

Cyngor Sir CEREDIGION County Council

REPORT TO:	Governance and Audit Committee
DATE:	6 June 2022
LOCATION:	Remotely via Video Conference
TITLE:	Governance and Audit Committee Annual Report 2021-22
PURPOSE OF REPORT:	To present the draft Governance and Audit Committee Annual Report for consideration, prior to presenting to Council
CABINET PORTFOLIO AND CABINET MEMBER:	Councillor Matthew Vaux, Cabinet Member for Legal and Governance, Housing, People and Organisation and Public Protection

Background

The Local Government (Wales) Measure 2011 requires each County Council to establish an Audit Committee (now, and hereafter in this Report, referred to as the 'Governance and Audit Committee', per the change of name introduced by the Local Government and Elections (Wales) Act 2021). The Measure prescribes the functions of the Governance and Audit Committee.

The CIPFA Practical Guidance for Local Authorities & police (2018 edition) states that it is important that the Governance and Audit Committee is held to account on the extent to which it has fulfilled its purpose. This will include whether the Governance and Committee has:

- fulfilled its agreed terms of reference
- adopted recommended practice
- assessed its own effectiveness
- Assessed training needs
- Assessed the impact of the Governance and Committee on governance, risk and control
- within the Authority

At the Governance and Audit Committee meeting of 14th September 2017 it was agreed that the Governance and Audit Committee would publish an Annual Report providing an assessment on the effectiveness of the Governance and Audit Committee and to provide assurance that issues have been addressed and progressed.

The Governance and Audit Committee Annual Report is used to:

- a) Highlight the work carried out by the Governance and Audit Committee during the year;

- b) Show how the Governance and Audit Committee has made a difference;
- c) Set out the forward work programme for the year ahead; and
- d) Provide Self-assessment and assurance.

Current Position

The Committee’s Annual Report 2021/22 has been drafted and is attached (at **Appendix 1**).

The Committee’s Annual Report attached (at **Appendix 1**) will be presented to Council by the Chair of the Governance and Audit Committee, and will be subsequently published on the Council’s website.

**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.*

WELLBEING OF FUTURE GENERATIONS:

Long term:	N/A
Integration:	N/A
Collaboration:	N/A
Involvement:	N/A
Prevention:	N/A

Recommendation(s): That the Governance and Audit Committee

- 1) Provides its views on the draft Governance and Audit Committee Annual Report 2021-22 (at **Appendix 1**); and
- 2) Approves the draft Governance and Audit Committee Annual Report 2021-22 (**Appendix 1**), prior to presentation to Council.

Reasons for decision: To gain assurances that effective arrangements are in place to manage the authorities financial affairs, risk management, internal control and corporate governance arrangements and that the authorities internal and external audit arrangements are adequate.

Overview and Scrutiny: n/a

Policy Framework: Democratic Arrangements

Corporate Priorities: Cross cutting theme to ensure that services are fit for purpose

Finance and Procurement implications: None

Legal Implications: None

Staffing implications: None

Property / asset implications: None

Risk(s): None

Statutory Powers: Local Government (Wales) Measure 2011

Background Papers: None

Appendices: **Appendix 1:** Draft Governance and Audit Committee Annual Report 2021-22

Corporate Lead Officer: Elin Prysor-Corporate Lead Officer: Legal & Governance Services (& Monitoring Officer)

Reporting Officer: Elin Prysor

Date: 11/5/2022

Governance and Audit Committee



Cyngor Sir
CEREDIGION
County Council

Annual Report 2021/22

ANNUAL REPORT OF THE CHAIR OF THE GOVERNANCE AND AUDIT COMMITTEE ON THE ACTIVITY OF THE COMMITTEE FOR THE YEAR 2021/22

1. INTRODUCTION

This is the Annual Report of the Governance and Audit Committee and its objective is to provide a brief summary of the work undertaken during the year, note the work in progress and set out the forward work programme for the coming year.

In addition, the Report will provide an assessment on the effectiveness of the Governance and Audit Committee and provide assurance that issues have been addressed and progressed.

