

## Cyngor Sir CEREDIGION County Council

**REPORT TO:** Council

**DATE OF MEETING:** 25 November 2021

**LOCATION:** Remotely via Video Conference

**TITLE:** Annual Governance Statement - Update

**PURPOSE OF REPORT:** To approve the updated AGS

**FOR:** Decision

**Cabinet Portfolio and Cabinet Member:** Cllr. Ray Quant MBE, Deputy Leader of the Council and Cabinet Member for Legal & Governance, People & Organisation and Democratic Services

### **Background**

The draft 2020/21 Annual Governance Statement was approved by Council on 18 March 2021.

### **Current Position**

Two minor amendments have been made to the 2020/21 Annual Governance Statement on pages 3 and 13, to correct the reference to the Local Government and Elections (Wales) Act 2021 (previous omission of 'Wales'/reference to 2020).

No suggested amendments have been recommended by Audit Wales to the 2020/21 Annual Governance Statement. However, amendments have been made to reflect those actions that were anticipated to be taken, when the Annual Governance Statement was last presented to Council in March 2021, that have now been actioned/completed.

A copy of the updated AGS is attached (see **Appendix 1**).

**WELLBEING OF FUTURE GENERATIONS:** **Has an Integrated Impact Assessment been completed? No**  
**If, not, please state why**  
**Summary:** *This report does not represent a change in policy or strategy.*

**Long term:** N/A

**Integration:** N/A

**Collaboration:** N/A

**Involvement:** N/A

**Prevention:** N/A

**Recommendation(s):** That the Council resolves, in accordance with the recommendation of the Council's Governance and Audit Committee, to approve the amended Annual Governance Statement 2020-2021.

**Reasons for decision:** To progress the publication of an Annual Governance Statement 2020/21 in accordance with The Accounts and Audit (Wales) Regulations 2014

**Overview and Scrutiny:** Reviewed by Governance and Audit Committee  
25/11/2021

**Policy Framework:** None

**Corporate Priorities:** Effective Corporate Governance ensures that the Council can deliver on all the Corporate Priorities:  
1. Boosting the Economy  
2. Investing in Peoples Future  
3. Enabling Individual and Family Resilience, and  
4. Promoting Environmental and Community Resilience.

**Finance and Procurement implications:** To comply fully with Requirements.

**Legal Implications:** To comply with legislation/regulations.

**Staffing implications:** None

**Property / asset implications:** None

**Risk(s):** None

**Statutory Powers:** Accounts and Audit (Wales) Regulations 2014

**Background Papers:** None

**Appendices:** **Appendix 1:** Annual Governance Statement 2020/21

**Contact Name:**

Elin Prysor

**Designation:**

Corporate Lead Officer: Legal & Governance (&  
Monitoring Officer)

**Date of Report:**

2/11/2021

# Annual Governance Statement 2020-21



Approved by Council [x]

# Contents

1	Executive Summary .....	3
2	Assessment of the effectiveness of key elements of the governance framework .....	5
3	Corporate Governance Achievements for 2020-21 .....	7
4	Opinion on the level of assurance that the governance arrangements can provide .....	14
5	Issues identified for last year (2020-2021) .....	19
6	Agreed action plan for matters to be considered during 2021-2022 .....	21
7	Conclusion.....	29
8	Certification of Annual Governance Statement.....	29

## 1 EXECUTIVE SUMMARY

Ceredigion County Council ('the Council') is responsible for ensuring that its business is conducted in accordance with the law and proper standards, and that public money is safeguarded, properly accounted for, and used economically, efficiently and effectively.

The Council is also committed to improving the social, economic, environmental and cultural wellbeing of its citizens. This commitment is set out in the Council's Corporate Strategy 2017-2022 and describes how the council will meet the challenges ahead and make the most of opportunities. The Council's vision for this period is that the Council *'delivers value for money sustainable bilingual public services that support a strong economy and healthy environment while promoting well-being in our people and our communities'* and is to be achieved by fulfilling the Corporate Priorities, which are:

1. Boosting the Economy;
2. Investing in People's Future;
3. Enabling Individual and Family Resilience; and
4. Promoting Environmental and Community Resilience.

To be successful the council must have a solid foundation of good governance and sound financial management. The Council's Local Code of Corporate Governance ensures that we are doing the right things, in the right way, in line with our values. The Local Code is supported by a Governance Assurance Framework that sets out what assurances the Council seeks to obtain, and how this will be done.

A copy of the Council's Local Code of Corporate Governance and Annual Governance Statement is available on the Council's website at <https://www.ceredigion.gov.uk/your-council/councillors-committees/annual-governance-statement/>.

The Council also has a duty under the Local Government (Wales) Measure 2009 to arrange to secure continuous improvement in the way in which its functions are exercised, having regard to a combination of economy, efficiency and effectiveness. In discharging this overall responsibility, the Council must ensure proper arrangements for the governance of its affairs are in place, facilitating the effective exercise of its functions, and which includes the arrangements for the management of risk. The Local Government and Elections (Wales) Act 2021 has also received Royal Assent and some sections are already in force. The Council has already started with compliance of these sections of the Act.

A Governance Framework was developed in 2010 and has been revised in accordance with the CIFA/SOLACE Delivering Good Governance in Local

Government Framework 2016. The framework is used to review the governance arrangements on an annual basis.

