



## **GOVERNANCE AND AUDIT COMMITTEE**

### **MINUTES OF THE MEETING HELD IN PENALLTA HOUSE AND VIA MICROSOFT TEAMS ON TUESDAY 11<sup>TH</sup> OCTOBER 2022 AT 2.00 P.M.**

PRESENT:

Councillors:

M. A. Adams, A. Broughton-Pettit, M. Chacon-Dawson, P. Cook, Mrs T. Parry, J. Taylor and C. Wright (Vice Chair).

Lay Members:

N. Yates (Chair), M. Rees, V. Pearson and J. Williams.

Together with:

Officers: R. Edmunds (Corporate Director for Education and Corporate Services), D. Gronow (Acting Internal Audit Manager), L. Lane (Head of Democratic Services and Deputy Monitoring Officer), S. Richards (Head of Education Planning and Strategy), R. Roberts (Business Improvement Manager), J. Pearce (Business Improvement Officer), J. Lloyd (Committee Services Officer), S. Hughes (Committee Services Officer) and R. Barrett (Committee Services Officer).

M. Jones (Audit Wales), and B. Roberts (Audit Wales).

Also in attendance: Councillor C. Morgan and Councillor E. Stenner.

### **RECORDING AND VOTING ARRANGEMENTS**

The Chair reminded those present that the meeting would be live-streamed and a recording made available to view 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 Councillor Mrs. E.M. Aldworth, and S. Harris (Head of Financial Services and S151 Officer).

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

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

### **3. MINUTES – 14<sup>TH</sup> JUNE 2022**

It was moved and seconded that the minutes of the Governance and Audit Committee held on 14<sup>th</sup> June 2022 be approved as a correct record, and by way of Microsoft Forms and verbal confirmation (and in noting there were 10 votes for, 0 against, and 1 abstention) this was agreed by majority present.

RESOLVED that the minutes of the meeting held on 14<sup>th</sup> June 2022 (minute nos. 1-19) be approved as a correct record.

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

The Acting Internal Audit Manager presented the Governance and Audit Forward Work Programme for the period October 2022 to May 2023.

Members noted the details of reports scheduled for the forthcoming meetings.

M. Jones (Audit Wales) advised Members that the special meeting of the Governance and Audit Committee shown as 26<sup>th</sup> October 2022 was now scheduled for 15<sup>th</sup> November 2022.

It was moved and seconded that the Forward Work Programme be approved. By way of Microsoft Forms and verbal confirmation this was unanimously agreed.

RESOLVED that the Forward Work Programme as appended to the meeting papers be approved.

### **REPORTS OF OFFICERS**

Consideration was given to the following reports.

### **5. UPDATE ON INTERNAL AUDIT REPORT RECOMMENDATIONS**

The Acting Internal Audit Manager introduced the report which provided Members of the Governance and Audit Committee with an update on Internal Audit report findings, the numbers and risk ratings and progress on the related recommendations.

As requested by the Governance and Audit Committee, regular reports to be provided to inform Members on Internal Audit findings and associated recommendations.

Members were advised that the report provides an update on the number of Internal Audit findings created, their risk ratings, their completion/agreement status, the number of recommendations arising from those findings and the status of the recommended actions required to mitigate those risk findings.

Members were informed of the progress made in implementing recommendations by service areas/ locations in receipt of Internal Audit reports, to ensure that reported risks are being addressed appropriately and within adequate timeframes.

Members were advised that work has been continuing and as of 29<sup>th</sup> September 2022 there were 968 findings that had been raised within the MK system since the date of implementation. The system enables the individual auditor to risk rate findings, in line with internal guidance procedures. As the auditor creates each finding they also detail the

actions that are recommended that would mitigate or remove the risk identified. Members were also advised that all Internal Auditors work is subject to review by more senior staff for quality control and consistency before agreeing risk ratings and issuing findings to managers. At the time of extracting the data there were 19 findings that had been created in relation to audit work in progress and were in draft in the report as they had not yet been reviewed. No risk rating status had been attributed to these at this point.

A Member sought clarification on high and medium risk ratings and requested examples of these, together with relevant recommendations. Members were advised of a document that had previously been circulated, that had included this information. High risk would be actual loss of cash, assets or information, which would require immediate action. Medium risk could be the risk of loss of cash, assets or information, for example, monies not kept in a safe overnight. Members agreed for the document referred to, to be circulated to them after the meeting.

A Member queried information in the report relating to risk findings that were 'not accepted'. Members were advised that these risks just merit attention from the risks identified. Risks remain the 'ownership' of the section where they occurred, and Managers may accept that they carry these risks but believe that they have other processes that cover the risks.

A Member requested more information on the high risk items that are in progress and suggested information on their dispersal across the directorate, and of those that are in progress, if they are out of time limits. Members were advised that a lot of different information can be accessed through the audit data system and going forward, will look at providing information from specific requests from Members. Members were also advised that schools would be re-visited, following their initial audit during the pandemic, with 6 on-site school visits already planned before March 2023.

