



## **GOVERNANCE AND AUDIT COMMITTEE**

### **MINUTES OF THE MEETING HELD VIA MICROSOFT TEAMS ON TUESDAY 12<sup>TH</sup> OCTOBER 2021 AT 2.00 P.M.**

#### **PRESENT:**

Councillor M.E. Sargent – Chair  
N. Yates – Vice Chair

#### **Councillors:**

M.A. Adams, E. Aldworth, C.P. Mann, B. Miles, T. Parry, and J. Ridgewell.

Cabinet Member: Councillor Mrs E. Stenner (Finance, Performance and Customer Service)

#### **Together with:**

S. Harris (Head of Financial Services & S151 Officer), D. Gronow (Acting Internal Audit Manager), S. Richards (Head of Education Planning and Strategy), R. Roberts (Business Improvement Manager), A. Southcombe (Finance Manager), N. Roberts (Principal Group Accountant), J. Lloyd (Committee Services Officer) and M. Harris (Committee Services Support).

G. Jones (Audit Wales) and M. Jones (Audit Wales).

## **RECORDING AND VOTING ARRANGEMENTS**

The Chair reminded those present that the meeting was being recorded and would be made available to view following the meeting via the Council's website, except for discussions involving confidential or exempt items - [Click Here to View](#). Members were advised that voting on decisions would take place via Microsoft Forms.

### **1. APOLOGIES FOR ABSENCE**

Apologies for absence were received from Councillors J. Bevan, Ms J. Gale, D.T. Hardacre, G. Simmonds, J. Simmonds, together with R. Edmunds (Corporate Director of Education and Corporate Services), L. Donovan (Head of People Services) and L. Lane (Head of Democratic Services and Deputy Monitoring Officer).

### **2. DECLARATIONS OF INTEREST**

There were no declarations of interest received at the commencement or during the course of the meeting.

### **3. MINUTES – 20<sup>TH</sup> JULY 2021**

It was moved and seconded that the minutes of the Governance and Audit Committee held on 20<sup>th</sup> July 2021 be approved as a correct record, and by way of Microsoft Forms (and in noting there were 6 for, 0 against and 1 abstention) this was agreed by the majority present.

RESOLVED that the minutes of the meeting held on 20<sup>th</sup> July 2021 be approved as a correct record.

### **4. GOVERNANCE AND AUDIT COMMITTEE FORWARD WORK PROGRAMME**

S. Harris (Head of Financial Services & S151 Officer) introduced the Forward Work Programme which is currently populated until the meeting in January 2022.

The Chair noted the large number of reports scheduled for the meeting in January and proposed future meetings to be scheduled every 6 to 8 weeks. Members were advised that discussions were ongoing in relation to the number of reports at each meeting and the frequency of the meetings. S. Harris proposed that at the next meeting in January 2022 he would confirm future meeting dates for 2022 and the reports scheduled for these meetings. This information to be provided to the Chair prior to the next meeting in January 2022.

Discussion followed in relation to reports and meetings, with a member noting that a separate meeting could have been held for the Financial Statements. Members were again advised that ongoing discussions outside of the meeting would include confirmation of additional meeting dates that could then be cancelled if they became unnecessary in the future. Members noted that restricting the number of reports scheduled for each meeting would allow more consideration by members on the scheduled reports. The Chair proposed that these changes be confirmed in a report to be included in the next meeting in January 2022.

A member queried the future changes to the Governance and Audit Committee. Members were advised that a report was due to go to Council in November which would include the requirement that one third of the membership of the Governance and Audit Committee would need to be lay members. Members were advised that this would also be confirmed in the next meeting in January 2022.

A member sought clarification on the specific advertising and recruitment for these lay members. Members were reassured that a draft advert had been prepared with the involvement of the WLGA and that advertising for these roles was imminent. Members were advised that the WLGA would be involved in the advertising and discussion followed with proposals to advertise in the local press and the Council's website.

Subject to a proposed review of additional future meeting dates and scheduled reports being agreed, it was moved and seconded that the forward work programme be approved and by way of Microsoft Forms this was unanimously agreed.

RESOLVED that the Forward Work Programme be approved.

### **REPORTS OF OFFICERS**

Consideration was given to the following reports.

**5. AUDIT WALES WORK PROGRAMME AND TIMETABLE – CAERPHILLY COUNTY BOROUGH COUNCIL. QUARTERLY UPDATE: 30 SEPTEMBER 2021.**

Mr G. Jones (Audit Wales) introduced the report and presented an update on the work programme and timetable, advising members that due to the pandemic, the provision of services by the authority was priority but that audit work was ongoing.

Members were referred to the Audit Wales national reports, which included the 'Picture of Public Services' and the 'Town Centre Regeneration' reports which would be referred to future meetings of the Governance and Audit Committee.

A member queried if options had been considered and agreed in relation to local risk-based work that was due to start in September 2021. Members were advised that discussions were ongoing with the Interim Chief Executive, and that homelessness was currently one of the options being considered.

A member referred to the 'Improvement reporting audit' included in the 2021-2022 programme for November 2021 that had not yet commenced. Members were advised that the performance report was going to Cabinet on 27<sup>th</sup> October 2021 and to Council on 9<sup>th</sup> December 2021.