The Governance and Audit Committee ('the Committee') is a small group and, during 2021-22, consisted of seven Members with a politically balanced structure and included one Lay Member.

2. MEETINGS

The Committee scheduled six meetings for the year to fit in with a detailed Forward Work Programme to cover all of the main areas of work required under its terms of reference, held during June, September and November (2021), and January (2 Meetings) and March (2022). The meeting agendas were full of items for consideration, discussion and review, with one of the January 2022 Meetings dedicated to the Audit Wales ('AW) Review of the Planning Service.

It is pleasing to note that the work of the Committee is always well supported by the Chief Executive, Corporate Lead Officer ('CLO') Finance & Procurement, CLO Legal & Governance/Monitoring Officer ('MO'), CLO-Policy, Performance & Public Protection, Corporate Manager Internal Audit ('CMIA') and Governance Officer, as well as AW.

3. ROLE UNDERTAKEN BY THE COMMITTEE

According to CIPFA's Practical Guidance for Local Authorities' Audit Committees 2018, the purpose of the Governance and Audit Committee is:

- To act as a key component of an authority's governance framework. It's function is to provide an independent and high level resource to support good governance and strong public financial management; and
- To provide to those charged with governance independent assurance on the adequacy of the risk management framework, the internal control environment and the integrity of the financial reporting and governance processes. By overseeing internal and external audit it makes an important contribution to ensuring that effective assurance arrangements are in place.

A summary of the work undertaken by the Committee during the year to achieve this is noted below. Meetings were, due to the Pandemic, all held using a virtual platform.

Despite any disruptions due to the Pandemic, the Committee was eager to progress its work, and did so in a timely fashion.

Internal Audit Activity

- The Committee approved the Internal Audit Service's ('IA') Annual Report 2020/21 to include the Corporate Manager-Internal Audit's ('CMIA') annual opinion of assurance on the Council's framework of governance, risk management and internal controls, which fed in to the Annual Governance Statement.
The Committee requested that IA seeks an explanation regarding the communication problem that arose within the Estates Service, which led to the delays in providing information to AW, and that quarterly internal progress reports continue for the forthcoming year, along with the annual report, in order to ascertain the work of the Service at full capacity.
- The above Report was supported by quarterly reports from CMIA to document IA's progress throughout the year.
- The Committee considered the following IA Progress Reports during 2021-22:
 - 2020-21 Quarter 4 (3 June 2021 Meeting);
 - 2021-22 Quarter 1 (9 September 2021 Meeting);
 - 2021-22 Quarter 2 (19 January 2022 Meeting); and
 - 2021-22 Quarter 3 (10 March 2022 Meeting).
- The Committee approved the Annual IA Counter Fraud Report 2020/21, which provided a summary of IA's counter fraud work undertaken during the year.
- The Committee approved the CMIA's IA Strategy and Plan of work for 2022/23.
- An update of the IA Charter (2022-23) was approved by the Committee.
Amendments had been made to take account of counter fraud arrangements that support the National Fraud Initiative ('NFI') exercise, to provide assurance that the introduction of a Governance Officer post in the structure does not affect the CMIA and IA's independence and objectivity, to take account of the change in CMIA on 1 January 2022 and to make reference to the continuing effect of the Pandemic on IA 2021/22 work.
- Following the NFI exercise, the Committee considered IA's NFI self-appraisal, which provided assurance that the Council was fully supportive of the exercise.
- The Committee approved IA's Report on Risk Management, presented to the Committee following IA's Review of the Council's Risk Management Framework and the supporting corporate procedures in place during the 2020/21 financial year. IA reported that only minor actions were identified, one of which was actioned immediately, resulting in high assurance that there is a sound system of controls, governance and risk processes in place.
- On 3 June 2021, the Committee considered an IA Report on the Governance Framework Review 2020/2021 (the Framework supporting the Annual Governance Statement (AGS) for 2020/21) following a Report on the Governance Framework, AGS and Local Code of Corporate Governance being presented to the Committee in February 2021 (Members of the Committee were also involved in its review). AW provided an audit opinion on the AGS based on its consistency with their knowledge and compliance with their knowledge and compliance with legislation. The IA review consisted of an assessment of the

procedures in place to compile the Governance Framework, the scoring methodology used, and consideration of the 'evidence' noted in the framework, which complemented AW's work on the AGS and provided assurance that the procedure is robust, focussed and effective.

