To be undertaken once staff return to offices.	On hold
Audit logs	Scope: Test audit logs produced from a sample of systems and evaluate how they are used by service. To be undertaken once staff return to offices.	On hold
Security - physical and environmental	Scope: Evaluate security within main buildings (to be rolled out to smaller offices and other establishments such as schools). To be undertaken once staff return to offices.	On hold

Cyber Resilience & Information Governance Group	Scope: A member of IA staff will attend the group tasked with ensuring arrangements are in place within CSC, to provide advice and guidance when required. Assurance assessed re procedures in place to ensure the Group is adequately supported and achieves its objectives. The Group will address and reduce cyber risk and improve the council's cyber security, information security and governance. Meets monthly.	On-going
North & Mid Wales Auditors - Fraud Group	Scope: North & Mid Wales Auditors - Fraud Group: A member of IA staff will attend the group tasked with sharing knowledge & skills re countering fraud to build resilience throughout LAs. Meets quarterly.	Unplanned On-going
LG & Elections (Wales) Act 2021		
LG & Elections (Wales) Act 2021	Scope: GAC Support. Assurance procedures in place to ensure Council has planned, prepared & made arrangements to comply with the new requirements.	On-going
Introduction of Corporate Joint Committees	Scope: Assurance procedures in place to ensure Council has planned, prepared & made arrangements to comply with the new requirements.	On-going
Self-assessment arrangements	Scope: GAC Support. Assurance procedures in place to ensure Council has planned, prepared & made arrangements to comply with the new requirements.	
Consultancy / Advisory (Other)		
Governance & Audit Committee support	Scope: Support GAC as requested / required.	On-going
AW Protocol	Scope: GAC Support. Assurance procedures in place to ensure Council has planned, prepared & made arrangements to comply with the new protocol.	On-going
AW Management Response Form - NFI 2018-21	Scope: Complete, monitor & update AW Management Response Form re NFI.	Completed Quarter 3
AW Management Response Form - Tackling Fraud	Scope: Complete, monitor & update AW Management Response Form re Fraud arrangements.	On-going
General Powers of Competence Regulations	Scope: IA input to consultation. Further review dependant on outcome of consultation.	Completed Quarter 3
Additional Reviews / Queries / Contingency		
Lampeter Library/Cash Office	Scope: Advice requested re security of cash issue.	Unplanned Completed Quarter 1
Assurance		
Assurance Mapping	Assurance available from other sources	On-going

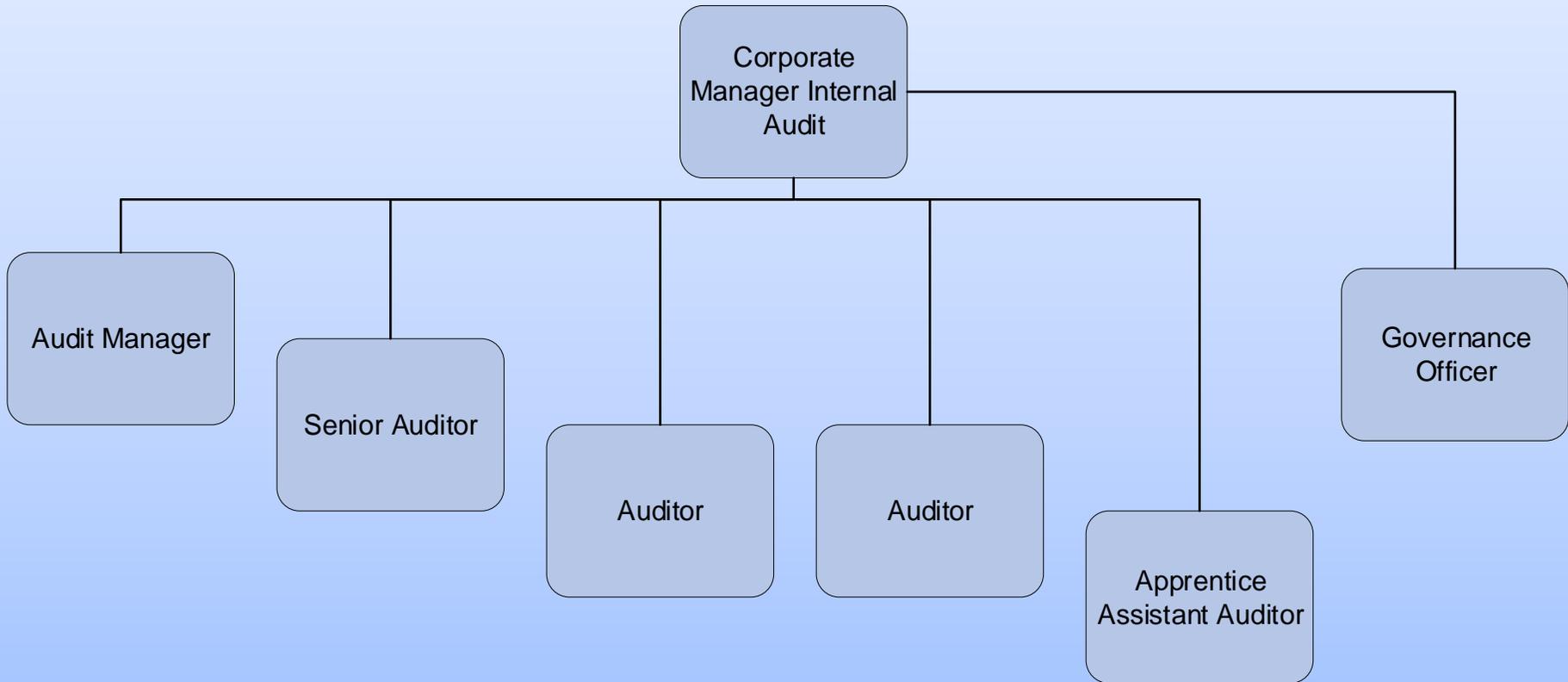
Guide to the assurance criteria used:

Level:	High	Substantial	Moderate	Limited
Adequacy of Controls:	Controls in place to ensure achievement of service objectives and to protect Council against significant foreseeable risks. No fundamental weaknesses found.	Controls in place to ensure achievement of service objectives and to mitigate significant foreseeable risks. Some areas of improvement identified.	Controls in place to varying degrees. Gaps identified which leaves service exposed to certain risks. Improvement required.	Controls considered insufficient. Need to strengthen procedures significantly and ensure compliance.
Risks:	Minor risks only.	Opportunity exists to improve on risk exposure.	Need to introduce additional controls and/or improve compliance.	Failure to improve controls leaves Council exposed to significant risk (major financial loss, reputation, failure to achieve service's key objectives).
Guide:	No fundamental or significant actions required.	No fundamental actions required. Limited significant actions.	Number of significant actions.	Number of fundamental / significant actions.
Follow-up required:	Initial audit only.	Follow-up of any significant actions only / self-assessment with samples to evidence compliance.	IA follow-up with sample tests undertaken to ensure all actions implemented, and to re-assess assurance.	IA follow-up with full testing undertaken to ensure all actions implemented, and to re-assess assurance.