A Member queried whether there were time limits and whether these were being attained. Members were advised that the higher the risk, the more immediate the action needed to be to rectify the issue. Members were also advised that if a change to a policy was required, in order to reduce the risk, then there would be a longer allowance of time to reach a satisfactory outcome. Members were informed that if they were unhappy with information provided by Service Managers, following an audit, they could be invited to future Governance and Audit Committees to address any concerns of the Members.

Following consideration of the report, the Governance and Audit Committee noted its contents.

## **6. INTERNAL AUDIT SERVICES: ANTI-FRAUD STRATEGY ACTION PLAN**

The Acting Internal Audit Manager presented the report which informed Members of the action plan that has been drawn up following the approval of the draft Anti-Fraud strategy in June 2022.

Members were advised that the Governance and Audit Committee are responsible for ensuring that strategies and policies relating to risk and control are adequately managed and monitored in order to gain assurance regarding the adequacy of risk management and internal control frameworks within the Council. The anti-fraud strategy is one such document and the draft strategy was approved at the meeting of the committee in June 2022. Following approval of the draft strategy an action plan is now required to set in place the actions required to develop arrangements to embed the strategy.

A Member sought clarification on the action plan, in particular the target dates, and queried whether they were all future dates or historic dates due to completion of the actions, and if so, requested more information on the completed items. Members were advised that the historic dates did not confirm completion, and that the strategy was to be reviewed by CMT. With regards to schools, Members were advised that anti-fraud strategies needed to be looked at and that schools are awaiting the strategy to be published.

Members also highlighted that the target dates in the report were 2022 and should be 2023, and this correction was noted by Members and Officers.

A Member sought clarification on the recipients of the advice and training, referred to in the report. Members were advised that Officers would receive training by way of awareness sessions, however, Officers who deal with cash transactions and accounts would require a higher level of specific training.

A Member confirmed that 'NFI' referred to National Fraud Initiative. Members were advised that this was a 2-yearly cycle that 'data matches' information, and that the results are published.

A Member queried the 'ongoing' items in the action plan, and whether the plan is a 'live' document under review. If so, the Member suggested some reference to dates when 'live' actions would be reviewed. Members were advised that this information could be included in a 'review cycle'.

It was moved and seconded that the Anti-Fraud Strategy Action Plan be endorsed. By way of Microsoft Forms and verbal confirmation this was unanimously agreed.

RESOLVED that the Anti-Fraud Strategy Action Plan be endorsed.

## **7. DRAFT ANNUAL SELF-ASSESSMENT REPORT 2021/22**

The Business Improvement Manager presented the report and gave Members a presentation on the self-assessment report. Members were provided with information regarding the duties for Councils under the relevant legislation and, in particular the role of the Governance and Audit Committee in the self-assessment. Members were recommended to review the draft self-assessment report and if necessary, make recommendations for changes to the conclusions or action the council intends to take.

A Member requested the information provided in the presentation and asked for copies to be circulated to Members. This request was noted.

A Member sought clarification on the Welsh Government guidelines that had been given to all Welsh Local Authorities to produce the self-assessments but noted that not much detail had been given to LA's so the self-assessments could all be different. The Member also noted that when published by LA's, these could then be compared to others. Members were advised that each Local Authority can decide on the information to be included, and this would vary from different Local Authorities. Reference would be made to others when producing the self-assessment for Caerphilly. Members were also informed that the WLGA have organised workshops for LA's in producing the self-assessments.

A Member sought clarification on the Corporate Planning included in the appendix to the report, showing the progress reported against the Council's current six Well-being

Objectives over the last twelve months, and noted they were all progressing well. In particular, in relation to public transport, the Member wished to note that 'progressing well' was not an accurate account for the current situation in some parts of Caerphilly Borough. Members were advised that every year an annual report is produced on the Well-being objectives, and a detailed annual report will accompany the self-assessment. Members were informed that full details will be provided in the annual report, with regards to those objectives that were 'progressing well'. In relation to the transport issue, raised by the Member, it was noted that the outcomes for transport were progressing well, even though there may still be some outstanding issues.

The Corporate Director for Education and Corporate Services advised Members in relation to the comparison with other LA's, discussed earlier in the meeting, and noted that these will become more comparative over time. Members were advised that following the elections every five years, an external peer assessment is done on each Local Authority, based on their self-assessments. It was also noted that the development of the corporate plan, would identify priorities and specific outcomes within the 5 year period.

The Business Improvement Manager wished to note an error within the report in section 5 of the appendix, 2018-2013 should be 2018-2023.

A Member sought clarification on whether the reference to staff who worked for the Council included volunteers. Members were advised of the employee volunteering scheme, the creation of Caerphilly Cares, and working with GAVO. The Head of Education Planning and Strategy also advised Members of the successful volunteering workshop.

