

Minutes of a Meeting of the AUDIT COMMITTEE
held via video conferencing, Wednesday, 24 February 2021

PRESENT: Councillors Rowland Rees-Evans (Chair) Councillors Gareth Davies, Peter Davies MBE, Elizabeth Evans, Keith Evans and Matthew Woolfall Jones

Independent Member: Prof.Ian Roffe JP

ALSO IN ATTENDANCE: Councillors Ceredig Davies, Rhodri Evans, Gareth Lloyd and 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, Miss Lowri Edwards – Corporate Lead Officer – Democratic Services, Mrs Meinir Ebbsworth – Corporate Lead Officer – Schools Service, Ms Nia Jones, Corporate Manager – Democratic Services, Ms Sian Howys, Corporate Lead Officer-Porth Cynnal, Children Services, Mrs Amanda Roberts, Corporate Manager- Internal Audit, Legal and Governance Services, Mr Rob Starr, Performance and Research Manager, Mr Arwyn Davies, Corporate Manager – Growth and Enterprise, Ms Hannah Rees-Governance Officer, Ms Stephanie Land, Assistant Auditor, Mrs Dana Jones, Democratic Services and Standards Officer

(9.30am – 12:45pm)

1 Personal

Condolences were expressed to Prof I Roffe and his family on the loss of his mother in law recently.

Birthday wishes were given to Councillor Elizabeth Evans on her recent birthday.

2 Apologies

None.

3 Disclosure of Personal and Prejudicial Interest

None.

4 Procedure

Concerns were raised on the number and volume of reports on the agenda, and suggested that preferably more frequent meetings would be held to address this issue. It was agreed that the new Chair would consider this matter for the next meeting. It was also agreed that all meetings would commence at 9:30am rather than 10:00am. It was reported that the meetings had changed to 10:00am to give appropriate time to address any potential technical difficulties in Members and officers joining the meeting on line. As members were now familiar in accessing meetings on line, it was agreed that meetings could commence at 9.30am.

5 **Audit Wales Work Programme Update**

Consideration was given to the report on the Audit Wales (AW) Work Programme Update. The report had been presented to provide Members with updates on the progress with studies the Audit Wales had undertaken or were undertaking. This ensured that the Council responded to the Audit Wales findings appropriately and agreed that the actions had been completed to the Committee's satisfaction.

It was reported that the following reports and a certification had been received since the previous meeting:-

1) **Progress Update**

- Local reports received:
 - Audit Wales progress report: Audit Wales - Audit of Ceredigion County Council's 2020-21 Improvement Plan (Appendix 1)
 - Audit Wales Ceredigion County Council Annual Audit Summary 2020:
[Ceredigion County Council - Annual Audit Summary 2020](#)
- National reports received:
 - Letter from Auditor General for Wales to CEO's Public Sector Bodies & Senior WG Stakeholders (dated 22/1/21)
- Certificates Received: none
- Management Response Forms in progress:
 - Commercialisation in Local Government (6/10/2020)
 - 'Raising our Game' Tackling Fraud in Wales (30/7/2020)
 - Review of Public Service Boards (7/10/19)
 - Rough Sleeping in Wales – Everyone's Problem; No One's Responsibility (23/7/2020)
 - The 'Front Door' to Adult Social Care (11/9/19)
 - Progress in implementing the Violence Against Women, Domestic Abuse and Sexual Violence Act (21/11/19)
 - Well-being of Future Generations: An examination of the design and implementation of the Council's Integrated Services Model – Ceredigion County Council (20/12/19)
 - The National Fraud Initiative in Wales 2018-20 (13/10/20)
 - Welsh Community Care Information System (15/10/20)

2) **Current Work**

Project Briefs Received

- Value for Money of Direct Payments (Appendix 3)
- Planning Review – no brief received to date

Following discussion, it was AGREED to note the reports presented.

Concerns were raised on the pressure from Audit Wales in relation to completing the Statement of Accounts earlier, when the settlement for the Council was not received until March. These comments would be passed on to Audit Wales.

6 **Changes to Audit Committee per Local Government and Elections (Wales)**

Act 2021

Consideration was given to the Report of the Corporate Lead Officer upon the Changes to Audit Committee per Local Government and Elections (Wales) Act 2021. The report had been presented to the Committee in order to provide an update on the Local Government and Elections (Wales) Act 2021 and its impact on Audit Committees. This included the following:-

- changes regarding the Committee name, its membership and Chair/Vice Chair
- update on the proposed changes to the Constitution for approval by Council
- the recommendations of the committee on the recruitment of lay members (including number of recruited lay members/size of the Committee) and Committee Chair, including approval of the draft proposed Role Description & Person Specification and Recruitment Timeline.

