

**Minutes of the Meeting of GOVERNANCE AND AUDIT COMMITTEE
held remotely via video-conference on Wednesday, 19 January 2022**

PRESENT; Councillor Elizabeth Evans (Chair), Councillors Rowland Rees-Evans Gareth Davies, Peter Davies MBE, Keith Evans, Matthew Woolfall Jones and Prof Ian Roffe

Also in attendance: Councillors Rhodri Evans, Catherine Hughes, Gareth Lloyd, 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, Mr Arwyn Morris, Corporate Lead Officer – Customer Contact, Mr Stephen Johnson, Corporate Lead Officer – Finance & Procurement, Ms Donna Pritchard – CLO Porth Gofal Targeted Intervention, Ms Nia Jones, Corporate Manager – Democratic Services, Mrs Alex Jenkins, Corporate Manager- Internal Audit, Legal and Governance Services, Mr Rob Starr, Performance and Research Manager, Ms Alison Hodgson- Corporate Performance and Improvement Officer, Ms Hannah Rees- Governance Officer, Mrs Julie Brown, Audit Manager, Ms Stephanie Land, Senior Auditor, Mrs Dana Jones, Democratic Services and Standards Officer

Audit Wales: Ms Non Jenkins, Audit Manager and Ms Bethan Hopkins, Senior Auditor.

(9:30am-1:05pm)

- 1 Apologies**
Mr Jason Blewitt, Audit Wales Audit Manager apologised for his inability to attend the meeting.
- 2 Personal Matters**
None.
- 3 Disclosures of Personal / Prejudicial interest**
None.
- 4 Regulatory & Inspectorate Reports and Updates**
Consideration was given to the Regulatory and Inspectorate Reports and Updates. The report had been presented in order to provide the Governance and Audit Committee with updates on the progress with studies Audit Wales have undertaken or are undertaking

An update was provided on the following reports:-
 - a) Audit Wales quarterly update to Governance and Audit Committee**
 - o Quarter 2 Work Programme Timetable 2021-2022 – Ceredigion
 - b) Any local risk work issued/published since the last Governance and Audit Committee meeting**

- Certificate – Audit of Ceredigion County Council’s Assessment of 2020-21 Performance
- Project Brief – Assurance and Risk Assessment, Ceredigion County Council

c) Audit Wales National Reports

- National project brief – Equality Impact Assessments and their use in decision making
- National project brief – Springing Forward (2021-2022) (including Auditor General Privacy Notice)
- Regenerating Town Centres in Wales
- Audit Wales Letter – Auditor General for Wales Review of Town Centre Regeneration
- Picture of Public Services Report
 - A Picture of Local Government
 - A Picture of Social Care
 - A Picture of Healthcare
 - A Picture of Schools
 - A Picture of Higher and Further Education
- Care Home Commissioning for Older People Report
- Climate Change Decarbonisation Baseline Review
 - Letter from Attorney General for Wales Call for Evidence (November 2021)

It was AGREED to note the reports and updates for information and that an update on the programme table would be provided in the next few weeks from Audit Wales.

5 Council Responses to Regulatory & Inspectorate Reports

Consideration was given to the Council Responses & Inspectorate Reports. The report sets out the Council’s responses regarding Regulator and Inspectorate Reports and progress made regarding proposals and recommendations.

This Report had 2 parts:

- a) Council tracker of Regulator/Inspectorate proposals for improvement and recommendations; and*
- b) Other Council related matters.*

Current Position

a) Council tracker of Regulator/Inspectorate proposals for improvement and recommendations

- Council Management Response Forms 2019-2020, 2020-2021 Update:
 - Excel Spreadsheet of MRF Responses
 - Updated MRF – Rough Sleeping in Wales Everyone’s Problem; No-one’s Responsibility
 - MRF - The National Fraud Initiative in Wales 2018-21

- Council Management Response Forms 2021-2022 Update:
 - Audit Wales Recommendations Monitoring Spreadsheet 2021-2022
 - MRF for Regenerating Town Centres National Report)

b) Other Council related matters

- Response to:
 - Climate Change Decarbonisation Baseline Review (call for evidence)
 - Care Home Commissioning for Older People Report (National Report) (Verbal response from Service)

It was AGREED:-

- (i) to note the content of the Council's responses to Regulator and Inspectorate Report;
- (ii) that the Management Response Forms ('MRFs') that have had final responses presented to the Committee shall not be presented to the Committee again in the master spreadsheets, and only MRFs with updates (updates presented in red text) would continue to be presented to the Committee in the future. A record of all MRFs, including completed MRFs, shall continue to be kept internally.
- (iii) that the MRFs with updates shall also continue to be provided as word documents, which is more readable than the excel spreadsheet currently presented.