- On 10 March 2022 the Committee also considered the IA Governance Framework Review 2021/22 and noted the review of the Framework.
- The Committee endorsed the Council's Strategy on Counter Fraud, Bribery, and Corruption (to include Anti-Money Laundering) for presenting to Cabinet and Council.
- The Committee considered an IA Report on the Estates Service regarding steps taken to improve communications between AW and the Service. The CMIA held a meeting with the Corporate Manager Growth & Enterprise on 29 July 2021 and the steps taken were corroborated by the AW Audit Manager, who confirmed that communications had improved.

Regulatory & Inspectorate Reports & Updates

During 2021-22 year the Committee agreed, for clarity and ease of reference, to separate the Regulatory items into 2 separate Reports:

1. *Regulatory & Inspectorate Reports & Updates*; and
2. *Council Responses to Regulatory & Inspectorate Reports*.

1. Regulatory & Inspectorate Reports & Updates considered during the year:

AW Quarterly Updates to GAC

- Quarter 2 Work Programme Timetable 2021-22 (presented at 19 January 2022 Committee Meeting; and
- Quarter 3 Work Programme Timetable 2021-22 (presented at 10 March 2022 Committee Meeting).

Local External Audit (AW) Reports

- Ceredigion County Council Annual Audit Summary 2021;
- Audit Plan 2021-22;
- Letter to Governance and Audit Committee Chair – AW Reports and Recommendations (AW Work Programme and Timetable);
- Project Brief – Assurance and Risk Assessment, Ceredigion County Council; and
- Project Brief – Review of Planning Service, and Review of the Ceredigion County Council Planning Service 2020-21.

AW Review of the Planning Service 2020-21

On 17 January 2022 the Committee considered a Report on AW's Review of the Planning Service April – July 2021. AW presented the Report and the Chair of the Development Control Committee ('DCC') provided feedback from the DCC. The Committee suggested that the DCC points raised be sent to the CLO – Economy and Regeneration to obtain responses from AW then circulated to Members/relevant Officers accordingly.

Other Members of the Committee queried and commented on the content of the report to include issues in relation to the Corporate Strategy, Sustainability and Rurality. It was emphasised that a mechanism to better demonstrate the links to the Corporate Strategy and other key strategic documents in the reports presented to the DCC was required.

The Committee considered the Council's Management Response, as presented by the CLO – Economy and Regeneration and also received a summary of the work of the Task and Finish Group by its Chair. The Chair noted the work of the Task and Finish Group, welcoming the progress made to date and noted that there was clear direction of travel for addressing the report's recommendations.

The Committee noted the content of the AW Review and 10 recommendations provided, noted the Council's Management Response and Action Plan and agreed to receive an update at the March meeting, in order that the new administration in May 2022 be informed of the current position in relation to the recommendations.

National AW Reports/Project Briefs

- Project Brief – Value for Money of Direct Payments (November 2020);
- Project Brief - Poverty in Wales (August 2021);
- Project Brief– Equality Impact Assessments and their use in decision making
- Financial Sustainability Assessment Project 2020-21;
- Project Brief - Springing Forward (2021-22) (including Auditor General Privacy Notice);
- Project Brief - Building social resilience and self-resilience in citizens and communities (August 2021);
- Project Brief - Social enterprises (August 2021);
- National Report - Regenerating Town Centres in Wales (September 2021) and 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
- National Report - Care Home Commissioning for Older People Report (December 2021).
- National Report - Joint working between Emergency Services (January 2022).
- Climate Change Decarbonisation Baseline Review including letter from Attorney General for Wales and Call for Evidence (November 2021).