The Well-being of Future Generations (Wales) Act 2015 also introduces new governance arrangements for public services in Wales. Public bodies are required to carry out sustainable development. It places a well-being duty on public bodies to set and publish well-being objectives designed to maximise their contribution to the seven national well-being goals. They are also expected to take all reasonable steps towards achieving their objectives.

Following the review and in accordance with the requirements of the Framework a Local Code of Corporate Governance was initially approved by Council on 29 June 2017 and an updated version was approved by Council on 19 March 2020.

The Local Code of Corporate Governance brings together in one document all the governance and accountability arrangements the Council has in place. The Code is based on best practice guidance set out in the CIPFA/SOLACE Framework Delivering Good Governance in Local Government.

The 2021/22 Code is due to be reviewed further to take account of ongoing changes to governance due to the coronavirus pandemic.

The Council's Governance Framework is based on the International Framework: Good Governance in the Public Sector (CIPFA/IFAC, 2014) and the following seven principles:

- A: Behaving with integrity, demonstrating strong commitment to ethical values, and respecting the rule of law
- B: Ensuring openness and comprehensive stakeholder engagement
- C: Defining outcomes in terms of sustainable economic, social and environmental benefits.
- D: Determining the interventions necessary to optimise the achievement of the intended outcomes
- E: Developing the entity's capacity, including the capability of its leadership and the individuals within it
- F: Managing the risks and performance through robust internal control and strong public financial management
- G: Implementing good practices in transparency reporting, and audit to deliver effective accountability

The Council is required, each year, to produce an Annual Governance Statement ('AGS') (this document), which explains how the Council has complied with the seven core principles and sub-principles contained in its Governance Framework and the Local Code of Corporate Governance, and also meets the requirement of The Accounts and Audit (Wales) Regulations 2014. This AGS gives assurances on

compliance for the year ending 31 March 2021 and up to the date of approval of the Statement of Accounts.

The Leader of the Council and Chief Executive both recognise the importance of having a solid foundation of good governance and sound financial management. They pledge their commitment to address the matters highlighted in this AGS, and to further enhance the Council's governance arrangements.

The Leader and Chief Executive confirm they have been advised of the implications of the review by Senior Management and the Audit Committee and are satisfied that the steps outlined in this AGS will address the areas for improvement.

Signed on behalf of **Ceredigion County Council**

**Leader of the Council**

**Chief Executive**

Date: xx/xx/2021

Date: xx/xx/2021

## **2 Assessment of the effectiveness of key elements of the Governance Framework**

The Council is committed to demonstrating that it has the necessary corporate governance arrangements in place to perform effectively.

The Leader of the Council provides clear strategic direction and the Constitution clearly defines the roles of Councillors and Officers. Internal and External Audit, Ethics and Standards Committee and the Audit Committee are committed to ensuring the governance arrangements are effective and robust.

The Council has conducted an annual review of the effectiveness of its governance against the CIPFA/SOLACE Delivering Good Governance Framework (2016). The review involved a member/officer workshop in which the Council's Governance Framework Document was analysed and reviewed, and included the following Members: the Chair and Vice Chair of Audit Committee, the Audit Committee Lay Member and the Chair of Overview and Scrutiny Co-ordinating Committee. In addition, the Monitoring Officer, Corporate Manager - Internal Audit, Governance Officer, Corporate Lead Officer - Democratic Services, Corporate Performance & Improvement Officer and the Corporate Manager – Partnerships, Performance and Public Protection also took part. Following the Workshop, the attendees had a further opportunity to consider the Council's Governance Framework Document and the Corporate Lead Officer Policy,

Performance and Public Protection, Corporate Lead Officer People and Organisation, Corporate Lead Officer Economy & Regeneration, Corporate Lead Officer Finance & Procurement and Corporate Lead Officer Customer Contact had an opportunity to consider the Governance Framework Document.

During the workshop each behaviour was introduced and scored against a scoring mechanism, as follows:

- 1/2 Unacceptable Immediate action required
- 3/4 Below satisfactory - urgent Action Required (within 3-6 months)
- 5/6 Satisfactory - Action Required (before end of year 9-12 months)
- 7/8 Acceptable Minor adjustments may be required
- 9/10 Good - overall Governance considered to be good and meets best practice no further action required

The governance framework was also circulated to other officers, who have governance/management responsibilities within the council. The review framework was presented to Audit Committee in February 2021.

The effectiveness of the governance framework draws on evidence and assurances from:

- Internal and External Audit and Inspection;
- Financial Controls;
- Risk and Performance Management;
- Legal and Ethical Standards;
- Corporate Directors and Other Senior Management, including the S.151 Officer and the Monitoring Officer;
- The Audit Committee; and
- Overview and Scrutiny Committees.

In addition, the Corporate Manager - Internal Audit undertakes an independent review of the Governance Framework and the method of scoring and evidence, on an annual basis. The review of the 2019/20 Framework was delayed due to the pandemic, but was completed in December 2020 and provided 'high' assurance that there was a sound system of scrutiny and robustness in place. This was reported in the Quarter 3 Progress Report to Audit Committee in February 2021. The review of the 2020/21 Framework also provided high assurance and was reported to the Governance and Audit Committee in June 2021.

