

Cyngor Sir CEREDIGION County Council

REPORT TO:	Governance and Audit Committee
DATE:	3 June 2021
LOCATION:	Remotely via Video Conference
TITLE:	Report on Annual Governance Statement 2021-2022 Progress and Current Year Action Plan
PURPOSE OF REPORT:	To provide the Committee with an update regarding progress with the 2021-2022 Annual Governance Statement and Current Year Action Plan
For:	Information
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

Introduction & Requirements

At the meeting of 24 February 2021 the Audit Committee considered the draft Annual Governance Statement ('AGS') for 2020-2021. The draft AGS was approved by Council on 18 March 2021 and will be published once audited by AW as part of the Statement of Accounts.

The current draft AGS includes an agreed action plan for 2021-2022 with the following actions:

- The Monitoring Officer is to advise Officers further on the need to declare interests in organisations which actually, or may conflict with Council interests including:
 - Contractors;
 - School Governors;
 - Clerk to Town and Community councils;
 - Members of Town and Community councils; and
 - School Governors.
- The Monitoring Officer and CLO - Democratic Services are to continue to undertake review of Members holding directorships, trusteeships, or memberships when appointed onto outside bodies, and committees, the Monitoring Officer to consider member feedback and added value and continue to update the Code of Conduct for Officers and Members.
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appointed onto outside bodies, and committees, the Monitoring Officer to consider member feedback and added value and continue to update the Code of Conduct for Officers and Members.

- The Monitoring Officer is to advise Officers further on the need to declare
 - Directorships; and
 - Other employmentincluding Whether conflicting with the Council's interests or not.
- The Monitoring Officer is to continue to advise Members further on the need to declare hospitality/gifts.
- The Monitoring Officer is to advise Chief Officers further on the need to declare close personal associations with other Officers or Members.
- The Leadership Group is to be updated on e-learning with HR reporting to Leadership Group (A mandatory E-learning training module on the Well-Being of Future Generations Act 2015 ('WFGA') must be completed by all Staff).
- The Constitution is to continue to be reviewed reflect legislative changes and according to need.
- The Council is making preparations to comply with Local Government and Elections (Wales) Act 2021 including the requirement for Council to consult and publish a public participation strategy with the aim of increasing public participation in local democracy, and improving transparency, and also regarding the Audit Committee (now Governance and Audit Committee) (terms of reference, remit and composition to be reviewed). Changes include:
 - change of name to 'Governance and Audit Committee';
 - Membership to be 2/3 Councillors and 1/3 Lay Persons (as defined in Act);
 - Committee duty to appoint own Chair and Deputy Chair;
 - Chair must be lay person;
 - Deputy Chair must not be member of Local Authority Executive; and
 - in absence of Chair & Deputy only non-executive Members can chair.
- The Delegated Decisions Register is to be published.
- There is to be continued monitoring of the Mandatory e-learning take up of Whistleblowing module (currently lower than required).
- The Complaints/Compliments Policy is to be reviewed during 2020-2021.
- Ethics/Fraud training is to be provided.
- The Local Government and Elections (Wales) Act 2021 shall have an effect on corporate bodies, including the Council, and preparations for compliance are underway.
- The FOI Policy and EIR Policy have both been updated. A Review of the FOI Publication Scheme is in progress.
- Due to the Covid-19 pandemic, decisions currently need to be made by Gold Command for emergency reasons, therefore it is impossible to consult physically in the community at present for many services, and consequently the scoring has been amended to reflect

this. The Community Engagement Policy is under review and will include provisions for how stakeholders are engaged in the future.

- Further work on monitoring feedback is required and the new Equalities and Engagement post will address this.
- Service performance shall be publicised, including costs and value for money data.
- Account will be taken of legislative changes e.g. Local Government and Elections (Wales) Act 2021.
- Further work is progressing to link Local Performance measures to all level 1 Business plan Objectives.
- A review as to the size of the Audit Committee (now Governance and Audit Committee) is in progress. Lay member recruitment is to be undertaken during 2020/21, taking into account any Local Government & Elections (Wales) 2020 Act requirements and termination of the term of office of the current lay member.
- Monitoring of progress of Actions/recommendations

A progress report against the actions is included in **Appendix 1**.

A review of the Annual Governance Framework 2021/2022 will be progressed in the Autumn.

RECOMMENDATIONS:

To consider the progress report on actions set out in the AGS and to make recommendations to Cabinet and/or Scrutiny Committees as necessary to ensure work is completed during the year.

