

**Minutes of the Meeting of GOVERNANCE AND AUDIT COMMITTEE
held Hybrid - Neuadd Cyngor Ceredigion, Penmorfa, Aberaeron / remotely
via video conference on Monday, 6 June 2022**

PRESENT: Mr Alan Davies (Chair) Councillors Endaf Edwards, Elizabeth Evans, Wyn Evans and Gareth Lloyd together with Mr Liam Hull and Mrs Caroline Whitby

Also in attendance: Councillors Gareth Davies, Keith Henson and Catrin MS Davies (Cabinet Members) Rhodri Evans, Maldwyn Lewis and Carl Worrall,

Officers in attendance: Ms Elin Prysor, Corporate Lead Officer-Legal and Governance & Monitoring Officer; Miss Lowri Edwards- Corporate Lead Officer – Democratic Services, Mr Stephen Johnson, Corporate Lead Officer – Finance & Procurement, Mr Rob Starr- Performance and Research Manager, Ms Nia Jones, Corporate Manager – Democratic Services, Mrs Alex Jenkins, Corporate Manager- Internal Audit, Legal and Governance Services, Ms Hannah Rees- Governance Officer, Mrs Alison Hodgson , Corporate Performance and Improvement Officer, Mrs Dana Jones, Democratic Services and Standards Officer,

Audit Wales: Miss Non Jenkins and Mr Jason Blewitt

(2:00pm-4:15pm)

1 Appointment of Governance and Audit Committee Chair and Deputy Chair

It was RESOLVED to appoint Mr Alan Davies as Chair of the Governance and Audit Committee for municipal years 2022/23 and 2023/24.

It was RESOLVED to appoint Mr Liam Hull as Deputy Chair of the Governance and Audit Committee for municipal years 2022/23 and 2023/24.

2 Apologies

Councillors Bryan Davies, Mark Strong and Matthew Vaux apologised for their inability to attend the meeting.

3 Personal Matters

Best wishes were expressed to Hannah Rees, Governance Officer on her last meeting before her maternity leave; and all wished her well for the future.

Mr Harry Dimmack had been appointed to cover her maternity leave.

4 Disclosures of Personal / Prejudicial interest

None

5 To confirm the Minutes of the Governance and Audit Committee held on 10 March 2022 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 10 March 2022 subject to amending the following:-

(i) to amend minute 8 to read “Professor Roffe suggested that Internal Audit considers for the Forward Work Programme:-

(i) Working from Home-including positives and negatives; and (ii) Gold Command, including lessons learnt”

(ii) to amend typographical errors:

at the end of item 10 to “it was AGREED to note”;

(iii) to remove “a” on item 11 – “a reports” and

(v) to amend the 29 June date at the end of the minutes to the 06 June

6 Governance and Audit Committee Meeting Actions Log

Consideration was given to the Governance and Audit Committee Meeting Actions Log.

It was AGREED to note the content as presented.

Procedure

It was AGREED that items 7 and 8 be considered at the end of the meeting as Officers from Audit Wales were unable to attend at the start due to another meeting.

7 Regulator & Inspectorate Reports and Updates

Consideration was given to the Regulatory & Inspectorate Reports and Updates Item. The report sets out Regulator and Inspectorate Reports and updates and had three 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

It was AGREED to note the current position.

8 Council Responses to Regulator & Inspectorate Reports

Consideration was given to the Report that sets out the Council’s responses regarding Regulator and Inspectorate Reports and progress made regarding proposals and recommendations.

This Report had two 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 2021-2022 Update:

MRF – Direct Payments for Adult Social Care

b) Other Council related matters

Regarding a), it was explained to the Committee that 3 additional Management Response Forms ('MRFs') were now marked as completed (the Committee has had sight of these previously and they would not be presented again):

1. MRF – Commercialisation in Local Government;
2. MRF – Financial Sustainability Assessment; and
3. MRF – Regenerating Town Centres.

Only 1 MRF from the 2019-20/2020-21 period may be presented again in the future to the Committee – MRF Raising our Game, Tackling Fraud in Wales.

The Corporate Manager- Internal Audit provided the Committee with an explanation of the MRF– Direct Payments for Adult Social Care.

It was AGREED to note the current position.

9 Internal Audit Progress Report 2021-2022 (Quarter 4)

Consideration was given to the report of the Corporate Manager-Internal Audit on The Internal Audit Progress Report Quarter 4. 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 Service

10 Internal Audit Annual Report 2021/22

Following a question from the floor, consideration was given to the Internal Audit Annual Report 2021/22. The Annual Report provided a summary of the internal audit activity during the year to 31 March 2022 and incorporates the audit opinion.

It also documents the current resource position, and the Section's quality, improvement and progress plans.

It was AGREED to approve the report

11 Internal Audit Annual Counter Fraud Report 2021/22

Consideration was given to the Internal Audit Annual Counter Fraud Report 2021/22. It was reported that the report supports the Annual Report & outlines the counter fraud work IA have been involved in during the year.

Following a question from the floor, it was AGREED to approve the report.

12 Internal Audit Report - Updated Governance Framework Review 2021/22

It was reported that an updated review had 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. Audit Wales provided 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. Their view therefore complements AW's work on the AGS, and provided assurance that the procedure was robust, focussed and effective.