Following questions from the floor, it was AGREED:-

- (i) to note the content of the Report;
- (ii) to note the change of name of the Audit Committee to the Governance and Audit Committee and to recommend to Council the preferred date when the change of name should take effect (in absence of Regulations);
- (iii) a total of 9 members (made up of 3 independent lay members and 6 County Councillors) (Option 1) was the preferred option as to size of the Governance and Audit Committee,
- (iv) to note the requirement of the Governance and Audit Committee to choose its Chair and Vice Chair, as set out in the Report;
- (v) to note the requirements regarding the timing of the appointment of an independent lay Committee member as the Chair, and Vice Chair of the Governance and Audit Committee as set out in the report, to the Democratic Services Committee, and thereafter to Council;
also, to seek confirmation if a Lay Member stepped down from the current committee, would it be possible to become a member of the Governance and Audit Committee,
- (vi) to recruit 2 to 4 candidates as Lay Members during the recruitment process ;
- (viii) to note the composition of the Shortlisting Selection Panel, to be recommended to Council; together with noting that if any of the Councillors on the panel had to declare an interest, another member of the Audit Committee would become a member of the panel accordingly,
- (ix) to note the Role Description and Person Specification documents and any changes required;
- (x) to note the timeline for recruitment; and
- (xi) note the future role of the Committee in relation to performance and complaints-handling

7 Annual Governance Statement and Local Code of Corporate Governance

Consideration was given to the Annual Governance Statement and Local Code of Corporate Governance. Both had been presented in order to inform the committee the most recent review of the Governance Framework 2020-2021, the Annual Governance Statement 2020-2021 and the Local Code of Corporate Governance 2021-2022

Following questions from the floor, it was AGREED to recommend to Council the approval of the following:-

- (i) the Draft Annual Governance Statement 2020-21; and
- (ii) the Draft Local Code of Corporate Governance 2021-2022

8 Corporate Response to Consultation on draft statutory guidance - Performance and governance of principal councils - Part 6 of the Local Government and Elections (Wales) Act 2021

Consideration was given to the Report on the Corporate Response to Consultation on draft statutory guidance - Performance and governance of principal councils - Part 6 of the Local Government and Elections (Wales) Act 2021. The report had been presented in order provide the Committee with an update.

Following questions from the floor, it was AGREED

- (i) to note the update and the Corporate Response to the Consultation; and
- (ii) that discussions were currently being undertaken with the WLGA on the establishment of the Assessment panels.

Members were concerned that this again was another level of bureaucracy, and this work was extra pressure on officers, rather than front line services being provided.

9 Quarter 2 Capital Programme Monitoring Report

Consideration was given to Quarter 2 Capital Programme Monitoring report which had been presented to Cabinet. The report was presented to the Committee in order to ensure that Committee was aware of the contents of the report, and to provide an opportunity for comment.

Following questions from the floor, it was AGREED to note the contents of the report and the successful financial performance of the service.

10 Care Inspectorate Wales Annual Inspection 2019/2020, Ceredigion County Council

Consideration was given to the Care Inspectorate Wales Annual Inspection 2019/2020, Ceredigion County Council. For Committee's information, the following Report had been presented to Cabinet . The report was presented to the Committee in order to ensure that Committee was aware of the contents of the report, and to provide an opportunity for comment

It was AGREED to note the report for information.

11 Estyn Letter of 19 January 2021 on Ceredigion County Council's work in supporting learning communities in schools and pupil referral units between March and October 2020

Consideration was given to the Estyn Letter of 19 January 2021 on Ceredigion County Council's work in supporting learning communities in schools and pupil referral units between March and October 2020. The letter had been presented to Cabinet on the 02 February 2021.

It was reported in November 2020 Estyn ran a series of virtual meetings with officers in the Schools Service and with a sample of 13 schools. Each school were also requested to contribute to a specific questionnaire. The aim of the meeting was to come to conclusions regarding the nature of the support that Ceredigion County Council provided to their schools during the Covid19 pandemic.

It was AGREED to note the letter received from Estyn.

12 **Asset Valuation**

An oral update was provided by the Corporate Manager – Growth and Enterprise on the work carried out by the service in relation to Asset Valuations since the previous meeting. It was reported that an internal working group had been set up to address valuation issues and queries in addition to external queries. He stated that he was confident that the relevant evidence would be provided to Audit Wales by the end of March 2021.

It was agreed that an update be provided by the Officer at the September meeting following the publication of the ISA 260 in relation to the Statement of Accounts 2020/21 by Audit Wales. This was in order to ascertain if this issue in relation to asset valuations had been addressed accordingly.

13 **Internal Audit Progress Report 2020/21 – Quarter 3 (1/9/2020 – 31/12/2020)**

Consideration was given to the report of the Corporate Manager-Internal Audit on The Internal Audit Progress Report Quarter 3 (1/9/2020-31/12/2020). 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.