6 Ceredigion County Council Response to Audit Wales Financial Sustainability Report

Consideration was given upon the Report on Audit Wales Financial Sustainability Report 2020-21 and Report on Financial Sustainability of Local Government - Covid-19 Impact, Recovery and Future Challenges. The report had been presented in order to update the Governance and Audit Committee regarding the outcome of the 2020-21 Audit Wales Financial Sustainability Assessment of the Council and Audit Wales Report on Financial Sustainability of Local Government.

It was AGREED to

- (i) note the contents of the Audit Wales Financial Sustainability Assessment – Ceredigion County Council 2020-21,
- (ii) note the Council Response Form; and
- (ii) note the National Report as presented

7 Internal Audit Progress Report 2021-2022 (Quarter 2)

Consideration was given to the report of the Corporate Manager-Internal Audit on the Internal Audit Progress Report Quarter 2. 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.

8 Internal Audit Charter

Consideration was given to the report upon the Internal Audit Charter to provide Members of the Committee with an update to the Internal Audit Charter.

The following was highlighted as amended in the charter:-

- Point 4.7 – to take account of counter fraud arrangements that support the National Fraud Initiative (NFI) exercise;
- Point 5.2 – to provide assurance that the introduction of a Governance Officer post in the structure does not affect the CMIA and IA service's independence and objectivity;
- Points 6.1 to 6.3 – to take account of the change in CMIA on 1/1/2022.

It also reflects the change in the Committee's name to Governance and Audit Committee, the date the Council's Strategy to Counter Fraud, Bribery and Corruption (to include Anti-Money Laundering) was updated and approved (point 4.5) and makes reference to the continuing effect of the pandemic on IA 2021/22 work (points 2.3, 2.7 & 5.1).

It was AGREED to APPROVE the report and the updated Internal Audit Charter.

9 Internal Audit National Fraud Initiative Self-Appraisal

A copy of the self-appraisal undertaken was considered, following the 2021 NFI exercise, to provide assurance to the Committee that Ceredigion County Council was fully supportive of the exercise.

It was AGREED to note the self- appraisal.

10 Report on Draft Annual Governance Statement 2021/22 and Local Code of Corporate Governance (2022/2023)

Consideration was given to the Report on Draft Annual Governance Statement 2021-2022 Local Code of Corporate Governance 2022-23 and Governance Framework Document.

To present the most recent review of the Governance Framework 2021-2022, the Annual Governance Statement 2021-2022 and the Local Code of Corporate Governance 2022-2023.

The Committee recommends to Council to:

- i) endorse the Draft Annual Governance Statement 2021-22 and
- ii) endorse the Local Code of Corporate Governance 2022-2023

It was also agreed that consideration be given to providing at the top of the AGS document an explanation on the bands used in relation to scoring in line with CIPFA guidance, for an easy reference for the public reader. In addition, that a 'corporate memory' is established for continuity, and ensure

that there is a link between recommendations contained in reports, and the Council's policies, self-assessments and frameworks, and that this is reflected in the AGS to ensure tracking and monitoring. It was reported that this would also be addressed within the Governance and Audit Committee Meeting Actions Log.

The Chair also requested that Corporate Lead Officer- Policy, Performance and Public Protection be invited to the next meeting to provide an update on the Council's public engagement processes as concerns were raised that the information collated for these exercises were inadequate.

11 Report on WLGA Development Framework for Councillors and Framework Member Role Descriptions and Person Specifications

It was AGREED that the Governance and Audit Committee noted the contents of the WLGA Development Framework for Councillors in Wales April 2021 and Framework Member Role Descriptions and Person Specifications June 2021.

12 Annual Compliments, Complaints and Freedom of Information Report

Consideration was given to the Annual Compliments, Complaints and Freedom of Information Report. The report had been presented in order to provide the Committee with a comprehensive overview of the Compliments, Complaints and Freedom of Information (FOI) activity (including Environmental Information Regulations - EIR) received by the Authority during the previous financial year. The report also provided information about the complaints activity referred to the Public Services Ombudsman for Wales during 2020/2021.

It was AGREED to note the content of the Annual Report of Compliments, Complaints and Freedom of Information Activity – 2020/2021 and the Ombudsman's Annual Letter for 2020-2021.

It was also AGREED that next year that the report be presented to the Committee first for consideration prior to other fora; as the committee was the last fora to consider this report. It was reported by the Corporate Lead Officer-Legal and Governance & Monitoring Officer that this Committee was required to consider this report, in accordance with its new complaints functions, pursuant to the Local Government and Elections (Wales) Act 2021, Paragraph 115, 4 (da/db).