Guide to the classification of actions used:

Classification of Actions			
Fundamental	Significant	Moderate	Merit Attention
Weakness that is crucial to the management of risk within the service. Needs to be notified and requires the attention of the CLO.	Important findings that identify non-compliance with established procedures that could lead to a risk of financial / reputational loss to Service.	Findings that identify non-compliance with established procedures but do not represent any major risk of financial / reputational loss to Service.	Items requiring little or no action. Included as may be of interest to service or best practice advice.

Internal Audit Structure wef 1 November 2020



CEREDIGION COUNTY COUNCIL

Report to:	Audit Committee
Date of meeting:	10 March 2022
Title:	Internal Audit Strategy and Plan 2022/23
Purpose of the report:	To present a proposed Internal Audit plan of work areas to be reviewed during 2022/23 to Members of the Audit Committee
Cabinet Portfolio and Cabinet Member:	Cllr Ray Quant MBE, Deputy Leader of the Council and Cabinet Member for Legal and Governance, People and Organisation, and Democratic Services

The Public Sector Internal Audit Standards (PSIAS), along with CIPFA's accompanying Local Government Application Note require Councils to have an Internal Audit Charter with an accompanying Annual Audit Strategy and Plans.

The Plan is designed to ensure a sufficient area of coverage is undertaken to support the annual opinion on the effectiveness of the systems of governance, risk management and internal control across the Council.

This proposed Internal Audit Strategy and Plan supports the IA Charter by summarising the work areas the Internal Audit Section will concentrate its time on during 2022/23 and takes account of the current situation due to the pandemic.

Recommendation(s):	To APPROVE the Report
Reasons for decision:	That the Audit Committee is satisfied that the Internal Audit Section will undertake sufficient and appropriate work in order to provide a realistic assurance at year-end, whilst adding value and assisting the Council in achieving its objectives.
Appendices:	Internal Audit Strategy and Plan 2022/23
Head of Service:	Elin Prysor CLO – Legal and Governance / Monitoring Officer
Reporting Officer:	Alex Jenkins, Corporate Manager – Internal Audit
Date:	10 March 2022

GWASANAETHAU
CYFREITHIOL A
LLYWODRAETHU

LEGAL AND GOVERNANCE
SERVICES



STRATEGAETH A RHAGLEN FLYNYDDOL ARCHWILIO
MEWNOL
INTERNAL AUDIT STRATEGY AND ANNUAL PLAN
2022/23

Report Prepared by: Alex Jenkins,
Corporate Manager - Internal Audit

Date of Issue: 8 February 2022

Presented to Audit Committee: 10th March 2022

STRATEGAETH A RHAGLEN FLYNYDDOL ARCHWILIO MEWNOL

INTERNAL AUDIT STRATEGY AND ANNUAL PLAN

2022/23

INTRODUCTION

- 1.1 In compliance with the Public Sector Internal Audit Standards (PSIAS) which came into effect on 1 April 2013, the Corporate Manager - Internal Audit (CMIA) is required to develop and maintain a strategy for delivering the Internal Audit (IA) service in accordance with the Internal Audit Charter, an update of which is being presented for approved by Audit Committee in March 2022. The IA Strategy states how the IA service will be delivered and is supported by an Annual Audit Plan.
- 1.2 The mission of IA is to enhance and protect organisational value by providing risk-based and objective assurance, advice and insight. It is defined as an independent, objective assurance and consulting activity designed to add value and improve an organisation's operations. It helps an organisation accomplish its objectives by bringing a systematic, disciplined approach to evaluate and improve the effectiveness of risk management, control and governance processes.
- 1.3 Council plans, policies, strategies, and other various minutes, reports and correspondence are referred to during the compilation of the plan, to ensure the IA activities are consistent with the Council's current corporate goals and objectives.

ASSURANCE

- 2.1 A lead auditor is appointed for each audit review to assist in developing the scope of each audit. The scope of an audit may be discussed with managers at the commencement of a review to ensure key risks are addresses, to provide meaningful assurance to the service and maximising added value; or, in current circumstances the review will be based on the control, risk or governance matter that brought the system / service to the attention of IA.
- 2.2 Draft internal audit reports are issued at the end of a review for discussion with managers. The final audit reports are issued after the agreement of the draft reports and contain completed action plans addressing any weaknesses discovered, identifying those responsible for implementation and timescales. They will also note the IA assurance provided. If managers are unable to attend an exit meeting, draft reports will be issued stating this and required actions will be followed-up, as appropriate, at a future date.

- 2.3 Due to the pandemic, the Council (like other LAs) has an urgent obligation to award various grants to eligible businesses in the County. It is in situations such as these (ie working to get as many applications as possible processed over a short time period) that errors can easily occur, and that fraudsters can easily infiltrate.
- 2.4 IA will therefore continue to review a sample of applications with queries PRIOR to payment (as it is easier to stop a payment than to recover any wrongly-paid monies after payment); any suspected fraudulent applications will be reviewed by IA; also, the payment schedules will be scrutinised by IA using data analytics software to check for any anomalies.
- 2.5 This will add value to the Council's operations due to the changing circumstances which is supported by a guidance note issued by the Internal Audit Standards Advisory Board (IASAB).
- 2.6 Other changes due to the pandemic being monitored include attending Silver Command meetings, and monitoring risk RO18 in the corporate risk register, to ensure satisfactory governance, risk management and controls are in place.
- 2.7 A member of IA also attends the group set-up to monitor Brexit arrangements.
- 2.8 Assurance for 2022/23 will be based on this reactive work in addition to planned reviews either carried-forward or undertaken during the year to assess the annual level of assurance for the Council, which is reported to Audit Committee in the CMIA's Annual Report at year-end, and will feed in to the Council's Annual Governance Statement (AGS).

RISK ASSESSMENT

- 3.1 The purpose of an audit plan is to identify the operational areas for review in order to provide an annual opinion on assurance at year-end. The audit plan is therefore usually determined using a risk-based assessment that identifies the priorities for audit. The risks identified in the assessment are a mixture of those that are considered to have direct implications for IA purposes, along with those identified corporately.
- 3.2 For the 2021/22 Audit Plan, the usual risk assessment had not been undertaken as the pandemic has introduced new risks to the Council, which are constantly changing. For 2022/23 IA will continue to assess its work on an on-going basis, considering the Council's changing needs and priorities regularly.

- 3.3 The audit plan will include the reviews carried forward from the previous year's audit plan, and any routine audits eg grant certifications, but work will be prioritised dependant on risk.
- 3.4 To avoid duplication of work, those areas where other auditors or assessors have undertaken, or plan to undertake, reviews will be disregarded from the current year's IA operational plan.
- 3.5 A Corporate Assurance Map will be developed further, where possible, to include the assurances that are provided by other assurance sources. The Assurance Map will be regularly updated and will be amended to reflect any changes in risks, concerns and requirements from services. This will facilitate IA to keep up-to-date and raise awareness of any emerging issues, and will further enable the service to focus its resources in areas of greatest priority and risk. It will also ensure that IA will add further value to those services having an input to the process.
- 3.6 The audit plan can therefore only be indicative as each service / system's associated risk may change during the year. It will therefore be necessary to periodically review the plan in response to any developments and initiatives which are deemed relevant.