The Council has drawn together a Local Code for Corporate Governance which sets out the systems and processes, and cultures and values, by which the authority is directed and controlled and its activities through which it accounts to, engages with and leads the community. It enables the authority to monitor the

achievement of its strategic objectives and to consider whether those objectives have led to the delivery of appropriate, cost-effective services.

The system of internal control is a significant part of that code and is designed to manage risk to a reasonable level. It cannot eliminate all risk of failure to achieve policies, aims and objectives and can therefore only provide reasonable assurance of effectiveness. The system of internal control is based on an ongoing process designed to identify and prioritise the risks to the achievement of the Council's policies, aims and objectives, to evaluate the likelihood of those risks being realised and the impact should they be realised, and to manage them efficiently, effectively and economically.

The Local Code for Corporate Governance is available on the Council's website at <https://www.ceredigion.gov.uk/your-council/councillors-committees/annual-governance-statement/>.

### **3 Corporate Governance Achievements for 2020-21**

The Local Code for Corporate Governance sets out the Local Authority's commitment to the principles of good governance. The following paragraphs outline the Corporate Governance achievements during 2020-21.

A. Behaving with Integrity, demonstrating strong commitment to ethical values and respecting the rule of law:

- The Constitution continues to be the subject of further monitoring review during 2020-21 with a revised edition published on the Council's website in March 2020. A politically balanced Constitution Cross Party Working Group has been set up to action further changes to reflect legislative changes according to need;
- The draft Well-being & Improvement Objectives Annual report 2019-20 was presented to Council on 16 October 2020 and included a review of the Well-being Objectives. A mandatory E-learning training module on the Well-Being of Future Generations Act 2015 must be completed by all staff to ensure awareness of the requirements;
- The Monitoring Officer advised Chief Officers on the need to declare close personal associations with other Officers or Members including advising Chief Officers at Leadership Group Meetings;
- The Monitoring Officer is updating the Code of Conduct for Officers;
- The Monitoring Officer reminded Members and co-opted independent members of their obligations regarding declarations of interest for enhanced Covid-19 lockdown grants for businesses;
- The Dispensation forms for Members have been updated to ensure continued relevance;
- The Monitoring Officer reminded Officers of the requirements of declarations and Hospitality and interests;

- Members completed a HR training module and training on standards and behaviour is provided to Managers for Staff;
- The Well-Being Objectives for 2020-2021 have been reviewed to ensure they meet the requirements of the Corporate Strategy 2017-2022;
- There is a continuing requirement for the Chief Officer's annual Declarations of interest and continuing obligations to declare interests, including for Members (including independent/lay members of the Ethics & Standards Committee and Audit Committee);
- There is continued regular dialogue with Public Services Ombudsman for Wales and other regulators including Estyn, CIW, ICO and IPCO;
- An Audit Committee Annual Report was reported to Council on 10 December 2020 and approved;
- A Covid-19 Governance Structure was introduced, to include temporary delegated powers for the Council's Chief Executive and Leadership Group through use of Urgent Decisions and for decisions relating to the Council's COVID-19 response), in accordance with Council's Constitution. Record of Urgent Decisions, for urgent decisions made by the Covid-19 Leadership Group ('Gold Command') published on the Council's Website. The Urgent Decision of the leader is reviewed every 3 months;
- The Council is making preparations to comply with Local Government and Elections (Wales) Act 2021 regarding 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;
- An updated Internal Audit Charter was approved by the Audit Committee in February 2021;
- National Fraud Initiative is underway, which is a national data-matching exercise to detect fraud;
- Internal Audit annual report on Counter Fraud presented to Audit Committee at year-end to raise awareness of procedures in place;
- The Employee Handbook is being reviewed, available to staff and includes the Code of Conduct for Local Government Employees;
- Procurement training is being rolled out to Staff;
- The Council has developed a Modern Slavery Policy (sent to contractors of the Council), Anti-Slavery Annual Statement 2019-2020 and Code of Practice Ethical Employment in Supply Chains;

- A Roadmap has been produced, which outlines the services the Council does and does not provide, and what the Council's plans are, which is reviewed regularly, for Ceredigion giving overview of services provided in light of Covid-19 Pandemic, current guidance and number of cases in Ceredigion; and
- The Local Government and Elections (Wales) Act 2021 shall have an effect on corporate bodies, including the Council, and preparations for compliance are underway.

#### B. Ensuring openness and comprehensive stakeholder engagement:

- All statutory annual reports are available on the Council's website, and a host of service areas are online to show commitment to openness;
- Council meetings are currently webcast due to pandemic, but all are open to the public and papers published on the Council website (with the exception of exempt reports);
- Integrated Impact Assessment conclusions are reported to Council, Cabinet and Overview and Scrutiny, with 9 Integrated Impact Assessments going to Cabinet over 2020-2021 (up to February 2021).
- The Well-being Objectives for 2020-2021 have been set in order to deliver the Corporate Strategy 2017-2022;
- The Social Services Complaints Policy and Procedure has been reviewed;
- Consultations were completed in 2020-2021 to ensure input from Service users, which are available on the Council's website e.g. Aberystwyth Promenade Food & Beverage Trial, Public / Traders Feedback Questionnaire and Consultation on developing a new Ceredigion Economic Strategy 2020-2035.
- Due to Coronavirus the Council has consulted remotely via video conferences and electronic surveys;
- A new Draft Engagement policy has been prepared to take into account the latest engagement methodology, including digital engagement;
- An overview and Scrutiny Public Engagement Protocol (2018) has continued to be used on several occasions;
- The Council has worked in partnership with Local Authorities and Public Services across Mid and West Wales, the formal review of partnerships that sit under the Public Service Board has been completed. The new partnership structure has been operational since June 2018 and is reviewed on a periodic basis; and
- Guidelines on Corporate Branding issued (May 2019).