14 **Internal Audit Charter**

Consideration was given to the Internal Audit Charter. It was reported that the Public Sector Internal Audit Standards (PSIAS) attribute standard 1000 require that all internal audit activities maintain an 'internal audit charter'. The charter was a formal document that defines the internal audit activity's purpose, authority and responsibility, and establishes internal audits' position within the organisation. CSC's Internal Audit Charter was originally approved by the Audit Committee in March 2013 in conjunction with the introduction of the PSIAS. It had been regularly reviewed by the CMIA, and updated when required. All updated versions had been approved by the Audit Committee. The attached version had been updated mainly due to the pandemic and the section's restructure.

It was AGREED to approve the updated charter presented.

15 **Internal Audit Strategy 2021/22**

Consideration was given to the Internal Audit Strategy 2021/22. It was reported that the Public Sector Internal Audit Standards (PSIAS), along with CIPFA's accompanying Local Government Application Note required Councils to have an Internal Audit Charter with an accompanying Annual Audit Strategy and Plans. 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 2021/22 and takes account of the current situation due to the pandemic.

It was AGREED to approve the updated strategy presented.

16 **Corporate Risk Register**

Consideration was given to the Risk Register presented to ensure that the Council identifies and manages Corporate Risks appropriately since the previous meeting. Regular reports were provided to the Audit Committee regarding the Council's Corporate Risk Register to provide on-going information and assurance that risks continue to be managed. This assists the Committee in their role of providing independent assurance to Council and management of the adequacy of the risk management framework. Since March 2020 when the Covid-19 pandemic reached Wales, the Council's response to the Covid-19 outbreak has taken priority. Risk R018 sets out the details of the risk and the mitigating actions that were required to reduce the spread of the disease in Ceredigion.

The last quarter had also seen the Trade and Cooperation Agreement (TCA) between the EU and the UK, which had alleviated some of the concerns and reduced the Brexit risk. All risks had been reviewed and include updated commentary. The following are changes since the last meeting:-

- R004 Business Continuity – the overall risk score has been reduced to reflect the implementation of the Council's Emergency Response Plan, the reviewing / updating of all service's business continuity plans just prior to the pandemic, the Local Authority command structure and our role in the Local Resilience Forum (Covid-19 Strategic Coordination Group).
- R006 Through Age & Well-being Programme – this risk was previously titled "Transformation of Social Care", but has been renamed to reflect the correct programme name. The Programme has been established and developed to transform the way the Council will deliver Social Care services and aligns with the requirements of the Social Services and Wellbeing Act.
- R012 Climate Change – the risk score has increased to reflect the new overall climate change risk which includes carbon management and carbon emissions, flooding and energy management. Further work on developing this risk will take place during the next quarter.
- R015 Support Local Food Businesses – the risk score has increased from 9 to

16. Staff are concentrating on the control of Covid-19 in their day to day work, and this is the priority for the Public Protection Team at this time. Food standards and inspections were suspended entirely for the first half of this year, then briefly recommenced, but have since stopped again apart from high risk premises, or where there are complaints or intelligence that standards may have fallen.

- R016 Brexit – the risk score has decreased to reflect the latest situation regarding the risks associated with leaving the EU. A UK/EU Trade and Cooperation Agreement was reached on 24 December which was ratified by the UK Parliament ahead of new arrangements with the EU. Leaving the EU with a deal has reduced the risk to Ceredigion, although the Trade and Cooperation Agreement is still causing some disruption. The Council is monitoring the impact of Brexit via a sub group of officers, which reports to Leadership Group.
- Risks R003, R005, R009, R013, R017 and R018 have no changes to risk scores since last reported, but mitigating actions have been reviewed and the commentary updated.

Following questions from the floor, it was AGREED :-

(i) to note the updated version of the risk register as presented,
(ii) the need to insert a risk on the register in relation to County Farms due to new regulations that substantial improvements to all farms were required, together with the cost implications of these improvements;
(iii) to note that Risk R012 Climate Change and Risk R013 were being amalgamated on the register by the relevant Corporate Lead Officers. Members raised concerns regarding the recent flooding in the county and its impact on its residents; it was reported that there was currently 3 flooding schemes being carried out in the county to address some of these issues; however, during flooding the Council was also reliant on the assistance of NRW and Dwr Cymru;
(iv) that there was a concern regarding the businesses in the high street in Aberystwyth as a number had and were closing due to the pandemic, it was noted that businesses had received grants through the Finance service to assist, and it had recently been reported that Welsh Government were considering the reduction in business rates to assist

17 **Forward Work Programme**

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

18 **Minutes of the Meeting of the Committee held on 12 November 2020**

It was AGREED to confirm as a true record the Minutes of the Meeting of the Committee held on 12 November 2020.

Matters Arising

Minute 16 (ii) An update was requested if the relevant scrutiny meeting had considered R012 Climate Change. Members were informed that a report was due to be presented to Cabinet, and would subsequently be presented to scrutiny for consideration.

19 **Any Other Business**

Members welcomed the format of the agenda on the website as it was easier to navigate from one report to another.

The Chairman thanked all Members and Officers for their work and support during his term as chair.

Confirmed at the Meeting of the Audit Committee held on xxxx

CHAIRMAN: _____

DATE: _____