AREAS FOR REVIEW 2022/23

4.1 The following have been identified as the main areas of work for the 2022/23 interim audit plan:

Changes due to Pandemic

4.2 IA will undertake reviews of systems and procedures and any other work where it is identified that the Service can add value to the Council's operations during the pandemic.

Key Control Audits

4.3 The effectiveness of controls and management of risks within the Council's key financial systems remain a core part of IA's work. This is important to provide assurance to the Council and, if appropriate, to inform the work of AW. These are now normally performed on a 3-yearly cycle, as agreed with AW. However, testing was undertaken of all the systems during 2021/22. The audits are currently either in progress or under review and will be finalised in 2022/23.

Corporate Governance Arrangements

4.4 The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively. IA supports and reviews the corporate governance framework and provides assurance that it operates effectively by attending the officer / Member joint workshops and undertaking audit reviews, to include 'ethics'. During the pandemic, the CMIA will attend one of the Silver Command group on a regular basis.

Risk Management & Corporate Risk Register

4.5 IA has an important role in assessing services' compliance with good risk management practices and the adequacy of controls in place to mitigate risks. IA also supports the corporate risk management protocols by undertaking a periodic review of the process, and the Risk Register. This year, attention will continue to be given to risk RO18, which identifies the main corporate risks due to the pandemic; and RO16, consequences of Brexit.

Well-Being of Future Generations Act

4.6 IA's role is to review the implementation and development processes governing the embedding of the new Act within the Council's procedures. It also supports the process by attending the WFGA Group meetings.

General Data Protection Regulation

4.7 The new GDPR came into effect in May 2018. IA contributes to the Council's planned approach to ensure compliance by attending the GDPR and information security group meetings and undertaking audit reviews.

New Projects

4.8 All Council projects should be delivered in a consistent corporate manner. IA supports this requirement by attending the corporate project management panels and undertaking audit reviews.

Corporate Managers Workshops

4.9 Any corporate changes should deliver its set aims and objectives. IA supports this requirement by undertaking audit reviews and ensuring added value is achieved.

Grants

4.10 IA will continue to review grants received where AW assurance is not provided or where there are concerns regarding the operational controls within processing arrangements. Assurance will also be given on compliance with terms and conditions, where requested.

Audit of Other Services and Systems

4.11 IA will review other services, systems and processes according to the risk assessment undertaken and / or service requirement.

Safeguarding

4.12 IA will continue to have regard to safeguarding issues in all audit programmes (such as DBS checks) where relevant; and will build on the progress made in coverage by IA of safeguarding by including a programme of reviews of safeguarding arrangements and procedures.

Counter Fraud Work (including NFI)

4.13 IA will continue to participate in the National Fraud Initiative (NFI) exercise, which matches data across organisations and systems to help public bodies identify potentially fraudulent or erroneous claims and transactions. This will be complemented by data matching reviews using the Active Data software system, and other counter fraud work.

Computer Audit

4.14 As well as placing assurance on external assessments of ICT, if possible, IA will commence their own assessments based on ICT audit training received.

Consultancy Work (including Audit Committee support)

4.15 In addition to the planned assurance services provided, IA will offer advice and guidance to officers in respect of a range of issues to include compliance with policies, internal control requirements, etc. This includes supporting the work of the Audit Committee.

Additional Reviews / Contingency

4.16 In addition to the planned assurance services provided, IA will provide reviews on an ad-hoc basis if any risks are highlighted during the year. The section may also undertake special investigations including fraud related work.

PERFORMANCE & IMPROVEMENT

- 5.1 To achieve planned coverage, deliver a high standard of customer service and demonstrate effectiveness, the Section complies with the PSIAS Mission, Definition of Internal Auditing, the Code of Ethics and the Standards as set out in the Charter via a set quality assurance and improvement program (QAIP) as noted in the Annual Report.
- 5.2 An action plan resulting from the 2021/22 internal audit self-assessment, plus other identified improvements, will be reported to Audit Committee after year-end, which will be monitored and updated throughout the year and reported to Audit Committee as part of the quarterly progress reports.
- 5.3 The Audit Committee has also set performance targets for the service, based on CIPFA's benchmarking indicators:

Indicator	Measure	Target
Number of audits completed* ¹	Number	-
Percent of planned time spent on audits	%	80
Percentage of QCQs* ² returned	%	50
Percentage of clients responses at least 'satisfied'	%	95
Percentage of actions accepted versus made	%	95
Percentage of audits completed within planned time	%	80
Av no of days from end of audit to issue of draft report	Days	10
Av no of days from exit meeting to final report	Days	5

NOTES

- 1 No target set – for information only
2 Quality Control Questionnaires

RESOURCES

- 6.1 The provision of IA will be delivered mainly by the in-house team during 2022/23, currently consisting of five officers (to include the CMIA) plus part of the Governance Officer's time.
- 6.2 Due to the change in CMIA and Senior Auditor posts, the (temporary) Apprentice Assistant Auditor post is currently vacant. This provides 735 audit days, and it is considered that there is sufficient skills and expertise to provide a full range of audits on which to base assurance to the Audit Committee on the adequacy of internal controls, risk management and corporate governance processes in place.

INTERNAL AUDIT OPERATIONAL PLAN 2022/23

- 7.1 Attached as Appendix I, is the initial internal audit operational plan which specifies the work to be performed for the Council during 2022/23. The plan is risk based but has also taken into account the continuing effects of the pandemic on the Council and has a number of days included in the plan for risk assessed reactive work.
- 7.2 The CMIA and/or AM will report progress on a quarterly basis, and will inform the Audit Committee immediately if it is suspected that any impact on resources is likely to have an adverse effect on the audit opinion.

APPENDIX I

Audit Area	Type of Audit	Planned Days
Risk assessed reactive work due to pandemic	Reactive	60
Free School Meals - Check vouchers paid in-lieu of allowances.	Grant	10
PPE - Independent check during transition from stock-taking spreadsheets to computerised system.	System	10
Main Accounting System - Report to be based on testing undertaken in 2022/23.	KC	10
Key Controls - Follow-up of 2021/22 work	KC	16
Housing Benefit - Annual quality Review	Assurance	5
Payroll - Report to be based on testing undertaken in 2022/23	KC	10
HR/Payroll Amendments - Report to be based on testing undertaken in 2022/23	System	10
Follow-up of Recommended Actions 2018/19 onwards	FF	10
Corporate Governance - Contribution to AGS Procedures and Governance Framework review	Governance	15
Business Continuity	Governance	2

Constitution review	Governance	5
Risk Management	Risk	5
Risk Register: Check mitigating controls in place for risks	Risk	40
Brexit - Risk review which considers the arrangements in place for the changes due to Brexit.	Risk	5
IIA Review & Assessment - WFGA review which considers the arrangements in place for preparing and submitting IIAs, and the consistency in approach and compilation.	WFGA	10
New Socio-Economic requirements - WFGA review which considers the arrangements in place for preparing to comply with the new socio-econ requirements.	WFGA	3
Welsh Standards - WFGA review which considers the arrangements in place for compliance with the Welsh Standards requirements.	WFGA	3
GDPR / DP Compliance (ICO Guidance) - The review will assess arrangements for compliance with various elements of the Regulation such as privacy notices, and data audits.	GDPR / DP	4
GDPR in schools - Periodic Registration Check	GDPR / DP	3
Post-16 Funding (Dec/Jan)	Grant	2
EIG/RCSIG - 2021/22 final EOY audit (Sept)	Grant	20
PDG - 2021/22 final EOY audit (Sept)	Grant	20
CLIC	VFM	20
Credit Cards - System audit. To concentrate on new system / cards issued.	System	10