#### C. Defining outcomes in terms of sustainable, economic, social and environmental benefits:

- The draft Well-being & Improvement Objectives Annual report 2019-20 was presented to Council on the 16th of October 2020 and included a review of the Well-being Objectives. A mandatory E-learning training module on the Well-Being of Future Generations Act 2015 must be completed by all staff to ensure awareness;
- The most recent Audit of the Council's Improvement Plan (2019-2020) Annual Improvement Report was issued in November 2020. The report concluded positively about the Council's performance, financial and Governance arrangements that the Council discharged its duties and has acted in accordance with Welsh Government guidance sufficiently to discharge its duties;
- A Risk management e-learning package had been developed for all Staff and training took place in 2019, with workshop with insurers arranged for senior Managers;
- Strategic Equality Plan 2020-2024 issued;
- The Annual Strategic Equality Plan monitoring report 2019-2020 is being submitted for approval, and once approved will be published on Council website;
- A mandatory E-learning training module on Welsh Language Awareness must be completed by all Staff;
- Annual Complaints and Compliments Report 2019/20 approved by Council 10 December 2020;
- The appointed Auditor considers the Council's arrangements to secure economy, efficiency and effectiveness: and
- The Integrated Impact Assessment Tool and guidance is available and used to support decision-making.

D. Determining the interventions necessary to optimise the achievement of the intended outcomes:

- Corporate Performance Management arrangements in place to ensure achievement of intended outcomes;
- The Integrated Impact Assessment tool and guidance is available and standard reporting templates are used in decision making process;
- A Corporate Project Management Panel has been established to formalise project development and management, which meets fortnightly;
- A Report to Cabinet 24 September 2019 was provided on Corporate Risk Management Framework Review (including Risk Management Policy) with the Policy and Framework being approved, with roll out of training programme for Members, Senior Management and Managers, and the new Risk Management Policy and Strategy underpinned by the Risk Management Framework available to all Members of Staff.

Documents have been amended to reflect additional risks and background information to make informed decisions;

- A review of Collaboration Projects is underway. The review includes a section on assessing risks across collaboration projects and account will be taken of legislative changes e.g. Local Government and Elections (Wales) Act 2021;
- The Corporate Communications Strategy 2019-22 aids engagement with stakeholders; and
- The Internal Audit Strategy & Plan 2020/2021 was approved by Audit Committee on 12 November 2020, to gain assurance re internal controls during the year.

E. Developing the entity's capacity, including the capability of its leadership and the individuals within it:

- A Survey regarding self-assessment was completed by Scrutiny;
- Continuous restructuring of the Leadership and Senior Officer structure over a number of years has defined these roles and how they integrate with each other;
- The Council's Constitution sets out the functions and responsibilities;
- A Scheme of Delegation exists and clearly sets out responsibilities for Members and Officers;
- Job descriptions clearly define the roles and responsibilities required of posts;
- Performance Reviews link to Corporate and strategic objectives, undertaken for last quarter of 2020-21;
- Cerinet (Council's intranet) has been continually reviewed and improved for effectiveness;
- Various HR policies available to staff and members, to include information and facilities re well-being;
- Induction programme is provided for new Members. Ongoing training is arranged for specific issues to enhance understanding of topics;
- The Workforce Plan 2017-2022 includes actions for staff development in key themes; and
- A number of training courses for staff are available via e-learning modules.

F. Managing risks and performance through robust internal control and strong financial management:

- The Corporate Risk Management Policy and Strategy and the Risk Management Framework was approved by Council on 24 September 2019 and the Council continues to form strategies and plans taking into account the risks caused by the Covid-19 pandemic;