A Member commented on the report and sought clarification on the conclusions, objectives and desired outcomes. It was noted that the report only appeared to include what had gone well. Members were advised that this was helpful feedback, and that a lot of the evidence-based information had not been included in the report, which gave the outcomes and objectives. Members were also advised that the information is condensed to the objectives and outcomes, but the extensive background information could be included in future reports, if required. It was also suggested to Members that the background information could be made available for a separate meeting, if Members wished to do this.

A Member sought clarification on those employees that are given their 'time back' and whether this was not in the spirit of volunteering. Members were advised that only 2 days per year are given back to employees, who volunteer for much longer than 2 days, and is meant as more of a 'thank you' than a 'payment'.

A Member referred to some typing/grammatical errors in the report, which were clarified to Members by Officers.

A Member queried when the document is approved and becomes a public document, could it also explain how the Council produces the document. Members were referred to information within the report which includes the various stakeholders and departments involved in producing the document, and also the Governance and Audit Committee. The Member suggested that more information on this committee, and the scrutiny committees, could be included such as what they do, their roles and possibly include links to further information available. Members were advised that this would be taken on board and the roles of scrutiny and Council could be included in the final version.

It was moved and seconded that the Draft Annual Self-Assessment Report 2021/22, as attached as appendix 1, be reviewed and no recommendations were made for the changes

to the conclusions or actions the council intends to take. By way of Microsoft Forms and verbal confirmation this was unanimously agreed.

RESOLVED that the Draft Annual Self-Assessment report 2021/22, as attached as appendix 1, be reviewed and made no recommendations for the changes to the conclusions or actions the council intends to take.

**8. ANNUAL REPORT ON CORPORATE COMPLAINTS RECEIVED FOR THE PERIOD 1<sup>ST</sup> APRIL 2021 TO 31<sup>ST</sup> MARCH 2022**

The Head of Democratic Services and Deputy Monitoring Officer presented the report which provided the Governance and Audit Committee with an overview of the complaints dealt with under the Corporate Complaints policy for the period 1<sup>st</sup> April 2021 to 31<sup>st</sup> March 2022 together with the outcomes and lessons learned. Members were informed that the report would also be presented to Cabinet on 19<sup>th</sup> October.

Members were also advised that The Local Government and Elections Wales Act 2021 sets out provisions for the Governance and Audit Committee to 'review and assess the authority's ability to handle complaints effectively and to make reports and recommendations in relation to the authority's ability to handle complaints effectively'.

Members were advised that the policy dealt with corporate complaints only and that there are separate complaints policies for social services complaints and school-based complaints. Members were informed that a new policy was adopted in April 2021, and staff training had been undertaken with the Public Services Ombudsman for Wales. Members were also informed of a new computerised complaints system which was due to be trialled, which would streamline the process of dealing with complaints and learning from the outcomes.

Members were advised that quarterly statistics on complaints are provided to the Ombudsman, which are then published on the Ombudsman's website.

A Member noted the Officers responses within the report showing how complaints had been dealt with. The Member sought clarification on the reference to specific training and requested more information, going forward, on how specific complaints were dealt with and suggested that Members could have some training/briefing on how complaints are dealt with, in order to have a better understanding of the process. Members were advised that this could be arranged.

A Member sought clarification on the number of different stages of complaints, what constitutes stage 1 and stage 2, and those that have escalated from stage 1 to stage 2, where the complainant is not satisfied with the outcome at stage 1. Members were advised that a stage 1 complaint has a 10 working day response, and a stage 2 complaint has a 20 working day response. Members were advised that extensions to these timescales could occur, with the agreement of the complainant, in order to fully investigate the complaint. Members were also advised that the Ombudsman's policy and guidance on complaints could be re-circulated to Members for their information.

A Member noted the detail of the report and requested more analysis across the directorates and an overview of the information provided within the body of the covering report. The Member also sought clarification on the Social Services complaints policy, and whether this covered the whole of Social Services Directorate. Members were advised that

there are different 'routes' for social services complaints, depending on the nature of the complaint, which can involve an independent investigation.

Following consideration of the report, the Governance and Audit Committee noted its contents.

## **9-12. INFORMATION ITEMS**

It was confirmed that none of the following items had been called forward for discussion at the meeting, and the Committee noted the contents of the reports: -

- (i) Regulation of Investigatory Powers Act 2000;
- (ii) Officer's Declaration of Gifts and Hospitality January to March 2022;
- (iii) Register of Employees' Interests Forms 2021/22;
- (iv) Corporate Governance Panel Minutes (19<sup>th</sup> May 2022).

The Chair thanked Members and Officers for their attendance and contributions and the meeting closed at 3.48 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 24<sup>th</sup> January 2023.

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CHAIR