Change Floats & Petty Cash imprests - FOLLOW-ON - verification of imprests (annual declarations from imprest holders).	System	15
Harbours accounts 2021/22 - Internal Audit input.	Account	6
VAT - Review to consider whether VAT guidance is in line with HMRC requirements, VAT is calculated, applied and reported on correctly and issued within basic tax point.	System	10
Lampeter Wellbeing Centre - New service provision will involve IA re new systems to including Gladstone replacement.	System	20
Ceredigion Sports Council	Honorary	5
Waste - An evaluation of the procedures introduced for waste collection.	System/VFM	10
SUDS - Check system in place that is compliant with regulatory requirements.	System	2
Environmental Audit - Check arrangements in place following AW audit	System	2
Museum - Review of 'cash' & 'stock' services introduced to Museum ie café, shop & bar.	System	10
Houses to Homes – Empty property initiative. Request to review procedures. Scope to be agreed.	System	20
Section safeguarding procedures Assurance that all services have introduced a safeguarding policy for staff, which is periodically audited.	Safeguarding	10
Corporate Safeguarding procedures	Safeguarding	2
Direct Payments Assist service to ensure governance & controls in place with new in-house service following end of contract Diverse Cymru	Advisory	25

Counter Fraud including NFI, Payroll, Recruitment, Travelling, Audit Scotland Paper, PCI Standard, and Physical Security.	Counter Fraud	55
Audit of Ethics - follow-on to Carmarthenshire audit work	Counter Fraud	2
Active Data - Data matching / analysing. The review provides assurance against reputational damage and financial losses due to fraudulent activity by using the 'Active Data' data analytics system.	Counter Fraud	10
Procurement fraud & New Creditors - Check a sample of new creditors to ensure they are genuine businesses.	Counter Fraud	10
ICT Audit - Audit logs - Test audit logs produced from a sample of systems and evaluate how they are used by service.	ICT	10
PCI Standard – Check compliance with the Standards' requirements.	ICT	5
LG & Elections (Wales) Act 2021 Assurance procedures in place to ensure Council has planned, prepared & made arrangements to comply with the new requirements	Assurance	5
Introduction of CJs Group - Check compliance & arrangements made to put in place	Assurance	5
Contingency for unplanned audits / consultation work / other	Additional Reviews	96
Working Groups & Projects	Assurance	92
Total days		735

A Jenkins

Corporate Manager - Internal Audit

8 February 2022

This page is intentionally left blank

CEREDIGION COUNTY COUNCIL

Report to:	Governance and Audit Committee
Date of meeting:	10 March 2022
Title:	Internal Audit Report – Governance Framework Review 2021/22
Purpose of the report:	To advise Members of the audit findings
Cabinet Portfolio and Cabinet Member:	Cllr. Ray Quant, Deputy Leader of the Council and Cabinet Member for Legal & Governance, People and Organisation, and Democratic Services

A review has recently been undertaken of the Framework supporting the Annual Governance Statement (AGS) for 2021/22.

The Governance Framework, AGS and Local Code of Corporate Governance were presented to the Committee in January 2022. Members of the Committee were also involved in its review.

AW provides an audit opinion on the AGS based on its consistency with their knowledge and compliance with legislation.

The internal audit review consists of an assessment of the procedures in place to compile the governance framework, the scoring methodology used, and consideration of the 'evidence' noted in the framework.

This review therefore complements AW's work on the AGS, and provides assurance that the procedure is robust, focussed and effective.

Recommendation(s):	To note the review of the Governance Framework
Reasons for decision:	Information only
Appendices:	Internal Audit Report – Governance Framework Review 2021/22
Head of Service:	Elin Prysor CLO-Legal and Governance / Monitoring Officer
Reporting Officer:	Alex Jenkins Corporate Manager – Internal Audit
Date:	10 March 2022

Mae'r adroddiad yma ar gael yn Gymraeg.
This report is available in Welsh.

**GWASANAETHAU
CYFREITHIOL A
LLYWODRAETHU**

**LEGAL & GOVERNANCE
SERVICES**

**GWASANAETH ARCHWILIO MEWNOL
INTERNAL AUDIT SERVICE**



**Cyngor Sir
CEREDIGION
County Council**



ADRODDIAD ARCHWILIO – AUDIT REPORT

Governance Framework Review 2021/22

Report Prepared by: Alex Jenkins,
Corporate Manager – Internal Audit

Date of Issue: 16th February 2022

INTERNAL AUDIT REPORT

Governance Framework Review 2021/22

EXECUTIVE SUMMARY

A review has recently been undertaken of the framework supporting the Annual Governance Statement (AGS) 2021/22.

The review was undertaken to complement Audit Wales (AW) officers' work, whose opinion provides assurance that the AGS is consistent with their knowledge and compliant with legislation.

Although the pandemic affected working practices and governance during 2021/22, I'm pleased to report that the systems and procedures audited were found to be satisfactory, enabling the Internal Audit Section to provide high assurance that there is a sound system of scrutiny and robustness in place.

I would like to take this opportunity to thank Hannah Rees, Governance Officer (GO) for her ready assistance and co-operation during the course of the audit.

OBJECTIVE

The main objective of the assessment is to review the procedure and self-assessment arrangements of the governance framework, the scoring methodology used and the evidence available, in order to provide an opinion to the Corporate Lead Officer – Legal and Governance of Internal Audit's evaluation of scrutiny and robustness present in the process.

AUDIT APPROACH

The assessment was designed to evaluate the attainment of specific standards. These are mainly the standards set out in CIPFA's Better Governance document. In doing so, Internal Audit has:

- Examined the standards and framework,
- Held discussions with key personnel, and
- Reviewed the procedures employed by the service to produce the framework, to include attending the workshops.

SUMMARY OF FINDINGS

The Governance Officer is responsible for co-ordinating and drafting the AGS and supporting framework. The current framework arrangement was adopted in 2016/17 and in accordance with AW (then WAO) recommendation, Member / officer workshops have been held to scrutinise, review and update the framework annually.

The items substantiating good governance against each principle have been listed / described as evidence in the framework.

During the workshops Members and officers had an opportunity to assess those items, and to score them accordingly, using the system as noted in the AGS:

- 1/2 Unacceptable - Immediate action required
- 3/4 Below satisfactory - Urgent action required (within 3-6 months)
- 5/6 Satisfactory - Action required (before end of year 9-12 months)
- 7/8 Acceptable - Minor adjustments may be required
- 9/10 Good - Overall governance considered to be good and meets best practice; No further action required

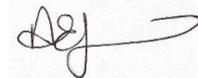
In addition, where possible improvements have been identified, appropriate action has been included in the following year's action plan.

During the audit review, the framework evidence and scores were assessed, and an additional statement / opinion provided to substantiate their effectiveness.