The Committee also considered:

- the Protocol for communications between AW and the Council. The Governance Officer also provides support to the Committee in AW communications and circulates reports, as they are received, to the Committee for their consideration in advance of Committee meetings;

- an (exempt) AW Report on Cyber Resilience, agreed to note the contents, conclusion and recommendation of AW and noted that appropriate software was being tested to enable the use of iPads in a secure environment in the future.
- AW concerns regarding communication and revaluation issues of the Estate Service raised in ISA260 reports, in relation to the Statement of Accounts. Information requested in January had not been forthcoming and at a subsequent meeting with the Chief Executive and AW assurances were provided that this information would be available to complete the audit (an impact on finalising the Statement of Accounts for 2020/21).

The Corporate Manager – Growth and Enterprise reported to the Committee that AW were correct in their comments, and valuations had been carried out last October and November, however, they were currently completing the final assessment of the internal process of these valuations. A few issues were required to be addressed but he was confident on the quality of the valuations and their audit trail, with Officers available in September to address any issues from AW, therefore the key points in the ISA 260 would be addressed confidently.

Members reiterated their concerns on the issue, and agreed that any further concerns or delays should be reported to the Chair by AW. The Committee also agreed that:

- an update be provided at the September 2021 meeting on recruitment, communication and revaluation process of the Service in order that the Committee receive assurance that issues raised in the statement of accounts were addressed;
- that a meeting be arranged between the Chief Executive, Chair and Vice Chair to discuss the process to address those issues; and
- consideration be given for a designated officer contact point between AW and the Service if issues were raised during the forthcoming statement of accounts.

2. Council Responses to Regulatory & Inspectorate Reports considered during the year

As above, the Committee considered the Council's response to AW's Review of the Planning Service on 17 January 2022.

Management Response Forms ('MRFs')

The Committee agreed, to avoid unnecessary duplication, that only MRFs that had not had final responses presented to the Committee should continue to be presented, with a record of all MRFs, including completed MRFs, to continue to be kept internally. The Committee also agreed that MRFs with updates shall also continue to be provided as word documents.

- MRFs considered (2019-20, 2020-21):
 - (Draft)'*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);
- *Effectiveness of Local Planning Authorities in Wales* (6/6/2019); and
- *(Draft) Commercialisation in Local Government* (6/10/2020).
- MRFs considered (2021-22):
 - *Regenerating Town Centres* (September 2021);
 - *Financial Sustainability Assessment* (September 2021); and
 - *Audit Wales Review of the Council's Planning Service* (October 2021).

The Committee also considered:

- The Council's response to:
 - *Climate Change Decarbonisation Baseline Review* (call for evidence)
 - *Care Home Commissioning for Older People Report* (National Report) (Verbal response from Service)
- *Report on AW's Financial Sustainability Report 2020-21 and Report on Financial Sustainability of Local Government - Covid-19 Impact, Recovery and Future Challenges*. This was presented following the outcome of the 2020-21 AW *Financial Sustainability Assessment* of the Council and AW *Report on Financial Sustainability of Local Government*.

AW Compliance work reviewed included:

- *Certification of Grants and Returns 2019-20 – Ceredigion County Council*; and
- *Certificate – Audit of Ceredigion County Council's Assessment of 2020-21 Performance*.

Care Inspectorate Wales ('CIW')

The Committee considered:

- the *CIW Assurance Check 2021* received by the Corporate Lead Officer – Porth Cynnal/Statutory Director of Social Services (dated 2 July 2021) and congratulated the Service on an excellent Report; and
- the a *CIW Inspection Report on Hafan Deg Residential Care Home* and *CIW Report on Yr Hafod Residential Care Home*.

Estyn

The Committee considered an Estyn Letter on the Council's work in supporting schools during the Covid-19 Pandemic and its subsequent findings, which were also reported to Cabinet and the Learning Communities Overview and Scrutiny Committee. In May 2022 Estyn held a second meeting with every Local Authority and focussed on the Council's work in response to its National Report's recommendations. The letter was sent to the Chief Executive in July

2021 outlining the Council's work in those areas. The Committee congratulated the Service on an excellent Report.

