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Minutes of the Meeting of COUNCIL held at Neuadd Cyngor Ceredigion, Penmorfa, Aberaeron and remotely via video conference on Tuesday, 6th February 2024

PRESENT: Councillor Maldwyn Lewis (Chair), Councillors Shelley Childs, Bryan Davies, Catrin M S Davies, Clive Davies, Euros Davies, Gareth Davies, Gethin Davies, Ifan Davies, Meirion Davies, Amanda Edwards, Endaf Edwards, Elaine Evans, Elizabeth Evans, Eryl Evans, Gwyn Wigley Evans, Keith Evans, Raymond Evans, Rhodri Evans, Wyn Evans, Keith Henson, Paul Hinge, Hugh Hughes, Chris James, Gwyn James, Gareth Lloyd, Sian Maehrlein, Ann Bowen Morgan, Caryl Roberts, John Roberts, Mark Strong, Wyn Thomas, Matthew Vaux, Alun Williams and Carl Worrall.

(2.00pm - 2.50pm)

Procedure

The Chairman of the Council, Councillor Maldwyn Lewis welcomed all to the meeting and confirmed that the meeting was being webcasted.

1 Apologies

Councillor Ceris Jones apologised for her inability to attend the meeting.

2 Disclosure of personal / prejudicial interests

There were no disclosures of interest.

3 Chair Announcements

Councillor Maldwyn Lewis, Chair of the Council congratulated Olwen Davies on receiving the Wilkinson Award for service to Motorsport.

Councillor Maldwyn Lewis also announced that Lee Walters will be holding a Seminar at Aberystwyth University on 22 February 2024 to discuss the 'rural pathway' – how we deliver on our Wales Transport Strategy for rural communities. However, Councillor Bryan Davies noted that he has just received confirmation that this Seminar would be postponed and Members would be advised of the new date.

4 To consider the Annual Governance Statement 2022-23

Councillor Matthew Vaux, Cabinet Member for Partnerships, Housing, Legal and Governance and Public Protection presented the report to Council noting that the Accounts and Audit (Wales) Regulations 2014 requires local authorities to conduct at least annually a review of the effectiveness of their governance framework including their systems of internal control, which must be documented in an Annual Governance Statement and published as part of the Council's Annual Statement of Accounts.

Following a vote, it was unanimously **RESOLVED** to approve the Annual Governance Statement 2022-23.

5(a) To receive the ISA260 Report of Audit Wales on the 2022-23 Statement of Accounts

The Chair of Council, Councillor Maldwyn Lewis welcomed Jason Blewitt and Lucy Herman from Audit Wales to the meeting.

Jason Blewitt presented the Report in respect of the Council's Statement of Accounts for 2022/23, noting that the audit is now complete and it is their intention to issue an unqualified audit opinion on the year's account on receipt of the letter of representation. He noted that there are no uncorrected errors as these were amended during the review and have no overall effect on the final statement.

He noted that a quinquennial re-evaluation of Property, Plant and Equipment has now been conducted which is a significant improvement on previous years, however the calculations were based upon quarter 3 BCIS rates, where quarter 4 rates were available at the time of production of the accounts; professional fees were set at 12% rather than 10%; and that differences were identified between the floor areas calculations compared to information previously made available.

The Chair thanked Wales Audit for their unqualified report, and thanked Jason Blewitt and his team for their cooperation, support and positive feedback.

5(b) The Chairman of the Governance and Audit Committee to formally present that Committee's comments on the report

Alan Davies, Lay Member and Chairman of the Governance and Audit Committee, noted that it is a pleasure to receive an unqualified report and congratulated the Chief Finance Officer and a host of other officers for their work. He noted his disappointment on receiving negative comments on Estates for a second year running, stating that this is not a financial matter but rather a matter of governance and managing of processes; however, he had received positive feedback from the Chief Finance Officer that this matter was being dealt with and the Governance and Audit Committee will be inviting the relevant Cabinet Member to provide an update in 6 months' time.

He noted that there is a very positive relationship between Officers and Audit Wales, and praised everyone for their excellent work, especially the S151 Officer on receiving an unqualified report.

