

**Minutes of the Meeting of GOVERNANCE AND AUDIT COMMITTEE
held remotely - VC on Tuesday, 16 July 2024**

PRESENT: Mr Alan Davies (Chair) Councillors Elizabeth Evans, Rhodri Evans, Wyn Evans, Mark Strong, together with Mr Andrew Blackmore and Mrs Caroline Whitby

IN ATTENANCE: Councillor Gareth Lloyd

Audit Wales: Mr Jason Blewitt and Mrs Alison Lewis

Officers in attendance: Ms Elin Prysor, Corporate Lead Officer-Legal and Governance & Monitoring Officer; Mr Duncan Hall, Corporate Lead Officer – Finance & Procurement, Ms Stephanie Land, Senior Auditor, Mr Alun Williams, Corporate Lead Officer – Policy & Performance, Mr Greg Jones, Corporate Lead Officer – Porth Cymorth Cynnar, Mrs Sarah Groves-Phillips, Corporate Manager-Planning Services, Mrs Katy Sinnott-Jones, Governance Officer; Mrs Dana Jones, Democratic Services and Standards Officer

(2.00pm-3:40pm)

1 Apologies

Councillor Keith Henson together with Mrs Alex Jenkins, Corporate Manager-Internal Audit apologised for their inability to attend the meeting.

2 Personal Matters

None.

3 Disclosures of Personal / Prejudicial interest

None.

4 To confirm the Minutes of the Governance and Audit Committee held on 14 March 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 14 March 2024.

Matters Arising

None.

5 Governance and Audit Committee Actions Log

It was AGREED to note the content of the Governance and Audit Committee Meetings Action Log as presented.

6 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 – Ceredigion Q4 Work Programme and Timetable

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

- Audit Wales – Certification of Grants and Returns 2022-23 – Ceredigion County Council
- Audit Wales – Ceredigion County Council – Audit Plan 2024
- Audit Wales – Ceredigion County Council Harbour Authority Annual Return Audit Plan 23-24

c) Organisational Response Forms

- Audit Wales – ‘Cracks in the Foundations?’ Building safety in Wales [‘Cracks in the Foundations’ – Building Safety in Wales \(audit.wales\)](#)
- ORF – ‘Cracks in the Foundations?’ Building Safety in Wales
- Ceredigion County Council Building Control Local Action Plan
- Audit Wales – Digital Strategy Review – Ceredigion County Council [Digital Strategy Review – Ceredigion County Council \(audit.wales\)](#)
- ORF – Digital Strategy Review
- Audit Wales – ‘A Missed Opportunity’ – Social Enterprises [‘A missed opportunity’ – Social Enterprises \(audit.wales\)](#)
- ORF – ‘A Missed Opportunity’ – Social Enterprises
- Audit Wales – Springing Forward- Strategic Asset Management [Ceredigion County Council - Springing Forward - Strategic Asset Management \(audit.wales\)](#)
- ORF – Springing Forward – Strategic Asset Management – Ceredigion County Council

d) Audit Wales National Reports

None

Following questions from the floor, it was AGREED to: -

(i) note the Regulator and Inspectorate reports and updates;

- (ii) note the Council's response (Management/Organisational ResponseForms) and the input by the Officers and Audit Wales accordingly at the meeting; and
- (iii) that other regulators reports (inc.CIW & Estyn) were added as a standing item in future reports

7 Internal Audit Progress Report Q4 2023-24

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

8 Internal Audit Management Actions Report

Consideration was given to the Internal Audit Management Action Report 1/10/23-31/3/25. The report had been presented in order to provide Members with an update on the work undertaken by internal audit of the monitoring and updating Management Actions during the above period.

As stated in the Institute of Internal Auditor's International Professional Practices Framework, Performance Standard 2500 states that Internal Audit must establish a process to monitor and follow up management actions. The Corporate Manager – Internal Audit was responsible for monitoring progress made against these actions and reporting to Governance & Audit Committee. This report updates the Governance & Audit committee of progress made by management in addressing management actions issued in the action plan of Internal Audit reports

It was AGREED to

- (i) note the work undertaken and current position of the Internal Audit Section; and
- (ii) that an update on the action log be represented to the committee to confirm the actions had been taken by the relevant services accordingly

9 Internal Audit Annual Report 23-24

The Committee considered the annual Internal Audit Plan 2023/24 at its meeting in March 2023. The Plan provided an outline of the work required to be undertaken by the Internal Audit Section during the year in order to form its assurance opinion.

This opinion forms part of the Council's framework of assurances. Internal Audit also provided independent advice to services to help managers improve their internal controls, risk management and governance arrangements.

The Annual Report provides a summary of the internal audit activity during the year to 31 March 2024 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 :

i)approve the report

ii)overdue actions-GAC to monitor progress for next GAC and if none, consider again

10 Internal Audit Annual Counter Fraud Report 2023-24

The IA Annual Report provides a summary of the internal audit activity during the year to 31 March and incorporates the audit opinion.