Regulatory Framework Considerations

- The Corporate Risk Register is a regular agenda item and considered at each Meeting. The Committee were informed that:
 - *R003 Corporate Improvement and Performance* overall risk score was increased mainly due to the introduction of the Local Government and Elections (Wales) Act in April 2021. Subsequently the risk score was decreased 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 Pandemic.
 - *Risk R004 Business Continuity* score had increased to reflect the risk of ransomware attacks on the Council network and impact this would have on the ability to continue operations and deliver essential services.
 - *Risk R009 Information Management* was expanded to *Information Management and Cyber Security Resilience* to reflect the increasing importance of cyber security with home-based office Staff.
 - *Risk R016 Brexit* score had increased to indicate the most recent concerns over the supply of labour and goods, particularly with reference to the lack of HGV drivers.

The Committee had provided feedback for relevant Officers, and included the need to address the risk associated with the lack of HGV drivers and its impact on services locally and nationally. It was noted that this would be reflected on the register and that the Thriving Communities Overview and Scrutiny Committee was to consider the lack of drivers within the refuse collection service and its impact on the service.
 - *Risk R018 Covid-19* decreased to reflect the latest situation regarding risks associated with the Pandemic following the success of the vaccination programme.
 - *Risk R019 Climate Change and Coastal Erosion/Flooding* was introduced combining the previous risks of Carbon Management (R012) and Coastal Erosion (R013) into an overarching risk on climate change, to include risks such as increased instances of flooding, drought and storms. Mitigating actions include the development of a Corporate Climate Change Strategy and action plan detailing how the Council will achieve net carbon zero by 2030.

Feedback from the Committee had included the need to engage with the public in relation to Climate Change and Coastal Erosion/Flooding due to the possible inclement weather over the winter period, this was required to address the worries of residents on these risks
 - *Risk R020 Ash Dieback* was introduced with mitigating actions put in place including the production of an action plan, a steering group and survey of high priority areas to identify Ash tree locations/conditions.

Feedback from the Committee had included a need to consider the risk associated with trees with ash dieback, especially with the possible inclement weather during the winter period, which could be incorporated in the programme of work to address the ash dieback on footpaths and Council roads.

- *Risk R021 Phosphates* was introduced. The Council was 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.

Feedback by the Committee for Officers also included a need to readdress the high risk associated with food safety inspections.

Annual Governance Statement ('AGS')

- The Committee considered a Report on the AGS 2021/22 Progress - Current year Action Plan on 3 June 2021, agreed to note the Progress Report on actions set out in the AGS and that the AGS would be reported quarterly to the Committee in the future.
- On 9 September 2021 the Committee considered and accepted a Report on the AGS 2021-22 Progress & Current year Action Plan. It was noted that a review of the AGS 2021/22 was in progress, with the annual Workshop with Committee Members and appropriate Officers to be held in November/December 2021 in order to prepare a draft AGS for approval. A Member of the Committee also raised the matter of declarations of interest of Chief Officers and agreed to contact the MO regarding the matter.
- The Governance Framework was reviewed at the 30 November 2021 Workshop, in accordance with AW recommendations and the results used to draft the AGS.
- On 19 January 2022 the Committee considered the Governance Framework Document, Draft Local Code of Corporate Governance 2022-23 and Draft AGS 2021-22, which agreed to recommend to Council the approval of the draft AGS and Code.

The Committee also recommended inserting in the AGS, an explanation on the scoring bands, and that a '*corporate memory*' is established for continuity, to 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 noted that this would also be addressed within the Governance and Audit Committee Meeting Actions Log.

The Chair also requested that the CLO- Policy, Performance and Public Protection be invited to the next Committee 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.

- The Draft AGS 2021-22 and Local Code of Corporate Governance 2022-23 were approved by Council on 3 March 2022. It was confirmed to Council that:
 - Additional text would be inserted for the evidence, actions and potentially scoring in the GFD and for the corporate governance achievements, actions and outcomes in the draft AGS 2021-2022, to link with the recommendations of Audit Wales in its Planning Service Review. These revised documents would be re-presented to Council once the changes have been made and considered by the Committee.