- The Corporate Risk Register is regularly presented to Leadership Group for monitoring and is a standing item on the Audit Committee agenda;
- The identified current and longer-term corporate risks presented by the pandemic have been collated and added to the Corporate Risk Register as RO18, which will be regularly monitored both by Leadership Group and Audit Committee;
- The Council published a Well-being and Improvement Objective Annual Report in October 2019 (The Well-Being & Improvement Objectives Annual Report 2019-2020 was approved by Audit Committee on 12 November 2020);
- The Well-Being Objectives for 2020-2021 have been reviewed to ensure they meet the Corporate Strategy 2017-2022;
- The annual Internal Audit Plan is risk-assessed and takes account of Council aims and objectives, and corporate policies and procedures; to include a review of the Risk Management corporate arrangements, and testing the mitigating controls in place for a sample of risks noted in the Corporate Risk Register (Internal Audit Plan 2020-2021 presented to Audit Committee 12 November 2020);
- Financial monitoring is regularly undertaken throughout the Council under a devolved accountancy arrangement and formal reporting is made to Cabinet;
- Regular Quarterly Internal Audit Progress Reports to Audit Committee for monitoring (e.g. Internal Audit Progress Report for period 1 April 2020 to 30 September 2020 presented to Audit Committee on 12 November 2020);
- Summary of work and audit opinion on assurance provided annually in Internal Audit Annual Report at year-end;
- Internal controls, risk & governance processes are monitored according to the Internal Audit Charter & the Annual Internal Audit Strategy and Plan.
- Internal Audit presents Counter-Fraud Report to Audit Committee annually (2019-2020 Counter-Fraud Report presented to Audit Committee on 12 November 2020).
- A re-structure of Internal Audit has been implemented in November 2020 and service fully resourced with effect from 1 December 2020.
- Three members of the Internal Audit team are currently pursuing the Institute of Internal Auditors' professional training qualification.
- Audit Committee terms of reference, remit and composition to be reviewed in light of Local Government and Elections (Wales) Act 2021. 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.
- Lay member recruitment to be undertaken during 2020/21, taking into account any Local Government & Elections (Wales) 2021 Act requirements and termination of term of office of current lay member;
- Job Direction, Personal specification, and criteria approved by Council 10 December 2020;
- Audit Committee considers Cabinet reports on Capital Management;
- Scrutiny arrangements are in place that is supported and which provide opportunities to challenge decision-making and review the provision of services.
- Implementing good practices in transparency, reporting and audit to deliver effective accountability;
- ICT and Digital Strategy for 2018-22 approved, along with other policies, guidance & mandatory training to ensure security of data;
- Annual reports are published including:
  - The draft Well-being & Improvement Objectives Annual report 2019-20, which was presented to Council on 16 of October 2020 and included a review of the Well-being Objectives; and
  - Annual Financial Statement including the Annual Governance Statement.

G.Implementing Good Practices in transparency, reporting and audit to deliver effective accountability:

- Council meetings continue to be webcast;
- Use of Modern.Gov public sector training courses and new training system.
- 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;
- Council compliance with The Local Authorities (Coronavirus) (Meetings) (Wales) Regulations 2020, which allow for remote access for meetings and public access/publishing of documents requirements;
- Council Roadmap provides up-to-date information for citizens on services being provided due to Covid-19 pandemic, in order to provide clarity for County residents;
- Council's Annual Governance Statement evidences how it complies with the seven core Governance Framework Principles and sub-principles contained in the Framework and in the Local Code of

Corporate Governance, including how it puts in place proper arrangements for the governance of its affairs, facilitates the effective exercise of its functions, and makes arrangements for risk management (the Governance Framework was developed in 2010 and has been revised in accordance with the CIFA/SOLACE Delivering Good Governance in Local Government Framework 2016). In compliance also with Local Government (Wales) Measure 2009 and The Well-being of Future Generations (Wales) Act 2015;

- Assessment of the framework for corporate governance carried out to ensure compliance e.g. updated to reflect changes necessary because of Covid-19 pandemic. Decision by Council whether Annual Governance Statement approved e.g. updated and approved by Council 10 September 2020 (with accounts);
- Council's Local Code of Corporate Governance demonstrates how it has the necessary corporate governance arrangements in place to perform effectively. The Local Code of Governance is a public statement that sets out the way the Council will meet that commitment;
- The Internal Audit function is headed by a CIPFA qualified Corporate Manager - Internal Audit ('CMIA') who has considerable local government experience, supported by a team with appropriate knowledge and skills. Three members of staff currently studying for the Chartered Institute of Internal Auditors ('IIA') qualification, and two developing ICT auditing skills;
- CMIA has free and unfettered access to the Chair of the Audit Committee and both meet regularly during the year (and these meetings continue remotely during the Covid-19 pandemic);
- Internal Audit Charter regularly reviewed and approved by Audit Committee;
- A good working relationship exists with external regulators, and recommendations for corrective action are acted upon; and
- The Council publishes an Annual Governance Statement each year.

#### **4 Opinion on the level of assurance that the governance arrangements can provide**

The Corporate Manager - Internal Audit (CMIA) prepares an Annual Internal Audit Report at year-end which is usually presented to Audit Committee at its June meeting; however, due to the pandemic this wasn't possible for 2019/20 & reporting was delayed. The report sets out the individual and collective outcomes of the audit reviews undertaken during the year, and provides the overall audit opinion of assurance based on this audit work. The assurance provided also takes into account progress in implementing improvements, consideration of the risk

register and assurances provided in reports issued by external regulators. The scope of audit work and how the need to constantly reprioritise to ensure sufficient work is undertaken for the assurance is detailed in the report.

Due to the pandemic, the Audit Committee of 1 April 2020 was postponed, resulting in a delay in approving the Internal Audit annual reports. These were presented to the Audit Committee on 12 November 2020; however, the CMIA appraised the Chair and Vice Chair of Audit Committee of the Service's situation regularly during that period.

The Annual Report at year-end contains the results of the internal audit annual self-assessment of the service, based on CIPFA's LG Application Note's template. This was subject to an external peer review during 2016-17, and an external assessment is planned to be repeated every five years, as required by the Public Sector Internal Audit Standards (PSIAS). The resultant improvement plans from these assessments are included in the quarterly Progress Reports presented to Audit Committee and reviewed annually in the Annual Internal Audit Report.

