

**Minutes of the Meeting of Governance and Audit Committee
held remotely via video conference on Thursday, 14 March 2024**

PRESENT: Mr Alan Davies (Chair) Councillors Elizabeth Evans, Wyn Evans, Keith Henson, Maldwyn Lewis, Gareth Lloyd Mark Strong, together with Mr Andrew Blackmore and Mrs Caroline Whitby

Audit Wales: Messer's Jason Blewitt, Gareth W Lewis and Mathew Brushett

Officers in attendance: Ms Elin Prysor, Corporate Lead Officer-Legal and Governance & Monitoring Officer; Mr Duncan Hall, Corporate Lead Officer – Finance & Procurement, Mrs Diana Davies, Corporate Manager, Partnership & Performance, Mrs Alex Jenkins, Corporate Manager, Internal Audit, Mrs Katy Sinnott-Jones, Governance Officer;
Mrs Dana Jones, Democratic Services and Standards Officer

(9:30am
-11:20am)

1 Apologies

None.

2 Personal Matters

None.

3 Disclosures of Personal / Prejudicial interest

None.

4 To confirm the Minutes of the Governance and Audit Committee held on 24 January and 6 February 2024 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 the 24 January 2024.

Matters Arising

Minutes 24/01/24- item 15 – It was reported that the Council Risk Management Policy had been approved recently at Council.

It was AGREED to confirm as a true record the Minutes of the Meeting of the Committee held on the 06 February 2024 subject to the following:-

- (i) the need to amend the title of item ISA260 Report to its correct title Audit of Accounts Report – Ceredigion County Council ; and
- (ii) in paragraph four of this item that the date should be amended to 2022/23

5 Appointment of Chair and Vice Chair

It was RESOLVED that Mr Alan Davies be appointed as the Lay Chair to Governance and Audit Committee for a period of two years from 17 May 2024 to 17 of May 2026.

It was RESOLVED that Mr Andrew Blackmore be appointed as the Lay Vice-Chair to Governance and Audit Committee for a period of two years from 17 May 2024 to 17 of May 2026.

6 Governance and Audit Committee Meetings Actions Log

It was AGREED to note the content of the Governance and Audit Committee Meetings Action Log as presented, subject to the collated responses following consideration by Leadership Group to item 7 on the log, to be circulated to all Members of the Committee.

It was reported to date, that a response had been received from the Head of Democracy.

It was agreed that this item would be considered further in a Workshop as Officers could not provide additional views to the ones already presented.

7 Regulator & Inspectorate Reports and Ceredigion County Council Responses

Consideration was given to the Regulator & Inspectorate Reports and Ceredigion County Council Responses. The Report sets out Regulator and Inspectorate Reports and updates along with Council responses regarding progress made against proposals and recommendation. It 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

- Audit Wales – Q3 Work programme and timetable

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

- Audit Wales – Use of Performance Information: Service User Perspective and Outcomes – Ceredigion County Council
- ORF – Use of performance Information Report – Ceredigion County Council .

- Audit Wales – Springing Forward Workforce Management Report – Cyngor Sir Ceredigion
- ORF – Springing Forward – Review of Strategic Workforce Management , Final. No additional issues/actions

- Audit Wales – Ceredigion Annual Audit Summary

c) Audit Wales National Reports

- Audit Wales – Sustainable Development? – making best use of brownfield and empty buildings – Final
- ORF – Sustainable Development? – making best use of brownfield land and empty buildings. Final
- Audit Wales - From Firefighting to Future-proofing – the Challenge for Welsh Public Services. No recommendations

It was AGREED to: -

- (i) note the Regulator and Inspectorate reports and updates; and
- (ii) note the Council's response (Management/Organisational Response Forms) and the input by the Officers and Audit Wales accordingly at the meeting.

8 Draft Annual Governance Statement 2023-24

Consideration was given to the Draft Annual Governance Statement 2023-24. It was reported that the Accounts and Audit (Wales) Regulations 2014 requires local authorities to conduct at least annually a review of the effectiveness of their governance framework including their systems of internal control. This review must be documented in an Annual Governance Statement and published as part of the Council's Annual Statement of Accounts. The Governance & Audit Committee was responsible for monitoring the governance arrangements on behalf of the Council.

The Annual Governance Statement must be prepared in accordance with proper practices, including those set out in the Chartered Institute of Public Finance and Accountancy ('CIPFA') and The Society of Local Authority Chief Executives ('SOLACE') 'Delivering Good Governance in Local Government: Framework' (2016). The Framework, published in April 2016, was based on the CIPFA/International Federation of Accountants ('IFAC') 'International Framework: Good Governance in the Public Sector'. The CIPFA/SOLACE 'Delivering Good Governance in Local Government: Framework' (2016) sets out a framework of 7 key principles that would enable organisations, public sector partnerships and combined authorities to achieve their outcomes while working in the public interest. The principles were further supported by core-principles of behaviour that demonstrate what good governance should look like in practice. These principles were the basis for the Council's current Local Code of Corporate Governance and are considered in the draft Governance Framework document.

A workshop of relevant officers and committee Members was held on 6th December 2023. The workshop considered:

- progress on the actions set out in the 2023-24 Governance Framework Review.
- any updated evidence included in the document.

- previously identified actions.