- The explanations regarding scoring/bands, as requested by the Committee, had been added to the GFD and draft AGS, alongside an additional minor correction in the draft AGS to reflect that the Local Code of Corporate Governance has been reviewed further to take account of ongoing changes to governance due to the coronavirus pandemic.
- Council noted the contents of the 2021-2022 GFD, approved the draft AGS 2021-22, and the Local Code of Corporate Governance 2022-2023 for publication (a further draft of the AGS, as above, is to be re-presented to the Committee and Council).
- The AGS's Action Plan is considered as a standing agenda item.

* See also reference to AGS below under '*OUTCOMES AND/OR IMPACTS of the Committee's work*'

Financial Reporting

- Following an agreement by the Committee on 12 November 2020 that the Capital Programme would be presented to the Committee on a quarterly basis, with any queries regarding content of the Report to be presented to Officers prior to the meeting, the Committee considered a Report on the Capital Programme Quarter 3 on 3 June 2021. The Committee noted the contents of the Report, subject to a query regarding a £150,000 smartphone spend, which was subsequently clarified by Officers to the Committee as part of the Committee's Meetings Log.
- The Committee reviewed the Council's Annual Statement of Accounts (to 31 March 2021) and Annual Return for Ceredigion Harbour Authority (to 31 March 2021), prior to their presentation to the Council for approval.
- The Committee received AW's annual Audit of Financial Statements Report (ISA260) for 2020-21 and considered issues arising from the Audit. The Committee agreed to note the contents of the Report, congratulated the Service on the excellent Report and for additional work in distributing Covid-19 grants to businesses/the 3rd sector service, and thanked Officers in the Estates Service on their action in addressing issues raised in previous ISA260 Reports.
- The Committee considered a Report on the Revised Minimum Revenue Provision Policy 2021/22 and agreed to support the Policy, subject to periodic reviews. The Committee also agreed that revenue savings included in the Report (AW having agreed) would be presented to Council on 17 July 2021.

Other Work

- The Committee received a Report on further changes relating to the Committee arising from Local Government and Elections (Wales) Act 2021 ('2021 Act') and its impact on Audit Committees, including proposed changes to the Constitution, the ongoing recruitment process of lay members and the requirement for the Mid Wales Corporate Joint Committee to have a Governance and Audit Sub-Committee.
Committee members were also included on the Shortlisting Selection Panel for the recruitment of Lay Members.
The Committee was also provided with an opportunity to provide comments on the Welsh Government Consultation on guidance supporting the setting up of Corporate Joint Committees under Part 5 of the 2021 Act.

- The Committee considered a Report on Statutory Guidance on the performance and governance of principal Councils under Part 6 of the 2021 Act, including the role and duties of the Committee, and the publication of consultation responses.
- The Committee received a Report on the Council's Response to Welsh Government Consultation Questions on draft General Power of Competence (Commercial Purpose) (Condition) (Wales) Regulations 2021.
- On 9 September 2021 the Committee considered the draft Annual Report of the Chair 2020-21 prior to presentation to Council. The Committee approved the Report subject to including reference that the Committee had been preparing, during 2020-21, to address the new responsibilities of the Committee in relation to governance and provided a proactive role in improving the services provided by the Council, where necessary.
- The Committee considered a verbal update report by the Corporate Manager – Growth and Enterprise on work carried out in relation to Asset Valuations.
- The Committee considered and noted a Report on addressing asset valuation issues arising from the 2019/20 AW Report and subsequent AW input, which confirmed how communications between AW and the Economy and Regeneration Service had been addressed in advance of the review of Asset Valuations work 2020/21.
- The Committee approved a Report on the WLGA Development Framework for Councillors in Wales (April 2021) and Framework Member Role Descriptions and Person Specifications (June 2021).
- The Committee considered the Annual Compliments, Complaints and Freedom of Information Report, presented in order to provide the Committee with an overview of the Compliments, Complaints and Freedom of Information ('FOI') activity (including Environmental Information Regulations ('EIR')) received by the Council during the previous financial (2020/21), including information about the complaints activity referred to the Public Services Ombudsman for Wales. The Committee noted the Report and agreed that next year it should be presented to the Committee first for consideration prior to other fora (the Committee being required to consider this report, in accordance with its new complaints functions, pursuant to the 2021 Act).
- The Committee approved the introduction of the Committee's Meeting Actions Log for including as a regular Agenda item on the Committee's Forward Work Programme, suggested this type of log be presented at all Overview and Scrutiny Committees and that the title wording of each column be included on each page of the Log. The Actions Log 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.
- The Committee considered a Report on the Committee's Chair and Vice Chair arrangements and agreed that:
 - the Deputy Chair (from 5 May 2022) be appointed from the Lay Persons;
 - at the first Committee Meeting following 5 May 2022, it would be necessary to appoint a Chair and Deputy Chair;
 - Officers were to contact the Lay Persons for expressions of interest in the roles of Chair/Vice Chair;
 - the rotation of the Chair & Deputy Chair takes place every two years;