The Improvement Plans identify improvements made and planned against the recommendations arising from the assessments, along with the results of the service's Quality Assurance Improvement Programme as required by the PSIAS to ensure the Audit Committee is able to monitor the service's progress.

The Internal Audit Progress Report 1/4/2020-30/9/2020 (presented to Audit Committee on 12 November 2020) and the Quarter 3 Progress Report (presented to Audit Committee on 24 February 2021) include the actions taken to date to achieve the identified proposed improvements.

Audit Committee has been monitoring these ongoing actions as recommended by Audit Wales in their 2019-20 ISA260 due to the long and short-term absences previously experienced within the Section. However, it is pleasing to note that the staffing structure has been at full complement with effect from 1 December 2020.

On 12 November 2020, the CMIA also presented to Audit Committee the Internal Audit Strategy and Plan for 2020/21. This is designed to ensure a sufficient area of coverage is undertaken to support the annual opinion on the effectiveness of the systems of governance, risk management and internal control across the Council. The Internal Audit Strategy and Plan for 2020/21 summarised the work areas the Internal Audit Section aimed to concentrate their time on during the year, taking account of the situation due to the pandemic.

The service has been provided on a more reactive basis this year, due to the various risks introduced from necessary changes in the Council's working practices, such as the issuing of one-off grants, set-up of groups to target specific areas of change, more staff working from home, etc. Internal audit work has been assessed on an on-going basis with regular consideration given to the Council's changing needs and priorities. All actions taken have been consistent with the guidance note issued by the Internal Audit Standards Advisory Board. In addition,

more resources have been dedicated to developing the assurance mapping system to provide additional support to the assurance provided at year-end.

The CMIA concluded in her 2020/21 Annual Report presented to Governance and Audit Committee in June 2021 based on:

- the number, scope and assurances from internal and external undertaken during the year to 31 March 2021, and
  - the acceptance of actions by management (where available),
- that the Council had a satisfactory framework of governance, risk management and internal controls in place to manage the achievement of the organisation's objectives.

However, due to the on-going effect of the pandemic, it should be noted that no schools were reviewed during the year.

The Annual Governance Statement will be the subject of review by Audit Wales to ensure that it is consistent with their knowledge and with legislation. In addition, the Internal Audit section undertakes an annual independent review of the Annual Governance Framework and the method of scoring and evidence, as noted in Point 2 above.

The Council's Corporate Lead Officer - Customer Contact acts as the Authority's Senior Information Risk Owner and also has responsibility for Data Protection and ICT Security.

The SIRO Forum traditionally included subject matter experts: E.g. Facilities, Data Protection, IT Security, Head of IT, Legal, HR and some departmental representation. This meets every quarter to discuss information risk and information management issues.

The current key roles and scrutiny of Information Assets are as follows:

- An IT Security Officer ('ITSO') who advises on data security and external advisers and consultants are employed from time to time to test and advise on the Authority's security arrangements.
- An Information and Records Management Officer ('IRMO') advises on legal compliance and ensures that policies and procedures are in place and are being adhered to.
- Corporate Data Protection (known internally as Corporate Data Protection / FOI / EIR Group Meeting) meets quarterly and is chaired by the Head of Service Policy (Deputy HOS ICT&CS).
- Annual Reports as required to the Council's Audit Committee.

Additionally:

- ITSO is the Vice-chair of Wales National Public Sector Security Forum (CymruWARP) which meets quarterly.
- IRMO Chairs the Information and Records Management Society Wales/Cymru and arranges events across Wales.

- IRMO is part of the WASPI - Mid and West Wales Quality Assurance Panel.

Following the Governance Framework review, overall governance arrangements are considered to be acceptable or good on the basis that average scores applied were 7/8 – 9/10.

The introduction of the Local Code for Corporate Governance outlining how the Council is committed to the core principles of the CIPFA/SOLACE delivering Good Governance in Local Government Framework provides guidance to all Members and Officers on the governance agenda.

Regular review of the Local Code of Governance will provide a high level of assurance that the governance arrangements are fit for purpose.

### **Coronavirus Pandemic**

Due to the coronavirus pandemic crisis, all Council offices were closed to the public with effect from 23 March 2020.

In light of the national emergency and urgent situation arising as a result of the pandemic, and in order to protect the Council and the public's interests, in circumstances where the decision is deemed urgent such that any delay would seriously prejudice the Council's or the public's interests, the Council Leader granted temporary delegated powers to the Council's Chief Executive and Leadership Group to make decisions relating to the Council's COVID-19 response.

The decision was made in accordance with part 4 of the Council's Constitution.

The Record of Urgent Decision Notice is available on the Council's website on the Council's page for Governance Structure for decision making during COVID-19 (<https://www.ceredigion.gov.uk/resident/coronavirus-covid-19/governance/>). The decision was reviewed and on 2 October 2020 the Leader approved a revised decision and the decision is to be reviewed again.

During the period Gold Command Meetings have been held in order to discuss the Covid-19 pandemic and how to effectively deal with the situation. Gold Command continues to meet several times weekly.

The Gold Command forum was set-up immediately to facilitate operations and provide a robust decision-making process from the outset, holding daily virtual meetings.