CONCLUSION

From the review, it is concluded that there is a sound system of scrutiny and robustness in the systems and procedures preparing and scoring the framework – this is further demonstrated from the assessment of the evidence provided as assurance against each element in the framework.

AEJ/AGS
15 February 2022
Internal Audit



Corporate Manager -

Report Distribution

Elin Pryor, Corporate Lead Officer – Legal & Governance / Monitoring Officer
Hannah Rees, Governance Officer
GAC/A

Cyngor Sir CEREDIGION County Council

REPORT TO:	Governance and Audit Committee
DATE:	10 March 2022
LOCATION:	Remotely via Video Conference
TITLE:	Governance and Audit Committee Chair /Vice-chair arrangements
PURPOSE OF REPORT:	To update the Governance and Audit Committee and seek its views on the arrangements of the Committee from 5 th May 2022
For:	Information and Decision
CABINET PORTFOLIO AND CABINET MEMBER:	Cllr. Ray Quant, Deputy Leader of the Council and Cabinet Member for Legal and Governance, People and Organisation and Democratic Services

Background

Reports were presented to the Governance and Audit Committee ('the Committee') regarding the Local Government and Elections (Wales) Act 2021 ('the 2021 Act') and changes affecting the Committee on 24th February 2021 and 3rd June 2021.

(See Reports at:

[http://www.ceredigion.gov.uk/cpdl/Democratic_Services_Meetings_Public/B%20LG%20and%20Elections%20combined%20\(s\).pdf](http://www.ceredigion.gov.uk/cpdl/Democratic_Services_Meetings_Public/B%20LG%20and%20Elections%20combined%20(s).pdf)) and <https://council.ceredigion.gov.uk/documents/s1589/7%20Parts%20of%20cont%20s.pdf?LLL=0>)

Council resolved on 9th December 2021 to approve the appointments of the following individuals as independent/lay persons of the Governance and Audit Committee with **effect from 5th May 2022** for one administrative term (up to a maximum of two consecutive administrative terms).

- Liam Hull;
- Caroline Whitby; and
- Alan Davies

(See Report to Council at:

<https://council.ceredigion.gov.uk/documents/s2372/report%20-%20Recruitment%20of%20lay%20persons%20to%20the%20Governance%20and%20Audit%20Committee.pdf?LLL=0>) and Meeting Minutes at:

<https://council.ceredigion.gov.uk/documents/g163/Printed%20minutes%2009th-Dec-2021%2010.00%20Council.pdf?T=1&LLL=0>)

Section 116 of the 2021 Act amends section 82 of the Local Government (Wales) 2011 Measure (the 2011 Measure) to include that the Governance and Audit Committee:

- Chair must be a lay person, and
- that the member appointed as the Deputy Chair must not be a member of the local authority's executive or assistant to its executive.

Deputy Chair

It is recommended that the Deputy Chair be appointed from the Committee's 3 Lay Persons.

This is in consideration of circumstances where the Deputy Chair would need to, in the absence of the Chair, act as Chair.

(See the 2021 Act at: <https://www.legislation.gov.uk/asc/2021/1> and 2011 Measure at <https://www.legislation.gov.uk/mwa/2011/4/contents>)

Appointing the Chair and Deputy Chair

Section 116 of the 2021 Act also amends the 2011 Measure to state that the Governance and Audit Committee itself appoints the Chair and Deputy Chair.

From 5th May 2022, the Committee will need to appoint its Chair and Deputy Chair.

Current Position

The selection by the Committee of its Chair and Deputy Chair will need to take place during the first Committee Meeting following 5th May 2022, (currently scheduled for 29th June 2022).

The Committee will therefore be without a Chair/Vice Chair from 5/5/22-29/6/22.

Rotation

It is recommended that the Committee considers how often it shall re-appoint the Chair and Deputy Chair and whether it wishes to consider a rotation period between the three Lay Persons.

It is recommended that the Chair and the Deputy Chair are appointed annually, and rotated accordingly.

Recommendation(s): That the Governance and Audit Committee agrees that:

1. The Deputy Chair (from 5th May 2022) be appointed from the Committee's Lay Persons;
2. At the first meeting of the Governance and Audit Committee Meeting following 5th May 2022, that it will be necessary to appoint a Chair and Deputy Chair to the Committee

3. That rotation of the Chair and Deputy Chair to the Committee takes space annually following the Council's Annual General Meeting

And to Note:

4. That the Committee will be without a Chair/Vice Chair from 5/5/22-29/6/22.

Reasons for recommendation(s):

- To keep the Committee informed of the requirements of the Local Government and Elections (Wales) Act 2021;
- To seek the Committee's views on its arrangements from 5th May 2022;
- To ensure compliance with legislation; and
- To ensure appropriate composition of the Committee.

Appendices: None

Head of Service: Elin Prysor-Corporate Lead Officer: Legal & Governance Services (& Monitoring Officer)

Reporting Officer: Elin Prysor

Date: 10 February 2022

This page is intentionally left blank

Cyngor Sir CEREDIGION County Council

REPORT TO:	Governance and Audit Committee
DATE:	10 March 2022
LOCATION:	Remotely via Video Conference
TITLE:	Governance and Audit Committee self-assessment 2021
PURPOSE OF REPORT:	To provide an assessment on the Governance and Audit Committee's ability to ensure effective assurance arrangements are in place
For:	Information and recommendation
CABINET PORTFOLIO AND CABINET MEMBER:	Cllr. Ray Quant, Deputy Leader of the Council and Cabinet Member for Legal and Governance, People and Organisation and Democratic Services

Background

The CIPFA Audit Committees: Practical Guidance for Local Authorities and Police (2018 Edition) (available via CIPFA website: <https://www.cipfa.org/policy-and-guidance/publications/a/audit-committees-practical-guidance-for-local-authorities-and-police-2018-edition-online>) sets out guidance on the function and operation of audit committees (subsequently renamed by the Local Government and Elections (Wales) Act 2021 (and hereafter referred to) as Governance and Audit Committees) in Local Authorities.

The position statement emphasises the importance of Governance and Audit Committees being in place and recognises that Governance and Audit Committees are a key component of governance. The position statement also states that good Governance and Audit Committees are characterised by: a membership that is balanced, objective, independent of mind, knowledgeable and properly trained to fulfil their role.

Chapter 7 of the guidance recognises that a Governance and Audit Committee's effectiveness should be judged by the contribution it makes to, and the beneficial impact it has on, the authority's business. A good standard of performance against recommended practice, together with knowledgeable and experienced membership, are essential requirements for delivering effectiveness.

The guidance recommends that a Governance and Audit Committee should carry out a self-assessment and evaluation of effectiveness to assess the achievement of a good standard of performance. In addition, Governance and Audit Committee

members should be willing to review their knowledge and skills, as part of a self-assessment process or training needs assessment.

The most recent self-assessment of good practice and evaluation of the effectiveness of the Audit Committee was previously carried out on 6 December 2018 by the Chair and Vice-Chair on behalf of the Audit Committee (see Report at: http://www.ceredigion.gov.uk/cpd/Democratic_Services_Meetings_Public/G%20combined%20bilingual%20061218.pdf and Meeting Minutes at: http://www.ceredigion.gov.uk/cpd/Democratic_Services_Meetings_Public/J%20Cofnodion%20061218.pdf). A final draft was subsequently presented to the Audit Committee for review on 17 July 2019 (see Report at: http://www.ceredigion.gov.uk/cpd/Democratic_Services_Meetings_Public/O%20combined%20self%20assessment.pdf and Meeting Minutes at: http://www.ceredigion.gov.uk/cpd/Democratic_Services_Meetings_Public/C%20Cofnodion%20combined%20120919.pdf).