5(c) To approve the 2022-23 Statement of Accounts

Councillor Gareth Davies, Cabinet Member for Finance and Procurement Services noted that the Statement of Accounts are a snapshot in time, based upon 31 March 2023. He noted that he could not remember ever receiving a report that was not unqualified, and that this was evidence of a strong balance sheet that allows for a strong financial situation in Ceredigion. He praised the Finance team for their professionalism and experience, noting that it is challenging to look back over this period whilst formulating the budget for the next year and facing an extremely challenging financial situation in the future.

Councillor Gareth Davies noted that an overspend of £6k was of no concern, and that the level of the General Fund remained at £6.7m and Earmarked

Reserves of £48.8m which will decrease as the years progress. He noted that there was an issue last year which related to the re-evaluation of assets and thanked the team for carrying out this work in a very short period of time. He noted that a Reinforced Autoclaved Aerated Concrete (RAAC) review had been carried out, confirming that assurances can be provided that there is no evidence of concerns relating to RAAC in the county. He also noted that the Harbours Balance Sheets were also contained in the report, which show an annual cost to the authority of £58k, suggesting that fees may not have increased sufficiently during previous years and that this was something for the Overview and Scrutiny Committees to consider.

He thanked Audit Wales for their work which had been carried out during challenging circumstances and that it is positive that it is the Auditor General's intention to issue an unqualified audit report on the Accounts.

Duncan Hall, the Corporate Lead Officer for Finance and Procurement and Section 151 Officer noted that he had provided a detailed overview during the Governance and Audit Committee earlier today. He noted that he was pleased in terms of key metrics that the General Balances had remained unchanged, and that achieving an unqualified audit year on year is a matter for celebration.

He noted that the Council did face a considerable challenge in terms of the number of estates items to be valued, and that there had been a few issues in terms of the fundamentals of processing these. These reports relate to a period of over 12 months ago, and since then a new appointment has been made to the team to assist in terms of capacity. Controls would also be strengthened, to ensure formality and sign-off and there are plans to review the issue of the floor area as part of the quinquennial review.

Councillor Gareth Lloyd noted that there is value in attending the Governance and Audit Committee prior to attending Council as this provides Members with the detail prior to considering at Council. He noted that he was pleased to receive assurances this morning that systems would be put in place to review the situation with re-evaluation of Estates, and that he was looking forward to receiving updates on this matter.

Councillor Keith Henson asked the S151 Officer to clarify the differences between the usable reserves and those that cannot be used. Duncan Hall confirmed that earmarked reserves included items such as the General Fund, the delegated school budgets, and reserves for delivering the corporate priorities, as opposed to the Pension Fund which is not an usable reserve.

Councillor Keith Evans asked why there was very little movement in terms of the corporate risks. Eifion Evans, Chief Executive clarified that risks are reviewed at several levels, with those at the highest level being reviewed by the Leadership Group during weekly meetings. These may include things such as the climate emergency, which cannot be resolved by the authority alone; however this is taken into consideration in planning for the future. These risk factors tend to be long term and therefore there is little annual

change in terms of the risk levels. The next layer of risks are specific to individual services. We wouldn't expect to see a score above 15 in these areas; however if a service risk scores highly, it would be escalated to the corporate risk register and reviewed regularly by the Leadership Group.

Councillor Rhodri Evans noted that he anticipated that the budget would score higher on the risk register for the 2023-24 Statement of Accounts, due to the financial climate and it was confirmed that the corporate risk listed in the 2022-2023 Statement of Accounts were appropriate at that time.

Councillor Wyn Evans asked what would happen if there was no improvement in terms of asset figures for a third year running. Duncan Hall confirmed that this was not a case of the same issue recurring, and that Audit Wales had praised Officer in terms of addressing the concerns from the previous year.

Councillor Bryan Davies, Leader of the Council thanked Audit Wales for their report, and Officers for all their hard work. He noted that several operational matters had been raised and gave reassurance that the Council would not be resting on its laurels.

Following discussion, it was **RESOLVED** to approve the Council's Statement of Accounts and the Harbour Statement of Accounts.

Confirmed at the Meeting of the Council held on 21 March 2024

CHAIRMAN: _____