It was also agreed to amend the scoring to the document to be out of 5 rather than 10 as in previous years. The Annual Governance Statement 2023-24 had since been drafted. It was reported that the current format of the document was being reviewed to be more feasible for the user.

The Annual Governance Statement 2023-24 would be presented to Committee and Council, along with the Statement of Accounts during 2024/25.

It was reported that the AGS was not a statutory document, but however, it was seen as good practice that the document was produced.

It was noted that the current AGS format was unwieldy, and needed to be clearer, and more efficient, simple and focussed.

Following questions from the floor, it was AGREED:

1) to RECOMMEND the draft Annual Governance Statement 2023-24 for approval by Council

2) to note that the format and presentation of the AGS template would be reviewed and presented to a future Committee meeting.

The Annual Governance Statement 2023-24 would be presented to Committee and Council, along with the Statement of Accounts during 2024/25.

It was reported that the AGS was not a statutory document, but however, it was seen as good practice that the document was produced. All Members agreed.

9 Corporate Governance Framework

Following a review of the Council's governance documents, it was agreed that a Governance Framework would be created to act as an overarching document encompassing the Council's governance arrangements and to replace the current Local Code for Corporate Governance 2023-2024.

The Council was committed to demonstrating that it had the necessary corporate governance arrangements in place to perform effectively, and to ensure that these arrangements were reflected in the Council's governance arrangement documentation.

The draft Governance Framework demonstrates the arrangements in place to ensure that the intended outcomes for all stakeholders were defined and achieved, whilst ensuring that the Council always acts in the public interest. It sets out the way the Council meets that commitment to achieve the Council's vision and Corporate Well-being Objectives, brings together all governance arrangements and provides assurance that there were clear governance arrangements in place.

The Governance Framework document summarises how the Council:

- organises its affairs through determining an appropriate governance, executive oversight and organisational structure
- agrees and implements robust policies, systems and processes
- makes and executes decisions in an efficient and transparent manner engages with, and holds itself accountable to local people Proposal Committee

It was AGREED to recommend the draft Corporate Governance Framework for approval by Council

10 Internal Audit Progress Report Q3

Consideration was given to the report of the Corporate Manager-Internal Audit on The Internal Audit Progress Report Quarter 3. 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

11 Internal Audit Strategy and Plan

Consideration was given to the Internal Audit Strategy and Plan. The report had been presented in order to propose an Internal Audit plan of work areas to be reviewed during 2024/25 to Members of the Audit Committee.

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 Plan.

The Plan was designed to ensure a sufficient area of coverage was 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 would concentrate its time on during 2023/24 and takes account of the current situation due to the pandemic.

It was AGREED to APPROVE the report.

12 Internal Audit Governance Framework Review 2023-24

A review had recently been undertaken of the Framework supporting the Annual Governance Statement (AGS) for 2023/24. The Governance

Framework, AGS and Local Code of Corporate Governance were presented to the Committee in January 2024. 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 provided assurance that the procedure is robust, focussed and effective.

It was AGREED to note the review of the Governance Framework

13 Revised Statutory and non-statutory guidance on democracy within principle Councils

as reported that this was statutory guidance issued under section 38 of the Local Government Act 2000, as amended by section 45 of the Local Government and Elections (Wales) Act 2021

The guidance was first presented to the committee on 24 January 2024 for information. In August 2023 there was an update to the section highlighted in yellow on Appendix 1 Part 4 Governance and Scrutiny.

There has been an amendment in that an additional paragraph has been added into the August 2023 version relating to the Annual Governance Statement which now reads as follows:

'An Annual Governance Statement is a document which sets out a council's arrangements for decision-making and governance. The AGS is the product of a review of council governance carried out by senior officers. There was no obligation on Welsh councils to prepare an Annual Governance Statement. As there was no legal obligation to produce an Annual Governance Statement, Welsh Government was not providing statutory guidance on this matter. However, councils would note the presence of the local government accounting standards. Councils could consider how the AGS could be used as a tool for broader corporate improvement, it could be used to evaluate strengths and weaknesses in the governance framework and, as part of an annual action plan, take forward agreed changes accordingly.'

The additional text had been shared with the Chair and Vice Chair.

Current position

1)It was proposed that the impact/effect of this additional text relating to the Annual Governance Statement would be considered and reported back to Committee.

2)Officers are planning on reviewing the Annual Governance Statement template for 2024-25

It was AGREED to:

(i) note the contents of this report, and the parts of the Guidance relevant to the Governance & Audit Committee, in particular the additional text in relation to the Annual Governance Statement.

(ii) to note that a report on the:

- impact/effect of the additional WG Guidance text
 - content/focus,
 - role of the GAC
- in relation to the Annual Governance Statement would be considered and reported back to Committee.

14 Forward Work Programme

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

(i) that the Corporate Lead Officer – Finance and Procurement would be discussing with Audit Wales the programme for presenting the Statement of Accounts.

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

It was noted:

that consideration be given to the need for standardise documentation by the 22 Local Authorities following the WLGA training recently held whereby 22 different Corporate Risk Registers had been presented. The Chair stated that the Welsh Government should address this issue as it was a sensible approach of working that WG might make production of an AGS mandatory

**Confirmed at the Meeting of the Governance and Audit Committee held
on 11 June 2024**

Chairman: _____

Date: _____