REASON FOR RECOMMENDATIONS: To ensure that actions set out in the AGS are progressed so that the Governance and Audit Committee gains the assurance it needs that improvements are being made within the year.

Appendices: **Appendix 1:** AGS Action Plan 2021-2022 Progress Update

Head of Service: Elin Prysor, Corporate Lead Officer – Legal & Governance Services / Monitoring Officer

Reporting Officer: Hannah Rees

Date: 7/5/2021

Appendix 1

Action Plan for matters to be considered during 2021-2022

Issue	Progress to date	Lead Officer	Completion Date
<p>(A1.1) Ensuring Members and Officers behave with integrity and lead a culture where acting in the public interest is visibly and consistently demonstrated thereby protecting the reputation of the organisation</p> <p>Action: Monitoring Officer to advise Officers further on the need to declare interests in organisations which actually, or may conflict with Council interests including:</p> <ul style="list-style-type: none"> • Contractors; • School Governors; • Clerk to Town and Community councils; 	<p>This is an ongoing duty.</p> <p>The Ethics and Standards Committee will have new duties (from May 2022) under the Local Government and Elections (Wales) Act 2021, to include:</p> <ul style="list-style-type: none"> • Monitoring compliance by leaders of political groups on the Council with their duties under S.52A(1) Local Government Act 2000; • Advising, training or arranging to train leaders of political groups on the Council about matters relating to their duties under S.52A(1) Local Government Act 2000. • At the end of each financial year, make an annual report to the Council in respect of that year per 56B Chapter 1 Part 3 Local Government Act 2000. <p>The duty to monitor compliance of political group leaders is in relation to standards of conduct, and one way that the Council will ensure Members behave with integrity and lead a culture where acting in the public interest is visible, and consistently demonstrated to protect the Council's reputation.</p>	<p>EP/LE</p>	<p>March 2022</p>

Issue	Progress to date	Lead Officer	Completion Date
<ul style="list-style-type: none"> • Members of Town and Community councils; and • School Governors. <p>MO and CLO Democratic Services to continue to undertake review of Members holding directorships, trusteeships, or memberships when appointed onto outside bodies, and committees, Monitoring Officer to consider member feedback and added value and continue to update Code of Conduct for Officers and Members.</p> <p>Monitoring Officer to advise Officers further on the need to declare</p> <ul style="list-style-type: none"> • Directorships; and • Other employment <p>Including Whether conflicting with the Council's interests or not. Monitoring Officer to continue to advise Members further on the need to declare hospitality/gifts.</p>	<p>The Monitoring Officer's advising of Officers relating to declarations of interests is an ongoing action, which is undertaken regularly through News Updates via the Cerinet system.</p> <p>Most recently, an Update on Employee's Declaration and Registration of Interests regarding COVID 19 Restrictions Business Fund NDR Grants for businesses was published on 8 January 2021 on the Council's Ceri Net Site, which included a link to the Hospitality Declaration form, Declaration of employees interest form and Code of Conduct of Local Government Employees, along with a reminder that any queries or requests for advice should be made to the Monitoring Officer.</p> <p>A review is currently being undertaken of the external bodies that have appointed Members, including added value, and also updating of the Constitution.</p> <p>Although the Code of Conduct is not updated on a regular basis, changes are being made and it is in the process of being reviewed.</p> <p>Regarding Member feedback, the Monitoring Officer circulates to political group leaders updates/decisions from the Adjudication Panel for Wales, the independent tribunal whose role is to determine alleged breaches by elected and co-opted members of Welsh Councils, to include county councils, against their authority's statutory code of conduct. The Monitoring Officer has not received any feedback regarding the Council's Members from the Panel, and there is added value in the Panel's work, as it relates to Members holding roles as</p>		

Issue	Progress to date	Lead Officer	Completion Date
<p>Monitoring Officer to advise Chief Officers further on the need to declare:</p> <ul style="list-style-type: none"> close personal associations with other Officers or Members, 	<p>directors, trustees, and on committees etc – this action is, therefore, ongoing.</p> <p>As above, the Monitoring Officer's advising of Officers relating to declarations of interests is an ongoing action, which is undertaken regularly through News Updates via the Cerinet system. Chief Officers were informed, through the Cerinet system news update, of the most recent email from the Monitoring Officer on Employees needing to declare and register interests regarding COVID-19 Restrictions Business Fund NDR Grants for businesses on 8 January 2021. A reminder to Chief Officers has also been sent, and this work is ongoing.</p> <p>Members/Chief Officers do make declarations in their annual returns, which is an opportunity to reference any close personal associations/roles etc, and there are opportunities to make declarations at other times, including at the start of meetings in the normal way.</p>		
<p>(A1.3) Leading by example and using these standard operating principles or values as a framework for decision making and other actions.</p> <p>Action: Leadership Group to be updated on e-learning with HR reporting to Leadership Group (A mandatory E-</p>	<p>The mandatory e-learning module was introduced in September 2017 and up to 31 March 2021 it has been completed by 2,592 employees. Of these 303 completed the Welsh medium module and 2,289 the English medium module.</p>	GE	March 2022