Current Position

A survey has been circulated to all Governance and Audit Committee Members. Responses to the questions asked are shown in **Appendix 1** attached. A total of 3 responses were received. Members' names are not disclosed.

A Workshop was then held on 3rd February 2022 with a further opportunity to provide responses and to formulate a Self-assessment and Evaluation of Effectiveness Review (see draft Self-assessment and Evaluation of Effectiveness Review at **Appendix 2**).

It was not possible, in the timescale, for attendees to complete the review at the Workshop, therefore the draft Review was circulated to the Committee Members so that any additional comments could be submitted. No further responses have been received.

It is therefore recommended that the draft Review is reconsidered by the Governance and Committee in order that a final Review may be completed and re-presented to the Committee at its next Meeting.

RECOMMENDATION(S): That the Governance and Audit Committee:

- 1) Notes the contents of the draft Self-assessment and Evaluation of Effectiveness Review (at **Appendix 2**); and
- 2) Agrees to reconsider the draft Self-assessment and Evaluation of Effectiveness Review (at **Appendix 2**) in order that a final Review document can be presented at the next Meeting of the Committee.

REASON(S) FOR RECOMMENDATION(S): That the Governance and Audit Committee is satisfied that effective assurance arrangements are in place to manage the authority's financial affairs, risk management, internal control and corporate governance arrangements.

Appendices: **Appendix 1** – Survey (blank): Governance and Audit Committee Self-Assessment of Good Practice and

Evaluation of the Effectiveness of the Committee (March 2022)

Appendix 2 - Draft Self-assessment and Evaluation of Effectiveness Review

Head of Service: Elin Prysor-Corporate Lead Officer: Legal & Governance Services (& Monitoring Officer)
Reporting Officer: Hannah Rees, Governance Officer
Date: 17/02/2022

Governance and Audit Committee Self-Assessment of Good Practice March 2022

Good Practice Question	YES	Partly	NO	Comment
Governance and Audit Committee Purpose & Governance				
1. Does the authority have a dedicated Governance and Audit Committee?				
2. Does the Governance and Audit Committee report directly to full council?				
3. Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?				
4. Is the role and purpose of the Governance and Audit committee understood and accepted across the authority?				
5. Does the Governance and Audit Committee provide support to the authority in meeting the requirements of good governance?				
6. Are the arrangements to hold the committee to account for its performance operating satisfactorily?				

Good Practice Question	YES	Partly	NO	Comment
Functions of the Committee				
7. Do the committee's terms of reference explicitly address				
a) all the core areas identified in CIPFA's Position Statement?				
i) good governance				
ii) assurance framework, including partnerships and collaboration arrangements				
iii) internal audit				
iv) external audit				
v) financial reporting				
vi) risk management				
vii) value for money or best value				
viii) counter fraud and corruption				
ix) supporting the ethical framework				
b) the committee's duty to review and assess the Council's draft annual Self-Assessment (a report setting out its conclusions as to the extent to which it met the performance requirements during that financial year) and draft response to any Auditor General Report (Local Government and Elections (Wales) Act 2021)?				
c) the committee's duty to consider the panel performance assessment report and review the Council's draft response to the report of the panel and ability to make recommendations for changes to the statements made in the draft response (Local Government and Elections (Wales) Act 2021)?				

8. Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?				
9. Has the Governance and Audit Committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?				
10. Where coverage of core areas has been found to be limited, are plans in place to address this?				

Good Practice Question	YES	Partly	NO	Comment
11. Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?				
Membership and Support				
12. Has an effective Governance and Audit Committee structure and composition of the committee been selected? This should include:				
i) Separation from the executive				
ii) an appropriate mix of knowledge and skills among the membership				
iii) a size of committee that is not unwieldy				
iv) consideration has been given to the inclusion of 1/3 lay membership (in accordance with Local Government and Elections (Wales) Act 2021)				
13. Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council as appropriate for the organization?				
14. Does the chair of the committee have appropriate knowledge and skills?				
15. Are arrangements in place to support the committee with briefings and training?				
16. Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?				

Evaluation of the Effectiveness of Governance and Audit Committee – March 2022

5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the Governance and Audit Committee has supported improvements in this area.

Areas where the Governance and Audit Committee can add value by supporting improvement	Examples of how the Governance and Audit Committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Promoting the principles of good governance and their application to decision making	<ul style="list-style-type: none"> ④ Supporting the development of a local code of governance ④ Providing robust review of the AGS and the assurances underpinning it ④ Working with key members to improve their understanding of the AGS and their contribution to it ④ Supporting reviews/audits of governance arrangements ④ Participating in self-assessments of governance arrangements ④ Working with partner Governance and Audit Committees to review governance arrangements in partnerships 		

Areas where the Governance and Audit Committee can add value by supporting improvement	Examples of how the Governance and Audit Committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Contributing to the development of an effective control environment	<ul style="list-style-type: none"> ④ Actively monitoring the implementation of recommendations from auditors ④ Encouraging ownership of the internal control framework by appropriate managers ④ Raising significant concerns over controls with appropriate senior managers 		
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	<ul style="list-style-type: none"> ④ Reviewing risk management arrangements and their effectiveness, eg risk management benchmarking ④ Monitoring improvements ④ Holding risk owners to account for major/strategic risks 		
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	<ul style="list-style-type: none"> ④ Specifying its assurance needs, identifying gaps or overlaps in assurance ④ Seeking to streamline assurance gathering and reporting ④ Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit 		
Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence	<ul style="list-style-type: none"> ④ Reviewing the audit charter and functional reporting arrangements ④ Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements ④ Actively supporting the quality assurance and improvement programme of internal audit 		

Areas where the Governance and Audit Committee can add value by supporting improvement	Examples of how the Governance and Audit Committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	<ul style="list-style-type: none"> ④ Reviewing how the governance arrangements support the achievement of sustainable outcomes ④ Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place ④ Reviewing the effectiveness of performance management arrangements 		
Supporting the development of robust arrangements for ensuring value for money	<ul style="list-style-type: none"> ④ Ensuring that assurance on value for money arrangements is included in the assurances received by the Governance and Audit Committee ④ Considering how performance in value for money is evaluated as part of the AGS 		

Areas where the Governance and Audit Committee can add value by supporting improvement	Examples of how the Governance and Audit Committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks	<ul style="list-style-type: none"> ④ Reviewing arrangements against the standards set out in the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) ④ Reviewing fraud risks and the effectiveness of the organisation’s strategy to address those risks ④ Assessing the effectiveness of ethical governance arrangements for staff 		
Promoting effective public reporting to the authority’s stakeholders and local community and measures to improve transparency and accountability	<ul style="list-style-type: none"> ④ Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English/Welsh ④ Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency ④ Publishing an annual report from the committee 		