In the past, the Annual Report contained a section on Fraud, outlining the type of work IA had undertaken in the area. This has now been replaced by a separate Counter Fraud Report to support IA's Annual Report at year-end.

It was AGREED to approve the report subject to an update being provided on the number of employees that had completed the mandatory Fraud Training eModule, as Members believed the percentage of employees completed the training (40%) was low and was required to be addressed as soon as possible.

11 Internal Audit National Fraud Initiative Self-Assessment

Audit Wales published 'The National Fraud Initiative in Wales 2018-20' report of the Auditor General for Wales on 13 October 2020:

The National Fraud Initiative in Wales 2018-20 | Audit Wales

The report noted that 'the success of NFI is dependent on the proactivity and effectiveness of participating bodies in investigating data matches. Most participating Welsh public bodies managed their roles in the 2018-20 NFI exercise well. However, some bodies could be far more pro-active'.

It therefore recommended that 'Audit Committees, or equivalent, and officers leading the NFI should review the NFI self-appraisal checklist'.

A copy of the self-appraisal was undertaken, following the 2022/23 NFI exercise, to provide assurance to the Committee that Ceredigion County Council was fully supportive of the exercise.

To note the self-appraisal subject to providing the committee at a future meeting with an update on the conclusions

12 Welsh Government Statutory & non-statutory Guidance on democracy within principal councils - role of the Governance & Audit Committee in respect of the Annual Governance Statement

Consideration was given to the Role of the Governance and Audit Committee in relation to Annual Governance Statement.

Whilst there is no obligation on Welsh councils to prepare an Annual Governance Statement, it can be used:

- as a tool for corporate improvement;
 - to evaluate strengths and weaknesses in the governance framework;
- and

- as part of an annual action plan

It was required under Section 5 of the Accounts and Audit (Wales) Regulations 2014 as an annual statement on internal control. Under the CIPFA model Local authorities were required to prepare an annual governance statement in order to report publicly on the extent to which they comply with their own code of governance and include the annual governance statement with their statement of accounts.

In conclusion, the Annual Governance Statement therefore still had a clear purpose in assessing the Council's annual good governance practices. The current process was considered to be working well to provide assurance to the Committee and Council.

It was AGREED to:

- (i) note the contents of the report;
- (ii) recommend that the Council retains the Annual Governance Statement as:

- i. an annual statement on internal control,
- ii. a tool for reviewing its governance arrangements,
- iii. for broader corporate improvement, to evaluate strengths and weaknesses in the governance framework and, as part of an annual action plan, take forward agreed changes accordingly; and
- iv. to report publicly on the extent to which the Council complies with its Governance Framework.

13 Corporate Risk Register Q4 23-24

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 were 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.

During quarter 4, a service risk R025: Fire Safety & Protection Measures in Council Properties, was identified for potential escalation to the Corporate Risk Register. It concerns the issue of volume and cost of works needed in Council owned buildings to comply with the latest fire regulations and more robust approach from the Fire and Rescue Authority. This was considered and agreed at Leadership Group on 15.5.24 and has now been added to the Corporate Risk Register at the maximum score of 25 to reflect the current position and the expected challenges ahead.

A review of the latest risk status was conducted at the same meeting where candidates for promotion / demotion to the Corporate Risk Register were discussed and agreed.

De-escalated from corporate to service

None

Escalated from service to corporate

The Leadership Group meeting confirmed that R025 would be included in the Corporate Risk Register.

All other risks had been reviewed and include the revised RAG status of mitigating actions and updated commentary.

It was AGREED to

- (i) note the updated Corporate Risk Register;
- (ii) that the Chair of the Overview and Scrutiny Committee consider items within the register to place on their Forward Work Programme at their next meeting, or refer to the relevant Committee accordingly to scrutinise; and
- (iii) that clarification was sought on the training provided to employees on cyber resilience due to the risk involved

14 Governance and Audit Committee Chair's Annual Report 2023-24

Consideration was given to the draft Governance and Audit Committee Annual Report 2023-24. The Committee's Annual Report would be presented to Council by the Chair of the Governance and Audit Committee and would be subsequently published on the Council's website.

It was AGREED to approve the draft Governance and Audit Committee Annual Report 2023/24 as presented, prior to presentation to Council.

15 Forward Work Programme

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

- (i) the Corporate Lead Officer – Finance and Procurement discussing with Audit Wales the programme for presenting the Statement of Accounts;
- (ii) seeking clarification if there were any recent Inspectorate Reports e.g. Estyn and CIW which had not been presented to the committee as agreed,
- (iii) Inspectorate Reports be placed as a standard item on the Regulators item on the agenda; and
- (iv) adding ISA260 to statement of accounts item for Committee meeting 28 November 2024

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

None.

**Confirmed at the Meeting of the Governance and Audit Committee held
on 15 October 2024**

Chairman: _____

Date: _____