Issue	Progress to date	Lead Officer	Completion Date
<p>learning training module on the Well-Being of Future Generations Act 2015 ('WFGA') must be completed by all Staff)</p> <p>Continue to review Constitution to reflect legislative changes and according to need.</p>	<p>For the year up to 31 March 2021, a total of 493 employee completed the e-learning module, 92 through the medium of Welsh and 399 through the medium of English. Reminders are issued to staff who have not yet undertaken the module and Leadership Group will receive periodic reports on the completion of mandatory e-learning modules.</p> <p>Reviewing the Constitution to reflect legislative changes and according to need is an ongoing task, as the Constitution is a live document. Proposed amendments to the Constitution were last presented to Council at the 18th March 2021 Meeting, and, prior to this, in the 16th October 2020 Meeting. The Council's Cross Party Constitution Working Group are meeting on a regular basis, with a meeting held on 15th February 2021 and 19th April 2021.</p>	EP/HR	March 2022
<p>(A1.4) Demonstrating, communicating and embedding the standard operating principles or values through appropriate policies and processes which are reviewed on a regular basis to ensure that they are operating effectively.</p> <p>Action: Council making preparations to comply with Local Government and Elections (Wales) Act 2021</p>	<p>Proposed changes to the Constitution to comply with the Local Government and Elections (Wales) Act 2021 requirements were put to the Council's Cross-Party Constitution Working Group on 19th April 2021 and have been approved. A report is being presented to the</p>	EP/AW/HR	March 2022

Issue	Progress to date	Lead Officer	Completion Date
<p>regarding Audit Committee (terms of reference, remit and composition to be reviewed):</p> <p>Changes include:</p> <ul style="list-style-type: none"> - change of name to 'Governance and Audit Committee; - Membership to be 2/3 Councillors and 1/3 Lay Persons (as defined in Act); - Committee duty to appoint own Chair and Deputy Chair; - Chair must be lay person; - Deputy Chair must not be member of Local Authority Executive; and <ul style="list-style-type: none"> - in absence of Chair & Deputy only non-executive Members can chair. <ul style="list-style-type: none"> • Delegated Decisions Register to be published. 	<p>Council's Governance and Audit Committee at the 3rd June 2021 Meeting to confirm these changes to the Committee, as well as confirm the other changes that affect the Governance and Audit Committee. A report on changes under the Local Government and Elections (Wales) Act 2021 affecting the Committee was also presented to the Committee in the 24th February 2021 Committee meeting, including the recruitment of lay members to the Committee. These changes and proposals regarding recruitment were then presented to, and approved by, Council on 18th March 2021. Council noted the contents of the Report, and relevant implementation dates, and approved:</p> <ul style="list-style-type: none"> b) the change of name of the Audit Committee to the Governance and Audit Committee, and additional performance and complaints-handling functions effective from 1 April 2021; c) commencement of the recruitment process for independent lay members to the Audit Committee; d) the proposals for the Shortlisting Selection Panel; and e) the Role Description and Person Specification. <p>The recruitment process is now ongoing.</p> <p>The publication of the delegated decisions register is ongoing. The Gold Command Decision Log, a decision register, has been published and updated quarterly, presented to Gold Command (and approved) and published on the Council's website. In relation to other delegated decisions, Development Control Committee delegated decisions are published for each Development Control Committee. Any other decisions work is in progress.</p>		<p>March 2022</p>