Audit Wales's Covid-19 Recovery Interim Assurance letter of 19 October 2020 to the Council summarises its interim conclusions based on the ongoing monitoring of the adjustment process regarding the ongoing impact of the pandemic. In the Appendix, Audit Wales refers to, as part of the Council's adapting decision-making arrangements, the Decision Log as being planned for publication on the Council's

website and for reporting to the next meeting of the Overview and Scrutiny – Co-ordinating Committee. The Audit Committee noted the contents of this letter at its meeting on 12 November 2020 and a Report by the Corporate Lead officer – Legal and Governance/Monitoring Officer was presented to the Overview and Scrutiny Co-ordinating Committee on 20 January 2020, which noted the contents of the Report and the contents of the Gold Command Covid-19 Leadership Group Meetings per the Decision Log.

The Log was first published on the Council website on 5 November 2020 (for decisions made up to 30 September 2020). Decisions from 1 October 2020 to 30 November 2020 have also now been published.

The Council had a clear vision that every single person, business and service could understand and agree upon in order to ensure Ceredigion succeeded in not only reducing predicted deaths through the first peak but more importantly for any future predicted peaks. This has been actioned in three phases to date:

- Phase 1: Preparedness – Closing down of all non-essential services
- Phase 2: Implementation – Delivering services under lockdown conditions
- Phase 3: Adjustment and long term resilience

Phase 3 provides an adjustment phase from the first two phases to a fourth, recovery phase. To enable this to happen, the adjustment phase must consider three main components that will be critical to dealing with COVID-19 whilst at the same time releasing elements of the lockdown safely and in a controlled and structured manner. The three elements are:

### **Containment + Isolation + Eradication**

As lockdown restrictions are gradually eased and the Welsh Government amends its guidance, the Council is looking at how and when it can recommence its services or how they will be delivered differently. This is documented in a 'Roadmap' on the Council's website.

It is hoped that the business sectors and community groups will also contribute to this roadmap so that there is clarity for all residents of Ceredigion.

Following an initial immediate suspension of public meetings, Council meetings have been reintroduced via a virtual platform.

Members of the public are able to attend the remote meetings by e-mailing the Democratic Services for registration details. A full list of remote meetings are available on the Council website. These meetings are also available on the Council's Facebook page to view.

## 5 Issues identified for last year (2020-2021)

The following table records the actions that have been taken during 2020-21 to resolve the issues identified in the Annual Governance Statement for 2019-2020:

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
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>Monitoring Officer to continue to advise Members further on the need to declare hospitality/gifts.</p> <p>Monitoring Officer to advise Chief Officers further on the need to declare:</p> <ul style="list-style-type: none"> <li>close personal associations with other officers members,</li> </ul> <p>MO to undertake review of Members holding directorships when appointed onto outside bodies.</p> <p>Update Dispensations forms for Members</p>	<p>Further embedding of behaviour with Integrity</p> <p>Regular reminders and advice is sent by the MO to Staff via internal News update emails.</p> <p>Monitoring and review by MO of Chief Officers' declarations annually.</p> <p>Update Dispensations forms for Members completed.</p>	EP	March 2021
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>Register of Contracts to be published</p> <p>Delegated decision Register to be published.</p> <p>Continued monitoring of the Mandatory e-learning take up of Whistleblowing module. Currently lower than required.</p> <p>Ethics/Governance training to be offered</p>	<p>Further embedment of Standard Operating principles</p> <p>In progress.</p>	<p>EP</p> <p>AR</p>	March 2021

Issue	Action	Outcome / Progress to Date	Lead Officer	Completion Date
B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	Complete the Review of the FOI publication Scheme.	Demonstrating commitment to openness In progress.	MNH	March 2021
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 (or other) provision is contributing towards the achievement of intended outcomes	Complete the review of the Community Engagement Policy to include provisions for how stakeholders are engaged in future.	Improving Community Engagement Under review.	MS	March 2021
C1.5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	Manage Service User expectations through Publication of service performance including costs and value for money data	Managing Service user Expectations In progress.	CAJ	March 2021

Note: Any actions not fully completed by the completion date will be carried forward into the 2020-2021 Action Plan

## 6 Agreed action plan for matters to be considered during 2021-2022

Following the implementation and review of the CIPFA/SOLACE Delivering good governance in Local Government Framework (2016) the following issues have been identified for resolution during 2021-2022:

Issue	Action	Outcome	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>	<ul style="list-style-type: none"> <li>○ Monitoring Officer to advise Officers further on the need to declare interests in organisations which actually, or may conflict with Council interests including:               <ul style="list-style-type: none"> <li>● Contractors;</li> <li>● School Governors;</li> <li>● Clerk to Town and Community councils;</li> <li>● Members of Town and Community councils; and</li> <li>● School Governors.</li> </ul> </li> </ul> <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>Further embedding of behaviour with integrity.</p>	<p>EP/LE</p>	<p>March 2022</p>

Issue	Action	Outcome	Lead Officer	Completion Date
	<ul style="list-style-type: none"> <li>o Monitoring Officer to advise Officers further on the need to declare               <ul style="list-style-type: none"> <li>• Directorships; and</li> <li>• Other employment</li> </ul>               Including Whether conflicting with the Council's interests or not.             </li> <li>Monitoring Officer to continue to advise Members further on the need to declare hospitality/gifts.</li> <li>Monitoring Officer to advise Chief Officers further on the need to declare:               <ul style="list-style-type: none"> <li>• close personal associations with other Officers or Members,</li> </ul> </li> </ul>			
A1.3 Leading by example and using these standard operating principles or values as a framework for decision making and other actions	Leadership Group 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)	Further embedment of Standard Operating principles and leading by example for effective decision-making.	GE	<p>March 2022</p> <p>March 2022</p>