It was AGREED to note the review of the Framework.

- 13 Report on Draft Annual Governance Statement 2021-2022 and Governance Framework Document, and AGS Progress Update**
Consideration was given to the Report on the Draft Annual Governance Statement 2021-2022 and Governance Framework Document, and AGS Progress Update. The report had been presented in order to inform the Committee of the most recent review of the Governance Framework 2021-2022 and the Annual Governance Statement 2021-2022, as well as an update regarding progress with the 2022-2023 Annual Governance Statement and Current Year Action Plan.

Following question from the floor regarding the monitoring of actions and scoring, it was AGREED to:-

- i) note the contents of the updated Governance Framework Document
- ii) recommend that Council endorses the Draft Annual Governance Statement 2021-22 and
- iii) note the Progress Report on actions set out in the updated Draft Annual Governance Statement 2021-22

- 14 Governance and Audit Committee Annual Report 2021-2022**
Consideration was given to the Governance and Audit Committee Annual Report 2021-22. The report had been presented to gain assurances that effective arrangements were in place to manage the authority's financial affairs, risk management, internal control and corporate governance arrangements and that the authority's internal and external audit arrangements are adequate.

It was AGREED to

- (i) note the content of the draft Governance and Audit Committee Annual Report 2021-22; and
- (ii) Approve the draft Governance and Audit Committee Annual Report 2021-22 (subject to also incorporating the attendance record of Committee Members during the year in the report prior to presentation to Council)

15 Introduction to Performance Self-assessment arrangements as required by the Local Government and Elections (Wales) Act 2021

A presentation was provided to Members upon the Ceredigion County Council- Self- Assessment Process. The following was outlined:-

- Part 6 of the Local Government and Elections (Wales) Act 2021
- Key points of the Self- Assessment Process
- Key Lines of Enquiry
- Timeline
- Election Cycle 2022-27
- Integrating with the Performance Self- Assessment
- What does it mean for Governance and Audit?

It was AGREED to note the updated provided for information.

16 Corporate Risk Register - Q4

It was reported that regular reports were provided to the Governance and Audit Committee regarding the Council's Corporate Risk Register to provide on-going information and assurance that risks identified by senior managers are managed appropriately. This reinforces the Governance and Audit Committee role of providing independent assurance to Council of the appropriate management of the Corporate Risk Register.

All risks had been reviewed and include updated commentary. Although the majority of risks remain unchanged, Governance and Audit Committee were requested to note the following changes to the Register since the last update:

•R005 Medium Term Financial Plan – the risk score had increased from 15 to 20 to reflect the impact of rising inflationary pressures. Oil and prices of other goods are increasing above those budgeted. There was also a risk that pay awards will be higher than costed and inflation indices affecting contracts would impact on next and the following year's budget.

•R016 Brexit – this had been removed from the register as it had become impossible to determine the impact of Brexit alone versus other global factors contributing to the economic situation.

•R018 Covid 19 – the risk score has reduced from 20 to 12. The current Omicron variant had proved to be more transmissible but less serious to health than some of its predecessors as the vaccination programme had been particularly effective. Both UKG and WG had rolled back regulation and nearly all restrictions have been lifted, resulting in Council services reintroduced, subject to risk assessments.

Following questions from the floor, it was AGREED to note the updated Risk Register and that Members receive:

- i) further information on the reason why the R016 Brexit risk was removed, including an explanation at the next meeting where the risk is identified, once removed from the register;
- ii) explanations for changes to risks to be provided in future meetings;

and
iii) information on the calculation of the scoring matrix used in the register (e.g. ash die-back being a larger risk than cyber security) at a future meeting

17 Forward Work Programme

It was reported that a report on the 2021-22 self-assessment of good practice and evaluating effectiveness of the Governance and Audit Committee was presented at the Committee's March meeting and it was agreed that the document would be reconsidered so a final review document could be presented at the next meeting. This has now been added to the Forward Work Programme under September's scheduled meeting as it was hoped that a Workshop was scheduled for the new Committee in advance of this meeting in order to reconsider the document and discuss the skills of the new Committee.

It was also reported that the Annual Governance Statement and Annual Financial Statement was listed for the Committee's November meeting and that it was envisaged that the updated Annual Governance Statement would be presented to Council at its July Meeting, after which Audit Wales would have an opportunity to review the document, with any changes made following any Audit Wales recommendations inserted prior to the November Committee and Council Meeting.

Following questions from the floor, it was AGREED to note the Forward Work Programme as presented and to note that further reports could be added to the FWP. It was suggested that the Chair should attend the Overview and Scrutiny Committee to consider items that required further consideration from a governance and audit prospective, and request further information from officers or further feedback by the relevant Scrutiny Committee, if required.

18 Any other matter which the Chair decides is for the urgent attention of the Committee

That a workshop be held prior to the Committee's September meeting on self-assessment of good practice and evaluating effectiveness of the Governance and Audit Committee, and in order to collate skills of Committee Members.

The Chair thanked Councillor Elizabeth Evans for her work during her time as Chair.

The Chair also stated that he would welcome feedback on the meeting and ways of improvement. This would be considered following the meeting

**Confirmed at the Meeting of the Governance and Audit Committee held
on 21 September 2022**

Chairman: _____

Date: _____