Issue	Progress to date	Lead Officer	Completion Date
<ul style="list-style-type: none"> • Continued monitoring of the Mandatory e-learning take up of Whistleblowing module. Currently lower than required. • The Complaints / Compliments policy is to be reviewed during 2020-2021. <p>Ethics / Fraud training to be provided.</p>	<p>Regarding the take up of the Mandatory e-learning Whistleblowing module, for 2019/2020 744 staff completed the Module, and for 2020/2021 379 staff completed the Module.</p> <p>The Corporate Complaints Policy is being reviewed. The first draft has been prepared and is scheduled to go through the usual democratic process over the summer.</p> <p>The Ethics / Fraud training module is now complete, which was prepared in collaboration with Zurich (Council's insurer). The training is due to be presented by Anthony Connolly from Zurich on 28 May 2021 at the Corporate Managers' quarterly workshop.</p> <p>This is also supported by the recent review of the Council's Strategy on Counter-Fraud, Corruption and Bribery (to include Anti-Money Laundering).</p> <p>A follow-up internal audit of the Council's arrangements regarding Ethics is also in progress.</p>	<p>MNH</p> <p>AR</p>	
<p>(A3.1) Ensuring members and Staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations.</p>		<p>EP</p>	<p>March 2022</p>

Issue	Progress to date	Lead Officer	Completion Date
<p>Action: The Local Government and Elections (Wales) Act 2021 shall have an effect on corporate bodies, including the Council, and preparations for compliance are underway.</p>	<p>As above, compliance with the Local Government and Elections (Wales) Act 2021 requirements is ongoing, including through the Cross-Party Constitution Working Group (Members of each political group in attendance), reports to the Governance and Audit Committee and Council, with a Council Action plan having been prepared and updated regularly, and meetings with relevant Officers and CLOs held, as appropriate.</p>		
<p>(B1.1) Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness.</p> <p>Action: FOI policy and EIR policy both updated. Review of the FOI Publication Scheme is in progress</p>	<p>A review of the FOI Publication Scheme is scheduled for the coming year.</p>	<p>LE/AW/MNH</p>	<p>March 2022</p>
<p>(B3.1) Establishing a clear policy on the type of issues that the organisation will meaningfully consult with or involve individual citizens, service users and other stakeholders to ensure that service</p>	<p>A Community Engagement, Consultations and Partnerships Page has been created on the new Ceri Net site. https://cerinet.ceredigion.gov.uk/our-council/community-engagement-consultation-and-partnerships/#</p>	<p>AW/MS</p>	<p>March 2022</p>

Issue	Progress to date	Lead Officer	Completion Date
<p>(or other) provision is contributing towards the achievement of intended outcomes.</p> <p>Action: Due to the Covid-19 pandemic, decisions currently need to be made by Gold Command for emergency reasons, therefore it is impossible to consult physically in the community at present for many services, and consequently the scoring has been amended to reflect this.</p> <p>Community Engagement Policy is under review and will include provisions for how stakeholders are engaged in future.</p>	<p>This includes links to our current Community Engagement Policy, Engagement and Consultation Checklist, Engagement with Service Users and a Consultation Decision Making Tool.</p> <p>All Integrated Impact Assessments (IIAs) for Cabinet are now assessed by the Engagement and Equality Officer. This includes whether effective engagement, involvement and consultation has taken place and informed our strategic decision making process.</p> <p>A draft new Engagement Strategy for Ceredigion County Council, 'Talking, Listening and Working Together,' is on the drawing board. It is intend to take this strategy to various committees for approval over the autumn and winter.</p>		
<p>(B3.4) Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account.</p> <p>Action:</p>	<p>Feedback from engagement and how people's views have been taken into account is recorded in the IIAs.</p> <p>Reports on completed consultations and engagement exercises are posted on our public consultations webpage in order to provide</p>	AW/MS	March 2022

Issue	Progress to date	Lead Officer	Completion Date
Further work on monitoring feedback is required and the new Equalities and Engagement post will address this	feedback to the public. http://www.ceredigion.gov.uk/your-council/consultations/		
<p>(C1.5) Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available.</p> <p>Action: Publicise service performance including costs and value for money data</p>	<p>Relevant costs and value for money data is routinely considered within service reports.</p> <p>Costs and value for money data in context of managing service users expectations, is not available to or held by the Performance Service.</p>	AW	March 2022 - Complete
<p>(D2.3) Considering and monitoring risks facing each partner when working collaboratively including shared risks.</p> <p>Action: Account will be taken of legislative changes e.g. Local Government and Elections (Wales) Act 2021.</p>	<p>As above, work is ongoing in relation to implementing legislative changes, such as Local Government and Elections (Wales) Act 2021 changes and considering/monitoring risks facing each partner when working collaboratively, including shared risks. Meetings are being held and preparation being carried out, for example, regarding the 2021 Act's requirement for Corporate Joint Committees, including potential and shared risks (a CJC group has been established, with the first</p>	AW/EP	March 2022