- it was noted that the Committee would be without a Chair/Vice Chair from 5 May 2022 to 29 June 2022 (scheduled Committee Meeting date at that time); and
- a meeting would be arranged as soon as possible following the AGM on the 27 May 2022 to appoint the Chair/Vice Chair.

All Wales Audit Committee Chairs' Network

On 6 September 2021 the Chair attended the All Wales Audit Committee Chairs' Network meeting (held remotely), whose aims is to encourage:

- The sharing of good practice;
- The identification of innovative ways to effectively discharge the formal responsibilities of the Chair's role;
- The opportunity to scope current and future national and regional matters, and potential responses to these challenges;
- A forum to give and seek advice between colleagues who are facing similar challenges; and
- A mentoring or development opportunity for new Chairs.

Both CIPFA and AW offered their support in delivering training, which focussed on:

1. 2021 Act – Performance Duties and Governance and Audit Committees;
2. Complaints Handling in Local Authorities; and
3. Policy into Practice – Delights and Dilemmas.

4. FORWARD WORK PROGRAMME

A Forward Work Programme has been devised, which includes the following standing agenda items:

1. Regulatory & Inspectorate Reports and Update;
2. Council Responses to Regulatory and Inspectorate Reports;
3. Internal Audit Quarterly Progress Reports;
4. AGS Progress Reports;
5. Corporate Risk Register;
6. Forward Work Programme; and
7. Committee Meeting Actions Log.

The Committee noted on 9 September 2021 that the Capital Expenditure Report had been removed from the Forward Work Programme, as agreed by the Chair.

5. OUTCOMES AND/OR IMPACTS of the Committee's work

AGS

* see also above schedule of Committee's involvement with AGS.

The Committee reviewed the 2020/21 AGS prior to including it with the Statement of Accounts in November 2021, to include minor amendments and to reflect that actions

previously anticipated to be taken had now been taken. The Committee reviewed the updated AGS on 25 November 2021 and agreed to recommend to Council it approves the amended 2020-21 AGS.

A review of the 2020/21 Governance Framework highlighted the need for:

- The MO to advise Officers further on the need to declare interests in organisations which actually, or may conflict with Council interests including:
 - Contractors;
 - School Governors;
 - Clerks to Town and Community Councils;
 - Members of Town and Community Councils; and
 - School Governors.
- The MO and CLO Democratic Services to continue to undertake review of Members holding directorships, trusteeships, or memberships when appointed onto outside bodies, and committees, the MO to consider member feedback and added value and continue to update Code of Conduct for Officers and Members.
- The MO to advise Officers further on the need to declare:
 - Directorships; and
 - Other employmentIncluding whether conflicting with the Council's interests or not.
- The MO to continue to advise Members further on the need to declare hospitality/gifts.
- The MO to advise Chief Officers further on the need to declare close personal associations with other Officers or Members.

The above matters are being monitored by the Committee as part of the AGS action plan reported to the Committee throughout the year.