Issue	Action	Outcome	Lead Officer	Completion Date
	<ul style="list-style-type: none"> <li>• Continued monitoring of the Mandatory e-learning take up of Whistleblowing module. Currently lower than required.</li> <li>• The Complaints / Compliments policy is to be reviewed during 2020-2021.</li> </ul> <p>Ethics / Fraud training to be provided.</p>	<p>communication through publication of documents.</p> <p>Further embedment of Standard Operating principles and leading by example.</p> <p>Further embedment of Standard Operating principles.</p> <p>Further embedding of behaviour with integrity.</p>	AR	March 2022
A3.1 Ensuring members and staff Staff demonstrate a strong commitment to the rule of the law as well as adhering to relevant laws and regulations	<ul style="list-style-type: none"> <li>• The Local Government and Elections (Wales) Act 2021 shall have an effect on corporate bodies, including the Council, and preparations for compliance are underway.</li> </ul>	Compliance with legislation to demonstrate strong commitment to rule of law.	EP	March 2022

Issue	Action	Outcome	Lead Officer	Completion Date
B1.1 Ensuring an open culture through demonstrating, documenting and communicating the organisation's commitment to openness	FOI policy and EIR policy both updated. Review of the FOI Publication Scheme is in progress.	Demonstrating commitment to openness.	LE/AW/MNH	March 2022
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 (or other) provision is contributing towards the achievement of intended outcomes	<p>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>	Improving Community Engagement.	AW/MS	March 2022
B3.4 Implementing effective feedback mechanisms in order to demonstrate how their views have been taken into account	Further work on monitoring feedback is required and the new Equalities and Engagement post will address this	Developing monitoring of feedback in new Equalities and Engagement post, and improving Community Engagement.	AW/MS	March 2022

Issue	Action	Outcome	Lead Officer	Completion Date
C1.5 Managing service users' expectations effectively with regard to determining priorities and making the best use of the resources available	Publicise service performance including costs and value for money data	Satisfy service users' expectations	AW	March 2022
D2.3 Considering and monitoring risks facing each partner when working collaboratively including shared risks	Account will be taken of legislative changes e.g. Local Government and Elections (Wales) Act 2021.	Risk management and compliance with legislation to demonstrate commitment to rule of law.	AW/EP	March 2022
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	Further work is progressing to link Local Performance measures to all level 1 Business plan Objectives.	Development of performance indicators for accurate evaluation of performance of services and projects.	AW	March 2022
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	Audit Committee terms of reference, remit and composition to be reviewed in light of Local Government and Elections (Wales) Act 2021. Changes include: - change of name to 'Governance and Audit Committee;	Ensuring Audit Committee continued compliance with legislation, assurances.	EP/AR/HS	March 2022

Issue	Action	Outcome	Lead Officer	Completion Date
and maintaining an effective control environment that its recommendations are listened to and acted upon	<ul style="list-style-type: none"> <li>- Membership to be 2/3 Councillors and 1/3 Lay Persons (as defined in Act);</li> <li>- Committee duty to appoint own Chair and Deputy Chair;</li> <li>-Chair must be lay person;</li> <li>-Deputy Chair must not be member of Local Authority Executive; and</li> <li>- in absence of Chair &amp; Deputy only non-executive Members can chair.</li> </ul> <p>Size of Audit Committee review in progress.</p> <p>Lay member recruitment to be undertaken during 2020/21, taking into account any Local Government &amp; Elections (Wales) 2020 Act requirements and termination of term of office of current lay member;</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	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	Improving Community Engagement and openness.	LE/AM	March 2022

Issue	Action	Outcome	Lead Officer	Completion Date
	democracy, and improving transparency;			
G3.1 Ensuring that recommendations for corrective action made by external audit are acted upon	Monitoring of progress of Actions/recommendations	Assurances and managing risk.	EP/AW/SJ	March 2022

## **7 Conclusion**

The annual governance framework review measured progress against the new CIPFA/SOLACE Delivering Good Governance Framework (2016) and overall governance arrangements were found to be acceptable or good.

The Council has made good progress during the year with recorded achievements against each of the seven core principles.

The development of a Local Code of Corporate Governance bringing together all the local codes and documents together in one document provides assurance that there are clear governance arrangements in place. This enabled the Council to react swiftly to the threats presented by the coronavirus pandemic.

The Council has identified a number of minor issues for resolution during 2021/22 and has set these out in an action plan for completion (as above). The actions taken as a direct result of the pandemic will be recorded, as appropriate.

## **8 Certification of Annual Governance Statement**

We propose over the coming year to take steps to address the above matters to further enhance our governance arrangements. We are satisfied that these steps will address the need for improvements that were identified in our review of effectiveness throughout the 2021/22 year and will monitor their implementation and operation as part of our next annual review. It is acknowledged that the pandemic may hinder some of these steps, which will be addressed and reported accordingly to Council in the 2021/22 AGS.