Issue	Progress to date	Lead Officer	Completion Date
	meeting held on 19 th April 2021, to consider the requirement to establish the Mid-Wales CJC in accordance with the 2021 Act).		
<p>(D2.5) Establishing appropriate local performance indicators (as well as relevant statutory or other national performance indicators) as part of the planning process in order to identify how the performance of services and projects is to be measured.</p> <p>Action: Further work is progressing to link Local Performance measures to all level 1 Business plan Objectives.</p>	<p>The Business Planning process for 2021-22 is being implemented with Level 1 Business Plans presented to the Performance and Research Team by the end of April.</p> <p>Performance measures have been identified within each Level 1 Business Plan that will in turn translate into the reporting Dashboard for each service. These measures will be closely scrutinised over the coming weeks before receiving final sign-off from senior leadership. Services will then report against these measures as part of the performance management process for the year.</p>	AW	March 2022
<p>(F3.5) Ensuring an audit committee or equivalent group or function which is independent of the executive and accountable to the governing body: provides a further source of effective assurance regarding arrangements for managing risk and maintaining an effective control environment</p>	<p>As above, work is ongoing in relation to changes affecting the Governance and Audit Committee in light of the Local Government and Elections (Wales) Act 2021. The Governance and Audit Committee has been informed, in a report at the 24th February 2021 Meeting, of the changes to their role regarding self-assessment reports of the Council, and regarding panel performance assessments, as well as the change of name, and changes to the Chair/Vice Chair and composition.</p> <p>An update report is being prepared on the 2021 Act to be presented to the Committee in the 3rd June 2021 Meeting, to include updating the</p>	EP/AR/HR	March 2022

Issue	Progress to date	Lead Officer	Completion Date
<p>that its recommendations are listened to and acted upon.</p> <p>Action: Audit Committee terms of reference, remit and composition to be reviewed in light of Local Government and Elections (Wales) Act 2021.</p> <p>Changes include:</p> <ul style="list-style-type: none"> - change of name to 'Governance and Audit Committee; - Membership to be 2/3 Councillors and 1/3 Lay Persons (as defined in Act); - Committee duty to appoint own Chair and Deputy Chair; -Chair must be lay person; -Deputy Chair must not be member of Local Authority Executive; and - in absence of Chair & Deputy only non-executive Members can chair. <p>Size of Audit Committee review in progress.</p>	<p>Governance and Audit regarding changes to the Constitution affecting the Committee, including:</p> <ul style="list-style-type: none"> - Recruitment of lay members and the Mid-Wales CJC Governance and Audit Sub-Committee; and - Regarding the Committee's functions relating to: <ul style="list-style-type: none"> o reviewing and assessing the performance assessment of the Council; o considering the Council's draft annual Self-Assessment report; o considering any report from the Auditor General and Council's draft response; o review of the Council's complaints handling function; and o role regarding Panel Performance Assessments (from May 2022). <p>Work is already underway regarding updating the Governance and Audit Committee's terms of reference, as above, including approval by the Cross-Party Constitution Working Group.</p>		

Issue	Progress to date	Lead Officer	Completion Date
<p>Lay member recruitment to be undertaken during 2020/21, taking into account any Local Government & Elections (Wales) 2020 Act requirements and termination of term of office of current lay member;</p>			
<p>(G1.1) Writing and communicating reports for the public and other stakeholders in an understandable style appropriate to the intended audience and ensuring that they are easy to access and interrogate.</p> <p>Action: Council preparing for implementation of changes to be introduced by Local Government and Elections (Wales) Act 2021, which include for Council to consult and publish a public participation strategy with the aim of increasing public participation in local democracy, and improving transparency;</p>		LE/AM	March 2022

Issue	Progress to date	Lead Officer	Completion Date
<p>(G3.1) Ensuring that recommendations for corrective action made by external audit are acted upon.</p> <p>Action: Monitoring of progress of Actions/recommendations</p>	<p>'Audit Wales Protocol' documented and procedures in place to ensure all 'Management Response Forms' from each AW report addressed and that service responses are presented to LG, GAC and AW. Governance Officer is currently AW point of contact for governance and performance issues; but officers have arranged a meeting on 18 May to make arrangements for this role to be passed to the new Corporate Performance and Improvement Officer.</p>	<p>EP/AW/SJ</p>	<p>March 2022</p>