- Leadership Group ('LG') to be updated on E-learning with HR reporting to LG (a mandatory E-learning training module on the Well-Being of Future Generations Act 2015 ('WFGA') must be completed by all Staff)
- Continue to review Constitution to reflect legislative changes and according to need.
- Council making preparations to comply with the 2021 Act 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;
 - 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.
- Size of Committee review in progress.
- Lay member recruitment to be undertaken during 2020/21, taking into account any 2021 Act requirements and termination of term of office of current Lay Member.
- Delegated decision Decisions Register to be published.
- 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 to be provided.

- The 2021 Act shall have an effect on corporate bodies, including the Council, and preparations for compliance are underway.
- FOI policy and EIR policy both updated. 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.
- Community Engagement Policy is under review and will include provisions for how stakeholders are engaged in future.
- Further work on monitoring feedback is required and the new Equalities and Engagement post will address this.
- Publicise service performance including costs and value for money data.
- Account will be taken of legislative changes e.g. 2021 Act.
- Further work is progressing to link Local Performance measures to all level 1 Business plan Objectives.
- 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.

Covid-19

The Committee has also monitored and reviewed the Council's work in relation to Covid-19:

- The Committee has monitored the development of the AGS, which has been revised to take into consideration the Covid-19 Pandemic. The AGS includes a dedicated section on the Covid-19 Pandemic and includes reference to:
 - Temporary delegated powers for the Council's Chief Executive and Leadership Group through the use of Urgent Decisions for decisions relating to the Council's COVID-19 response, in accordance with Council's Constitution.
 - Records of Urgent Decisions, for urgent decisions being made by the Covid-19 Leadership Group ('Gold Command'), which are published on the Council's Website;
 - Periodic reviewing of the Urgent Decisions of the Leader;
 - A Covid-19 Roadmap outlining the services the Council currently provides and service plans;
 - The Council forming strategies and plans to take into account risks caused by the Pandemic;
 - Remote meetings between the CMIA and Governance and Audit Committee Chair during the Pandemic; and
 - The MO reminding members and co-opted independent Members of their obligations regarding declarations of interest for enhanced Covid-19 lockdown grants for businesses.
- The Committee monitors and reviews the Council's Corporate Risk register, and considered that Risk R018 Covid-19 decreased to reflect the latest situation regarding the risks associated with the Pandemic following the success of the vaccination programme.

Coroner Service – Funeral Director Fees

- On 9 September 2021 the Committee considered a Report with Exempt appendices (the Public and Press were excluded during the discussion of Exempt appendices) on the Coroner Service – Funeral Director Fees and agreed that a further Report with the information requested by the Committee would be presented at a future Meeting.
- On 19 January 2022 the Committee also considered a Follow-On Report on the Funeral Director Service, agreed to note the contents and conclusions of the Follow-On Report, and the (exempt) IA Report, and to direct the CLO-Legal and Governance & MO to pursue a response from regulators & relevant bodies on this matter, stipulating that a response be received in the next two weeks.

6. SELF-ASSESSMENT & ASSURANCE

A survey was circulated to Committee Members, responses collated and a subsequent Workshop held on 3 February 2022 in order to formulate a Self-assessment and Evaluation of Effectiveness Review. As it was not possible, in the timescale, for attendees to complete the review at the Workshop, the draft Review was re-circulated to the Committee Members and presented as a draft to the Committee at its 10 March 2022 Meeting. The Committee agreed with the proposal of the Report that the Review be reconsidered by Committee in order that a final Review may be completed and re-presented to the Committee at its next Meeting.

The CIPFA Practical Guidance for Local Authorities' Audit Committees 2018 sets out guidance on the function and operation of Audit Committees in local authorities. It recognises that an Audit Committee's effectiveness should be judged by the contribution it makes to, and the beneficial impact it has on, the authority's business.

I believe this has been achieved, as the Committee has placed its focus on governance, risk and assurance during the year and has added value by ensuring robust arrangements are in place to support improvements across the Council.

**Councillor Elizabeth Evans
Chair – Governance and Audit Committee - 2021/2022**