13 Report on Governance and Audit Committee Meeting Actions Log

Consideration was given to the Report on Governance and Audit Committee Meeting Actions Log that was presented in order for the Committee to gain assurances that effective arrangements are in place to manage the authority's financial affairs, risk management, internal control and corporate governance arrangements.

It was AGREED:-

1) that the Governance and Audit Committee Meeting Actions Log was welcomed on the agenda; and

2) that the Governance and Audit Committee Meeting Actions Log was to be included as a regular Agenda item on Committee's Forward Work Programme.

It was also suggested that the title wording of each column be provided on each page of the table to alleviate the user scrolling up and down the document. Also, consideration for this type of log be presented at all Overview and Scrutiny Committees.

14 Corporate Risk Register

It was reported that all risks had been reviewed and include updated commentary. Governance and Audit Committee were requested to note the following changes to the Register since the last update:

- R003 Improvement and Performance – the risk score had decreased from 12 to 6 to reflect the latest situation regarding the re-instatement of Business Planning and the Performance Board quarterly meetings following a period of suspension during 202/21 to respond to the Covid pandemic.
- R004 Business Continuity– the risk score had increased from 10 to 15 to reflect the risk of ransomware attacks on the council network and the impact this would have on the ability to continue council operations and deliver essential services.
- R016 Brexit – the risk score had increased from 12 to 16 to indicate the most recent concerns over the supply of labour and goods, particularly with reference to the lack of HGV drivers.
- R021 Phosphates – Phosphates was a new risk this quarter. Ceredigion County Council were obliged to regard advice from Natural Resources Wales (NRW) who recommend planning restrictions due to high levels of phosphates in the Teifi. This would significantly impact the county by preventing building development across 44.6% of Ceredigion, impacting economic growth

The remaining risks had no changes to risk scores since last reported, but the mitigating actions had been reviewed and the commentary updated.

It was AGREED to note the current position; and that Quarter 3 would not be presented to the committee in its March meeting; as it was envisaged that there would be no significant changes in the risks since this report.

An arrow at the top of each risk to ascertain if the risk was going up or down be also included in the document for easy reference for the reader.

15 Forward Work Programme

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

It was also discussed that the next Forward Work Programme would start to include agenda items for the next municipal year.

16 To confirm the Minutes of the Governance and Audit Committee held on 25 November 2021 and to consider any matters arising from those Minutes

It was AGREED to confirm as a true record the Minutes of the Meeting of the Committee held on 25 November 2021.

17 Any other matter which the Chairman decides is for the urgent attention of the Committee

None.

18 Audit Wales Report on Cyber Resilience- The appendices relating to item 18 are not for publication as they contain exempt information as defined in paragraph 18 of Part 4 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) (Wales) Order 2007. If, following the application of the Public Interest Test, the Council resolves to consider this item in private, the public will be excluded from the meeting during such consideration, in accordance with Section 100B(2) of the Act.

It was AGREED to exclude the public during consideration of the appendices in line the paragraph of 18 of Part 4 Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) (Wales) Order 2007.

The meeting returned to the public domain and it was AGREED:-

- (i) to note the contents, conclusion and recommendation of the Audit Wales Cyber Resilience Report at Appendix 1; and
- (ii) that appropriate software was being tested to enable the use of iPads in a secure environment in the future

The meeting returned to the public domain and consideration was given to item 19 below:-

19 Coroner's Follow-On Report- Funeral Directors Services- The appendices relating to item 19 are not for publication as they contain exempt information as defined in paragraph 14 of Part 4 of Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) (Wales) Order 2007. If, following the application of the Public Interest Test, the Council resolves to consider this item in private, the public will be excluded from the meeting during such consideration, in accordance with Section 100B(2) of the Act.

It was AGREED to exclude the public during consideration of the appendices in line the paragraph of 19 of Part 4 Schedule 12A to the Local Government Act 1972 as amended by the Local Government (Access to information) (Variation) (Wales) Order 2007.

The meeting returned to the public domain and it was AGREED:-

(i) to note the contents and conclusions of the Follow-On Report (as Appendix 1) and the Report (as Appendix 2); and
(ii) to direct the Corporate Lead Officer-Legal and Governance & Monitoring Officer to pursue a response from regulators and relevant bodies on this matter; and to stipulate in the correspondence that a response be received in the next two weeks

**Confirmed at the Meeting of the Governance and Audit Committee held
on 10 March 2022**

Chairman: _____

Date: _____