Governance and Audit Committee Self-Assessment of Good Practice March 2022

Good Practice Question	YES	Partly	NO	Comment
Governance and Audit Committee Purpose & Governance				
1. Does the authority have a dedicated governance and audit committee?	<input checked="" type="checkbox"/>			2021 change of name (Governance and Audit Committee) and functions
2. Does the governance and audit committee report directly to full council?	<input checked="" type="checkbox"/>			
3. Do the terms of reference clearly set out the purpose of the committee in accordance with CIPFA's Position Statement?	<input checked="" type="checkbox"/>			Terms of Reference comply with position statement.
4. Is the role and purpose of the Governance and Audit committee understood and accepted across the authority?	<input checked="" type="checkbox"/>			
5. Does the Governance and Audit committee provide support to the authority in meeting the requirements of good governance?	<input checked="" type="checkbox"/>			
6. Are the arrangements to hold the committee to account for its performance operating satisfactorily?	<input checked="" type="checkbox"/>			Arrangements are in place e.g. Chair reports to Council, annual report of chair, role of Audit Wales, Workshop on self-assessment/evaluation and Meetings Actions Log. Additional arrangements considered could include a Service survey on the performance of the Committee.

Good Practice Question	YES	Partly	NO	Comment
Functions of the Committee				
7. Do the committee's terms of reference explicitly address				
a) all the core areas identified in CIPFA's Position Statement?	<input checked="" type="checkbox"/>			
i) good governance	<input checked="" type="checkbox"/>			
ii) assurance framework, including partnerships and collaboration arrangements	<input checked="" type="checkbox"/>			
iii) internal audit	<input checked="" type="checkbox"/>			
iv) external audit	<input checked="" type="checkbox"/>			
v) financial reporting	<input checked="" type="checkbox"/>			
vi) risk management	<input checked="" type="checkbox"/>			
vii) value for money or best value	<input checked="" type="checkbox"/>			
viii) counter fraud and corruption	<input checked="" type="checkbox"/>			
ix) supporting the ethical framework	<input checked="" type="checkbox"/>			
b) the committee's duty to review and assess the Council's draft annual Self-Assessment (a report setting out its conclusions as to the extent to which it met the performance requirements during that financial year) and draft response to any Auditor General Report (Local Government and Elections (Wales) Act 2021)?	<input checked="" type="checkbox"/>			

<p>c) the committee's duty to consider the panel performance assessment report and review the Council's draft response to the report of the panel and ability to make recommendations for changes to the statements made in the draft response (Local Government and Elections (Wales) Act 2021)?</p>	<input checked="" type="checkbox"/>			
<p>8. Is an annual evaluation undertaken to assess whether the committee is fulfilling its terms of reference and that adequate consideration has been given to all core areas?</p>	<input checked="" type="checkbox"/>			<p>Annual report provides a review process.</p>
<p>9. Has the Governance and Audit Committee considered the wider areas identified in CIPFA's Position Statement and whether it would be appropriate for the committee to undertake them?</p>		<input checked="" type="checkbox"/>		<p>Regarding the wider area of working with local standards and ethics committees to support ethical values, the Governance and Audit Committee does not work with the Ethics and Standards Committee but does support ethical values.</p>
<p>10. Where coverage of core areas has been found to be limited, are plans in place to address this?</p>	<input checked="" type="checkbox"/>			

Good Practice Question	YES	Partly	NO	Comment
11. Has the committee maintained its advisory role by not taking on any decision-making powers that are not in line with its core purpose?	<input checked="" type="checkbox"/>			
Membership and Support				
12. Has an effective Governance and Audit Committee structure and composition of the committee been selected? This should include:	<input checked="" type="checkbox"/>			
i) Separation from the executive	<input checked="" type="checkbox"/>			
ii) an appropriate mix of knowledge and skills among the membership	<input checked="" type="checkbox"/>			
iii) a size of committee that is not unwieldy	<input checked="" type="checkbox"/>			
iv) consideration has been given to the inclusion of 1/3 lay membership (in accordance with Local Government and Elections (Wales) Act 2021)	<input checked="" type="checkbox"/>			New arrangements will be implemented following the May 2022 Local Authority elections. Currently compliant.
13. Have independent members appointed to the committee been recruited in an open and transparent way and approved by the full council as appropriate for the organization?	<input checked="" type="checkbox"/>			
14. Does the chair of the committee have appropriate knowledge and skills?	<input checked="" type="checkbox"/>			
15. Are arrangements in place to support the committee with briefings and training?	<input checked="" type="checkbox"/>			
16. Has the membership of the committee been assessed against the core knowledge and skills framework and found to be satisfactory?			<input checked="" type="checkbox"/>	This will be done following the May 2022 Local Authority elections. A role description with core knowledge/skills shall be circulated to political groups for assisting with committee member selection.

Good Practice Question	YES	Partly	NO	Comment
17. Does the committee have good working relations with key people and organisations, including external audit, internal audit and the CFO?	<input checked="" type="checkbox"/>			
18. Is adequate secretariat and administrative support to the committee provided?	<input checked="" type="checkbox"/>			
Effectiveness of the Committee				
19. Has the committee obtained feedback on its performance from those interacting with the committee or relying on its work?		<input checked="" type="checkbox"/>		A survey/feedback request could be requested from Services. [consider illustrations].
20. Are meetings effective with a good level of discussion and engagement from all the members?	<input checked="" type="checkbox"/>			Yes, but Agenda is too long and additional meetings could be considered. There may be then additional time for e.g. training at meetings.
21. Does the committee engage with a wide range of leaders and managers including discussion of audit findings, risks and action plans with the responsible officers?	<input checked="" type="checkbox"/>			
22. Does the committee make recommendations for the improvement of governance, risk and control and are these acted on?	<input checked="" type="checkbox"/>			
23. Has the committee evaluated whether and how it is adding value to the organisation?		<input checked="" type="checkbox"/>		Consideration should be given to formalising arrangements.
24. Does the committee have an action plan to improve any areas of weakness?			<input checked="" type="checkbox"/>	A SWOT/evaluation exercise could be considered. An action plan is required to improve areas of weakness.
25. Does the committee publish an annual report to account for its performance and explain its work?	<input checked="" type="checkbox"/>			

Evaluation of the Effectiveness of Governance and Audit Committee – March 2022

5	Clear evidence is available from a number of sources that the committee is actively supporting improvements across all aspects of this area. The improvements made are clearly identifiable.
4	Clear evidence from some sources that the committee is actively and effectively supporting improvement across some aspects of this area.
3	The committee has had mixed experience in supporting improvement in this area. There is some evidence that demonstrates their impact but there are also significant gaps.
2	There is some evidence that the committee has supported improvements, but the impact of this support is limited.
1	No evidence can be found that the Governance and Audit Committee has supported improvements in this area.