A member queried Affordable Housing and Town Centre Regeneration included in the Audit Wales report. Members were advised that the Town Centre Regeneration was a national study which requires a response from each local authority. No information was available on the report for Affordable Housing, but an update would be provided outside of the meeting.

A member referred to the Care Inspectorate Wales (CIW) and noted that no inspections are scheduled at this time. Members were advised that this was due to the pandemic in relation to public safety, although remote meetings are continuing.

Following consideration of the report, the Committee noted its contents.

**6. FINANCIAL STATEMENTS FOR 2020/21.**

S. Harris (Head of Financial Services and S151 Officer) introduced the report which presented the Governance and Audit Committee with the Audit Wales 'Audit of Accounts Report' for the 2020/21 financial year and sought a recommendation from the Governance and Audit Committee that Council approves the 2020/21 Audited Financial Accounts at the Special Council meeting on 14 October 2021. Members were advised that, due to the pandemic, the preparation and audit of the accounts had been challenging and S. Harris wished to note his thanks to colleagues in finance and the audit team for their hard work and professionalism throughout the audit process.

Members were advised that recommendations arising from the audit of the accounts were not included in the Audit Wales report but that they would be included in the Audit of Accounts Addendum Report which will be presented to the Governance and Audit Committee at its meeting on 25 January 2022. This subsequent report will set out details of Audit Wales' recommendations arising from the audit of the Council's 2020/21 Financial Accounts and the associated management responses.

M. Jones (Audit Wales) presented the Audit Wales Audit of Accounts Report for Caerphilly County Borough Council and members were advised that it was the intention of the Auditor General to issue an unqualified opinion on the 2020/21 accounts.

Members attention was drawn to the timetable in exhibit 1, noting that the audited accounts are scheduled to be certified by the Auditor General on 18 October 2021, which would be six weeks ahead of the Welsh Government deadline of 30 November 2021.

Members were referred to two uncorrected misstatements, one of which was from the previous financial year. A member queried the increase in the value of the uncorrected misstatements from the previous year which had increased from £1.2 million to £1.5 million. The member sought clarification as to why there had been no progress made with this matter. It was clarified that the figure was in relation to housing benefits and members were assured that the current £1.5 million uncorrected misstatement would be resolved in the 2021/22 accounts.

A member sought clarification on the materiality figure of £6.6 million and an explanation was provided by colleagues from Audit Wales. Members also queried the 'summary of corrections made', in Appendix 3 of the Audit Wales report and sought further clarification on the nature of these adjustments. Members were advised that these corrections had been agreed by Officers and that the Financial Statements had been amended accordingly.

A member queried the amount of money in reserves referred to in the report and members were advised that a report on the reserves held by the Authority is presented annually to the Policy and Resources Scrutiny Committee, with the next report scheduled for January 2022.

Following consideration of the report, it was moved and seconded that the recommendations be approved and by way of Microsoft Forms (and in noting there were 8 for, 0 against and 0 abstentions) this was unanimously agreed.

RESOLVED that the Financial Statements for 2020/21 Report Recommendations be approved and noted.

## **7. AUDIT WALES REPORT – FINANCIAL SUSTAINABILITY OF LOCAL GOVERNMENT – COVID-19 IMPACT, RECOVERY AND FUTURE CHALLENGES.**

G. Jones (Audit Wales) presented the report which gave members a National view on the financial sustainability of each of the 22 councils in Wales in relation to the Covid-19 impact, recovery, and future challenges. Members were advised that Caerphilly had the second highest level of reserves in Wales and that demand for some services was likely to increase, including homelessness, looked after children and vulnerable adults. It was noted that the cost of Covid was largely covered by the Welsh Government and that Caerphilly remained resilient with its level of reserves. Members were advised that Caerphilly County Borough Council was in a strong liquidity position.

Discussion followed and some members noted that this was a more general report on local authorities in Wales and not specific to Caerphilly. Members were advised that a specific report in relation to Caerphilly had been provided at the previous Governance and Audit Committee in June, and this included proposals for improvement in relation to the medium-term financial plan, and the Transformation Programme. Going forward, regular updates would be provided to the Team Caerphilly Programme Board and update reports would be provided to the Policy and Resources Scrutiny Committee and Cabinet. Members were also advised that the Governance and Audit Committee receive updates on proposals for improvement from regulators and noted that Caerphilly were in a strong financial position.

Following consideration of the report, the Committee noted its contents.

## **8-10. INFORMATION ITEMS**

The Committee noted the contents of the following reports which had not been called forward

for discussion at the meeting: -

- i. Regulation of Investigatory Powers Act 2000.
- ii. Officers Declarations of Gifts and Hospitality April to June 2021.
- iii. Recovery Planning – Assurance and Risk Assessment Project feedback letters.

The Chair thanked Members and Officers for their attendance and contributions and the meeting closed at 3.27 p.m.

Approved as a correct record and subject to any amendments or corrections agreed and recorded in the minutes of the meeting held on 25<sup>th</sup> January 2022.

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CHAIR