Areas where the audit committee can add value by supporting improvement	Examples of how the Governance and Audit Committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Promoting the principles of good governance and their application to decision making	<ul style="list-style-type: none"> ④ Supporting the development of a local code of governance ④ Providing robust review of the AGS and the assurances underpinning it ④ Working with key members to improve their understanding of the AGS and their contribution to it ④ Supporting reviews/audits of governance arrangements ④ Participating in self-assessments of governance arrangements ④ Working with partner Governance and Audit Committees to review governance arrangements in partnerships 	<p>We tend to follow national guidance</p> <p>Regular reports from both internal and external auditors ensures conformity</p> <p>Undertake general training to ensure that members have a grasp of the requirements</p> <p>Regularly reviews different aspect of various elements based on annual audit plan</p> <p>Don't recall having done this previously although I am new to the Audit committee</p> <p>Don't recall having done this but work closely with Audit Wales</p>	<p>4</p> <p>5</p>

Areas where the audit committee can add value by supporting improvement	Examples of how the Governance and Audit Committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Contributing to the development of an effective control environment	<ul style="list-style-type: none"> ④ Actively monitoring the implementation of recommendations from auditors ④ Encouraging ownership of the internal control framework by appropriate managers ④ Raising significant concerns over controls with appropriate senior managers 	<p>We will review measures that have been put in place for various departments, by revisiting and ensuring that they have complied with suggested protocols</p> <p>We strive as an Audit and Governance committee to ensure that internal control measures become inherent in depts work streams</p> <p>Due to lack of requested information being made available to Audit Wales, put controls in place that remedies the situation (Estates)</p>	5
Supporting the establishment of arrangements for the governance of risk and for effective arrangements to manage risks	<ul style="list-style-type: none"> ④ Reviewing risk management arrangements and their effectiveness, eg risk management benchmarking ④ Monitoring improvements ④ Holding risk owners to account for major/strategic risks 	<p>Comparative data is periodically provided on performance within other L Authorities. Don't recall having data on risk management</p> <p>Kept close outlook on performance of Estates in providing appropriate information to Audit Wales</p> <p>Ensuring that the Authorities risk register is reviewed and holding managers to account for performance</p>	4 5
Advising on the adequacy of the assurance framework and considering whether assurance is deployed efficiently and effectively	<ul style="list-style-type: none"> ④ Specifying its assurance needs, identifying gaps or overlaps in assurance ④ Seeking to streamline assurance gathering and reporting ④ Reviewing the effectiveness of assurance providers, eg internal audit, risk management, external audit 	<p>We strive to ensure that all reports that come before us as outlined in our Audit plan provides assurance to the satisfaction of Members and appropriate Audit personnel.</p> <p>This is done based on our Audit plans</p> <p>Committee places significant reliance on the timeliness and quality of internal audit reports as well as the perspective of External Audit.</p>	4 5

<p>Supporting the quality of the internal audit activity, particularly by underpinning its organisational independence</p>	<ul style="list-style-type: none"> ④ Reviewing the audit charter and functional reporting arrangements ④ Assessing the effectiveness of internal audit arrangements, providing constructive challenge and supporting improvements ④ Actively supporting the quality assurance and improvement programme of internal audit 	<p>Arrangements in place to ensure that we are kept fully apprised of current Audit good practice</p> <p>Internal auditors will always be questioned by committee members in scrutinizing the effectiveness of their planed work</p> <p>Committee very supportive of the work and quality of the role of internal audit and will on occasion seek assurance that they are adhering to industry standards</p>	<p>5</p>
--	--	--	----------

Areas where the audit committee can add value by supporting improvement	Examples of how the Governance and Audit Committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Aiding the achievement of the authority's goals and objectives through helping to ensure appropriate governance, risk, control and assurance arrangements	<ul style="list-style-type: none"> ④ Reviewing how the governance arrangements support the achievement of sustainable outcomes ④ Reviewing major projects and programmes to ensure that governance and assurance arrangements are in place ④ Reviewing the effectiveness of performance management arrangements 	<p>Committee will question departmental objectives based on Councils policies on issues like e.g. climate change</p> <p>Based on the Audit plan and risk register the committee will seek assurances that the Authority is compliant in its undertaking</p> <p>Timely reports are provided by internal and external auditors that review performance.</p>	5
Supporting the development of robust arrangements for ensuring value for money	<ul style="list-style-type: none"> ④ Ensuring that assurance on value for money arrangements is included in the assurances received by the Governance and Audit Committee ④ Considering how performance in value for money is evaluated as part of the AGS 	<p>Tender procedures are in place to get best value for money costings. Authority will also procure through sell to wales and other framework agreements</p> <p>See comments as above</p>	5

Areas where the audit committee can add value by supporting improvement	Examples of how the Governance and Audit Committee can add value and provide evidence of effectiveness	Self-evaluation, examples, areas of strength and weakness	Overall assessment: 5 – 1 See key above
Helping the authority to implement the values of good governance, including effective arrangements for countering fraud and corruption risks	<ul style="list-style-type: none"> ④ Reviewing arrangements against the standards set out in the Code of Practice on Managing the Risk of Fraud and Corruption (CIPFA, 2014) ④ Reviewing fraud risks and the effectiveness of the organisation’s strategy to address those risks ④ Assessing the effectiveness of ethical governance arrangements for staff 	<p>Continuous activity by audit and particularly the procurement section to ensure that the Authority is compliant with the codes and minimizing the potential for fraud</p> <p>Covid 19 has with government grants have ensured that regular and continuous assessment of the risks are identified</p> <p>Continious training is provided by the authority to ensure the effectiveness of staff in carrying out their duties</p>	5
Promoting effective public reporting to the authority’s stakeholders and local community and measures to improve transparency and accountability	<ul style="list-style-type: none"> ④ Improving how the authority discharges its responsibilities for public reporting; for example, better targeting at the audience, plain English/Welsh ④ Reviewing whether decision making through partnership organisations remains transparent and publicly accessible and encourages greater transparency ④ Publishing an annual report from the committee 	<p>I’m sure more could be done but there is always a balance to be struck between overload of data and information and cost of providing same. Information is available bilingually and transparency in our work is a pre-requisite</p> <p>There are numerous reporting back reports from partnership, to both Leadership teams , Cabinet and general membership of the authority which is also available to the public</p> <p>Chair of the Committee will present an annual report to the appropriate scrutiny committee, Cabinet and ultimately full Councils. The report is available to the public</p>	4 5

This page is intentionally left blank

10th March 2022 Governance and Audit Committee Forward Work Programme

Standing Items at each meeting:

Regulatory & Inspectorate Reports & Updates
 Council Responses to Regulatory and Inspectorate Reports
 Internal Audit Progress Reports
 AGS Progress Report
 Corporate Risk Register
 Forward Work Programme
 GAC Meeting Actions Log

Additional items for consideration

10 th March 2022	IA Progress Report – Q3 2021-2022 Internal Audit Strategy and Plan 2022-2023 Internal Audit Report – Governance Framework Review 2021/2022 Report on Governance and Audit Committee Chair and Vice Chair arrangements Self-evaluation of Governance and Audit Committee Note – no Corporate Risk Register	Alex Jenkins Alex Jenkins Alex Jenkins Elin Prysor Hannah Rees
29 th June 2022	Appointment of Governance and Audit Committee Chair/Deputy Chair Audit Wales Audit Plan 2022/2023 Internal Audit Progress Report Q4 2021-2022 Internal Audit Self Assessment 2021-2022 Internal Audit Annual Report 2021-2022 AGS Progress Update	Audit Wales/Elin Prysor Alex Jenkins Alex Jenkins Alex Jenkins Hannah Rees

This page is intentionally left blank